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COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

COM
Dec. 14 2020
Justice D.B Nixon

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

DECEMBER 5, 2020

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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TRUSTEE**

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INTRODUCTION

1. On October 8, 2020 (the “**NOI Date**”), Greenfire Oil and Gas Ltd. (“**HoldCo**”) and Greenfire Hangingstone Operating Corporation (“**OpCo**”), 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**” or the “**Proposal Trustee**”). For purposes of this fourth report of the Proposal Trustee (the “**Fourth Report**” or “**this Report**”), HoldCo and OpCo are together referred to as the “**Company**” or “**Greenfire**”.
2. 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 and the legal counsel to the Company, such charge to be in priority to all other security interests, liens and other encumbrances.
3. Pursuant to section 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 November 6, 2020, on application by the Company, this Honourable Court granted an order extending that timeframe for the Company to file a proposal to its creditors until November 20, 2020. On November 17, 2020, on application by the Company, this Honourable Court granted an order extending that timeframe for the Company to file a proposal to its creditors until December 8, 2020 (the “**Second NOI Period Extension**”).
4. On December 2, 2020, the Company served a notice of application (the “**December 2nd Application Materials**”) to this Honourable Court, to seek among other things, an Order:

- a) authorizing the Company to borrow up to \$20,000,000 under a credit facility (the “**Proposed Interim Financing Facility**”) to fund the restart of its operations;
 - b) granting Trafigura Canada General Partnership (“**Trafigura**”) a charge (the “**Proposed Interim Lender’s Charge**”) that shall rank in priority to all other security interests, liens and other encumbrances with the exception of the Administration Charge;
 - c) approving a proposed asset sale transaction (the “**Proposed Asset Sale Transaction**”) contemplated by an asset purchase agreement (the “**APA**”) between Greenfire and Greenfire Acquisition Corporation (“**AcquisitionCo**”); and
 - d) extending the period of time within which Greenfire is required to file a proposal to its creditors up to and including January 22, 2021; or
 - e) in the alternative, increasing the Administration Charge by \$500,000 to \$1 million.
5. Further background regarding the Company and its operations is contained in the materials filed in support of the application for a stay extension, including the affidavits of Mr. Robert Logan. Various Court-filed documents and notices, together with the Proposal Trustee’s filed reports and other information regarding the NOI Proceedings, have been posted on the Proposal Trustee’s website at www.alvarezandmarsal.com/greenfire.

PURPOSE

6. The purpose of this Fourth Report of the Proposal Trustee is to provide this Honourable Court and the Company's stakeholders with information in respect of the following:
 - a) activities of the Company and the Proposal Trustee since the First Report of the Proposal Trustee dated November 4, 2020 (the "**First Report**"); and
 - b) the Proposal Trustee's considerations and recommendation with respect to the Company's revised request for an extension of the Second NOI Period Extension to December 14, 2021 (the "**Proposed Third NOI Period Extension**").

TERMS OF REFERENCE

7. In preparing this Report, the Proposal Trustee has relied upon unaudited financial information and other information provided by the Company 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.
8. Future oriented financial information relied upon in this Report is based on the Company's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.
9. All references to dollars are in Canadian currency unless otherwise noted.

LIMITATION IN SCOPE OF REVIEW

10. 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.

11. 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 Company during these proceedings and/or at any other time.
12. The Proposal Trustee has not audited or reviewed the assets of the Company, and with respect to such assets, has relied to a significant degree upon information provided by the Company.
13. The Trustee is specifically not directed or empowered to take possession of the assets of the Company or to manage any of the business and affairs of the Company.

ACTIVITIES OF THE COMPANY AND THE PROPOSAL TRUSTEE

14. Since the First Report, the Proposal Trustee and the Company's management ("**Management**") have engaged in the following activities:
 - a) multiple communications and meetings between the Company, the Company's legal counsel, the Proposal Trustee, the Proposal Trustee's independent legal counsel McMillan LLP (collectively, the "**NOI Professionals**") and with interested parties considering whether to provide interim financing in the NOI Proceedings or an offer to purchase the Company's assets;
 - b) multiple communications and meetings between the Company, the NOI Professionals, Trafigura and MWB UK Management Limited (doing business as "**McIntyre Partners**") with respect to the proposed interim financing facility and the proposed asset sale transaction, which are expected to be discussed in greater detail in the Proposals Trustee's Fifth Report expected to be filed in the coming days;

