

COURT FILE NUMBER

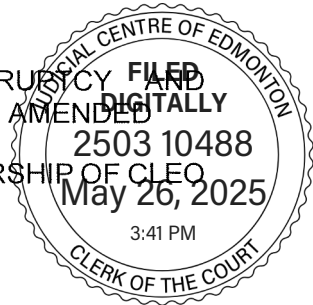
COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE BANKRUPTCY AND
INSOLVENCY ACT, RSC 1985, C B-3, AS AMENDED
AND IN THE MATTER OF THE RECEIVERSHIP OF CLEO
ENERGY CORP.



APPLICANT

UCAPITAL – ULOAN SOLUTIONS INC.

RESPONDENT

CLEO ENERGY CORP.

DOCUMENT

AFFIDAVIT OF GREG THOMPSON

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

LAWSON LUNDELL LLP
Barristers and Solicitors
Suite 1100 Brookfield Place
Calgary, AB, Canada T2P 1N2

Attention: Alexis Teasdale
Telephone: 403-218-7564
Email: ateasdale@lawsonlundell.com
File No. 840117-182617

AFFIDAVIT OF GREG THOMPSON

SWORN MAY 26, 2025

I, GREG THOMPSON, of the City of Kelowna, in the Province of British Columbia, SWEAR AND SAY THAT:

1. I am a Partner of uCapital – uLoan Solutions Inc. (“**uCapital**”), which has provided interim financing to CLEO Energy Corp. (“**CLEO**”) pursuant to the January 6 Order and the February 19 Order, and as such, have personal knowledge of the facts and matters herein deposed except where stated to be based upon information and belief, and where so stated I verily believe the same to be true.

2. I have reviewed the business records maintained by uCapital in respect of the matters at issue, which I verily believe were made in the ordinary and usual course of business, and where I do not have direct personal knowledge of matters deposed herein, my knowledge is derived from my review of the business records of uCapital, relevant copies of which are attached to this my Affidavit.

3. I am authorized to make this Affidavit on behalf of uCapital.
4. I swear this affidavit in support of an originating application by uCapital, among other things:
 - (a) abridging the time for service of the application and the supporting materials, if necessary, and deeming service thereof to be good and sufficient;
 - (b) staying the Proposal Proceedings (as defined herein) effective as of June 3, 2025;
 - (c) recognizing and continuing in the Receivership Proceedings (as defined herein) the BIA Charges (as defined herein) that were granted by the Court of King's Bench of Alberta (the "**Court**") in the Proposal Proceedings, for the purposes of securing the obligations incurred during the Proposal Proceedings that are secured by those charges;
 - (d) effective as of June 3, 2025, appointing Alvarez & Marsal Canada Inc. as receiver and manager (the "**Receiver**") over all of the assets, undertakings and properties of CLEO pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**") and section 13(2) of the *Judicature Act*, RSA 2000, c. J-2; and
 - (e) such further and other relief as counsel may request and this Honourable Court may deem appropriate.

A. BACKGROUND

5. The Respondent, CLEO is a corporation incorporated pursuant to the laws of Alberta. A true copy of an Alberta Corporate Registry search for CLEO dated May 26, 2025 is attached as **Exhibit "A"**.
6. I am informed by my review of the Affidavit of Chris Lewis, sworn in the Proposal Proceedings on December 11, 2024 (the "**First Lewis Affidavit**") that CLEO carries on business as a producer of oil, natural gas liquids and natural gas in central Alberta. I understand, based on the search results at Exhibit "A" hereto, that CLEO's head office is located in Calgary.

7. I am further informed by my review of the First Lewis Affidavit, that beginning in 2024, CLEO experienced significant reductions in production and these reductions coupled with lower market prices for oil and gas, caused CLEO to experience serious working capital shortages.

B. PROPOSOSAL PROCEEDINGS

8. I am further informed by my review of the First Lewis Affidavit that in order to address its financial difficulties, on December 8, 2024, CLEO filed a notice of intention to make a proposal (the "**NOI**") pursuant to Division I of Part III of the BIA, commencing proposal proceedings (the "**Proposal Proceedings**"). A copy of the NOI is attached as **Exhibit "B"**.

9. Alvarez & Marsal Canada Inc. consented to act as proposal trustee in the Proposal Proceedings (the "**Proposal Trustee**").

10. Pursuant to section 50.4(8) of the BIA, the initial stay period under the Proposal Proceedings was from December 8, 2024 to January 7, 2025.

11. On January 6, 2025, the Honourable Justice M. J. Lema pronounced an Order (the "**January 6 Order**") which, among other things:

- (a) extended the time for filing a proposal pursuant to section 50.4(9) of the BIA up to and including February 21, 2025;
- (b) granted an administration charge in favour of the Proposal Trustee and its counsel and counsel to CLEO in the maximum amount of \$700,000 (the "**Administration Charge**");
- (c) approved the uCapital Facility (defined herein) in the maximum principal amount of \$750,000;
- (d) granted the Interim Lender's Charge (defined herein) to secure CLEO's obligations under the uCapital Facility;
- (e) granted a charge in favour of the officer and director of CLEO (the "**D&O Charge**") to secure CLEO's obligation to indemnify him in the maximum amount of \$250,000; and

(f) declared that the Administration Charge, the Interim Lender's Charge and the D&O Charge (together the "**BIA Charges**") rank in priority to any and all charges, security interests, liens, trusts, deemed trusts and encumbrances against the CLEO's property, including liens and trusts created by federal and provincial legislation (collectively, the "**Encumbrances**"), and as between themselves, rank in the following order of priority:

- (i) first, the Administration Charge;
- (ii) second, the Interim Lender's Charge; and
- (iii) third, the D&O Charge.

12. A copy of the January 6 Order is attached as **Exhibit "C"**.

13. On January 22, 2025, the Honourable Justice J. T. Nielson pronounced an Order (the "**SSP Order**") approving a sale and solicitation process (the "**SSP**") which, permitted CLEO to market and sell its property and assets in consultation with the assistance of the Proposal Trustee and Sayer Energy Advisors, as sale agent. A copy of the SSP Order is attached as **Exhibit "D"**.

14. On February 19, 2025, the Honourable Justice M. J. Lema pronounced an Order (the "**February 19 Order**") which among other things:

- (a) extended the time for filing a proposal pursuant to section 50.4(9) of the BIA up to and including April 4, 2025;
- (b) authorized the amendment of the uCapital Facility by increasing the maximum principal amount available to CLEO from \$750,000 to \$1,000,000; and
- (c) increased the Interim Lender's Charge in the January 6 Order from \$900,000 to \$1,000,000.

15. A copy of the February 19 Order is attached as **Exhibit "E"**.

16. On March 25, 2025, the Honourable Justice M. H. Bourque pronounced an Order (the "**March 25 Order**") which extended the time for filing a proposal pursuant to section 50.4(9) of

the BIA up to and including May 9, 2025. A copy of the March 25 Order is attached as **Exhibit “F”**.

17. On March 25, 2025, the Honourable Justice M. H. Bourque also approved the sale of certain of CLEO’s assets pursuant to various asset and purchase agreements in accordance with the SSP and SSP Order.

18. On April 30, 2025, the Honourable Justice R. W. Armstrong pronounced an Order (the **“April 30 Order”**) which extended the time for filing a proposal pursuant to section 50.4(9) of the BIA up to and including June 8, 2025. A copy of the April 30 Order is attached as **Exhibit “G”**.

C. INTERIM FINANCING AGREEMENT, UCAPITAL FACILITY AND INTERIM LENDER’S CHARGE

19. CLEO’s cash flow forecast submitted in the Proposal Proceedings (the **“Cash Flow Forecast”**) indicated that CLEO required interim financing from January 6, 2025 and onwards to ensure that it had the liquidity required to meet its obligations for it to continue with the Proposal Proceedings.

20. On January 5, 2025 CLEO and uCapital entered into an interim financing agreement (the **“Interim Financing Agreement”**) extending a credit facility to the maximum principal amount of \$750,000 (the **“uCapital Facility”**) to meet a portion of CLEO’s obligations as anticipated by the 13-week Cash Flow Forecast.

21. A copy of the term sheet representing the Interim Financing Agreement is attached as **Exhibit “H”**.

22. All terms otherwise not defined in this paragraph 22 shall have the meaning ascribed in the Interim Financing Agreement. The key terms of the Interim Financing Agreement include the following:

Amount of Loan: \$750,000.00

Maturity Date: The earliest of:

a) May 8th, 2025, or such other date as agreed to between the

parties;

b) the termination of the BIA proceedings; or

c) the occurrence of an Event of Default (as defined in the Term Sheet).

Security:

A Court authorized first-ranking, valid, enforceable financing charge with priority over all creditors of CLEO, in an amount to match the anticipated draws required by Cleo from the Lender from time to time as prescribed by the 13-week Cash Flow Forecast, which shall not exceed \$900,000.00 (the **"DIP Charge"**) charging all the property, assets and undertakings of CLEO granted pursuant to the DIP Order (as defined in the Term Sheet) that includes standard debtor-in-possession terms and conditions satisfactory to the Interim Lender acting reasonably, pursuant to section 50.6(1) of the *BIA*, as the case may be, subject only to an administration charge not to exceed \$700,000 (the **"Administration Charge"**)

**Conditions
Precedent:**

Prior to any disbursement, CLEO is required to have obtained an order made by the Court (the **"DIP Order"**) in form and content satisfactory to the Interim Lender, which shall include, among other things: (a) the approval of the Interim Financing Agreement and all the terms and conditions thereof; (b) authorizing CLEO to borrow on the terms and conditions outlined in the Term Sheet and approving same; and (c) creating various court-ordered priority charges including the granting of the DIP Charge.

Interest Rate:

Interest is payable monthly, at a rate of 3% per month.

Fees:	On payment in full of the DIP Loan and Monthly Fees, an additional \$50,000 fee will be earned and payable, in full.
Administration Charge:	Not to exceed \$700,000.
Remedies:	Upon the Maturity Date, the Lender may immediately terminate the DIP Loan and enforce, upon five (5) Business Days written notice to the Borrower and A&M, all of its rights and remedies against the Borrower and its property, assets and undertaking including, without limitation, the enforcement of the DIP Lender Security and the ability to apply to the Court for the appointment of a Receiver; and all amounts outstanding under the DIP Loan shall immediately become due and payable without further notice, demand or delay.

23. It was an express term of the Interim Financing Agreement that the uCapital Facility shall be secured by a court authorized first-ranking, valid, enforceable financing charge with priority over all creditors of CLEO and charging all the property, assets and undertakings of CLEO (the **"Interim Lender's Charge"**).

24. On January 6, 2025, CLEO and uCapital entered into the First Amending Agreement to the Interim Financing Agreement, which corrected the language for the rate of interest. A copy of the First Amending Agreement to the Interim Financing Agreement is attached as **Exhibit "I"**.

25. The uCapital Facility had been fully drawn upon.

26. The Cash Flow Forecast anticipated that CLEO would experience a cash flow shortfall by the sixth week, being the week of February 21, 2025. CLEO attempted to address this shortfall, however additional interim financing was required.

27. CLEO and uCapital negotiated an increase to the maximum principal amount of the uCapital Facility pursuant to the Second Amending Agreement, from \$750,000 to \$1,000,000. A copy of the Second Amending Agreement to the Interim Financing Agreement is attached as **Exhibit "J"**.

28. The Second Amending Agreement was conditional upon the Court making an order extending the time to file a proposal to April 4, 2025, approving the increase to the uCapital Facility and approving an increase of the Interim Lender's Charge. These conditions were met in the February 19 Order.

29. CLEO is indebted to uCapital under the uCapital Facility as at May [26], 2025, in the amount of \$1,082,076.50 as at May 26, 2025, with costs and interest continuing to accrue from and after May 26, 2025, plus further accruing interest, fees and costs on a solicitor and his own client, full indemnity basis. Copies of the draw down notices, statement of account, and loan payout statement are attached collectively as **Exhibit "K"**. I note that the payout statement does not include accrued legal fees to and including May 25, 2025 of \$5,076.50.

30. CLEO is in default to of the Interim Financing Agreement, as amended, because (among other reasons) in uCapital's determination, a material adverse change has occurred. Specifically, CLEO has confirmed that it will not file a proposal by June 8, 2025, such that CLEO will be deemed bankrupt. In order to comply with statutory requirements, uCapital has sent a Notice of Intention to Enforce Security ("**NOITES**") in relation to the Interim Financing Agreement. CLEO has waived the 10-day notice period under the NOITES. A copy of the NOITES with CLEO's waiver marked on it is attached as **Exhibit "L"**. I am informed by my legal counsel, Alexis Teasdale of Lawson Lundell LLP, that CLEO consents to the appointment of a receiver.

