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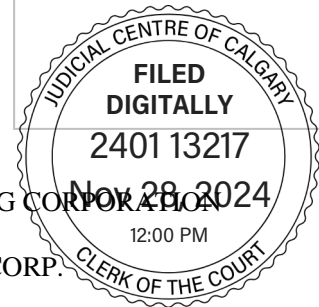
CALGARY

PLAINTIFF

GREENFIRE RESOURCES OPERATING CORPORATION

DEFENDANT

VICEROY CANADIAN RESOURCES CORP.



IN THE MATTER OF THE RECEIVERSHIP OF
VICEROY CANADIAN RESOURCES CORP.

APPLICANT

ALVAREZ & MARSAL CANADA INC., in its capacity as receiver and sales agent of Viceroy Canadian Resources Corp.'s right, title and interest in and to the Amended and Restated Farm in Participation Agreement effective as of January 31, 2019 and amended and restated June 19, 2020

DOCUMENT

FIRST REPORT OF THE RECEIVER

November 28, 2024

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

RECEIVER

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TABLE OF CONTENTS OF THE FIRST REPORT OF THE RECEIVER

INTRODUCTION	3
TERMS OF REFERENCE	4
BACKGROUND AND OVERVIEW	4
INITIAL ACTIVITIES OF THE RECEIVER.....	7
PROPOSED SALE PROCESS.....	8
PROPOSED STALKING HORSE BID	14
RECEIVER’S CONCLUSIONS AND RECOMMENDATIONS	18

APPENDICES

APPENDIX A	Stalking Horse Sale Process Procedure
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INTRODUCTION

1. On October 22, 2024 (the “**Receivership Date**”) by order (the “**Receivership Order**”) of the Honourable Justice B. Johnston of the Court of King’s Bench of Alberta (the “**Court**”), Alvarez & Marsal Canada Inc. was appointed as the receiver and sales agent (the “**Receiver**”) of Viceroy Canadian Resources Corp.’s (“**Viceroy**”) right, title and interest in and to the Amended and Restated Farm-In Participation Agreement, effective as of January 31, 2019 and amended and restated as of June 19, 2020, including without limitation the Debtor’s 5% working interest in the McKay SAGD Project (as defined in the Receivership Order) and the Plant (as defined in Schedule “B” of the Receivership Order), and any proceeds thereof (collectively, the “**Property**”). The Receivership Order was granted pursuant to sections 64 and 65 of the *Personal Property Security Act*, RSA 2000, c P-7 and section 13 of the *Judicature Act*, RSA 2000, c J-2.
2. The Receiver is expressly empowered to act in respect of the marketing and sale of the Property in accordance with a sales process to be approved by the Court and, in particular, is authorized but not required to enter into a stalking horse sales solicitation process with Greenfire Resources Operating Corporation (“**Greenfire**”), or such other party as the Receiver may consider appropriate, in which Greenfire (or such other party) would be a stalking horse bidder for some or all of the Property.
3. The purpose of this first report of the Receiver (the “**First Report**” or “**this Report**”) is to provide this Honourable Court with information in respect of the following:
 - a) a brief overview and background of Viceroy;
 - b) the initial activities of the Receiver since the Receivership Date;
 - c) the Receiver’s application for an Order (“**Sale Process Order**”) approving a proposed sale process (the “**Sale Process**”), including a stalking horse credit bid (the “**Stalking Horse Bid**”); and

- d) the Receiver's conclusions and recommendations.
- 4. Capitalized words or terms not otherwise defined in this Report are as defined in the Receivership Order.
- 5. All references to dollars are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

- 6. In preparing this First Report, the Receiver has relied upon: (i) the representations of certain key stakeholders of Greenfire; and (ii) financial and other information provided by Greenfire. The Receiver has not performed an audit, review or other verification of such information.
- 7. The Receiver has not performed an audit, review or otherwise attempted to verify the accuracy or completeness of the Company's financial information that would wholly or partially comply with Canadian Auditing Standards ("CASs") pursuant to the *Chartered Professional Accountants Canada Handbook*, and accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CASs in respect of the financial information. Any future oriented financial information relied upon in this Report is based on the Receiver's assumptions regarding future events and actual results achieved will vary from this information and the variations may be materials.

BACKGROUND AND OVERVIEW

Background

- 8. Greenfire is an oil sands producer operating in Western Canada.
- 9. Viceroy and Greenfire are parties or successors in interest to the Amended and Restated Farm-in and Participation Agreement effective as of January 31, 2019 and amended and restated as of June 19, 2020 (the "**Farm-In Agreement**"). The Farm-In Agreement governs, amongst other things, Viceroy and Greenfire's respective

interests in the McKay SAGD Project and Plant. The Plant is operated under the following licenses and on the following lands:

Licence No.	Surface Location
42660	00/10-07-091-14W4
42685	00/15-07-091-14W4
42686	00/14-07-091-14W4

10. The Receiver is not aware of any other assets of Viceroy, except for its 5% working interest in the McKay SAGD Project and its associated assets (including the Plant). As at the Receivership Date, the Receiver is advised that Viceroy had no employees or contractors.

Events Leading to Viceroy and Greenfire's Respective Interests

11. Everest Canadian Resources Corp. ("**Everest**") had previously been the owner of a 95% working interest in (and the operator) of the McKay SAGD Project. Everest obtained its interest in the McKay SAGD Project from Viceroy pursuant to the Farm-In Agreement. Pursuant to the Farm-In Agreement Viceroy retained a 5% working interest in the McKay SAGD Project, including the Plant. Everest and Viceroy are related companies by common ownership.
12. By Order of the Honourable Justice B. B. Johnston of the Court of King's Bench of Alberta dated April 5, 2023, PricewaterhouseCoopers Inc. ("**PwC**"), was appointed receiver and manager of the undertakings, property and assets of Everest.
13. Pursuant to an Order of the Court dated March 27, 2024, the Court approved a Purchase and Sale Agreement between Greenfire (as purchaser) and PwC in its capacity as receiver (as vendor), pursuant to which Greenfire acquired Everest's 95% working interest in the McKay SAGD Project, and became a successor in interest to Everest's rights under the Farm-In Agreement, including by becoming Operator.
14. The Farm-In Agreement provides, amount other things:

- a) Viceroy has a 5% working interest, and Greenfire has a 95% working interest, in the Title Documents, the Joint Lands and the Joint Wells (each as defined in the Farm-In Agreement), which include the McKay SAGD Project, the Plant and various non-operated working interests in other oil and gas wells, facilities, pipelines and associated assets;
 - b) Greenfire is the Operator of the McKay SAGD Project (including the Plant).
 - c) Viceroy is obligated to pay for its share of joint operating expenses incurred by Greenfire (or Everest as its predecessor in interest) in relation to the McKay SAGD Project.
15. The Farm-In Agreement incorporates the 2007 CAPL Operating Procedures (the “**CAPL Operating Procedures**”). The CAPL Operating Procedures, at section 5.05(A), grants the operator of the McKay SAGD Project and Plant (*i.e.*, Greenfire) an operator’s lien over the McKay SAGD Project and Plant to secure payment of Viceroy’s share of the costs and expenses incurred for the Joint Account (as defined in the Farm-In Agreement).
16. Based on a statement of accounts provided by Greenfire, the Receiver understands that Viceroy’s share of the costs and expenses incurred for the Joint Account that remain unpaid as at November 15, 2024 total \$389,723.43 (the “**Outstanding Amounts**”).
17. As a result of the Viceroy Debt, on May 23, 2024, Greenfire registered an operator’s lien as against Viceroy’s interest in the McKay SAGD Project and related assets in the Personal Property Registry of Alberta (as amended, the “**Operator’s Lien**”).

Assets & Liabilities

18. As discussed above, the Receiver is not aware of any other assets of Viceroy, except for its 5% working interest in the McKay SAGD Project and the associated assets.