- c) review of the filed December 2nd Application Materials and subsequent communications with the Company, Trafigura and McIntyre Group;
- d) preparing reports to this Honourable Court commenting on the Company's stay extension request and matters involving the disputes between Greenfire and Warner Petroleum Corporation ("**Warner**"). On November 17, 2020, applications were heard by this Honourable Court to determine whether the marketing agreement between Greenfire and Warner (the "**Warner Marketing Agreement**") created an interest in land, whether the Warner Marketing Agreement is an eligible financial contract under the provisions of the BIA and whether Warner Marketing Agreement should not be disclaimed (collectively, the "**Warner Matter**"), as discussed further below;
- e) communication with the AER regarding several matters, including the order received November 17, 2020 ("**Order RCAM 2020-001**") a copy of which is attached as Appendix "A"; and
- f) ongoing monitoring of the Company's financial affairs and activities.

Warner Matter

15. The Warner Matter was originally heard by this Honourable Court on November 13, 2020, with such matter adjourned and heard on November 17, 2020. On November 17, 2020, this Honourable Court made an Order declaring that the Warner Marketing Agreement did not create an interest in land and is not an eligible financial contract under the provisions of the BIA, and ordering that the disclaimer issued by Greenfire pursuant to section 65.11(1) of the BIA, that was approved by the Proposal Trustee, on November 6, 2020 was valid and effective (collectively, the "**Warner Decision**").
16. The Proposal Trustee understands that a favorable outcome to Greenfire with regard to the Warner Decision was critical in finalizing negotiations with Trafigura and

McIntyre Partners and that those parties would not have proceeded to negotiate the Proposed Interim Financing Term Sheet or have executed the Proposed Asset Sale Transaction without this outcome.

17. On November 27, 2020, Warner appealed the Warner Decision pursuant to sections 193(a), (b) and (c) of the BIA and, in the alternative, sought leave to appeal the Warner Decision pursuant to section 193(e) of the BIA.

AER Order

18. On November 17, 2020, the AER issued Order RCAM 2020-001, attached as Appendix “A”. Order RCAM 2020-001 requires certain various action items, including, among other things, by December 1, 2020, Greenfire ensuring all substances at the wells, facilities, and pipelines are safely contained or removed within facility piping, tankage, pipelines and containers during winter weather conditions (the “**Winter Weather Action Item**”).
19. On November 23, 2020, Greenfire requested that the date of the Winter Weather Action Item be extended until December 15, 2020 (the “**AER Order Extension Request**”).
20. On November 25, 2020, the AER approved the AER Order Extension Request, which may, according to the AER, be rescinded at any time should conditions warrant.

ACTUAL CASH FLOW RESULTS

21. As previously reported by the Proposal Trustee, there have not been any receipts collected or disbursements paid in either the HoldCo or OpCo estates. The significant costs accruing to Greenfire are those fees and costs of the Professional Advisors that are beneficiaries of the Administration Charge.
22. Since filing the Third Report of the Proposal Trustee dated November 17, 2020, the Proposal Trustee has been made aware by certain vendors that existing contracts

with the Company remain in place and thus the Company has incurred operational costs since Filing. The Company has informed the Proposal Trustee that these contracts are necessary for the restart of operations. The Company and the Proposal Trustee have reached out to these parties to inform them that until the Company has obtained court approved interim financing, there is and will be no cash to pay any obligations.

