

COURT FILE NUMBER

2501-09028

COURT

COURT OF KING'S BENCH
OF ALBERTA

JUDICIAL CENTRE

CALGARY

APPLICANT

UCAPITAL – ULOAN SOLUTIONS INC.

RESPONDENT

CLEO ENERGY CORP.

IN THE MATTER OF THE RECEIVERSHIP OF
CLEO ENERGY CORP.

DOCUMENT

**SUPPLEMENT TO THE FIRST REPORT OF
ALVAREZ & MARSAL CANADA INC., IN ITS
CAPACITY AS RECEIVER AND MANAGER OF
CLEO ENERGY CORP.**

October 24, 2025

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

RECEIVER

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Clerk's Stamp

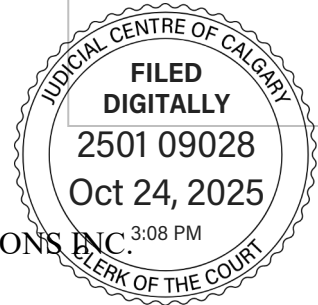


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INTRODUCTION

1. On June 2, 2025, the Court of King's Bench of Alberta (the "**Court**") granted a receivership order (the "**Receivership Order**"), whereby, effective June 3, 2025 (the "**Receivership Date**"), Alvarez & Marsal Canada Inc. ("**A&M**") was appointed receiver and manager (the "**Receiver**"), without security, of all the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the "**Property**") of CLEO Energy Corp. ("**Cleo**" or the "**Company**"), pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**") and section 13(2) of the *Judicature Act*, RSA 2000 c J-2 (the "**Receivership Proceedings**").
2. This is the Receiver's supplement to the First Report (this "**Supplemental Report**"). Capitalized words or terms not otherwise defined in this Report shall have the meaning ascribed in the Receivership Order or such other materials filed by the Receiver in these Receivership Proceedings or the Proposal Trustee and the Company in the NOI Proceedings.
3. On October 6, 2025, the Receiver filed its First Report to the Court (the "**First Report**"), and on October 17, 2025 (the "**October 17th Application**"), the Receiver sought Orders from this Honourable Court granting, among other things:
 - a) the ancillary relief Order (the "**Ancillary Order**"):
 - i. approving the Receiver's actions, activities and conduct, and those of its legal counsel since the Receivership Date, including the Interim Statement of Receipts and Disbursements, as set out in the First Report;
 - ii. temporarily sealing the Confidential Appendices to the First Report on the Court record; and

- iii. approving the fees and disbursements of the Receiver and its counsel, as set out in the First Report; and
 - b) the reverse vesting order (“**RVO**”):
 - i. approving the SPA and the Transaction contemplated therein;
 - ii. granting the Releases in favour of the Released Parties; and
 - iii. upon filing of the Receiver’s Certificate, discharging Cleo and adding ResidualCo to these Receivership Proceedings.
- 4. The Honourable Justice C.C.J. Feasby granted the Ancillary Order at the October 17th Application but reserved his decision on the RVO having considered the oral arguments presented by: (i) counsel for the Government of Alberta, Department of Energy and Minerals (“**Alberta Energy**”) regarding alleged unpaid mineral lease and royalty arrears (the “**Alberta Crown Arrears**”), payable to the Crown in right of Alberta (the “**Alberta Crown**”); and (ii) Department of Justice Canada (“**DOJ**”), appearing on behalf of Employment and Social Development Canada (“**ESDC**”), regarding the potential impact of the RVO on claims paid to former employees of Cleo under the *Wage Earner Protection Program Act* (“**WEPPA**”). The Honourable Justice C.C.J. Feasby provided Alberta Energy and the DOJ until October 22, 2025, to submit written arguments in respect of these issues.
- 5. On October 22, 2025, Alberta Energy filed its written arguments to the Court in the form of an affidavit and a bench brief. The DOJ submitted its written arguments on the same day in the form of a letter to the Court (the “**DOJ Letter**”). The DOJ Letter was unfiled and thus a copy of the DOJ Letter is attached to this Supplemental Report as **Appendix A**.
- 6. This Supplemental Report is being provided to the Court for the limited purpose of:
 - a) providing additional information with respect to the DOJ’s comments with regarding the eligibility of Former Employees (defined below) to

payments received under the Wage Earner Protection Program (“**WEPP**”);

- b) providing additional information regarding the Alberta Crown petroleum and natural gas mineral leases (“**Mineral Leases**”) and royalties (“**Royalties**”) that form the Alberta Crown Arrears;
- c) providing additional information on the planned payment of the Alberta Crown Arrears that accrued during the Receivership Proceedings, which are to be satisfied by the Receiver or by 2698902 Alberta Corporation (“**269**” or the “**Purchaser**”), as has always been contemplated in the SPA and the RVO;
- d) providing information with respect to the Annual Adjustments and Pre-Receivership Royalties (defined below) that make up the remainder of the Alberta Crown Arrears; and
- e) expanding on the Receiver’s considerations with respect to the necessity of the RVO structure and its recommendation for Court approval of the same.

