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IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, RSC 1985, c C-36, AS AMENDED

APPLICANTS

AND IN THE MATTER OF GRIFFON PARTNERS
OPERATION CORP., GRIFFON PARTNERS CAPITAL
MANAGEMENT LTD., GRIFFON PARTNERS HOLDING
CORP., 2437801 ALBERTA LTD., 2437799 ALBERTA
LTD., 2437815 ALBERTA LTD., STELLION LIMITED,
and SPICELO LIMITED

DOCUMENT

**THIRD REPORT OF ALVAREZ & MARSAL CANADA
INC. IN ITS CAPACITY AS MONITOR**

APRIL 3, 2024

ADDRESS FOR SERVICE AND
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INTRODUCTION

1. On August 25, 2023, Griffon Partners Operation Corp. (“**GPOC**”), Griffon Partners Holding Corp. (“**GPHC**”), Griffon Partners Capital Management Ltd. (“**GPCM**”), 2437801 Alberta Ltd. (“**801 AB**”), 2437799 Alberta Ltd. (“**799 AB**”), 2437815 Alberta Ltd. (“**815 AB**”), Stellion Limited (“**Stellion**”)¹, and Spicelo Limited (“**Spicelo**”) each filed Notices of Intention to Make a Proposal (“**NOI**”) 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. (“**A&M Inc.**”) consented to act as Trustee under the Proposal (“**Proposal Trustee**”).
2. For the purposes of this third report (the “**Third Report**” or “**this Report**”), GPOC, Spicelo and the Holding Companies are collectively referred to as the “**Companies**” or the “**Applicants**”.
3. Pursuant to section 50.4(8) of the BIA, the initial NOI period during which the Companies were required to file a proposal under the NOI proceedings (the “**NOI Proceedings**”) was from August 25, 2023 to September 24, 2023. The Companies subsequently applied to the Court of King’s Bench of Alberta (the “**Court**”) on various dates and were granted a variety of stay extension orders, an order approving a sales and investment solicitation process (“**SISP**”) and orders approving the actions, activities, conduct, professional fees and costs of the A&M Inc., acting in its capacity as the Proposal Trustee in the entire NOI proceedings, and its counsel.
4. On February 7, 2024, this Honourable Court granted the Companies an initial order (the “**Initial Order**”) as well as an amended and restated initial order (“**ARIO**”) to continue the NOI Proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (as amended the “**CCAA**” or the “**CCAA Proceedings**”), which granted, among other things, a stay of proceedings up to and including March 6,

¹ GPHC, GPCM, 801 AB, 799 AB, 815 AB and Stellion are collectively referred to as the “**Holding Companies**”.

2024 and appointed A&M Inc. as monitor pursuant to the provisions of the CCAA (in such capacity, the “**Monitor**”).

5. On March 6, 2024, this Honourable Court granted a further extension to the stay of proceedings for GPOC and the Holding Companies up to and including April 17, 2024. Spicelo was granted a separate extension to the stay of proceedings up to and including March 26, 2024. On March 26, 2024, Spicelo was granted an additional one day extension of the stay of proceedings up to and including March 27, 2024 to allow the Court to consider an application and cross-application by the Applicants and the Senior Secured Lenders, respectively, for the granting of enhanced to the Monitor, or alternatively, placing Spicelo into receivership and appointing a receiver.
6. On March 27, 2024, this Honourable Court granted:
 - a) an order (the “**EMP Order**”) enhancing the powers of the Monitor (“**Enhanced Monitor Powers**”) in order to allow the Monitor to carry out many of the functions, duties and powers that would normally be carried out by the director of Spicelo, or a receiver appointed over Spicelo, to ensure an orderly and efficient transaction of Spicelo’s assets (or so much thereof as may be necessary) to pay the Senior Secured Lenders (as defined herein) their outstanding indebtedness in full; and
 - b) an extension of the stay of proceedings for Spicelo to April 17, 2024.
7. The Applicants are now applying to this Honourable Court seeking the following relief, among other things:
 - a) approving the share purchase and sale agreement (“**SPA**”) between GPHC (as “**Vendor**”), GPCM and Metamorphic Energy Corp. (“**Metamorphic**”, or “**Purchaser**”); and
 - b) granting an approval and reverse vesting order (“**RVO**”) to complete and implement the SPA (the “**Share Purchase Transaction**”).

8. This Report should be read in conjunction with the affidavit of Mr. Daryl Stepanic sworn April 1, 2024 (the “**April Stepanic Affidavit**”). These documents, together with other documents and information regarding the NOI Proceedings and the CCAA Proceedings, have been posted on the Monitor’s website at www.alvarezandmarsal.com/griffonpartners (the “**Website**”).

PURPOSE

9. The purpose of this Third Report is to provide this Honourable Court and the Companies’ stakeholders with the Monitor’s considerations and recommendations with respect to the following:
- a) a brief update concerning the activities of the Monitor since the Second Report of the Monitor dated March 21, 2024 (the “**Second Report**”);
 - b) an update on the Companies’ restructuring efforts since the Second Report;
 - c) the opinion prepared by the Monitor’s independent counsel, Torys LLP (“**Torys**”), with respect to the security interests granted by Signal Alpha C4 Limited and Trafigura Canada Ltd. (together, the “**Senior Secured Lenders**”) and Tamarack Valley Energy Ltd. (“**Tamarack**”), the subordinated secured lender on GPOC, concerning GPOC;
 - d) approving the SPA between GPHC, GPCM and Metamorphic (including the application for a restricted court access order – the “**Restricted Court Access Order**”) – concerning Confidential Appendix ‘1’ and Confidential Appendix ‘2’ to this Report) and the proposed Share Purchase Transaction;
 - e) granting a RVO to complete and implement the proposed Share Purchase Transaction;
 - f) approving the actions, activities and conduct of the Monitor, along with the fees and disbursements of the Monitor and its counsel, as set out in this Report;

- g) amending the EMP Order to provide proposed necessary protections for the Monitor; and
 - h) the Monitor's recommendations.
- 10. Further background of the Companies, their operations and the SISP is contained in the materials filed in the NOI Proceedings and CCAA Proceedings, which can be found on the Website.

TERMS OF REFERENCE AND DISCLAIMER

- 11. In preparing this Report, A&M Inc., in its capacity as the Monitor, has been provided with and has relied upon unaudited financial information and the books and records prepared by the Companies and has held discussions with the Companies' management and their respective counsel and directors (collectively, the "**Information**"). Except as otherwise described in this Report in respect of the Companies' cash flow forecast:
 - a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the Chartered Professional Accountants Canada Handbook (the "**CPA Handbook**") and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and
 - b) some of the Information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.
- 12. Future oriented financial information referred to in this Report was prepared based on the Companies' estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are

not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

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

ACTIVITIES OF THE MONITOR

14. The Monitor's activities since the Second Report (dated March 21, 2024) have included the following:

- a) continued discussions with Management, the Monitor's legal counsel and the Companies' legal counsel relating to matters relevant to the CCAA Proceedings and the Companies' operations, generally;
- b) numerous communications and meetings with Management, the Monitor's legal counsel, the Companies' legal counsel and the Companies' sales advisor, Alvarez & Marsal Canada Securities ULC (the "**Transaction Agent**") relating to the SISP and certain restructuring matters;
- c) various communication with Metamorphic and their counsel respecting a final definitive agreement and completion of final due diligence with Metamorphic in consultation with Torys, the Companies and their legal counsel, and the Transaction Agent;
- d) various communications and meetings with Senior Secured Lenders responding to questions relating to matters relevant to the CCAA Proceedings, the SISP and the Companies' operations. The Senior Secured Lenders and Tamarack have expressed their concerns and opinion about the length of time the NOI proceedings and the CCAA Proceedings have taken, the total professional fees incurred and costs of Company counsel, the Transaction Agent, the Monitor/Proposal Trustee and its counsel, and other matters, generally, throughout the entirety of the NOI and CCAA Proceedings. These concerns and views have been raised by the Senior Secured Lenders explicitly at most or all of the appearances before this Honourable Court. The Proposal Trustee and the Monitor remains of the

view (as described in detail in previous reports in both the NOI proceedings and the CCAA Proceedings) that communication with the Senior Secured Lenders has occurred and continues to take place;

- e) various communication with Tamarack and responding to questions relating to matters relevant to the CCAA Proceedings, the SISF and the Companies' operations;
- f) a review of the materials filed by Tamarack and Spicelo in relation to their arguments concerning the Marshalling issue (as set out in their filed application and in response to an application brought by the Companies), and a legal analysis by the Monitor's counsel concerning same;
- g) receipt and review of materials filed by Tamarack in relation to an Application for Order for Service *Ex Juris* for the questioning of Mr. Jonthan Klesch, sole beneficial shareholder of Spicelo. The Monitor is aware that Spicelo and Tamarack were in disagreement with respect to Tamarack's ability to bring forward such an application to compel Mr. Klesch to attend at a questioning, and various discussions and correspondence were held. Ultimately, an agreement was reached that Mr. Klesch would voluntarily make himself available for such examination on April 2, 2024, which resulted in the adjournment of the Marshalling issue on March 25, 2024 to April 12, 2024;
- h) multiple communications and ongoing meetings with Management and Sproule respecting the Companies' operations and financial cash flow reporting;
- i) monitoring the Companies' cash flow actual results Management's forecasts and discussing variances with Management;
- j) providing continual updates on the Companies' cash flow results and forecasting to the Senior Secured Lenders;
- k) communication with the Saskatchewan MER and the AER and providing updates on the SISF and the CCAA Proceedings;

- l) attending an application within the CCAA Proceedings, where the Applicants sought the EMP Order in order to allow the Monitor to carry out many of the functions, duties and powers that would normally be carried out by the director of Spicelo, or a receiver appointed over Spicelo;
- m) hosting meetings and communications with the Senior Secured Lenders to discuss the EMP Order and obtain the Senior Secured Lenders' and its counsel's views on approach, concerns and next steps;
- n) communicating and reviewing various emails and discussions between the stakeholders on the final form of the EMP Order;
- o) seeking proposals, at the request and suggestions of the stakeholders including the Senior Secured Lenders, from potential brokers for the Monitor to consider engaging for the realization of the GFR shares held by Spicelo;
- p) extensive communication and review of materials submitted by the Senior Secured Lenders, Tamarack, Company's counsel and other stakeholders respecting the negotiations concerning the contents of the form of EMP Order;
- q) communicating with the Senior Secured Lenders, Collateral Agent (as defined below) counsel and the Monitor's counsel on taking immediate steps to collect upon the approximate USD \$6.6 million dividend that Spicelo will receive upon conversion of the Greenfire shares into the GFR publicly traded shares; and
- r) ongoing monitoring of the Companies' financial affairs, and other activities by the Monitor.

Spicelo

15. Spicelo is an investment company incorporated pursuant to the laws of the Republic of Cyprus and extra-provincially registered in Alberta, whose primary asset is the shares (the "**Pledged Shares**") held in a private company called Greenfire

Resources Inc. (“**Greenfire**”)². Upon conversion of the shares Spicelo owns in Greenfire, Spicelo will own 5,499,506 shares in the publicly traded Greenfire Resources Ltd. (“**GFR**”).

16. As part of the security package to the Senior Secured Lenders, Spicelo provided a Limited Recourse Guarantee and Securities Pledge Agreement dated July 21, 2022, with respect to (a) the Pledged Shares; and (b) a USD \$6.6 million dividend (together, the “**Spicelo Collateral**”) that Spicelo will receive upon conversion of the Greenfire shares into the GFR publicly traded shares. The Pledged Shares are in the possession of GLAS Americas LLC as collateral agent (the “**Collateral Agent**”) for the Senior Secured Lenders.
17. Since the granting of the EMP Order, the Monitor:
 - a) hosted a meeting with the Senior Secured Lenders and their counsel respecting their views on the GFR shares and the marketing of them;
 - b) has reviewed various communications between counsel to various stakeholders respecting the form of EMP Order and provided advice on same;
 - c) initiated conversations with qualified and experienced brokerage firms to assist the Monitor in developing a strategy to executed upon a realization process on the GFR shares to be recommended to the stakeholders; and
 - d) initiated conversations with legal counsel to the Collateral Agent discussing the conversion of the Greenfire shares to GFR shares which will, among other things, trigger the release of the USD \$6.6 million dividend.

² Greenfire has undergone a business combination whereby the shares were combined with various entities, with the newly combined company’s shares listed on the NYSE under the ticker symbol ‘**GFR**’.

Marshalling

18. GPOC purchased its assets from Tamarack on July 21, 2022, for CAD \$70 million. As part of the sale, Tamarack issued a CAD \$20 million seller financing note (the “**Subordinated Secured Debt**”), which has a maturity date of July 21, 2025, and bears interest at 12% per annum. Interest not paid in cash can be paid in-kind (“**PIK**”) at 14% interest rate and deemed to be added to the principal amount. To date, all interest has been PIK.
19. The Subordinated Secured Debt is subordinated to the interests of the Senior Secured Lenders, is only secured by the assets of GPOC and does not share the same security package as the Senior Secured Lenders (who alone have security in the Spicelo Collateral).
20. On March 25, 2024, the applications pursuant to the doctrine of Marshalling and subrogation brought by each of Tamarack and the Debtors were adjourned *sine die*. The Monitor understands that Tamarack and the Debtors intend to attend before this Honourable Court on April 12, 2024 to have the Marshalling issue argued and determined.

Shareholder Claims

21. On March 27, 2024, the sole shareholders of each of 799 AB and 801 AB delivered an email to the Applicants’ counsel and the Monitor expressing their concerns about an alleged email agreement they entered into with Mr. Jonathan Klesch (the beneficial shareholder of Stellion and Spicelo) on June 3, 2022 (the “**Alleged Agreement (June 2022 Email)**”).
22. The Alleged Agreement (June 2022 Email) is purported to allow for a restructured GPCM, whereby the other shareholders of GPCM (799 AB, 801 AB and 815 AB) agreed to provide a portion of their original shares in GPCM to Mr. Klesch on the condition that Mr. Klesch would have certain obligations in respect of the business.

23. The representatives of 799 AB and 801 AB believe that Mr. Klesch failed to comply with his obligations under the Alleged Agreement (June 2022 Email), which resulted in the NOI, allegedly causing damage to the shareholders. Further, the representatives of 799 AB and 801 AB further believe Mr. Klesch is obligated to use the Spicelo collateral to pay the outstanding debt to the Senior Secured Lenders, followed by Tamarack, the unsecured creditors and all remaining funds to be split pursuant to the Alleged Agreement (June 2022 Email). The representatives of 799 AB and 801 AB requested that the Monitor advise this Honourable Court of this Alleged Agreement (June 2022 Email). A copy of the Alleged Agreement (June 2022 Email) is attached hereto as Appendix 'A'.
24. The Monitor previously had communications with the representatives of 799 AB and 801 AB on this matter, and based on its preliminary review of the Alleged Agreement (June 2022 Email) and other correspondence provided, the Monitor advised that it does not appear that 799 AB or 801 AB (or the representatives as individuals) had a claim that is in priority to the Senior Secured Lenders or Tamarack. Further, the Monitor advised that Tamarack will experience a shortfall under its loan, and as a result of the existent priorities, no shareholders will receive any recoveries from the in GPOC, GPCM or GPCH estates.
25. Notwithstanding the foregoing, 799 AB and 801 AB (or the representatives as individuals), may have a potential claim against Spicelo and/or Mr. Klesch, but any such claim would not appear to be in priority to the creditors of GPCM, GPCH or GPOC. The Monitor also informed the representatives of 799 AB and 801 AB that any claim that they may have as against Mr. Klesch should be reviewed with independent legal counsel as the Monitor cannot provide advice or direction with respect to the merits of such claims.

SECURITY OPINION

26. The Monitor requested a written opinion from Torys, confirming the validity and enforceability of the security interests held by the Senior Secured Lenders (as senior secured creditors) and Tamarack (as subordinated secured creditor) over the Property of GPOC. The security granted by:
- a) GPOC in favour of the Senior Secured Lenders has been validly executed and delivered, and has been perfected and registered in accordance with the laws of the Provinces of Alberta and Saskatchewan; and
 - b) GPOC in favour of Tamarack has been validly executed and delivered, and has been perfected and registered in accordance with the laws of the Provinces of Alberta and Saskatchewan.
27. The Senior Secured Lenders' security is enforceable in accordance with its terms as against all of the real and present and after acquired personal property of GPOC, and as against Spicelo's property, as guarantor.
28. Tamarack's security is enforceable in accordance with its terms as against all of the real and present and after acquired personal property of GPOC (subordinated to the Senior Secured Lenders), on the GPOC assets only. The Monitor notes that the subordinated secured priority of Tamarack's claim may be affected by the outcome of the hearing pertaining to the Marshalling issue.

PROPOSED SHARE PURCHASE TRANSACTION

SISP Overview

29. This Honourable Court granted the SISP Order on October 18, 2023. The SISP was intended to solicit interest in, and opportunities for: (a) the purchase of some or all of the assets of GPOC; (b) an investment in GPOC, including through the purchase or acquisition of some or all of the shares of GPOC; (c) a refinancing of the Companies through the provision of take-out or additional financing in the Companies, or some combination thereof. The Transaction Agent was engaged,

with approval of this Court, to assist in designing, coordinating and executing upon the SISP. A copy of the Transaction Agent's engagement letter with the Companies is included in affidavit of Mr. Daryl Stepanic sworn September 14, 2023 in the NOI proceedings, along with its engagement scope, fee arrangement and other advisory matters.

30. As previously disclosed in prior reports of both the Proposal Trustee in the NOI proceedings and the Monitor in these CCAA Proceedings, which were filed with this Honourable Court, on October 25, 2023, in accordance with the SISP, the Transaction Agent initiated a broad-based marketing process, as typically required and as expected in these types of insolvency proceedings, which resulted in Transaction Agent:
 - a) reaching out to 235 parties (87 financial and 148 strategics) via email and advising them of the SISP opportunity; and
 - b) advertising the SISP in the *Daily Oil Bulletin* and *BOE Report* with links to the Proposal Trustee's website containing the teaser, NDA and SISP Procedures. Additionally, on October 31, 2023, a press release was published in *The Globe and Mail* (National Edition).
31. Interested parties were required to submit non-binding letters of intent ("**Non-Binding LOIs**") not later than 4:00 p.m. MST on December 12, 2023 ("**Non-Binding LOI Deadline**").
32. As at the Non-Binding LOI Deadline, the Transaction Agent reported the following:
 - a) 46 NDAs were executed from the 235 separate parties (19.5%) (which in the Proposal Trustee's experience is strong success rate in NDA execution for these types of assets) that were contacted by the Transaction Agent primarily across North America; and
 - b) 19 Non-Binding LOIs from 18 interested parties (one party made two separate proposed transactions).

33. Based on the Proposal Trustee's experience in similar sales processes, the success rate achieved in NDA execution and the quantum of initial Non-Binding LOIs was strong, which demonstrated an effective marketing outreach to obtain initial offers in the SISP.
34. On January 22, 2024, the Transaction Agent received six final bids, with two additional bids submitted subsequent to the revised final bid deadline.
35. A summary of the bids is attached hereto as a confidential appendix ("**Confidential Appendix 1**").
36. Due to the confidential nature of the information contained in Confidential Appendix 1, the Monitor is concerned that, if the information is disclosed to third parties prior to the completion of the SISP and closing of SPA (subject to Court approval), the disclosure could materially jeopardize the realizations during the SISP. As such, the Monitor is respectfully of the view that it is appropriate for this Honourable Court to seal Confidential Appendix 1, in accordance with the proposed form of Restricted Court Access Order.
37. The Transaction Agent worked with GPOC and the interested bidders to evaluate the bids, finalize definitive documentation and determine which transaction(s) were most likely to be consummated in order for GPOC, in consultation with the Monitor, to select a Successful Bid (as defined in the SISP).
38. On February 22, 2024, following an update call and consultation with the Senior Secured Lenders, Metamorphic's bid was selected as the Successful Bid.
39. Since February 22, 2024, the Companies and the Transaction Agent continued to advance the proposed Share Purchase Transaction to its final form. A deposit to the Monitor's satisfaction was collected and deposited into the Monitor's trust account. GPOC's legal counsel and the Successful Bidder's external legal counsel, along with the Transaction Agent and the Companies, worked diligently to arrive at a final form of SPA for execution. The SPA was executed on March 25, 2024.

40. GPOC and the Transaction Agent, along with the Monitor, have provided regular updates to the Senior Secured Lenders and Tamarack on the SPA, including the expected timing for approval of the SPA and the RVO.