THE DECEMBER 2ND APPLICATION MATERIALS

23. The Proposal Trustee understands the Company is seeking approval of the Proposed Asset Sale Transaction and the APA with AcquisitionCo and the Proposed Interim Financing by Trafigura. The Proposed Interim Financing by Trafigura will only be advanced and made available to the Company if the Proposed Asset Sale Transaction and the APA are approved by this Honourable Court.
24. To date, Trafigura has not executed the Proposed Interim Financing agreement. The Proposal Trustee is not prepared to deliver its report on the Proposed Asset Sale Transaction, APA and the Proposed Interim Financing until such time that it obtains confirmation that all executable documents have been signed by AcquisitionCo and Trafigura.
25. The Proposal Trustee is of the view that a short extension to the stay of proceedings is warranted so that the Company's application can be heard on a later date to allow the Company's creditors and stakeholders sufficient time to review the Company's materials and the Proposal Trustee's anticipated Fifth Report once Trafigura has signed the interim financing agreement.
26. The Proposed Trustee is advised by Trafigura that it expects to release the signature page to the Proposed Interim Financing by December 8th or earlier, after it finalizes its documents/agreements with the McIntyre Group. Trafigura has confirmed that it does not expect any changes to the form of Proposed Interim Financing Agreement included in the December 2nd Application Materials. A copy of an email

advising the same from Trafigura's counsel is attached as Appendix "B" to this Report.

27. The Proposal Trustee notes that the Proposed Interim Financing Facility contemplates, in section 11 (Condition Precedent of Effectiveness), that the Proposed Interim Financing Facility will not be effective if the Court does not grant and Order approving the interim financing by December 8, 2020. The Proposal Trustee is unaware whether Trafigura will waive this or extend that date. Notwithstanding this uncertainty, the Trustee believes that an extension is appropriate in order to give stakeholders and this Honourable Court sufficient time to review the proposed transactions with the benefit of the Proposal Trustee's anticipated Fifth Report.

APPLICATION TO EXTEND THE TIME TO FILE A PROPOSAL

28. The Second NOI Period Extension will expire on December 8, 2020 and the Company is seeking an extension of the period in which it is required to file a proposal to December 14, 2020 pursuant to section 50.4 (9) of the BIA (the Proposed Third NOI Period Extension).
29. The Proposal Trustee has considered the Proposed Third NOI Period Extension request of the Company and the circumstances currently facing the Company. The Proposal Trustee is supportive of a short stay extension to December 14, 2020, to allow for Trafigura and McIntyre Group to finalize the matters as discussed above in order for them to release the signature pages for the Proposed Interim Financing Facility.
30. The Proposal Trustee considered the following factors regarding the stay extension:
 - a) whether the Company is acting in good faith and with due diligence;
 - b) whether the Company would likely be able to make a viable proposal if the Second NOI Period Extension were further extended; and

- c) that no creditor in these proceedings will materially prejudiced if the extension were to be granted.

- 31. 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 Company has been made aware of the good faith and acting with due diligence obligations pursuant to s. 50.4(9) of the BIA.
- 32. The Proposal Trustee is of the view that an extension to December 14, 2020 is appropriate and necessary to advance efforts to achieve a successful restructuring and that no stakeholder or creditor is likely to be materially prejudiced if an extension is granted.
- 33. Without an extension to the stay of proceedings, the Company will not be able to restart operations with the benefit of the Propose Interim Financing Facility, nor will they be able to close the Proposed Asset Sale Transaction, subject to Court approval.

PROPOSAL TRUSTEE'S RECOMMENDATION

- 34. The Proposal Trustee respectfully recommends that this Honourable Court approve a short extension of time in which the Company must file a proposal to its creditors to December 14, 2020.

All of which is respectfully submitted this 5th day of December, 2020

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Proposal Trustee of
Greenfire Oil and Gas Ltd. and Greenfire Hangingstone
Operating Corporation 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

Made at Bonnyville AB, in the Province of Alberta, on November 17, 2020	ALBERTA ENERGY REGULATOR
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Under section 26.2 of the *Oil and Gas Conservation Act (OCGA)* and section 22.1 of the *Pipeline Act*

Greenfire Hangingstone Operating Corporation (A7P4)

Suite 1650, 444 – 5 AVE SW
Calgary, AB T2P 2T8

WHEREAS Greenfire Hangingstone Operating Corporation (Greenfire) is the holder of the Alberta Energy Regulator (AER) well, facility, and pipeline licences listed in Appendix A (the Sites);

WHEREAS on October 8, 2020, Greenfire filed a notice of intention to make a proposal under section 50.4 of the *Bankruptcy and Insolvency Act*;

WHEREAS on November 6, 2020, Greenfire obtained an extension to November 20, 2020, to make a proposal under section 50.4 of the *Bankruptcy and Insolvency Act*;

WHEREAS Greenfire has an Active status in the Alberta Corporate Registry as of November 17, 2020.

