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COURT

COURT OF KING'S BENCH OF ALBERTA

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CALGARY

C120584

COM Dec 15, 2023

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED

APPLICANTS

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF GRIFFON PARTNERS OPERATION CORP., GRIFFON PARTNERS CAPITAL MANAGEMENT LTD., GRIFFON PARTNERS HOLDING CORP., 2437801 ALBERTA LTD., 2437799 ALBERTA LTD., 2437815 ALBERTA LTD., STELLION LIMITED, and SPICELO LIMITED

DOCUMENT

FOURTH REPORT OF ALVAREZ & MARSAL CANADA INC. IN ITS CAPACITY AS PROPOSAL TRUSTEE UNDER THE NOTICE OF INTENTION TO MAKE A PROPOSAL

DECEMBER 7, 2023

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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TRUSTEE**

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INTRODUCTION

1. On August 25, 2023, Griffon Partners Operation Corp. (“**GPOC**”), Griffon Partners Holding Corp. (“**GPHC**”), Griffon Partners Capital Management Ltd. (“**GPCM**”), 2437801 Alberta Ltd. (“**801 AB**”), 2437799 Alberta Ltd. (“**799 AB**”), 2437815 Alberta Ltd. (“**815 AB**”), Stellion Limited (“**Stellion**”), and Spicelo Limited (“**Spicelo**”) each filed Notices of Intention to Make a Proposal (“**NOI**” or the “**Filing**”) pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”). Alvarez & Marsal Canada Inc. consented to act as Trustee under the Proposal (“**A&M Canada**” or the “**Proposal Trustee**”). For the purposes of this Fourth Report of the Proposal Trustee (the “**Fourth Report**” or “**this Report**”), GPOC, Spicelo and the Holding Companies are collectively referred to as the “**Companies**”.
2. Pursuant to section 50.4(8) of the BIA, the initial NOI period during which the Companies were required to file a proposal under the NOI proceedings was from August 25, 2023 to September 24, 2023 (the “**Initial NOI Period**”).
3. On September 22, 2023, the Court granted an order, among other things:
 - a) authorizing that the eight NOI proceedings for the Companies (collectively, the “**NOI Proceedings**”) be administratively consolidated and continued under Estate No. 25-2979735 / Court File No. B201-979735 (GPOC’s estate);
 - b) approving the appointment of Alvarez & Marsal Canada Securities ULC, as the Companies’ restructuring advisor (“**A&M CF**” or the “**Restructuring Advisor**”);
 - c) granting a charge on the assets, property and undertakings of the Companies (collectively, the “**Property**”) not to exceed \$500,000 (the “**Administration Charge**”) as security for the fees and costs of the Proposal Trustee, its independent legal counsel, legal counsel to the Companies, and the Restructuring Advisor, such charge to be in priority to all other security interests, liens and other encumbrances; and

- d) extending the Initial NOI Period, within which the Companies are required to file a proposal to their creditors, up to and including November 8, 2023.
- 4. On October 18, 2023, the Court granted an order approving a sales and investment solicitation process (“**SISP**”), and authorizing and directing the Restructuring Advisor to implement the SISP (“**SISP Order**”).
- 5. On November 8, 2023, the Court granted an order:
 - a) approving of the Proposal Trustee’s fees and disbursements up to October 15, 2023 and its counsel’s fees and disbursements up to October 6, 2023; and
 - b) extending the period of time within which the Companies are required to file a proposal to their creditors up to and including December 23, 2023 (the “**Second NOI Period**”).
- 6. On December 4, 2023, the Companies served a notice of application to the service list of interested parties in this matter, seeking an extension of the period of time within which the Companies are required to file a proposal to their creditors up to and including February 6, 2023.

PURPOSE

- 7. The purpose of this Fourth Report is to provide this Honourable Court and the Companies’ stakeholders with the Proposal Trustee’s considerations and recommendations with respect to the following:
 - a) the activities of the Companies and of the Proposal Trustee since the filing of the third report dated October 31, 2023 (the “**Third Report**”);
 - b) GPOC’s cash flow actual receipts and disbursements as compared to the cash flow statement outlined in the Third Report;
 - c) a notice of application to the service list of interested parties in this matter served by Signal Alpha C4 Limited (“**Signal**”) and Trafigura Canada Limited (“**Trafigura**”) (together, the “**Senior Secured Lenders**”), seeking a declaration stating that the sale restrictions set out in the Lock-

Up Agreement (as defined below) have no application to the Senior Secured Lenders' ability to enforce their security against the Pledged Shares (as defined below) that are owned by Spicelo; and

- d) the Companies' request for an extension of the Second NOI Period to February 6, 2024 (the "**Proposed Third NOI Period Extension**").