Summary of the proposed Share Purchase Transaction

41. A redacted copy of the SPA (without Schedules ‘A’ and ‘B’) is attached hereto as Appendix ‘B’. An unredacted copy of the SPA (without Schedules ‘A’ and ‘B’) is attached hereto as a confidential appendix (“**Confidential Appendix 2**”). The April Stepanic Affidavit contains the full SPA (in redacted and unredacted form, the latter of which is requested to be sealed on the Court record).
42. Due to the confidential nature of the information contained in Confidential Appendix 2, the Monitor is concerned that, if the information is disclosed to third parties prior to the completion of the SISP and closing of SPA (subject to Court approval), the disclosure could materially jeopardize the realizations arising from the SISP. As such, the Monitor is respectfully of the view that it is appropriate for this Honourable Court to seal Confidential Appendix 2, in accordance with the proposed form of Restricted Court Access Order.
43. An overview of the major components contemplated in the proposed Share Purchase Transaction is set out as follows:
- a) The Vendor (GPHC) agrees to sell, assign, transfer, convey and set over to Metamorphic, and Metamorphic agrees to purchase from Vendor (GPHC) on the Closing Date (as defined below), on an “as is, where is” basis, the beneficial ownership of 1,000 common shares of GPOC for the consideration listed in the PSA (the “**Purchase Price**”);
 - b) The completion of the SPA (“**Closing**”) is expected to occur sometime between April 15 and 17, 2024 (the “**Closing Date**”), with April 30, 2024 being the outside date;

- c) The SPA includes definitions and a detailed list for each of the Retained Assets, Retained Liabilities, Transferred Assets, and Transferred Liabilities;
- d) On the Closing Date:
 - i. the Transferred Assets shall be transferred to GPCM;
 - ii. the Transferred Liabilities shall be transferred to GPHC; and
 - iii. the assets of GPOC shall not include any Transferred Assets or Transferred Liabilities and the only obligations of GPOC shall be the Retained Liabilities and a promissory note (which the Monitor understands is a tax planning initiative set out by the Purchaser);
- e) To summarize, the Retained Assets include all of the assets of the Company, other than the Transferred Assets. The Retained Liabilities include all of the post-March 1, 2024 liabilities associated with the Retained Assets, the regulatory and environmental liabilities associated with the Retained Assets and the “**Priority Payables**” (each as defined in the SPA). The Transferred Assets include all contracts of GPOC (excluding those listed as Retained Assets), and the Transferred Liabilities include all unpaid funded indebtedness and all other creditor claims (excluding those listed as Retained Liabilities);
- f) The Priority Payables include pre-filing amounts owing to royalty holders, Saskatchewan municipal tax authorities and the MER; and
- g) The Purchase Price payable at Closing will be adjusted based on a minimum cash balance as quantified in the SPA (the “**Minimum Cash**”). If the aggregate cash balance in GPOC at April 2, 2024 (“**April 2 Cash Balance**”) is less than the Minimum Cash, the Purchase Price payable by Metamorphic at Closing shall be reduced by an amount equal to the amount the difference between the Minimum Cash and the April 2 Cash Balance.

44. The Monitor has been advised by the Applicants that GPOC may require an Order from the Saskatchewan Courts recognizing and implementing the RVO in that province.
45. Post-Closing, the residual contents of GPHC will be:
- a) the consideration of the Purchase Price (less the adjustments discussed above), which will be subject to (in the corresponding priority as set out below):
 - i. the Administration Charge; and
 - ii. the Senior Secured Lenders' security; and
 - b) the Transferred Liabilities (the Subordinated Secured Debt and the unsecured claims of GPOC).
46. The consideration of the Purchase Price (less the adjustments discussed above), will be insufficient to repay the Senior Secured Lenders in full.

Monitor's View on the proposed Share Purchase Transaction

47. The Monitor is of the view that the approval of the SPA and the proposed Share Purchase Transaction is commercially reasonable in the circumstances for the following reasons:
- a) the SPA arose from an extensive marketing process conducted by the Transaction Agent, with the assistance of the Monitor, in accordance with the Court-approved SISP and in consultation with the Senior Secured Lenders;
 - b) the Transaction Agent reported that 19 Non-Binding LOIs (as defined in the Fifth Report of the Proposal Trustee dated February 1, 2024) were received from 18 interested parties (one party made two separate proposed transactions);
 - c) the Transaction Agent received six final bids, with two additional bids submitted subsequent to the revised final bid deadline;

- d) the SPA is considered, in the Monitor's opinion, to be the best and highest offer for the oil and gas assets resulting from the SISP;
- e) the SPA is supported by the Senior Secured Lenders, who are the first ranking secured creditors of GPOC; and
- f) the SPA was negotiated in good faith between parties who are at arm's length.

Monitor's View on Appropriateness of the RVO

48. The proposed Share Purchase Transaction requires that the transaction be consummated through an RVO. The Monitor respectfully believes that an RVO is appropriate in the circumstances for the following reasons:

Why is the RVO necessary?

- a) The RVO allows the AER and MER licenses of the oil and gas wells and facilities to stay with GPOC, thereby avoiding a lengthy process whereby Metamorphic, or any other designee, would be required to apply to be a license holder and then subsequently apply to transfer the licenses. Additional time prior to Closing could result in a further reduction to the purchase price.

In addition, the RVO maintains the existing GPOC legal entity which may preserve certain tax attributes that would be otherwise lost in a traditional asset sale/vesting order transaction.

The RVO is a required condition to the proposed Share Purchase Transaction and the next best offer in the SISP is for lower net proceeds.

Does the RVO structure produce an economic result at least as favourable as any other viable alternative?

- b) The RVO structure produces an economic result at least as favorable as other transaction structures. The RVO satisfies the post-NOI/CCAA obligations (through cash consideration or Retained Liabilities). The SISP has provided the opportunity for other parties to tender their own offers

for GPOC, which could have been structured as an RVO or as a traditional asset sale/vesting order transaction.

Is any stakeholder worse off under the RVO structure than they would have been under another viable structure?

- c) The Monitor is not aware of any stakeholder that would be worse off under the RVO structure than they would be under another viable structure. The RVO is a required condition to the proposed Share Purchase Transaction, and the SPA is the best and highest offer received in the SISP, as previously disclosed to this Honourable Court. Metamorphic assigned value to certain tax attributes, inherently purchasing GPOC for a higher purchase price.

All stakeholders affected by the RVO (including all unsecured creditors in GPOC's books and records, and the provincial regulatory authorities), have been given notice of the application for the RVO.

Does the consideration being paid for the Debtor's business reflect the importance and value of the intangible assets being preserved under the RVO structure?

- d) If the assets were to transfer under an approval and vesting order, the licensed assets would be required to go through a license transfer application process through the AER and MER, which could take considerable time and result in further purchase price reductions.

The RVO maintains the existing GPOC legal entity which may preserve certain tax attributes that would be otherwise lost in a traditional asset sale/vesting order transaction, to which Metamorphic has assigned value.

As the RVO is a required condition to the proposed Share Purchase Transaction, the Monitor considers the consideration being paid to reflect (a) the importance and value of the time it would take to undertake the additional steps required by the AER and MER under a traditional asset sale/vesting order transaction; and (b) the value attributable to certain tax attributes which may be preserved.

ACTUAL CASH FLOW RESULTS COMPARED TO FORECAST

49. GPOC's actual cash receipts and disbursements during the period of February 17, 2024 to March 22, 2024 (the "Reporting Period") as compared to the updated weekly cash flow forecast for the same period as outlined in the Monitor's First Report (the "Second Cash Flow Forecast"), along with actual results since the date of the Initial Order (February 7, 2024), is in the chart below:

Griffon Partners CCAA Cash Flow Variances weeks-ending March 22, 2024 \$CAD 000's		Weeks 1-5		Weeks 1-9 Nine-week CCAA Period	
	Second Cash Flow Forecast	Actuals	Variance	Notes	Total Notes
Cash Receipts					
Sales (production settlement)	1,437	1,760	323	a	3,293
Trafigura holdback	-	(370)	(370)	b	(370)
Other receipts & holdbacks	-	8	8		27
Total cash receipts	1,437	1,398	(39)		2,950
Operating Cash Disbursements					
Field contract operator payments	(170)	(141)	29		(316)
Office contract consultant payments	(136)	(117)	19		(258)
JV Partner payments	(246)	(14)	232	c	(26)
Operating and transportation	(648)	(355)	293	d	(1,010)
Drilling, facilities and other acquisitions	-	-	-		-
Abandonment and reclamation	-	(5)	(5)		(27)
Surface and mineral leases	(214)	(81)	133	d	(135)
Royalties	(180)	(186)	(6)		(377)
Carbon taxes	(8)	-	8		(9)
Subtotal	(1,602)	(899)	703		(2,158)
Non-Operating Disbursements					
General and administrative	(8)	(35)	(27)		(44)
GST remittance	(50)	(15)	35		(21)
Companies' counsel fees	(125)	(164)	(39)		(312)
Transaction agent fees	(83)	(125)	(42)		(273)
Subtotal	(266)	(339)	(73)		(650)
Net Cash Flow (before NOI Professionals)	(431)	160	591		142
CCAA Professional Fee Disbursements					
Proposal Trustee's fees	(100)	(102)	(2)		(102)
Monitor's fees	(95)	(117)	(22)		(117)
Proposal Trustee's counsel's fees	-	-	-		(89)
Monitor's counsel's fees	(50)	(124)	(74)		(105)
Net Cash Flow	(676)	(183)	493		(271)
Net Change in Cash					
Beginning of period	1,874	1,874	-		1,962
Net Cash Flow	(676)	(183)	493		(271)
Ending of period	1,198	1,691	493		1,691

50. Over the Reporting Period, GPOC experienced a positive cash flow variance of approximately \$0.5 million, primarily as a result of the following permanent and timing differences, which are described below:
- a) a permanent positive variance driven by a short-term spike in realized gas prices for a period in January;
 - b) GPOC's marketer (Trafigura) held back \$369,600 from GPOC's revenue. Trafigura advised the purchaser ("**Liquids Purchaser**") of condensate and natural gas liquids ("**NGL**") held back the same amount, who claimed they have overpaid GPOC and other customers for past condensate and NGL volumes that were incorrectly calculated. The Liquids Purchaser has been unable to produce any support to GPOC regarding this claim, advising it will take months to sort out. The Monitor is advised that this issue remains under review and consideration by GPOC and legal counsel;
 - c) positive temporary timing variances with respect to disbursements of certain payments to GPOC's working partner interests; and
 - d) positive temporary timing variances with respect to disbursements to be paid upon receipt of invoices in the following weeks.
51. For presentation purposes in the actual results over the nine-week period ending March 22, 2024 (the actual results since the date of the Initial Order (February 7, 2024)), the fees of the Proposal Trustee and the Proposal Trustee's counsel were previously forecast in the same expense line of the Monitor (and its counsel). The fees and costs of the Proposal Trustee and the Proposal Trustee's counsel were approved by this Honourable Court on March 6, 2024.
52. GPOC has advised that it will continue to utilize the Second Cash Flow Forecast as outlined in the Monitor's First Report for continued evaluation of actual cash flow performance. The Monitor has considered Management's assumptions (previously and at present) and also concurs that the Second Cash Flow Forecast continues to be an appropriate forecast to measure actual results during the current stay of

proceedings of GPOC to April 17, 2024, and does not require a restatement at this particular time.

APPROVAL OF PROFESSIONAL FEES AND EXPENSES

53. The Monitor and its legal counsel have now rendered their invoices for their respective fees and disbursements for services in connection with the CCAA Proceedings and are seeking approval of this Honourable Court.
54. The Monitor seeks approval from this Honourable Court of the professional fees and disbursements of the Monitor for the period of January 8, 2024 to February 29, 2024 (the “**Monitor Taxation Period**”), and Torys for the period of February 7, 2024 to March 15, 2024 (the “**Torys Taxation Period**”).
55. The total fees and expenses of the Monitor during the Monitor Taxation Period are \$110,997.32 (exclusive of GST), a summary of which is included below:

Monitor Fees & Disbursements - Taxation Period						
Invoice	Period	Fees	Disbursements	Subtotal	GST	Total
<i>Taxation Period</i>						
#1	8-Jan-24 to 29-Feb-24	\$ 106,202.00	\$ 4,795.32	\$ 110,997.32	\$ 5,549.87	\$ 116,547.19
Total		\$ 106,202.00	\$ 4,795.32	\$ 110,997.32	\$ 5,549.87	\$ 116,547.19

56. The total fees and expenses of the Monitor’s counsel during the Torys Taxation Period total \$100,203.50 (exclusive of GST), a summary of which is included below:

Torys Fees & Disbursements - Taxation Period						
Invoice	Period	Fees	Disbursements	Subtotal	GST	Total
<i>Taxation Period</i>						
1633501	7-Feb-24 to 15-Feb-24	\$ 30,025.50	\$ -	\$ 30,025.50	\$ 1,501.28	\$ 31,526.78
1634920	16-Feb-24 to 29-Feb-24	\$ 39,511.00	\$ 70.00	\$ 39,581.00	\$ 1,979.05	\$ 41,560.05
1636007	1-Mar-24 to 15-Mar-24	\$ 30,514.00	\$ 83.00	\$ 30,597.00	\$ 1,525.70	\$ 32,122.70
Total		\$ 100,050.50	\$ 153.00	\$ 100,203.50	\$ 5,006.03	\$ 105,209.53

57. The Monitor and its counsel’s invoices 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 in question. The Monitor will be filing with this Honourable Court an affidavit of professional fees and costs of the Monitor, as per the common practice in the Judicial District of Edmonton. On April 3, 2024, the Monitor and Torys informed the Senior Secured Lenders and Tamarack that should they wish to review these invoices, the Monitor and Torys have no concerns and will deliver them if the request by the Senior Secured Lenders and/or Tamarack is made.

58. The Monitor respectfully submits that its professional fees and disbursements and those of its legal counsel are fair and reasonable in the circumstances, given the substantive tasks required to be performed by the Monitor and its legal counsel in connection with the CCAA Proceedings.

EMP ORDER

59. As previously discussed, on March 27, 2024, this Honourable Court granted the EMP Order. This Honourable Court advised the stakeholders to attempt to come to an agreement with the form of order that would allow the Monitor to sell and market the GFR shares (given the nature of the asset) without seeking court approval, provided that the stakeholders have agreed to the terms and conditions of that process to be undertaken by the Monitor. The stakeholders agreed to the form of EMP Order on April 3, 2024 and the form of EMP Order is attached as Appendix ‘C’ to this Report.
60. The Monitor has had a further opportunity to review the protections afforded to it in the EMP Order and believes, respectfully, that additional amendments would be required to protect the Monitor in assuming the additional enhanced powers of the Monitor (the “**Amended EMP Order**”). The Monitor is respectfully concerned that the current protections afforded to it under the existing EMP Order are not adequate and are not consistent with other similar enhanced monitor’s powers orders granted in these sorts of proceedings, with respect to the protection of this Court’s officer.

61. The Monitor has attached for this Court's consideration a blackline version of the proposed Amended EMP Order as Appendix 'D' to this Report. The Monitor respectfully advises that these additional amendments to the EMP Order would be consistent with protections that were provided to Monitors in other CCAA Proceedings where enhanced powers were granted by this Honourable Court, and it would be appropriate to have wording in the Amended EMP Order that mirrors those protections afforded to a Court-appointed receiver when the Court's officer takes possession and control of the assets and undertakings of a corporation, which is the case in the present scenario.
62. As such, the Monitor respectfully recommends that this Honourable Court approve the proposed Amended EMP Order, to include, among other things, additional and enhanced protections for the Monitor in not only its capacity as a Court officer, but in its personal and/or corporate capacity. The Monitor is advised that the Applicants support the Monitor's application for the proposed Amended EMP Order.

RECOMMENDATIONS

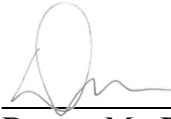
63. The Monitor respectfully recommends that this Honourable Court approve the following:
- a) the Monitor's request for the Restricted Court Access Order;
 - b) the Companies' request to approve the SPA and the proposed Share Purchase Transaction;
 - c) the Companies' request for the RVO to complete and implement the proposed Share Purchase Transaction;
 - d) the proposed Amended EMP Order; and
 - e) the Monitor's request to approve the actions, activities and conduct of the Monitor as reported since the Monitor's Pre-Filing Report dated February 1, 2024 through to this Report, including the fees and disbursements of the Monitor and its counsel, Torys LLP, as set out in this Report.

All of which is respectfully submitted this 3rd day of April, 2024

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



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



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

Appendix A




Alleged Agreement (June 2022 Email)

RE: Re:
Daryl Stepanic <DS@griffon-partners.com>
Fri 6/3/2022 11:36 AM
To:

- Trevor Murphy <TM@griffon-partners.com>;
- Jonathan Klesch <jk@griffon-partners.com>;
- Elliott Choquette <EC@griffon-partners.com>

Yes, agreed.

Daryl Stepanic

 +1 403 671 5740
 [/www.griffon-partners.com]www.griffon-partners.com
 Suite 203
600 Princeton Way SW
Calgary, AB T2P 5N4

From: Trevor Murphy <TM@griffon-partners.com>
Sent: Friday, June 3, 2022 11:35 AM
To: Jonathan Klesch <jk@griffon-partners.com>; Elliott Choquette <EC@griffon-partners.com>; Daryl Stepanic <DS@griffon-partners.com>
Subject: Re: Re:

yes agreed.

Subscription forms signed and passed on to Daryl to add his signature to the resolutions.

Trevor Murphy

 +1 403-999-2258
 www.griffon-partners.com
Suite 203, 600 Princeton Way SW
 Calgary, Alberta, Canada
T2P 5N4

GRIFFON PARTNERS

From: Jonathan Klesch <jk@griffon-partners.com>
Sent: Friday, June 3, 2022 11:33 AM
To: Elliott Choquette <EC@griffon-partners.com>; Daryl Stepanic <DS@griffon-partners.com>; Trevor Murphy <TM@griffon-partners.com>
Subject: Re:

yes agreed

From: Elliott Choquette <EC@griffon-partners.com>
Sent: Friday, June 3, 2022 7:32:30 PM
To: Jonathan Klesch <jk@griffon-partners.com>; Daryl Stepanic <DS@griffon-partners.com>; Trevor Murphy <TM@griffon-partners.com>
Subject: RE:

I just wanted to put in writing the outcome of our call earlier. Please respond and confirm your agreement with the below.

1. The dividend policy as previously agreed and outlined below is applicable in all scenario's (i.e. regardless of if we do 1, 2 or 3 transactions).
2. We agree that the dividend policy is not meant to "double dip" if director fees or other payments are made to the holders of the Class A shares (i.e. the four of us), they will be netted against the dividends.
3. The accrual and payment of the dividends on the Class A's will be made pro rata across all class A shares

Previously agreed to terms:

Terms and Restructuring of Griffon Partners Capital Management Ltd.

1. The share capital of Griffon Partners Capital Management Ltd. will be restructured as follows:
 - b. Class A Voting Shares – Class A Voting Shares will be voting and entitled to cumulative dividends at a rate of \$2MM per share in the first year and \$1MM per share for each year thereafter. Class A Voting Shares will be puttable to the corporation (at the option of the holder) for \$2MM plus any accrued and unpaid dividends. Class A Voting shares will be issued as follows:
 - o Jonathan – 25% (1 share)
 - o Elliott – 25% (1 share)
 - o Trevor – 25% (1 share)
 - o Daryl – 25% (1 share)
 - c. Class B non-voting Shares – Class B non-voting Shares will be non-voting and eligible for dividends after Class A shares have been paid all accrued and unpaid dividends. Class B non-voting shares will be allocated as follows:
 - o Jonathan – 79.5% (79,500 shares)
 - o Elliott – 8.5% (8,500 shares)
 - o Trevor – 6% (6,000 shares)
 - o Daryl – 6% (6,000 shares)
1. A Unanimous Shareholder Agreement will be prepared and executed by Jonathan, Trevor, Daryl and Elliott – to be drafted but all material items and decisions will require unanimous consent of the Class A Voting Shares along with customary limitations.

In consideration for the above reorganization of Griffon partners Capital Management Ltd., each Jonathan, Trevor, Elliott and Daryl agree to the following:

- Griffon Partners Capital Management Ltd. will be the ultimate acquisition vehicle of the Tamarack, Mancal and Harvest acquisitions. Upon closing of these acquisitions, Jonathan, Trevor and Daryl, agree that Griffon Partners Capital Management Ltd. will own 100% of each the Tamarack, Mancal and Harvest acquisitions, subject only to dilution from any warrants issued to bondholders.
- This reorganization is in consideration for Jonathan providing 100% of the required equity capital for the Tamarack, Mancal and Harvest acquisitions including the pledge of 100% of his ownership stake in Greenfire. The provision of this equity capital and pledge to Griffon Partners Capital Management Ltd. will be done in a manner such that Elliott, Trevor or Daryl's stake in Griffon Partners Capital Management Ltd. will not be further diluted and will be provided to Griffon Partners Capital Management Ltd. at no cost.
- Jonathan, Trevor, Daryl and Elliott, will be appointed and elected as directors of Griffon Partners Capital Management Ltd. and any portfolio companies, including entities holding the Harvest, Mancal and Tamarack assets. If any director fees are to be paid, they will be paid equally among Jonathan, Trevor, Daryl and Elliott
- Elliott, Trevor and Daryl acknowledge that Jonathan will use a new Cypriot entity to hold his interest in Griffon Partners Capital Management Ltd.
- The above restructuring will be completed immediately and will be done via the issuance of new shares from Griffon Partners Capital Management Ltd.
- It is intended that transaction costs including any interest incurred with respect to funding of deposits will be paid for or reimbursed by the respective portfolio company at closing.