19. As noted above, Viceroy owes substantial joint operating expenses to Greenfire under the Farm-In Agreement (*i.e.*, the **Outstanding Amounts**). Despite Greenfire's repeated demands, Viceroy has failed or refused and continues to fail or refuse to pay the Outstanding Amounts as well as other joint operating costs that continue to accrue.
20. The Outstanding Amounts will continue to increase as joint operating expenses continue to accrue. It is anticipated that the Outstanding Amounts will increase by approximately \$10,000 per month for recurring expenses.
21. The Receiver is not aware of any other creditors of Viceroy. A review of the Alberta Personal Property Registry search results for Viceroy conducted pursuant to the *Alberta Personal Property Security Act* on November 26, 2024, confirms that the only secured debt registered against Viceroy is Greenfire's registration pursuant to the Operator's Lien.
22. Further background is also contained in the materials filed in support of the Receivership Order, including the Affidavit of Robert Logan, sworn January October 4, 2024 (the "**Affidavit of Robert Logan**"). These documents and other public filed Court materials in these proceedings have been posted on the Receiver's website at: <https://www.alvarezandmarsal.com/Viceroy> (the "**Receiver's Website**").

INITIAL ACTIVITIES OF THE RECEIVER

23. Since the Receivership Date, the Receiver's activities have included, but are not limited to, the following:
 - a) taking possession and control of the Property;
 - b) attending to various communications and virtual meetings with Greenfire with respect to the following matters (among others):
 - i. gaining an understanding of the pre-receivership dealings between Greenfire and Viceroy;

- ii. providing ongoing updates and preparing cash flow forecasts (including funding requirements);
 - iii. discussions regarding Greenfire's role and activities, including operations related to the McKay SAGD Project and the Sale Process related to the Property;
- c) mailing the notices required by sections 245 and 246 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, to all of Viceroy's known creditors and the Office of the Superintendent of Bankruptcy on November 1, 2024 (the "**Receiver's Notice**"). A copy of the Receiver's Notice can be found on the Receiver's Website.
- d) arranging for Receiver's Certificates to be borrowed. The Receiver's Borrowing Charge granted in the Receivership Order empowered the Receiver to borrow by way of a revolving credit up to the amount of \$500,000. As at the date of this Report, \$100,000 has been advanced to the Receiver by Greenfire by way of Receiver's Certificate borrowings; and
- e) retaining and providing instructions to Cassels Brock & Blackwell LLP ("**Cassels**"), the Receiver's independent legal counsel, on a variety of matters with respect to the Receivership proceedings, including an independent review of Greenfire's Operator's Lien (given that 2666355 Alberta Ltd., a wholly owned subsidiary of Greenfire, intends to credit bid Greenfire's debt, as further discussed herein).

PROPOSED SALE PROCESS

Overview

24. The Receivership Order empowers and authorizes, but does not obligate the Receiver to, among other things:

- a) engage consultants, appraisers, agents and experts to assist the Receiver in exercising its powers and duties;
 - b) market the Property on behalf of Viceroy in accordance with a sales process to be approved by the Court, including the advertising of and the solicitation of offers in respect of the Property and the negotiation of such terms and conditions of sale as the Receiver, in its discretion, deems appropriate, including entering into a stalking horse sales process with respect to the Property with Greenfire or such other party as the Receiver, in its discretion, may consider appropriate; and
 - c) apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property.
25. The Receiver is requesting that the Court issue orders approving the proposed Sale Process and the Stalking Horse Bid (by way of the Binding Term Sheet), in accordance with paragraph 4(e) of the Receivership Order. Greenfire, by and through a wholly owned subsidiary, 2666355 Alberta Ltd. (the “**Stalking Horse Bidder**”), has agreed to act as stalking horse bidder.
26. The Purchase Price, as defined in the Stalking Horse Bid, is anticipated to be approximately \$2.8 million.
27. The proposed Sale Process will allow the Receiver to go to market with an established floor price as outlined in the Stalking Horse Bid, to determine if there are higher and/or better offers than the Stalking Horse Bid available.
28. The Receiver believes that the proposed Sale Process provides for the greatest flexibility in soliciting and selecting bids from interested parties for the sale of the Property of Viceroy.

Summary of the Sale Process

29. A copy of the Sale Process is attached herein as Appendix ‘A’. The Receiver has summarized below certain key points of the proposed Sale Process. All potential bidders are advised to review the Sale Process in detail.
30. Under the Sale Process, all qualified interested parties will be provided with an opportunity to participate in the Sale Process. The Sale Process is intended to find the highest and/or best offer for a sale of the Property.
31. Any transaction involving Viceroy, or the Property of the Company will be on an “as is, where is” basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Receiver or any of its respective agents, estates, advisors, professionals or otherwise, except to the extent set forth in a written agreement with the person who is a counterparty to such transaction.
32. The following table sets out the key milestones under the Sale Process:

Milestone	Deadline
Launch Sale Process	As soon as practical following the granting of the Sale Process Order
Bid Deadline	January 24, 2025
Qualified Bidder(s) Notified	January 31, 2025
Auction	February 7, 2025
Court Approval (in the event of an Auction and Winning Bid)	As soon as practical following the Auction

33. An overview of the major components contemplated in the Sale Process are set out below (capitalized terms used but not defined below are intended to bear their meanings as defined in the Sale Process):

Marketing

- a) the Receiver will prepare a non-confidential teaser describing the Sale Process, the sale opportunity and a confidentiality agreement (the “CA”);
- b) the Receiver shall publish a notice of the Sale Process in major publications, including *The Calgary Herald*, the *Daily Oil Bulletin*, the *Insolvency Insider* and the *BOE Report* and any other publication or newswires as determined by the Receiver;
- c) the Receiver shall provide notice of the Sale Process to potential strategic and financial bidders and invite them to execute a CA. A potential bidder that has executed a CA and provided the required documentation as outlined in the Sale Process may be deemed a “**Qualified Bidder**” and will be provided access to a confidential virtual data room which contains documents furnished by the Company relating to the assets, property and business of Viceroy;
- d) the Receiver will solicit irrevocable bids from Qualified Bidders, in the form of either: (i) an executed asset purchase agreement; or (ii) a signed letter confirming that the Qualified Bidder wishes to assume and perform the obligations of the Stalking Horse Bidder under the Stalking Horse Term Sheet (each a “**Bid**”);
- e) the Receiver, will review and assess each Bid to determine whether such Bid is a Qualified Bid in accordance with the criteria set out in the Sale Process and whether a Qualified Bid constitutes a Superior Bid;
- f) a “**Superior Bid**” is a credible, reasonably certain and financially viable Qualified Bid (or Qualified Bids), which (i) provides for consideration at least \$25,000 in excess of the aggregate value of the Stalking Horse Bid plus the break fee of \$75,000 (representing approximately 3% of the Purchase Price payable to the Stalking Horse

Bidder, if the Stalking Horse Bidder is not the Successful Bidder (the “**Break Fee**”), and (ii) the Receiver considers to be no less favourable and no more burdensome or conditional than the terms contained in the Stalking Horse Bid.

Offer Submission and Evaluation

- g) a Qualified Bidder that wishes to make a Bid must deliver their Bid to the Receiver by no later than 4:00 p.m. MST on January 24, 2025 (the “**Bid Deadline**”);
- h) the Receiver, will review and assess each Bid to determine whether such Bid is a Qualified Bid, as laid out in the Sale Process;
- i) the Receiver may reject any Bid (other than the Stalking Horse Bid) that is (i) inadequate or insufficient; (ii) not in conformity with the requirements pursuant to these Sale Process procedures; (iii) contrary to the best interest of the creditors; or (iv) not a Qualified Bid;

Auction

- j) if the Receiver determines that one or more Qualified Bids constitutes a Superior Bid, the Receiver will notify all Qualified Bidders, including the Stalking Horse Bidder (each party agreeing to participate being an “**Auction Bidder**”), by no later than January 31, 2025 that they are entitled to participate in an auction (the “**Auction**”), which will take place on February 7, 2025, or such later date as determined by the Receiver;
- k) further details about the Auction procedures are available in the Sale Process; and

Implementation

- 1) the Receiver shall apply to the Court for an order approving the Successful Bid and authorizing the Receiver to enter into any and all necessary agreements with respect to the Successful Bid, as well as an order vesting title to the Acquired Property subject to the Successful Bid in the same of the Successful Bidder.