TERMS OF REFERENCE

- 8. In preparing this Report, the Proposal Trustee has relied upon unaudited financial information and other information provided by the Companies and other third parties. The Proposal Trustee has not performed an audit, review, or other verification of such information. An examination of the financial forecast as outlined in the *Chartered Professional Accountants of Canada Handbook* has not been performed.
- 9. Future oriented financial information relied upon in this Report is based on the Companies' assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.
- 10. This Report should be read in conjunction with the materials filed in support of the application for a stay extension, including the affidavit of Mr. Daryl Stepanic sworn December 4, 2023 (the "**December 4th Stepanic Affidavit**"). These documents, together with other documents and information regarding the NOI Proceedings, have been posted on the Proposal Trustee's website at www.alvarezandmarsal.com/griffonpartners ("**Website**").
- 11. All references to dollars are in Canadian currency unless otherwise noted.

LIMITATION IN SCOPE OF REVIEW

- 12. The Report has been prepared by the Proposal Trustee pursuant to the rules and regulations set out in the BIA. The BIA provides that the Proposal Trustee shall incur no liability for any act or omission pursuant to its appointment or fulfillment of its duties, save and except for gross negligence or wilful misconduct on its part.

13. This Report is not and should not be construed or interpreted as an endorsement, comment or recommendation to any creditor, prospective investor, or any persons to advance credit and/or goods and services or to continue to provide credit and/or goods and services or to lend monies to the Companies during these proceedings and/or at any other time.
14. The Proposal Trustee has not audited or reviewed the assets of the Companies, and with respect to such assets, has relied to a significant degree upon information provided by the Companies.
15. The Proposal Trustee is specifically not directed or empowered to take possession of the assets of the Companies or to manage any of the business and affairs of the Companies.

ACTIVITIES OF THE COMPANIES AND OF THE PROPOSAL TRUSTEE

16. Since the filing of the Third Report, the Proposal Trustee and the Companies' management ("**Management**") have engaged in the following activities:
 - a) various discussions between Management, the Proposal Trustee, Torys LLP ("**Torys**") and the Companies' legal counsel relating to matters relevant to the NOI Proceedings and operations, generally;
 - b) communications and meetings between Management, the Proposal Trustee, Torys, the Companies' legal counsel and the Restructuring Advisor relating to the SISP and restructuring matters;
 - c) review and provide comments on SISP materials prepared by the Restructuring Advisor and the Company;
 - d) various communication between the Proposal Trustee and the Senior Secured Lenders responding to questions relating to matters relevant to the NOI Proceedings, the SISP and the Companies' operations, including physical hedge discussions;

- e) various communication between the Proposal Trustee and Tamarack Valley Energy Ltd. (the subordinated secured lender) and responding to questions relating to matters relevant to the NOI Proceedings, the SISP and the Companies' operations;
- f) multiple communications and ongoing meetings between Management, the Proposal Trustee and Sproule Asset Management respecting the Companies' operations and financial cash flow reporting;
- g) monitoring the Companies' cash flow actual results to Management's forecasts (as disclosed in Prior Reports) and discuss variances with Management;
- h) providing updates on the Companies' cash flow results (when requested) to the Senior Secured Lenders;
- i) communication with the Saskatchewan Ministry of Energy and Resources and providing an update on the NOI Proceedings; and
- j) ongoing monitoring of the Companies' financial affairs, and other activities by the Proposal Trustee.

Brief SISP Update

17. As previously discussed in Prior Reports, this Honourable Court granted the SISP Order on October 18, 2023. The SISP is intended to solicit interest in, and opportunities for: (a) the purchase of some or all of the assets of GPOC (each, an **"Asset Transaction"**); (b) an investment in GPOC, including through the purchase or acquisition of some or all of the shares of GPOC (each, a **"Share Transaction"**); (c) a refinancing of the Companies through the provision of take-out or additional financing in the Companies (each, a **"Refinancing Transaction"**), or some combination thereof (each, a **"Transaction"**). The Companies' sales advisor, A&M CF, was engaged, with approval of this Court, to assist in delivering and executing upon the SISP.

