	Clerk's Stamp:
COURT FILE NUMBER	
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE OF	CALGARY
	IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ENERGERA INC., ENERGERA INTERNATIONAL INC., ENERGERA AMERICA INC., AND SANDTINEL LLC
APPLICANT(S):	ENERGERA INC., ENERGERA INTERNATIONAL INC., ENERGERA AMERICA INC., AND SANDTINEL LLC
DOCUMENT	AFFIDAVIT
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING DOCUMENT	Blue Rock Law LLP 700-215 9 Avenue SW Calgary AB T2P 1K3 Attention: David W. Mann KC / Scott Chimuk Phone: (587) 317-0643 / (587) 390-7041 Fax: (825) 414-0831 Email Address: david.mann@bluerocklaw.com scott.chimuk@bluerocklaw.com File No. 2121 - 00001

AFFIDAVIT OF TODD VAN VLIET
Sworn on March 11, 2026

I, TODD VAN VLIET, of Edmonton, Alberta, SWEAR AND SAY THAT:

A. INTRODUCTION

1. I am the Chief Executive Officer of Energera Inc. ("**Energera**"), its Argentinian subsidiary, and its primary North American subsidiaries.

2. Energera is an Alberta corporation and the parent corporation of Energera International Inc. ("**Energera International**") and Energera America Inc. ("**Energera America**"), and Energera America Inc. is the parent of Sandtinel LLC (collectively, the "**Energera Group**" or the "**Applicants**").

3. The Energera Group carries on an energy technology business in the oilfield services industry, and its operations are integrated and managed from its headquarters in Spruce Grove, Alberta, with services provided to customers in various provinces and states, including Alberta, British Columbia, Texas, Colorado, Pennsylvania, Wyoming, Ohio, Louisiana, New Mexico, and North Dakota, as well as Argentina. The Energera Group also maintains equipment and frequently conducts operations in Utah, West Virginia, and Oklahoma.

4. Energera America is a Delaware corporation and Sandtinel LLC is a Delaware limited liability company, reflecting the Energera Group's cross-border operations.

5. I have personal knowledge of the matters herein deposed to, except where stated to be based on information and belief, in which case I verily believe such information to be true.

6. Unless otherwise indicated, references to currency in this Affidavit are to Canadian dollars.

7. The Energera Group does not waive, and does not intend to waive, any applicable privilege by the delivery of this Affidavit.

B. RELIEF REQUESTED

8. This Affidavit is made in support of the application by the Energera Group for an initial order under the *Companies' Creditors Arrangement Act* (the "**CCAA**") in these proceedings. This request for CCAA protection is made in the context of enforcement steps having been commenced by the Energera Group's senior secured lenders, as described below, for amounts in excess of $5,000,000 which they cannot pay at present.

9. In support thereof, I respectfully submit this Affidavit to request relief designed to safeguard the Applicants' property and businesses while enabling their re-financing, sale and/or restructuring efforts. In particular, the relief sought is as follows:

   a. That the Applicants are entities to which the CCAA applies.

   b. A stay of all proceedings, demands, notices, remedies, and enforcement processes (collectively, "**Proceedings**") currently in effect or that may be initiated in respect of the Applicants or any of their subsidiaries, affiliates, directors, officers, employees, or representatives, or affecting their current and future undertaking, property, and assets (collectively, the "**Property**").

c. This stay shall remain in force for an initial period not to exceed ten days, thereby ensuring that the Applicants are afforded the breathing space necessary to commence an orderly re-financing, sale and/or restructuring process, with any further relief to be sought at the Comeback Hearing.

d. The appointment of RJT Restructuring Inc. (the "**Monitor**") as an officer of this Court to oversee and monitor the assets, business, and affairs of the Applicants. The Monitor has been selected on the basis of their extensive experience and qualifications in forensic accounting, financial restructuring, and ongoing business monitoring in complex restructuring scenarios.

e. The granting of an Administration Charge of up to a maximum amount of $250,000 over the Property. This charge is intended to secure the fees and disbursements of the Monitor, the Monitor's counsel, the Applicants' counsel and financial advisors as required, including fees and disbursements incurred prior to the commencement of these proceedings, ranking in priority before the secured lenders.

f. The granting of a Directors and Officers Charge up to a maximum amount of $250,000 over the Property. This charge is intended to ensure the Energera Group retains the services of its directors and officers throughout the course of these CCAA proceedings.

g. Authorization for the Applicants to continue carrying on their business in the normal course, consistent with the preservation of the value of their assets and the protection of stakeholder interests.

10. Should the Initial Order be granted, the Applicants intend to return to Court within ten days (the "**Comeback Hearing**") seeking approval for an Amended and Restated Initial Order (the "**ARIO**"). The ARIO will propose:

a. an extension of the initial Stay of Proceedings;

b. expanded restructuring authority empowering the Monitor to remedy ongoing and foreseeable operational challenges;

c. an increase in the maximum Administration Charge to $750,000; the implementation of a sale and investment solicitation process (a "**CCAA SISP**"); and

d. the approval of the Applicants' ability to borrow on a debtor-in-possession basis (the "**DIP Facility**"), if thought necessary, for working capital and general corporate purposes, inclusive of granting a charge over the property which forms collateral to the secured lenders, to secure advances under such facility.

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C. OVERVIEW OF THE ENERGERA GROUP

I. Corporate Structure and Governance

11. Energera (formerly known as Frac Shack Inc.) is a corporation incorporated under the laws of the Province of Alberta and is the parent company for the Energera Group. The Energera Group's corporate architecture is designed for multi-national operational management and risk mitigation, consisting of the following key subsidiaries:

    - Energera International (formerly known as Frac Shack International Inc.): Federally incorporated under the laws of Canada and extra-provincially registered in Alberta and British Columbia.

    - Energera America (formerly known as Frac Shack America Inc.): A Delaware corporation that serves as the primary holding entity for the Energera Group's United States operations. It is registered to carry on operations in approximately 13 states of the USA.