TERMS OF REFERENCE

- 7. In preparing this Supplemental Report, the Receiver has relied upon: (i) the representations of certain former management and other key stakeholders of the Company; (ii) financial and other information contained in the Company’s books and records, which were produced and maintained principally by the Company; and (iii) information obtained by the Proposal Trustee prior to the Receivership Proceedings.
- 8. The Receiver has not performed an audit, review or otherwise attempted to verify the accuracy or completeness of the Company’s financial information that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the *Chartered Professional Accountants Canada Handbook*, and accordingly,

the Receiver expresses no opinion or other form of assurance contemplated under CASs in respect of the financial information.

9. All references to dollars are in Canadian currency unless otherwise noted.

IMPACT OF THE RVO ON WEPP CLAIMS

10. Prior to the October 17th Application, the DOJ informed the Receiver of ESDC's position regarding the WEPP claims of Cleo's former employees (the "**Former Employees**"). ESDC's view is that, following the issuance of the RVO, the Former Employees would no longer meet the eligibility criteria under WEPPA, as the liabilities for their unpaid wages would transfer to ResidualCo and Cleo would emerge from the Receivership Proceedings. The DOJ Letter advises this may result in an overpayment of program benefits, which would be subject to recovery from Former Employees.
11. The Receiver understands that all WEPP claims submitted by the Former Employees have been paid by ESDC, as the Former Employees met, and currently continue to meet, the eligibility requirements under WEPP. The Receiver carried out its requirement of WEPP within the statutory timelines.
12. In the Receiver's view, the issuance of the RVO should not affect the Former Employees' entitlement to WEPP benefits. The Former Employees met all eligibility requirements for WEPP at the time the claims were paid, and the Transaction simply monetizes the remainder of Cleo's assets for the benefit of the estate. The Transaction is consistent with the goal and purpose of insolvency proceedings and any attempts by ESDC to seek retribution from the Former Employees is contrary to the purposes of WEPP.

ALBERTA CROWN MINERAL LEASES AND ROYALTY ARREARS

Alberta Crown Arrears Overview

13. The table below presents the Alberta Crown Arrears that the Receiver understands are outstanding as of the date of this Report:

Cleo Energy Corp. (in Receivership) Summary of Crown Arrears CAD \$000's			
Production Period	Mineral Leases ⁽¹⁾	Royalties ⁽²⁾	Total
January 1, 2024 to December 31, 2024 (Annual Adjustments)	-	114,096	114,096
April 1, 2025 to April 30, 2025	-	17,362	17,362
May 1, 2025 to May 31, 2025	-	15,528	15,528
June 1, 2025 to June 30, 2025	-	12,418	12,418
July 1, 2025 to July 31, 2025	25,041	11,380	36,421
August 1, 2025 to August 31, 2025	16,593	11,383	27,975
September 1, 2025 to September 30, 2025	27,270	11,383	38,653
	68,904	193,549	262,453

(1) Mineral Leases include interest charges of \$1.49 for July 2025 and August 2025.

(2) Royalty arrears for August 2025 and September 2025 production months are estimates, as Crown billings are two months in arrears (i.e., August 2025 royalties invoice is rendered in October 2025)

14. Alberta Crown Arrears total approximately \$262,000 and can be broken down into the following categories:
 - a) adjustment charges of approximately \$114,000, reflecting calendar 2024 adjustments for custom processing fees, operating costs, allowable cost restrictions, and royalty deposits (collectively, the “**Annual Adjustments**”);
 - b) Royalties of approximately \$79,000 for amounts incurred for April 2025 to September 2025 production; and
 - c) Mineral Leases of approximately \$69,000 for amounts incurred between July 2025 and September 2025.

15. A total of approximately \$147,000 of the Alberta Crown Arrears relate to obligations incurred prior to the Receivership Proceedings, comprised of the following:
 - d) Annual Adjustments of \$114,000 for calendar 2024; and
 - e) Royalties of \$33,000 for amounts incurred for April 2025 and May 2025 production (the “**Pre- Receivership Royalties**”).