From: Jonathan Klesch <jk@griffon-partners.com>

Sent: June 3, 2022 6:46 AM

To: Elliott Choquette <EC@griffon-partners.com>; Daryl Stepanic <DS@griffon-partners.com>; Trevor Murphy <TM@griffon-partners.com>

Subject: FW:

Hi All,

To further add so we are crystal clear, say for example we do all three deals; great no problem. Say worst case scenario we are not allowed to charge a management fee for the next 3 years, however directors fees yes. The directors fee would apply as receiving a management fee of 1m, therefore nothing is accruing. For example we could have each director received \$300k for each of the three companies

From: Jonathan Klesch

Sent: 03 June 2022 12:59

To: Elliott Choquette <EC@griffon-partners.com>; Daryl Stepanic <DS@griffon-partners.com>; Trevor Murphy <TM@griffon-partners.com>

Subject:

Hi All,

While we agreed to the restructuring of GPCM both myself and Ioannis have signed the documents. I would like to be clear on the 1m fee to each of us. This is pertains to if all three deals are consummated. For example if Tamarack happens it should be 1/3 or pro rata of the annual 1m. I think this only is reasonable given that I am having to risk my equity more than 1/3 and if Mancal happens I will have to post 100%.

I don't need think it requires rewriting of GPCM, this email alone could serve as an understanding.

Best regards,

Jonathan

Appendix B

Metamorphic Share Purchase and Sale Agreement (Redacted)

SHARE PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made as of the 25th day of March, 2024.

AMONG:

GRIFFON PARTNERS HOLDING CORPORATION a corporation incorporated under the laws of Alberta (hereinafter referred to as “**Vendor**” or “**GPHC**”)

- and -

GRIFFON PARTNERS CAPITAL MANAGEMENT LTD. a corporation incorporated under the laws of Alberta (hereinafter referred to as “**GPCM**”)

- and -

METAMORPHIC ENERGY CORP. a corporation incorporated under the laws of Alberta (hereinafter referred to as “**Purchaser**”)

WHEREAS:

- A. on August 25, 2023, Vendor filed Notices of Intention to Make a Proposal (the “**NOI Proposal**”) under the *Bankruptcy and Insolvency Act* (Canada), with the Office of the Superintendent of Bankruptcy Canada, wherein, Alvarez and Marsal Canada Inc. was appointed as the trustee under the NOI Proposal;
- B. pursuant to an order of the Honourable Mr. Justice Dunlop of the Alberta Court of King’s Bench dated October 18, 2023, Vendor and the proposal trustee were given approval to implement a SISP (as defined herein) to sell the Purchased Shares;
- C. on February 6, 2024 the Vendor applied for and was granted an Order under the *Companies’ Creditors Arrangement Act* (Canada), in Action No. 2401-01422 (the “**CCAA Proceedings**”) of the Court of King’s Bench of Alberta, which (amongst other things) converted the NOI Proceedings into the CCAA Proceedings, and appointed Alvarez & Marsal Canada Inc. as Monitor (the “**Monitor**”) in the CCAA Proceedings;
- D. Vendor is the registered and beneficial owner of 1,000 common shares in the capital of Griffon Partners Operation Corporation (the “**Purchased Shares**”), a corporation incorporated pursuant to the laws of the Province of Alberta (the “**Corporation**” or “**GPOC**”), being, with the Subscribed Shares, all of the issued and outstanding shares of the Corporation; and
- E. Vendor wishes to sell, and Purchaser wishes to purchase, all of the interest of Vendor in and to the Purchased Shares, subject to and in accordance with the terms of the SISP and subject to and in accordance with the conditions of this Agreement;

NOW THEREFORE, THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties have agreed as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

- (a) **“Abandonment and Reclamation Obligations”** means all the Corporation’s past, present and future obligations to:
 - (i) abandon, shut-down, close, decommission, dismantle or remove any and all Wells and Tangibles, including all structures, foundations, buildings, pipelines, equipment and other facilities located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands; and
 - (ii) restore, remediate and reclaim the surface and subsurface locations of the Wells and the Tangibles and any lands used to gain access thereto, including such obligations relating to wells, pipelines and facilities which were abandoned or decommissioned prior to the Closing that were located on the Lands or that were located on other lands and used in respect of Petroleum Substances produced or previously produced from the Lands, and including the remediation, restoration and reclamation of any other surface and subsurface lands affected by any environmental damage, contamination or other environmental issues emanating from or relating to the sites for the Wells or the Tangibles;

all in accordance with generally accepted oil and gas industry practices and in compliance with all Applicable Laws;
- (b) **“Administration Expenses”** means the costs of the Monitor and its professional advisors and professional advisors of the CCAA Applicants and any debtor-in-possession lender, in each case for services performed prior to, and (other than GPOC) after the Closing Date, relating to the CCAA Proceedings and this Agreement;
- (c) **“Administration Expenses Amount”** means cash and/or reserve in an amount of the estimated Administration Expenses;
- (d) **“Affiliate”** means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term **“control”** as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership

or more than fifty percent (50%) of the voting securities of such Person, by contract or otherwise;

- (e) “**Applicable Law**” means, in relation to any person, property or circumstance, all laws, statutes, rules, regulations, official directives and orders of Governmental Authorities (whether administrative, legislative, executive or otherwise), including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and includes the provisions and conditions of any permit, license or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such person, property or circumstance;
- (f) “**Approval Order**” means an order to be granted by the Court substantially in the form of Schedule “D” which authorizes, approves and confirms this Agreement, the transfer of the Transferred Assets and the Transferred Liabilities to the Vendor and the sale of the Purchased Shares by Vendor to Purchaser in accordance with the terms and conditions contained herein;
- (g) “**Articles of Amendment**” means articles of amendment to change the share structure of the Corporation to provide for a new class of preferred share, which shall be in form and substance satisfactory to the Purchaser, as confirmed in writing in advance of the filing thereof;
- (h) “**Assets**” means the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests, excluding the Transferred Assets;
- (i) “**Business Day**” means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;
- (j) “**CCAA Applicants**” means the applicants to the CCAA Proceedings;
- (k) “**Corporation**” has the meaning set forth in the recitals;
- (l) “**Closing**” means the completion of the Transactions in accordance with the Closing Sequence and the other provisions of this Agreement;
- (m) “**Closing Date**” means the date on which Closing occurs;
- (n) “**Closing Sequence**” has the meaning set forth in the Approval Order;
- (o) “**Data Room Information**” means all information provided or made available to Purchaser in hard copy or electronic form in relation to Vendor, the Corporation and/or the Assets;
- (p) “**Deposits**” has the meaning set forth in Section 2.5;
- (q) “**Environmental Liabilities**” means all liabilities in respect of the environment which relate to the Assets or which arise in connection with the ownership thereof or operations pertaining thereto, including without limitation, liabilities related to or arising from:

- (i) transportation, storage, use or disposal of toxic or hazardous substances;
- (ii) release, spill, escape, emission, leak, discharge, migration or dispersal of toxic or hazardous substances; or
- (iii) pollution or contamination of or damage to the environment;

including, without limitation, liabilities to compensate Third Parties for damages and Losses resulting from the items described in items (i), (ii) and (iii) above (including, without limitation, damage to property, personal injury and death) and obligations to take action to prevent or rectify damage to or otherwise protect the environment and, for purposes of this Agreement, “the environment” includes, without limitation, the air, the surface and subsurface of the earth, bodies of water (including, without limitation, rivers, streams, lakes and aquifers) and plant and animal life (including humans);

- (r) **“Facilities”** means the Corporation’s entire interest in and to all unit facilities under any unit agreement applicable to the Leased Substances and all other field facilities whether or not solely located on or under the surface of the Lands (or lands with which the Lands are pooled) and that are, or have been, used for production, gathering, treatment, compression, transportation, injection, water disposal, measurement, processing, storage or other operations respecting the Leased Substances, including any applicable battery, separator, compressor station, gathering system, pipeline, production storage facility or warehouse, including, without limitation, those field facilities specifically identified in Schedule “B”;
- (s) **“Governmental Authority”** means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, or department, including any government-owned entity, having jurisdiction over a Party, the Assets or the Transaction;
- (t) **“Lands”** means the lands set out and described in Schedule “A”, and the Petroleum Substances within, upon or under such lands (subject to the restrictions and exclusions identified in Schedule “A” and in the Title Documents as to Petroleum Substances and geological formations);
- (u) **“Leased Substances”** means all Petroleum Substances, rights to or in respect of which are granted, reserved or otherwise conferred by or under the Title Documents (but only to the extent that the Title Documents pertain to the Lands);
- (v) **“Losses”** means all losses, costs, claims, damages, expenses and liabilities which a Party suffers, sustains, pays or incurs, including reasonable legal fees on a solicitor and his own client basis but notwithstanding the foregoing shall not include any liability for indirect or consequential damages including business loss, loss of profit, economic loss, punitive damages or income tax liabilities;
- (w) **“Miscellaneous Interests”** means, subject to any and all limitations and exclusions provided for in this definition, the Corporation’s entire interest in and to all

property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles (other than the Petroleum and Natural Gas Rights and the Tangibles), or either of them, but only to the extent that such property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including without limitation any and all of the following:

- (i) all contracts and agreements relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);
- (ii) all subsisting rights to carry out operations relating to the Lands or the Tangibles, and without limitation, all easements and other permits, licenses and authorizations pertaining to the Tangibles;
- (iii) all Seismic Data owned or licensed by the Corporation;
- (iv) rights to enter upon, use, occupy and enjoy the surface of any lands which are used or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them;
- (v) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them including any of the foregoing that pertain to proprietary seismic, geological or geophysical matters; and
- (vi) the Wells, including the wellbores and any and all casing;

Unless otherwise agreed in writing by the Parties, the Miscellaneous Interests shall not include agreements, documents or data to the extent that: (i) they pertain to the Corporation's proprietary technology; (ii) they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by the Corporation's to an assignee, or (iii) they comprise the Corporation's Tax and financial records, and economic evaluations;

- (x) “**Monitor**” has the meaning set forth in the Recitals;
- (y) “**NDA**” has the meaning set forth in Section 9.6;
- (z) “**Officer's Certificate**” means the form of officer certificate set forth in Schedule “C”;
- (aa) “**Order**” means any order of the Court of King's Bench of Alberta made in the CCAA Proceedings, or any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority;
- (bb) “**Party**” means a party to this Agreement;
- (cc) “**Person**” means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;

- (dd) **“Petroleum and Natural Gas Rights”** means the Corporation’s entire interest in and to all rights to and in respect of the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands), including, without limitation, the interests set out and described in Schedule “A”;
- (ee) **“Petroleum Substances”** means any of crude oil, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including without limitation, sulphur;
- (ff) **“Preferred Shares”** means the preferred shares in the capital of the Corporation created as a result of the Articles of Amendment;
- (gg) **“Prime Rate”** means the rate of interest, expressed as a rate per annum, designated by the main branch in Calgary of the Royal Bank of Canada as the reference rate used by it to determine rates of interest charged by it on Canadian dollar commercial loans made in Canada and which is announced by such bank, from time to time, as its prime rate, provided that whenever such bank announces a change in such reference rate the “Prime Rate” shall correspondingly change effective on the date the change in such reference rate is effective;
- (hh) **“Priority Payables”** means the Retained Liabilities set forth in sections (a) – (c) in Schedule “F”;
- (ii) **“Promissory Note”** means the non-interest bearing promissory note having a principal amount of [REDACTED], *minus* an amount equal to the adjustment calculated pursuant to Section 2.7, to be issued by the Corporation to the Vendor as consideration for the Vendor assuming the Transferred Liabilities, which promissory note shall be in a form and substance satisfactory to the Purchaser, acting reasonably;
- (jj) **“Proposal”** has the meaning set forth in Section 7.3;
- (kk) **“Purchased Shares”** has the meaning set forth in the Recitals;
- (ll) **“Released Claims”** means all claims, demands, complaints, grievances, actions, applications, suits, causes of action, Orders, charges, indictments, prosecutions, information or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including “claims” as defined in the *Companies’ Creditors Arrangement Act (Canada)* and including fees and disbursements of legal counsel on a full indemnity basis, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing;

- (mm) “**Representative**” means, with, respect to any Party, its Affiliates, and its and their respective directors, officers, servants, agents, advisors, employees and consultants;
- (nn) “**Retained Assets**” mean any and all assets of the Corporation other than the Transferred Assets, including without limitation the specific assets set forth and described in Schedule “F” under the heading “Retained Assets”;
- (oo) “**Retained Liabilities**” means the Abandonment and Reclamation Obligations, the Environmental Liabilities and such other specific liabilities set forth and described in Schedule “F” under the heading “Retained Liabilities”;
- (pp) “**Seismic Data**” means any and all interpretive, geological, geophysical, technical or seismic data owner or licensed by the Corporation, including all 2D seismic lines and 3D seismic surveys and all associated field tapes, stack tapes, processed record Sections, operator’s reports, survey notes, shot point location maps and any other original seismic material associated with them;
- (qq) “**SISP**” means the sale and investment solicitation process set forth in Schedule “E”;
- (rr) “**Subscribed Shares**” means 100 Preferred Shares to be issued to the Purchaser in consideration for the Subscription Price and having an aggregate redemption value equal to such amount;
- (ss) “**Subscription Price**” means an amount equal to [REDACTED], *minus* an amount equal to the adjustment calculated pursuant to Section 2.7;
- (tt) “**Tangibles**” means the Corporation’s entire interest in and to the Facilities and any and all tangible depreciable property and assets, if any, which are located within, upon or in the vicinity of the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, make marketable or inject the Leased Substances or any of them, and any real property (other than the Lands);
- (uu) “**Taxes**” means, with respect to any Person, all federal, provincial, local or foreign taxes, including income taxes, mining taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, duties on transfer of immovables, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, social security premiums, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties;

- (vv) **"Tax Returns"** means all returns, reports, declarations, elections, notices, filings, information returns, statements and forms in respect of Taxes that are required to be filed with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form;
- (ww) **"Third Party"** means any individual or entity other than Monitor, Vendor and Purchaser, including without limitation any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;
- (xx) **"this Agreement", "herein", "hereto", "hereof"** and similar expressions mean and refer to this Agreement;
- (yy) **"Title Documents"** means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements and any other documents and agreements granting, reserving or otherwise conferring rights to (i) explore for, drill for, produce, take, use or market Petroleum Substances, (ii) share in the production of Petroleum Substances, (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced, and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands; including, without limitation, those, if any, set out and described in Schedule "A";
- (zz) **"Trafigura Contracts"** means the GasEDI Base Contract for Sale and Purchase of Natural Gas with Trafigura Canada Limited dated July 21, 2022, the Crude Oil Purchase and Sale Agreement – Wellhead dated July 21, 2022 between GPCM and Trafigura Canada Limited, the LPG Mix Purchase and Sale Agreement – Wellhead dated July 21, 2022 between GPCM and Trafigura Canada Limited, and any other contracts between the Corporation and Trafigura Canada Limited;
- (aaa) **"Transaction"** means the transaction for the purchase and sale of the Purchased Shares as contemplated by this Agreement;
- (bbb) **"Transferred Assets"** means the assets of the Corporation set forth and described under the heading "Transferred Assets" in Schedule "F" to be conveyed by the Corporation to GPCM in accordance with the terms of the Approval Order;
- (ccc) **"Transferred Liabilities"** means any and all obligations and liabilities of the Corporation including without limitation those set forth and described under the heading "Transferred Liabilities" in Schedule "F" to be conveyed by the Corporation to the Vendor in accordance with the terms of the Approval Order; and

- (ddd) “Wells” means the Corporation’s entire interest in and to all producing, shut-in, suspended, abandoned, capped, injection and disposal wells, including, without limitation, the wells listed in Schedule “B”.

1.2 Headings

The expressions “Article”, “Section”, “subsection”, “clause”, “subclause”, “paragraph” and “Schedule” followed by a number or letter or combination thereof mean and refer to the specified article, Section, subsection, clause, subclause, paragraph and schedule of or to this Agreement.

1.3 Interpretation Not Affected by Headings

The division of this Agreement into Articles, Sections, subsections, clauses, subclauses and paragraphs and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Included Words

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and vice versa, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders.

1.5 Schedules

There are appended to this Agreement the following schedules pertaining to the following matters:

Schedule “A” -	Lands and Title Documents
Schedule “B” -	Wells and Facilities
Schedule “C” -	Form of Officer’s Certificate
Schedule “D” -	Form of Approval Order
Schedule “E” -	SISP
Schedule “F” -	Retained Liabilities and Transferred Assets

Such schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such schedules conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

1.6 Damages

All Losses, costs, claims, damages, expenses and liabilities in respect of which a Party has a claim pursuant to this Agreement include, without limitation, reasonable legal fees and disbursements on a solicitor and client basis.

1.7 Derivatives

Where a term is defined herein, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires.

1.8 Interpretation if Closing Does Not Occur

In the event that Closing does not occur, each provision of this Agreement which presumes that Purchaser has acquired the Purchased Shares hereunder shall be construed as having been contingent upon Closing having occurred.

1.9 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Agreement and that of a schedule the provision of the body of this Agreement shall prevail. If any term or condition of this Agreement conflicts with a term or condition of a Title Document or any Applicable Law, the term or condition of such Title Document or the Applicable Law shall prevail, and this Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.

1.10 Currency

All dollar (\$) amounts referenced in this Agreement are expressed in the lawful currency of Canada.

ARTICLE 2 PURCHASE AND SALE AND CLOSING

2.1 Purchase and Sale

- (a) Vendor hereby agrees to sell, assign, transfer, convey and set over to Purchaser, and Purchaser hereby agrees to purchase from Vendor on the Closing Date, on an “as is, where is” basis, the Purchased Shares, subject to and in accordance with the terms of this Agreement.
- (b) Pursuant to this Agreement and the Approval Order and notwithstanding any other provision of this Agreement to the contrary, on the Closing Date, and in accordance with the Closing Sequence:
 - (i) the assets of the Corporation shall not include any Transferred Assets or Transferred Liabilities;
 - (ii) the only obligations of the Corporation shall be the Retained Liabilities and the Promissory Note;
 - (iii) the Transferred Assets shall be transferred to GPCM; and
 - (iv) the Transferred Liabilities shall be transferred to GPHC.

2.2 Purchase Price

The aggregate consideration to be paid by Purchaser to Vendor for the Purchased Shares shall be [REDACTED] CAD, subject to adjustment in accordance with Section 2.7, *minus* the principal of the Promissory Note (the “**Purchase Price**”), satisfied by Purchaser with the payment of the Deposits (as set forth and defined in Section 2.5).

2.3 Closing

Closing shall take place at the Closing Place on the Closing Date, in accordance with the Closing Sequence, if there has been satisfaction or waiver of the conditions of Closing herein contained.

- (a) On the Closing Date, Vendor shall deliver to Purchaser:
 - (i) evidence of the filing of the Articles of Amendment;
 - (ii) share certificates representing the Subscribed Shares;
 - (iii) share certificates representing the Purchased Shares issued in the name of Vendor, duly endorsed for transfer or accompanied by a written instrument of transfer;
 - (iv) the Officer's Certificate substantially in the form attached as Schedule "C", duly executed by Vendor;
 - (v) a receipt for the Purchase Price;
 - (vi) an amount equal to all applicable sales tax payable in respect of the assignment and transfer of the Transferred Assets to GPCM;
 - (vii) a receipt for the payment of the Promissory Note; and
 - (viii) a certified copy of the Approval Order.
- (b) On the Closing Date, Purchaser shall:
 - (i) cause the Corporation to reimburse, using the Subscription Price, the Promissory Note;
 - (ii) deliver to the Vendor the Purchase Price; and
 - (iii) deliver to the Vendor the Officer's Certificate substantially in the form attached as Schedule "C", duly executed by Purchaser.

2.4 Form of Payment

All payments to be made pursuant to this Agreement shall be in Canadian funds. All payments to be made pursuant to this Agreement shall be made by certified cheque, bank draft or wire transfer.

2.5 Deposits

The Parties acknowledge that a deposit in the amount of [REDACTED] CAD has been provided by Purchaser to the Monitor prior to the execution of this Agreement, to be held in trust by the Monitor and released only in accordance with the provisions of this Section 2.5 (the "**Initial Deposit**"). In addition, the Parties acknowledge that deposits of

██████████ have been provided by Purchaser to the Monitor on February 20, 2024 and March 4, 2024, respectively, to be held in trust by the Monitor and released in accordance with the provisions of this Section 2.5 (collectively with the Initial Deposit, the “**Deposits**”).

The Deposits shall be held in trust by the Monitor until one of the following events occur:

- (a) if Closing occurs, the Monitor shall release the Deposits to Vendor at Closing for its own account absolutely and be applied as partial payment of the Purchase Price;
- (b) if Closing does not occur due to a breach of this Agreement by Purchaser or by failure of Purchaser to fulfill the conditions set forth in Section 3.4, the Deposits shall be forfeited by Purchaser and Monitor shall release the Deposits to Vendor for the account of Vendor absolutely, subject to Section 2.6 below; and
- (c) if Closing does not occur due to any other reason than as addressed by Section 2.5(b), the Deposits shall be paid to Purchaser for the account of Purchaser absolutely.