    - Sandtinel LLC: A Delaware limited liability company that is 100% owned by Energera America. It is registered to carry on operations in approximately 6 states of the USA.

    - Frac Shack Sociedad Por Acciones Simplificada: An Argentine corporation in which Energera retains a controlling 51% equity interest.

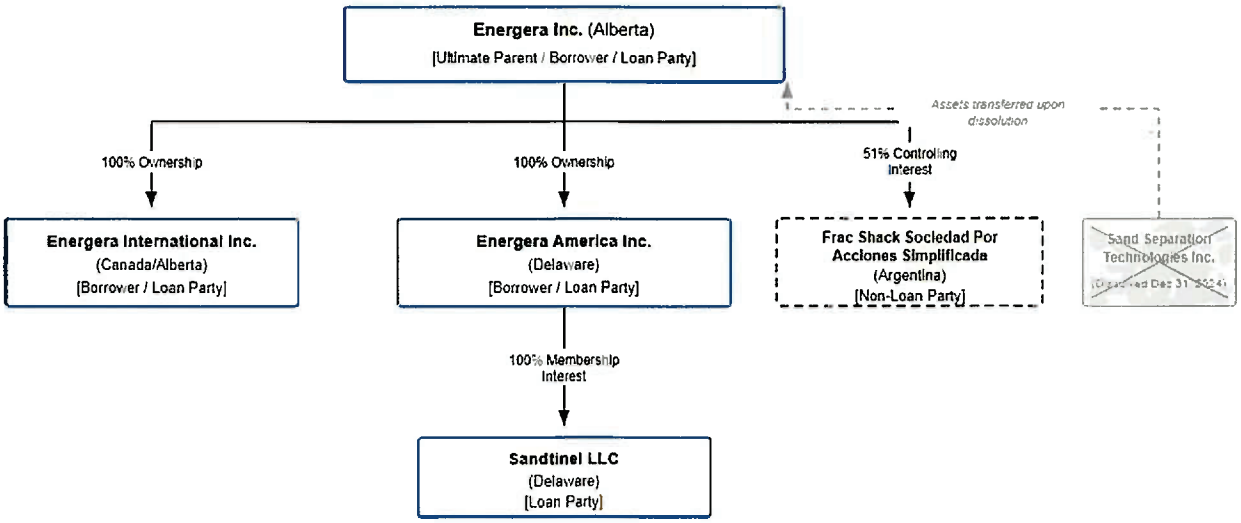
12. Effective December 31, 2024, the Energera Group completed the strategic dissolution of Sand Separation Technologies Inc. (formerly known as 2233423 Alberta Ltd.), an Alberta corporation that was previously a 100% owned subsidiary of Energera. While this entity historically served as a co-borrower under the Energera Group's various credit agreements and held specific intellectual property assets its dissolution was a key component of a corporate streamlining effort. This reorganization was designed to consolidate the technology portfolio directly under Energera, the parent corporation, thereby reducing administrative overhead, simplifying transfer pricing documentation, and presenting a more optimized, lean balance sheet to debt underwriters. It also makes certain tax losses available to the parent company in future tax periods.

13. The utilization of Delaware for the incorporation of Energera America Inc. and Sandtinel LLC is a strategic mechanism for corporate risk management, providing a predictable legal framework for the Group's extensive United States hardware fleet and operational contracts. The Group's operations are highly integrated and managed from its global headquarters located in Spruce Grove, Alberta.

14. To further illustrate the structure and the interrelationships between the parent entity and its various domestic and international subsidiaries, I have included a corporate organizational chart below. This chart provides a visual representation of the Energera Group's corporate governance framework,

including the ownership percentages and jurisdictional delineations described above. Alberta corporate profiles for Energera Inc. (Alberta), Energera International Inc. (Alberta and Federal), and PPR searches for Energera America Inc., Energera Inc., and Energera International Inc., Frac Shack Sociedad Por Acciones Simplificada, and Sandtinel Inc. are attached as Exhibits "A – H".

CORPORATE STRUCTURE OF THE ENERGERA GROUP



LEGEND: [Blue Border] = Loan Party; [Borrower] = Borrower; [Non-Loan Party] = Excluded from Loan Party Definition;
[Greyed-out/X] = Dissolved Entity; [Arrow] = Ownership/Controlling Interest; [Dashed Grey Arrow] = Assets transferred to parent upon dissolution

II. Leadership Team and Background

15. My professional background is specialized for the leadership of a heavy-industrial energy technology firm. I obtained a Bachelor of Arts in Economics from the University of Alberta in 1982 and a Law degree from McGill University in 1985. Prior to co-founding the Energera Group, I spent 20 years in private legal practice, where I advised complex organizations on structural efficiency and risk management. From 2005 to 2013, I worked with my brother and father as set out below in a bulk fuel technology and logistics company called Environmental Refuelling Systems Inc. After co-inventing the Frac Shack technology in 2010, I took over that line of business in 2013 full time, growing it from a Western Canadian service business into the multinational entity that currently serves three countries on two continents.

16. Lance Holmstrom serves as the Chief Financial Officer (CFO) for the Energera Group and has been with the organization since 2011. In his capacity as CFO, Mr. Holmstrom is a key signatory for the

Group's major financial instruments. He holds a Masters in Business Administration, is a Certified Professional Accountant (CPA-CGA), a Certified Credit Professional (CCP), and holds the ICD.D designation, reflecting our commitment to top-tier governance.

17. The founding legacy of the enterprise was established by the Van Vliet family. Maury Van Vliet provided the industrial experience necessary to enter the energy sector, drawing from his background in remote helicopter refueling. Maury, alongside myself and Scott Van Vliet, formed the genesis of Environmental Refuelling Systems Inc., the precursor to the Frac Shack concept.