18. On October 25, 2023, in accordance with the SISP, A&M CF initiated the following:
- a) reached out to 228 parties (85 financial and 143 strategics) via email advising them of the SISP opportunity; and
 - b) advertised the SISP in the Daily Oil Bulletin and BOE Report with links to the Proposal Trustee's website containing the teaser, NDA and SISP Procedures. Additionally, on October 31, 2023, a press release was published in The Globe and Mail (National Edition). Copies of the press releases are collectively attached hereto as Appendix "A".
19. As of the date of this Fourth Report, 41 NDAs have been executed.
20. Interested parties must submit a non-binding letter of intent not later than 4:00p.m. MST on Tuesday, December 12, 2023 ("**Non-Binding LOI Deadline**"). The Proposal Trustee will report to this Honourable Court, and to other stakeholders including the Senior Secured Lenders, on the outcome of the Non-Binding LOI Deadline and next steps, which will be in accordance with the SISP Order.

Financial Hedging

21. As previously discussed in Prior Reports, GPOC is engaged in the business of oil and gas exploration and production ("**E&P**"). GPOC operates in the Viking formation in the vicinities of Hoosier, Coleville, and Milton in Saskatchewan and Esther in Alberta, with lease holdings exceeding 120,000 acres. GPOC currently produces, on average approximately 1,500 boe/d, with approximately 1,450 boe/d in Saskatchewan and 50 boe/d in Alberta, with a production split constituting 48% liquids and 52% natural gas.
22. Since the NOI Proceedings started, GPOC has not had any hedging agreement in place and benefited from favourable commodity pricing and consistent production. The Senior Secured Lenders expressed their concern that the GPOC should strongly consider setting in place some hedging to protect the GPOC's potential downside risks should commodity pricing significantly decrease.

23. The Companies, A&M CF and the Proposal Trustee held positive communications respecting these concerns, including the total amount of production that should be hedged and at certain pricing floors. After considering GPOC's current production levels and taking into consideration the input of the Senior Secured Lenders on this matter, on December 5, 2023, GPOC authorized and initiated the purchase of a series of put contracts with a floor price of US\$70 per bbl WTI, for volumes of 7,500 bbls for the month of December, 7,500 bbls for the month of January and 6,750 bbls for the month of February. These orders were filed on December 7, 2023 and represent approximately 75% of the forecast oil production, net of royalties, over that time period. The put contract provides downside protection while still allowing participation in any commodity price upside.
24. The duration of the hedging is expected to protect cash flows through the SISP process without creating any long-term liabilities (or assets) for any potential purchaser or investor.

SUBSEQUENT CASH FLOW STATEMENT TO ACTUAL CASH FLOW RESULTS

25. Management, with the assistance of the Proposal Trustee, prepared the Revised GPOC CF Forecast for the period from October 21, 2023 to January 19, 2024 ("**Subsequent Forecast Period**").
26. As previously discussed, the Companies' and the Proposal Trustee reviewed and evaluated the Companies actual cash flow results to its operations on weekly basis. Actual receipts and disbursements for GPOC for the five-week period from October 21, 2023 to November 24, 2023 (the "**Reporting Period**"), as compared to the Subsequent Forecast Period, are summarized in the following table:

Five-Week Cash Flow ending November 24, 2023				
<i>\$CAD 000's</i>	Forecast	Actuals	Variance	Notes
Cash Receipts				
Sales (production settlement)	4,511	4,516	5	
Other receipts	-	32	32	
Total cash receipts	4,511	4,548	37	
Cash Disbursements				
<u>Operating Disbursements</u>				
Field contract operator payments	(142)	(166)	(24)	
Office contract consultant payments	(135)	(184)	(49)	
JV Partner payments	(120)	(118)	2	
Operating and transportation	(736)	(810)	(74)	
Drilling, facilities and other acquisitions	-	(28)	(28)	
Abandonment and reclamation	(50)	(115)	(65)	<i>a</i>
Surface and mineral leases	(85)	(185)	(100)	<i>b</i>
Royalties	(317)	(320)	(3)	
Property and carbon taxes	(29)	(68)	(39)	
Subtotal	(1,614)	(1,994)	(380)	
<u>Non-Operating Disbursements</u>				
General and administrative	-	(14)	(14)	
GST remittance	(115)	-	115	<i>c</i>
Companies' counsel fees	(150)	(211)	(61)	<i>d</i>
Restructuring advisor fees	(225)	(170)	55	<i>e</i>
Subtotal	(490)	(395)	95	
<u>NOI Professional Fee Disbursements</u>				
Proposal Trustee's fees	(90)	(54)	36	
Proposal Trustee's counsel's fees	(55)	(68)	(13)	
Subtotal	(145)	(122)	23	
Total cash disbursements	(2,249)	(2,511)	(262)	
Net Cash Flow	2,262	2,037	(225)	
Net Change in Cash				
Beginning of period	2,165	2,165	-	
Net Cash Flow	2,262	2,037	(225)	
Ending of period	4,427	4,202	(225)	

27. During the Reporting Period, the primary variances include:

- temporary timing variances relating to abandonment and reclamation expenses due to be spent by the end of the calendar year;
- temporary timing variances relating to surface and mineral lease payments which were forecast in the week ending December 1, 2023; and
- temporary timing variances relating to GST remittances expected to be made the week ending December 1, 2023.