2.6 Damages

The Parties agree that the amount of the Deposits constitutes their genuine estimate of all damages that will be suffered by Vendor as a result of Closing not occurring and that Vendor’s retention thereof shall not be a penalty as a result of Closing not occurring and shall constitute liquidated damages to, and be the sole and exclusive remedy of, Vendor as a result of Closing not occurring, and Purchaser shall be released from any and all liabilities and obligations hereunder and this Agreement shall thereupon be terminated.

2.7 Adjustments to Purchase Price

One Business Day prior to Closing, Vendor will deliver to Purchaser a statement setting out the aggregate cash balance in the Corporation as of April 2, 2024. If the aggregate cash balance in the Corporation at April 2, 2024 is less than ██████████, the Purchase Price payable by Purchaser at Closing shall be reduced by an amount equal to the amount the aggregate cash balance in the Corporation is less than ██████████.

2.8 Payment of Certain Liabilities

- (a) Purchaser shall cause the Corporation to pay and discharge the Priority Payables out of the cash balance in the Corporation immediately following Closing or as soon as reasonably practicable thereafter.
- (b) All Administration Expenses shall remain with GPCM and/or GPHC and be provided for and reserved for from the Purchase Price by way of an Administration Expenses Amount to be maintained by the Monitor.

ARTICLE 3

CONDITIONS OF CLOSING

3.1 Required Consents

It is the sole responsibility of Purchaser to obtain, at Purchaser's sole cost and expense, any consents to such transfer and any further documents or assurances which are necessary or desirable in the circumstances. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing.

3.2 Mutual Conditions

The obligation of Purchaser to purchase the Purchased Shares, and of Vendor to sell and convey the Purchased Shares to Purchaser, is subject to the following conditions precedent:

- (a) Vendor obtaining the Approval Order; and
- (b) there shall not have been instituted any legal proceedings to obtain, and no court or Governmental Authority of competent jurisdiction shall have issued, promulgated, enforced or entered any judgment, decree, injunction or other order, whether temporary, preliminary or permanent, that restrains, enjoins or otherwise prohibits consummation of the Transaction (other than the Approval Order).

Unless otherwise agreed to by the Parties, if the conditions contained in this Section 3.2 have not been performed or satisfied on or before April 30, 2024 (the "**Outside Date**"), this Agreement and the obligations of Vendor and Purchaser under this Agreement shall automatically terminate without any further action on the part of either Vendor or Purchaser. For greater certainty, if the conditions contained in this Section 3.2 have not been performed or satisfied on or before the Outside Date, the Deposits shall be returned to Purchaser in accordance with Section 2.5(c).

3.3 Purchaser's Conditions

The obligation of Purchaser to purchase the Purchased Shares is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Purchaser and may be waived by Purchaser:

- (a) the representations and warranties of Vendor herein contained shall be true in all material respects when made and as of the Closing Date;
- (b) all obligations of Vendor contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects;
- (c) no material adverse change will have occurred with respect to the business of the Corporation or the Assets, taken as a whole, prior to Closing; and
- (d) the conveyance of the Transferred Assets and the Transferred Liabilities to Vendor will have been completed effective prior to Closing.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Purchaser, at or before the Closing Date, Purchaser may terminate this Agreement by written notice to Vendor. If Purchaser terminates this Agreement, Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 2.5 and 9.16.

3.4 Vendor's Conditions

The obligation of Vendor to sell and convey the Purchased Shares to Purchaser is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Vendor and may be waived by Vendor:

- (a) the representations and warranties of Purchaser herein contained shall be true in all material respects when made and as of the Closing Date;
- (b) all obligations of Purchaser contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and
- (c) all amounts to be paid by Purchaser to Vendor at Closing, including, without limitation, the Purchase Price, shall have been paid to Vendor in the form stipulated in this Agreement.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Vendor, at or before the Closing Date, Vendor may terminate this Agreement by written notice to Purchaser. If Vendor terminates this Agreement, Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 2.5 and 9.16.

3.5 Efforts to Fulfil Conditions Precedent

Purchaser and Vendor shall proceed diligently and in good faith and use all reasonable efforts to satisfy and comply with and assist in the satisfaction and compliance with the foregoing conditions precedent.

3.6 Compliance with SISP

The Parties each agree to comply with the SISP in all material respects; provided, however, that in the event of any inconsistency between the terms of this Agreement and the SISP, this Agreement will prevail.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Vendor

Vendor makes only the following representations to Purchaser, no claim in respect of which shall be made or be enforceable by Purchaser unless written notice of such claim, with reasonable particulars, is given by Purchaser to Vendor within a period of six (6) months following the Closing Date:

- (a) the SISP has been validly approved by the Court; and
- (b) subject to obtaining the Approval Order: (i) Vendor has the right to enter into this Agreement and to complete the Transaction; and (ii) all indebtedness owing to Signal Alpha C4 Limited and Trafigura Canada Limited will be paid in full in accordance with the CCAA Proceedings, and for greater certainty, such indebtedness will not be characterized as being forgiven for purposes of the *Income Tax Act* (Canada) and shall not be part of the Transferred Liabilities.

4.2 Representations and Warranties of Purchaser

Purchaser makes the following representations and warranties to Vendor, no claim in respect of which shall be made or be enforceable by Vendor unless written notice of such claim, with reasonable particulars, is given by Vendor to Purchaser within a period of six (6) months following the Closing Date:

- (a) Purchaser is a corporation duly organized, validly existing and is authorized to carry on business in the provinces in which the Lands are located;
- (b) Purchaser has good right, full power and absolute authority to purchase and acquire the Purchased Shares according to the true intent and meaning of this Agreement;
- (c) except for obtaining the Approval Order, the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' or equivalent actions and will not result in any violation of, be in conflict with, or constitute a default under, any articles, charter, bylaw or other governing document to which Purchaser is bound;
- (d) the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which Purchaser is party or by which Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or license applicable to Purchaser;
- (e) provided the Approval Order obtained, this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Purchaser enforceable against Purchaser in accordance with their terms;
- (f) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Assets is required for the due execution, delivery and performance by Purchaser of this Agreement, other than authorizations, approvals or exemptions from requirement therefor previously obtained and currently in force or to be obtained prior to or after Closing;
- (g) at Closing, Purchaser shall have adequate funds available in an aggregate amount sufficient to pay: (i) all amounts required to be paid by Purchaser under this Agreement; and (ii) all expenses which have been or will be incurred by Purchaser in connection with this Agreement and the Transaction;

- (h) Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the Transaction for which Vendor shall have any obligation or liability;
- (i) Purchaser is not a non-resident of Canada within the *Income Tax Act* (Canada); and
- (j) Purchaser is not a non-Canadian person for the purposes of the *Investment Canada Act*.

4.3 Limitation of Representations by Vendor

- (a) Subject to Section 4.1, Vendor expressly negates any representations or warranties, whether written or verbal, made by Vendor or its Representatives and in particular, without limiting the generality of the foregoing, Vendor disclaims all liability and responsibility for any such representation, warranty, statement or information made or communicated, whether verbal or in writing, to Purchaser or any of its Representatives. The Purchased Shares shall be purchased on a strictly "as is, where is" basis and there are no collateral agreements, conditions, representations or warranties of any nature whatsoever made by Vendor, express or implied, arising at law, by statute, in equity or otherwise, with respect to the Purchased Shares or the Assets and in particular, without limiting the generality of the foregoing, there are no collateral agreements, conditions, representations or warranties made by Vendor, express or implied, arising at law, by statute, in equity or otherwise with respect to:
 - (i) any engineering, geological or other interpretation, descriptive or economic evaluations respecting the Assets;
 - (ii) to inspect or count, or provide any inspection or counting, of the Assets or Lands;
 - (iii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;
 - (iv) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;
 - (v) the rates of production of Petroleum Substances from the Lands;
 - (vi) the quality, condition, fitness or merchantability of any tangible depreciable equipment or property interests which comprise the Assets (including the Tangibles);
 - (vii) the accuracy or completeness of the Teaser, Confidential Information Memorandum (both as defined in the SISP) or Data Room Information or any other data or information supplied by Vendor or any of its Representatives in connection with the Assets;
 - (viii) the suitability of the Assets for any purpose;

- (ix) any consents and any further documents or assurances which are necessary or desirable;
 - (x) compliance with Applicable Laws; or
 - (xi) the title and interest of the Corporation in and to the Assets.
- (b) Without restricting the generality of the foregoing, Purchaser acknowledges that it has made its own independent investigation, analysis, evaluation and inspection of the Corporation's interests in the Assets and the state and condition thereof and that it is satisfied with, and has relied solely on, such investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets.
- (c) Except with respect to the representations and warranties in Section 4.1 or in the event of fraud, Purchaser forever releases and discharges Vendor and its Representatives from any claims and all liability to Purchaser or Purchaser's assigns and successors, as a result of the use or reliance upon advice, information or materials pertaining to the Purchased Shares or the Assets which was delivered or made available to Purchaser by Vendor or its Representatives prior to or pursuant to this Agreement, including, without limitation, any evaluations, projections, reports and interpretive or non-factual materials prepared by or for Vendor, or otherwise in Vendor's possession.

ARTICLE 5

INDEMNITIES FOR REPRESENTATIONS AND WARRANTIES

5.1 Vendor's Indemnities for Representations and Warranties

Vendor shall be liable to Purchaser for and shall, in addition, indemnify Purchaser from and against, all Losses suffered, sustained, paid or incurred by Purchaser which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in Section 4.1 been accurate and truthful; provided, that nothing in this Section 5.1 shall be construed so as to cause Vendor to be liable to or indemnify Purchaser in connection with any representation or warranty contained in Section 4.1 if and to the extent that Purchaser did not rely upon such representation or warranty.

5.2 Purchaser's Indemnities for Representations and Warranties

Purchaser shall be liable to Vendor for and shall, in addition, indemnify Vendor from and against, all Losses suffered, sustained, paid or incurred by Vendor which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in Section 4.2 been accurate and truthful; provided, that nothing in this Section 5.2 shall be construed so as to cause Purchaser to be liable to or indemnify Vendor in connection with any representation or warranty contained in Section 4.2 if and to the extent that Vendor did not rely upon such representation or warranty.

5.3 Survival of Representations and Warranties

Each Party acknowledges that the other may rely on the representations and warranties made by such Party pursuant to Section 4.1 or 4.2, as the case may be. The representations and warranties in Sections 4.1 and 4.2 shall be true as of the date hereof and on the Closing Date and shall survive for a period of six (6) months following the Closing Date. In the absence of fraud, however, no claim or action shall be commenced with respect to a breach of any such representation and warranty, unless, within such period, written notice specifying such breach in reasonable detail has been provided to the Party which made such representation or warranty.

ARTICLE 6 INDEMNITIES

6.1 Post-Closing Date Indemnity

Provided that Closing has occurred, Purchaser shall:

- (a) be solely liable and responsible for any and all Losses which Vendor may suffer, sustain, pay or incur; and
- (b) indemnify, release and save harmless Vendor and its Representatives from any and all Losses, actions, proceedings and demands, whatsoever which may be brought against or suffered by Vendor or which it may sustain, pay or incur,

as a result of any matter or thing resulting from, attributable to or connected with the Purchased Shares and arising or accruing after the Closing Date.

6.2 Environmental Matters and Abandonment and Reclamation Obligations

Purchaser acknowledges that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that Vendor has provided Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of Purchaser (insofar as Vendor could reasonably provide such access) and that Purchaser is not relying upon any representation or warranty of Vendor as to the environmental condition of the Assets, Environmental Liabilities or Abandonment and Reclamation Obligations. Provided that Closing has occurred, Purchaser and the Corporation shall:

- (a) be solely liable and responsible for any and all Losses which Vendor may suffer, sustain, pay or incur; and
- (b) indemnify, release and save harmless Vendor from any and all Losses, actions, proceedings and demands, whatsoever which may be brought against or suffered by Vendor or which it may sustain, pay or incur,

as a result of any matter or thing arising out of, resulting from, attributable to or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, Purchaser shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations as between the Corporation and Purchaser (including, without limitation, whether occurring or accruing prior to, on or after the Closing Date), and hereby releases Vendor from any claims Purchaser may have against Vendor with respect to all such

liabilities and responsibilities. Without restricting the generality of the foregoing, Purchaser shall be responsible for all Environmental Liabilities and Abandonment and Reclamation Obligations (including, without limitation, whether occurring or accruing prior to, on or after the Closing Date) in respect of all Wells and Facilities.

ARTICLE 7

MAINTENANCE OF ASSETS AND OTHER COVENANTS

7.1 Maintenance of Assets

From the date hereof until the Closing Date, Vendor will cause the Corporation to:

- (a) maintain the Assets in a proper and prudent manner in material compliance with all Applicable Laws and directions of Governmental Authorities; and
- (b) pay or cause to be paid all costs and expenses relating to the Assets which become due from the date hereof to the Closing Date.

7.2 Consent of Purchaser

Notwithstanding Section 7.1, Vendor shall not from the date hereof to the Closing Date, without the written consent of Purchaser, which consent shall not be unreasonably withheld by Purchaser and which, if provided, shall be provided in a timely manner:

- (a) cause the Corporation to make any commitment or propose, initiate or authorize any capital expenditure with respect to the Assets of which Vendor's share is in excess of [REDACTED], except in case of an emergency or in respect of amounts which Vendor may be committed to expend or be deemed to authorize for expenditure without its consent; provided, however, that should Purchaser withhold its consent or fail to provide its consent in a timely manner and a reduction in the value of the Assets results, there shall be no abatement or reduction in the Purchase Price;
- (b) cause the Corporation to surrender or abandon any of the Assets, unless an expenditure of money is required to avoid the surrender or abandonment and Purchaser does not provide same in a timely fashion, in which event the Assets in question shall be surrendered or abandoned without abatement or reduction in the Purchase Price;
- (c) cause the Corporation to amend or terminate any Title Document or enter into any new agreement or commitment relating to the Assets; or
- (d) cause the Corporation to sell, encumber or otherwise dispose of any of the Assets or any part or portion thereof excepting sales of the Leased Substances in the normal course of business.

7.3 Proposed Actions

If an operation or the exercise of any right or option respecting the Assets is proposed in circumstances in which such operation or the exercise of such right or option would result in

Purchaser or the Corporation incurring an obligation pursuant to Section 7.2, the following shall apply to such operation or the exercise of such right or option (hereinafter referred to as the “**Proposal**”):

- (a) Vendor shall promptly give Purchaser notice of the Proposal, describing the particulars in reasonable detail;
- (b) Purchaser shall, not later than twenty four (24) hours prior to the time Vendor is required to make its election with respect to the Proposal, advise Vendor, by notice, whether Purchaser wishes Vendor to exercise the Corporation’s rights with respect to the Proposal on Purchaser’s behalf, provided that Purchaser’s failure to make such election within such period shall be deemed to be Purchaser’s election to participate in the Proposal;
- (c) the Corporation shall make the election authorized (or deemed to be authorized) by Purchaser with respect to the Proposal within the period during which Vendor may respond to the Proposal.

7.4 Discharge and Release of Claims and Encumbrances

Following Closing, to the extent reasonably requested by Purchaser, Vendor will use commercially reasonable efforts to assist the Purchaser and the Corporation to effect the discharge and release of all Claims and Encumbrances (each as defined in the Approval Order) with respect to the Purchased Shares, the Retained Assets and the Corporation, including without limitation in respect of the mineral leases comprising the Retained Assets, in accordance with the Approval Order.

7.5 Tax Matters and Tax Returns

Vendor shall cause Sproule Associates Limited to: (a) duly and timely prepare or cause to be prepared and file, keep on file or cause to be filed all Tax Returns of the Corporation for all Tax periods ending on or prior to the Closing Date and for which Tax Returns have not been filed as of such date (“**Pre-Closing Tax Returns**”); (b) duly and timely prepare a Tax Return for the stub period ending on the Closing Date (“**Stub Period Return**”); and (c) by no later than April 1, 2024, prepare and file such documents as are required by the Canada Revenue Agency in connection with the recently enacted bare trust reporting legislation. Vendor shall provide the Purchaser with a draft of any such Pre-Closing Tax Returns and Stub Period Return no later than 30 days, in the case of an income Tax Return, and 10 days in respect of any other Tax Return, before the filing due date for such Pre-Closing Tax Returns and Stub Period Return, and Vendor shall make all reasonable changes to such Stub Period Returns requested by Purchaser. At the request of Purchaser, Vendor shall cause the Corporation to make an election pursuant to subsection 256(9) of the *Income Tax Act* (Canada) in the Stub Period Return.

ARTICLE 8

PURCHASER'S REVIEW AND ACCESS TO BOOKS AND RECORDS

8.1 Vendor to Provide Access

Prior to Closing, Vendor shall, subject to all contractual and fiduciary obligations, at the Calgary offices of Vendor during normal business hours, provide reasonable access for Purchaser and its Representatives to Vendor's records, books, accounts, documents, files, reports, information, materials, filings, and data, to the extent they relate directly to the Purchased Shares, as well as physical access to the Assets (insofar as Vendor can reasonably provide such access) for the purpose of Purchaser's review of the Assets and title thereto.

8.2 Access to Information

After Closing and subject to contractual restrictions in favour of Third Parties relative to disclosure, Purchaser shall, on request from Vendor, provide reasonable access to Vendor at Purchaser's offices, during its normal business hours, to the agreements and documents to which the Purchased Shares and Assets are subject and the contracts, agreements, records, books, documents, licenses, reports and data included in the Miscellaneous Interests and the Title Documents which are then in the possession or control of Purchaser and to make copies thereof, as Vendor may reasonably require, including, but not limited to, for purposes relating to:

- (a) Vendor's ownership of the Purchased Shares (including Tax matters and liabilities and claims that arise from or relate to acts, omissions, events, circumstances or operations on or before the Closing Date);
- (b) enforcing its rights under this Agreement;
- (c) compliance with Applicable Law; or
- (d) any claim commenced or threatened by any Third Party against Vendor.

8.3 Maintenance of Information

All of the information, materials and other records delivered to Purchaser pursuant to the terms hereof shall be maintained in good order and good condition and kept in a reasonably accessible location by Purchaser for a period of two (2) years from the Closing Date.

ARTICLE 9

GENERAL

9.1 Release by Purchaser

Except in connection with any obligations of Vendor or the Monitor contained in this Agreement and any closing documents, effective as of the Closing, Purchaser and its Affiliates hereby release and forever discharge Vendor, the Monitor, and their respective Affiliates, and each of their respective successors and assigns, and all present and former officers, directors, partners, members, shareholders, limited partners, employees, agents, financial and legal advisors of each of them, from any and all actual or potential Released Claims which such Person had, has or may have in the future to the extent relating to the business of the Corporation, the Purchased Shares

or the Retained Liabilities, save and except for Released Claims arising out of fraud, bad faith or illegal acts.

9.2 Release by Vendor

Except in connection with any obligations of Purchaser and the Monitor contained in this Agreement and any closing documents, effective as of the Closing, Vendor and its Affiliates hereby release and forever discharge Purchaser, the Monitor and their respective Affiliates, and each of their respective successors and assigns, and all former and present officers, directors, partners, members, shareholders, limited partners, employees, agents, financial and legal advisors of each of them, from any and all actual or potential Released Claims which such Person had, has or may have in the future to the extent relating to the Purchased Shares, the Retained Liabilities, the Retained Assets, the Transferred Assets or the Transferred Liabilities, save and except for Released Claims arising out of fraud, bad faith or illegal acts.

9.3 Further Assurances

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required to fully perform and carry out the terms of this Agreement.

9.4 No Merger

The covenants, representations, warranties and indemnities contained in this Agreement shall be deemed to be restated in any and all assignments, conveyances, transfers and other documents conveying the interests of Vendor in and to the Purchased Shares to Purchaser, subject to any and all time and other limitations contained in this Agreement. There shall not be any merger of any covenant, representation, warranty or indemnity in such assignments, conveyances, transfers and other documents notwithstanding any rule of law, equity or statute to the contrary and such rules are hereby waived.

9.5 Expenses

Except as otherwise expressly provided in this Agreement, each Party will pay for its own costs and expenses (including the fees and expenses of legal counsel, accountants and other advisors) incurred in connection with this Agreement.

9.6 Entire Agreement

The provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, the provisions of this Agreement shall prevail. This Agreement supersedes all other agreements (other than the confidentiality and nondisclosure agreement dated October 29th, 2023 between Purchaser and Griffon Partners Operation Corp. (the “NDA”)), documents, writings and verbal understandings between the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the subject matter hereof.

9.7 Governing Law

This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Agreement.

9.8 Signs and Notifications

Within one-hundred twenty (120) days following Closing, Purchaser shall remove any signage which indicates Vendor's ownership or operation of the Assets. It shall be the responsibility of Purchaser to erect or install any signage required by applicable Governmental Authorities indicating Purchaser to be the owner or operator of the Assets.

9.9 Assignment and Enurement

This Agreement may not be assigned by a Party without the prior written consent of the other Party, which consent may be unreasonably and arbitrarily withheld. Notwithstanding the foregoing, Purchaser may assign this Agreement to an Affiliate of Purchaser without the prior written consent of Vendor. This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

9.10 Time of Essence

Time shall be of the essence in this Agreement.