18. In late 2018, Michael Ross succeeded Maury Van Vliet as Chairman of the Board. Under this leadership team, the organization pivoted from a diesel logistics provider into a sophisticated energy technology enterprise focused on natural gas substitution and emissions reduction. Mr. Ross resigned from the Board in 2024 to move on to other opportunities. Todd Van Vliet has been acting Chair of the Board since that time.

III. Business Operations and Innovative Technology

19. The Energera Group is a premier provider of energy technology solutions within the oilfield services sector, formed through the purchase of Sandtinel from an Alberta-based engineering company in 2020. The Group has successfully pivoted from a technology distributing diesel and natural gas for frac operations into a sophisticated emissions-reduction and data-driven enterprise, operating through two primary divisions:

    - **Frac Shack Division**: Provides automated hydraulic fracturing fueling solutions that support diesel, bi-fuel, and natural gas-powered frac fleets. These modular, self-contained, and fully mobile units facilitate the transition from traditional fuel sources to natural gas, significantly increasing safety and environmental integrity during pressure pumping operations. The division offers three primary refueling models: Diesel, Bi-Fuel, and Natural Gas Conditioning.

    - **Sandtinel Division**: Focuses on advanced non-cyclonic flowback sand separation and monitoring technologies. These patented vessels, including the Defender, Maverick, and General models, are engineered to eliminate produced sand as wells are brought online, protecting downstream equipment and reducing downtime. The Sandtinel portfolio includes specialized intellectual property regarding solids removal, which also significantly reduces the release of methane (a potent greenhouse gas) during flowback.

20. The Energera Group is committed to advancing sustainable technologies, working with tier-one, multi-national exploration and production corporations to achieve ambitious ESG (Environmental, Social,

and Governance) and climate performance goals through innovative, custom-tailored and engineered solutions.

IV. Geographic Footprint and Market Presence

21. The Energera Group maintains an expansive and complex multi-jurisdictional operational footprint, servicing a diverse client base across the most prolific shale basins in North and South America. The Energera Group currently maintains active operations and assets in:

    - **Canada**: Alberta and British Columbia.

    - **United States**: Texas, Colorado, Wyoming, Ohio, Pennsylvania, North Dakota, Louisiana, and New Mexico. The Group also frequently deploys equipment and conducts operations in Utah, West Virginia, and Oklahoma.

    - **Argentina**: Managing equipment deployment and operations within the Vaca Muerta shale play through a corporate venture with co-owners: Frac Shack Sociedad Por Acciones Simplificada, in which Energera retains a controlling 51% equity interest. This entity is structurally excluded from the definition of a "Loan Party" under our primary credit agreements to mitigate geopolitical and currency risk for our North American lenders.

22. This broad geographic reach allows the Energera Group to service regional oil and gas leaders and multi-national corporations while adhering to international ISO standards and rigid procurement requirements. We are ISO 9001 (Quality Management), 14001 (Environmental Management), and 45001 (Safety Management) certified. These certifications demonstrate our commitment to operational excellence and rigorous risk mitigation in demanding field environments. For our partners, this means consistent service quality, strict adherence to environmental protocols, and a 'safety-first' culture that protects both our people and our assets.

V. Workforce and Financial Viability as a Going Concern

23. The Energera Group is a substantive and viable going concern business. It maintains a highly specialized workforce of over 130 individuals who are instrumental in servicing its sophisticated hardware fleet and integrated operations across the jurisdictions described above. Approximately half of the workforce is based in Alberta.

24. Despite the current need for restructuring, the Energera Group remains cash flow positive. After accounting for interest payments to the Lenders and payment of Lender required consultants, the Group generated approximately $500,000 USD in January 2026 net of operating costs which included the one-time costs for the move of the head office to lower rent premises. While February reporting is

not yet available, it is on a similar net free cash flow trajectory based on operating days completed and cost reductions given head office moving costs were accounted for in January. The Energera Group is cash flow positive and continues to make required payments to the Lenders.

25. Furthermore, as of February 2026, the Group is approximately four months ahead of its bank payments pursuant to the original lending agreement due to aggressive cash sweeps required by the Lenders. The Group's fundamental value is further evidenced by the active interest of numerous viable and interested third parties, including well-capitalized strategic entities, which seek to lend replacement funding and/or acquire the business as a going concern to avoid the reputational and operational losses that would inevitably result from a disruptive receivership.

VI. Preserving Customer Confidence and Operational Stability

26. The Energera Group operates within the highly competitive and risk-averse oil and gas industry, where the reliability and safety of service delivery are paramount. In this sector, the operational realities of modern hydraulic fracturing are intense; for instance, a single multi-well frac pad may require a fleet of twenty to forty high-pressure pump trucks running continuously for weeks. Given these high-stakes conditions, any uncertainty regarding the Energera Group's ability to fulfill its service commitments, or any perception that management cannot ensure operations are conducted in a manner that preserves safety, would prompt customers to immediately switch to alternative service providers. The risk of downtime in the oil and gas industry is simply too large for our clients, who rely on seamless and uninterrupted service to maintain their own operational efficiency and safety standards.

27. The complexity of operating across multiple international, provincial, and state jurisdictions, including Alberta, British Columbia, and up to 13 U.S. states such as Texas, North Dakota, and Pennsylvania, as well as Argentina, further amplifies the need for stability. Any disruption or perceived instability could have far-reaching consequences across this diverse operational footprint, where assets and operations are inherently complex and multi-jurisdictional. Consequently, the Group's reputation for safety, underpinned by its proprietary "Life Saving Rules" and ISO certifications (9001, 45001, and 14001), is a vital commercial asset that would be immediately jeopardized by the perceived instability of a receivership.

28. Senior management is the key to preserving these critical customer relationships and ensuring the delivery of services across these various jurisdictions. However, the financial constraints imposed by the Lenders on the operations of the business have already begun to severely impact the Energera Group's ability to retain its highly skilled workforce. Specifically, the Group has been unable to offer competitive pay increases, which has directly led to the recent loss of key staff members. I verily believe that the granting of a receivership order would exacerbate this talent drain, resulting in more

key staff leaving for competitors and further undermining the Group's capacity to deliver services effectively.