16. Approximately \$115,000 of Alberta Crown Arrears relate to obligations incurred in the Receivership Proceedings, and, pursuant to the SPA and RVO, will be paid to Alberta Crown as follows:
- f) \$76,000 by the Receiver for Mineral Leases and Royalties related to June 2025 to August 2025 production, with a portion to be recoverable by the Receiver from the Purchaser prior to the Closing Date of the Transaction; and
 - g) \$39,000 by the Purchaser for Mineral Leases and Royalties related to September 2025 production, as the effective date of the SPA is September 1, 2025.

Annual Adjustments and Pre-Receivership Royalties

17. The Annual Adjustments were issued after the appointment of the Receiver, on June 30, 2025, as a result of Cleo's failure to file annual gas cost allowance forms ("**Gas Cost Allowance Forms**"), which are due on May 31st of each year for the preceding calendar year.
18. Cleo did not file the Gas Cost Allowance Forms for 2024 because as at the time they were due, Cleo was near the end of its NOI Proceeding, was experiencing significant liquidity constraints, and the cost of preparing the Gas Cost Allowance Forms was approximately \$15,000.
19. The Receiver understands that the annual adjustment for the 2023 calendar year was approximately \$145,000, which was subsequently adjusted to a credit position of approximately \$38,000 based on the Gas Cost Allowance Forms that Cleo filed in 2024, the last time the Company filed such forms.
20. Based on historical adjustment filings by Cleo, the Receiver expects that if the Gas Cost Allowance Forms are subsequently filed for 2024, the resulting Annual Adjustments would have been significantly reduced, eliminated entirely, and Cleo may actually be in a credit position with Alberta Energy, thus eliminating the

Alberta Crown Arrears completely. The Receiver believes these amounts will likely be a claim in the bankruptcy of ResidualCo.

Communication with Alberta Energy

21. Prior to the October 17th Application, the Receiver was in communication with Alberta Energy regarding the Alberta Crown Arrears and the amounts to be paid by the Receiver and the Purchaser, as further outlined below.
22. On October 8, 2025, Alberta Energy sent an email to the Receiver (the “**Alberta Energy Email**”) outlining its concerns with respect to the SPA and requesting that the Receiver amend the SPA to transfer the Alberta Crown Arrears to the Purchaser, or alternatively, further bifurcate the payment of the Purchase Price to include a payment dedicated to satisfying liabilities owed to the Alberta Crown. A copy of the Alberta Energy Email is attached to this Report as **Appendix B**.
23. The Receiver advised Alberta Crown that, while the Receiver and the Purchaser would pay arrears incurred for production that occurred during the Receivership Proceedings, any amounts for arrears incurred prior to the Receivership Date, including pursuant to the 2024 annual adjustment and the failure of Cleo to file Gas Cost Allowance Forms, could not be paid by the Receiver.
24. As discussed in the First Report, there are numerous pre-filing claims against Cleo’s estate by various entities, including secured creditors, unsecured creditors, and several Crown or government entities. Given the number of stakeholders in this proceeding, including government entities with statutory priority claims against the estate, the Receiver did not consider it appropriate for it to pay the pre-Receivership, unsecured claims of Alberta Energy from the sale proceeds of the Transaction in priority to other stakeholders.
25. Given the substantial claims of parties alleging priority to sale proceeds, the Receiver deemed it prudent to conduct a claims process to review and consider stakeholder priority and entitlement to estate funds. Subsequently the Receiver could seek a distribution order from this Court on notice to stakeholders.

26. While Alberta Energy references two cases where royalty areas were assumed by a purchaser in insolvency proceedings, such liability assumption would have a corresponding decrease in the cash consideration under the SPA by an equal amount, essentially elevating Alberta Energy's unsecured claim to a priority secured claim.
27. Given (i) the numerous stakeholders in this proceeding, (ii) the uncertainty of the quantification the Alberta Crown Arrears, if any, should the Gas Cost Allowance Forms be filed, and (iii) the unsecured nature of the pre-filing portion of the Alberta Crown Arrears, the Receiver did not consider it appropriate to grant Alberta Energy's request to bifurcate the payment of the Purchase Price to include a payment dedicated to satisfying liabilities owed to the Alberta Crown without further direction from the Court.
28. Given the extensive benefits to the estate from the RVO and the Transaction closing, the Receiver recommends approval of the Transaction even if the Court determines it is appropriate to direct a portion of the Purchase Price proceeds to Alberta Energy.