9.11 Notices

The addresses and fax numbers of the Parties for delivery of notices hereunder shall be as follows:

Vendor:	Osler, Hoskin & Harcourt LLP Suite 2700, Brookfield Place 225 – 6th Avenue S.W. Calgary AB T2P 1N2
Attention:	Randal Van de Mosselaer / Vivek Warriar
E-mail:	Rvandemosselaer@osler.com / Vwarrier@osler.com
Phone:	(403) 260-7060 / (403) 260-7020
Purchaser:	Metamorphic Energy Corp. 4200 Bankers Hall West 888 – 3 rd Street SW Calgary, AB T2P 5C5
Attention:	Pete Sametz, CEO, President
E-mail:	psametz@mmecorp.ca

Phone: 403-880-9790

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party when it is delivered;
- (b) by email to a Party to the email address of such Party for notices, in which case, if the notice was emailed prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was emailed and if it is emailed on a day which is not a Business Day or is emailed after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day; or
- (c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by first class registered postage prepaid mail to a Party at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party on the fourth (4th) Business Day following the date of mailing.

A Party may from time to time change its address for service, facsimile number for service or designated representative by giving written notice of such change to the other Party.

9.12 Invalidity of Provisions

In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

9.13 Severability

If any provision of this Agreement is determined by any court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect and shall not in any way be affected or impaired.

9.14 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

9.15 Amendment

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

9.16 Confidentiality and Public Announcements

In accordance with the NDA, and until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Purchased Shares and shall not release any information concerning this Agreement and the Transaction without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information (i) to any Governmental Authority or regulatory authority or to the public if required by Applicable Law; or (ii) in connection with obtaining the Approval Order.

9.17 Counterpart Execution

This Agreement may be executed and delivered in counterpart and transmitted by facsimile or other electronic means and all such executed counterparts, including electronically transmitted copies of such counterparts, shall together constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

GRIFFON PARTNERS HOLDING CORPORATION

Per:



Name: Daryl Stepanic
Title: Director

Per: _____

Name:
Title:

METAMORPHIC ENERGY CORP.

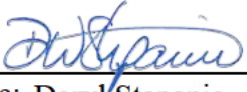
Per:



Name: Pete Sametz, P.Eng. ICD.D
Title: CEO, President

GRIFFON PARTNERS CAPITAL MANAGEMENT LTD.

Per:



Name: Daryl Stepanic
Title: Director

Per: _____

Name:
Title:

Schedule “C”

[VENDOR’S][PURCHASER’S] OFFICER’S CERTIFICATE

TO: [Name of Vendor/Purchaser] [(the “Vendor”)] [(the “Purchaser”)]

RE: Purchase and Sale Agreement dated March 25, 2024 between Vendor and Purchaser (the “Agreement”)

Unless otherwise defined herein, the definitions provided for in the Agreement are adopted in this certificate (the “Certificate”).

I, [Name], [Position] of [Name of Vendor/Purchaser] [(the “Vendor”)] [(the “Purchaser”)] hereby certify that as of the date of this Certificate:

1. The undersigned is personally familiar, in [his][her] capacity as an officer of [Vendor][Purchaser], with the matters hereinafter mentioned.
2. Each of the covenants, representations and warranties of the [Vendor][Purchaser] contained in Article 4 of the Agreement were true and correct in all material respects when made and are true and correct in all material respects as of the Closing Date.
3. All obligations of [Vendor][Purchaser] contained in the Agreement to be performed prior to or at Closing have been timely performed in all material respects.
4. This Certificate is made for and on behalf of the [Vendor][Purchaser] and is binding upon it, and I am not incurring, and will not incur, any personal liability whatsoever with respect to it.
5. This Certificate is made with full knowledge that the [Vendor][Purchaser] is relying on the same for the Closing of the transactions contemplated by the Agreement.

IN WITNESS WHEREOF I have executed this Certificate this ____ day of _____, •.

[Name of Vendor/Purchaser]

Per: _____

Name: •

Title: •

[Signature Page to the Officer’s Certificate]

Schedule “D”

APPROVAL ORDER

Please see attached.

B201-979735

Clerk's Stamp

COURT FILE NUMBER 25-2979735

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c B-3, AS AMENDED

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

APPLICANTS GRIFFON PARTNERS OPERATION CORPORATION, GRIFFON PARTNERS HOLDING CORPORATION, GRIFFON PARTNERS CAPITAL MANAGEMENT LTD., STELLION LIMITED, 2437801 ALBERTA LTD., 2437799 ALBERTA LTD., 2437815 ALBERTA LTD., and SPICELO LIMITED

DOCUMENT **ORDER**
(Sales and Investment Solicitation Process)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **OSLER, HOSKIN & HARCOURT LLP**
Suite 2700, Brookfield Place
255 – 6th Avenue SW
Calgary, AB T2P 1N2

Solicitors: Randal Van de Mosselaer / Emily Paplawski
Phone: 403.260.7000 / 7071
Email: rvandemosselaer@osler.com / epaplawski@osler.com
Matter: 1247318

DATE ON WHICH ORDER WAS PRONOUNCED: October 18, 2023

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice Dunlop

UPON THE APPLICATION of Griffon Partners Operation Corporation, Griffon Partners Holding Corporation, Griffon Partners Capital Management Ltd., Stellion Limited,

2437801 Alberta Ltd., 2437799 Alberta Ltd., 2437815 Alberta Ltd., and Spicelo Limited (collectively, the “**Applicants**”) for an order, among other things, approving the Sales and Investment Solicitation Process (“**SISP**”) attached as **Appendix “A”** hereto; **AND UPON** having reviewed the Affidavit of Daryl Stepanic, sworn October 10, 2023, and the Second Report of Alvarez & Marsal Canada Inc. in its capacity as proposal trustee of the Applicants (the “**Proposal Trustee**”) under the Notices of Intention to Make a Proposal of the Applicants, filed August 25, 2023; **AND UPON** hearing the submissions of counsel for the Applicants, counsel for the Proposal Trustee and any other counsel or other interested parties present; **AND UPON** noting that capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the SISP;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of notice of this Application and supporting materials is hereby declared to be good and sufficient, and 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.
2. The SISP (subject to any amendments thereto that may be made in accordance therewith and with this Order) is hereby approved, and the Applicants, the Proposal Trustee, and Alvarez & Marsal Canada Securities ULC (the “**Transaction Agent**”) are hereby authorized and directed to implement the SISP in accordance with the terms thereof and do all things as may be reasonably necessary to conduct and give full effect to the SISP and implement and carry out the terms thereof.
3. The Proposal Trustee and the Transaction Agent (and their respective affiliates, partners, directors, employees, agents, consultants, advisors, experts, accountants, counsel and controlling persons) shall have no liability whatsoever for any and all losses, claims, damages or liabilities, of any nature or kind to any person or party for any act or omission related to the SISP, except to the extent such act or omission is the result of gross negligence or wilful misconduct of the Proposal Trustee or the Transaction Agent.
4. The Applicants shall serve by courier, fax transmission, email transmission or ordinary post, a copy of this Order on all parties present at this Application and on all parties who

are presently on the service list established in these proceedings and such service shall be deemed good and sufficient for all purposes.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Justice of the Court of King's Bench of Alberta

Appendix “A”

Sales and Investment Solicitation Process

SALE AND INVESTMENT SOLICITATION PROCESS

Introduction

Griffon Partners Operation Corp. (“**GPOC**”), Griffon Partners Holding Corp. (“**GPHC**”), Griffon Partners Capital Management Ltd. (“**GPCM**”, and together with GPOC and GPHC, the “**Griffon Entities**”), Spicelo Limited (“**Spicelo**”), Stellion Limited, 2437799 Alberta Ltd., 2437801 Alberta Ltd. and 2437815 Alberta Ltd. (collectively with the Griffon Entities, the “**Debtors**”) filed Notices of Intention to Make a Proposal (the “**NOI Proceedings**”) with the Office of the Superintendent of Bankruptcy Canada pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) on August 25, 2023. Alvarez and Marsal Canada Inc. was appointed as the trustee under the proposal (the “**Proposal Trustee**”) of the Debtors.

On September 22, 2023, the Alberta Court of King’s Bench (the “**Court**”) granted an Order, among other things, approving of the Debtors’ engagement of Alvarez & Marsal Canada Securities ULC (the “**Transaction Agent**”).

On October 18, 2023, the Court granted an Order (the “**SISP Order**”) approving the sale and investment solicitation procedures set forth herein (the “**SISP Procedures**”). The SISP Order and these SISP Procedures shall exclusively govern the sale and investment solicitation process (the “**SISP**”) for soliciting and selecting bids for the sale of shares or assets of the Griffon Entities (or any one of them), or of a refinancing, reorganization, recapitalization, restructuring or other business transaction involving the Debtors, or any one of them.

SISP Procedures

These SISP Procedures describe, among other things: (a) the manner and timelines by which any interested party may gain access to due diligence materials concerning the Debtors and their business; (b) the manner and timelines by which potential bidders may submit an offer for an investment in the Debtors or an offer to purchase some or all of the Griffon Entities’ assets, property, undertakings and/or shares; (c) the manner in which potential bidders and bids become Qualified Bidders and Qualified Bids (as defined below), respectively; (d) the receipt and negotiation of bids received; and (e) the ultimate selection of one or more bids, and the approval thereof by the Court.

The Debtors and the Proposal Trustee, with the assistance of the Transaction Agent, shall implement these SISP Procedures in accordance with the terms hereof and the SISP Order. Interested parties who wish to have their bids considered shall participate in the SISP in accordance with these SISP Procedures.

In the event that there is a disagreement or a clarification is required as to the interpretation or application of these SISP Procedures or the responsibilities of any person hereunder, the Court will have the jurisdiction to resolve such dispute or provide such clarification, and provide any advice

or directions as are necessary, upon application of the Debtors, the Proposal Trustee or any other interested person.

In the event of the conversion of the NOI Proceedings to other insolvency or restructuring proceedings, the SISP will continue under those proceeding, subject to any changes proposed to and confirmed by the Court.

Opportunity

The SISP Procedures are intended to solicit interest in, and opportunities for: (a) the purchase of some or all of the assets of the Griffon Entities (each, an “**Asset Transaction**”); (b) an investment in the Griffon Entities, including through the purchase or acquisition of the shares of some or all of the Griffon Entities (each, a “**Share Transaction**”); (c) a refinancing of the Debtors through the provision of take out or additional financing in the Debtors (each, a “**Refinancing Transaction**”), or some combination thereof (each, a “**Transaction**”). All interested parties are encouraged to submit a Non-Binding LOI (as defined below) and a Qualified Bid based on any configuration they wish, provided, however, that in no cases shall an Asset Transaction or a Share Transaction include the shares or assets of Spicelo. In all cases, the shares and/or assets of Spicelo shall be limited in this SISP to a Refinancing Transaction.

SISP Timeline

The SISP shall be conducted subject to the terms hereof and the following key milestones:

Milestone	Date	Date
Transaction Agent shall advertise SISP and distribute Teaser and NDA	Within 7 calendar days of SISP Order	October 25, 2023
Due diligence period (NDAs signed, access to VDR granted and site visits organized)	12 calendar days after SISP Order until Final Bid Deadline	October 30, 2023 – January 8, 2024
Non-Binding LOI Deadline	56 calendar days after SISP Order	December 12, 2023
Final Bid Deadline	End of due diligence period	January 8, 2024
Bid assessment	Within 5 business days of Final Bid Deadline	January 15, 2024
Notification of Auction Date (if applicable)	Within 5 business days of completion of bid assessment	January 22, 2024
Auction Date (if applicable)	2 business days after notification of Auction Date	January 24, 2024

Milestone	Date	Date
Period of time to finalize definitive documents for Successful Bid (if applicable)	Within 10 calendar days of acceptance of the Successful Bid	~January 26, 2024 (if no Auction) ~February 5, 2024 (if Auction)
Court approval of Successful Bid (if applicable)	Within 14 calendar days of acceptance of the Successful Bid (subject to Court availability)	~January 30, 2024 (if no Auction) ~February 9, 2024 (if Auction)

The Debtor and the Proposal Trustee, with the assistance of the Transaction Agent, will use reasonable efforts to complete the SISP Procedures in accordance with the foregoing. The Proposal Trustee may make such adjustments to the timeline that it determines are reasonably necessary in order to accommodate unforeseen circumstances and/or best facilitate the SISP to maximize the value of the Debtors for the benefit of stakeholders, in all cases upon notice to all interested parties actively participating in the SISP at the applicable time.

“As Is, Where Is”

Any Asset Transaction or Share Transaction completed hereunder will be on an “as is, where is” basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Debtors, or any one of them, or their respective agents, except to the extent set forth in the Definitive Agreement (as defined below) with the Successful Bidder (as defined below).

Neither the Proposal Trustee, the Transaction Agent, the Debtors, nor any of their respective affiliates, advisors, agents or representatives makes any representation or warranty as to title, description, fitness for purpose, merchantability, quantity, conditions or quality of any of the property or the accuracy or completeness of the information contained in any of the Teaser, Confidential Information Memorandum or in the VDR, except to the extent otherwise provided by the Debtors under a Definitive Agreement (as defined below) with a Successful Bidder executed and delivered by the Debtors. The Debtors are not required to inspect or count, or provide any inspection or counting, of the property or any part thereof and each Qualified Bidder shall be deemed, at its own expense, to have relied entirely on its own inspection and investigation with respect to the property. It shall be the Successful Bidder’s sole responsibility to obtain, at its own expense, any consents to such transfer and any further documents or assurances which are necessary or desirable in the circumstances.

Free of Any and All Claims and Interests

All of the right, title and interest of the Griffon Entities in and to any assets sold or transferred within the SISP will, at the time of such sale or transfer, be sold or transferred free and clear of

any security, charge or other restriction (collectively, the “**Claims and Interests**”) pursuant to any approval and vesting order(s) or reverse vesting order(s) made by the Court and section 65.13 of the BIA. Contemporaneous with such approval and vesting order(s) or reverse vesting order(s) being made, all such Claims and Interests shall attach to the net proceeds of the sale of such assets (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the Definitive Agreement with the Successful Bidder (each as defined below) and as approved by the Court.

Solicitation of Interest

As soon as reasonably practicable after the granting of the SISP Order, the Transaction Agent, in consultation with the Debtors and the Proposal Trustee, will prepare:

- a) a list of prospective bidders. Such list will include both strategic and financial parties who, in the reasonable business judgment of the Transaction Agent and the Debtors, and in consultation with the Proposal Trustee, may be interested in and have the financial capacity to make a Qualified Bid (“**Prospective Bidders**”); and
- b) an initial offering summary (the “**Teaser**”) describing and outlining the SISP and inviting Prospective Bidders to make a Qualified Bid.

Within 7 calendar days of the issuance of the SISP Order, the Transaction Agent shall, in consultation with the Debtors and the Proposal Trustee:

- a) cause a notice regarding the SISP and such other relevant information which the Transaction Agent, in consultation with the Debtors and the Proposal Trustee, considers appropriate to be published in the BOE Report / Daily Oil Bulletin, and Globe & Mail; and
- b) distribute to Prospective Bidders the Teaser and a draft confidentiality and nondisclosure agreement (the “**NDA**”) in a form satisfactory to the Debtors, in consultation with the Proposal Trustee.

Participation Requirements and Due Diligence

Unless otherwise ordered by the Court, any Prospective Bidder or other interested party who wishes to participate in the SISP must deliver the following to the Transaction Agent prior to the distribution of any confidential information by the Debtors and/or the Transaction Agent to such Prospective Bidder or interested party (including access to the confidential virtual data room (the “**VDR**”)):

- a) an executed NDA; and
- b) an executed letter acknowledging receipt of a copy of the SISP Order (including these SISP Procedures) and agreeing to accept and be bound by the provisions contained therein and herein.

A Prospective Bidder or other interested party that has complied with each of the foregoing requirements, and who the Transaction Agent, in consultation with the Debtors and the Proposal Trustee, determines has a reasonable prospect of completing an Asset Transaction, a Sale Transaction or a Refinancing Transaction contemplated herein, will be deemed a “**Qualified Bidder**” and will be promptly notified of such classification by the Transaction Agent. For greater certainty, a “Qualified Bidder” will only continue to be deemed a “Qualified Bidder” for purposes of this SISP after the Non-Binding LOI Deadline if the Qualified Bidder submits a Non-Binding LOI in accordance with these SISP Procedures.

The Transaction Agent shall provide any person deemed to be a Qualified Bidder with access to the VDR. Each Qualified Bidder shall have such access in the VDR to materials and financial and other information relating to the shares, the assets, the property and the business of the Debtors as the Debtors, in their reasonable business judgment and in consultation with the Proposal Trustee and the Transaction Agent, deem appropriate for Qualified Bidders to conduct their due diligence.

At the discretion of the Debtors, in consultation with the Proposal Trustee and the Transaction Agent, due diligence access may also include presentations by the Debtors, or any one of them, access to on-site inspections and such other items as a Qualified Bidder may reasonably request. None of the Debtors, the Proposal Trustee, nor the Transaction Agent, or any of their respective professionals and advisors are responsible for, or have any liability with respect to, any information obtained by any Qualified Bidder. None of the Debtors, Proposal Trustee or the Transaction Agent or their respective professionals and advisors make any representations or warranties whatsoever as to the information or the materials provided, including as to the accuracy of same.

Submission of Non-Binding LOI and Qualified Bid

A Qualified Bidder that desires to propose a Transaction must:

- a) deliver a non-binding letter of intent that identifies the potential purchaser(s)/financier(s) and a general description of the assets, business and/or refinancing terms that would be the intended subject of a Qualified Bid (each, a “**Non-Binding LOI**”) to the Proposal Trustee at the address specified herein (including by email transmission) so as to be actually received by the Proposal Trustee not later than 4:00 p.m. (Calgary time) on December 12, 2023, or such later date as may be agreed by the Debtors and the Proposal Trustee, and communicated in writing to all Qualified Bidders (the “**Non-Binding LOI Deadline**”).
- b) deliver a final, written, binding offer (each, a “**Final Bid**”) to the Proposal Trustee at the address specified herein (including by email transmission) so as to be actually received by the Proposal Trustee not later than 4:00 p.m. (Calgary time) on January 8, 2024, or such later date as may be agreed by the Debtors and the Proposal Trustee, and communicated in writing to all Qualified Bidders (the “**Final Bid Deadline**”).

Requirements for Qualified Bid

A Final Bid will only be considered a Qualified Bid if it is submitted by a Qualified Bidder and complies with the following conditions (each, a “**Qualified Bid**”):

- a) it has been received by the Proposal Trustee by the Final Bid Deadline;
- b) it includes either:
 - a. a fully binding and definitive agreement, duly authorized and executed, setting out the terms and conditions of the proposed Transaction, including the aggregate amount of the proposed equity and/or debt investment, assumption of debt, if any, and details of the proposed financing (a “**Definitive Refinancing Agreement**”); or,
 - b. a fully binding and definitive purchase and sale agreement, substantially in the form provided for in the VDR, duly authorized and executed, together with all exhibits and schedules thereto, and such ancillary agreements as may be required with all exhibits and schedules thereto (a “**Definitive Purchase Agreement**”); or
 - c. some combination of a Definitive Refinancing Agreement and a Definitive Purchase Agreement, provided that such agreement is a fully binding definitive agreement that is duly authorized and executed (a “**Definitive Hybrid Agreement**”),(each a “**Definitive Agreement**”);
- c) it includes:
 - a. a statement that the Final Bid is submitted in good faith, is binding and is irrevocable until there is a Successful Bid; provided, however, that if such bid is selected as the Successful Bid, it shall remain irrevocable until the closing of the Successful Bid;
 - b. a statement that the Qualified Bidder will bear its own costs and expenses (including legal and advisor fees) in connection with the proposed transaction, and by submitting its bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and
 - c. full disclosure regarding the identity of each person that is bidding or that will otherwise be sponsoring or participating in the Qualified Bid, including the identification of the Qualified Bidder’s direct and indirect owners and their principals and the full and complete terms of any such participation;
- d) it provides evidence, in form and substance reasonably satisfactory to the Debtors and the Proposal Trustee, of compliance or anticipated compliance with any and all applicable

regulatory approvals, the anticipated time frame for such compliance and any anticipated impediments for obtaining such approvals;

- e) it provides evidence, satisfactory to the Debtors and the Proposal Trustee, of a firm, irrevocable financial commitment for all required funding or financing or evidence of the Qualified Bidder's financial wherewithal to close the bid using unencumbered funds on hand;
- f) it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment and is not conditional upon:
 - a. approval from the Qualified Bidder's board of directors (or comparable governing body) or equityholder(s);
 - b. the outcome of unperformed due diligence by the Qualified Bidder; and/or
 - c. the bidder obtaining financing;
- g) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its Qualified Bid; (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, including by the Proposal Trustee or the Transaction Agent, or any of their advisors, except as expressly stated in the Definitive Agreement; (iii) is a sophisticated party capable of making its own assessments in respect of making its Qualified Bid; and (iv) has had the benefit of independent legal advice in connection with its Qualified Bid;
- h) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a trust account specified by the Proposal Trustee), payable to the Proposal Trustee, in trust, in an amount equal to ten percent (10%) of the cash consideration or other consideration to be paid pursuant to the Qualified Bid, to be held and dealt with in accordance with these SISP Procedures; and
- i) provides such further or other information as may be reasonably requested by the Debtors and/or the Proposal Trustee.