WHEREAS Greenfire has reported to the AER that in spring of 2020 Greenfire suspended operations at the Sites without protection from freezing temperatures;

WHEREAS freezing temperatures may result in harm to the integrity of the Sites and release of substances to the environment;

WHEREAS Greenfire has reported to the AER that no subsurface monitoring has occurred since operations were suspended in spring of 2020;

WHEREAS Colin Woods, Manager, Compliance & Liability Management Field Operations East (Director) has authority for the purpose of issuing Orders under the *OCGA* and *Pipeline Act*;

WHEREAS the Director is of the opinion that reasonable care and measures are not being taken to prevent impairment or damage at the Sites;

Therefore, I, Colin Woods, Manager, Compliance & Liability Management Field Operations East, under section 26.2 of the *OCGA*, and section 22.1 of the *Pipeline Act*, DO HEREBY ORDER the following:

Action Items

1. Greenfire shall **immediately** report in writing that Greenfire's posted emergency number will remain active and will initiate an immediate response when called.

2. By **December 1, 2020**, Greenfire shall ensure all substances at the Sites are safely contained or removed within facility piping, tankage, pipelines and containers during winter weather conditions.

Action Plan

3. On or before **November 23, 2020**, Greenfire shall submit to the satisfaction of the AER, a Surface Action Plan that addresses all actions that Greenfire will take to ensure reasonable care and measures are being taken at all Sites.
4. On or before **December 7, 2020**, Greenfire shall submit to the satisfaction of the AER, a Subsurface Action Plan to monitor or take preventative action to detect or prevent a subsurface loss of containment.
5. Implement the above Action Plans as authorized until otherwise directed by the AER in writing.

Reporting

6. All Plans and Reports to be submitted to the Director under this order shall be submitted to fieldoperationseast@aer.ca

General

7. In carrying out the requirements of this Order, Greenfire shall obtain and comply with all required federal, provincial, or municipal permits and governing legislation and provide to the AER all authorizations obtained immediately upon receipt.
8. Where a deadline has been specified in this Order, the AER may authorize in writing a different deadline or reporting frequency as applicable.

Dated at the City of Bonnyville in the Province of Alberta, the 17th day of November, 2020.



Colin Woods

Manager, Compliance & Liability Management, Field Operations East
Alberta Energy Regulator

In complying with this order, the party or parties named must obtain all approvals necessary, notwithstanding the above requirements.

This order in no way precludes any enforcement actions being taken regarding this matter under the *OGCA* or *Pipeline Act* or any other provincial or federal legislation, or by any other regulator with jurisdiction.

All enforcement actions issued by the AER may be subject to a follow-up review to confirm previous commitments have been completed and measures have been implemented, to ensure similar

noncompliances are prevented in the future. The AER may request any information that demonstrates steps have been taken to prevent repeat noncompliance's from occurring.

Under the *Responsible Energy Development Act*, an eligible person may appeal decisions that meet certain criteria. Eligible persons and appealable decisions are defined in section 36 of the *Responsible Energy Development Act* and section 3.1 of the *Responsible Energy Development Act General Regulation*. If you wish to file a request for regulatory appeal, you must submit your request according to the AER's requirements. You can find filing requirements and forms on the AER website, www.aer.ca, under Regulating Development: Project Application: Regulatory Appeal Process.

Appendix A

Table 1: Well Licences

Licence Number	UWI	Surface Location	Well Status	Responsible Party	Responsible Party Percent Interest
W0483436	F1/01-34-084-11W4/0	01-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0424893	10/04-35-084-11W4/0	10-27-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0424892	09/04-35-084-11W4/0	10-27-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0424838	07/04-35-084-11W4/0	10-27-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0424837	06/04-35-084-11W4/0	10-27-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0419253	AA/13-26-084-11W4/2	13-26-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0375428	W0/13-35-084-11W4/0	11-34-084-11W4	Suspension	Greenfire Hangingstone Operating Corporation	100.00%
W0375327	00/13-35-084-11W4/2 00/13-35-084-11W4/4 00/15-34-084-11W4/3 00/16-34-084-11W4/0	11-34-084-11W4	Suspension	Greenfire Hangingstone Operating Corporation	100.00%
W0370910	02/03-35-084-11W4/0	09-27-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0370909	02/14-26-084-11W4/0 02/14-26-084-11W4/2	09-27-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0370903	00/03-35-084-11W4/0 00/03-35-084-11W4/2	09-27-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0370901	00/14-26-084-11W4/0	09-27-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0370727	03/04-35-084-11W4/0	10-27-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0370726	18/01-34-084-11W4/0	10-27-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0370725	21/01-34-084-11W4/0	10-27-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%
W0370724	03/08-34-084-11W4/0	10-27-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0367690	AF/13-26-084-11W4/0	13-26-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0367479	AC/04-35-084-11W4/0	04-35-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%