NECESSITY OF THE RVO

29. To expand on the Receiver's comments in the First Report regarding the necessity of the RVO to maximize value and complete the Transaction, the Receiver considered the following additional facts:
 - a) the Purchaser is not a current licensee with the AER, which necessitates the RVO structure to complete the Transaction;
 - b) to complete an asset transaction and transfer AER licenses outside of a an RVO structure, the Purchaser would have to first apply for a Business Associate Code ("**BA Code**"), which does not automatically grant license eligibility, and would require a subsequent application to be made to the AER for a license transfer;

- c) the BA Code application process could take many months, significant expenses, deplete estate funds by extending the Receivership Proceedings, lowering the purchase price, deteriorating asset value, and substantially increasing transaction risk to the detriment of all stakeholders; and
 - d) given the time, cost, expense and uncertainty surrounding an asset sale transaction, the Purchaser is unwilling to purchase the remaining assets of Cleo and assume its liabilities pursuant to any other structure other than the RVO.
30. Importantly, as set out in Confidential Appendix B to the First Report, there are no other transactions that will result in the assumption of all environmental liabilities. Accordingly, there is no prejudice to any stakeholders, including Alberta Energy, with the RVO or the Transaction.
31. The RVO structure is necessary in the circumstances. Should the RVO not be granted and the Transaction not close, this will result in all properties going to the OWA and no proceeds being available to creditors, including Alberta Energy.

All of which is respectfully submitted this 24th day of October, 2025.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as the Court-appointed Receiver of
CLEO Energy Corp. and not its
personal or corporate capacity**

A handwritten signature in blue ink, appearing to be 'Orest Konowalchuk', with a stylized, flowing script.

Orest Konowalchuk, CPA, CA, CIRP, LIT
Senior Vice President

A handwritten signature in blue ink, appearing to be 'David Williams', with a stylized, flowing script.

David Williams, CPA, CIRP, LIT
Director

APPENDIX A



Department of Justice
Canada

Ministère de la Justice
Canada

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Via Email - CommercialCoordinator.KBJCalgary@albertacourts.ca

Our File Number: LEX-500276439

October 22, 2025

Court of King's Bench
Calgary Courts Centre
601 5th Street SW
Calgary AB T2P 5P7

Attention: Corbin Burik, Commercial Coordinator

Re: Cleo Energy Corp - Receivership
Court File Number: 2501-09028

Please bring this letter to the attention of Justice Feasby.

The Attorney General of Canada (AGC), appearing for Employment and Social Development Canada (ESDC) made representations to the Court at the hearing on the Reverse Vesting Order (RVO) application on October 17, 2025. This Court requested that ESDC provide written submissions by October 22, 2025. As ESDC is not taking any position on the RVO application before the Court, this letter is being provided rather than a formal brief.

The Receiver has applied for approval of a Share Purchase Agreement through a Reverse Vesting Transaction which, if granted, would transfer liabilities of Cleo Energy Corp (Cleo) to a residual corporation (ResidualCo), including the obligations to its former employees. Part of the Court's consideration whether to approve the transaction includes assessing if any party is worse off as a result of the RVO transaction structure compared to an alternative structure, and weighing that impact against the overall benefits of the proposed transaction.

Prior to the RVO application, some of the former employees of Cleo, applied for and received payments from the Wage Earner Protection Program (WEPP). Those payments will most likely be collected back from the employees following an approval of the RVO transaction as the former employees will no longer meet the eligibility criteria under the *Wage Earner*

Protection Program Act (WEPPA)¹. In short, the effects of the RVO would likely disqualify those employees from eligibility and they would be required to repay WEPP benefits received.

The AGC is submitting this letter in the interest of transparency, to ensure the Court is aware of a stakeholder, namely, the former employees, who may be affected should the RVO be granted. It also provides a brief overview of the WEPPA program to assist the Court in understanding its purpose and limitations. ESDC does not take a position on the RVO application or on the rights of the former employees, as it does not represent the said former employees.

The Statutory Scheme of the Wage Earner Protection Program

The WEPPA was enacted to establish a federal program, the WEPP. It is designed to allow the federal government to make timely payments to former employees who are owed eligible unpaid wages by an insolvent employer and who meet the eligibility requirements determined by the statute. Its purpose is to provide relief to individuals whose employment has been terminated by an insolvent employer who ceases or will cease to operate its business operations.