D. STAYING OF THE PROPOSAL PROCEEDINGS

31. I am advised by Ms. Teasdale, and verily believe, that if CLEO does not file a proposal to its creditors before June 8, 2025, CLEO will be deemed to have made an assignment in bankruptcy as of June 9, 2025.

32. I am advised by Mr. Lewis that CLEO will not be filing a proposal to its creditors by June 8, 2025.

33. I am informed by Mr. Lewis and believe that CLEO has worked diligently to negotiate with various bidders for the sale of its remaining assets and intends to seek Court approval for several asset sales (the "**Transactions**") on June 2, 2025.

34. I am further informed by Mr. Lewis that the proceeds from the Transactions are expected to be sufficient to fully repay uCapital. The Interim Lender's Charge will also continue to attach to CLEO's April and May 2025 production revenues.

35. I am further informed by Mr. Lewis that it was CLEO's intention to sell the majority of its assets during the Proposal Proceedings and use the proceeds to repay uCapital and other secured creditors before CLEO's deemed bankruptcy, however, CLEO is concerned that the

Transactions may not close before June 8, 2025, and I am concerned that a deemed bankruptcy of CLEO may interfere with the timely repayment of uCapital and other secured creditors from the proceeds of the Transactions, and further may delay or jeopardize the sale of any remaining assets owned by CLEO after the Transactions close.

36. Mr. Lewis further informs me that there is one backup bid for one of the Transactions. The successful bid is selling two fields whereas one backup bid is buying one field. If the relevant Transaction does not close and CLEO is deemed to be bankrupt, CLEO is concerned that the intervening bankruptcy may jeopardize the alternative bid presented by the backup bidder.

37. To facilitate the closing of the Transactions, avoid delay in the distribution of the proceeds therefrom, and facilitate the efficient sale of any residual assets owned by CLEO, uCapital is seeking to stay the Proposal Proceedings and have a receiver appointed over CLEO.

38. It is in the best interest of all stakeholders that the Transactions close and the proceeds be distributed in the context of a receivership proceeding rather than in a bankruptcy process, as the latter may delay the closing of the Transactions, potentially jeopardize the distribution of proceeds therefrom, and delay or jeopardize the backup bid and/or any sale of CLEO's residual assets.

E. BIA CHARGES

39. The beneficiaries of the BIA Charges have been actively working to facilitate a successful restructuring of CLEO during the course of the Proposal Proceedings.

40. The uCapital Facility was provided to CLEO on the express condition that it would be secured by the Interim Lender's

41. Considering the latter two points, if this Court grants the relief sought and the Proposal Proceedings are stayed and a receiver is appointed in a receivership proceeding (the "**Receivership Proceedings**") it is fair and reasonable to continue the BIA Charges into the Receivership Proceedings.

F. NECESSITY FOR APPOINTMENT OF RECEIVER

42. It is just, equitable, and convenient that the proposed Receiver be appointed for the following reasons:

- (a) irreparable harm will be caused if no order is made, as CLEO will be deemed to have been assigned into bankruptcy on June 9, 2025, which may negatively affect the closing and distribution of proceeds of the Transactions or the backup bid, and the sale of CLEO's residual assets and distribution of proceeds therefrom;
- (b) the proposed Receiver has acted as Proposal Trustee for the past almost six months, facilitated the SSP, has in depth knowledge of CLEO and its assets, and is in the best position to facilitate the closing of the Transactions and, if applicable, the backup bid distribute the proceeds of sale to uCapital, complete and sale of residual assets and the distribution of proceeds therefrom;
- (c) receivership proceedings will provide the necessary time to close the Transactions and, if applicable, the backup bid and distribute the proceeds therefrom, and complete the sale of any residual assets, outside of a bankruptcy;
- (d) the beneficiaries of the BIA Charges have been diligently working to assist with the success of the Proposal Proceedings and completion of the Transactions for the benefit of all of CLEO's stakeholders and, as such, should continue to be protected by the BIA Charges;
- (e) uCapital has the right to appoint a receiver under the Interim Financing Agreement;
- (f) a receivership has the greatest likelihood of maximizing return to the parties;
- (g) a receiver will be able to continue to attempt or sell the remaining assets of Cleo for the benefit of CLEO's stakeholders;
- (h) there will be assets owned by CLEO which will remain unsold following the staying of the Proposal Proceedings, and thus a Receiver will work with the Orphan Well Association (the "**OWA**") to attempt to convey such remaining assets, and if necessary, transition any such properties as necessary to the OWA; and
- (i) to the extent that the abandonment and reclamation obligations associated with CLEO's remaining unsold properties have been provided for to the satisfaction of the Alberta Energy Regulator, a Receiver will be able to arrange for the distribution of any remaining funds in CLEO's estate to CLEO's creditors in accordance with their respective priorities at law.

43. The Receiver has consented to act as receiver. A copy of the consent to act is attached as **Exhibit "M"**.

44. In the circumstances, the balance of convenience weighs in favour of the appointment of the proposed Receiver as receiver-manager, and it is just, equitable and convenient to appoint the proposed Receiver as receiver-manager of CLEO's assets, undertaking and property.

G. CONCLUSION

45. I swear this Affidavit in support of the originating application and any other proper purpose in connection with these proceedings.

SWORN BEFORE ME at the City of)
Kelowna in the Province of British)
Columbia, this 26th day of May, 2025.)

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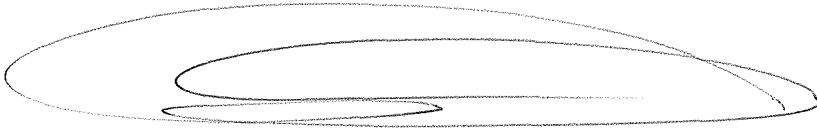
A COMMISSIONER FOR OATHS IN
AND FOR BRITISH COLUMBIA



GREG THOMPSON

AARON DOW
Barrister • Solicitor
LAWSON LUNDELL LLP
1800 - 1631 Dickson Avenue
Kelowna, BC V1Y 0B5

This is Exhibit "A" referred to in the Affidavit of
Greg Thompson sworn before me this 26th day of
May, 2025



A COMMISSIONER FOR OATHS IN AND FOR
BRITISH COLUMBIA

AARON DOW
Barrister • Solicitor
LAWSON LUNDELL LLP
1800 - 1631 Dickson Avenue
Kelowna, BC V1Y 0B5

Government of Alberta

■

Corporation/Non-Profit Search

Corporate Registration System

Date of Search:2025/05/26

Time of Search:07:03 AM

Search provided by:MILLER THOMSON LLP - CALGARY

Service Request Number:44673270

Customer Reference Number:0289127.0002

Corporate Access Number:2019731419

Business Number:766250922

Legal Entity Name:CLEO ENERGY CORP.

Legal Entity Status:Active

Alberta Corporation Type:Named Alberta Corporation

Registration Date:2016/05/31 YYYY/MM/DD

Date of Last Status Change:2024/07/22 YYYY/MM/DD

Registered Office:

Street:200 - 117 8 AVE SW

City:CALGARY

Province:ALBERTA

Postal Code:T2P1B4

Records Address:

Street:200 - 117 8 AVE SW

City:CALGARY

Province:ALBERTA

Postal Code:T2P1B4

Email Address:CLEWIS@CLEOENERGY.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
LEWIS	COLTON			200 - 117 8 AVE SW	CALGARY	ALBERTA	T2P1B4	CLEWIS@CLEOENERGY.COM

Directors:

Last Name: LEWIS
First Name: CHRIS
Street/Box Number: 200 - 117 8 AVE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P1B4

Voting Shareholders:

Legal Entity Name: CHIMERA MANAGEMENT GROUP LTD.
Corporate Access Number: 2024804730
Street: 200 - 117 8 AVE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P1B4
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A" ATTACHED HERETO
Share Transfers Restrictions: SEE SCHEDULE "B" ATTACHED HERETO
Min Number Of Directors: 1
Max Number Of Directors: 10
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE SCHEDULE "C" ATTACHED HERETO

Other Information:**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2024	2024/07/22

Filing History:

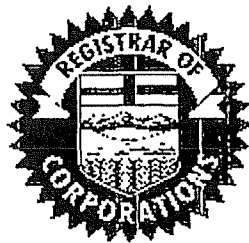
List Date (YYYY/MM/DD)	Type of Filing
2016/05/31	Incorporate Alberta Corporation

2018/04/25	Change Director / Shareholder
2020/02/03	Change Address
2020/02/22	Update BN
2024/07/02	Status Changed to Start for Failure to File Annual Returns
2024/07/22	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2016/05/31
Restrictions on Share Transfers	ELECTRONIC	2016/05/31
Other Rules or Provisions	ELECTRONIC	2016/05/31

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



This is Exhibit "B" referred to in the Affidavit of
Greg Thompson sworn before me this 26th day of
May, 2025

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above a horizontal line.

A COMMISSIONER FOR OATHS IN AND FOR
BRITISH COLUMBIA

AARON DOW
Barrister • Solicitor
LAWSON LUNDELL LLP
1800 - 1631 Dickson Avenue
Kelowna, BC V1Y 0B5



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-3163430
Estate No. 25-3163430

In the Matter of the Notice of Intention to make a proposal of:

CLEO Energy Corp.

Insolvent Person

ALVAREZ & MARSAL CANADA INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

December 08, 2024

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL

Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: December 09, 2024, 11:44

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada

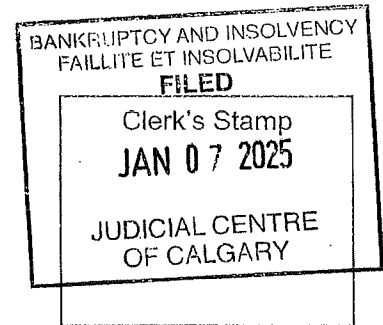
This is Exhibit "C" referred to in the Affidavit
of Greg Thompson sworn before me this 26th
day of May, 2025



A COMMISSIONER FOR OATHS IN AND FOR
BRITISH COLUMBIA

AARON DOW
Barrister • Solicitor
LAWSON LUNDELL LLP
1800 - 1631 Dickson Avenue
Kelowna, BC V1Y 0B5

COURT FILE NO. B301-163430
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



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

AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF CLEO ENERGY CORP.

APPLICANT CLEO ENERGY CORP.

DOCUMENT **ORDER (Stay Extension, Administration Charge, Interim Financing, Interim Financing Charge, D&O Charge and Other Relief)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **Gowling WLG (Canada) LLP**
1600, 421 – 7th Avenue SW
Calgary, AB T2P 4K9

Attn: **Sam Gabor/ Tom Cumming**
Phone: 403.298.1946/ 403.298.1938
Fax: 403.263.9193
Email: sam.gabor@gowlingwlg.com/
tom.cumming@gowlingwlg.com
File No.: G10010664

DATE ON WHICH ORDER WAS PRONOUNCED: January 6, 2025

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

JUSTICE WHO MADE THIS ORDER: The Honourable Justice Lema in
Commercial Chambers

UPON THE APPLICATION of Cleo Energy Corp. (“Cleo” or, the “Applicant”) filed December 23, 2024; **AND UPON** reading the Affidavit of Chris Lewis, sworn December 23, 2024, and the Affidavit of Chris Lewis, sworn January 5, 2025 (the “**January 5 Affidavit**”), and the Affidavit of Service of Sherry Langley, sworn January 6, 2025; **AND UPON** reading the First Report of Alvarez & Marsal Canada Inc. in its capacity as proposal trustee of the Applicant (in such capacity, the “**Proposal Trustee**”), dated January 6 2024; **AND UPON** hearing submissions by counsel for the Applicant, the Proposal Trustee, counsel for the Proposal Trustee, counsel to Trafigura Canada Limited (“**Trafigura**”), counsel to

Battle River Energy Ltd., counsel to Transalta Energy Marketing, counsel to Marco Simonelli and any other counsel or other interested parties present,

IT IS HEREBY ORDERED THAT:

SERVICE

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today, and no other than those persons served is entitled to service of the notice of application.

EXTENSION OF TIME TO FILE A PROPOSAL

2. The time within which Cleo is required to file a proposal to its creditors with the Official Receiver, under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BLA**”) is hereby extended to February 21, 2025 (as extended from time to time, the “**Stay Period**”).

ADMINISTRATION CHARGE

3. Legal counsel to Cleo, the Proposal Trustee and legal counsel to the Proposal Trustee, as security for their respective professional fees and disbursements incurred in preparing for and during these proposal proceedings, and both before and after the granting of this Order, shall be entitled to the benefit of, and are hereby granted, a security and charge (the “**Administration Charge**”) on all of Cleo’s present and after-acquired assets, property and undertakings (the “**Property**”), which charge shall not exceed \$700,000.