The Receiver's View of the Sale Process

34. The Receiver is of the respectful view that the implementation of the proposed Sale Process is appropriate under the circumstances, and recommends that the Sale Process be approved by this Honourable Court for the following reasons:

- a) the Sale Process provides a fair and transparent process which will be conducted in such a manner as to give potential Bidders equal access to express their interest in making an offer for the Property of Viceroy;
- b) the Sale Process provides for a single-phase marketing process of at least seven weeks to sufficiently expose Viceroy's assets to the market. The Receiver is of the view that the single-phase process is sufficient in the circumstances given the Stalking Horse Bid, and is further of the view that the seven-week timeframe is appropriate based on the following factors, among others:
 - i. the timelines set out in the Sale Process will provide sufficient time for arm's length market participants to assess the opportunity to purchase the Property;
 - ii. the Property is specialized in nature and will not attract a broad spectrum of prospective purchasers; and
 - iii. the Receiver has extensive experience conducting sale processes.

Notwithstanding the Receiver's view that the seven week marketing process will provide adequate market exposure, if interest expressed by potential Bidders exceeds the Receiver's expectation, the Receiver will consider extending the bid deadline;

- c) the Sale Process provides certainty of a Successful Bid through either the Stalking Horse Bid or another Successful Bid;
- d) the Receiver is not aware of any stakeholder that appears to be prejudiced by the process;
- e) the Stalking Horse Bidder has established a floor price, which will assist in obtaining the best price for the Property while enhancing the fairness of the Sale Process; and
- f) Greenfire, as primary secured creditor of Viceroy, is supportive of the Sale Process.

PROPOSED STALKING HORSE BID

Overview

- 35. In advance of the Sale Process, the Receiver, in consultation with Cassels, entered into discussions with Greenfire to explore the possibility of Greenfire or its nominee participating in the Sale Process as a stalking horse bidder. In the Receiver's opinion, a stalking horse sale process would be an effective method to maximize the value of the Property.
- 36. The Stalking Horse Bidder has agreed to participate in such capacity in the Sale Process. The Receiver has negotiated the Stalking Horse Bid outlined in the Binding Term Sheet, subject to Court approval.
- 37. A copy of the Stalking Horse Bid as detailed in the Binding Term Sheet is attached as Schedule "A" to the Sale Process. The Receiver has summarized certain key points of the Stalking Horse Bid below. All interested parties are advised to review

the Stalking Horse Bid in detail. Capitalized words or terms not defined in this section of this Report are as defined in the Stalking Horse Bid.

Summary of Stalking Horse Bid and the proposed Stalking Horse Bid

38. An overview of the major components contemplated in the proposed Stalking Horse Bid is set out as follows:

- a) the Stalking Horse Bidder will purchase Viceroy's entire right, title and interest (being a 5% ownership interest) in and to the Plant (the "**Purchased Assets**");
- b) the Stalking Horse Bidder shall assume and agree to pay, perform and discharge when due Viceroy's share of abandonment and reclamation obligations in respect of the Property (the "**Assumed Liabilities**");
- c) as noted previously, the total Purchase Price is estimated to be \$2.8 million and shall be satisfied as follows:
 - i. the total amount of the Outstanding Amounts, to be adjusted at closing to account for accrued interest, costs and other accrued allowable charges in accordance with the terms of the Farm-In Agreement, to be paid as a credit bid by way of set-off against the Outstanding Amounts. It is estimated that the Outstanding Amounts will be approximately \$425,000 as at February 15, 2024;
 - ii. the total amount owing under all Receiver's Certificates, inclusive of accrued interest, to be paid as a credit bid by way of set-off against such Receiver's Certificates. It is estimated that the amounts owing under the Receiver's Certificates will be approximately \$100,000, plus interest as at February 15, 2024;
 - iii. the assumption of the Assumed Liabilities. It is estimated that the Assumed Liabilities total approximately \$2,000,000 as at February 15, 2024; and

- iv. the total amount of the Priority Payables to be paid by way of cash payment on closing, which Priority Payables are estimated to be between \$200,000 and \$300,000.
- d) the proposed transaction shall be by way of an asset purchase transaction whereby the Stalking Horse Bidder shall purchase the Purchased Assets free and clear of all liabilities (other than the Assumed Liabilities) and encumbrances in accordance with the Sale Process Order and a Sale Approval and Vesting Order, to be obtained;
- e) closing of the proposed transaction shall occur thirty (30) business days following the waiver or satisfaction of the closing conditions as set out in the definitive documents, or such earlier or later date as agreed by the parties in writing (the “**Closing Date**”); and
- f) if the Stalking Horse Bidder is the Successful Bidder, the Receiver and Greenfire shall negotiate a separate agreement for the Plant and its operation using the 1999 PJVA CO&O Agreement as its basis (the “**CO&O Agreement**”) and the Stalking Horse Bidder shall be required to execute and deliver the CO&O Agreement at closing. The CO&O Agreement shall be in form and substance satisfactory to each of the Receiver, Greenfire and the Stalking Horse Bidder.

Receiver’s View on the proposed Stalking Horse Bid

39. The Receiver is of the respectful view that the proposed Stalking Horse Bid is fair and reasonable in the circumstances, and recommends that the Stalking Horse Bid should be approved by this Honourable Court for the following reasons:
- a) if approved by this Honourable Court, the Stalking Horse Bid will provide certainty and ensure that the Sale Process culminates in a Successful Bid, while still allowing the Receiver to market the assets and ensure that the best price for the Property is obtained;

- b) the Break Fee is reasonable in the circumstances and comparable to other break fees in similar insolvency settings. The Receiver has reviewed a summary of break fees prepared by *Insolvency Insider* and notes that similar break fees have been granted with ranges from 0.5%-3.8%; and
- c) even though the assets being purchased under the Stalking Horse Bid do not consists of all of the Property, the Stalking Horse Bidder as agreed to assume the Assumed Liabilities, which includes Viceroy's share of abandonment and reclamation obligations in respect of all of the Property (and not just the purchased assets); and
- d) the Sale Process and the Stalking Horse Bid considers the interest of all interested parties, who may equally participate in the transparent Sale Process.

RECEIVER'S CONCLUSIONS AND RECOMMENDATIONS

40. For the foregoing reasons, the Receiver respectfully recommends that this Honourable Court grant the following relief:

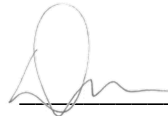
- a) authorize the Receiver to execute the Stalking Horse Bid;
- b) approve the Stalking Horse Bid as detailed in the Binding Term Sheet to be a Qualified Bid and approve the Binding Term Sheet; and
- c) approve the proposed Sale Process; and
- d) approve the conduct, actions and activities of the Receiver as more particularly set forth in this Report.

All of which is respectfully submitted this 28th day of November, 2024.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as the Court-appointed Receiver of
Viceroy Canadian Resources Corp.
and not in its personal or corporate capacity**



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



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

APPENDIX "A"

STALKING HORSE SALE PROCESS PROCEDURE

Procedure for the Sale Process of Certain Property of Viceroy Canadian Resources Corp.