In a receivership, the employee eligibility requirements to receive WEPP payments are set out in [s. 5\(1\) of the WEPPA](#), which stipulates that the following conditions must be met:

- a. the person's employment has ended for a reason prescribed by [s. 3 of the WEPPA](#) (WEPPA, s. 5(1)(a));
- b. the former employer is subject to a receivership (WEPPA, s. 5(1)(b)(ii)); and,
- c. the individual is owed eligible wages by their former employer (WEPPA, s. 5(1)(c)).

These conditions are determined under the exclusive jurisdiction of the Minister², which determination is subject to review by the Minister and to an appeal before the Canada Industrial Relations Board.³ The Board's decision is subject to judicial review under the exclusive jurisdiction of the Federal Court of Appeal.⁴

¹ *Wage Earner Protection Payment Act*, S.C. 2005, c. 47.

² WEPPA, [s. 9](#).

³ WEPPA, s. [12](#), and [14](#).

⁴ [Federal Courts Act](#), RSC 1985, c F-7, s. [18\(1\)b](#), [28\(1\)h](#) and [28\(2\)](#).

The Cleo Receivership

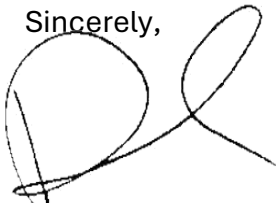
Following the issuance of the Receivership Order, the Receiver terminated the employment of all Cleo's employees. Twelve former employees applied to the Minister and received payments from WEPP.

Should the RVO be granted, the liabilities related to unpaid wages of the former employees of Cleo would be transferred to ResidualCo. Equally, Cleo would emerge from the receivership proceedings and continue to carry on its business operations as a viable corporation.

Following the issuance of the RVO, the eligibility criteria under s. 5(1)(b)(ii) and 5(1)(c) of the WEPPA would no longer be met and, the objective of the WEPP would equally be undermined. As a result, this would likely affect the former employees' entitlement to WEPP benefits and lead to an overpayment of program benefits, which would be subject to recovery.

As noted above, ESDC is not taking any position in respect of the RVO application itself. It is ESDC's position that an RVO transaction as sought in this application will most likely have an affect on an applicant's eligibility for benefits under WEPP.

Sincerely,

A handwritten signature in black ink, appearing to be 'Daniel Segal', written over a large, faint circular mark.

Daniel Segal
Counsel
Prairie Region
Department of Justice Canada

Cc Service List

APPENDIX B

Subject: FW: [**EXT**] RE: In the Matter of the Receivership of CLEO Energy Corp. - Court File No. 2501-09028 [MTDMS-Legal.FID13251714]

From: Emmett Larsen <Emmett.Larsen@gov.ab.ca>

Sent: Wednesday, October 8, 2025 2:20 PM

To: Reid, James <jwreid@millerthomson.com>; Takhar, Pavin <ptakhar@millerthomson.com>

Cc: Ceko, Marica <mceko@millerthomson.com>

Subject: RE: [**EXT**] RE: In the Matter of the Receivership of CLEO Energy Corp. - Court File No. 2501-09028 [MTDMS-Legal.FID13251714]

Hi James,

Thanks for clarifying. My client, Alberta Energy, has respectfully requested an amendment to the proposed SPA transferring pre-closing liabilities for Crown Mineral Agreements (rentals and royalties) to the Purchaser alongside those agreements (defined in the SPA as Petroleum and Natural Gas Rights). This amendment would safeguard the public from assuming private liabilities by keeping those liabilities with a solvent purchaser who administers the assets, rather than folded into a shell entity with no future income beyond the purchase price.

Energy is concerned with the SPA's current drafting for the following reasons:

1. Stripping of assets and sequestration of liabilities departs from standard practice in RVOs (and O&G insolvencies more broadly) where liabilities for Crown Agreements transfer with those agreements, or are satisfied prior to transfer.
2. The RVO circumvents Energy's transfer process, meaning there is no opportunity to review the transfer to the purchaser or collect payment for outstanding cure costs.
3. The RVO does not appropriately engage BIA s 84.1, which requires satisfaction of agreement cure costs prior to their transfer.
4. The Crown is an unsecured creditor whose remedies are primarily statutory, rather than proprietary interests, and this RVO circumvents the workings of the Mines and Minerals Act.
 - a. Satisfaction of Crown arrears from insolvency proceeds is never realistic due to the Crown's unsecured status. Energy relies on purchasers to satisfy past agreement arrears in accordance with BIA s 84.1 – this approach is standard practice and arrears are routinely paid by new purchasers.
 - b. Energy processes transfers on the good-faith understanding that a party within the insolvency transaction will address previously accrued liabilities. This RVO undermines that good-faith understanding.
5. There is a significant risk that past liabilities are offloaded onto the public, for productive assets that will continue producing into the future.