INTERIM FINANCING

4. Cleo is hereby authorized and empowered to obtain and borrow under an interim financing facility (the “**Interim Financing Facility**”) pursuant to the interim financing facility commitment letter dated January 5, 2025 (the “**Interim Financing Agreement**”) between Cleo as borrower and uCapital – uLoan Solutions Inc. (the “**Interim Lender**”) as lender, provided that borrowings under the Interim Financing Facility shall not exceed the principal amount of \$900,000 unless permitted by further order of this Court and agreed to by the Interim Lender.
5. The Interim Financing Facility shall be on the terms and subject to the conditions set forth in the Interim Financing Agreement attached as **Exhibit “K”** to the January 5 Affidavit, as such Interim Financing Agreement may be amended in accordance with its terms.

6. The Interim Lender shall be entitled to the benefit of and are hereby granted a security and charge on the Property (the “**Interim Lender’s Charge**”) as security for the payment and performance of the indebtedness, liabilities and obligations of Cleo to the Interim Lender under the Interim Financing Agreement and the Interim Financing Facility created thereby in the principal amount of \$900,000 together with any interest accrued thereon or costs and expenses incurred thereunder.
7. Cleo shall be prohibited from granting any additional liens, charges, security interests or any other encumbrances upon the Property without the prior written consent of the Interim Lender.
8. Except as specifically permitted in this Order, the Applicant is hereby directed, until further order of this Court:
 - a) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and
 - b) to not borrower any further interim financing without the written consent of the Interim Lender.
9. Notwithstanding any other provision of this Order:
 - (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge or the Interim Financing Agreement;
 - (b) upon the occurrence of an event of default under the Interim Financing Agreement or the Interim Lender's Charge, the Interim Lender, upon five (5) days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the Interim Financing Agreement, and the Interim Lender's Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by the Interim Lender to the Applicant against the obligations of the Applicant to the Interim Lender under the Interim Financing Agreement or the Interim Lender's Charge, to make demand, accelerate payment, and give other notices, or to apply to this Court for the appointment of a receiver, receiver and

manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and

- (c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.
10. The Interim Lender shall be treated as unaffected in any proposal filed by the Applicant under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), or with respect to any advances made under the Interim Financing Agreement.

D&O INDEMNIFICATION AND CHARGE

11. Cleo shall indemnify its director and officer against obligations and liabilities that he may incur as director or officer after the Filing Date, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director or officer's gross negligence or wilful misconduct.
12. The director and officer of Cleo shall be entitled to the benefit of and is hereby granted a charge (the "**D&O Charge**") on all of the Property, which shall not exceed an aggregate amount of \$250,000, as security for the indemnity provided in this Order.

PRIORITY OF CHARGES

13. The filing, registration or perfection of the Administration Charge, the Interim Lender's Charge and the D&O Charge (collectively, the "**BIA Charges**") shall not be required, and the *BIA* Charges shall be enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
14. The *BIA* Charges shall constitute a security and charge on the Property and such *BIA* Charges shall rank in priority to all other security interests, trusts, liens, charges, deemed trusts, encumbrances and claims of secured creditors, statutory or otherwise in favour of any person, including liens and trusts created by federal and provincial legislation (collectively, the "**Encumbrances**"). The ranking as between the *BIA* Charges shall be as follows:
- (a) first, the Administration Charge;

- (b) second, the Interim Lender's Charge; and
 - (c) third, the D&O Charge.
15. Except as otherwise provided herein, or as may be approved by this Honourable Court, Cleo shall not grant any Encumbrances over the Property that rank in priority to, or *pari passu* with, any of the *BIA* Charges, unless Cleo obtains the prior written consent of the beneficiaries of the *BIA* Charges (the "**Chargees**") or further order of this Court.
16. The *BIA* Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees thereunder shall not otherwise be limited or impaired in any way by:
- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
 - (b) any application(s) for bankruptcy order(s) issued pursuant to the *BIA*, or any bankruptcy order made pursuant to such applications;
 - (c) the filing of any assignments for the general benefit of creditors made pursuant to the *BIA*;
 - (d) the provisions of any federal or provincial statutes; or
 - (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") that binds Cleo, and notwithstanding any provision to the contrary in any Agreement:
 - (i) neither the creation of the *BIA* Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, shall create or be deemed to constitute a new breach by Cleo of any Agreement to which they, or any one of them, is a party;
 - (ii) none of the Chargees shall have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the *BIA* Charges, or the execution, delivery or performance of the Interim Financing Facility; and
 - (iii) the payments made by Cleo pursuant to this Order and the granting of the *BIA* Charges, do not and will not constitute preferences, fraudulent

conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

RESTATEMENT OF STAY AND CONTINUATION OF SERVICES

17. In accordance with section 69(1) of the *BIA*, during the period between December 8, 2024 (the “**Filing Date**”) and the date on which the Stay Period expires:
 - (i) no creditor has any remedy against Cleo or against any of the Property or shall commence or continue any action, execution or other proceedings for the recovery of a claim provable in bankruptcy; and
 - (ii) no provision of a security agreement between Cleo and a secured creditor that provides, in substance, that on Cleo’s insolvency, the default by Cleo of an obligation under the security agreement, or the filing by Cleo of the NOI, Cleo ceases to have rights to use or deal with Property secured under the security agreement as it would otherwise have, has any force or effect.
18. In accordance with section 65.1(1) of the *BIA* but subject to section 65.1(4) of the *BIA*, no person may terminate or amend any agreement with Cleo or claim an accelerated payment, or a forfeiture of the term, under any agreement with Cleo by reason only that Cleo is insolvent or a NOI has been filed with respect to Cleo.
19. During the Stay Period, all persons having oral or written agreements with Cleo or statutory or regulatory mandates for the supply of goods and/or services are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by Cleo, provided in each case that the normal prices or charges for such goods or services received after the date of this Order are paid by Cleo in accordance with normal payment practices of Cleo or other practices as may be agreed upon by the supplier or service provider and each of Cleo and the Proposal Trustee, or as may be ordered by this Honourable Court.
20. Any Person (as such term is defined in the *BIA*) that has collected, realized, seized or taken possession of any money or other Property subsequent to the Filing Date without the consent of the Proposal Trustee or leave of this Honourable Court shall promptly deliver or surrender to Cleo such money or other Property.

21. The issue pertaining to the stay of proceedings for the benefit of Chris Lewis ("Mr. Lewis") as director, officer and guarantor of Cleo is adjourned to the scheduled court appearance on January 10, 2025 before Justice Lema.
22. The issue of ongoing monthly set-off as between Trafigura and Cleo is adjourned to the scheduled court appearance on January 10, 2025 before Justice Lema.

GENERAL

23. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier to the service list (the "Service List") in the proceedings. Service is deemed to be effected the next business day following transmission or delivery of this Order.
24. This Order shall be posted on the Proposal Trustee's website for these proceedings at: <https://www.alvarezandmarsal.com/CLEO>

A handwritten signature in black ink, appearing to read "M. J. Lema", is written over a horizontal line.

J.C.K.B.A.

This is Exhibit "D" referred to in the Affidavit of
Greg Thompson sworn before me this 26th day of
May, 2025

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end.

A COMMISSIONER FOR OATHS IN AND FOR
BRITISH COLUMBIA

AARON DOW
Barrister • Solicitor
LAWSON LUNDELL LLP
1800 - 1631 Dickson Avenue
Kelowna, BC V1Y 0B5

COURT FILE NO. B301-163430

COURT COURT OF KING'S BENCH OF ALBERTA
(IN BANKRUPTCY & INSOLVENCY)

JUDICIAL CENTRE CALGARY

APPLICANTS IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
RSC 1985, C C-8, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF CLEO ENERGY CORP.

DOCUMENT **ORDER (Sale Process)**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING
THIS DOCUMENT **Gowling WLG (Canada) LLP**
1600, 421 – 7th Avenue SW
Calgary, AB T2P 4K9

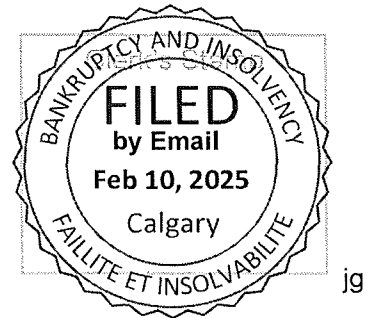
Attn: **Sam Gabor / Tom Cumming**
Phone: 403.298.1938
Fax: 403.263.9193
Email: sam.gabor@gowlingwlg.com /
tom.cumming@gowlingwlg.com
File No.: G10010664

DATE ON WHICH ORDER WAS PRONOUNCED: January 22, 2025

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

JUSTICE WHO MADE THIS ORDER: The Honourable Justice J.T.
Nielson in Commercial Chambers

UPON THE APPLICATION of Cleo Energy Corp. (the “**Applicant**”), filed January 20, 2025; **AND UPON** reading Affidavit of Chris Lewis, sworn January 20, 2025, and the Affidavit of Service of Sherry Langley, sworn January 21, 2025; **AND UPON** reading the Second Report of Alvarez & Marsal Canada Inc. in its capacity as proposal trustee of the Applicant (in such capacity, the “**Proposal Trustee**”) dated January 20, 2025 (the “**Second Report**”); **AND UPON** hearing submissions by counsel for the Applicant, counsel for the Proposal Trustee and any other counsel or other interested parties present,



IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today, and no other than those persons served is entitled to service of the notice of application.
2. The sale and solicitation process (“**Sale Process**”) commenced by the Applicant prior to the granting of this Order, as described in the Second Report and as attached hereto as **Appendix “A”**, is commercially reasonable and is hereby approved.
3. The Applicant, with the assistance of and in consultation with the Proposal Trustee, is hereby authorized and directed to conduct the Sale Process, and do all things reasonably necessary to give full effect thereto and carry out its obligations thereunder, including taking any additional steps or executing additional documents as may be necessary or desirable in order to carry out and complete the Sale Process and a transaction or transactions thereunder.
4. Nothing herein shall act as authorization or approval of the transfer or vesting of any or all of the Applicant’s property, assets or undertakings under any agreement negotiated in connection with the Sale Process, or otherwise. Such transfer and vesting shall be dealt with and shall be subject to further Order of this Court.
5. The Applicant and the Proposal Trustee are hereby authorized and empowered to apply to this Court to amend, vary or seek any advice, directions or the approval or vesting of any transaction in connection with the Sale Process.
6. This Court hereby requests the aid and recognition of any court, tribunal, regulatory, or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order, and to assist the Proposal Trustee and its agents in carrying out the terms of this Order. All courts, tribunals, and regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Proposal Trustee, as an officer of the Court, as may

be necessary or desirable to give effect to this Order or to assist the Proposal Trustee and its agents in carrying out the terms of this Order.

7. Service of this Order shall be deemed good and sufficient:

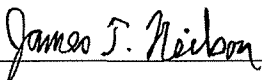
(a) by serving same on the persons who were served with notice of this Application and any other parties attending or represented at the hearing of this Application; and

(b) by posting a copy of this Order on the Proposal Trustee's website as:

<https://www.alvarezandmarsal.com/content/CLEO>

8. Service of this Order on any other person is hereby dispensed with.

9. 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.



J.C.K.B.A.

APPENDIX “A”

SALE AND SOLICITATION PROCESS

Introduction

1. On December 8, 2024, CLEO Energy Corp. (the "**Company**") filed a notice of intention to make a proposal (a "**NOI**") under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**") with the Office of the Superintendent of Bankruptcy (the "**OSB**"). Alvarez & Marsal Canada Inc. was appointed as proposal trustee of the Company (in such capacity, the "**Proposal Trustee**").
2. The Company and the Proposal Trustee intend to commence this sale and solicitation process (the "**SSP**") in order to solicit interest in the purchase of or investment in all or part of the business or operations of the Company or its undertaking, property and assets (the "**Property**"), and within a reasonable period following the launch of the SSP seek an Order of the Court of King's Bench of Alberta (the "**Court**") approving and ratifying the SSP. The Company has engaged Sayer Energy Advisors ("**Sayer**") to act as the sale advisor to the Company and Proposal Trustee in the SSP.
3. The SSP as described herein shall, together with any order issued by the Court pertaining to the SSP, exclusively govern the process for soliciting and selecting bids in connection with the SSP.
4. Mr. Chris Lewis, the president and sole director of the Company, has informed the Proposal Trustee that he does not currently intend to directly or indirectly participate in any purchase from or investment in the Company pursuant to the SSP, and has undertaken to notify the Proposal Trustee if that should change at any time during the proceedings under the BIA. In such an event, the Proposal Trustee will conduct the SSP, with the advice of Sayer, but without consulting the Company and the Proposal Trustee will establish the appropriate ethical walls with Mr. Lewis and the Company to protect confidential information with respect to any offers received in the SSP.
5. The offer submission and evaluation stage of the SSP will, as more fully described herein, be comprised of a two-phase process:
 - (a) Phase 1 – the submission and evaluation of non-binding letters of intent (a "**Non-Binding LOI**") from Qualified Bidders; and
 - (b) Phase 2 – the submission and evaluation of binding offers from bidders that have submitted a Non-Binding LOI and that have been invited to submit a Bid.
6. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency.
7. Unless otherwise indicated herein, any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.