Licence Number	UWI	Surface Location	Well Status	Responsible Party	Responsible Party Percent Interest
W0366965	09/16-27-084-11W4/0	16-27-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%
W0366964	03/03-35-084-11W4/0	03-35-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%
W0366963	AE/13-26-084-11W4/0	13-26-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0366962	AB/16-27-084-11W4/0	16-27-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0366961	10/16-27-084-11W4/0	16-27-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%
W0366691	02/04-35-084-11W4/0	10-27-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0366690	16/01-34-084-11W4/0	10-27-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0366688	W2/04-35-084-11W4/0	10-27-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%
W0366687	02/08-34-084-11W4/0	10-27-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0366675	AB/04-35-084-11W4/0	04-35-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0324493	03/13-34-084-11W4/0	13-34-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%
W0323896	AC/13-26-084-11W4/0	13-26-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0319542	00/14-34-084-11W4/0	14-34-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%
W0318834	03/12-34-084-11W4/0	12-34-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%
W0318503	02/13-34-084-11W4/0	11-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0318502	04/16-33-084-11W4/0	11-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0318485	03/16-33-084-11W4/0	11-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0318484	00/13-34-084-11W4/0	11-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0314411	02/16-33-084-11W4/0	11-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0314410	00/16-33-084-11W4/0	11-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0297267	06/06-34-084-11W4/0	02-34-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%

Licence Number	UWI	Surface Location	Well Status	Responsible Party	Responsible Party Percent Interest
W0296876	09/05-34-084-11W4/0	02-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0296875	08/05-34-084-11W4/0	02-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0296874	05/06-34-084-11W4/0	01-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0296872	04/06-34-084-11W4/0	01-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0296871	07/06-34-084-11W4/0	02-34-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%
W0281690	00/11-34-084-11W4/0 05/09-33-084-11W4/2	07-34-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%
W0281688	04/09-33-084-11W4/0	07-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0281687	06/05-34-084-11W4/0	07-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0281685	05/05-34-084-11W4/0	07-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0259728	03/09-33-084-11W4/0	09-33-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%
W0259095	02/12-34-084-11W4/0	12-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0259094	02/05-34-084-11W4/0	05-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0259093	03/06-34-084-11W4/0	06-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0259092	04/13-27-084-11W4/0	13-27-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0259091	02/14-27-084-11W4/0	14-27-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0259090	00/14-27-084-11W4/0	14-27-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0259088	03/03-34-084-11W4/0	03-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0242489	02/09-33-084-11W4/0	07-34-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%
W0242488	04/05-34-084-11W4/0	07-34-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%
W0242486	03/13-27-084-11W4/0	02-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0242483	00/09-33-084-11W4/0	07-34-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%

Licence Number	UWI	Surface Location	Well Status	Responsible Party	Responsible Party Percent Interest
W0242482	03/05-34-084-11W4/0	07-34-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%
W0242480	02/13-27-084-11W4/0	01-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0240026	02/04-34-084-11W4/0	04-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0240025	02/06-34-084-11W4/0	06-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0240024	00/05-34-084-11W4/0	05-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0240023	00/06-34-084-11W4/0	06-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0240022	02/03-34-084-11W4/0	03-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0240021	00/03-34-084-11W4/0	03-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0240020	00/12-34-084-11W4/0	12-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0239728	00/04-34-084-11W4/0	04-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0219033	04/08-34-084-11W4/0	08-34-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%
W0219032	AF/09-34-084-11W4/0	09-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0219031	AE/09-34-084-11W4/0	09-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0219030	AC/10-34-084-11W4/0	10-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0219028	07/10-34-084-11W4/0	10-34-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%
W0219027	AA/10-34-084-11W4/0	10-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0219024	AD/05-35-084-11W4/0	05-35-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0219023	00/12-35-084-11W4/0	12-35-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%
W0219022	07/09-34-084-11W4/0	09-34-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%
W0219021	00/05-35-084-11W4/0	05-35-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%
W0219020	08/09-34-084-11W4/0	09-34-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%