1. Pursuant to an order (the "**Receivership Order**") of the Honourable Justice B. Johnston of the Court of King's Bench of Alberta dated October 22, 2024 in Court Action Number 2401-13217 (the "**Receivership Proceedings**") Alvarez & Marsal Canada Inc. was appointed as receiver and sales agent (the "**Receiver**") of Viceroy Canadian Resources Corp.'s (the "**Debtor**") right, title and interest in and to the Amended and Restated Farm-In Participation Agreement, effective as of January 31, 2019 and amended and restated as of June 19, 2020 (the "**Farm-In Agreement**"), including without limitation the Debtor's 5% working interest in the McKay SAGD Project and the Plant, and any proceeds thereof (collectively, the "**Property**"), pursuant to section 13(2) of the *Judicature Act*, RSA 2000, c.J-2 and 65(7) of the *Personal Property Security Act*, RSA 2000, c.P-7.
2. At a court application scheduled for December 6, 2024, the Receiver intends to request the Court's approval of, among other things, a sale process (the "**Sale Process**") as set forth herein.
3. Below are the procedures (the "**Sale Process Procedure**") to be followed in the Sale Process to seek a Successful Bid (as defined herein), and, if there is a Successful Bid, to complete the transaction(s) contemplated by the Successful Bid.
4. All monetary references shall be in Canadian dollars, unless otherwise stated.

Defined Terms

5. Capitalized Terms not otherwise defined herein shall have the meaning ascribed to them in the Stalking Horse Term Sheet or the Receivership Order. In this Sale Process Procedure:

"**Alternate Transaction**" means any transaction for the sale of some or all of the Property to any party other than the Stalking Horse Bidder;

"**Acquired Property**" has the meaning ascribed to it in Section 14;

"**Approval Application**" has the meaning ascribed to it in Section 32;

"**Assumed Liabilities**" has the meaning ascribed to it in the Stalking Horse Term Sheet;

"**Auction Bidder**" has the meaning ascribed to it in Section 30(b);

"**Break Fee**" means the sum of \$75,000, which shall be paid to the Stalking Horse Bidder in the circumstances described herein;

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the City of Calgary;

"**Comparison Model**" has the meaning ascribed to it in Section 30(c);

"**Court**" means the Alberta Court of King's Bench;

"**Debtor**" has the meaning ascribed to it in the Section 1;

"**Farm-In Agreement**" has the meaning ascribed to it in Section 1;

"**Leading Bid**" has the meaning ascribed to it in Section 30(l);

"McKay SAGD Project" has the meaning ascribed to it in the Receivership Order;

"Minimum Incremental Overbid" means cash (or a non-cash equivalent value) of at least \$25,000

"Notice Schedule" has the meaning ascribed to it in Section 17;

"Plant" has the meaning ascribed to it in Schedule "B" of the Receivership Order;

"Potential Bidder" has the meaning ascribed to it in Section 17;

"Priority Payables" has the meaning ascribed to it in the Stalking Horse Term Sheet;

"Property" has the meaning ascribed to it in the Section 1;

"Purchase Price" has the meaning ascribed to it in the Stalking Horse Term Sheet;

"Purchased Assets" has the meaning ascribed to it in the Stalking Horse Term Sheet;

"Qualified Bid" has the meaning ascribed to it in Section 22;

"Qualified Bidder" has the meaning ascribed to it in Section 18;

"Receiver's Certificates" has the meaning ascribed to it in the Receivership Order;

"Sale Process Order" means an order of the Court (if granted) approving the Sale Process and the Sale Process Procedure;

"Selected Superior Offer" has the meaning ascribed to it in Section 31;

"Stalking Horse Bidder" means a 2666355 Alberta Ltd., a wholly owned subsidiary of Greenfire Resources Operating Corporation;

"Stalking Horse Term Sheet" means the Binding Term Sheet between the Stalking Horse Bidder and the Receiver, in its capacity as receiver and sale agent over the Property and not in its personal or corporate capacity, dated November 28, 20224 and attached hereto as Schedule "A";

"Stalking Horse Transaction" means the transaction contemplated by the Stalking Horse Term Sheet;

"Starting Bid" has the meaning ascribed to it in Section 30(a);

"Subsequent Bid" has the meaning ascribed to it in Section 30(l);

"Successful Bid" has the meaning ascribed to it in Section 31;

"Successful Bidder" has the meaning ascribed to it in Section 31;

"Superior Bid" means a credible, reasonably certain and financially viable Qualified Bid, or combination of Qualified Bids, the terms of which offer are, in the determination of the Receiver, in its sole discretion acting reasonably, no less favourable and no more burdensome or conditional than the terms contained in the Stalking Horse Term Sheet, and which at a minimum includes a payment in cash of the Purchase Price under the Stalking Horse Term Sheet plus the Break Fee plus one Minimum Incremental Overbid as at the closing of such transaction;

"Vesting Order" has the meaning ascribed to it in Section 32;

"Viceroy Debt" has the meaning ascribed to it in the Stalking Horse Term Sheet; and

"Winning Bid" has the meaning ascribed to it in Section 31.

Stalking Horse Term Sheet

6. The Receiver has entered into the Stalking Horse Term Sheet with the Stalking Horse Bidder, pursuant to which, if there is no Successful Bid from a party other than the Stalking Horse Bidder, all right, title and interest in the Purchased Assets and all privileges thereto will vest absolutely and irrevocably in and to the Stalking Horse Bidder, up to the Court granting a sale approval and vesting order in relation to the Stalking Horse Term Sheet.
7. The Stalking Horse Term Sheet shall constitute a Qualified Bid for all purposes and at all times under this Sale Process Procedure.
8. As part of the Sale Process Order, the Receiver will be seeking the approval of certain bid protections in respect of the Stalking Horse Term Sheet, such as the Break Fee. No other bidder may request or receive a break fee or expense reimbursement as part of any offer made pursuant to this Sale Process.

Sale Process Procedure

9. The Sale Process Procedure set forth herein describes, among other things, the property available for sale, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property and the Debtor, the manner in which bidders and bids become Qualified Bidders and Qualified Bids, respectively, the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder and the Court's approval and recognition thereof. The Receiver shall administer the Sale Process Procedure. In the event that there is disagreement as to the interpretation or application of this Sale Process Procedure, the Court will have jurisdiction to hear and resolve such dispute.
10. The Receiver will use reasonable efforts to complete the Sale Process Procedure in accordance with the timelines as set out in **Schedule "B"** hereto. The Receiver shall be permitted to make such adjustments to the timeline that it determines are reasonably necessary.

Purchase Opportunity

11. A non-confidential teaser letter prepared by the Receiver (the "**Teaser**"), describing the opportunity to submit an Alternate Transaction and the Sale Process Procedure will be made available by the Receiver to prospective purchasers and will be posted on the Receiver's website as soon as practicable following the issuance of the Sale Process Order.
12. The Receiver shall prepare a Confidential Information Memorandum ("**CIM**") describing the opportunity to submit an Alternate Transaction to prospective purchasers that have executed a non-disclosure agreement with the Receiver, in a form satisfactory to the Receiver, and as more particularly set-forth below.
13. The Receiver will also populate an electronic data room (the "**VDR**") with detailed listings, photographs, technical specifications and other information required for prospective purchasers to perform due diligence on the Property and the Debtor.

"As Is, Where Is"

14. The sale of any property or assets under the Stalking Horse Term Sheet or an Alternate Transaction (the **"Acquired Property"**) will be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Receiver or any of its agents, except to the extent set forth in the relevant final sale agreement with a Successful Bidder. The representations, warranties, covenants or indemnities shall not be materially more favourable than those set out in the Stalking Horse Term Sheet except to the extent additional tangible monetary value of an equivalent amount is provided by a Successful Bidder other than the Stalking Horse Bidder for such representations, warranties, covenants or indemnities.