Defined Terms

8. All capitalized terms used herein and not otherwise defined shall have the meaning given to them in **Schedule "A"** hereto.

Sale and Solicitation Process

9. The SSP describes, among other things:
- (a) the manner in which prospective bidders may gain access to due diligence materials concerning the business, operations, or Property of the Company;
 - (b) the guidelines for the ultimate selection of the Successful Bid and Back-Up Bid, as applicable; and,
 - (c) the process for obtaining such approvals (including the approval of the Court) as may be necessary or appropriate in respect of the Successful Bid and the Back-up Bid, as applicable.

Conduct of SSP

10. The Company shall conduct the SSP in consultation with and with the assistance of the Proposal Trustee and Sayer. In the event there is a disagreement regarding or clarification required as to the interpretation or application of the SSP or the responsibilities of any Person hereunder, upon application of the Company, the Proposal Trustee or any other interested Person, the Court will have jurisdiction to hear such matters and provide advice and directions.
11. Notwithstanding that the SSP contemplates that a transaction will be concluded by way of an asset purchase, participants may propose alternative transaction or investment structures in connection with the SSP, including but not limited to transactions to refinance, reorganize, or recapitalize the Company or a reverse vesting order transaction.
12. Participants in the SSP shall be responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, including in respect of all due diligence activities or other actions undertaken by such participant, whether or not they lead to the consummation of a transaction.
13. The SSP does not and will not be interpreted to create any contractual or other legal relationship between the Company, the Proposal Trustee or any Potential Bidder, Bidder, Qualified Bidder, Successful Bidder, Back-up Bidder or any other Person, other than as specifically set forth in a definitive agreement that may be entered into with the Company.

"As Is, Where Is"

14. Any transaction involving the Company and the Property will be on an "as is, where is" basis without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Company, the Proposal Trustee, Sayer or any of their respective agents, estates, advisors, professionals or otherwise, other than as specifically set forth in a definitive agreement that may be entered into with the Company.

Free of Any and All Claims and Interests

15. All of the right, title and interest of the Company in and to any Property sold or transferred in connection with the SSP will, at the time of such sale or transfer, be sold or transferred free and clear of all pledges, liens, security interests, encumbrances, claims, charges,

options and interests pursuant to an approval and vesting order made by the Court under Section 65.13(7) of the BIA.

Timeline

16. The following table sets out key milestones and anticipated deadlines for the SSP:

MILESTONE	DATE
Commencement Date	Estimated to be no later than January 22, 2025
SSP Approval Application	As soon as reasonably possible
Non-Binding LOI Submission Date	February 27, 2025, or such later date as determined by the Proposal Trustee in consultation with the Company and Sayer
Binding Bid Submission Date	March 13, 2025, or such later date as determined by the Proposal Trustee in consultation with the Company and Sayer
Bid Approval Application	Week of March 24, 2025, or as soon thereafter as Court time can be confirmed, or such later date as determined by the Proposal Trustee in consultation with the Company and Sayer
Target Closing Date	March 31, 2025, or 3 days after Court approval is obtained
Outside Date	April 17, 2025

Solicitation of Interest

17. The SSP will be commenced by the Company and Sayer, in consultation with the Proposal Trustee, compiling a list of potential bidders (the "**Known Potential Bidders**"). Such list can include both strategic and financial parties who, in the reasonable business judgment of the Company, Sayer and the Proposal Trustee, may be interested in and have the financial capacity to make a Qualified Bid.
18. For the purposes of the SSP, the following Persons shall be considered potential bidders (each, a "**Potential Bidder**"): (i) the Known Potential Bidders, and (ii) any other Person that executes and delivers the documents listed in paragraph 23 and is permitted by the Company or the Proposal Trustee, in consultation with Sayer, to participate in the SSP.
19. The Company, with the assistance of Sayer and the Proposal Trustee, shall:
- (a) prepare a teaser letter describing the SSP and inviting interested participants to express their interest in the SSP (the "**Teaser**");
 - (b) prepare a non-disclosure agreement ("**NDA**"), a template Non-Binding LOI and a Template APA; and
 - (c) gather all required due diligence materials, including information relating to the business, operations, or Property of the Company, and establish a virtual data room (the "**VDR**") containing same.

Further, (i) Sayer and the Company shall contact Known Potential Bidders to determine their interest in the SSP by forwarding them a Teaser and, if interested, providing such party with a copy of the SSP and the NDA; and (ii) Sayer shall publish a notice regarding

the SSP in the *Daily Oil Bulletin*, *Insolvency Insider* and any other publications or newswires as determined by the Proposal Trustee.

20. The Company, Sayer and the Proposal Trustee will grant access to the VDR to any Potential Bidder that executes and delivers the NDA to the Company and Sayer. Access to the VDR will be granted as soon as reasonably practicable following the delivery of the NDA.
21. Neither the Company, the Proposal Trustee, Sayer, nor any of their respective advisors make any representation or warranty as to the information contained in the VDR, or other information to be provided through the due diligence process or otherwise, except to the extent contemplated under any definitive document negotiated with a Successful Bidder or Back-Up Bidder which is executed and delivered by the Company and approved by the Court.

Phase 1

22. A Potential Bidder who wishes to participate in this SSP must deliver a Non-Binding LOI to the Proposal Trustee, with a copy to the Company and Sayer, at the e-mail addresses specified in **Schedule "B"** hereto, by the Non-Binding LOI Submission Date.
23. A Non-Binding LOI will be considered a qualified LOI (a "**Qualified LOI**") only if the Non-Binding LOI:
 - (a) is submitted to the Proposal Trustee on or before the Non-Binding LOI Submission Date;
 - (b) specifies:
 - (i) the total proposed consideration payable in the transaction;
 - (ii) the identity, the type, and the jurisdiction of organization of the Potential Bidder;
 - (iii) the contact information for such Potential Bidder;
 - (iv) full disclosure of the direct and indirect owners and principals of the Potential Bidder;
 - (v) confirmation that the Potential Bidder has a subsisting business associate code issued through Petrinex and has general eligibility to acquire and hold licenses or approvals for wells, facilities and pipelines through the Alberta Energy Regulator; and
 - (vi) such financial disclosure and credit quality support or enhancement that allows the Proposal Trustee to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a transaction; and
 - (c) includes an executed letter acknowledging receipt of the SSP and agreeing to accept and be bound by the provisions contained therein.

24. The Proposal Trustee, in consultation with the Company and Sayer, will assess all Non-Binding LOI's submitted on or before the Non-Binding LOI Submission Date. If it is determined by the Proposal Trustee that:
- (a) a Potential Bidder: (i) has complied with each of the requirements described in paragraph 23, (ii) has a *bona fide* interest in concluding a transaction, and (iii) has the financial wherewithal to conclude a transaction, then such Potential Bidder may be deemed a "**Qualified Bidder**" and advanced to Phase 2; or
 - (b) no Qualified LOI's have been submitted or, alternatively, that no Qualified LOI is likely to result in a Successful Bid (as defined below), the Proposal Trustee, in consultation with the Company and Sayer, may immediately terminate the SSP.
25. The Proposal Trustee shall notify all Potential Bidders that deliver a Non-Binding LOI to the Proposal Trustee whether or not they have been designated as a Qualified Bidder.

Phase 2

26. Qualified Bidders shall be entitled to conduct further due diligence prior to submitting a binding bid (a "**Bid**"). Such further due diligence shall, at the discretion of the Proposal Trustee, include on-site inspections or meetings with the senior management of the Company.
27. A Qualified Bidder that wishes to make a Bid must deliver their Bid to the Proposal Trustee, with a copy to Sayer and the Company (provided that the Company or Mr. Lewis is not considered a Qualified Bidder), at the e-mail addresses specified in **Schedule "B"** hereto, by no later than the Binding Bid Submission Date.
28. Bids submitted to the Proposal Trustee for consideration must comply with all of the following requirements, and any such complying Bid shall be a "**Qualified Bid**":
- (a) Template: Each Bid must be submitted in the form of a template agreement of purchase and sale (the "**Template APA**"), a copy of which shall be provided in the VDR;
 - (b) Purchase Price: Each Bid must clearly set forth the purchase price in Canadian dollars, stated on a total enterprise value basis (including the cash and non-cash components thereof);
 - (c) Binding Bid Submission Date: Each Bid must be received on or before 12:00 pm (Calgary time) on the Binding Bid Submission Date;
 - (d) Irrevocable Offer: Each Bid must include a letter stating that the Bid is irrevocable until approval of the Successful Bid or Back-up Bid by the Court, as applicable, provided that if such Bidder is selected as the Successful Bidder or Back-up Bidder, the Bid shall remain irrevocable until the closing of a transaction;
 - (e) Executed Documents: Each Bid must be accompanied by a duly authorized and executed form of transaction document, an electronic Word copy of such agreement, a marked-up version showing all edits to the transaction document as compared to the Template APA, as well as duly authorized and executed

documents necessary to effectuate the transactions contemplated thereby, which specifies, at a minimum:

- (i) Identity: Each Bid must fully disclose the identity of each entity that will be sponsoring or participating in the Bid and the complete terms of such participation;
- (ii) Contact Information: Each Bid must contain contact information for any business, financial or legal advisors retained or to be retained in connection with the proposed transaction;
- (iii) Deposit: Each Bid must be accompanied by a deposit (the "**Deposit**") in the form of a wire transfer to a non-interest bearing account specified by the Proposal Trustee, payable to the order of the Proposal Trustee, on behalf of the Company, in trust, in an amount equal to fifteen (15%) percent of the cash consideration contemplated by the Bid or as otherwise contemplated in any fully executed transaction document, to be held and dealt with in accordance with the terms of the SSP;
- (iv) Financial Wherewithal: Each Bid must include:
 - A. written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the Proposal Trustee to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction, fund the business, and implement post-Closing measures and transactions; and
 - B. the identification of any Person or entity who may provide debt or equity financing for the Bid and any material conditions to be satisfied in connection with such financing;
- (v) Authorization: Each Bid must include evidence, in form and substance reasonably satisfactory to the Proposal Trustee, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and Closing of the transaction contemplated by the Bid;
- (vi) No Other Authorization, Diligence, Financing Conditions: A Bid may not be conditional upon the following:
 - A. any internal approval(s);
 - B. the outcome of unperformed due diligence by the Qualified Bidder; or
 - C. obtaining financing;
- (vii) Regulatory Approvals: Each Bid must be in compliance with Alberta Energy Regulator requirements and outline any anticipated regulatory

and other approvals required to close the transaction, and the anticipated time frame and any anticipated impediments for obtaining such approvals and confirms that the Qualified Bidder will make and submit all necessary and applicable regulatory filings and pay all fees associated therewith;

- (viii) Disclaimer of Fees: Each Bid must disclaim any right to receive a fee analogous to a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation;
- (ix) Timeline: Each Bid must provide a timeline to Closing with critical milestones and shall confirm that the Qualified Bidder will use commercially reasonable efforts to Close by the Target Closing Date;
- (x) Confirmation of no collusion: Each Bid should include confirmation by the Qualified Bidder that it has not engaged in any discussions or any other collusive behaviour with any other Qualified Bidder regarding the SSP or any Bids submitted or contemplated to be submitted in the SSP; and
- (xi) Other Information: Each Bid must contain such other information as may be reasonably required to evaluate the Bid or as may be requested by the Proposal Trustee from time to time.

29. Notwithstanding anything herein to the contrary, the Proposal Trustee, the Company and Sayer will review each Bid to assess whether they are Qualified Bids, with the final decision resting with the Proposal Trustee, following consultation with the Company and Sayer. In performing such review and assessment, the Bids will be evaluated based on the following non-exhaustive list of considerations:

- (a) the purchase price and net value (including assumed liabilities and other obligations to be assumed or otherwise performed by the Qualified Bidder);
- (b) the firm, irrevocable commitment for financing of the transaction;
- (c) the claims likely to be created by such Bid in relation to other Bids;
- (d) the counterparties to the transaction;
- (e) the terms of transaction documents;
- (f) the Closing conditions and other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals required to close the transaction);
- (g) planned treatment of stakeholders;
- (h) the assets or liabilities included or excluded from the Bid, including whether the Property subject to such Bid is on a "white map" basis and includes all Property within one or more bid areas delineated by Sayer;
- (i) compliance with Alberta Energy Regulator requirements;

- (j) any restructuring costs that would arise from the Bid;
 - (k) the likelihood and timing of consummating the transaction,
 - (l) the financing or cash *pro forma* available post-Closing to fund the Company's business; and
 - (m) the capital sufficient to implement post-Closing measures and transactions.
30. The Proposal Trustee, in consultation with the Company and Sayer, may reject any Bid that is (a) inadequate or insufficient; (b) not in conformity with the requirements pursuant to the SSP; (c) contrary to the best interest of the Company; or (d) not a Qualified Bid; provided that the Proposal Trustee may waive strict compliance with any one or more of the requirements specified in the SSP and deem a non-compliant Bid to be a Qualified Bid.