29. A restructuring under the CCAA is essential, as it offers a structured and stable environment to address financial challenges while preserving the Energera Group's reputation, staff, and customer relationships. In contrast, the destructive nature of a receivership would likely result in immediate customer attrition, severely compromising the Group's cash flows and overall operational viability. Such an order would likely necessitate the receiver to take on additional loans to maintain even basic operations, whereas the Energera Group is currently a fundamentally viable, cash-flow positive enterprise and is fully capable of servicing the interest on its loans to the Lenders. A CCAA restructuring is therefore the only prudent choice to safeguard the interests of all stakeholders and avoid the "value-destructive" consequences of a forced liquidation.

D. SECURED DEBT

I. The Credit Agreement

30. On or about May 15, 2023, the Borrowers entered into a credit agreement designated as the Second Amended and Restated Credit Agreement (the "**Second ARCA**"). The Second ARCA is significant as it marked the origin of the current lending syndicate, succeeding a prior lending syndicate that had been in place.

31. At the time the Second ARCA was executed, the lending syndicate consisted of the following financial institutions:

- HSBC Bank Canada, acting as the lead arranger and administrative agent;
- Canadian Western Bank;
- ATB Financial; and
- Export Development Canada.

32. Since the execution of the Second ARCA, there have been two notable successions within the lender syndicate. The Royal Bank of Canada ("**RBC**") subsequently acquired or amalgamated with HSBC Bank Canada and thereafter assumed the position of Agent for the syndicate. Banque Nationale (National Bank of Canada) subsequently took over the lending position previously held by Canadian Western Bank.

33. On June 28, 2024, the Borrowers, the Agent, and the Lenders entered into the Third Amended and Restated Credit Agreement (the "**Third ARCA**"). The express purpose of this agreement was to

further amend and restate the terms and conditions set forth in the Second ARCA (therein referred to as the "Existing Credit Agreement").

34. Pursuant to the terms of the Third ARCA, the Lenders made available the following **Credit Facilities** to the Borrowers:

    - **Syndicated Facility**: A syndicated non-revolving term credit facility in the maximum principal amount of $49,700,000.
    - **Operating Facility**: An operating facility in the maximum principal amount of $7,500,000, with RBC acting as the sole operating lender.

35. The Third ARCA established a unified maturity date for these Credit Facilities of September 27, 2026.

36. On September 27, 2024, the parties executed the First Amending Agreement to the Third ARCA. This amendment was executed to modify the terms of the "Principal Credit Agreement" (the Third ARCA) specifically at the request of the Borrowers.

II. Defaults and the Interim Liquidity Arrangement

37. On January 31, 2025, the Energera Group reported a covenant breach for the period ending December 31, 2024, and subsequently received a Reservation of Rights Letter from the Agent. This letter provided formal notice of certain "Specified Defaults".

38. To maintain operational liquidity notwithstanding these defaults, the Loan Parties, the Agent, and the Lenders entered into an Interim Letter Agreement on February 5, 2025 (the "**February Letter Agreement**"). Pursuant to this agreement, the Lenders agreed to temporarily refrain from accelerating the obligations or initiating enforcement proceedings, thereby permitting the Borrowers to access overdraft loans to sustain business operations. A copy of the February Letter Agreement is attached as Exhibit "I".

III. The Forbearance Framework and Amendments

39. On February 14, 2025, the Loan Parties and the Lenders entered into a formal Forbearance Agreement (the "**Original Forbearance Agreement**"). Under this framework, the Lenders agreed to forbear from enforcing their rights and accelerating the Indebtedness through March 31, 2025, subject to the absence of further defaults. This forbearance period was subsequently extended and modified through a series of five amending agreements:

    - First Amending Agreement dated March 31, 2025;
    - Second Amending Agreement dated May 15, 2025;

- Third Amending Agreement dated May 22, 2025;
- Fourth Amending Agreement dated July 28, 2025; and
- Fifth Amending Agreement dated November 19, 2025

(collectively, the "**Forbearance Agreements**").

40. Under these arrangements, the Lenders agreed to forbear until the earlier of January 31, 2026, or the occurrence of a new default. As a condition of the Third Amending Agreement, the Loan Parties were required to provide a signed form of Consent Receivership Order, to be held in escrow and potentially entered upon the expiry of the forbearance period. A copy of the Forbearance Agreements are attached as Exhibits "J – N," respectively. Specifically, I was told by Cameron Bailey words to the effect that we "would not like the result" if we did not agree to signing the consent receivership order. I interpreted these words as a threat of adverse legal consequences, and took them to mean that we fundamentally had to sign the consent receivership order, and that there was no real choice. As such I believe that it was signed under duress.

41. Throughout the period leading up to the current proceedings, the Energera Group did not retain any specialized insolvency advisors or restructuring counsel. This decision was fundamentally influenced by a significant underestimation of the potential legal and operational impact of the consent receivership order, which the Loan Parties had provided to the Agent pursuant to the Third Amending Agreement to the Forbearance Agreement. Because this consent order was issued in the midst of a long-standing pattern of frequent, short-term renewals and extensions, including five separate amendments to the Forbearance Agreement in less than ten months, the last of which was granted more than a month past the previous extension, the Group did not anticipate that the Lenders would employ such an instrument in the abrupt manner witnessed on February 6, 2026.

42. The decision by the Lenders to immediately initiate enforcement proceedings and issue a Notice of Intention to Enforce came suddenly, without warning, and was a complete shock to the Energera Group. This aggressive shift in posture was entirely inconsistent with the established pattern of conduct and the ongoing communications between the parties throughout the multiple extensions of both the credit and forbearance agreements. From the perspective of the Energera Group, such a sudden move was unwarranted given the Energera Group's steady progress in paying down its debt and its record of not missing requisite payments.