Free of Any and All Claims and Interests

15. In the event of a sale pursuant to this Sale Process, all of the rights, title and interests of the Debtor in and to the Acquired Property will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon and there against, other than any permitted encumbrances agreed to by the Receiver and the Successful Bidder (collectively the **"Claims and Encumbrances"**), such Claims and Encumbrances to attach to the net proceeds of the sale of such Acquired Property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), pursuant to an approval and vesting order made by the Court, upon the application of the Receiver. The vesting out of Claims and Encumbrances by a Successful Bidder other than the Stalking Horse Bidder shall not be materially more favourable to the Successful Bidder than those set out in the Stalking Horse Term Sheet, except to the extent additional tangible monetary value of an equivalent amount is provided for the vesting out of such Claims and Encumbrances.

Publication of Notice and Teaser

16. As soon as reasonably practicable after the granting of the Sale Process Order by the Court, the Receiver shall cause a notice of the Sale Process Procedure and any other relevant information, to be published in the *BOE Report*, the *Daily Oil Bulletin*, the *Insolvency Insider*, the *Calgary Herald*, and such other publications as the Receiver may consider appropriate. At the same time, the Receiver will invite bids from interested parties, by which ever means the Receiver deem appropriate.

Participation Requirements

17. In order to participate in the Sale Process, each person interested in submitting an Alternate Transaction (a **"Potential Bidder"**) must deliver to the Receiver at the address specified in **Schedule "C"** hereto (the **"Notice Schedule"**) (including by email transmission):
- (a) an executed non-disclosure agreement in form and substance satisfactory to the Receiver, which shall inure to the benefit of any Successful Bidder that closes a transaction contemplated by the Successful Bid and shall be executed and delivered to the Receiver prior to the distribution of any confidential information by the Receiver to a Potential Bidder (including the CIM and access to the VDR);
 - (b) a letter setting forth the Potential Bidder's (i) identity, (ii) contact information and (iii) full disclosure of its direct and indirect principals; and
 - (c) a form of financial disclosure and credit quality support or enhancement that allows the Receiver to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate the acquisition of all, substantially all or a portion of the Property, including without limitation, the assumption of the Assumed Liabilities.

18. If the Receiver determines that a Potential Bidder has: (i) delivered the documents contemplated in paragraph 17 above; and (ii) a reasonable prospect of completing an Alternate Transaction, the Potential Bidder will be deemed a **"Qualified Bidder"** and will be promptly notified of such classification by the Receiver. For the avoidance of doubt, the Stalking Horse Bidder is a Qualified Bidder.

Due Diligence

19. The Receiver shall provide any person deemed to be a Qualified Bidder with a copy of the CIM and access to the VDR and the Receiver shall provide to Qualified Bidders further access to such reasonably required due diligence materials and information relating to the Property and the Debtor as the Receiver deems appropriate, including virtual presentations and access to further information in the VDR.
20. The Receiver and its respective advisors, make no representation or warranty as to the information contained in the CIM, the VDR, or other information to be provided through the due diligence process or otherwise, except to the extent otherwise contemplated under any definitive sale agreement with a Successful Bidder and approved by the Court.

Seeking Qualified Bids from Qualified Bidders

21. A Qualified Bidder that desires to submit an Alternate Transaction must deliver either:
- (a) a written final, binding proposal (the **"Final Bid"**) in the form of a fully executed asset purchase agreement substantially in the form to be prepared by the Receiver in accordance with this Sale Process Procedure (the **"Template APA"**); or
 - (b) a signed letter confirming that the Qualified Bidder wishes to assume and perform the obligations of the Stalking Horse Bidder under the Stalking Horse Term Sheet, subject to (i) the satisfaction in cash consideration of the entire Purchase Price as contemplated by paragraph 26 (ii) the necessary adjustment to the Purchase Price to include the Minimum Incremental Overbid and the Break Fee, and detailing any adjustments, revisions or other terms that the Qualified Bidder proposes be included in the Stalking Horse Term Sheet (a **"Confirmation of Term Sheet Assumption"**),

in each case to Receiver at the address specified in the Notice Schedule (including by email transmission), so as to be received by it not later than 4:00 p.m. Calgary time on January 24, 2025 (the **"Final Bid Deadline"**).

Qualified Bids

22. A Final Bid will be considered a Qualified Bid only if (i) it is submitted by a Qualified Bidder and (ii) the Final Bid complies with, among other things, the following (a **"Qualified Bid"**):
- (a) it contains
 - (i) a duly executed purchase and sale agreement based on the Template APA and a blackline of the executed purchase and sale agreement to the Template APA; or
 - (ii) a Confirmation of Term Sheet Assumption compliant with the requirements in paragraph 21(b) above;
 - (b) it includes a letter stating that the Final Bid is irrevocable until the time that the Successful Bid is approved by the Court;

- (c) it provides written evidence of a firm, irrevocable financial commitment for all required funding or financing;
 - (d) it provides a written confirmation that the Qualified Bidder has not engaged in any collusion with any other bidder;
 - (e) it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
 - (f) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Receiver), or such other form of payment acceptable to the Receiver, payable to the order of the Receiver, in an amount equal to 10% of the total consideration in the Qualified Bid to be held and dealt with in accordance with these Sale Process Procedure;
 - (g) the aggregate consideration, as calculated and determined by the Receiver in its sole discretion, to be paid in cash by the Qualified Bidder under the Qualified Bid exceeds the aggregate of the Purchase Price under the Stalking Horse Term Sheet, plus the Break Fee and plus the Minimum Incremental Overbid, upon completion of the transaction contemplated by the Stalking Horse Term Sheet;
 - (h) it is not conditional upon:
 - (i) the outcome of unperformed due diligence by the Qualified Bidder, and/or
 - (ii) obtaining financing;
 - (i) it contains evidence of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body); and
 - (j) it is received by the Final Bid Deadline.
23. The Receiver, acting reasonably, may waive compliance with any one or more of the requirements specified herein and deem any non-compliant bid to be a Qualified Bid.
24. The Receiver may, following the receipt of any bid, seek clarification with respect to any of the terms or conditions of such bid and/or request and negotiate one or more amendments to such bid prior to determining if the bid should be considered a Qualified Bid.
25. The Receiver shall notify each Qualified Bidder in writing as to whether its bid constitutes a Qualified Bid within five (5) Business Days of the Final Bid Deadline, or at such later time as the Receiver deems appropriate.

Stalking Horse Term Sheet

26. The total aggregate Purchase Price for the Purchased Assets in the Stalking Horse Term Sheet shall be the total of:
- (a) the Viceroy Debt as at the Closing Date (as defined in the Stalking Horse Term Sheet), which amount, as at November 15, 2024 totals \$389,723.43 and is estimated to increase by approximately \$10,000.00 per month;
 - (b) all amounts owing by the Receiver to the Stalking Horse Bidder (as assignee in interest) under any Receiver's Certificates, which amount is estimated to be \$100,000.00 plus accrued interest;

- (c) the assumption by the Stalking Horse Bidder of the Assumed Liabilities, which Assumed Liabilities are estimated to be \$2,000,000; and
 - (d) all Priority Payables, which amount is estimated to be between \$200,000 and \$300,000.
27. If the Stalking Horse Bidder is the Successful Bidder, the Stalking Horse Term Sheet also contemplates that the Receiver and Greenfire Resources Operating Corporation, will negotiate a separate agreement or agreements for the Plant whereby the Plant will cease to be a Production Facility pursuant to section 14.02(c) of the 2007 CAPL Operating Procedure and its operation governed by an agreement using the 1999 PJVA CO&O Agreement as its basis. As a result, the Plant will no longer be subject to the Farm-In Agreement. If the Stalking Horse Bidder is not the Successful Bidder, the Receiver understands that Greenfire Resources Operating Corporation will engage in discussions with the Successful Bidder about entering into an agreement using the 1999 PJVA CO&O Agreement as its basis.