Selection of Successful Bid

31. The Proposal Trustee, in consultation with the Company and Sayer, may clarify or negotiate amended terms with respect to any Qualified Bid, and such Qualified Bid may be amended, modified, or varied as a result of such clarification or negotiation. For greater certainty, the Proposal Trustee, in consultation with the Company and Sayer, shall be entitled to request that any Qualified Bidder submit a revised bid.
32. In the event that no Qualified Bid is: (a) acceptable to the Proposal Trustee, acting reasonably, or (b) likely to result in a Successful Bid (as defined below), the Proposal Trustee, in consultation with the Company and Sayer, may immediately terminate the SSP.
33. The Proposal Trustee, in consultation with the Company and Sayer, may, but is not obligated to, select the highest or best Qualified Bid received during the SSP (the "**Successful Bid**" and the party submitting such Successful Bid, the "**Successful Bidder**") and has the discretion to identify and record the next highest or best Qualified Bid (the "**Back-Up Bid**" and the party submitting such Back-Up Bid, the "**Back-Up Bidder**"). For greater certainty, the Proposal Trustee shall have no obligation to select a Successful Bid or Back-Up Bid and expressly reserves the right to reject any or all Qualified Bids.
34. If a Successful Bid, and Back-Up Bid, as applicable, is selected, the Proposal Trustee shall advise: (a) the Successful Bidder and the Back-Up Bidder of such determination, and (b) all other Qualified Bidders that they are not a Successful Bidder or Back-Up Bidder.

Bid Approval Application

35. The Company shall take all necessary steps to implement the transaction contemplated by the Successful Bid and either the Company or the Proposal Trustee shall apply to the Court (the "**Bid Approval Application**") for an Order approving the Successful Bid and authorizing the Company to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to implement and give effect to the Successful Bid.

36. The hearing of the Bid Approval Application will be held as soon as practical after the selection of the Successful Bid. The Bid Approval Application may be adjourned or rescheduled by the Company or the Proposal Trustee, as applicable.
37. All Qualified Bids (other than the Successful Bid and the Back-Up Bid) will be deemed rejected on the date the Successful Bid is approved by the Court.

Closing the Successful Bid

38. The Company and the Successful Bidder shall take all reasonable steps to complete the transaction contemplated by the Successful Bid by the Target Closing Date, and in any event no later than the Outside Date, unless otherwise agreed by the parties.
39. If the transaction contemplated by the Successful Bid does not close for any reason, the Proposal Trustee, in consultation with the Company and Sayer, may elect to seek to complete the transaction contemplated by the Back-Up Bid and will promptly seek to Close the transaction contemplated by the Back-Up Bid. The Back-Up Bid will be deemed to be the Successful Bid and the Company will be deemed to have accepted the Back-Up Bid only when the Proposal Trustee has made such election and provided written notice of such determination to the Successful Bidder and the Back-Up Bidder.

Deposits

40. All Deposits shall be retained by the Proposal Trustee in a trust account with a chartered bank in Canada. The Deposit (without interest thereon) paid by the Successful Bidder and Back-Up Bidder, as applicable, whose Qualified Bid(s) is/are approved at the Bid Approval Application will be applied to the purchase price to be paid by the Successful Bidder and/or Back-Up Bidder, as applicable, upon Closing of the approved transaction, and will be non-refundable other than as set out in the Successful Bid or the Back-Up Bid, as applicable.
41. The Deposits of Qualified Bidders not selected as the Successful Bidder or Back-Up Bidder will be returned to such Qualified Bidders within five (5) Business Days of the date the Successful Bid or the Back-Up Bid is approved by the Court. The Deposit of the Back-Up Bidder, if any, shall be returned to such Back-Up Bidder no later than five (5) Business Days after Closing of a transaction with the Successful Bidder.
42. If the Successful Bidder or Back-up Bidder, as applicable, breaches its obligations under the terms of the SSP, its Deposit shall be considered non-refundable and forfeited as liquidated damages and not as a penalty.
43. If the Company is unable to complete the Successful Bid as a result of its own actions and not as a result of steps or conditions contained in the Successful Bid (or the actions of the Successful Bidder), then the Deposit shall be returned to the Successful Bidder.

Notice

44. The addresses used for delivering documents as prescribed by the terms and conditions of the SSP are set out in **Schedule "B"** hereto. All documents required to be delivered to the Company and Sayer or the Proposal Trustee pursuant to the SSP shall be delivered to the Company and Sayer and the Proposal Trustee by e-mail, personal delivery, or by

courier. Persons requesting information about the SSP should contact the Proposal Trustee at the contact information contained in **Schedule "B"**.

Amendment

45. The Proposal Trustee, in consultation with the Company and Sayer, shall have the right to modify the SSP, including any deadlines set out herein, if, in its reasonable business judgment such modification will enhance the process or better achieve the objectives of the SSP.

Credit Bid

46. Any secured creditor of the Company, including an interim financing lender, shall be entitled to participate in this SSP as a credit bidder (the "**Credit Bidder**"). Any credit bid submitted by a Credit Bidder shall be based on the form of the Template APA, with such changes as are appropriate for credit bids (the "**Credit Bid**").
47. For the purposes of any Credit Bid submitted by a Credit Bidder, such Credit Bidder shall be entitled to credit all or any portion of its secured indebtedness but must either:
- (a) irrevocably pay, in cash and in full, all of the obligations in priority (the "**Priority Obligations**") to the Credit Bidder's secured indebtedness, including for reference any amounts that are priority charges (the "**Priority Charges**") created in the Proposal Proceedings (namely, the Administration Charge, the D&O Charge or any DIP Charge (as defined in the Court's January 6, 2025 Order or any subsequent Order)); or
 - (b) assume or otherwise satisfy any of the Priority Obligations on terms and conditions acceptable to the beneficiary of the security for such Priority Obligations (except for the Administration Charge, the D&O Charge or the DIP Charge (if applicable), which must be paid in cash and in full if there are amounts owing on them at the conclusion of the Proposal Proceedings).
48. Any Credit Bid shall be accompanied by a Deposit sent by wire transfer to the Proposal Trustee. Any such Deposit is to be held by the Proposal Trustee and dealt with in accordance with the SSP.

Further Orders

49. The Proposal Trustee may at any time apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder, including to terminate the SSP if deemed to be necessary by the Proposal Trustee, acting reasonably.

Schedule "A"

Defined Terms

"Back-Up Bid" has the meaning given to it in paragraph 33.

"Back-Up Bidder" has the meaning given to it in paragraph 33.

"BIA" has the meaning given to it in paragraph 1.

"Bid" has the meaning given to it in paragraph 26.

"Bid Approval Application" has the meaning given to it in paragraph 35.

"Binding Bid Submission Date" has the meaning given to it in paragraph 16.

"Business Day" means a day (other than Saturday or Sunday) on which banks are generally open for business in Calgary, Alberta.

"Closing" means the completion of the transaction contemplated by the Successful Bid.

"Company" has the meaning given to it in paragraph 1.

"Court" has the meaning given to it in paragraph 2.

"Credit Bid" has the meaning given to it in paragraph 46.

"Credit Bidder" has the meaning given to it in paragraph 46.

"Deposit" has the meaning given to it in paragraph 28(e)(iii).

"Known Potential Bidders" has the meaning given to it in paragraph 17.

"NDA" has the meaning given to it in paragraph 19(b).

"NOI" has the meaning given to it in paragraph 1.

"Non-Binding LOI" has the meaning given to it in paragraph 5(a).

"Non-Binding LOI Submission Date" has the meaning given to it in paragraph 16.

"OSB" has the meaning given to it in paragraph 1.

"Outside Date" has the meaning given to it in paragraph 16.

"Person" will be broadly interpreted and includes, without limitation: (i) a natural person, whether acting in his or her own capacity, or in his or her capacity as executor, administrator, estate trustee, trustee or personal or legal representative, and the heirs, executors, administrators, estate trustees, trustees or other personal or legal representatives of a natural person; (ii) a corporation or a Company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an

unincorporated organization or any other association, organization or entity of any kind; and (iii) a governmental authority.

"Potential Bidder" has the meaning given to it in paragraph 18.

"Priority Charges" has the meaning given to it in paragraph 47(a).

"Priority Obligations" has the meaning given to it in paragraph 47(a).

"Property" means all of the Company's current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof.

"Proposal Proceedings" means collectively the proceedings commenced by the Company upon the filing of a notice of intention to make a proposal on December 8, 2024, as applicable, in Court and Estate No.: B301-163430.

"Proposal Trustee" has the meaning given to it in paragraph 1.

"Qualified Bid" has the meaning given to it in paragraph 28.

"Qualified Bidder" has the meaning given to it in paragraph 24(a).

"Qualified LOI" has the meaning given to it in paragraph 23.

"Sayer" has the meaning given to it in paragraph 2.

"SSP" has the meaning given to it in paragraph 2.

"Successful Bid" has the meaning given to it in paragraph 33.

"Successful Bidder" has the meaning given to it in paragraph 33.

"Target Closing Date" has the meaning given to it in paragraph 16.

"Teaser" has the meaning given to it in paragraph 19(a).

"Template APA" has the meaning given to it in paragraph 28(a).

"VDR" has the meaning given to it in paragraph 19(c).

Schedule "B"

Notice

- (a) If to the Company:

CLEO Energy Corp.
117 8 Ave SW #200
Calgary, AB T2P 1B4
Attention: Chris Lewis
E-mail: clewis@cleoenergy.com

with a copy to:

Gowling WLG
Suite 1600, 421 7 Ave SW
Calgary, AB T2P 4K9
Attention: Sam Gabor / Tom Cumming
E-mail: sam.gabor@gowlingwlg.com / tom.cumming@gowlingwlg.com

- (b) If to the Proposal Trustee

Alvarez & Marsal Canada Inc.
Bow Valley Square IV
Suite 1110, 250 – 6th Avenue SW
Calgary, AB T2P EH7
Attention: Orest Konowalchuk / David Williams
E-mail: okonowalchuk@alvarezandmarsal.com /
david.williams@alvarezandmarsal.com


with a copy to:

Miller Thomson LLP
525-8th Avenue SW, 43RD Floor
Eighth Avenue Place East
Calgary, AB T2P 1G1
Attention: James Reid
Email: jwreid@millerthomson.com

- (c) If to Sayer

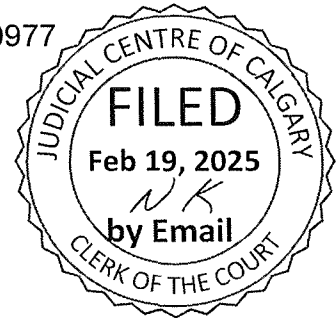
Sayer Energy Advisors
1620, 540 5th Avenue SW
Calgary, AB T2P 0M2
Attention: Tom Pavic, CFA, President
Email: TPavic@sayeradvisors.com

This is Exhibit "E" referred to in the Affidavit of
Greg Thompson sworn before me this 26th day of
May, 2025

A handwritten signature in black ink, appearing to read 'AARON DOW', is written over a horizontal line.

A COMMISSIONER FOR OATHS IN AND FOR
BRITISH COLUMBIA

AARON DOW
Barrister • Solicitor
LAWSON LUNDELL LLP
1800 - 1631 Dickson Avenue
Kelowna, BC V1Y 0B5



COURT FILE NO. B301-163430
 COURT COURT OF KING'S BENCH OF ALBERTA
 JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
 PROPOSAL OF CLEO ENERGY CORP.

APPLICANT CLEO ENERGY CORP.

