

Clerk's stamp:

COURT FILE NUMBER 2001 06423  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
APPLICANTS IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS  
AMENDED

AND IN THE MATTER OF THE COMPROMISE OR  
ARRANGEMENT OF ENTREC CORPORATION,  
CAPSTAN HAULING LTD., ENTREC ALBERTA  
LTD., ENTREC CAPITAL CORP., ENTREC  
CRANES & HEAVY HAUL INC., ENTREC  
HOLDINGS INC., ENT OILFIELD GROUP LTD.,  
and ENTREC SERVICES LTD.

DOCUMENT **DISTRIBUTION, ASSIGNMENT AND SEALING  
ORDER**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

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File No.: 144572.3

**DATE ON WHICH ORDER WAS PRONOUNCED:** **August 14, 2020**

**LOCATION WHERE ORDER WAS PRONOUNCED:** **Calgary, Alberta**

**NAME OF JUSTICE WHO MADE THIS ORDER:** The Honourable Justice Karen M.  
Horner

**UPON THE APPLICATION** by ENTREC Corporation, Capstan Hauling Ltd., ENTREC  
Alberta Ltd., ENT Capital Corp., ENTREC Cranes & Heavy Haul Inc., ENTREC Holdings Inc.,

ENT Oilfield Group Ltd., and ENTREC Services Ltd. (collectively, the “**Applicants**”) for an order approving certain distributions, the assignment of the Assigned Contracts (as defined below) pursuant to Section 11.3 of the *Companies’ Creditors Arrangement Act* (the “**CCAA**”), and sealing the Confidential Exhibits “1” and “2” to the Affidavit of John Stevens sworn August 7, 2020 (the “**Stevens Affidavit**”);

**AND UPON HAVING READ** the Amended and Restated Initial Order of this Court dated May 25, 2020, the Stevens Affidavit, and the Third Report of Alvarez & Marsal Canada Inc. (the “**Monitor**”) in its capacity as Court-appointed Monitor of the Applicants (the “**Third Report**”), filed, and the confidential report of the Monitor (the “**Confidential Monitor Report**”), to remain unfiled; **AND UPON HEARING** the submissions of counsel for the Applicants, the Purchaser, counsel for the Monitor and counsel for Wells Fargo Capital Finance Corporation Canada, as agent for a syndicate of lenders, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

#### **SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

#### **CAPITALIZED TERMS**

2. Capitalized terms used but not otherwise defined in this Order shall have the meaning given to such terms in the Stevens Affidavit.

#### **ASSIGNMENT OF ASSIGNED CONTRACTS**

3. Upon delivery by the Monitor to the Applicant and the Purchaser of the Monitor’s Closing Certificate (as defined in the Approval and Vesting Order of this Court dated August 14, 2020 (the “**Approval and Vesting Order**”)), all of the rights and obligations of the Applicants under and to the Assigned Contracts (as defined in the Sale Agreement), listed on Schedule “A” hereto (the “**Assigned Contracts**”), shall be assigned, conveyed and transferred to, and assumed by, the Purchaser pursuant to section 11.3 of the CCAA.
4. The assignment of the Assigned Contracts is declared valid and binding upon all of the counterparties to the Assigned Contracts notwithstanding any restriction, condition or prohibition contained in any such Assigned Contract relating to the assignment thereof, including any provision requiring the consent of any party to the assignment.

5. The assignment and transfer of the Assigned Contracts shall be subject to the provisions of the Approval and Vesting Order directing that all of the Applicants' right, title and interest in the Purchased Assets shall vest absolutely in the Purchaser free and clear of all Encumbrances (as defined in the Approval and Vesting Order) other than Permitted Encumbrances (as defined in the Approval and Vesting Order) in accordance with the provisions of the Approval and Vesting Order.
6. No counterparty under any Assigned Contract, nor any other person, upon the assignment and transfer to, and assumption by, the Purchaser of the Assigned Contracts hereunder shall make or pursue any demand, claim, action or suit or exercise any right or remedy under any Assigned Contract against the Purchaser relating to:
  - (a) the Applicants having sought or obtained relief under the CCAA;
  - (b) the insolvency of the Applicants; or
  - (c) any failure by the Applicants to perform a non-monetary obligation under any Assigned Contract,

and all such counterparties and persons shall be forever barred and estopped from taking such action. For greater certainty, nothing herein shall limit or exempt the Purchaser in respect of obligations accruing, arising or continuing after the Closing Date (as defined in the Sale Agreement) under the Assigned Contracts other than in respect of items (a) – (b) above.

#### **CURE COSTS**

7. All monetary defaults in relation to the Assigned Contracts existing prior to the Closing Date, if any, other than those arising by reason only of the insolvency of the Applicants, the commencement of these CCAA proceedings or the failure to perform a non-monetary obligation under any Assigned Contract, shall be paid by the Purchaser to the applicable counterparty on the Closing Date (or to the Monitor in trust on Closing for distribution to the applicable counterparty as soon as practicable thereafter).