Licence Number	UWI	Surface Location	Well Status	Responsible Party	Responsible Party Percent Interest
W0219019	AB/09-34-084-11W4/0	09-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0214840	06/09-34-084-11W4/0	04-35-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0214839	05/09-34-084-11W4/0	04-35-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0214838	04/09-34-084-11W4/0 04/09-34-084-11W4/2	04-35-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0214837	03/09-34-084-11W4/0	04-35-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0214836	02/09-34-084-11W4/0	04-35-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0214835	00/09-34-084-11W4/0	04-35-084-11W4	Suspension	Greenfire Hangingstone Operating Corporation	100.00%
W0213618	02/12-35-084-11W4/0	12-35-084-11W4	Amended	Greenfire Hangingstone Operating Corporation	100.00%
W0213579	AA/09-34-084-11W4/0	09-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0213576	AB/08-34-084-11W4/0	08-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0213575	AB/05-35-084-11W4/0	05-35-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0213532	AB/12-35-084-11W4/0	12-35-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0212103	06/10-34-084-11W4/0	01-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0212100	05/10-34-084-11W4/0	01-34-084-11W4	Suspension	Greenfire Hangingstone Operating Corporation	100.00%
W0212096	04/10-34-084-11W4/0	01-34-084-11W4	Issued	Greenfire Hangingstone Operating Corporation	100.00%
W0212095	F1/10-34-084-11W4/0	01-34-084-11W4	Suspension	Greenfire Hangingstone Operating Corporation	100.00%
W0207219	02/10-34-084-11W4/0	10-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0207217	02/07-34-084-11W4/0	07-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0207216	00/08-34-084-11W4/0	08-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0207213	00/10-34-084-11W4/0	10-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%
W0140078	03/16-27-084-11W4/0	16-27-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%

Licence Number	UWI	Surface Location	Well Status	Responsible Party	Responsible Party Percent Interest
W0131674	00/01-34-084-11W4/0	01-34-084-11W4	Abandoned	Greenfire Hangingstone Operating Corporation	100.00%

Table 2: Facility Licences

Licence Number	Surface Location	Responsible Party	Percent Interest
F21408	16-27-084-11W4	Greenfire Hangingstone Operating Corporation	100%

Table 3: Pipeline Licences

Licence Number	From Location	To Location	Line Number
P53137	01-34-084-11W4	13-26-084-11W4	S-1
P53137	01-34-084-11W4	01-34-084-11W4	S-2
P53137	01-34-084-11W4	16-27-084-11W4	S-3
P53137	07-34-084-11W4	01-34-084-11W4	S-4
P53137	11-34-084-11W4	07-34-084-11W4	S-5
P53137	10-27-084-11W4	13-26-084-11W4	S-6
P53137	09-27-084-11W4	09-27-084-11W4	S-7
P53137	01-34-084-11W4	13-26-084-11W4	S-8
P53137	01-34-084-11W4	16-27-084-11W4	S-9
P53137	07-34-084-11W4	01-34-084-11W4	S-10
P53137	11-34-084-11W4	07-34-084-11W4	S-11
P53137	10-27-084-11W4	13-26-084-11W4	S-12
P53137	09-27-084-11W4	09-27-084-11W4	S-13
P53112	13-26-084-11W4	04-35-084-11W4	S-1
P53112	01-34-084-11W4	04-35-084-11W4	S-2
P53112	01-34-084-11W4	07-34-084-11W4	S-3
P53112	01-34-084-11W4	01-34-084-11W4	S-4
P53112	16-27-084-11W4	16-27-084-11W4	S-5
P53112	07-34-084-11W4	11-34-084-11W4	S-6
P53112	13-26-084-11W4	10-27-084-11W4	S-7
P53112	09-27-084-11W4	09-27-084-11W4	S-8
P53112	16-27-084-11W4	16-27-084-11W4	S-9
P53112	01-34-084-11W4	01-34-084-11W4	S-10
P53112	13-26-084-11W4	01-34-084-11W4	S-11
P53111	01-34-084-11W4	01-34-084-11W4	S-1
P53111	01-34-084-11W4	01-34-084-11W4	S-2
P53110	16-27-084-11W4	01-34-084-11W4	S-1