DOCUMENT **ORDER (Stay Extension, Interim Financing, Interim Financing Charge
 and Other Relief)**

ADDRESS FOR SERVICE AND
 CONTACT INFORMATION OF
 PARTY FILING THIS
 DOCUMENT

Gowling WLG (Canada) LLP
 1600, 421 – 7th Avenue SW
 Calgary, AB T2P 4K9

Attn: **Sam Gabor/ Tom Cumming**
 Phone: 403.298.1946/ 403.298.1938
 Fax: 403.263.9193
 Email: sam.gabor@gowlingwlg.com/ tom.cumming@gowlingwlg.com
 File No.: G10010664

DATE ON WHICH ORDER WAS PRONOUNCED: February 19, 2025

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

JUSTICE WHO MADE THIS ORDER: The Honourable Justice M.J. Lema in
 Commercial Chambers

UPON THE APPLICATION of Cleo Energy Corp. (“**Cleo**”) filed December 23, 2024; **AND UPON** reading the Affidavit of Chris Lewis sworn February 10, 2025 (the “**Affidavit**”), and the Affidavit of Service of Sherry Langley, sworn February 13, 2025; **AND UPON** reading the Third Report of Alvarez & Marsal Canada Inc. in its capacity as proposal trustee of Cleo (in such capacity, the “**Proposal Trustee**”) dated February 12, 2025; **AND UPON** hearing submissions by counsel for Cleo, the Proposal Trustee, counsel for the Proposal Trustee and any other counsel or other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today, and no other than those persons served is entitled to service of the notice of application.

EXTENSION OF TIME TO FILE A PROPOSAL

2. The time within which Cleo is required to file a proposal to its creditors with the Official Receiver under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BLA**”) is hereby extended to April 4, 2025 (as extended from time to time, the “**Filing Period**”).

INTERIM FINANCING

3. The increase in the maximum principal amount that Cleo is authorized to borrow under the interim financing facility provided for in the commitment letter dated January 5, 2025 between uCapital – uLoan Solutions Inc. (“**uCapital**”) and Cleo to \$1,000,000 is hereby authorized and the second amending agreement dated February 10, 2025 providing for such increase is hereby approved.
4. Paragraph 6 of the Order of the Honourable Justice M.J. Lema pronounced January 6, 2025 is hereby amended to increase the principal amount of the Interim Lender’s Charge in favour of uCapital from \$900,000 to \$1,000,000, together with any interest accrued thereon or costs and expenses incurred thereunder.

GENERAL

5. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier to the service list (the “**Service List**”) in the proceedings. Service is deemed to be effected the next business day following transmission or delivery of this Order.
6. This Order shall be posted on the Proposal Trustee’s website for these proceedings at: <https://www.alvarezandmarsal.com/CLEO>.



J.C.K.B.A.

This is Exhibit "F" referred to in the Affidavit of
Greg Thompson sworn before me this 26th day of
May, 2025

A handwritten signature in black ink, appearing to read 'AARON DOW', is written over a horizontal line.

A COMMISSIONER FOR OATHS IN AND FOR
BRITISH COLUMBIA

AARON DOW
Barrister • Solicitor
LAWSON LUNDELL LLP
1800 - 1631 Dickson Avenue
Kelowna, BC V1Y 0B5

COURT FILE NO. B301-163430
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



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

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF CLEO ENERGY CORP.

APPLICANT CLEO ENERGY CORP.

DOCUMENT **ORDER (Stay Extension)**

ADDRESS FOR SERVICE AND
CONTACT **Gowling WLG (Canada) LLP**
1600, 421 – 7th Avenue SW
Calgary, AB T2P 4K9

INFORMATION OF
PARTY FILING THIS
DOCUMENT

Attn: **Sam Gabor / Tom Cumming**
Phone: 403.298.1946 / 403.298.1938
Fax: 403.263.9193
Email: sam.gabor@gowlingwlg.com / tom.cumming@gowlingwlg.com
File No.: G10010664

DATE ON WHICH ORDER WAS PRONOUNCED: March 25, 2025

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

JUSTICE WHO MADE THIS ORDER: The Honourable Justice M.H. Bourque
in Commercial Chambers

UPON THE APPLICATION of Cleo Energy Corp. (“**Cleo**”) filed December 23, 2024 for
an order extending the time within which a proposal must be filed;

AND UPON reading the Affidavit of Chris Lewis sworn March 17, 2025 (the “**Affidavit**”),
the Affidavit of Service of Sherry Langley, sworn March 21, 2025 and the Fourth Report of Alvarez
& Marsal Canada Inc. in its capacity as proposal trustee of Cleo (in such capacity, the “**Proposal
Trustee**”) dated March 19, 2025; **AND UPON** hearing submissions by counsel for Cleo, the Proposal
Trustee, counsel for the Proposal Trustee and any other counsel or other interested parties present,

IT IS HEREBY ORDERED THAT:

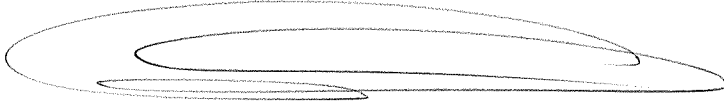
1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and
deemed good and sufficient and this application is properly returnable today, and no other than those
persons served is entitled to service of the notice of application.

2. The time within which Cleo is required to file a proposal to its creditors with the Official Receiver under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”) is hereby extended to May 9, 2025 (as extended from time to time, the “**Filing Period**”).
3. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier to the service list (the “**Service List**”) in the proceedings. Service is deemed to be effected the next business day following transmission or delivery of this Order.
4. This Order shall be posted on the Proposal Trustee’s website for these proceedings at: <https://www.alvarezandmarsal.com/CLEO>.



J.C.K.B.A.

This is Exhibit "G" referred to in the Affidavit of
Greg Thompson sworn before me this 26th day of
May, 2025

A handwritten signature in black ink, appearing to read 'AARON DOW', written over a horizontal line.

A COMMISSIONER FOR OATHS IN AND FOR
BRITISH COLUMBIA

AARON DOW
Barrister • Solicitor
LAWSON LUNDELL LLP
1800 - 1631 Dickson Avenue
Kelowna, BC V1Y 0B5

COURT FILE NO. B301-163430
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



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

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF CLEO ENERGY CORP.

APPLICANT CLEO ENERGY CORP.

DOCUMENT **ORDER (Stay Extension)**

ADDRESS FOR SERVICE AND
CONTACT **Gowling WLG (Canada) LLP**
1600, 421 – 7th Avenue SW
Calgary, AB T2P 4K9

INFORMATION OF
PARTY FILING THIS
DOCUMENT

Attn: **Sam Gabor / Tom Cumming**

Phone: 403.298.1946 / 403.298.1938

Fax: 403.263.9193

Email: sam.gabor@gowlingwlg.com / tom.cumming@gowlingwlg.com

File No.: G10010664

DATE ON WHICH ORDER WAS PRONOUNCED: April 30, 2025

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

JUSTICE WHO MADE THIS ORDER: The Honourable Justice Armstrong in
Commercial Chambers

UPON THE APPLICATION of Cleo Energy Corp. (“**Cleo**”) filed April 22, 2025 for an
order extending the time within which a proposal must be filed;

AND UPON reading the Affidavit of Chris Lewis sworn April 22, 2025 (the “**Affidavit**”),
the Affidavit of Service of Sherry Langley, sworn April 29, 2025 and the Fifth Report of Alvarez &
Marsal Canada Inc. in its capacity as proposal trustee of Cleo (in such capacity, the “**Proposal
Trustee**”) dated April 24, 2025; **AND UPON** hearing submissions by counsel for Cleo, the Proposal
Trustee, counsel for the Proposal Trustee and any other counsel or other interested parties present,

IT IS HEREBY ORDERED THAT:

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and
deemed good and sufficient and this application is properly returnable today, and no other than those
persons served is entitled to service of the notice of application.

2. The time within which Cleo is required to file a proposal to its creditors with the Official Receiver under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “*BIA*”) is hereby extended to June 8, 2025 (as extended from time to time, the “**Filing Period**”).
3. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier to the service list (the “**Service List**”) in the proceedings. Service is deemed to be effected the next business day following transmission or delivery of this Order.
4. This Order shall be posted on the Proposal Trustee’s website for these proceedings at: <https://www.alvarezandmarsal.com/CLEO>.


J.C.K.B.A.

This is Exhibit "H" referred to in the Affidavit of
Greg Thompson sworn before me this 26th day of
May, 2025

A handwritten signature in black ink, appearing to read 'AARON DOW', written over a horizontal line.

A COMMISSIONER FOR OATHS IN AND FOR
BRITISH COLUMBIA

AARON DOW
Barrister • Solicitor
LAWSON LUNDELL LLP
1800 - 1631 Dickson Avenue
Kelowna, BC V1Y 0B5

January 5, 2025

Chris Lewis
Cleo Energy Corp.
200-117 8 Ave SW
Calgary, Alberta T2P 1B4

RE: Debtor-in-Possession Financing

Dear Chris,

Cleo Energy Corp. (the "**Borrower**") has initiated restructuring proceedings under the *Bankruptcy and Insolvency Act* R.S.C., 1985, c. B-3 (the "**BIA**"). The Court of King's Bench of Alberta (the "**Court**") has jurisdiction over such proceedings. Further, Alvarez & Marsal Canada Inc. ("**A&M**") has been appointed as Proposal Trustee in the BIA proceedings.

Based on the information provided by the Borrower, **uCapital - uLoan Solutions Inc.** (the "**Lender**") is prepared to offer the Borrower, debtor-in-possession financing in the amount of up to \$750,000.00 (the "**DIP Loan**") according to the terms and conditions set forth in this letter of offer (the "**Letter of Offer**").

LOAN PURPOSE		FUNDING	
Financing of the day-to-day expenses and professional fees of the Borrower and A&M in accordance with the cash flow projection approved and recommended by A&M and filed with the Court in support of the request for DIP financing (the " Cash Flow Projection "), attached hereto as Schedule "A" (the " Project "), subject to the terms and conditions of this Letter of Offer.	\$750,000.00	DIP Loan to be disbursed in accordance with the Disbursement Procedure below.	\$750,000.00
	\$750,000.00		\$750,000.00

Neither the Project nor the terms and conditions of the DIP Loan may be changed without the prior written consent of the Lender. The amount of the DIP Loan may only be applied to this Project.

Amount of Loan \$750,000.00
Authorization Date January 5, 2025

Term	<p>The term of the DIP Loan shall be that period commencing on the date of issuance of the DIP Order (as hereinafter defined) and ending on the earliest of (such ending date, the "Maturity Date"):</p> <ul style="list-style-type: none">(a) May 8th, 2025, or such other date as agreed to between the parties;(b) the termination of the BIA proceedings; or(c) the occurrence of an Event of Default (as hereinafter defined).
Disbursement Procedure	<p>The DIP Loan shall be disbursed as required and in accordance with the Cash Flow Projection, commencing within two-business days of the DIP Order being granted.</p> <p>In addition to the conditions precedent and underlying conditions set forth in this Letter of Offer, the Borrower agrees that each disbursement shall be conditional upon the fulfilment of each of the following conditions to the satisfaction of the Lender:</p> <ul style="list-style-type: none">(a) the Borrower shall have given the Lender, in the form set out in Schedule "B" attached hereto, a draw notice signed by an officer of the Borrower confirming that the said disbursement falls within the Cash Flow Projection; and(b) A&M shall confirm that the disbursement requested in the draw notice is compliant with the terms and conditions of this Letter of Offer.
Repayment	<p>On the Maturity Date, the Borrower shall repay the entire outstanding principal amount of the DIP Loan in full, together with any accrued interest, fees and expenses without deduction or set-off.</p> <p>During the Term, the Borrower may repay any principal amount of the DIP Loan without penalty provided the minimum amount of any such repayment is no less than \$25,000.00. The amount of the DIP Loan shall automatically be reduced by the amount of such repayment and any repaid amount may not subsequently be reborrowed.</p>
Interest	<p>Interest is payable monthly, at a rate of 3% per month.</p>
Payment of Interest	<p>The Borrower shall pay the interest calculated monthly at the rate and in the manner set out in this Letter of Offer on the 26th day of each month or the following business day if the 26th falls on a non-business day in Alberta.</p>
Fees	<p>Onpayment in full of the DIP Loan, an additional \$50,000 fee will be earned and payable, in full.</p>

Security

As a specific and continuous guarantee of the performance by the Borrower of all their obligations toward the Lender under this term sheet (including the payment of principal, interest, fees and any other sums), the Borrower agrees to grant the following security:

- (a) a Court authorized first-ranking, valid, enforceable financing charge with priority over all creditors of the Borrower, in an amount to match the anticipated draws required by the Borrower from the Lender from time to time as prescribed by the Cash Flow Projection, which shall not exceed \$900,000.00 (the "**DIP Charge**") charging all the property, assets and undertakings of the Borrower granted pursuant to the DIP Order (as hereinafter defined) that includes standard debtor-in-possession terms and conditions satisfactory to the Lender acting reasonably, pursuant to section 50.6(1) of the BIA, as the case may be, subject only to an administration charge not to exceed \$700,000 (the "**Administration Charge**")

(collectively, the "**DIP Lender Security**")

DIP Documentation

All documentation with respect to the DIP Loan, including the DIP Lender Security and DIP Order (as defined hereafter) (collectively, the "**DIP Loan Documentation**") shall be in form and substance acceptable to the Lender.