- d) permanent variances relating to additional fees incurred by the Companies' counsel; and
 - a) temporary timing variances relating to the payment of the fees of the Restructuring Advisor.
- 28. Spicelo and the other Holding Companies do not have any operations and have had no receipts or disbursements over the Reporting Period.

LOCK-UP AGREEMENT

- 29. On Monday, November 20, 2023, counsel to the Senior Secured Lenders provided an unfiled notice of application to the service list of interested parties in this matter, seeking a declaration stating that the sale restrictions set out in the Lock-Up Agreement (as discussed in greater detail in Prior Reports) have no application to the Senior Secured Lenders ability to enforce their security against the Pledged Shares (as defined below) owned by Spicelo. The application was initially returnable Tuesday, November 28, 2023 at 10:00 a.m.
- 30. The Companies advised the Senior Secured Lenders that they would not be prepared to speak to the merits of the Lock-Up Agreement application on November 28, 2023, but were prepared to have these matters heard on the December 15, 2023 application.
- 31. The application was supplemented by an affidavit of Dave Gallagher (sworn November 20, 2023), a Managing Director of Signal (the "**Gallagher Affidavit**") and an affidavit of Christopher B. Chuff (sworn November 20, 2023), a Partner at the law firm of Troutman Pepper Hamilton Sanders LLP qualified to practice law in the State of Delaware (the "**Chuff Affidavit**"). Mr. Chuff was engaged by the Senior Secured Lenders to provide a legal memorandum with respect to the law in the State of Delaware and its application to the Lock-Up Agreement (as defined below).

32. The Gallagher Affidavit concludes by saying that in the event the Senior Secured Lenders are successful in their application, it is the Senior Secured Lenders' intention to bring a further application to lift and/or terminate the stay of proceedings with respect to Spicelo and appoint a receiver. Thereafter, the Senior Secured Lenders and receiver will jointly seek a Court-ordered sales process for the Pledged Shares (as defined below) that considers appropriate timing, market fluctuations and relevant stakeholder interests.
33. Counsel to the Senior Lenders and counsel to the Companies agreed to adjourn the application to the December 15, 2023 hearing in exchange for the consent of the Senior Lenders and Tamarack to the Companies' stay extension application.

Background

34. As discussed in previously filed Proposal Trustee Reports, Spicelo's assets consist of 1,125,002 common shares of Greenfire Resources Inc. ("**Greenfire**").
35. As a condition of the loan agreement signed between GPOC and the Senior Secured Lenders (the "**Senior Loan Agreement**"), Spicelo provided a joint and several guarantee of the Senior Secured Debt and pledged the shares of Greenfire ("**Pledged Shares**") to GLAS Americas LLC as collateral agent.
36. The shares of Greenfire participated in a transaction whereby, among other things, these shares were arranged into new shares of a special purpose vehicle ("**New Greenfire**") pursuant to a statutory plan of arrangement and in connection with a business combination, and as of September 20, 2023, New Greenfire was listed on the NYSE under the ticker symbol "GFR".
37. As of September 30, 2023, Greenfire shareholders (including Spicelo) became bound by a lock-up agreement with New Greenfire (the "**Lock-Up Agreement**") pursuant to which, among other things, each of the Greenfire shareholders party thereto will agree, subject to certain customary exceptions, not to

- a) sell or assign, offer to sell, contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly, or establish or increase a put equivalent position or liquidation with respect to or decrease a call equivalent position within the meaning of Section 16 of the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the U.S. Securities and Exchange Commission promulgated thereunder with respect to, any equity securities of New Greenfire,
- b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any equity securities of New Greenfire, whether any such transaction is to be settled by delivery of such securities, in cash or otherwise, or
- c) make any public announcement of any intention to effect any transaction specified in clause (a) or (ii) until the earliest of (the “**Lock-Up Period**”):
 - i. the date that is six months after the Closing Date, or
 - ii. the date that the last reported closing price of a New Greenfire common share equals or exceeds \$12.00 per share (as adjusted for share splits, share dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-day trading period commencing at least 75 days after the Closing Date, and
 - iii. the date on which Greenfire completes a liquidation, merger, amalgamation, arrangement, share exchange, reorganization or other similar transaction that results in all New Greenfire shareholders having the right to exchange their shares of capital stock for cash, securities or other property.

