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COURT FILE NUMBER: 25-2679073

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

\$50
COM
April 6, 2021
Justice Graesser

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

APPLICANTS IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF GREENFIRE OIL
AND GAS LTD.

AND IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF
GREENFIRE HANGINGSTONE OPERATING
CORPORATION

DOCUMENT **APPLICATION (APPOINTMENT OF RECEIVER)**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

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NOTICE TO RESPONDENT(S):

This application is made against you. You are the respondent.

You have the right to state your side of this matter before the Judge.

To do so, you must be in Court when the application is heard as shown below:

| | |
|--------------|---------------------------------|
| Date: | April 6, 2021 |
| Time: | 3:30 PM |
| Where: | Edmonton Law Courts |
| Before Whom: | The Honourable Justice Graesser |

Go to the end of this document to see what else you can do and when you must do it.

Relief Sought:

1. Alvarez & Marsal Canada Inc. ("**Proposal Trustee**") seeks an Order, substantially in the form attached herein as Schedule "A":
 - (a) abridging, if necessary, the time for service of this application and deeming service good and sufficient;
 - (b) appointing Alvarez & Marsal Canada Inc. as receiver (in such capacity, the "**Receiver**") over the assets, undertakings and property (the "**Property**") of Greenfire Hangingstone Operating Corporation and relief related thereto, including a Receiver's Charge (as defined in the Order) in the amount of \$350,000;
 - (c) authorizing and directing the Receiver to implement the Secured Claims Procedure (as defined in the Order of the Honourable Justice D.B. Nixon, granted March 12, 2021, the "**Secured Claims Procedure Order**") in place of the Proposal Trustee;
 - (d) ordering that the Administration Charge previously granted in the within proceedings shall survive and continue and attach to the Property;
 - (e) terminating the Interim Lender Charge and D&O Charge previously granted in the within proceedings;
 - (f) approving the actions, activities and conduct of the Proposal Trustee and its legal counsel throughout the within proceedings;
 - (g) approving the Final Taxation Billing Period and Forecast Fees and Costs of the Proposal Trustee and its legal counsel (as set out in the Tenth Report of The Proposal Trustee and defined below); and
 - (h) such further and other relief as counsel may advise and this Honourable Court deems just.

Grounds for making this application:

2. On October 8, 2020 (“**NOI Date**”), each of Greenfire Oil and Gas Ltd. (“**HoldCo**”) and Greenfire Hangingstone Operating Corporation (“**OpCo**” and together with HoldCo, the “**Company**”) filed a Notice of Intention to Make a Proposal (collectively, the “**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* R.S.C. 1985 c. B-3 (“**BIA**”) with the Office of the Superintendent of Bankruptcy. Alvarez & Marsal Canada Inc. is the Proposal Trustee of both HoldCo and OpCo.
3. On October 16, 2020, this Honourable Court granted an order that the NOI proceedings for Greenfire (together, the “**NOI Proceedings**”) be administratively consolidated and continued under Estate No. 25-2679073 and that a charge be granted on the assets, property and undertaking of the Company not to exceed \$500,000 (the “**Administration Charge**”) as security for the fees and costs of the Proposal Trustee, its independent legal counsel McMillan LLP and the legal counsel to the Company (collectively, the “**NOI Professionals**”), such charge to be in priority to all other security interests, liens and other encumbrances.
4. On December 17, 2020, this Honourable Court granted an order, among other things, approving an asset sale transaction (the “**Asset Sale Transaction**”) contemplated by an asset purchase agreement between the Company and Greenfire Acquisition Corporation (“**AcquisitionCo**”) (the “**Asset Sale Order**”). AcquisitionCo is the nominee of MWB UK Management Limited.
5. The December 17, 2020 order of this Honourable Court also authorized the Company to borrow up to \$20,000,000 from Trafigura Canada General Partnership (“**Trafigura**”) under a credit facility (the “**Interim Lender Facility**”) to fund, among other things, the restart of its operations and granting Trafigura an interim lender’s charge (the “**Interim Lender’s Charge**”) that ranks in priority to all other security interests, liens and other encumbrances with the exception of the Administration Charge and certain other Permitted Priority Liens set out in the Interim Lender Term Sheet.
6. On January 12, 2021, a further order was granted by this Honourable Court granting charge in favour of the Company’s directors and officers, securing the Company’s indemnification obligations to them in the amount of \$250,000 (the “**D&O Charge**”). The D&O Charge ranks in priority to all other security interests, liens and other encumbrances with the exception of the Administration Charge and the Interim Lender’s Charge. On March 12, 2021, a further order was granted by this Honourable Court increasing the D&O Charge to \$500,000.
7. Pursuant to s. 50.4(8) of the BIA, the Company was required to file a proposal under the NOI Proceedings by November 9, 2020, unless this Court granted an order extending the time to file a proposal. On application by the Company, this Honourable Court has granted orders extending that timeframe for the Company to file a proposal to its