Conditions Precedent

Prior to any disbursement, the following conditions precedent will have been met in a manner satisfactory to the Lender at its sole discretion:

- (a) the Borrower is subject to restructuring proceedings under the BIA;
- (b) the Borrower has obtained an order made by the Court (the "**DIP Order**") in form and content satisfactory to the Lender, which DIP Order shall include, among other things: (a) the approval of the DIP Loan and all the terms and conditions hereof; (b) authorizing the Borrower to borrow on the terms and conditions outlined in this Letter of Offer and approving same; (c) creating various court-ordered priority charges including (i) the granting of the DIP Charge in favour of the Lender as security over all present and future assets, property and undertaking of the Borrower notwithstanding the terms and conditions of any other agreement to which the Borrower is a party; (ii) the granting of the Administration Charge not to exceed \$700,000 without the approval of the Court; (d) prohibiting the granting of any additional liens, charges, security interests or any other encumbrances upon any of the assets, property or undertaking of the Borrower, without the prior written consent of the Lender; (e) granting the Lender the right, upon the Maturity Date, to enforce the rights and remedies available to it, upon five (5) days written notice to the Borrower and to A&M and their respective legal counsel, pursuant to the DIP Order, this Letter

of Offer, the DIP Lender Security, and any additional rights and remedies available to it, at law or in equity; (f) prohibiting any further borrowing by the Borrower, without the prior written consent of the Lender; (g) authorizing (but not obligating) the Lender to effect such registrations, filings and recordings wherever the Lender in its discretion deems appropriate regarding the DIP Loan Documentation including the DIP Lender Security and the DIP Charge; (h) declaring that the granting of the security by the Borrower provided for in the DIP Loan Documentation including the DIP Lender Security and the DIP Charge and the execution and delivery of all other documents and instruments contemplated herein, the payment of all amounts by the Borrower to the Lender, including any and all fees and interest, and the actions taken to perfect and record the DIP Lender Security do not constitute fraudulent preferences, fraudulent conveyances, transfers at undervalue, conduct meriting an oppression remedy, or other transactions which might be challenged or reviewed under applicable federal or provincial legislation; (i) declaring the DIP Order, and the DIP Charge granted thereunder, binding upon a trustee in bankruptcy of the Borrower, a proposal trustee, a monitor, a receiver, an interim-receiver, a receiver-manager or any other officer of the Court each a "**Receiver**"; (j) staying any other secured or unsecured creditor from exercising any rights against the Borrower and its property, without further order of the Court; and (m) such other terms and conditions as the Lender may reasonably deem necessary or appropriate;

- (c) the DIP Order shall be in full force and effect; final and non-appealable; and shall not have been reversed, stayed, modified, amended or varied, without the express written consent of the Lender; and no application or motion shall have been made to the Court for any stay, modification or amendment of the DIP Order;
- (d) no Event of Default (as hereinafter defined) shall have occurred;
- (e) the Lender has received A&M's report pursuant to subsection 50.4(2) of the BIA with respect to the Cash Flow Projection. The conclusions of A&M's report shall be satisfactory to the Lender;
- (f) the Cash Flow Projection shall have been reviewed by A&M, A&M shall have confirmed to the Lender that it is satisfied therewith, and the Lender shall be satisfied with the Cash Flow Projection and such confirmation, acting reasonably;
- (g) the Borrower's counsel shall provide a letter on its letterhead providing a description of the DIP Charge and the priority provided under the DIP Order, including as against the Canada Revenue Agency, the Alberta Energy Regulator and other potential creditors,

which letter shall be subject to such qualifications as the Borrower's counsel considers appropriate, acting reasonably; and

- (h) the board of directors of the Lender shall have by resolution approved this Letter of Offer.

Underlying Conditions

During the Term of the DIP Loan, the following underlying conditions shall be met in a manner satisfactory to the Lender at its sole discretion:

- (a) the Borrower shall only use the DIP Loan for the purposes set out in this Letter of Offer, unless otherwise agreed to in writing by the Lender;
- (b) the Borrower shall comply with any order made by the Court;
- (c) the Borrower shall diligently continue its restructuring proceedings under the BIA;
- (d) the Borrower shall not pay any interest, dividends, salaries, remuneration, management fees or any other form of payments or distributions to the shareholders of the Borrower without the prior written consent of the Lender;
- (e) the Borrower shall comply with the financial projections set forth in the Cash Flow Projection;
- (f) the Borrower shall provide such documents or information to the Lender as the Lender shall reasonably request, which shall be provided within a reasonable time according to the circumstances;
- (g) the Borrower shall authorize A&M to disclose to the Lender any financial or other information of which it is aware;
- (h) the Borrower shall provide written notice of an occurrence (an "**Occurrence**") of a default under a material contract to which the Borrower is a party which is likely to have a material adverse effect or of an Event of Default (as defined below) together with any notice, letter or other document (a "**Default Notice**") received by the Borrower from a third party advising of an Occurrence, within three days of the date of the Occurrence or of receipt of the Default Notice;
- (i) the Borrower shall maintain the current insurance coverage over its assets and property and designate the Lender as loss payee as its interest may appear; and
- (j) the Borrower shall not sell, transfer, assign or deal in any way with any of its property, assets or undertaking out of the ordinary course of business, without the prior written consent of the Lender or an

order of the Court.

Events of Default

In addition to the events of default set out in the DIP Lender Security, the following events shall constitute events of default (each, an **"Event of Default"**):

- (a) if the Borrower fails to pay to the Lender when due any amount of principal, interest, fees or other amounts under the DIP Loan, whether by acceleration or otherwise;
- (b) if the Borrower defaults in the observance or performance of any underlying condition or covenant contained in this Letter of Offer or the DIP Lender Security;
- (c) if the Borrower deviates materially from the Cash Flow Projection;
- (d) if the Lender determines, acting reasonably, that a material adverse change has occurred after the date hereof in respect of the business, affairs or financial condition of the Borrower;
- (e) if DIP Order is varied without the written consent of the Lender or any other order is made which is or may be prejudicial to the Lender's interests;
- (f) if the Borrower fails to pay, when due, any statutory liens, trusts and other Crown claims including employee source deductions, GST and any payments required by any work place safety legislation, wages, vacation pay and insurance premiums;
- (g) if the stay of proceedings granted to the Borrower pursuant to the restructuring proceedings under the BIA, as the case may be, is terminated; or
- (h) if any person challenges the enforceability of any of the rights of the Lender hereunder or pursuant to any of the DIP Lender Security and any such challenge has not been dismissed or determined by the Court within the BIA proceedings, as the case may be, within 15 days.

Remedies

Upon the Maturity Date, the Lender may immediately terminate the DIP Loan and enforce, upon five (5) Business Days written notice to the Borrower and A&M, all of its rights and remedies against the Borrower and its property, assets and undertaking including, without limitation, the enforcement of the DIP Lender Security and the ability to apply to the Court for the appointment of a Receiver; and all amounts outstanding under the DIP Loan shall immediately become due and payable without further notice, demand or delay.

Other Costs

In addition, any and all costs, charges, and expenses (including, without limitation, lawyers' fees as between solicitor and his own client, on a full indemnity basis, as well as accounting, appraisal, environmental and consulting fees) incurred by the Lenders in connection with the restructuring proceedings, the DIP Loan, the DIP Loan Documentation, the DIP Lender Security, the DIP Order, the DIP Charge, the enforcement of any rights and remedies regarding the aforementioned and the restructuring of the Borrower including, are for the account of the Borrower.

Governing Law

This Letter of Offer as well as the interpretation and exercise of the recourses hereunder shall be subject to and governed by the laws of the Province of Alberta and the laws of Canada applicable therein.

Further Assurances

Upon notice from the Lender, the Borrower shall sign (or cause to be signed) all further documents, do (or cause to be done) all further acts, and provide all reasonable assurances as the Lender may reasonably require to give effect to this Letter of Offer and the financing contemplated hereunder.

Amendments

This Letter of Offer may only be amended by a written agreement signed by the Lender and the Borrower.

Counterparts

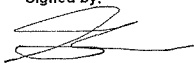
This Letter of Offer may be signed in any number of counterparts and by facsimile or portable electronic document format, each of which when taken together shall constitute one and the same original document.

Binding

This Letter of Offer is a binding loan agreement subject to the terms and conditions herein.

Thank you for giving us the opportunity to discuss our ability to meet your financing requirements. We look forward to continuing to work with you.

Yours truly,

Signed by:


AEDAD144AE06465...

uCapital - uLoan Solutions Inc
Greg Thompson
Partner

ACCEPTANCE

To: uCapital - uLoan Solutions Inc.

Attention: Greg Thompson

We certify that all the information provided to the Lender is true, we accept the terms set forth herein and we acknowledge receipt of a copy of this Letter of Offer and the schedules forming part thereof.

Accepted on January 5, 2025.

CLEO ENERGY CORP

Per: 

Name:

Title:

Schedule "A"

CASH FLOW PROJECTION

Schedule "B"

DRAW NOTICE

To: uCapital - uLoan Solutions Inc.

Attention: Greg Thompson

RE: Debtor-in-Possession Financing

Dear Sir,

I refer you to the Letter of Offer of debtor-in-possession financing entered into on January 5, 2025 between Cleo Energy Corp as Borrower and uCapital - uLoan Solutions Inc., as DIP Lender. Capitalized terms which are used but not defined in this draw notice have the meaning given to them in the Letter of Offer.

We confirm our draw notice concerning a disbursement as follows:

Amount of disbursement: \$

Disbursement date:

As of the date hereof, we confirm that the representations made or given in the DIP Loan are still true and accurate in all material respects, that the said disbursement falls within the Cash Flow Projection and that no Event of Default has occurred.

We also confirm the execution of the previous draw by each of the parties.

CLEO ENERGY CORP.

Per: _____
Name:
Title:

This is Exhibit "I" referred to in the Affidavit of
Greg Thompson sworn before me this 26th day of
May, 2025

A handwritten signature in black ink, appearing to read 'AARON DOW', written over a horizontal line.

A COMMISSIONER FOR OATHS IN AND FOR
BRITISH COLUMBIA

AARON DOW
Barrister • Solicitor
LAWSON LUNDELL LLP
1800 - 1631 Dickson Avenue
Kelowna, BC V1Y 0B5

January 6, 2025

Chris Lewis
Cleo Energy Corp.
200-117 8 Ave SW
Calgary, Alberta T2P 1B4

RE: Debtor-in-Possession Financing

Dear Chris,

We refer to the offer letter dated this January 6, 2025 (the "**Letter of Offer**") pursuant to which **uCapital - uLoan Solutions Inc.** (the "**Lender**") has agreed to provide Cleo Energy Corp. (the "**Borrower**") with a debtor-in-possession financing of up to \$750,000.00 (the "**DIP Loan**") during the pendency of the Borrower's restructuring proceedings under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**").

The Letter of Offer stipulated that interest is payable monthly at a rate of 3% per month, but the equivalent annual rate of 36% per annum was inadvertently not included. Therefore, the Borrower and Lender hereby agree to amend the interest provision of the Letter of Offer to read as follows:

"Interest is payable monthly, at a rate of 3% per month or 36% per annum."

If you are in agreement with the amendment set out above, please sign the acceptance set out below.

Yours truly,

uCapital - uLoan Solutions Inc
Greg Thompson
Partner

ACCEPTANCE

To: uCapital - uLoan Solutions Inc.

Attention: Greg Thompson

We agree to the amendment to the Letter of Offer set out above.

Accepted on January 6, 2025.

CLEO ENERGY CORP.

Per: 

Name: Chris Lewis

Title: Executive Chairman and CEO

This is Exhibit "J" referred to in the Affidavit of
Greg Thompson sworn before me this 26th day of
May, 2025

A handwritten signature in black ink, appearing to read 'AARON DOW', is written over a horizontal line.

A COMMISSIONER FOR OATHS IN AND FOR
BRITISH COLUMBIA

AARON DOW
Barrister • Solicitor
LAWSON LUNDELL LLP
1800 - 1631 Dickson Avenue
Kelowna, BC V1Y 0B5

February 10, 2025

Chris Lewis
Cleo Energy Corp.
200-117 8 Ave SW
Calgary, Alberta T2P 1B4

RE: Debtor-in-Possession Financing

Dear Chris,

We refer to the offer letter dated this January 5, 2025 (as amended by the first amendment dated January 6, 2025, the "**Letter of Offer**") pursuant to which **uCapital - uLoan Solutions Inc.** (the "**Lender**") provided to Cleo Energy Corp. (the "**Borrower**") a debtor-in-possession interim financing facility (the "**DIP Loan**") in the aggregate maximum principal amount of \$750,000 (the "**Maximum Principal Amount**") during the pendency of the Borrower's restructuring proceedings under Division I of Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**"). Capitalized terms in this second amending agreement (this "**Amendment**").