No Superior Bids

28. If none of the Qualified Bids, or combination thereof, received, constitute a Superior Bid, the Receiver shall deem the Stalking Horse Bidder to be the Successful Bidder in the Sale Process and shall proceed to seek a sale approval and vesting order and close the Stalking Horse Transaction.

If a Superior Bid is Received

29. If the Receiver determines that one or more, or a combination thereof, of the Qualified Bids constitutes a Superior Bid, the Receiver shall provide the parties making Superior Offers and the Stalking Horse Bidder the opportunity to make further bids through the auction process set out below (the "**Auction**").

Auction

30. If an Auction is to be held, the Receiver will conduct the Auction commencing at 10:00 a.m. (Calgary time) on February 7, 2025 at the offices of the Receiver's legal counsel, Cassels Brock & Blackwell LLP, Suite 3810, Bankers Hall West, 888 3rd Street SW Calgary, AB T2P 5C5, Calgary Alberta, or such other location as shall be timely communicated to all entities entitled to attend at the Auction, which Auction may be adjourned by the Receiver at any time. The Auction shall run in accordance with the following procedures:
- (a) prior to 4:00 p.m. Calgary time on February 5, 2025, the Receiver will provide unredacted copies of the Qualified Bid(s) which the Receiver believes is/are (individually or in the aggregate) the highest or otherwise best Qualified Bid(s) (the "**Starting Bid**") to the Stalking Horse Bidder and to all Qualified Bidders that have made a Superior Bid;
 - (b) prior to 4:00 p.m. Calgary time on February 6, 2025, each Qualified Bidder that has made a Superior Bid and the Stalking Horse Bidder, must inform the Receiver whether it intends to participate in the Auction (the parties who so inform the Receiver that they intend to participate are hereinafter referred to as the "**Auction Bidders**");
 - (c) prior to the Auction, the Receiver shall develop a financial comparison model (the "**Comparison Model**") which will be used to compare the Starting Bid and all Subsequent Bids (as defined herein) submitted during the Auction, if applicable;
 - (d) during the morning of February 7, 2025, the Receiver shall make themselves available to meet with each of the Auction Bidders to review the procedures for the Auction, the

mechanics of the Comparison Model, and the manner by which Subsequent Bids shall be evaluated during the Auction, and the Auction shall be held immediately thereafter;

- (e) only representatives of the Auction Bidders, the Receiver, and such other persons as permitted by the Receiver (and the advisors to each of the foregoing entities) are entitled to attend the Auction in person (and the Receiver shall have the discretion to allow such persons to attend by teleconference);
- (f) the Receiver shall arrange to have a court reporter attend at the Auction;
- (g) at the commencement of the Auction, each Auction Bidder shall be required to confirm that it has not engaged in any collusion with any other Auction Bidder with respect to the bidding or any sale;
- (h) only the Auction Bidders will be entitled to make a Subsequent Bid (as defined herein) at the Auction; provided, however, that in the event that any Qualified Bidder elects not to attend and/or participate in the Auction, such Qualified Bidder's Qualified Bid, shall nevertheless remain fully enforceable against such Qualified Bidder if it is selected as the Winning Bid (as defined herein);
- (i) all Subsequent Bids presented during the Auction shall be made and received in one room on an open basis. All Auction Bidders will be entitled to be present for all Subsequent Bids at the Auction with the understanding that the true identity of each Auction Bidder at the Auction will be fully disclosed to all other Auction Bidders at the Auction and that all material terms of each Subsequent Bid will be fully disclosed to all other Auction Bidders throughout the entire Auction;
- (j) all Auction Bidders must have at least one individual representative with authority to bind such Auction Bidder present in person at the Auction;
- (k) the Receiver may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances (e.g., the amount of time allotted to make a Subsequent Bid, requirements to bid in each round, and the ability of multiple Auction Bidders to combine to present a single bid) for conducting the Auction, provided that such rules are (i) not inconsistent with this Sale Process Procedure, general practice in insolvency proceedings, the Receivership Order, or the Sale Process Order, and (ii) disclosed to each Auction Bidder at the Auction;
- (l) bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder (a "**Subsequent Bid**") that the Receiver, utilizing the Comparison Model, determines is (i) for the first round, a higher or otherwise better offer than the Starting Bid, and (ii) for subsequent rounds, a higher or otherwise better offer than the Leading Bid (as defined herein), in each case by at least the Minimum Incremental Overbid. After the first round of bidding and between each subsequent round of bidding, the Receiver shall announce the bid (including the value and material terms thereof) that it believes to be the highest or otherwise best offer (the "**Leading Bid**"). A round of bidding will conclude after each Auction Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid;
- (m) to the extent not previously provided (which shall be determined by the Receiver), an Auction Bidder submitting a Subsequent Bid must submit, at the Receiver's discretion, as part of its Subsequent Bid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Receiver),

demonstrating such Auction Bidder's ability to close the transaction proposed by the Subsequent Bid;

- (n) the Receiver reserves the right, in its reasonable business judgment, to make one or more adjournments in the Auction of not more than 24 hours each, to among other things (i) facilitate discussions between the Receiver and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide the Receiver with such additional evidence as the Receiver, in its reasonable business judgment, may require that that Auction Bidder (including, as may be applicable, the Stalking Horse Bidder) has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the [proposed transaction] at the prevailing overbid amount;
 - (o) the Stalking Horse Bidder shall be permitted, in its sole discretion, to submit Subsequent Bids, provided, however, that such Subsequent Bids are made in accordance with these Sale Process Procedures;
 - (p) if, in any round of bidding, no new Subsequent Bid is made, the Auction shall be closed;
 - (q) the Auction shall be closed within five (5) Business Days of the start of the Auction unless extended by the Receiver; and
 - (r) no bids (from Qualified Bidders or otherwise) shall be considered after the conclusion of the Auction.
31. At the end of the Auction, the Receiver shall select the winning bid (the "**Winning Bid**"). Once a definitive agreement has been negotiated and settled in respect of the Winning Bid as selected by the Receiver (the "**Selected Superior Offer**") in accordance with the provisions hereof, the Selected Superior Offer shall be the "**Successful Bid**" hereunder and the person(s) who made the Selected Superior Offer shall be the "**Successful Bidder**" hereunder. If the Successful Bidder is a bidder other than the Stalking Horse Bidder, the Stalking Horse Bidder shall be entitled to receive, and the Receiver shall pay to it, the Break Fee, immediately after closing, from the Successful Bidder's payment of cash at closing.

Approval Application

32. The Receiver shall apply to the Court (the "**Approval Application**") for an order approving the Successful Bid and authorizing the Receiver to enter into any and all necessary agreements with respect to the Successful Bid, as well as an order vesting title to the Acquired Property subject to the Successful Bid in the same of the Successful Bidder (the "**Vesting Order**").
33. The Approval Application will be held on a date to agreed upon by the Receiver and the Successful Bidder. The Approval Application may be adjourned or rescheduled by the Receiver.
34. All Qualified Bids and Subsequent Bids (other than the Successful Bid) shall be deemed rejected on and as of the date and of approval of the Successful Bid by the Court, but not before, and shall remain open for acceptance until that time.

Deposits

35. All Deposits shall be retained by the Receiver in a non-interest-bearing bank account specified by the Receiver. If there is a Successful Bid, the Deposit paid by the Successful Bidder whose bid is approved at the Approval Application shall be applied to the purchase price to be paid by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The

Deposits of Qualified Bidders not selected as the Successful Bidder shall be returned to such bidders within five (5) Business Days of the date on which the Vesting Order is granted by the Court. If there is no Successful Bid, all Deposits shall be returned to the bidders within five (5) Business Days of the date upon which the Sale Process is terminated in accordance with these procedures.