43. Furthermore, as will be detailed further in this Affidavit, the Sale and Investment Solicitation Process ("**SISP**"), which the Lenders insisted be performed by Sequeira Partners as a condition of the Third Amending Agreement to the Forbearance Agreement ("FA"), was inherently flawed and ultimately

doomed to failure . This lender-mandated process, conducted at a significant cost of $25,000 CAD per month, failed to yield a viable outcome, further complicating the Energera Group's financial position and necessitating the current application for protection.

44. The fundamental flaw in the SISP was the Lenders' narrow and singular focus on securing a transaction that would ensure they were paid out in full, rather than seeking the best possible deal for the broader body of stakeholders, including the Group's 130 employees. Under the terms of the Third Amending Agreement, a "Transaction" was strictly defined as a sale or financing sufficient to satisfy fully all Obligations to the Lenders. This rigid requirement effectively handcuffed the process, as it precluded the consideration of strategic options that might have preserved greater enterprise value or protected jobs but did not result in an immediate 100% recovery for the Lenders.

45. This "payout-only" strategy was the wrong approach for a business that has consistently produced positive EBITDA and remains cash-flow positive. By prioritizing their own financial recovery over an "orderly distribution" or a "best interests of all parties" outcome, the Lenders stifled the potential for a more beneficial restructuring. Consequently, despite the efforts of Sequeira Partners and the Energera Group to meet prescribed milestones the process could not succeed within the restrictive parameters dictated by the Lenders.

III. Chronological History of Credit Agreements and Amendments

46. The following table summarizes the evolution of the credit facilities from the inception of the current syndicate through the most recent amendments.

Date	Agreement / Amendment Title	Key Changes and Significant Terms
May 15, 2023	Second Amended and Restated Credit Agreement (Second ARCA)	Established the origin of the current lending syndicate, succeeding a prior syndicate. Initial lenders included HSBC Bank Canada (Lead/Agent), Canadian Western Bank, ATB Financial, and Export Development Canada.
March 28, 2024	Lender Succession (RBC Acquisition)	Effective date of RBC's acquisition/amalgamation with HSBC Bank Canada, resulting in RBC assuming the role of Administrative Agent.

Date	Agreement / Amendment Title	Key Changes and Significant Terms
June 28, 2024	Third Amended and Restated Credit Agreement (Third ARCA)	Restated the Second ARCA. Established a $49,700,000 Syndicated Facility and a $7,500,000 Operating Facility. Set a maturity date of September 27, 2026.
Sept 27, 2024	First Amending Agreement to the Third ARCA	Modified terms of the Principal Credit Agreement at the request of the Borrowers. Required delivery of a fee agreement and shareholder loan amending agreement.
Jan 31, 2025	Reservation of Rights Letter	Issued by RBC following the report of a covenant breach as of December 31, 2024. Identified "Specified Defaults".
Feb 5, 2025	Interim Letter Agreement	Short-term agreement to provide liquidity and permit continued operations despite ongoing defaults.
Feb 14, 2025	Forbearance Agreement (FA)	Lenders agreed to forbear from enforcing security despite acknowledged defaults.
March 31, 2025	First Amending Agreement to the FA	Extended forbearance to May 15, 2025. Limited cash held in U.S. accounts and mandated additional financial reporting (bank statements).
May 15, 2025	Second Amending Agreement to the FA	Extended the forbearance period by only one week, to May 22, 2025.
May 22, 2025	Third Amending Agreement to the FA	Extended forbearance to September 30, 2025. Required proceeds from a real estate sale to be paid to the Agent.
July 28, 2025	Fourth Amending Agreement to the FA	Further modification of forbearance terms.
Nov 19, 2025	Fifth Amending Agreement to the FA	Routine amendments to the forbearance arrangement and extension of the forbearance period to January 31, 2026.

IV. Expiry of Forbearance and Demand for Payment

47. The forbearance period, which had been extended through five separate amending agreements, ultimately expired on January 31, 2026. Just prior to this expiration, on January 30, 2026, a teleconference occurred between the Energera Group and the Agent's representatives, specifically Cameron Bailey and Orest Konowalchuk (of Alvarez & Marsal ("**Alvarez**"), the Lenders' financial advisor). During this communication, the Group was advised that the Lenders would not provide any further renewals or extensions to the Forbearance Agreement.

48. On February 6, 2026, the Agent delivered a notice asserting multiple events of default, including alleged failures regarding interest rate hedging, milestone compliance, minimum liquidity maintenance, and the delivery of officer certificates. Consequently, the Agent declared all obligations immediately due and payable. The decision by the Lenders to immediately begin enforcement proceedings on February 6, 2026, came suddenly and without much warning, deviating from the established pattern of conduct and multiple extensions previously granted.

49. As of February 2, 2026, the Agent asserts that the total amount outstanding under the Credit Agreement is $39,061,058.27, inclusive of accrued interest and expenses, with interest continuing to accrue. On February 6, 2026, the Agent served demands for payment and Notices of Intention to Enforce Security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act* ("**BIA**") upon Energera Inc., Energera International Inc., and Energera America Inc.