The Maximum Principal Amount is hereby increased by \$250,000 to \$1,000,000. All other terms of the Commitment Letter remain in full force and effect, unamended except as specified in this Amendment.

The increase in the Maximum Principal Amount shall only become effective upon the satisfaction of the following conditions precedent:

- (a) the Borrower shall have executed and delivered to the Lender the acceptance to this Amendment set out below; and
- (b) the Borrower shall have obtained an order of the Court that will, among on things, extend the time within which the a proposal must be filed under the BIA, approve this Amendment and the increase in the Maximum Principal Amount contemplated hereby, and increase the maximum principal amount of the DIP Charge to \$1,000,000 plus fees, costs and interest accruing thereon.

If you are in agreement with the terms and provisions of this Amendment, please sign the acceptance set out below.

Yours truly,

uCapital - uLoan Solutions Inc
Greg Thompson
Partner



ACCEPTANCE

To: uCapital - uLoan Solutions Inc.

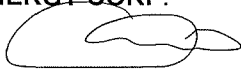
Attention: Greg Thompson

We agree to the amendment to the Letter of Offer set out above.

Accepted on February 10, 2025.

CLEO ENERGY CORP.

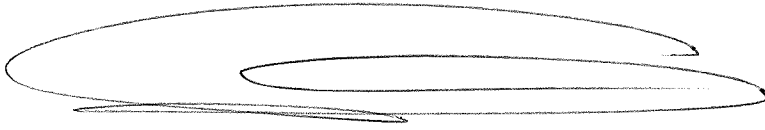
Per:



Name: Christopher Lewis

Title:

This is Exhibit "K" referred to in the Affidavit of
Greg Thompson sworn before me this 26th day of
May, 2025

A handwritten signature in black ink, consisting of a large, sweeping loop followed by a smaller, more defined loop, all contained within a horizontal oval shape.

A COMMISSIONER FOR OATHS IN AND FOR
BRITISH COLUMBIA

AARON DOW
Barrister • Solicitor
LAWSON LUNDELL LLP
1800 - 1631 Dickson Avenue
Kelowna, BC V1Y 0B5

Schedule "B"

DRAW NOTICE

To: uCapital - uLoan Solutions Inc.
Attention: Greg Thompson

RE: Debtor-in-Possession Financing

Dear Sir,

I refer you to the Letter of Offer of debtor-in-possession financing entered into on January 5, 2025 between Cleo Energy Corp as Borrower and uCapital - uLoan Solutions Inc., as DIP Lender. Capitalized terms which are used but not defined in this draw notice have the meaning given to them in the Letter of Offer.

We confirm our draw notice concerning a disbursement as follows:

Amount of disbursement: \$ 275,000

Disbursement date: January 8, 2025

As of the date hereof, we confirm that the representations made or given in the DIP Loan are still true and accurate in all material respects, that the said disbursement falls within the Cash Flow Projection and that no Event of Default has occurred.

We also confirm the execution of the previous draw by each of the parties.

CLEO ENERGY CORP.



Name: Chris Lewis
Title: Executive Chairman

Schedule "B"

DRAW NOTICE

To: uCapital - uLoan Solutions Inc.
Attention: Greg Thompson

RE: Debtor-in-Possession Financing

Dear Sir,

I refer you to the Letter of Offer of debtor-in-possession financing entered into on January 15, 2025 between Cleo Energy Corp as Borrower and uCapital - uLoan Solutions Inc., as DIP Lender. Capitalized terms which are used but not defined in this draw notice have the meaning given to them in the Letter of Offer.

We confirm our draw notice concerning a disbursement as follows:


Amount of disbursement: \$ 275,000

Disbursement date: January 15, 2025

As of the date hereof, we confirm that the representations made or given in the DIP Loan are still true and accurate in all material respects, that the said disbursement falls within the Cash Flow Projection and that no Event of Default has occurred.

We also confirm the execution of the previous draw by each of the parties.

CLEO ENERGY CORP.

A handwritten signature in black ink, appearing to read 'Chris Lewis', is written over a large, irregular, light-colored oval stamp or watermark.

Name: Chris Lewis
Title: Executive Chairman

Schedule "B"

DRAW NOTICE

To: uCapital - uLoan Solutions Inc.
Attention: Greg Thompson

RE: Debtor-in-Possession Financing

Dear Sir,

I refer you to the Letter of Offer of debtor-in-possession financing entered into on January 15, 2025 between Cleo Energy Corp as Borrower and uCapital - uLoan Solutions Inc., as DIP Lender. Capitalized terms which are used but not defined in this draw notice have the meaning given to them in the Letter of Offer.

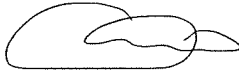
We confirm our draw notice concerning a disbursement as follows:

Amount of disbursement: \$ 200,000
Disbursement date: February 5, 2025

As of the date hereof, we confirm that the representations made or given in the DIP Loan are still true and accurate in all material respects, that the said disbursement falls within the Cash Flow Projection and that no Event of Default has occurred.

We also confirm the execution of the previous draw by each of the parties.

CLEO ENERGY CORP.



Name: Chris Lewis
Title: Executive Chairman

Schedule "B"

DRAW NOTICE

To: uCapital - uLoan Solutions Inc.
Attention: Greg Thompson

RE: Debtor-in-Possession Financing

Dear Sir,

I refer you to the Letter of Offer of debtor-in-possession financing entered into on January 15, 2025 between Cleo Energy Corp as Borrower and uCapital - uLoan Solutions Inc., as DIP Lender. Capitalized terms which are used but not defined in this draw notice have the meaning given to them in the Letter of Offer.

We confirm our draw notice concerning a disbursement as follows:

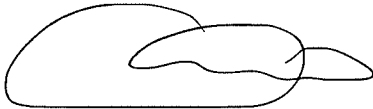
Amount of disbursement: \$ 250,000

Disbursement date: February 20, 2025

As of the date hereof, we confirm that the representations made or given in the DIP Loan are still true and accurate in all material respects, that the said disbursement falls within the Cash Flow Projection and that no Event of Default has occurred.

We also confirm the execution of the previous draw by each of the parties.

CLEO ENERGY CORP.

A handwritten signature in black ink, appearing to read "Chris Lewis", is written over a large, irregular, light-colored oval background.

Name: Chris Lewis
Title: Executive Chairman

Account Number: 509579 **Collateral:** 2025 Debtor in Possession Asset Backed LOC Asset Backed
Borrower: Cleo Energy Corp **Co-Borrower:** None

TRANSACTIONS

01/08/2025		Loan Origination	275,000.00	
01/15/2025	0	Advancement - Advance	275,000.00	550,000.00
01/31/2025		Scheduled Payment: 1	10,725.00	
01/31/2025	6121	Payment: Payment: 01/31/2025	10,725.00	550,000.00
		INTEREST	10,725.00	
02/05/2025	0	Advancement - Advance	200,000.00	750,000.00
02/21/2025	4	Advancement - Advance	250,000.00	1,000,000.00
02/28/2025		Scheduled Payment: 2	23,303.57	
02/28/2025	6122	Payment: Payment: 02/25/2025	23,303.57	1,000,000.00
		INTEREST	23,303.57	
03/31/2025		Scheduled Payment: 3	30,000.00	
03/31/2025	6123	Payment: Payment: 03/31/2025	30,000.00	1,000,000.00
		INTEREST	30,000.00	
04/30/2025		Scheduled Payment: 4	30,000.00	
04/30/2025	6124	Payment: Payment: 04/30/2025	30,000.00	1,000,000.00
		INTEREST	30,000.00	
05/26/2025	3049	Fee: Lender Fee	50,000.00	
05/31/2025		Scheduled Payment: 5	1,030,000.00	
05/31/2025		Forecasted Payment: 5	1,030,000.00	0.00
		INTEREST	30,000.00	
		PRINCIPAL	1,000,000.00	



Thank you for choosing uLoan Solutions Inc. Below are the details for paying out your loan in full:

Client Name: Cleo Energy Corp

Loan #: 509579

Collateral: Debtor in Possession Asset Backed LOC CLEO ENERGY

Request Date for Payout: May 26, 2025

Payout Amount: \$1,077,000.00

Interest per diem: \$1,000.00

Please send certified funds payable to uLoan Solutions Inc. at 212 - 2900 Pandosy ST, Kelowna, BC V1Y 1V9.

We can provide our banking details upon request if you prefer to pay via wire transfer or EFT. Once the funds are received, any liens or charges will be removed, and a confirmation can be provided if needed.

If you have any questions or concerns regarding the information provided, please call the office at 250-300-3015.

Sincerely,

A handwritten signature in cursive script that reads 'Holly Sereda'.

uLoan Solutions Inc.

This is Exhibit "L" referred to in the Affidavit of
Greg Thompson sworn before me this 26th day of
May, 2025

A handwritten signature in black ink, appearing to read 'AARON DOW', is written over a horizontal line.

A COMMISSIONER FOR OATHS IN AND FOR
BRITISH COLUMBIA

AARON DOW
Barrister • Solicitor
LAWSON LUNDELL LLP
1800 - 1631 Dickson Avenue
Kelowna, BC V1Y 0B5

BANKRUPTCY AND INSOLVENCY ACT

FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY

[Subsection 244(1)]

TO: CLEO ENERGY CORP. (the "Debtor")

Take notice that:

1. UCAPITAL – ULOAN SOLUTIONS INC. (the "Lender"), a secured creditor, intends to enforce its security on the property of the Debtor described below:


Order (Stay Extension, Administration Charge, Interim Financing, Interim Financing Charge, D&O Charge and Other Relief) and Order (Stay Extension, Interim Financing, Interim Financing Charge and Other Relief):

A security and charge on all of the Debtor's present and after-acquired assets, property and undertakings as security for the payment and performance of the indebtedness, liabilities and obligations of the Debtor to the Lender under the interim financing facility pursuant to the interim financing facility commitment letter dated January 5, 2025, as amended by a First Amending Agreement dated January 6, 2025 and a Second Amending Agreement dated February 10, 2025.

2. The security that is to be enforced is in the form of a Court-ordered Interim Financing Charge.
3. The total amount of indebtedness secured by the security is \$1,082,076.50 as at May 26, 2025, with costs and interest continuing to accrue from and after May 26, 2025.
4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

Dated at Calgary, Alberta, this 26th day of May, 2025.

UCAPITAL – ULOAN SOLUTIONS INC.



LAWSON LUNDELL LLP,
Solicitors for uCapital – uLoan Solutions Inc.

CONSENT TO EARLY ENFORCEMENT:

CLEO ENERGY CORP.

Per: Sam Gabor
Name/Title: Gowling WLG (Canada) LLP
Counsel for Cleo Energy Corp.

PERSONAL AET.AET.27759202.1

SAM GABOR

Barrister, Solicitor & Notary Public
in and for the Province of Alberta

This is Exhibit "**M**" referred to in the Affidavit of
Greg Thompson sworn before me this 26th day of
May, 2025

A handwritten signature in black ink, appearing to read 'AARON DOW', written over a horizontal line.

A COMMISSIONER FOR OATHS IN AND FOR
BRITISH COLUMBIA

AARON DOW
Barrister • Solicitor
LAWSON LUNDELL LLP
1800 - 1631 Dickson Avenue
Kelowna, BC V1Y 0B5

Clerk's Stamp:

COURT FILE NUMBER

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

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

AND IN THE MATTER OF THE RECEIVERSHIP OF CLEO
ENERGY CORP.

APPLICANT

UCAPITAL – ULOAN SOLUTIONS INC.

RESPONDENT

CLEO ENERGY CORP.

DOCUMENT

CONSENT TO ACT

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

LAWSON LUNDELL LLP
Barristers and Solicitors
Suite 1100 Brookfield Place
Calgary, AB, Canada T2P 1N2

Attention: Alexis Teasdale
Telephone: 403-218-7564
Email: ateasdale@lawsonlundell.com

File No. 840117-182617

CONSENT TO ACT AS RECEIVER

Alvarez & Marsal Canada Inc., hereby consents to act as the Receiver and Manager of all of the current and future assets, undertakings and properties of every kind and nature whatsoever, and wherever situate, including all proceeds thereof, of CLEO Energy Corp., in accordance with section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 and section 13(2) of the *Judicature Act*, RSA 2000, and in accordance with any Order of the Court.

DATED at the City of Calgary, in the Province of Alberta, this 26th day of May, 2025.

ALVAREZ & MARSAL CANADA INC.



Per: _____
Name: Orest Konowalchuk, CPA, CA, CIRP, LIT
Title: Senior Vice President