Application of the Lock-Up Agreement

38. As part of preparing the First Report, the Proposal Trustee conducted a cursory review and took a preliminary position on the Lock-Up Agreement (based on a plain-language reading of the document) that it may restrict the Senior Secured

Lenders from selling or assigning, offering to sell, contracting or agreeing to sell, hypothecating, pledging, granting any option to purchase or otherwise disposing of or agreeing to dispose of, directly or indirectly, or establishing or increasing a put equivalent position or liquidation with respect to or decreasing a call equivalent position for six months.

39. As part of preparing the First Report, the Proposal Trustee did not seek an opinion on the document's validity or enforceability (in an insolvency scenario or any event). No formal opinion has been prepared or sought by the Proposal Trustee, in the State of Delaware, the Province of Alberta or elsewhere.

Senior Secured Lender's Argument

40. The Senior Secured Lenders argue that they are not parties to the Lock-Up Agreement and therefore it cannot be enforced against them, absent circumstances which are not present in this matter.
41. The Senior Secured Lenders argue that the transfer restrictions preventing the transferring shares do not apply to:
- a) the enforcement of any such pledge by a financial institution; and
 - b) in connection with any legal, regulatory or other order (the "**Order Exception**").
42. The Senior Secured Lenders argue they are a financial institution and therefore the transfer restrictions do not apply.
43. Further, they argue that an Order ought to be made by this Honourable Court ordering the transfer of the shares by virtue of the Order Exception.

Companies' Argument

44. The Proposal Trustee understands the Companies agree that the Senior Secured Lenders are not parties to the Lock-Up Agreement and therefore it cannot be enforced against them.

45. However, the Proposal Trustee understands the Companies disagree that the Lock-Up Agreement does not impact the Senior Secured Lenders' ability to enforce their security against the Pledged Shares, or that the Senior Secured Lenders should be entitled to the broad declaration sought by the Senior Secured Lenders in their application. The Proposal Trustee understands that the Companies' argument in this regard will be set out in its Brief of Argument to be filed in response to the Senior Lenders' application.

Proposal Trustee's View

46. Upon its further consideration of the matters at issue concerning the Lock-Up Agreement, the Proposal Trustee shares similar views to those of the Senior Secured Lenders and the Companies, and has the view that it is likely that the Lock-Up Agreement does not apply as against the Senior Secured Lenders. However, the Proposal Trustee has not sought a legal opinion on the question of whether the Senior Secured Lenders are considered a "financial institution" and/or whether the Lock-Up Agreement impacts the Senior Secured Lenders' ability to enforce their security against the Pledged Shares, as it is mindful of costs to the estate.
47. The Proposal Trustee has reviewed the legal arguments raised by the Senior Secured Lenders and the December 4th Stepanic Affidavit. The Proposal Trustee understands that the parties are seeking a declaration from this Honourable Court as to whether or not the Lock-Up Agreement does impact the Senior Secured Lenders' ability to enforce their security against the Pledged Shares.
48. The Proposal Trustee does not have a view on this legal matter at this time. The Proposal Trustee would appreciate the benefit of reviewing the Companies' Brief of Argument that is expected to be filed by the Company and balance this evidence as against the memorandum referenced in the Chuff Affidavit filed by the Senior Secured Lenders before it provides its independent views. The Proposal Trustee does not believe it would be required to engage counsel from the State of Delaware to provide a second legal opinion on these matters. However, should this

Honourable Court believe there would be beneficial to obtain an opinion from Delaware counsel, the Proposal Trustee would be prepared to do so.