Licence Number	From Location	To Location	Line Number
P53110	01-34-084-11W4	16-27-084-11W4	S-2
P53110	01-34-084-11W4	04-35-084-11W4	S-3
P53110	01-34-084-11W4	07-34-084-11W4	S-4
P53110	07-34-084-11W4	11-34-084-11W4	S-5
P53110	13-26-084-11W4	10-27-084-11W4	S-6
P53110	09-27-084-11W4	09-27-084-11W4	S-7
P53109	04-35-084-11W4	01-34-084-11W4	S-1
P53109	04-35-084-11W4	13-26-084-11W4	S-2
P53109	07-34-084-11W4	01-34-084-11W4	S-3
P53094	16-27-084-11W4	01-34-084-11W4	S-1
P53094	13-26-084-11W4	01-34-084-11W4	S-2
P53094	01-34-084-11W4	01-34-084-11W4	S-3
P53094	01-34-084-11W4	07-34-084-11W4	S-4
P53094	07-34-084-11W4	11-34-084-11W4	S-5
P53094	13-26-084-11W4	10-27-084-11W4	S-6
P53094	09-27-084-11W4	09-27-084-11W4	S-7
P53094	11-34-084-11W4	07-34-084-11W4	S-8
P53094	11-34-084-11W4	07-34-084-11W4	S-9
P53094	10-27-084-11W4	13-26-084-11W4	S-10
P53094	10-27-084-11W4	13-26-084-11W4	S-11
P53094	01-34-084-11W4	13-26-084-11W4	S-12
P53093	13-26-084-11W4	04-35-084-11W4	S-1
P53093	01-34-084-11W4	04-35-084-11W4	S-2
P53093	01-34-084-11W4	16-27-084-11W4	S-3
P53093	01-34-084-11W4	01-34-084-11W4	S-4
P53093	01-34-084-11W4	07-34-084-11W4	S-5
P53093	07-34-084-11W4	11-34-084-11W4	S-6
P53093	13-26-084-11W4	10-27-084-11W4	S-7
P53093	09-27-084-11W4	09-27-084-11W4	S-8
P24616	05-34-083-11W4	01-34-084-11W4	S-1
P24616	15-34-083-11W4	15-34-083-11W4	S-2
P24616	01-11-084-11W4	13-26-084-11W4	S-3
P24616	16-27-084-11W4	16-27-084-11W4	S-4
P24616	12-13-084-11W4	12-13-084-11W4	S-5
P21792	02-36-084-11W4	13-26-084-11W4	S-5
P21792	13-26-084-11W4	01-34-084-11W4	S-6

APPENDIX B

From: [Karen Fellowes](#)
To: [Konowalchuk, Orest](#); [Adam Maerov](#)
Cc: [Keith Chatwin](#); [Matthieu Milandri](#); [Alberto Ramos](#)
Subject: Trafigura/Greenfire
Date: Friday, December 04, 2020 1:23:49 PM
Attachments: [stikemanelliott_logo_rgb_120px.png](#)

[EXTERNAL EMAIL]

Hello Orest, further to our call this morning, my client has asked me to pass along the following update:

Trafigura Canada LP is pleased to advise that they are working diligently towards the release of signature pages of the DIP Term Sheet negotiated with the debtor Company. We confirm that we anticipate no material revisions being negotiated with respect to the contents of the DIP Term Sheet, and that the APA has been finally settled. We anticipate only a short delay relating to the negotiation of some collateral arrangements with the purchaser which should not impact the terms of the DIP Term Sheet or APA.

Please do not hesitate to contact me if you have any further questions or concerns.

Yours truly,

Karen Fellowes, Q.C.

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604 631 1468 Vancouver

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Stikeman Elliott

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