creditors on several occasions. The most recent extension is until April 7, 2021 (the “**NOI Expiry Date**”).

8. As part of the closing of the Asset Sale Transaction, it is anticipated that there will be approximately \$1.0 million (before administrative costs) available for distribution to creditors of OpCo (the “**Sale Proceeds**”).
9. On March 12, 2021, a further order was granted by this Honourable Court granting a secured claims procedure with respect to a distribution of the Sale Proceeds and any other property of OpCo (the “**Secured Claims Procedure Order**”).

Bankruptcy Proceedings and Proposed Receivership Order

10. The Company has advised that it will not file a proposal to its creditors by the NOI Expiry Date. No further extension to file a proposal are available, as any extensions beyond the NOI Expiry Date would exceed the six month limit to file a proposal set by s. 50.4(9) of the BIA.
11. Accordingly, the Company will be deemed, by operation of s. 50.4(8) of the BIA to have made an assignment in bankruptcy effective April 8, 2021. The Proposal Trustee intends to file a certificate of assignment and hold the first meeting of creditors, as required under the BIA.
12. At the first meeting of creditors the creditors will, among other things, affirm the appointment of Alvarez & Marsal as trustee in bankruptcy or substitute another in place thereof (the “**LIT**”).
13. However, as a result of the limited role the LIT may play as it receives its instructions from its inspectors or creditors (as the case may be), the Proposal Trustee believes that, in order to allow for an effective transition of duties and the completion of the Secured Claims Process in a prompt and cost-effective manner, the appointment of A&M as Proposed Receiver to carry out the Secured Claims Process in a prompt and cost-effective manner is appropriate.
14. It is just and convenient for this Honourable Court to grant an order appointing Alvarez & Marsal as Receiver over the Property of OpCo and for the Receiver to implement the Secured Claims Procedure Order.
15. The Proposal Trustee further submits that the Administration Charge survive and continue and attach to the Property in order to secure the fees and costs of the Proposal Trustee, its independent legal counsel and legal counsel to the Company.
16. The Interim Lender will be fully paid out as of the closing of the Asset Sale Transaction. The AcquisitionCo will grant a release to the Company confirming that OpCo is released from any liability under the Interim Lender Facility, which was assigned to AcquisitionCo under the Asset Sale Transaction. As a result, the Interim Lender’s Charge will no longer be necessary.

17. After the deemed bankruptcy, all directors and officers of the Debtors will be discharged and the D&O Charge will no longer be necessary.