In short, the RVO as currently structured is particularly prejudicial to the Crown as a statutory authority. The majority of Alberta's mineral rights are owned by the Crown and administered on behalf of the public so that all Albertans can benefit. The public is not a backstop for the assumption of private liabilities, especially when Crown rights are transferred to a new purchaser without adequately addressing past arrears – the insolvency regime is not intended to erase justly accrued Crown liabilities for private beneficiaries over productive assets.

Nothing in this email is intended to cast you as undermining the public interest, merely to convey Energy's concerns with the RVO scheme and its likely impacts on taxpayers.

As a result, Energy respectfully requests you amend the SPA to carry Crown Agreement liabilities forward to the Purchaser, or further bifurcate payment of the Purchase Price with a payment dedicated to satisfying liabilities owed to the Crown. Energy wishes to resolve this amicably to save all parties involved unnecessary headache and cost, but will intervene if necessary.

Let me know if you have any questions, Energy looks forward to a constructive resolution.

Best,
Emmett

Emmett Larsen

Barrister and Solicitor
Energy Legal Team
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Classification: Protected A

From: Reid, James <jwreid@millerthomson.com>
Sent: Wednesday, October 8, 2025 10:26 AM
To: Emmett Larsen <Emmett.Larsen@gov.ab.ca>
Cc: Takhar, Pavin <ptakhar@millerthomson.com>; Ceko, Marica <mceko@millerthomson.com>
Subject: RE: [**EXT**] RE: In the Matter of the Receivership of CLEO Energy Corp. - Court File No. 2501-09028 [MTDMS-Legal.FID13251714]

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Hi Emmett,

It is my understanding the purchaser would assume go forward obligations, but not any of the obligations that exist prior to the effective date (September 1). The proceeds of sale will stand in the place of the pre-transaction amounts that are owed to creditors.

Sincerely,

JAMES W. REID
Partner

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From: Emmett Larsen <Emmett.Larsen@gov.ab.ca>
Sent: Wednesday, October 8, 2025 10:08 AM
To: Reid, James <jwreid@millerthomson.com>
Cc: Takhar, Pavin <ptakhar@millerthomson.com>; Ceko, Marica <mceko@millerthomson.com>
Subject: RE: [**EXT**] RE: In the Matter of the Receivership of CLEO Energy Corp. - Court File No. 2501-09028 [MTDMS-Legal.FID13251714]

Thanks James, much appreciated.

One question for you regarding treatment of mineral agreement arrears (surface rentals/royalties) accrued by CLEO prior to closing. Can you please confirm that this transaction holds with standard practice of the RVO purchaser assuming responsibility for existing arrear liabilities?

I assume that's the intent, but want to confirm given the definition of Retained Liabilities in the schedule:

Retained Liabilities

1. All Liabilities in relation to or arising out of the Retained Contracts.
2. All Liabilities arising out of events or circumstances and which become due and owing after the Effective Time, which are not adjusted for pursuant to Article 3 prior to Closing.
3. All Liabilities arising from the possession, ownership or use of the Retained Assets following Closing (including for greater certainty any municipal taxes, property taxes, surface use payments, bonuses, fees, royalties, overriding royalties, land use fees, license fees, easement payments and similar obligations and Liabilities that accrue on or after the Closing Date).
4. All Abandonment and Reclamation Obligations.
5. All Environmental Liabilities.

Otherwise, the RVO process completely extinguishes existing arrears without addressing cure costs.

Thanks in advance.

Best,
Emmett

Emmett Larsen

Barrister and Solicitor
Energy Legal Team
Legal Services Division
Alberta Justice
Government of Alberta

AMEC Place
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Calgary, AB T2P 3W2
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Emmett.Larsen@gov.ab.ca

Classification: Protected A

From: Reid, James <jwreid@millerthomson.com>
Sent: Wednesday, October 8, 2025 9:10 AM
To: Emmett Larsen <Emmett.Larsen@gov.ab.ca>
Cc: Takhar, Pavin <ptakhar@millerthomson.com>; Ceko, Marica <mceko@millerthomson.com>
Subject: RE: [**EXT**] RE: In the Matter of the Receivership of CLEO Energy Corp. - Court File No. 2501-09028 [MTDMS-Legal.FID13251714]

CAUTION: This email has been sent from an external source. Treat hyperlinks and attachments in this email with care.

Thank you Emmett,

On the basis of your confidentiality undertaking see attached.