#### **MISCELLANEOUS MATTERS**

8. For greater certainty and without limiting the terms of the Approval and Vesting Order, notwithstanding:
  - (a) the pendency of these proceedings and any declaration of insolvency made herein;

- (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the “**BIA**”), in respect of the Applicants, and any bankruptcy order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Applicants; and
- (d) the provisions of any federal or provincial statute

the vesting of the Assigned Contracts in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- 9. Notwithstanding any other provision of this Order, the Applicants shall continue to be entitled to exercise all of its rights to set-off (or any other contractual rights) and apply any and all post-filing amounts to which the Applicants owe or may come to owe to any party, as the case may be, as against any amounts that are owed by such party to the Applicants.
- 10. The Applicants and the Monitor shall be at liberty to apply for further advice, assistance and direction as may be necessary or desirable in order to give full force and effect to the terms of this Order, including without limitation, as necessary to effect the transfer of the Assigned Contracts, the interpretation of this Order or the implementation thereof, and for any further order that may be required, on notice to any party likely to be affected by the order sought on such notice as this Court required.
- 11. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories, the United States of America or in any other foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Applicants, Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Applicants and Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and its agents in carrying out the terms of this Order.

12. 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;
- (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;
- (iv) the Purchaser or the Purchaser's solicitors; and

(b) Posting a copy of this Order on the Monitor's website at:  
<https://www.alvarezandmarsal.com/entrec>

and service on any other person is hereby dispensed with.

13. 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.

#### **DISTRIBUTION TO AGENT**

14. Upon closing of the Transaction, the Monitor is authorized and directed to distribute the Net Sale Proceeds (as defined in the Stevens Affidavit) to the Agent in partial satisfaction of the Applicants' obligations owing to the Syndicate.

#### **SEALING ORDER**

15. Division 4 of Part 6 of the Rules does not apply to this Application.

16. The Clerk of the Court be and is hereby directed to seal the Confidential Exhibits contained in the Stevens Affidavit until 3 months after the closing of the Transaction (as evidenced by a Monitor's Certificate filed in the within Action), or until further Order of the Court.

17. The Clerk of this Honourable Court is hereby directed to seal an unredacted copy of Confidential Exhibits "1" and "2" to the Stevens Affidavit, in an envelope setting out the style of cause in the within proceedings and labelled:

**THIS ENVELOPE CONTAINS CONFIDENTIAL EXHIBITS  
CONTAINED IN THE AFFIDAVIT OF JOHN STEVENS AT  
CONFIDENTIAL EXHIBITS "1" AND "2", SWORN ON AUGUST  
7, 2020, FILED. THIS CONFIDENTIAL DOCUMENT IS SEALED  
ON THE COURT FILE PURSUANT TO THE ORDER ISSUED BY**

**THE HONOURABLE JUSTICE K. M. HORNER ON AUGUST 14<sup>TH</sup>, 2020. THE CONFIDENTIAL DOCUMENTS ARE NOT TO BE ACCESSED BY ANY PERSON UNTIL FURTHER ORDER OF THE COURT.**

18. The Clerk of the Court be and is hereby directed to seal the Confidential Monitor Report until 3 months after the closing of the Transaction (as evidenced by a Monitor's Certificate filed in the within Action), or until further Order of the Court.
19. The Clerk of this Honourable Court is hereby directed to seal the Confidential Monitor Report, in an envelope setting out the style of cause in the within proceedings and labelled:

**THIS ENVELOPE CONTAINS A CONFIDENTIAL SUPPLEMENTAL REPORT OF THE MONITOR, ALVAREZ & MARSAL (CANADA) INC., DATED AUGUST 10, 2020. THIS CONFIDENTIAL DOCUMENT IS SEALED ON THE COURT FILE PURSUANT TO THE ORDER ISSUED BY THE HONOURABLE JUSTICE K. M. HORNER ON AUGUST 14<sup>TH</sup>, 2020. THE CONFIDENTIAL DOCUMENTS ARE NOT TO BE ACCESSED BY ANY PERSON UNTIL FURTHER ORDER OF THE COURT.**

**APPROVAL OF MONITOR'S ACTIVITIES**

20. The conduct and activities of the Monitor described in the Third Report are approved.



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Justice of the Court of Queen's Bench

**Schedule "A"**

**Assigned Contracts**

<b>Assigned Contract</b>	<b>Cure Costs</b>
Master Goods and Services Agreement between ENT Oilfield Group Ltd. and Canadian Natural Resources Limited dated June 1, 2020	\$0.00
Heavy Hauling Services Agreement (No. A2435261) between ENTREC Corporation and Imperial Oil Resources Limited, including Amendment No. 6	\$0.00
Equipment Lease between ENTREC Corporation and Element Fleet Management Inc. dated January 22, 2016 in respect of a 2016 Ford F-350 (VIN: 1FT8W3BT9GEB63754)	\$0.00
Equipment Lease between ENTREC Corporation and Element Fleet Management Inc. dated November 7, 2018 in respect of 2019 Ford F450SD (VIN: 1FT8W4DT2KEC37589)	\$0.00