V. Overview of Security Interests

50. The Indebtedness is secured by a comprehensive security package and guarantees granted by the Energera Group in favour of the Lenders, which includes:

    a. a general security agreement, dated July 8, 2019, between Energera, as debtor, and the Agent, as secured party;

    b. a general security agreement, dated July 8, 2019, between Energera International, as debtor, and the Agent, as secured party;

    c. a pledge and security agreement, dated July 8, 2019, among the Energera Group, as grantors, and the Agent, as amended by supplement no. 1, dated January 22, 2020, and supplement no. 2, dated December 4, 2020;

    d. a fixed and floating charge demand debenture, dated July 8, 2019, granted by Energera in favour of the Agent for the benefit of the Lenders;

e. a debenture pledge agreement, dated July 8, 2019, granted by Energera in favour of the Agent for the benefit of the Lenders;

f. a fixed and floating charge demand debenture, dated July 8, 2019, granted by Energera International in favour of the Agent for the benefit of the Lenders;

g. a debenture pledge agreement, dated July 8, 2019, granted by Energera International in favour of the Agent for the benefit of the Lenders;

h. a mortgage, assignment of leases and rents, security agreement, financing statement and fixture filing, dated August 10, 2022, between Energera America, as mortgagor, and the Agent, as mortgagee;

i. a guarantee, dated December 4, 2020, granted by Sandtinel LLC, as guarantor, in favour of the Secured Parties;

j. a guarantee, dated July 8, 2019, granted by Energera, as guarantor, in favour of the Secured Parties; and

k. a guarantee, dated July 8, 2019, granted by Energera International, as guarantor, in favour of the Secured Parties.

i. a guarantee, dated July 8, 2019, granted by Energera America, as guarantor, in favour of the secured parties

(collectively, the "**Security Package**"). A copy of the Security Package is attached as Exhibits "Q" – "Y", respectively.

VI. Good Faith Efforts and Financial Viability

51. Throughout the forbearance period, the Energera Group remained focused on securing replacement financing to take out the Lenders. At the insistence of the Lenders, and as a formal condition of the Third Amending Agreement to the Forbearance Agreement, we retained Sequeira Partners to undertake a twin-track SISP. The primary objective of the various forbearance extensions was to facilitate a transition to a new capital structure or a sale to a third party. However, the SISP was fundamentally constrained by the Lenders' rigid requirement that any "Transaction" must be sufficient to "satisfy fully all Obligations" and discharge the indebtedness in full. This mandate, which granted the Lenders "sole and absolute discretion" to approve or reject proposals, effectively handcuffed the process by limiting the scope of potential bids to only those offering an immediate 100% recovery for the Lenders.

52. Furthermore, the Lenders insisted on the continued involvement of Alvarez, who had been retained as the Lenders' financial advisor since February 2025. Alvarez was deeply embedded in the sales

process, tasked with working alongside management and Sequeira Partners to review and analyze the Group's liquidity and the progress of the SISP. This dual role has created a significant conflict of interest; while ostensibly supporting a sales process, Alvarez has consistently deferred stakeholders toward a receivership. A process in which they are the Lenders' proposed candidate for Receiver. The Energera Group contends that the Lenders' insistence on a full payout, coupled with the push for receivership despite the Group's viability, was commercially unreasonable, oppressive, and conducted in bad faith toward the broader body of stakeholders, including our 130 employees and 216 trade creditors.

53. During the entire course of the SISP, we were repeatedly informed, and I do verily believe, that any interested parties were told by Alvarez that the Lenders would not consider any bids at less than the full value of the debt. Several parties advised us during the process that they were not interested in even making a proposal if it required such a bid, and they therefore withdrew from the process. It was not until after the formal demand was issued a month ago that the Lenders first suggested they might consider a proposal for less than the full amount of the debt. Only then were we, Sequeira, and ATB Cormark Capital Markets able to advise potential financial providers that offers for less than the full amount would be considered. Consequently, it was only after the adjournment of the initial application that we were able to receive and consider viable proposals. Most recently, following the court adjournment, we have learned of the background to the "Bank Process" and have identified a number of potential bidders, including what we hope will manifest as a stalking horse bid.

54. The Energera Group remains a fundamentally viable and cash-flow positive enterprise. Even after accounting for interest payments and requisite debt service to the Lenders, the Energera Group is cashflow positive. The Group is currently almost four months ahead of its bank payments pursuant to the original lending agreement due to the $3 million CAD payment and subsequent cash sweeps mandated under the Fifth Amending Agreement.

55. Given the international nature of the Energera Group's operations, spanning two provinces in Canada, up to 13 states in the United States, and Argentina, a receivership would be exceptionally complex. Such a move would jeopardize the Group's integrated service delivery to multi-national oil and gas clients and likely eliminate the interest of third-party acquirers, thereby undermining the value available to all stakeholders.

56. In connection with the forbearance arrangements, the Energera Group acknowledges that it executed a Consent Receivership Order. Additionally, Energera and Energera International executed written consents to the immediate enforcement of security pursuant to Section 244(2) of the BIA and waived notice requirements for the disposition of collateral under the *Personal Property Security Act* (Alberta). However, the Energera Group maintains that a CCAA proceeding is the appropriate forum to preserve value for all stakeholders, rather than a disruptive receivership

E. OTHER LIABILITIES

57. I am advised by the Energera Group's internal finance department and believe it to be true that the Borrowers maintain relationships with approximately 216 trade creditors as of February 28, 2026. Historically, these creditors have been paid in the ordinary course of business, reflecting the Energera Group's commitment to its supply chain. However, the recent actions of the Lenders have disrupted this pattern. As of the date of this Application, unpaid trade creditors stand at approximately $1,235,331.88 CAD. The preservation of these relationships is critical, as many of these vendors provide specialized services to the Energera Group and are critical to its ongoing operations.

F. EVENTS PRECEDING CCAA APPLICATION

I. Related Court Proceedings

58. The Energera Group has historically maintained a record of making all requisite payments and was actively working to secure replacement financing throughout the duration of various forbearance periods. Despite these efforts and the Group's strong cash flow, the Agent issued a Notice of Intention to Enforce on February 6, 2026. This action was taken suddenly and without prior warning, representing a significant departure from the established pattern of conduct and the ongoing communications between the parties regarding credit and forbearance extensions.

59. Following the enforcement notice, the Lenders filed an application for the appointment of Alvarez & Marsal Canada Inc. as receiver and manager over the assets of Energera, Energera International, Energera America, and Sandtinel. However, the Court granted an adjournment of the Lenders' application. This adjournment was specifically intended to provide the Energera Group with the necessary time to respond to the Lenders' allegations and to progress a potential transaction with one of the interested third parties. As provided in the evidence, such an adjournment does not prejudice the Lenders or increase their indebtedness, but rather serves the best interests of all stakeholders by allowing for a constructive resolution. I believe that in the circumstances the granting of the initial stay of proceedings under the CCAA application will also be of no prejudice to the Lenders, but rather serves the best interests of all stakeholders by allowing for a constructive resolution and a strong likelihood of a greater return to the Lenders.