Approvals

36. For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by applicable law in order to implement a Successful Bid.

Further Orders

37. At any time during the Sale Process the Receiver may apply to the Court for advice and directions with respect to any aspect of these Sale Process Procedure or the discharge of its powers and duties hereunder.

Amendments

38. These Sale Process Procedure shall be interpreted so as to comply and be consistent with any applicable laws, regulations or public health directives related to the COVID-19 pandemic, and may be amended at any time with the approval of the Receiver to the extent necessary or advisable to comply with same.
39. The Receiver shall have the right to modify the Sale Process Procedure and the deadlines set out herein if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the Sale Process Procedure. There shall be no amendments to the Sale Process Procedure without the consent of the Receiver or further order of the Court.

SCHEDULE "A"
STALKING HORSE TERM SHEET
(ATTACHED)

BINDING TERM SHEET

ASSET SALE TRANSACTION

This binding term sheet (the “**Term Sheet**”) sets forth the agreement of the parties hereto (the “**Parties**”) with respect to the proposed transaction which is described herein (the “**Proposed Transaction**”). The Parties acknowledge that this Term Sheet is being provided as part of a Sale Process to be administered by the Receiver.

Upon execution of this Term Sheet by the Parties, this Term Sheet shall create a binding legal obligation on the part of the Parties, subject only to the terms and conditions hereof, the Sale Process Order and approval of the Court of King’s Bench of Alberta (the “**Court**”). The terms and conditions set forth in this Term Sheet are intended to be comprehensive and are not subject to any further due diligence by any Party or to any further definitive documentation, except as expressly permitted or contemplated hereunder.

Purchaser:	<p>The Purchaser will be 2666355 Alberta Ltd. (the “Purchaser”), a wholly owned subsidiary of Greenfire Resources Operating Corporation (“Greenfire”).</p> <p>Viceroy Canadian Resources Corp. (“Viceroy”) is indebted to Greenfire (the “Viceroy Debt”), in the amount of \$389,723.43, as at November 15, 2024, pursuant to its obligations under the Amended and Restated Farm-In and Participation Agreement among Viceroy and Everest Canadian Resources Corp., effective January 31, 2019 and amended and restated as of June 19, 2020 (as amended and restated from time to time, the “Farm-In Agreement”), including without limitation Viceroy’s 5% working interest in the McKay SAGD Project and the Plant, and any proceeds thereof (as such terms are defined in the Receivership Order).</p> <p>Immediately prior to Closing, Greenfire shall assign to Purchaser beneficial ownership of the Viceroy Debt and the amounts owing under the Receiver’s Certificates (as defined below) in exchange for shares in the Purchaser resulting in Greenfire holding 100% of all issued and outstanding shares in Purchaser.</p>
Seller:	<p>Alvarez & Marsal Canada Inc, in its capacity as the Receiver (the “Seller” or, the “Receiver”), without security, of Viceroy’s right, title and interest in and to the Property (as defined in the Receivership Order), and not in its personal or corporate capacity, pursuant to the Receivership Order (the “Receivership Order”) granted by the Court on October 22, 2024 in Action No. 2401-13217.</p>
Closing Date:	<p>Closing of the Proposed Transaction shall occur thirty (30) business days following the waiver or satisfaction of the closing conditions as set out in the Definitive Documents, or such earlier or later date as agreed by the Parties in writing (the “Closing Date”).</p>

Court Approval of Term Sheet and Sale Process:	<p>On December 6, 2024, the Receiver shall apply to the Court for, among other things, an order (the “Sale Process Order”), approving a stalking horse sale process procedure (the “Sale Process”), in substantially the form attached as Schedule “A” to the Sale Process Order. The Purchaser and the Receiver confirm and acknowledge that the Proposed Transaction is intended to be a stalking horse bid in accordance with the terms of the Sale Process Order and the Sale Process.</p> <p>The Purchaser hereby agrees to allow for disclosure of this Term Sheet to the Court and all other parties by the Receiver as part of the Sale Process to be commenced by the Receiver as soon as practicable following Court approval of the Sale Process.</p>
Sale Process:	The Receiver acknowledges that it shall conduct the Sale Process in accordance with the Sale Process Order.
Purchased Assets and Assumed Liabilities:	<p>Viceroy’s entire right, title and interest (being a 5% ownership interest) in and to the Plant (as that term is defined in Schedule “B” to the Receivership Order) (the “Purchased Assets”).</p> <p>Purchaser shall assume and agree to pay, perform and discharge when due Viceroy’s share of abandonment and reclamation obligations in respect of the Property (the “Assumed Liabilities”).</p>
Excluded Assets:	All assets of Viceroy other than the Purchased Assets (the “ Excluded Assets ”). The Excluded Assets include Viceroy’s right, title, estate and interest in the Other Assets as defined below.
Encumbrances:	As used herein, “Encumbrances” shall include any security interest, lien, claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, adverse claim or right of a third part of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing (including any conditional sale or title retention agreement, or any capital or financial lease) (the “ Encumbrances ”).
Consideration:	<p>The total aggregate purchase price paid by the Purchaser for the Proposed Transaction shall be the total of the following (the “Purchase Price”):</p> <ul style="list-style-type: none"> i. The Viceroy Debt as at the Closing Date; ii. Amounts owing by the Receiver to the Purchaser (as assignee in interest) under any Receiver’s Certificates (“Receiver’s Certificates”) issued by the Receiver under the Receivership Order; iii. The assumption by the Purchaser of the Assumed Liabilities; and

	<p>iv. All amounts that rank in priority to the Operator's Lien, including without limitation:</p> <ul style="list-style-type: none"> a. any Court ordered or statutory priority claims; and b. all of the taxable fees, costs and expenses associated with the Receiver's administration of the Property (as defined in the Receivership Order), including all amounts secured by the Receiver's Charge and Receiver's Borrowing Charge (each as defined in the Receivership Order), <p>(collectively, the "Priority Payables").</p> <p>"Operator's Lien" means the lien registered by Greenfire Resources Operating Corporation on May 23, 2024 over, inter alia, the Debtor's 5% working interest in the McKay SAGD Project and the Plant, and any proceeds thereof pursuant to the <i>Personal Property Security Act</i>, RSA 2000, c P-7.</p> <p>The Purchase Price shall be satisfied as follows:</p> <ul style="list-style-type: none"> i. The total amount of the Viceroy Debt, to be adjusted at closing to account for accrued interest, costs and other accrued allowable charges in accordance with the terms of the Farm-In Agreement, to be paid as a credit bid by way of set-off against the Viceroy Debt; ii. The total amount owing under all Receiver's Certificates, inclusive of accrued interest, to be paid as a credit bid by way of set-off against such Receiver's Certificates; iii. The assumption by Purchaser of the Assumed Liabilities; and iv. The total amount of the Priority Payables to be paid by way of cash payment on Closing. <p>On the Closing Date, the Purchaser shall pay the Purchase Price or cause the Purchase Price to be paid by tendering:</p> <ul style="list-style-type: none"> i. A fully executed release and waiver of the aggregate amount of the Viceroy Debt, and ii. A fully executed release and waiver of the aggregate amount owing under all Receiver's Certificates. iii. The execution and delivery by Purchaser of an assumption agreement pursuant to which Purchaser shall fund, pay, assume and be liable for, and indemnify Greenfire from against, the Assumed Liabilities; and iv. A cash payment to the Receiver in the amount of the Priority Payables.
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Proposed Transaction:	The Proposed Transaction shall be by way of an asset purchase transaction whereby the Purchaser shall purchase the Purchased Assets, with the exception of the Excluded Assets, free and clear of all liabilities (other than the Assumed Liabilities) and Encumbrances (the “ Asset Purchase Agreement ”) in accordance with the Sale Process Order and a Sale Approval and Vesting Order, to be obtained.
Proposed Definitive Documents:	The Proposed Transaction contemplated hereby is conditional on the Purchaser being determined to be the Successful Bidder, the Court granting a Sale Approval and Vesting Order in form and substance satisfactory to the Receiver and Purchaser, and the Purchaser and the Receiver having entered into an Asset Purchase Agreement and documents incidental thereto setting out the full terms and conditions of the agreements contemplated by this Term Sheet (collectively, the “ Definitive Documents ”) in form and substance satisfactory to the Purchaser and the Seller and consistent with the terms of this Term Sheet.
Representations and Warranties:	The acquisition of the Purchased Assets shall be on an “as is, where is basis”.
Break Fee:	In the event that a Successful Bid, other than the Proposed Transaction, is approved by the Court and the transaction contemplated thereby is completed, a fee (the “ Break Fee ”) in the amount of CAD\$75,000 will be payable by the Receiver to the Purchaser upon consummation of the Successful Bid.
Restrictions on Seller:	From the date of this Term Sheet until the Closing Date, except with the prior written consent of the Purchaser or by further order of the Court and except with respect to the CO&O Agreement and Definitive Documents, the Receiver shall not enter into any agreement or other commitment whatsoever in respect of the Purchased Assets (other than a non-disclosure agreement as set out in the Sale Process) and shall not solicit or entertain expressions of interest, letters of intent or offers, other than pursuant to the bid procedures set out in the Sale Process.
CO&O Agreement	Ownership and operation of the Plant and certain petroleum and natural gas rights, wells and other assets (collectively the “ Other Assets ”) are currently governed by the Farm-In Agreement which incorporates the 2007 CAPL Operating Procedure (the “ Operating Procedure ”). If the Purchaser is the Successful Bidder, upon Closing, the Other Assets will be owned by Greenfire and Viceroy (or another purchaser) and the Purchased Assets will be owned by Greenfire and Purchaser resulting, by operation of certain provisions of the Operating Procedure, in a bifurcation of the Farm-In Agreement. To address such bifurcation and other matters related to the Purchased Assets and as contemplated in section 14.02(c) of the