Sincerely,

JAMES W. REID
Partner

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From: Emmett Larsen <Emmett.Larsen@gov.ab.ca>
Sent: Tuesday, October 7, 2025 4:53 PM
To: Reid, James <jwreid@millerthomson.com>
Cc: Takhar, Pavin <ptakhar@millerthomson.com>; Ceko, Marica <mceko@millerthomson.com>
Subject: Re: [**EXT**] RE: In the Matter of the Receivership of CLEO Energy Corp. - Court File No. 2501-09028 [MTDMS-Legal.FID13251714]

Hi James,

Of course. It's only me who will review them. No need or interest to disclose more widely.

Cheers,
Emmett

Classification: Protected A

From: Reid, James <jwreid@millerthomson.com>
Sent: Tuesday, October 7, 2025 4:03:43 PM
To: Emmett Larsen <Emmett.Larsen@gov.ab.ca>
Cc: Takhar, Pavin <ptakhar@millerthomson.com>; Ceko, Marica <mceko@millerthomson.com>
Subject: Re: [**EXT**] RE: In the Matter of the Receivership of CLEO Energy Corp. - Court File No. 2501-09028 [MTDMS-Legal.FID13251714]

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Hi Emmett,

Can you confirm that your office will keep the confidential documents confidential and will not share them?

Sincerely,

JAMES W. REID
Partner

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525-8th Avenue S.W., 43rd Floor
Eighth Avenue Place East
Calgary, Alberta | T2P 1G1
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On Oct 7, 2025, at 3:29 PM, Emmett Larsen <Emmett.Larsen@gov.ab.ca> wrote:

Good Afternoon James,

I hope your week is going well. When you have a moment, could you please circulate a copy of the Share Purchase Agreement with schedules attached – its important to a review from the perspective of CLEO's assets on the Canadian Forces Bases in Alberta.

Thanks in advance, let me know if you have any questions.

Best,
Emmett

Emmett Larsen
Barrister and Solicitor
Energy Legal Team
Legal Services Division
Alberta Justice
Government of Alberta

AMEC Place
300, 801 - 6th Avenue SW
Calgary, AB T2P 3W2
Canada

Tel 403-297-5434
Emmett.Larsen@gov.ab.ca

Classification: Protected A

From: Ceko, Marica <mceko@millerthomson.com>
Sent: Monday, October 6, 2025 11:55 AM