APPLICATION TO EXTEND THE TIME TO FILE A PROPOSAL

49. Unless it is extended, the Initial NOI Period will expire on December 23, 2023, and the Companies are seeking an extension of the period in which it is required to file a proposal to February 6, 2024, pursuant to section 50.4 (9) of the BIA.
50. The Proposal Trustee has considered the stay extension request of the Companies and the circumstances currently facing the Companies. The Proposal Trustee is supportive of a 45 day stay extension to February 6, 2024, which should serve to provide the Companies with the time required to continue to implement the SISP, to work towards closing a transaction arising out of the SISP, and to begin to develop a proposal and allow the Companies to restructure their affairs.
51. The Proposal Trustee considered the following factors regarding the stay extension:
 - a) the Companies are acting in good faith and with due diligence;
 - b) the Companies would likely be able to make a viable proposal if the Initial NOI Period were to be extended; and
 - c) no creditor in these proceedings will be materially prejudiced if the extension were to be granted.
52. It is the Proposal Trustee's respectful view that, to date, Management has been acting in good faith and with due diligence in this matter. The Companies have been made aware of the good faith and acting with due diligence obligations pursuant to section 50.4(9) of the BIA.
53. The Proposal Trustee is of the view that an extension of the stay to February 6, 2023 is appropriate and necessary for the Companies to advance efforts to achieve a successful restructuring (including the implementation of the ongoing SISP), and that no stakeholder or creditor is likely to be materially prejudiced if an extension is granted.

54. As discussed in the previously filed Proposal Trustee Reports, should the Spicelo assets be immediately liquidated prior to the conclusion of the SISP, the Proposal Trustee has significant concerns that this will erode value for the benefit of all creditors and stakeholders in the NOI Proceedings and it would appear that the Senior Secured Lenders, at this time, are over-collateralized and therefore will not be materially prejudiced by such an extension.
55. Without an extension to the stay of proceedings, the Companies will not be able to develop a proposal and restructure their affairs, and the Companies would immediately be deemed to have made an assignment into bankruptcy.

PROPOSAL TRUSTEE'S RECOMMENDATION

56. The Proposal Trustee respectfully recommends that this Honourable Court approve the extension to the period within which the Companies are required to file a proposal to its creditors up to and including February 6, 2024.

All of which is respectfully submitted this 7th day of December, 2023

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Proposal Trustee of the Companies
and not in its personal or corporate capacity**



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



Duncan MacRae, CPA, CA, CIRP, LIT
Vice President

Appendix A

Backlogs likely to persist as St. Lawrence Seaway reopens

SAMMY HUDES TORONTO

Cargo is moving again on the St. Lawrence Seaway after management and Unifor struck a tentative deal on Sunday, but it could take most of the week to clear the backlog of ships halted during the labour stoppage – and even longer for supply chains to normalize. The company said workers were back on the job as of 7 a.m. on Monday, as ships were expected to start moving again throughout the day. The tentative agreement, which must still be ratified, ended a strike that began Oct. 22.

The job action by 360 workers represented by Unifor brought a stop to ships though the key trade corridor. As of Monday morning, nearly 100 ships were strewn at ports and docks across the Great Lakes and St. Lawrence River waiting to pass through the seaway, said Bruce Burrows, chief executive officer of the Chamber of Marine Commerce. He said it would take up to 14 hours to get the seaway up and running and around five days to clear the backlog of ships waiting to get back into the system. “Like any major transporta-

tion interruption, it takes a bit of time for the infrastructure and so on just to turn the tap back on. It can’t be done instantly,” he said. In recent days, Mr. Burrows said, there had been increasing worry among shippers and producers, especially in the grain and steel sectors, who rely on the seaway to export their products. He said the seaway has long been known for reliability and that the labour stoppage put “a major dent in that reputation.” “The phone has been ringing off the hook, let me tell you,” he said. “They were all yelling and screaming and very concerned


about their supplies being stuck in the chain.” Canadian Manufacturers and Exporters president and CEO Dennis Darby estimated the strike cost companies at least \$35-million a day collectively. He said that figure would gradually decline as the system returns to normal, which could take weeks. Mr. Darby said lessons learned from the B.C. ports strike earlier this year suggest that for every day lost during a work stoppage, it takes three to five days for supply lines to normalize. The St. Lawrence Seaway strike “had a pretty broad-reaching

impact,” Mr. Darby said. “In most cases for the kind of goods that travel by sea, there aren’t many alternatives. People were staring down a lot of production being cut,” he said. The premiers of Ontario and Quebec had called on Ottawa to intervene if federally mediated talks failed to bring about a quick end to the walkout. Details of the settlement were not immediately available, but the union had been fighting for higher wages to keep up with the rising cost of living.

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RENE SERIN*
rene.serin@cushwake.com

**Broker *Sales Representative Cushman & Wakefield ULC, Brokerage

LEGALS

**Notice of Sales and Investment Solicitation
Process re: Griffon Partners Operation Corp.**

On August 25, 2023, Griffon Partners Operation Corp. (“GPOC”) and its related entities filed Notices of Intention to Make a Proposal (the “**NOI Proceedings**”) under the Bankruptcy and Insolvency Act (Canada), as amended (the “**BIA**”). Alvarez & Marsal Canada Inc. was appointed as proposal trustee (the “**Proposal Trustee**”).