G. NOTICE AND URGENCY

60. The Energera Group is currently navigating a short-term liquidity crisis that is not a result of a failing business model but is instead precipitated solely by the Lenders' decision to freeze essential operating accounts. The Energera Group continues to operate as a fundamentally robust and cash-flow-positive enterprise, as evidenced by its performance in early 2026. Specifically, in January 2026, the Energera Group generated approximately $500,000 USD net of operating costs, even after

accounting for interest payments to the Lenders and the professional fees of Lender-mandated consultants. This net figure is particularly significant as it absorbed the one-time, non-recurring costs associated with relocating the Energera Group's headquarters to lower-rent premises to further optimize the cost structure. While the formal reporting for February 2026 is currently being finalized, preliminary data based on completed operating days and realized cost reductions indicates a similar net free cash flow trajectory, as the financial impact of the head office relocation was fully accounted for in the January period.

61. The urgency of the requested relief is further highlighted by the active interest of numerous viable and interested third parties. These parties have shown keen interest in either purchasing the business in its entirety or acquiring the Lenders' debt position. The Energera Group has engaged these third parties, and I am advised that representatives of several of these interested parties have engaged in discussions with Alvarez to discuss potential acquisitions. The likelihood of a sale or refinancing to one of these parties provides a clear and viable path toward a viable restructuring and the preservation of the Energera Group's operations.

62. Immediate relief under the CCAA is critical to prevent a "value-destructive liquidation", or the degradation of reputational value through unnecessary enforcement actions. The Energera Group employs a specialized workforce of over 130 individuals, whose livelihoods are directly threatened by the Lenders' current enforcement actions.

63. There are no facts before the Court to establish the urgency required to appoint a receiver, which would be unduly prejudicial to the Energera Group's employees, suppliers, and shareholders. Instead, the requested stay of proceedings will preserve the status quo, protect the equity in the Group's assets, and provide the stability necessary to advance and finalize a transaction with one of the interested third parties, thereby ensuring the best possible outcome for all parties involved.

64. Further, within the last 24 hours, the Energera Group has received several proposals, including a formal expression of interest from an additional, sophisticated third party. This party has indicated a specific interest in either acquiring the Lenders' debt position in its entirety or providing a comprehensive recapitalization of the Energera Group. This recent development further validates the Energera Group's position that it remains a fundamentally viable going concern. The emergence of this additional interest within such a short timeframe underscores the fact that there is a robust and competitive market for the Energera Group's business and debt, which would be irreparably harmed by the immediate appointment of a receiver.

65. The interest from this additional party, alongside the other viable and interested third parties previously identified, provides a clear and credible path toward a restructuring that maximizes value for all stakeholders, including our 130 employees and 216 trade creditors. It is my belief that providing

the 'breathing room' of a CCAA stay is essential to allow these various parties to complete their due diligence and submit formal proposals, an outcome that is far superior to the 'value-destructive' consequences of a forced liquidation.

H. RELIEF SOUGHT IN THE INITIAL ORDER

I. Strategic Review and Decision to Seek CCAA Relief

66. Following a comprehensive and rigorous review of the strategic options available to the Energera Group, and with the specialized assistance of our legal advisors, the Board of Directors for each of the Applicants has determined that seeking urgent relief under the CCAA is in the best interests of the Applicants and their diverse stakeholder group. This decision was not made lightly but is necessitated by the Lenders' sudden shift toward aggressive enforcement, which threatens to dismantle a fundamentally sound and cash-flow-positive enterprise.

67. The Applicants believe that these CCAA proceedings offer the only viable mechanism to achieve three critical objectives:

    a. Protecting the Workforce: Safeguarding the livelihoods of our 130+ specialized employees, the majority of whom are based in Alberta;

    b. Preserving Enterprise Value: Maintaining the integrity of our proprietary technology, hardware, and global service contracts, which would be irreparably harmed in a disruptive receivership; and

    c. Facilitating a Strategic Transaction with Interested Third Parties: Providing the necessary stability to finalize a deal with one or more of the viable third parties, whose capitalization is sufficient to ensure both job protection and the full satisfaction of the Lenders' indebtedness.

68. While the Applicants intend to pursue a full refinancing or a "going concern" sale to one or more of the interested third parties, the relief sought in the proposed Initial Order is strictly limited to what is reasonably necessary to maintain operations during the initial Stay of Proceedings.

II. Stay of Proceedings and Monitor

69. The Applicants seek a Stay of Proceedings to afford the space necessary to restructure its affairs. We believe the available assets and the net equity in our collateral are sufficient to effect a full repayment of the Lenders in the short-to-medium term. This is supported by a valuation carried out by EY at the insistence of the lenders in 2024, showing the Net Orderly Liquidation Value ("**NOLV**") of the assets, being the estimated net cash proceeds from selling the Energera' Group's assets, to be equivalent to the debt as at December 31, 2024. Our equipment (other than pickup and one-ton bed trucks) is very

specialized and likely to hold its value as the operational capabilities are not significantly impacted by the passage of time.

70. Although the Lenders' demand for repayment has created an immediate liquidity challenge, the Energera Group remains a substantive and viable entity.

71. The proposed Stay of Proceedings will afford the Applicants the "breathing room" required to advance refinancing efforts and develop a CCAA SISP without the threat of piecemeal asset liquidation. This is particularly urgent given that the Lenders' receivership application. A stay ensures that the status quo is preserved while transactions with interested third parties are pursued.

72. The Applicants seek an Initial Stay Period of no more than 10 days. We anticipate seeking an extension of this stay at the Comeback Hearing, at which point we expect to provide further updates regarding the ongoing discussions and potential transactions with interested third parties.