To: okonowalchuk@alvarezandmarsal.com; agc_pgc_alberta@justice.gc.ca; Catherine@arundelcapital.com; JP.Pham@harvestenergy.ca; Shayes@lawsonlundell.com; hhahn@totalenergy.ca; legal@totalenergy.ca; jason@risecapital.ca; jravalli@owccorp.com; stever88c@hotmail.com; kenpratherts@shaw.ca; wesue@usue.ca; cal_writ@mltaikins.com; clewis@cleoenergy.com; david.williams@alvarezandmarsal.com; dmacrae@alvarezandmarsal.com; cwebster@mltaikins.com; Emmett Larsen <Emmett.Larsen@gov.ab.ca>; mdprovost@mdprovost.ca; tlawrason@mdprovost.ca; wtrenerry@mdprovost.ca; jlakevold@mdprovost.ca; officeadmin@bozco.ca; dalton@bozco.ca; ron@bozco.ca; Jordon Christianson <Jordon.Christianson@specialareas.ab.ca>; Darcy.ferguson@specialareas.ab.ca; matthew.kenna@mantl.ca; craig.wilford@trafigura.com; iain.singer@trafigura.com; houstonlawyers@trafigura.com; jodywiese@gmail.com; marco12666@me.com; Kimberly_setrakov@tcenergy.com; jamie.flanagan@mross.com; mike@ampedenergy.ca; info@2m7.ca; sameer@helioscorp.ca; Randy.Wright@purechemservices.com; Ryan_Beachard@ajg.com; customers@transalta.com; brimbey@trimacenergy.com; TBF TRA web/publ email address <TBF.TRARevenue@gov.ab.ca>; e.bodnar@svrlawyers.com; SoYi.Yu@JUSTICE.GC.CA; Tristen.Cones@justice.gc.ca; Amy.Reperto@justice.gc.ca; smanery@hmclawyers.com; bence.solti@bp.com; ashelle.pindar@ADP.com; info@brenergy.ca; balford@axiomoilandgas.ca; dmiller@ppr.ca; info@karveenergy.com; bamako@shaw.ca; accounting@fortcal.com; ward.bradley@shaw.ca; Philip.Connolly@obsidianenergy.com; Jelena.molnar@cnrl.com; Tiffany.Wardle@lextraland.com; Vi.Kulawik@taqa.ca; KFellowes@stikeman.com; M.Davidovska@svrlawyers.com; George.wong@aer.ca; bwolever@alvarezandmarsal.com; kevin.hoy@ca.dlapiper.com; Reid, James <jwreid@millerthomson.com>; Ceko, Marica <mceko@millerthomson.com>; TBatty@fieldlaw.com; JWatts@stikeman.com; g.campbell@svrlawyers.com; greg@ucapital.ca; adow@lawsonlundell.com; dhutchison@caronpartners.com; Joanne.Bennett@obsidianenergy.com; cluda@brownleelaw.com; gplester@brownleelaw.com; Insolvency@aer.ca; manish@helioscorp.ca; cbrown@helioscorp.ca; ft@talawyers.ca; cmamon@stridecap.com; Dan@risecapital.ca; NUgraj@geologic.com; KHennessey@geologic.com; gunnar.benediktsson@nortonrosefulbright.com; dmarechal@cassels.com; dmarechal@cassels.com; agagnon@cassels.com; NSVL1321@gmail.com; LandComplianceInquiries@PrairieSky.com; rzahara@mltaikins.com; Cam@risecapital.ca; dan@risecapital.ca; dean@fcrl.ca; albertson@fcrl.ca; nsvl1321@gmail.com; mike@lauschenenergy.com; tim@tykewest.com; carole.hunter@ca.dlapiper.com; jarrod.isfeld@ca.dlapiper.com; turmoilinc@shaw.ca; cludtke@prosperaenergy.com; sgarg@prosperaenergy.com; ateasdale@lawsonlundell.com; srattray@epcor.com; amanda_gauvreau@superiorpropane.com; jsutherland@mltaikins.com; adam.benaron@gmail.com; hhahn@totalenergy.ca; legal@totalenergy.ca; donnon.revering@reveringlaw.ca; avi@2m7.ca; info@2m7.ca; county@flagstaff.ab.ca; administration@beaver.ab.ca; feedback@mdtaber.ab.ca; admin@mdtaber.ab.ca; cbeck@lethcounty.ca; mailbox@lethcounty.ca; info@countypaintearth.ca; bkulyk@countypaintearth.ca; admin@mdwainwright.ca; reception@vulcancounty.ab.ca; petersenn@vulcancounty.ab.ca; PPSA@stridecap.com; coa@bdplaw.com; ralgar@bdplaw.com; sam.gabor@gowlingwlg.com; tom.cumming@gowlingwlg.com

Cc: Reid, James <jwreid@millerthomson.com>; Takhar, Pavin <ptakhar@millerthomson.com>

Subject: In the Matter of the Receivership of CLEO Energy Corp. - Court File No. 2501-09028 [MTDMS-Legal.FID13251714]

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SERVICE LIST:

Further to the above-noted matter, please find attached documents for service upon you. Proof of filing will be circulated once received from Court.

Additionally, further to the hearing scheduled on **October 17, 2025, commencing at 10:30am (MT) before the Honourable Justice Feasby**, please see below WebEx details:

Virtual Courtroom 60 has been assigned for the above noted matter:

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtualcourtroom60>

Instructions for Connecting to the Meeting

1. Click on the link above or open up Chrome or Firefox and cut and paste it into your browser address bar.
2. If you do not have the Cisco Webex application already installed on your device, the site will have a button to install it. Follow installation instructions. Enter your full name and email address when prompted
3. Click on the **Open Cisco Webex Meeting**.
4. You will see a preview screen. Click on **Join Meeting**.

Key considerations for those attending:

- Please connect to the courtroom **15 minutes prior** to the start of the hearing.
- Please ensure that your microphone is muted and remains muted for the duration of the proceeding, unless you are speaking. Ensure that you state your name each time you speak.
- If bandwidth becomes an issue, some participants may be asked to turn off their video and participate by audio only.

4. **Note: Recording or rebroadcasting of the video is prohibited. Note: It is highly recommended you use headphones with a microphone or a headset when using Webex. This prevents feedback.**

For more information relating to Webex protocols and procedures, please visit:

<https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol>

You can also join the meeting via the "Cisco Webex Meetings" App on your smartphone/tablet or other smart device. You can download this via the App marketplace and join via the link provided above.

Best,

MARICA CEKO
Legal Assistant

Pronouns: She, Her, Hers

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<image001.png>

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