On October 18, 2023, the Alberta Court of King’s Bench (the “**Court**”) approved a sales and investment solicitation process (the “**SISP**”). Pursuant to Court approval, Alvarez & Marsal Canada Securities ULC (the “**Transaction Agent**”) has been engaged to solicit interest in, opportunities for, a sale of, investment in, or refinancing of, all or part of GPOC’s business and operations.

GPOC is a private E&P company with assets in the Viking light oil resource play in Alberta and Saskatchewan. Current production of ~1,500 boe/d (~40% liquids) is projected to generate \$12 million of net operating income in 2023E. A modest development program can (i) grow run rate NOI to >\$24 million while improving netbacks, and (ii) maintain production at >1,700 boe/d through 2028 to generate >\$75 million in cumulative asset level free cash flow.

Interested parties wishing to pursue a transaction are to submit a non-binding letter of interest to the Transaction Agent in accordance with the SISF, by the following deadline:

- **Submission Time for Non-binding LOIs:** 4:00 p.m. Mountain Time on **December 12, 2023.**

Copies of the SISF Procedure Document and other Court filed materials are available at: <https://www.alvarezandmarsal.com/GriffonPartners-SISF>.

Interested parties who wish to obtain additional information and participate in the SISF may contact Quinn Mosby at: qmosby@alvarezandmarsal.com.

Report on Business

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Notice of Sales and Investment Solicitation Process re: Griffon Partners Operation Corp. ("GPOC")

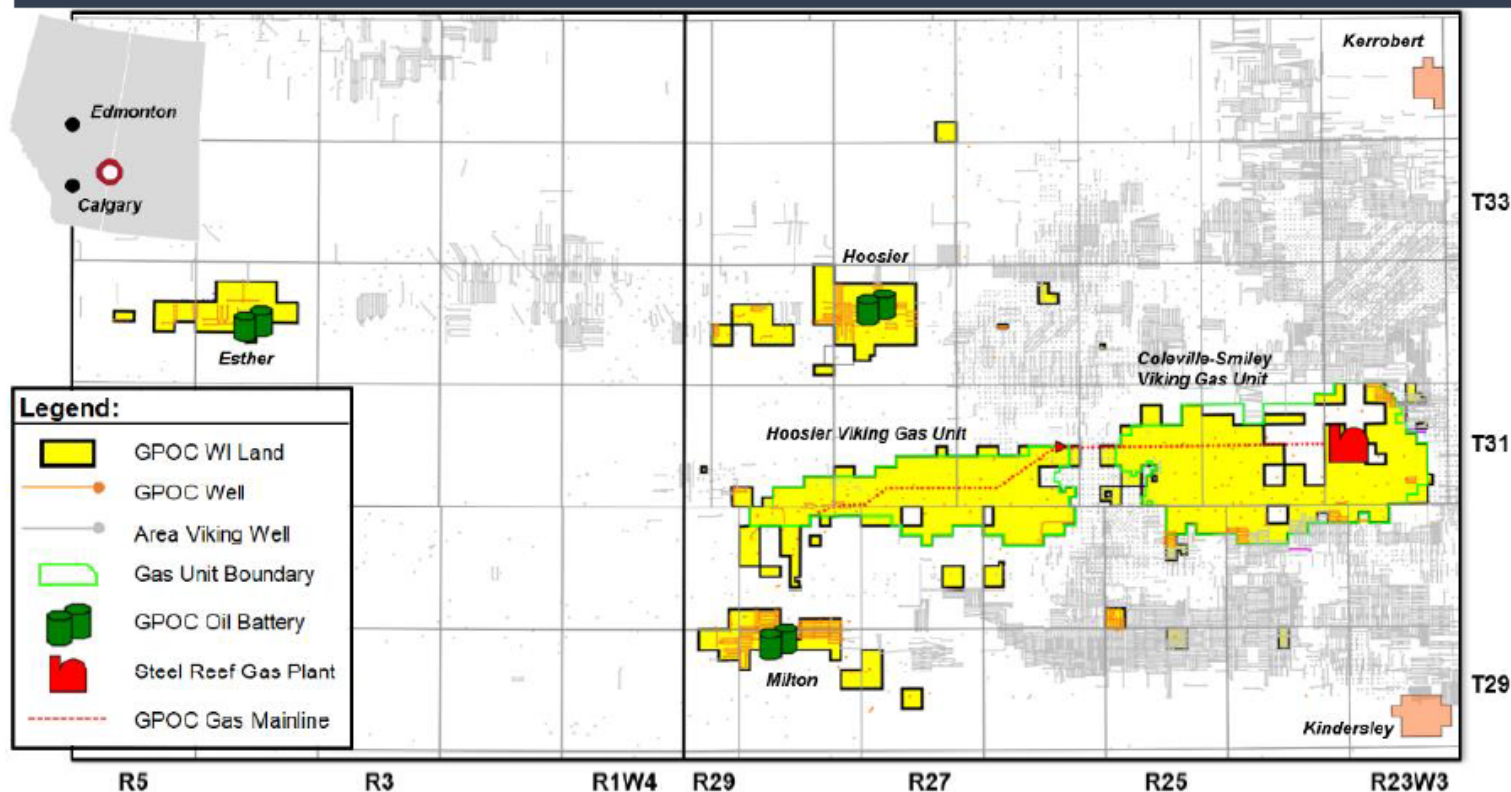
October 27, 2023 7:15 AM BOE Report Staff