	Operating Procedure, if the Purchaser is the Successful Bidder, the Seller and Greenfire shall negotiate a separate agreement for the Plant and its operation using the 1999 PJVA CO&O Agreement as its basis (the “ CO&O Agreement ”) and Purchaser shall be required to execute and deliver the CO&O Agreement at Closing. The CO&O Agreement shall be in form and substance satisfactory to each of the Seller, Greenfire and the Purchaser.
Termination by Mutual Consent:	This Term Sheet shall terminate: (i) upon the closing of an alternate transaction for the Purchased Assets if the Purchaser is not the Successful Bidder; or (ii) by mutual written consent of the Purchaser and the Receiver.
Purchaser Termination Conditions:	<p>The Purchaser shall not be obligated to purchase the Purchased Assets from the Receiver on the Closing Date if any of the following conditions apply on the Closing Date (the “Purchaser Termination Conditions”):</p> <ul style="list-style-type: none"> i. Any of the material representations and warranties of the Receiver in the Definitive Documents are inaccurate, except for any inaccuracy that, individually and taken together with other such inaccuracies, has not had and would not reasonably be expected to have a material adverse effect on the ability of the Purchaser to consummate the Proposed Transaction and to have the full benefit of the Purchased Assets or to operate any business in respect of the Purchased Assets as such business is currently operated in all materials respects. ii. The Receiver has breached any covenant of the Receiver in the Definitive Documents. iii. The Receiver has pursued an alternative transaction in contravention of the Sale Process. iv. There has been a material adverse change to the Purchased Assets
Receiver Termination Conditions:	<p>The Receiver shall not be obligated to sell the Purchased Assets to the Purchaser on the Closing Date if any of the following conditions (the “Receiver Termination Conditions”) apply on the Closing Date:</p> <ul style="list-style-type: none"> i. The Purchaser is not the Successful Bidder;

	<p>ii. A Sale Approval and Vesting Order (in form and substance satisfactory to the Receiver) approving the Proposed Transaction has not been granted or has been appealed, stayed, varied or vacated;</p> <p>iii. The Receivership Order has been appealed, stayed, varied or vacated or any law or order has been enacted issued, made or entered which would reasonably be expected to make the Proposed Transaction illegal or to otherwise directly or indirectly cease trade, enjoin, restrain or otherwise prohibit completion of the Proposed Transaction;</p> <p>iv. Any of the material representations and warranties of the Purchaser in the Definitive Documents are inaccurate, except for any inaccuracy that, individually and taken together with other such inaccuracies, has not had and would not reasonably be expected to have a material adverse effect on the ability of the Receiver to consummate the sale of the Purchased Assets.</p> <p>v. The Purchaser has breached any covenant of the Purchaser in the Definitive Documents.</p> <p>vi. The Purchaser shall have executed and delivered the CO&O Agreement.</p>
Certain Documentation Matters:	The Definitive Documents shall contain representations, warranties, covenants and events of default customary for transactions of this type.
Receiver Liability:	The Purchaser acknowledges and agrees that in all matters pertaining to this Term Sheet and Definitive Documents, the Receiver is acting solely in its capacity as Receiver of the Property and, as such, its liability, if any, will be in its capacity as Receiver, and it and its representatives shall have no personal or corporate liability of any kind, whether in contract, in tort or otherwise.
Governing Law:	This Term Sheet and the Definitive Documents shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each Party hereto irrevocably agrees to submit to the exclusive jurisdiction of the Courts of Alberta with respect to any matters arising herein or relating hereunder.
Binding Term Sheet:	All of the Parties hereby agree and acknowledge that this Term Sheet represents a binding agreement of the Parties with respect to

	the subject matter provided herein, subject to the negotiation and execution of the Definitive Documents.
Interpretation:	Capitalized terms not otherwise defined herein have the meaning given to them in the Sale Process.
Counterparts:	This Term Sheet may be executed and delivered electronically in two or more counterparts, any one of which need not contain the signature of more than one Party, but all such counterparts taken together shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF the Parties have duly executed this Term Sheet as of this 28th day of November, 2024.

2666355 ALBERTA LTD.

Signed by:
Per: Tony Kraljic
Name: Tony Kraljic
Title: Director

ALVAREZ & MARSAL CANADA INC., in its capacity as Receiver of Viceroy Canadian Resources Corp.'s right, title and interest in and to the Amended and Restated Farm in Participation Agreement effective as of January 31, 2019 and amended and restated June 19, 2020, and not in its personal or corporate capacity

Per: _____
Name:
Title:

Signature Page to Binding Term Sheet

SCHEDULE "B"
TIMELINE

Event	Deadline
Publication of Opportunity and Sale Process Procedure and posting on Receiver's Website	As soon as practical following the granting of the Sale Process Order
Receiver to Distribute Teaser to Potential Bidders	As soon as practical following the granting of the Sale Process Order
Receiver to prepare CIM and VDR for Potential Bidders	As soon as practical following the granting of the Sale Process Order
FINAL BID DEADLINE	January 24, 2025
Approval Application of Stalking Horse Term Sheet if no Superior Bids received	As soon as practical following the Final Bid Deadline
Notice sent to Qualified Bidders if they submitted a Qualified Bid and of Auction	January 31, 2025
Qualified Bidders and Stalking Horse Bidder to Notify Receiver of Intention to Participate in Auction	February 3, 2025
AUCTION	February 7, 2025
Approval Application of Winning Bid	As soon as practical following the Auction

SCHEDULE "C"
NOTICE

TO THE RECEIVER:

Alvarez & Marsal Canada Inc.
Suite 1110, 250 6th Avenue SW
Calgary, AB T2P 3H7

Attention: Orest Konowalchuk / Duncan MacRae

Phone: (403) 538 4736 / 403 538 7514

Email: okonowalchuk@alvarezandmarsal.com / dmacrae@alvarezandmarsal.com