The Proposal Trustee may, in its reasonable discretion, and in consultation with the Debtors, waive compliance with any one or more of the Non-Binding LOI and/or Qualified Bid requirements specified herein, and deem such non-compliant letter of intent or bid to be a Non-Binding LOI or Qualified Bid, as applicable, in accordance with these SISP Procedures.

If the Proposal Trustee is not satisfied with the number or terms of the Non-Binding LOIs or Qualified Bids, the Proposal Trustee, in consultation with the Debtors, may extend the Non-Binding LOI Deadline or Final Bid Deadline, as applicable, without Court approval and, unless otherwise provided for by the Proposal Trustee, all subsequent deadlines provided in these SISP Procedures shall be extended by the same time period.

Assessment of Qualified Bids

The Proposal Trustee and the Debtors will assess the Qualified Bids received, if any, and will determine whether it is likely that the transactions contemplated by such Qualified Bids are likely to be consummated. Such assessments will be made as promptly as practicable but no later than five (5) business days after the Final Bid Deadline.

If the Debtors and the Proposal Trustee determine in their reasonable discretion that one or more Qualified Bids were received and it is likely that the transactions contemplated by one or more of such Qualified Bids will be consummated:

- a) the Proposal Trustee, with the consent of the Debtors, may advise all Qualified Bidders that an auction (the “**Auction**”) will be held and that such Qualified Bidders are entitled to participate in the Auction; or
- b) the Debtors, in consultation with the Proposal Trustee, may select the superior Qualified Bid (the “**Successful Bid**” and the bidder thereof, the “**Successful Bidder**”) and file an application to the Court to approve such Successful Bid within ten (10) calendar days of acceptance thereof, and seek a hearing of such application as soon as practicable thereafter.

To the extent that Trafigura Canada Limited and/or Signal Alpha C4 Limited (together, the “**Lenders**” and each, a “**Lender**”) either: (a) provide written confirmation to the Proposal Trustee that the Lenders or a specific Lender will not participate in the SISP as a Qualified Bidder or submit a Non-Binding LOI, Final Bid or a Qualified Bid within the SISP, or (b) fail to submit a Final Bid which has been deemed a Qualified Bid, from and after such date, the Proposal Trustee may consult with such Lenders or Lender, as applicable, as to developments in the SISP and/or selection of a Successful Bid.

Auction

If an Auction is to be held, the Proposal Trustee will conduct the Auction commencing at 10:00 a.m. (Calgary time) on January 24, 2024 (the “**Auction Date**”) at the offices of the Proposal Trustee’s legal counsel, Torys LLP, Calgary, AB, or such other location as shall be timely communicated to all entities entitled to attend at the Auction, subject to such adjournments as the Proposal Trustee may consider appropriate.

The Auction shall run in accordance with the following procedures:

- c) prior to 4:00 p.m. (Calgary time) on January 22, 2024, each Qualified Bidder that has made a Qualified Bid must inform the Proposal Trustee whether it intends to participate in the Auction (the parties who so inform the Proposal Trustee that they intend to participate are hereinafter referred to as the “**Auction Bidders**”);
- d) the identity of each Auction Bidder participating in the Auction will be disclosed, on a confidential basis, to each other Auction Bidder participating in the Auction;
- e) only representatives of the Auction Bidders, the Proposal Trustee, the Transaction Agent, the Debtors and such other persons as permitted by the Proposal Trustee, and the advisors to each of the foregoing entities, are entitled to attend the Auction in person (and the Proposal Trustee shall have the discretion to allow such persons to attend by video- or tele-conference);
- f) the Proposal Trustee may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances for conducting the Auction provided that such rules are (i) not inconsistent with these SISP Procedures or general practice in insolvency proceedings, and (ii) disclosed to each Auction Bidder at the Auction;
- g) all Auction Bidders must have at least one individual representative with authority to bind such Auction Bidder present in person at the Auction;
- h) the Proposal Trustee shall arrange to have a court reporter attend at the Auction;
- i) each Auction Bidder participating in the Auction must confirm on the record, at the commencement of the Auction and again at the conclusion of the Auction, that it has not engaged in any collusion with any other person regarding the SISP without the express written consent of the Proposal Trustee and on disclosure to all other Auction Bidders;
- j) prior to the Auction, the Proposal Trustee will provide unredacted copies of the Qualified Bid(s) which the Proposal Trustee believes are the highest or otherwise best Qualified Bid(s) (the “**Starting Bid**”) to all Qualified Bidders that have made a Qualified Bid;
- k) prior to the Auction, the Proposal Trustee and the Transaction Agent shall develop a financial comparison model (the “**Comparison Model**”) which will be used to compare the Starting Bid and all Subsequent Bids (as defined herein) submitted during the Auction, if applicable;
- l) prior to the Auction, the Proposal Trustee and the Transaction Agent shall make themselves available to meet with each of the Auction Bidders to review the procedures for the Auction, the mechanics of the Comparison Model, and the manner by which Subsequent Bids (as defined below) shall be evaluated during the Auction;

- m) bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder (a “**Subsequent Bid**”) that the Proposal Trustee, utilizing the Comparison Model, determines is (i) for the first round, a higher or otherwise better offer than the Starting Bid, and (ii) for subsequent rounds, a higher or otherwise better offer than the then current highest and best bid (the “**Leading Bid**”), in each case by at least CAD\$250,000, or such amount as may be determined by the Proposal Trustee prior to, and announced at, the Auction;
- n) to the extent not previously provided (which shall be determined by the Proposal Trustee), an Auction Bidder submitting a Subsequent Bid must submit, at the Proposal Trustee’s discretion, as part of its Subsequent Bid, written evidence (in the form of financial disclosure or credit- quality support information or enhancement reasonably acceptable to the Proposal Trustee), demonstrating such Auction Bidder’s ability to close the transaction proposed by the Subsequent Bid;
- o) only the Auction Bidders will be entitled to make a Subsequent Bid at the Auction; provided, however, that in the event that any Qualified Bidder elects not to attend and/or participate in the Auction, such Qualified Bidder’s Qualified Bid shall nevertheless remain fully enforceable against such Qualified Bidder if it is selected as the Successful Bid;
- p) all Auction Bidders shall have the right to, at any time, request that the Proposal Trustee announce the then-current Leading Bid and, to the extent requested by any Auction Bidder, use reasonable efforts to clarify any and all questions such Auction Bidder may have regarding the Leading Bid;
- q) the Proposal Trustee reserves the right, in its reasonable business judgment, to make one or more adjournments in the Auction to, among other things (i) facilitate discussions between the Proposal Trustee and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide the Proposal Trustee with such additional evidence as the Proposal Trustee, in its reasonable business judgment, may require that that Auction Bidder has sufficient internal resources to consummate the proposed transaction at the prevailing overbid amount;
- r) if, in any round of bidding, no new Subsequent Bid is made, the Auction shall be closed; and
- s) no bids (from Qualified Bidders or otherwise) shall be considered after the conclusion of the Auction.

At the end of the Auction, the Proposal Trustee shall announce the Successful Bid and the Successful Bidder. Upon selection of a Successful Bidder, the Successful Bidder shall deliver as

soon as practicable and, in any event, by no later than five (5) calendar days, an executed Definitive Agreement, which reflects its Successful Bid and any other modifications submitted and agreed to during the Auction, prior to the filing of the application material for the hearing to consider the Approval Application (as defined below).

If an Auction is conducted, the Auction Bidder and/or Qualified Bidder, as applicable, with the next highest or otherwise best Qualified Bid at the Auction or, if such Qualified Bidder did not participate in the Auction, submitted in this SISP, as determined by the Debtors and the Proposal Trustee, will be designated as the backup bidder (the “**Backup Bidder**”). The Backup Bidder shall be required to keep its Qualified Bid (or if the Backup Bidder submitted one or more overbids at the Auction, the Backup Bidder’s final overbid) (the “**Backup Bid**”) open until the earlier of (a) two (2) business days after the date of closing of the Successful Bid; and (b) February 16, 2024 (the “**Outside Date**”).

The Debtors, in consultation with the Proposal Trustee, shall have selected the final Successful Bid(s) and the Backup Bid(s) as soon as reasonably practicable after the Auction Date and the Definitive Agreement finalized and executed by no later than February 5, 2024, which Definitive Agreement shall be conditional only upon the receipt of the Approval Order (as defined below) and the express conditions set out therein and shall provide that the Successful Bidder shall use all reasonable efforts to close the Successful Bid by no later than February 9, 2024, or such longer period as may be agreed to in writing by the Proposal Trustee. In any event, the Successful Bid must be closed by no later than the Outside Date, or such other date as may be agreed to in writing by the Proposal Trustee.

Approval of Successful Bid

All Qualified Bids and Subsequent Bids, including the Successful Bid and/or the Backup Bid, may be submitted by the Proposal Trustee to the Alberta Energy Regulator (“**AER**”) and/or the Saskatchewan Ministry of Energy and Resources (“**MER**”), on appropriate confidentiality undertakings, for review and approval by the AER and/or the MER.

The Debtors shall apply to the Court (the “**Approval Application**”) for an order approving the Successful Bid and the Backup Bid (as applicable) and/or the mechanics to authorize the Debtors to complete the transactions contemplated thereby, as applicable, and authorizing the Debtors to (i) enter into any and all necessary agreements and related documentation with respect to the Successful Bid, (ii) undertake such other actions as may be necessary to give effect to such Successful Bid, and (iii) implement the transaction(s) contemplated in such Successful Bid (the “**Approval Order**”).

The Approval Application will be held on a date to be scheduled by the Debtors and confirmed by the Court. The Debtors shall use best efforts to schedule the Approval Application on or before February 9, 2024 subject to Court availability. The Approval Application may be adjourned or rescheduled by the Debtors on notice to the service list prior to the Approval Application. The

Debtors shall consult with the Successful Bidder and the Backup Bidder regarding the application material to be filed by the Debtors for the Approval Application, which material shall be acceptable to the Successful Bidder, acting reasonably.

If, following approval of the Successful Bid by the Court, the Successful Bidder fails to consummate the transaction for any reason, then such Successful Bidder will forfeit its Deposit and the Backup Bid, if there is one, will be deemed to be the Successful Bid hereunder and the Debtors shall effectuate a transaction with the Backup Bidder subject to the terms of the Backup Bid, without further order of the Court.

All Qualified Bids (other than the Successful Bid) shall be deemed rejected on and as of the date of the closing of the Successful Bid.

Deposits

All Deposits shall be retained by the Proposal Trustee in a bank account specified by the Proposal Trustee. If there is a Successful Bid, the Deposit paid by the Successful Bidder whose bid is approved at the Approval Application shall be applied to the purchase price to be paid by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The Deposit paid by the Backup Bidder shall be retained by the Proposal Trustee until two (2) business days after the date of closing of the Successful Bid or the Outside Date, whichever is later, or, if the Backup Bid becomes the Successful Bid, shall be released by the Proposal Trustee and applied to the purchase price to be paid upon closing of the Backup Bid.

All Deposits of all Qualified Bidders not selected as the Successful Bidder or Backup Bidder shall be returned to such bidders within five (5) business days of the date upon which the Successful Bid and any Backup Bid is approved by the Court. If the Auction does not take place or these SISP Procedures are terminated in accordance with the provisions hereof, all Deposits shall be returned within five (5) business days of the date upon which it is determined that the Auction will not take place or these SISP Procedures are terminated, as applicable.

If an entity selected as the Successful Bidder or Backup Bidder breaches its obligations to close the applicable transaction, it shall forfeit its Deposit to the Debtors; provided, however, that the forfeit of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Debtors have against such breaching entity.

Approvals and Reservation of Rights

For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by any other statute or are otherwise required at law in order to implement a Successful Bid or Backup Bid, as the case may be.

The Debtors may, at any time, and in consultation with the Proposal Trustee, reject or choose not to accept any Transaction, Non-Binding LOI, Final Bid, Qualified Bid or Successful Bid. In the

event the Proposal Trustee disagrees with the Debtors' rejection or choice not to accept a Transaction, Non-Binding LOI, Final Bid, Qualified Bid or Successful Bid, the Proposal Trustee may file an application to the Court and upon two days' notice seek such relief as the Proposal Trustee may deem necessary.

These SISP Procedures do not, and shall not be interpreted to, create any contractual or other legal relationship between the Debtors, Proposal Trustee, the Transaction Agent and any potential bidder, Qualified Bidder, Auction Bidder, Successful Bidder or Backup Bidder, other than as specifically set forth in any Definitive Agreement.

Notice

The addresses used for delivering documents to the Debtors and the Proposal Trustee as required by the terms and conditions of these SISP Procedures are set out below.

To the Debtors:

Osler, Hoskin & Harcourt LLP
Suite 2700, Brookfield Place
225 – 6th Avenue S.W.
Calgary AB T2P 1N2

Attention: Randal Van de Mosselaer / Emily Paplawski
Phone: (403) 260-7060 / (403) 260-7071
Email: Rvandemosselaer@osler.com / Epaplawski@osler.com

To the Transaction Agent:

Alvarez & Marsal Canada Securities ULC
Bow Valley Square IV
Suite 1110, 250 – 6th Avenue SW
Calgary, AB T2P 3H7

Attention: Scott Asplund / Chad Ellison
Phone: (403) 538-7530 / (403) 538-7540
Email: sasplund@alvarezandmarsal.com / cellison@alvarezandmarsal.com

To the Proposal Trustee:

Alvarez & Marsal Canada Inc.
Bow Valley Square IV
Suite 1110, 250 – 6th Avenue SW
Calgary, AB T2P 3H7

Attention: Orest Konowalchuk / Duncan MacRae
Phone: (403) 538-4736 / (403) 538-7514
Email: okonowalchuk@alvarezandmarsal.com / dmacrae@alvarezandmarsal.com

with a copy to:

Torys LLP
525 – 8th Avenue SW, 46th Floor, Eighth Avenue Place East
Calgary, AB T2P 1G1

Attention: Kyle Kashuba
Phone: (403) 403-776-3744
Email: kkashuba@torys.com

No Amendment

There shall be no amendments to these SISP Procedures without the prior written consent of the Proposal Trustee, or further order of the Court obtained on reasonable notice to the Debtors and the Proposal Trustee.

Further Orders

At any time during the SISP, the Debtors and/or Proposal Trustee may apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder.

Schedule “E”

SISP

Please see attached.

SALE AND INVESTMENT SOLICITATION PROCESS

Introduction

Griffon Partners Operation Corp. (“**GPOC**”), Griffon Partners Holding Corp. (“**GPHC**”), Griffon Partners Capital Management Ltd. (“**GPCM**”, and together with GPOC and GPHC, the “**Griffon Entities**”), Spicelo Limited (“**Spicelo**”), Stellion Limited, 2437799 Alberta Ltd., 2437801 Alberta Ltd. and 2437815 Alberta Ltd. (collectively with the Griffon Entities, the “**Debtors**”) filed Notices of Intention to Make a Proposal (the “**NOI Proceedings**”) with the Office of the Superintendent of Bankruptcy Canada pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) on August 25, 2023. Alvarez and Marsal Canada Inc. was appointed as the trustee under the proposal (the “**Proposal Trustee**”) of the Debtors.

On September 22, 2023, the Alberta Court of King’s Bench (the “**Court**”) granted an Order, among other things, approving of the Debtors’ engagement of Alvarez & Marsal Canada Securities ULC (the “**Transaction Agent**”).

On October 18, 2023, the Court granted an Order (the “**SISP Order**”) approving the sale and investment solicitation procedures set forth herein (the “**SISP Procedures**”). The SISP Order and these SISP Procedures shall exclusively govern the sale and investment solicitation process (the “**SISP**”) for soliciting and selecting bids for the sale of shares or assets of the Griffon Entities (or any one of them), or of a refinancing, reorganization, recapitalization, restructuring or other business transaction involving the Debtors, or any one of them.

SISP Procedures

These SISP Procedures describe, among other things: (a) the manner and timelines by which any interested party may gain access to due diligence materials concerning the Debtors and their business; (b) the manner and timelines by which potential bidders may submit an offer for an investment in the Debtors or an offer to purchase some or all of the Griffon Entities’ assets, property, undertakings and/or shares; (c) the manner in which potential bidders and bids become Qualified Bidders and Qualified Bids (as defined below), respectively; (d) the receipt and negotiation of bids received; and (e) the ultimate selection of one or more bids, and the approval thereof by the Court.

The Debtors and the Proposal Trustee, with the assistance of the Transaction Agent, shall implement these SISP Procedures in accordance with the terms hereof and the SISP Order. Interested parties who wish to have their bids considered shall participate in the SISP in accordance with these SISP Procedures.

In the event that there is a disagreement or a clarification is required as to the interpretation or application of these SISP Procedures or the responsibilities of any person hereunder, the Court will have the jurisdiction to resolve such dispute or provide such clarification, and provide any advice

or directions as are necessary, upon application of the Debtors, the Proposal Trustee or any other interested person.

In the event of the conversion of the NOI Proceedings to other insolvency or restructuring proceedings, the SISP will continue under those proceeding, subject to any changes proposed to and confirmed by the Court.

Opportunity

The SISP Procedures are intended to solicit interest in, and opportunities for: (a) the purchase of some or all of the assets of the Griffon Entities (each, an “**Asset Transaction**”); (b) an investment in the Griffon Entities, including through the purchase or acquisition of the shares of some or all of the Griffon Entities (each, a “**Share Transaction**”); (c) a refinancing of the Debtors through the provision of take out or additional financing in the Debtors (each, a “**Refinancing Transaction**”), or some combination thereof (each, a “**Transaction**”). All interested parties are encouraged to submit a Non-Binding LOI (as defined below) and a Qualified Bid based on any configuration they wish, provided, however, that in no cases shall an Asset Transaction or a Share Transaction include the shares or assets of Spicelo. In all cases, the shares and/or assets of Spicelo shall be limited in this SISP to a Refinancing Transaction.

SISP Timeline

The SISP shall be conducted subject to the terms hereof and the following key milestones:

Milestone	Date	Date
Transaction Agent shall advertise SISP and distribute Teaser and NDA	Within 7 calendar days of SISP Order	October 25, 2023
Due diligence period (NDAs signed, access to VDR granted and site visits organized)	12 calendar days after SISP Order until Final Bid Deadline	October 30, 2023 – January 8, 2024
Non-Binding LOI Deadline	56 calendar days after SISP Order	December 12, 2023
Final Bid Deadline	End of due diligence period	January 8, 2024
Bid assessment	Within 5 business days of Final Bid Deadline	January 15, 2024
Notification of Auction Date (if applicable)	Within 5 business days of completion of bid assessment	January 22, 2024
Auction Date (if applicable)	2 business days after notification of Auction Date	January 24, 2024

Milestone	Date	Date
Period of time to finalize definitive documents for Successful Bid (if applicable)	Within 10 calendar days of acceptance of the Successful Bid	~January 26, 2024 (if no Auction) ~February 5, 2024 (if Auction)
Court approval of Successful Bid (if applicable)	Within 14 calendar days of acceptance of the Successful Bid (subject to Court availability)	~January 30, 2024 (if no Auction) ~February 9, 2024 (if Auction)

The Debtor and the Proposal Trustee, with the assistance of the Transaction Agent, will use reasonable efforts to complete the SISP Procedures in accordance with the foregoing. The Proposal Trustee may make such adjustments to the timeline that it determines are reasonably necessary in order to accommodate unforeseen circumstances and/or best facilitate the SISP to maximize the value of the Debtors for the benefit of stakeholders, in all cases upon notice to all interested parties actively participating in the SISP at the applicable time.

“As Is, Where Is”

Any Asset Transaction or Share Transaction completed hereunder will be on an “as is, where is” basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Debtors, or any one of them, or their respective agents, except to the extent set forth in the Definitive Agreement (as defined below) with the Successful Bidder (as defined below).

Neither the Proposal Trustee, the Transaction Agent, the Debtors, nor any of their respective affiliates, advisors, agents or representatives makes any representation or warranty as to title, description, fitness for purpose, merchantability, quantity, conditions or quality of any of the property or the accuracy or completeness of the information contained in any of the Teaser, Confidential Information Memorandum or in the VDR, except to the extent otherwise provided by the Debtors under a Definitive Agreement (as defined below) with a Successful Bidder executed and delivered by the Debtors. The Debtors are not required to inspect or count, or provide any inspection or counting, of the property or any part thereof and each Qualified Bidder shall be deemed, at its own expense, to have relied entirely on its own inspection and investigation with respect to the property. It shall be the Successful Bidder’s sole responsibility to obtain, at its own expense, any consents to such transfer and any further documents or assurances which are necessary or desirable in the circumstances.

Free of Any and All Claims and Interests

All of the right, title and interest of the Griffon Entities in and to any assets sold or transferred within the SISP will, at the time of such sale or transfer, be sold or transferred free and clear of

any security, charge or other restriction (collectively, the “**Claims and Interests**”) pursuant to any approval and vesting order(s) or reverse vesting order(s) made by the Court and section 65.13 of the BIA. Contemporaneous with such approval and vesting order(s) or reverse vesting order(s) being made, all such Claims and Interests shall attach to the net proceeds of the sale of such assets (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the Definitive Agreement with the Successful Bidder (each as defined below) and as approved by the Court.