Actions, Activities and Conduct of the Proposal Trustee and its Counsel

18. The activities of the Proposal Trustee and its independent legal counsel are set out in the First Report of the Proposal Trustee, dated November 4, 2020, the Second Report of the Proposal Trustee, dated November 11, 2020, the Third Report of the Proposal Trustee, dated November 17, 2020, the Fourth Report of the Proposal Trustee, dated December 5, 2020, the Fifth Report of the Proposal Trustee, dated December 11, 2020, the Sixth Report of the Proposal Trustee, dated January 12, 2021, the Seventh Report of the Proposal Trustee, dated January 26, 2021, the Eighth Report of the Proposal Trustee, dated March 3, 2021, the Ninth Report of the Proposal Trustee, dated March 4, 2021 and the Tenth Report of the Proposal Trustee, dated April 1, 2021 (collectively, the “**Reports**”).
19. As set out in the Reports, the actions, activities and conduct of the Proposal Trustee and its counsel included:
 - (a) Retaining McMillan as independent legal counsel to the Proposal Trustee;
 - (b) Engaging in ongoing communications between the Company, the Company’s legal counsel, the Proposal Trustee and McMillan regarding various issues, including interim financing, offers to purchase the Company’s assets, the Interim Lender Facility and the Asset Sale Transaction;
 - (c) Conducting and adjudicating claims submitted under the Secured Claims Process;
 - (d) Ongoing monitoring of the Company’s financial affairs and activities; and
 - (e) Preparing the Reports.
20. The Proposal Trustee submits that its actions, activities and conduct and those of its independent legal counsel were appropriate and should be approved by this Honourable Court.

Approval of Professional Fees and Expenses

21. The Proposal Trustee respectfully seeks approval from this Honourable Court of the respective professional fees and disbursements of the Proposal Trustee and its legal counsel for the period of time from October 8, 2020 to March 29, 2021 (the “Final Taxation Billing Period”).
22. Professional fees and disbursements rendered by the Proposal Trustee through March 29, 2021, total \$356,142.86 (exclusive of GST).
23. Professional fees and disbursements rendered by McMillan LLP, the Proposal Trustee’s counsel, through March 26, 2021, total \$281,617.27 (exclusive of GST).

24. The accounts of the Proposal Trustee and its legal counsel outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work.
25. The accounts are summarized in Appendix 'A' to the Tenth Report of the Proposal Trustee.
26. Greenfire has paid the professional fees and costs of the Proposal Trustee and its legal counsel.
27. The Proposal Trustee respectfully submits that its professional fees and disbursements and those of its legal counsel are fair and reasonable in the circumstances, given the extensive tasks required to be performed by the Proposal Trustee and its legal counsel within the NOI Proceedings, including, in regard to: (i) negotiating the Interim Lender Facility and the Asset Sale Transaction; (ii) preparing for and attending to the Appeals; and (iii) conducting and adjudicating the Secured Claims Process.
28. The Proposal Trustee and its legal counsel anticipate rendering invoices for their respective fees and disbursements for services rendered from March 27, 2021 to April 7, 2021 and funds have been set aside from holdback amounts from the transaction of the Company. The Proposal Trustee believes that its fees and its counsel's fees and costs for the timeframe are estimated to be approximately \$50,000 before GST (the "Forecast Fees and Costs"). Given the pending bankruptcy assignment, the Proposal Trustee respectfully requests that this Honourable Court approve the Forecast Fees and Costs to conclude the NOI Proceedings, without the need for further order of this Honourable Court. The remaining accounts will be made available upon request (if required).

Material or Evidence To Be Relied Upon:

- (a) The Tenth Report of the Proposal Trustee, dated April 1, 2021;
- (b) All pleadings, affidavits and other materials filed in this action;
- (c) The inherent jurisdiction of this Honourable Court; and
- (d) Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable Rules:

- (e) Rules 6.9, 11.27, and 13.5 of the Alberta Rules of Court.

Applicable Acts and Regulations:

- (f) The *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended, and without limitation, ss. 121-135; and

- (g) The *Judicature Act*, R.S.A. 2000, c. J-2, as amended, and particularly s. 13(2) thereof.

How the Application is Proposed to be Heard or Considered:

- (h) In Chambers.

WARNING TO THE RESPONDENT(S):

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

Schedule "A"

Clerk's stamp:

COURT FILE NUMBER

25-2679073

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

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

APPLICANTS

IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF GREENFIRE OIL
AND GAS LTD.