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Five Core Operating Areas



Interested parties wishing to pursue a transaction are to submit a non-binding letter of interest to the Transaction Agent in accordance with the SISP, by the following deadline:

- **Submission Time for Non-binding LOIs:** 4:00 p.m. (Mountain Time) on **December 12, 2023**.

Copies of the SISP Procedure Document and other Court filed materials are available at:

<https://www.alvarezandmarsal.com/GriffonPartners-SISP>.

Interested parties who wish to obtain additional information and participate in the SISP may contact Quinn Mosby at: qmosby@alvarezandmarsal.com.

Notice Of Sales And Investment Solicitation Process Re: Griffon Partners Operation Corp.

Monday, October 30, 2023, 6 AM MDT



[Print](#)

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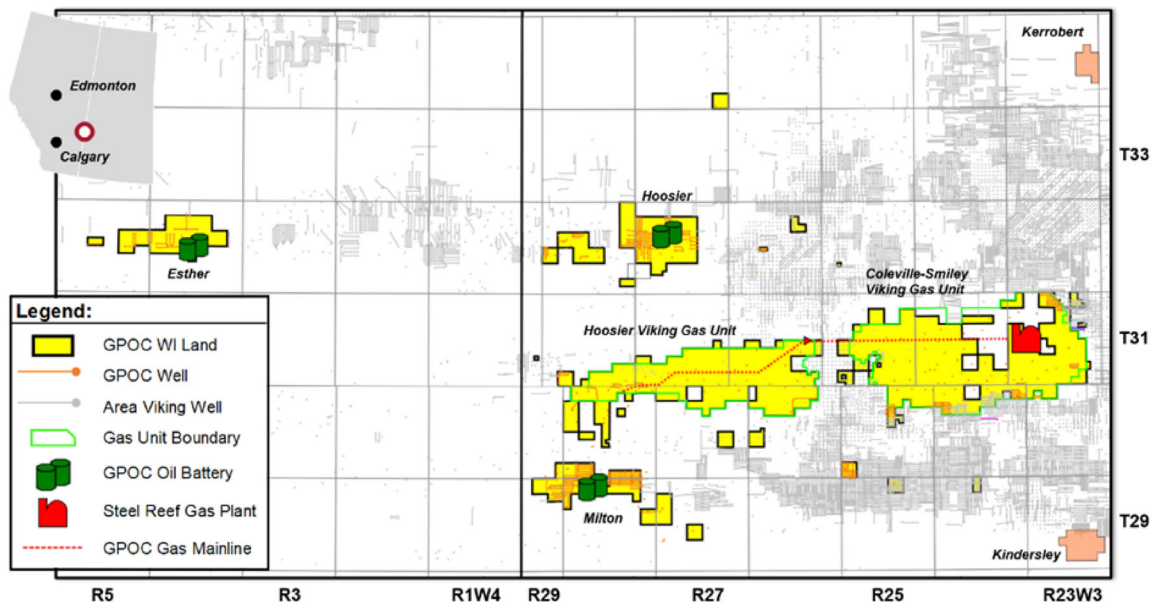
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Five core operating areas



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Interested parties who wish to obtain additional information and participate in the SISP may contact Quinn Mosby at: qmosby@alvarezandmarsal.com (<mailto:qmosby@alvarezandmarsal.com>).

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