Solicitation of Interest

As soon as reasonably practicable after the granting of the SISP Order, the Transaction Agent, in consultation with the Debtors and the Proposal Trustee, will prepare:

- a) a list of prospective bidders. Such list will include both strategic and financial parties who, in the reasonable business judgment of the Transaction Agent and the Debtors, and in consultation with the Proposal Trustee, may be interested in and have the financial capacity to make a Qualified Bid (“**Prospective Bidders**”); and
- b) an initial offering summary (the “**Teaser**”) describing and outlining the SISP and inviting Prospective Bidders to make a Qualified Bid.

Within 7 calendar days of the issuance of the SISP Order, the Transaction Agent shall, in consultation with the Debtors and the Proposal Trustee:

- a) cause a notice regarding the SISP and such other relevant information which the Transaction Agent, in consultation with the Debtors and the Proposal Trustee, considers appropriate to be published in the BOE Report / Daily Oil Bulletin, and Globe & Mail; and
- b) distribute to Prospective Bidders the Teaser and a draft confidentiality and nondisclosure agreement (the “**NDA**”) in a form satisfactory to the Debtors, in consultation with the Proposal Trustee.

Participation Requirements and Due Diligence

Unless otherwise ordered by the Court, any Prospective Bidder or other interested party who wishes to participate in the SISP must deliver the following to the Transaction Agent prior to the distribution of any confidential information by the Debtors and/or the Transaction Agent to such Prospective Bidder or interested party (including access to the confidential virtual data room (the “**VDR**”)):

- a) an executed NDA; and
- b) an executed letter acknowledging receipt of a copy of the SISP Order (including these SISP Procedures) and agreeing to accept and be bound by the provisions contained therein and herein.

A Prospective Bidder or other interested party that has complied with each of the foregoing requirements, and who the Transaction Agent, in consultation with the Debtors and the Proposal Trustee, determines has a reasonable prospect of completing an Asset Transaction, a Sale Transaction or a Refinancing Transaction contemplated herein, will be deemed a “**Qualified Bidder**” and will be promptly notified of such classification by the Transaction Agent. For greater certainty, a “Qualified Bidder” will only continue to be deemed a “Qualified Bidder” for purposes of this SISP after the Non-Binding LOI Deadline if the Qualified Bidder submits a Non-Binding LOI in accordance with these SISP Procedures.

The Transaction Agent shall provide any person deemed to be a Qualified Bidder with access to the VDR. Each Qualified Bidder shall have such access in the VDR to materials and financial and other information relating to the shares, the assets, the property and the business of the Debtors as the Debtors, in their reasonable business judgment and in consultation with the Proposal Trustee and the Transaction Agent, deem appropriate for Qualified Bidders to conduct their due diligence.

At the discretion of the Debtors, in consultation with the Proposal Trustee and the Transaction Agent, due diligence access may also include presentations by the Debtors, or any one of them, access to on-site inspections and such other items as a Qualified Bidder may reasonably request. None of the Debtors, the Proposal Trustee, nor the Transaction Agent, or any of their respective professionals and advisors are responsible for, or have any liability with respect to, any information obtained by any Qualified Bidder. None of the Debtors, Proposal Trustee or the Transaction Agent or their respective professionals and advisors make any representations or warranties whatsoever as to the information or the materials provided, including as to the accuracy of same.

Submission of Non-Binding LOI and Qualified Bid

A Qualified Bidder that desires to propose a Transaction must:

- a) deliver a non-binding letter of intent that identifies the potential purchaser(s)/financier(s) and a general description of the assets, business and/or refinancing terms that would be the intended subject of a Qualified Bid (each, a “**Non-Binding LOI**”) to the Proposal Trustee at the address specified herein (including by email transmission) so as to be actually received by the Proposal Trustee not later than 4:00 p.m. (Calgary time) on December 12, 2023, or such later date as may be agreed by the Debtors and the Proposal Trustee, and communicated in writing to all Qualified Bidders (the “**Non-Binding LOI Deadline**”).
- b) deliver a final, written, binding offer (each, a “**Final Bid**”) to the Proposal Trustee at the address specified herein (including by email transmission) so as to be actually received by the Proposal Trustee not later than 4:00 p.m. (Calgary time) on January 8, 2024, or such later date as may be agreed by the Debtors and the Proposal Trustee, and communicated in writing to all Qualified Bidders (the “**Final Bid Deadline**”).

Requirements for Qualified Bid

A Final Bid will only be considered a Qualified Bid if it is submitted by a Qualified Bidder and complies with the following conditions (each, a “**Qualified Bid**”):

- a) it has been received by the Proposal Trustee by the Final Bid Deadline;
- b) it includes either:
 - a. a fully binding and definitive agreement, duly authorized and executed, setting out the terms and conditions of the proposed Transaction, including the aggregate amount of the proposed equity and/or debt investment, assumption of debt, if any, and details of the proposed financing (a “**Definitive Refinancing Agreement**”); or,
 - b. a fully binding and definitive purchase and sale agreement, substantially in the form provided for in the VDR, duly authorized and executed, together with all exhibits and schedules thereto, and such ancillary agreements as may be required with all exhibits and schedules thereto (a “**Definitive Purchase Agreement**”); or
 - c. some combination of a Definitive Refinancing Agreement and a Definitive Purchase Agreement, provided that such agreement is a fully binding definitive agreement that is duly authorized and executed (a “**Definitive Hybrid Agreement**”),(each a “**Definitive Agreement**”);
- c) it includes:
 - a. a statement that the Final Bid is submitted in good faith, is binding and is irrevocable until there is a Successful Bid; provided, however, that if such bid is selected as the Successful Bid, it shall remain irrevocable until the closing of the Successful Bid;
 - b. a statement that the Qualified Bidder will bear its own costs and expenses (including legal and advisor fees) in connection with the proposed transaction, and by submitting its bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and
 - c. full disclosure regarding the identity of each person that is bidding or that will otherwise be sponsoring or participating in the Qualified Bid, including the identification of the Qualified Bidder’s direct and indirect owners and their principals and the full and complete terms of any such participation;
- d) it provides evidence, in form and substance reasonably satisfactory to the Debtors and the Proposal Trustee, of compliance or anticipated compliance with any and all applicable

regulatory approvals, the anticipated time frame for such compliance and any anticipated impediments for obtaining such approvals;

- e) it provides evidence, satisfactory to the Debtors and the Proposal Trustee, of a firm, irrevocable financial commitment for all required funding or financing or evidence of the Qualified Bidder's financial wherewithal to close the bid using unencumbered funds on hand;
- f) it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment and is not conditional upon:
 - a. approval from the Qualified Bidder's board of directors (or comparable governing body) or equityholder(s);
 - b. the outcome of unperformed due diligence by the Qualified Bidder; and/or
 - c. the bidder obtaining financing;
- g) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its Qualified Bid; (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, including by the Proposal Trustee or the Transaction Agent, or any of their advisors, except as expressly stated in the Definitive Agreement; (iii) is a sophisticated party capable of making its own assessments in respect of making its Qualified Bid; and (iv) has had the benefit of independent legal advice in connection with its Qualified Bid;
- h) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a trust account specified by the Proposal Trustee), payable to the Proposal Trustee, in trust, in an amount equal to ten percent (10%) of the cash consideration or other consideration to be paid pursuant to the Qualified Bid, to be held and dealt with in accordance with these SISP Procedures; and
- i) provides such further or other information as may be reasonably requested by the Debtors and/or the Proposal Trustee.

The Proposal Trustee may, in its reasonable discretion, and in consultation with the Debtors, waive compliance with any one or more of the Non-Binding LOI and/or Qualified Bid requirements specified herein, and deem such non-compliant letter of intent or bid to be a Non-Binding LOI or Qualified Bid, as applicable, in accordance with these SISP Procedures.

If the Proposal Trustee is not satisfied with the number or terms of the Non-Binding LOIs or Qualified Bids, the Proposal Trustee, in consultation with the Debtors, may extend the Non-Binding LOI Deadline or Final Bid Deadline, as applicable, without Court approval and, unless otherwise provided for by the Proposal Trustee, all subsequent deadlines provided in these SISP Procedures shall be extended by the same time period.

Assessment of Qualified Bids

The Proposal Trustee and the Debtors will assess the Qualified Bids received, if any, and will determine whether it is likely that the transactions contemplated by such Qualified Bids are likely to be consummated. Such assessments will be made as promptly as practicable but no later than five (5) business days after the Final Bid Deadline.

If the Debtors and the Proposal Trustee determine in their reasonable discretion that one or more Qualified Bids were received and it is likely that the transactions contemplated by one or more of such Qualified Bids will be consummated:

- a) the Proposal Trustee, with the consent of the Debtors, may advise all Qualified Bidders that an auction (the “**Auction**”) will be held and that such Qualified Bidders are entitled to participate in the Auction; or
- b) the Debtors, in consultation with the Proposal Trustee, may select the superior Qualified Bid (the “**Successful Bid**” and the bidder thereof, the “**Successful Bidder**”) and file an application to the Court to approve such Successful Bid within ten (10) calendar days of acceptance thereof, and seek a hearing of such application as soon as practicable thereafter.

To the extent that Trafigura Canada Limited and/or Signal Alpha C4 Limited (together, the “**Lenders**” and each, a “**Lender**”) either: (a) provide written confirmation to the Proposal Trustee that the Lenders or a specific Lender will not participate in the SISP as a Qualified Bidder or submit a Non-Binding LOI, Final Bid or a Qualified Bid within the SISP, or (b) fail to submit a Final Bid which has been deemed a Qualified Bid, from and after such date, the Proposal Trustee may consult with such Lenders or Lender, as applicable, as to developments in the SISP and/or selection of a Successful Bid.

Auction

If an Auction is to be held, the Proposal Trustee will conduct the Auction commencing at 10:00 a.m. (Calgary time) on January 24, 2024 (the “**Auction Date**”) at the offices of the Proposal Trustee’s legal counsel, Torys LLP, Calgary, AB, or such other location as shall be timely communicated to all entities entitled to attend at the Auction, subject to such adjournments as the Proposal Trustee may consider appropriate.

The Auction shall run in accordance with the following procedures:

- c) prior to 4:00 p.m. (Calgary time) on January 22, 2024, each Qualified Bidder that has made a Qualified Bid must inform the Proposal Trustee whether it intends to participate in the Auction (the parties who so inform the Proposal Trustee that they intend to participate are hereinafter referred to as the “**Auction Bidders**”);
- d) the identity of each Auction Bidder participating in the Auction will be disclosed, on a confidential basis, to each other Auction Bidder participating in the Auction;
- e) only representatives of the Auction Bidders, the Proposal Trustee, the Transaction Agent, the Debtors and such other persons as permitted by the Proposal Trustee, and the advisors to each of the foregoing entities, are entitled to attend the Auction in person (and the Proposal Trustee shall have the discretion to allow such persons to attend by video- or tele-conference);
- f) the Proposal Trustee may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances for conducting the Auction provided that such rules are (i) not inconsistent with these SISP Procedures or general practice in insolvency proceedings, and (ii) disclosed to each Auction Bidder at the Auction;
- g) all Auction Bidders must have at least one individual representative with authority to bind such Auction Bidder present in person at the Auction;
- h) the Proposal Trustee shall arrange to have a court reporter attend at the Auction;
- i) each Auction Bidder participating in the Auction must confirm on the record, at the commencement of the Auction and again at the conclusion of the Auction, that it has not engaged in any collusion with any other person regarding the SISP without the express written consent of the Proposal Trustee and on disclosure to all other Auction Bidders;
- j) prior to the Auction, the Proposal Trustee will provide unredacted copies of the Qualified Bid(s) which the Proposal Trustee believes are the highest or otherwise best Qualified Bid(s) (the “**Starting Bid**”) to all Qualified Bidders that have made a Qualified Bid;
- k) prior to the Auction, the Proposal Trustee and the Transaction Agent shall develop a financial comparison model (the “**Comparison Model**”) which will be used to compare the Starting Bid and all Subsequent Bids (as defined herein) submitted during the Auction, if applicable;
- l) prior to the Auction, the Proposal Trustee and the Transaction Agent shall make themselves available to meet with each of the Auction Bidders to review the procedures for the Auction, the mechanics of the Comparison Model, and the manner by which Subsequent Bids (as defined below) shall be evaluated during the Auction;

- m) bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder (a “**Subsequent Bid**”) that the Proposal Trustee, utilizing the Comparison Model, determines is (i) for the first round, a higher or otherwise better offer than the Starting Bid, and (ii) for subsequent rounds, a higher or otherwise better offer than the then current highest and best bid (the “**Leading Bid**”), in each case by at least CAD\$250,000, or such amount as may be determined by the Proposal Trustee prior to, and announced at, the Auction;
- n) to the extent not previously provided (which shall be determined by the Proposal Trustee), an Auction Bidder submitting a Subsequent Bid must submit, at the Proposal Trustee’s discretion, as part of its Subsequent Bid, written evidence (in the form of financial disclosure or credit- quality support information or enhancement reasonably acceptable to the Proposal Trustee), demonstrating such Auction Bidder’s ability to close the transaction proposed by the Subsequent Bid;
- o) only the Auction Bidders will be entitled to make a Subsequent Bid at the Auction; provided, however, that in the event that any Qualified Bidder elects not to attend and/or participate in the Auction, such Qualified Bidder’s Qualified Bid shall nevertheless remain fully enforceable against such Qualified Bidder if it is selected as the Successful Bid;
- p) all Auction Bidders shall have the right to, at any time, request that the Proposal Trustee announce the then-current Leading Bid and, to the extent requested by any Auction Bidder, use reasonable efforts to clarify any and all questions such Auction Bidder may have regarding the Leading Bid;
- q) the Proposal Trustee reserves the right, in its reasonable business judgment, to make one or more adjournments in the Auction to, among other things (i) facilitate discussions between the Proposal Trustee and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide the Proposal Trustee with such additional evidence as the Proposal Trustee, in its reasonable business judgment, may require that that Auction Bidder has sufficient internal resources to consummate the proposed transaction at the prevailing overbid amount;
- r) if, in any round of bidding, no new Subsequent Bid is made, the Auction shall be closed; and
- s) no bids (from Qualified Bidders or otherwise) shall be considered after the conclusion of the Auction.

At the end of the Auction, the Proposal Trustee shall announce the Successful Bid and the Successful Bidder. Upon selection of a Successful Bidder, the Successful Bidder shall deliver as

soon as practicable and, in any event, by no later than five (5) calendar days, an executed Definitive Agreement, which reflects its Successful Bid and any other modifications submitted and agreed to during the Auction, prior to the filing of the application material for the hearing to consider the Approval Application (as defined below).

If an Auction is conducted, the Auction Bidder and/or Qualified Bidder, as applicable, with the next highest or otherwise best Qualified Bid at the Auction or, if such Qualified Bidder did not participate in the Auction, submitted in this SISP, as determined by the Debtors and the Proposal Trustee, will be designated as the backup bidder (the “**Backup Bidder**”). The Backup Bidder shall be required to keep its Qualified Bid (or if the Backup Bidder submitted one or more overbids at the Auction, the Backup Bidder’s final overbid) (the “**Backup Bid**”) open until the earlier of (a) two (2) business days after the date of closing of the Successful Bid; and (b) February 16, 2024 (the “**Outside Date**”).

The Debtors, in consultation with the Proposal Trustee, shall have selected the final Successful Bid(s) and the Backup Bid(s) as soon as reasonably practicable after the Auction Date and the Definitive Agreement finalized and executed by no later than February 5, 2024, which Definitive Agreement shall be conditional only upon the receipt of the Approval Order (as defined below) and the express conditions set out therein and shall provide that the Successful Bidder shall use all reasonable efforts to close the Successful Bid by no later than February 9, 2024, or such longer period as may be agreed to in writing by the Proposal Trustee. In any event, the Successful Bid must be closed by no later than the Outside Date, or such other date as may be agreed to in writing by the Proposal Trustee.

Approval of Successful Bid

All Qualified Bids and Subsequent Bids, including the Successful Bid and/or the Backup Bid, may be submitted by the Proposal Trustee to the Alberta Energy Regulator (“**AER**”) and/or the Saskatchewan Ministry of Energy and Resources (“**MER**”), on appropriate confidentiality undertakings, for review and approval by the AER and/or the MER.

The Debtors shall apply to the Court (the “**Approval Application**”) for an order approving the Successful Bid and the Backup Bid (as applicable) and/or the mechanics to authorize the Debtors to complete the transactions contemplated thereby, as applicable, and authorizing the Debtors to (i) enter into any and all necessary agreements and related documentation with respect to the Successful Bid, (ii) undertake such other actions as may be necessary to give effect to such Successful Bid, and (iii) implement the transaction(s) contemplated in such Successful Bid (the “**Approval Order**”).

The Approval Application will be held on a date to be scheduled by the Debtors and confirmed by the Court. The Debtors shall use best efforts to schedule the Approval Application on or before February 9, 2024 subject to Court availability. The Approval Application may be adjourned or rescheduled by the Debtors on notice to the service list prior to the Approval Application. The

Debtors shall consult with the Successful Bidder and the Backup Bidder regarding the application material to be filed by the Debtors for the Approval Application, which material shall be acceptable to the Successful Bidder, acting reasonably.

If, following approval of the Successful Bid by the Court, the Successful Bidder fails to consummate the transaction for any reason, then such Successful Bidder will forfeit its Deposit and the Backup Bid, if there is one, will be deemed to be the Successful Bid hereunder and the Debtors shall effectuate a transaction with the Backup Bidder subject to the terms of the Backup Bid, without further order of the Court.

All Qualified Bids (other than the Successful Bid) shall be deemed rejected on and as of the date of the closing of the Successful Bid.

Deposits

All Deposits shall be retained by the Proposal Trustee in a bank account specified by the Proposal Trustee. If there is a Successful Bid, the Deposit paid by the Successful Bidder whose bid is approved at the Approval Application shall be applied to the purchase price to be paid by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The Deposit paid by the Backup Bidder shall be retained by the Proposal Trustee until two (2) business days after the date of closing of the Successful Bid or the Outside Date, whichever is later, or, if the Backup Bid becomes the Successful Bid, shall be released by the Proposal Trustee and applied to the purchase price to be paid upon closing of the Backup Bid.

All Deposits of all Qualified Bidders not selected as the Successful Bidder or Backup Bidder shall be returned to such bidders within five (5) business days of the date upon which the Successful Bid and any Backup Bid is approved by the Court. If the Auction does not take place or these SISP Procedures are terminated in accordance with the provisions hereof, all Deposits shall be returned within five (5) business days of the date upon which it is determined that the Auction will not take place or these SISP Procedures are terminated, as applicable.

If an entity selected as the Successful Bidder or Backup Bidder breaches its obligations to close the applicable transaction, it shall forfeit its Deposit to the Debtors; provided, however, that the forfeit of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Debtors have against such breaching entity.

Approvals and Reservation of Rights

For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by any other statute or are otherwise required at law in order to implement a Successful Bid or Backup Bid, as the case may be.

The Debtors may, at any time, and in consultation with the Proposal Trustee, reject or choose not to accept any Transaction, Non-Binding LOI, Final Bid, Qualified Bid or Successful Bid. In the

event the Proposal Trustee disagrees with the Debtors' rejection or choice not to accept a Transaction, Non-Binding LOI, Final Bid, Qualified Bid or Successful Bid, the Proposal Trustee may file an application to the Court and upon two days' notice seek such relief as the Proposal Trustee may deem necessary.

These SISP Procedures do not, and shall not be interpreted to, create any contractual or other legal relationship between the Debtors, Proposal Trustee, the Transaction Agent and any potential bidder, Qualified Bidder, Auction Bidder, Successful Bidder or Backup Bidder, other than as specifically set forth in any Definitive Agreement.

Notice

The addresses used for delivering documents to the Debtors and the Proposal Trustee as required by the terms and conditions of these SISP Procedures are set out below.

To the Debtors:

Osler, Hoskin & Harcourt LLP
Suite 2700, Brookfield Place
225 – 6th Avenue S.W.
Calgary AB T2P 1N2

Attention: Randal Van de Mosselaer / Emily Paplawski
Phone: (403) 260-7060 / (403) 260-7071
Email: Rvandemosselaer@osler.com / Epaplawski@osler.com

To the Transaction Agent:

Alvarez & Marsal Canada Securities ULC
Bow Valley Square IV
Suite 1110, 250 – 6th Avenue SW
Calgary, AB T2P 3H7

Attention: Scott Asplund / Chad Ellison
Phone: (403) 538-7530 / (403) 538-7540
Email: sasplund@alvarezandmarsal.com / cellison@alvarezandmarsal.com

To the Proposal Trustee:

Alvarez & Marsal Canada Inc.
Bow Valley Square IV
Suite 1110, 250 – 6th Avenue SW
Calgary, AB T2P 3H7

Attention: Orest Konowalchuk / Duncan MacRae
Phone: (403) 538-4736 / (403) 538-7514
Email: okonowalchuk@alvarezandmarsal.com / dmacrae@alvarezandmarsal.com

with a copy to:

Torys LLP
525 – 8th Avenue SW, 46th Floor, Eighth Avenue Place East
Calgary, AB T2P 1G1

Attention: Kyle Kashuba
Phone: (403) 403-776-3744
Email: kkashuba@torys.com

No Amendment

There shall be no amendments to these SISP Procedures without the prior written consent of the Proposal Trustee, or further order of the Court obtained on reasonable notice to the Debtors and the Proposal Trustee.