AND IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF
GREENFIRE HANGINGSTONE OPERATING
CORPORATION

AND IN THE MATTER OF THE RECEIVERSHIP
OF GREENFIRE HANGINGSTONE OPERATING
CORPORATION

DOCUMENT

RECEIVERSHIP ORDER

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT

PROPOSAL TRUSTEE

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COUNSEL TO PROPOSAL TRUSTEE

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Date on which this order was pronounced:

April 6, 2021

Location where order was pronounced:

Calgary, Alberta

Name of judge who made this order:

The Honourable Justice Graesser

UPON the application of Alvarez & Marsal Canada Inc., in its capacity as proposal trustee (“**Proposal Trustee**”) of Greenfire Oil and Gas Ltd. (“**HoldCo**”) and Greenfire Hangingstone Operating Corporation (the “**Debtor**”) in these proposal proceedings commenced pursuant to section 50.4(1) the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**Proposal Proceedings**”), **AND UPON** having read the Notice of Application of the Proposal Trustee (“**Application**”), the Tenth Report of the Proposal Trustee dated April 1, 2021 (the “**Tenth Report**”), and the Affidavit of Service, all filed, and such other material in the pleadings and proceedings as are deemed necessary; **AND UPON** hearing counsel for the Proposal Trustee, counsel for other interested parties and stakeholders present and from any other interested parties and stakeholders present;

AND UPON reading the consent of Alvarez & Marsal Canada Inc. to act as receiver (the “**Receiver**”) of the Debtor, filed; **AND UPON** hearing counsel for the proposed Receiver and any other counsel or other interested parties present; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.

APPOINTMENT

2. Pursuant to section 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2, Alvarez & Marsal Canada Inc. is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, including the Sale Proceeds as defined in the Tenth Report (“**Sale Proceeds**”) (collectively, the “**Property**”).

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) to abandon, dispose of, transfer or otherwise release any interest in any of the Debtor's property;
 - (c) to receive, preserve and protect the Property, or any part or parts thereof;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
 - (e) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
 - (f) to settle, extend or compromise any indebtedness owing to or by the Debtor;
 - (g) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
 - (h) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
 - (i) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
 - (j) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:

- (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required;

- (k) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (l) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (m) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (n) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (o) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (p) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtor, and without interference from any other Person (as defined below).

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and

all access codes, account names, and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph; and (ii) affect a Regulatory Body’s investigation in respect of the Debtor or an action, suit or proceeding that is taken in respect of the Debtor by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. “**Regulatory Body**” means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a Province.

NO EXERCISE OF RIGHTS OF REMEDIES

9. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtor or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:
 - (a) empower the Debtor to carry on any business that the Debtor is not lawfully entitled to carry on;
 - (b) prevent the filing of any registration to preserve or perfect a security interest;
 - (c) prevent the registration of a claim for lien; or

- (d) exempt the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment.
10. Nothing in this Order shall prevent any party from taking an action against the Applicant where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH THE RECEIVER

11. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, except with the written consent of the Debtor and the Receiver, or leave of this Court.

CONTINUATION OF SERVICES

12. All persons having:
- (a) statutory or regulatory mandates for the supply of goods and/or services; or
 - (b) oral or written agreements or arrangements with the Debtor, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Debtor

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Debtor or exercising any other remedy provided under such agreements or arrangements. The Debtor shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Debtor in accordance with the payment practices of the Debtor, or such other practices as may be agreed upon by the supplier or service provider and each of the Debtor and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “**Post Receivership Accounts**”) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

14. Subject to employees’ rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor’s behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 (“**WEPPA**”).
15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
- (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
 - A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
 - (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
 - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or

- B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

- 17. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

- 18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property, including the Sale Proceeds which charge shall not exceed an aggregate amount of \$350,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver’s Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to the the Administration Charge (as defined in the Order granted on October 16, 2020, by the Honourable Justice D.R. Mah) (the “**Administration Charge**”) and subject to section 14.06(7), 81.4(4) and 81.6(2) of the BIA.
- 19. The Receiver and its legal counsel shall pass their accounts from time to time.
- 20. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