III. Cash Flow Forecast and DIP Lending

73. The audited Financial Statements for the 2024 financial year and unaudited statements for 2025 (September 30 year end), which demonstrate the Group's historical revenue-generating capacity and asset base, are attached hereto as Exhibits "Z and AA," respectively. Despite the current liquidity constraints imposed by the Lenders, the Group's underlying business remains robust, as evidenced by its continued ability to secure high-tier contracts in the oilfield services sector.

74. A 13-week Cash Flow Forecast has been prepared (the "**Forecast**"), demonstrating that the Group has sufficient liquidity to fund its obligations and the costs of these proceedings through the Initial Stay Period and beyond, without the immediate need for a DIP Facility. However, we remain in discussions with third-party lenders regarding interim funding should unanticipated shortfalls arise. A copy of the Forecast is attached as Exhibit "BB".

75. The Monitor will report to the Court on any variances between the Forecast and actual results. As noted, the Energera Group has been cash forecasting for more than a year under the direction and close eye of the Lenders and Alvarez. It is confident in its ability to manage payments to vendors in line with cash collection from customers.

76. The hypothetical assumptions in the Forecast are reasonable and consistent with the purpose of the projections, and the probable assumptions are suitably supported and consistent with the plans of the Energera Group and provide a reasonable basis for the projections. All such assumptions are disclosed in the Forecast and in this Affidavit. Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. The projections have been prepared solely for the purpose of this CCAA

proceeding, using the probable and hypothetical assumptions set out in the Forecast. Consequently, readers are cautioned that it may not be appropriate for other purposes.

IV. Monitor

77. The proposed Initial Order contemplates the appointment of a Court-supervised Monitor. The Monitor will provide a layer of transparency and accountability while ensuring that the business continues to operate as a going concern. This oversight is a far more value-preserving alternative to the appointment of a receiver.

78. I have met with RJT Restructuring Inc. and its principal, Robert Taylor. Mr. Taylor has over 30 years experience as a trustee in bankruptcy and has headed up a number of practices in Alberta, including with Allan & Taylor Inc., RSM Richter, and Deloitte Restructuring Inc. He has served as a Monitor in a broad variety of industries, including oil field services, and believe he is more than qualified to serve as the Court appointed Monitor to assist the Applicants with this reorganization and is also free of any conflicts of interest.

V. Administrative Charge and D&O Charge

79. To ensure the continued assistance of essential professional advisors, we seek an Administration Charge in the initial sum of $250,000, to be increased at the Comeback Hearing. This charge will stand in priority to other security interests and is essential to ensure that the legal and financial professionals assisting the Group can continue their work during this period of uncertainty.

80. In anticipation of these CCAA proceedings and to ensure the uninterrupted participation of the specialized professionals required to navigate this restructuring, the Energera Group has provided them with initial retainers. These retainers are intended to secure the immediate availability of these professionals and cover initial costs. The provision of these retainers is essential to maintain the stability of the Applicants' advisory team during the critical transition into Court-supervised protection and the anticipated comeback application.

81. At the Comeback Hearing, the Applicants intend to seek an increase of the Administration Charge to $750,000, alongside an increase to the Directors' and Officers' Charge, to be secured against all assets of the Applicants. This is a standard and necessary component of CCAA proceedings to ensure the continued participation of key management and advisors.

82. The Directors' and Officers' Charge, initially set at $250,000, is crucial to protect the individuals responsible for guiding the Applicants through this restructuring process. Given the complex nature of the proceedings, which involve managing an integrated hardware fleet and operational contracts across Canada, 13 U.S. states, and Argentina, and the potential liabilities faced by directors and

officers, this charge provides necessary indemnification and encourages their continued involvement. The leadership team is necessary to maintain the Energera Group as a going concern. The increase sought at the comeback hearing will further ensure that these key individuals remain committed to their roles without the risk of personal financial exposure, thereby safeguarding the Applicants' leadership stability and protecting the interests of all stakeholders during the restructuring.

I. CONCLUSION

83. The Energera Group is a viable, innovative, and cash-flow-positive enterprise that has been forced into this precarious position by the actions of its primary lender. The relief sought is fair, reasonable, and essential to avoid the "value-destructive" consequences of a piecemeal liquidation, which the Lenders' current path would necessitate. By granting this order, the Court will allow a significant Alberta-based employer to stabilize its operations and fulfill its obligations to all creditors. Crucially, the Court's intervention is required to prevent the disruption of service to long-term customers, an outcome that would inevitably result in long-term damage to the Energera Group's operational reputation. Having been recognized as one of "Canada's Best Managed Companies" and a recipient of the "Entrepreneur of the Year" award, the Group's reputation for excellence is a primary asset that must be protected to ensure a successful restructuring or sale as a going concern.

84. The granting of a receivership order would constitute an automatic breach, or give cause for termination, of every Master Service Agreement (MSA) entered into by members of the Energera Group with its clients of which I am aware, throughout Canada and the United States. Such a breach or termination will be extremely disruptive and has a strong likelihood of destroying the goodwill required for the business to continue as a going concern. Given that the Energera Group provides critical, automated oilfield services to large multi-national and regional oil and gas companies across two Canadian provinces, up to 13 U.S. states, and Argentina, any interruption of service to long-standing clients would be catastrophic. This would not only jeopardize current contracts but would inflict lasting damage on the Energera Group's reputation, effectively undermining its ability to secure future business and maintain its competitive position in the global market.

85. I make this Affidavit in good faith and for no improper purpose.

TVV Sphere Grove V58

SWORN BEFORE ME at ~~Calgary,~~ Alberta
this 11th day of March, 2026.

Commissioner for Oaths in and for the
Province of Alberta

JONATHAN ORTLIEB
Barrister & Solicitor
A Commissioner for Oaths and Notary Public
in and for the Province of Alberta
My Commission Expires at His Majesty's Pleasure

TODD VAN VLIET