Further Orders

At any time during the SISP, the Debtors and/or Proposal Trustee may apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder.

Schedule “F”

RETAINED ASSETS & LIABILITIES / TRANSFERRED ASSETS & LIABILITIES

Transferred Assets

- (a) other than those contracts listed as Retained Assets, all contracts of GPOC, including without limitation:
 - (i) the Trafigura Contracts;
 - (ii) the Viking Gas Handling Agreement dated May 1, 2019 between Tamarack Valley Energy Ltd. and Steel Reef Infrastructure Corp.;
 - (iii) the Gas Gathering and Processing Agreement (Loverna) Marengo Area dated March 8, 2022 between Tamarack Valley Energy Ltd. and Campus Energy Partners Infrastructure LP;
 - (iv) the Sproule Asset Management Master Services Agreement between GPOC and Sproule Associates Limited;
 - (v) all agreements with Twin Eagle Resource Management Canada LLC and its affiliates;
 - (vi) all marketing agreements with Tidal Energy Marketing Inc.;
 - (vii) all energy marketing agreements or other marketing agreements, consulting arrangements relating to marketing agreements, and purchase or sale agreements; and
 - (viii) any office leases or agreements relating to leased premises which GPOC is a party to; and
- (b) subject to the prior written consent of the Monitor, any other assets of GPOC designated by the Purchaser as Transferred Assets, prior to the Closing Date.

Transferred Liabilities

- (a) all unpaid funded indebtedness, including all claims of Signal Alpha C4 Limited, Trafigura Canada Limited and Tamarack Valley Energy Ltd., and their respective affiliates;
- (b) all unsecured claims against GPOC;
- (c) all liabilities of GPOC associated with the consultants or employees which are not retained, which consultants shall be identified by Purchaser prior to Closing;
- (d) all intercompany indebtedness and obligations of GPOC to the Vendor, GPCM and their Affiliates;

- (e) subject to the prior written consent of the Monitor, any other liabilities designated by the Purchaser as Transferred Liabilities, prior to the Closing Date; and
- (f) all debt, liabilities, obligations, indebtedness, leases, agreements and undertakings of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, in law or in equity, and whether based in statute or otherwise) of GPOC and its predecessors (other than the Retained Liabilities), whether or not specifically referred to in this Order.

Retained Assets

- (a) all of GPOC's cash and cash equivalents;
- (b) all accounts receivable and notes receivable;
- (c) all prepaid charges and expenses, including all prepaid rent;
- (d) all inventory;
- (e) the Assets;
- (f) the property and house located at 213 3rd Avenue, Smiley, SK S0L 2Z0;
- (g) all equipment and other tangible assets, including all vehicles, tools, parts and supplies, fuel, machinery, furniture, furnishing, appliances, fixtures, office equipment and supplies, owned and licensed computer hardware and related documentation, stored data, communication equipment, trade fixtures and leasehold improvements, in each case, with any transferable warranty and service rights of any seller related thereto;
- (h) all licenses and permits used by GPOC in connection with the operation of its business;
- (i) all consultants of GPOC which the Purchaser decides to retain, acting in its sole discretion;
- (j) any storage contracts relating to the Assets;
- (k) all agreements, files and databases relating to the Geologic, Prodman, ValNav and Pandel software;
- (l) all intellectual property;
- (m) all goodwill and intangibles;
- (n) all books and records;
- (o) all rights under insurance contracts and policies;

- (p) all telephone numbers (including emergency lines), fax numbers and email addresses;
- (q) all prepaid Taxes and Tax credits;
- (r) all rights to receive any refund, rebate, credit, abatement or recovery of or with respect to Taxes;
- (s) all bank accounts; and
- (t) all other or additional assets, properties, privileges, rights and interests relating to the business of GPOC, the Retained Liabilities or the assets of GPOC (other than any Transferred Assets) of every kind and description and wherever located, whether known or unknown, fixed or unfixed, accrued, absolute, contingent or otherwise, and whether or not specifically referred to in this Order.

Retained Liabilities

- (a) municipal taxes payable in the estimated amount of [REDACTED];
- (b) fees payable to Saskatchewan Ministry of Energy and Resources in the estimated aggregate amount of [REDACTED];
- (c) royalties payable in the estimated aggregate amount of [REDACTED];
- (d) the Environmental Liabilities;
- (e) the Abandonment and Reclamation Obligations; and
- (f) all liabilities and obligations arising from the possession, ownership and/or use of the Purchased Shares and the Retained Assets, including normal course accounts trade payable related to the operation of the Retained Assets that have been incurred from March 1, 2024 onward and not already paid by GPOC in the normal course of business (based on standard payment terms).

Appendix C

EMP Order

Clerk's Stamp

COURT FILE NUMBER 2401-01422

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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 GRIFFON PARTNERS OPERATION
CORPORATION, GRIFFON PARTNERS HOLDING
CORPORATION, GRIFFON PARTNERS CAPITAL
MANAGEMENT LTD., STELLION LIMITED, 2437801
ALBERTA LTD., 2437799 ALBERTA LTD., 2437815 ALBERTA
LTD., and SPICELO LIMITED

DOCUMENT **ORDER**

ADDRESS FOR **OSLER, HOSKIN & HARCOURT LLP**

SERVICE AND
CONTACT Barristers & Solicitors
Brookfield Place, Suite 2700
INFORMATION OF 225 6 Ave SW
PARTY FILING THIS Calgary, AB T2P 1N2
DOCUMENT

Solicitors: Randal Van de Mosselaer / Julie Treleaven
Telephone: (403) 260-7000 / 7048
Email: RVandemosselaer@osler.com / JTreleaven@osler.com
File Number: 1246361

DATE ON WHICH ORDER WAS PRONOUNCED: March 27, 2024

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

JUSTICE WHO MADE THIS ORDER: The Honourable Justice Gill

UPON the application of Griffon Partners Operation Corporation, Griffon Partners Holding Corporation, Griffon Partners Capital Management Ltd., Spicelo Limited (“**Spicelo**”), Stellion Limited, 2437801 Alberta Ltd., 2437799 Alberta Ltd., and 2437815 Alberta Ltd. (collectively, the “**Applicants**”); **AND UPON** reading the Affidavit of Daryl Stepanic, sworn March 15, 2024; **AND UPON** reading the Second Report of Alvarez & Marsal Canada Inc. (the “**Monitor**”) filed March 21, 2024; **AND UPON** hearing from counsel for the Applicants, counsel for the Monitor, counsel for Trafigura Canada Limited (“**Trafigura**”) and

Signal Alpha C4 Limited (“**Signal**” and together with Trafigura, the “**Lenders**”), counsel for Tamarack Valley Energy Ltd. (“**TVE**”), counsel for Greenfire Resources Ltd. (“**GFR**”), and any other interested party; **AND UPON** being satisfied that the Applicants have acted and continue to act in good faith and with due diligence and that circumstances exist that make this Order appropriate;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of this application is hereby abridged and deemed good and sufficient and this application is properly returnable today, and no other person other than those persons served is entitled to service of this application.

EXTENSION OF THE STAY PERIOD

2. The Stay Period, as defined in paragraph 14 of the Amended and Restated Initial Order granted in these proceedings by the Honourable Justice B. Johnston on February 7, 2024 (the “**ARIO**”) is hereby extended for Spicelo up to and including April 17, 2024.

ENHANCED MONITOR POWERS

3. Notwithstanding any other provision of the ARIO, in addition to other rights and obligations of the Monitor under the *Companies’ Creditors Arrangement Act of Canada*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), the Monitor is hereby empowered and authorized, but not obligated, to act at once in respect of the property and business of Spicelo and, without in any way limiting the generality of the foregoing, the Monitor is hereby expressly empowered and authorized to do any of the following where the Monitor considers it necessary or desirable (collectively, the “**Monitor’s Enhanced Powers**”):
 - (a) to take possession of and exercise control over all of Spicelo’s present and after-acquired assets, property and undertakings (the “**Spicelo Property**”), and any and all proceeds, receipts and disbursements arising out of or from the property, which shall include the Monitor’s ability to abandon, dispose of, or otherwise release any interest in any of Spicelo’s real or personal property, or any right in any immovable;

- (b) to receive, preserve and protect Spicelo's Property, or any part or parts thereof;
- (c) to manage, operate and carry on the business of Spicelo, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of Spicelo;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel, financial advisors, investment dealers, and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Monitor's Enhanced Powers conferred by the ARIO;
- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of Spicelo or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to Spicelo and to exercise all remedies of Spicelo in collecting such monies, including, without limitation, to enforce any security held by Spicelo;
- (g) to settle, extend or compromise any indebtedness owing to or by Spicelo;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of Spicelo's Property or business, whether in the Monitor's name or in the name and on behalf of Spicelo, for any purpose pursuant to the ARIO;
- (i) to undertake environmental or workers' health and safety assessments of the property and operations of Spicelo;
- (j) 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 Spicelo, the property or the Monitor (in relation to the exercise by the Monitor of the Monitor's Enhanced Powers), 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, and provided further that nothing in the ARIO shall authorize

the Monitor to defend or settle the action in which the ARIO was made unless otherwise directed by this Court;

- (k) to market any or all of Spicelo's 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 Monitor in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign or otherwise enter into transactions respecting Spicelo's Property or any part or parts thereof out of the ordinary course of business, either:
 - (i) with the written prior approval of the Spicelo beneficial shareholder ("Klesch"), the Lenders, and TVE, and after consulting with GFR, which written prior approval may be provided by way of a written agreement entered into between Klesch, the Lenders and TVE (and after consultation with GFR) which provides the Monitor with direction and authority to accept an offer or bid for the Spicelo Property immediately without requiring pre-approval from the Court and without requiring specific approval from Klesch, the Lenders and TVE for each bid as it is received;
 - (ii) in accordance with the terms of any sale process which may be granted by this Court on subsequent application by the Monitor; or
 - (iii) with the approval of this Court on application by the Monitor,

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

- (m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey Spicelo's Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such property;
- (n) to report to, meet with and discuss with such affected persons as the Monitor deems appropriate all matters relating to Spicelo's Property, business, and these

proceedings, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;

- (o) to register a copy of the ARIO and any other orders in respect of Spicelo's Property against title to any of Spicelo's Property;
- (p) 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 Monitor, in the name of Spicelo;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of Spicelo, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by Spicelo;
- (r) to exercise any shareholder, partnership, joint venture or other rights which Spicelo may have; and
- (s) 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 Monitor 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 Applicants, and without interference from any other person.

4. Notwithstanding anything contained in this Order, the Monitor is not and shall not be deemed:

- (a) a principal, director, officer, or employee of the Applicants;
- (b) an employer, successor employer, or related employer of the employees of the Applicants or any employee caused to be hired by the Applicants by the Monitor within the meaning of any relevant legislation, regulation, common law, or rule of law or equity governing employment, pensions, or labour standards for any purpose whatsoever or expose the Monitor to any liability to any individual arising from or relating to their employment or previous employment Applicants; and

- (c) the receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of Spicelo or any of the Applicants within the meaning of any relevant legislation, regulation, common law, or rule of law or equity.
5. The power and authority granted to the Monitor by virtue of this Order shall, if exercised in any case, be paramount to the power and authority of the Applicants with respect to such matters.

MISCELLANEOUS

6. 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 King's Bench of Alberta

APPROVED AS TO FORM AND CONTENT:

STIKEMAN ELLIOT LLP

Karen Fellowes, KC
Counsel for Trafigura Canada Limited and
Signal Alpha C4 Limited

STIKEMAN ELLIOT LLP

Matti Lemmens
Counsel for Tamarack Valley Energy Ltd.

TORYS LLP

Kyle Kashuba
Counsel for Alvarez & Marsal Canada Inc.
in its capacity as Monitor

Appendix D

Proposed Amended EMP Order

COURT FILE NUMBER 2401-01422

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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 GRIFFON PARTNERS OPERATION
CORPORATION, GRIFFON PARTNERS HOLDING
CORPORATION, GRIFFON PARTNERS CAPITAL
MANAGEMENT LTD., STELLION LIMITED, 2437801
ALBERTA LTD., 2437799 ALBERTA LTD., 2437815 ALBERTA
LTD., and SPICELO LIMITED

DOCUMENT **AMENDED ORDER**

ADDRESS FOR **OSLER, HOSKIN & HARCOURT LLP**

SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT
Barristers & Solicitors
Brookfield Place, Suite 2700
225 6 Ave SW
Calgary, AB T2P 1N2

Solicitors: Randal Van de Mosselaer / Julie Treleaven
Telephone: (403) 260-7000 / 7048
Email: RVandemosselaer@osler.com / JTreleaven@osler.com
File Number: 1246361

DATE ON WHICH ORDER WAS PRONOUNCED: March 27, 2024

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

JUSTICE WHO MADE THIS ORDER: The Honourable Justice Gill

UPON the application of Griffon Partners Operation Corporation, Griffon Partners Holding Corporation, Griffon Partners Capital Management Ltd., Spicelo Limited (“**Spicelo**”), Stellion Limited, 2437801 Alberta Ltd., 2437799 Alberta Ltd., and 2437815 Alberta Ltd. (collectively, the “**Applicants**”); **AND UPON** reading the Affidavit of Daryl Stepanic, sworn March 15, 2024; **AND UPON** reading the Second Report of Alvarez & Marsal Canada Inc. (the “**Monitor**”) filed March 21, 2024; **AND UPON reading the Third Report of the**

Monitor dated April 3, 2024; **AND UPON** hearing from counsel for the Applicants, counsel for the Monitor, counsel for Trafigura Canada Limited (“**Trafigura**”) and Signal Alpha C4 Limited (“**Signal**” and together with Trafigura, the “**Lenders**”), counsel for Tamarack Valley Energy Ltd. (“**TVE**”), counsel for Greenfire Resources Ltd. (“**GFR**”), and any other interested party; **AND UPON** being satisfied that the Applicants have acted and continue to act in good faith and with due diligence and that circumstances exist that make this Order appropriate;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of this application is hereby abridged and deemed good and sufficient and this application is properly returnable today, and no other person other than those persons served is entitled to service of this application.

EXTENSION OF THE STAY PERIOD

2. The Stay Period, as defined in paragraph 14 of the Amended and Restated Initial Order granted in these proceedings by the Honourable Justice B. Johnston on February 7, 2024 (the “**ARIO**”) is hereby extended for Spicelo up to and including April 17, 2024.

ENHANCED MONITOR POWERS

3. Notwithstanding any other provision of the ARIO, in addition to other rights and obligations of the Monitor under the *Companies’ Creditors Arrangement Act of Canada*, RSC 1985, c C-36, as amended (the “**CCAA**”), the Monitor is hereby empowered and authorized, but not obligated, to act at once in respect of the property and business of Spicelo and, without in any way limiting the generality of the foregoing, the Monitor is hereby expressly empowered and authorized to do any of the following where the Monitor considers it necessary or desirable (collectively, the “**Monitor’s Enhanced Powers**”):
 - (a) to take possession of and exercise control over all of Spicelo’s present and after-acquired assets, property and undertakings (the “**Spicelo Property**”), and any and all proceeds, receipts and disbursements arising out of or from the property, which shall include the Monitor’s ability to abandon, dispose of, or otherwise release any

interest in any of Spicelo's real or personal property, or any right in any immoveable;

- (b) to receive, preserve and protect Spicelo's Property, or any part or parts thereof;
- (c) to manage, operate and carry on the business of Spicelo, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of Spicelo;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel, financial advisors, investment dealers, and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Monitor's Enhanced Powers conferred by the ARIO;
- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of Spicelo or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to Spicelo and to exercise all remedies of Spicelo in collecting such monies, including, without limitation, to enforce any security held by Spicelo;
- (g) to settle, extend or compromise any indebtedness owing to or by Spicelo;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of Spicelo's Property or business, whether in the Monitor's name or in the name and on behalf of Spicelo, for any purpose pursuant to the ARIO;
- (i) to undertake environmental or workers' health and safety assessments of the property and operations of Spicelo;
- (j) 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 Spicelo, the property or the Monitor (in relation to the exercise by the Monitor of the Monitor's Enhanced Powers), 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, and provided further that nothing in the ARIO shall authorize the Monitor to defend or settle the action in which the ARIO was made unless otherwise directed by this Court;

(k) to market any or all of Spicelo's 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 Monitor in its discretion may deem appropriate;

(l) to sell, convey, transfer, lease or assign or otherwise enter into transactions respecting Spicelo's Property or any part or parts thereof out of the ordinary course of business, either:

(i) with the written prior approval of Spicelo shareholder, the Lenders, and TVE, and after consulting with GFR, which written prior approval may be provided by way of a written agreement entered into between Spicelo shareholder, the Lenders and TVE (and after consultation with GFR) which provides the Monitor with direction and authority to accept an offer or bid for the Spicelo Property immediately without requiring pre-approval from the Court and without requiring specific approval from Spicelo shareholder, the Lenders and TVE for each bid as it is received;

(ii) in accordance with the terms of any sale process which may be granted by this Court on subsequent application by the Monitor; or

(iii) with the approval of this Court on application by the Monitor,

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

(m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey Spicelo's Property or any part

or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such property;

- (n) to report to, meet with and discuss with such affected persons as the Monitor deems appropriate all matters relating to Spicelo's Property, business, and these proceedings, and to share information, subject to such terms as to confidentiality as the Monitor deems advisable;
- (o) to register a copy of the ARIO and any other orders in respect of Spicelo's Property against title to any of the property of Spicelo;
- (p) 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 Monitor, in the name of Spicelo;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of Spicelo, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by Spicelo;
- (r) to exercise any shareholder, partnership, joint venture or other rights which Spicelo may have; and
- (s) 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 Monitor 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 Applicants, and without interference from any other person.

MONITOR PROTECTIONS

- 4. The enhancement of the Monitor's powers as set for in this Order, the exercise by the Monitor of any of its powers, the performance by the Monitor of any of its duties, or the employment by the Monitor of any person in connection with its appointment and the performance of its powers and duties shall not constitute the Monitor as an employer,

successor employer, or related employer of the employees of the Applicants or any employee caused to be hired by the Applicants or by the Monitor within the meaning of any provincial, federal or municipal legislation, other relevant legislation, regulation, common law, or rule of law or equity governing employment, pensions, or labour standards for any purpose whatsoever or expose the Monitor to any liability to any individual arising from or relating to their employment or previous employment Applicants.

5. Without limiting the provisions of the ARIO, all employees and consultants of the Applicants shall remain employees or consultants of the Applicants, until such time as the Monitor, on the Applicants' behalf, may terminate the employment of such employees or other contractual or consulting agreements. Nothing in this Order shall, in and of itself, cause the Monitor to be liable for any employee-related liabilities or duties, including, without limitations, wages, severance pay, termination pay, vacation pay and pension or benefit amounts.
6. The Monitor is not and shall not be or be deemed to be a principal, director, officer, or employee of the Applicants.
7. The Monitor shall continue to have the benefits of all of the indemnities, charges, protections and priorities as set out in the ARIO and any other Order of this Court and all such indemnities, charges, protections and priorities shall apply and extend to the Monitor and the fulfillment of its duties or the carrying out of the provisions of this Order.
8. The Applicants (including Spicelo) shall cooperate fully with the Monitor and any directions it may provide pursuant to this Order and shall provide such assistance as the Monitor may reasonably request from time to time to enable the Monitor to carry out its duties and powers as set out in the ARIO, this Order, or any other Order of this court under the CCAA or applicable law, generally.
9. Nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of Spicelo or any of the Applicants within the meaning of any relevant legislation, regulation, common law, or rule of law or equity. For greater clarity, any distribution to creditors of Spicelo or any of the Applicants administered by the Monitor

on behalf of Spicelo or any of the Applicants will be deemed to have been made by Spicelo or any of the Applicants, respectively, themselves.

10. In addition to the rights and protections afforded to the Monitor under the CCAA, the ARIO, this Order, or any other Order granted by this Honourable Court or as an officer of this Court, the Monitor shall incur no liability or obligation, in its personal or corporate capacity, as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislations.
11. The power and authority granted to the Monitor by virtue of this Order shall, if exercised in any case, be paramount to the power and authority of the Applicants with respect to such matters and in the even of a conflict, the terms of this Order and those of the ARIO or any other Order of this Court, the provisions of this Order shall govern.

MISCELLANEOUS

4.12. 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 King's Bench of Alberta

APPROVED AS TO FORM AND CONTENT:

STIKEMAN ELLIOT LLP

Karen Fellowes

Counsel for Trafigura Canada Limited and
Signal Alpha C4 Limited

STIKEMAN ELLIOT LLP

Matti Lemmens

Counsel for Tamarack Valley Energy Ltd.

TORYS LLP

Kyle Kashuba

Counsel for Alvarez & Marsal Canada Inc.,
in its capacity as Monitor

Confidential Appendix 1

Confidential Appendix 2