CONTINUATION OF ADMINISTRATION CHARGE, TERMINATION OF PRIOR CHARGES, AND ALLOCATION

21. The Interim Lender Charge (as defined in the Order granted on December 17, 2020, by the Honourable Justice D.B. Nixon) is hereby terminated, discharged, vacated in its entirety and is of no further force or effect.
22. The D&O Charge (as defined in the Order granted on January 22, 2021, by the Honourable Justice R.A. Graesser) is hereby terminated, discharged, vacated in its entirety and is of no further force or effect.
23. From and after the date of this Order, the Administration Charge shall survive and continue and attach to the Property, including the Sale Proceeds and the Administration Charge shall rank in priority to the Receiver's Charge and all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person.
24. For clarity, the respective ranking of the charges on the Property, including the Proceeds, shall be as follows:
 - (a) first, the Administration Charge; and
 - (b) second, the Receiver's Charge.
25. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Administration Charge and the Receiver's Charge.

TRANSITION

26. It is hereby adjudged and declared that, based upon the evidence that is currently before this Court in regard to the actions and activities of the Proposal Trustee:
 - (a) the Proposal Trustee has acted honestly and in good faith, and has carried out the Proposal Trustee's duties and obligations in a commercially reasonable manner;
 - (b) the Proposal Trustee shall not be liable for any act or omission arising from, relating to or in connection with its role as Proposal Trustee, save and except for any liability arising out of fraud, gross negligence or wilful misconduct on the part of the Proposal Trustee;
 - (c) the Proposal Trustee has never had and shall not in the future have any liability in regard to any act or omission of the Debtor, including, without limitation, in relation to the

business of the Debtor, payment of and/or accounting for any taxes (including, without limitation, goods and services tax) on revenues earned or any indebtedness or obligations whatsoever or howsoever incurred by the Debtor; and

- (d) no person shall commence an action or proceeding asserting a claim against the Proposal Trustee arising from, relating to or in connection with its role as Proposal Trustee without first obtaining an Order of this Court (on notice to the Proposal Trustee) granting such person leave to commence such action or proceeding, and any such action or proceeding commenced without such leave being obtained is a nullity.

27. Subject to the foregoing, any claims against the Proposal Trustee are hereby stayed, extinguished and forever barred.

28. From and after the date of this Order, the Receiver is authorized and directed to implement the Secured Claims Procedure (as defined in the Order of the Honourable Justice D.B. Nixon, granted March 12, 2021, the “**Secured Claims Procedure Order**”) in place of the Proposal Trustee.

29. The following tasks which would otherwise ordinarily be carried out by the Proposal Trustee within the Proposal Proceedings or by a trustee in bankruptcy in a subsequent bankruptcy shall be taken up and carried out by the Receiver pursuant to this Order, namely:

- (a) conducting and completing the Secured Claims Procedure;
- (b) seeking advice and direction from this Court to determine entitlement to the Sale Proceeds; and
- (c) seeking approval from this Court to distribute the Sale Proceeds following the conclusion of the Secured Claims Procedure.

GENERAL

30. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

31. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in

affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.

32. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
33. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
34. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
35. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

36. This Order is issued and shall be filed in the within action. All further proceedings shall be taken in this action unless otherwise ordered under the following style of cause:

COURT FILE
NUMBERS

25-2679073

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

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

APPLICANTS

IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF
GREENFIRE OIL AND GAS LTD.

AND IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF
GREENFIRE HANGINGSTONE OPERATING
CORPORATION

AND IN THE MATTER OF THE
RECEIVERSHIP OF GREENFIRE
HANGINGSTONE OPERATING
CORPORATION

37. The Receiver shall establish and maintain a website in respect of these proceedings at <https://www.alvarezandmarsal.com/greenfire> (the “**Receiver’s Website**”) and shall post there as soon as practicable:
- (a) all materials prescribed by statute or regulation to be made publically available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
38. Service of this Order shall be deemed good and sufficient by:
- (a) serving the same on:
 - (i) the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order; and
 - (b) posting a copy of this Order on the Receiver’s Website
- and service on any other person is hereby dispensed with.

39. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of Queen's Bench of Alberta