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PLAINTIFF

GMT CAPITAL CORP

DEFENDANT

STRATEGIC OIL AND GAS LTD. and STRATEGIC
TRANSMISSION LTD.

IN THE MATTER OF THE RECEIVERSHIP OF STRATEGIC
OIL AND GAS LTD. and STRATEGIC TRANSMISSION LTD.

DOCUMENT

FOURTH REPORT OF THE RECEIVER

November 28, 2022

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
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DOCUMENT

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INTRODUCTION

1. On January 28, 2020 (the “**Receivership Date**”), the Honourable Justice K. Horner granted an order appointing Alvarez & Marsal Canada Inc. as receiver and manager (the “**NWT Receiver**”), without security, of all of Strategic Oil and Gas Ltd.’s and Strategic Transmission Ltd.’s (together, “**Strategic**” or the “**Company**”) current and future assets, undertakings and properties located in the Northwest Territories (the “**NWT Property**”), 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 (the “**NWT Receivership Order**”).
2. Prior to the Receivership Date, the Company had sought and obtained protection under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”) pursuant to an order granted by the Alberta Court of King’s Bench on April 10, 2019 (the “**Initial Order**”). The Initial Order, *inter alia*, imposed a stay of proceedings (the “**Stay**”) against Strategic until and including May 6, 2019 and appointed KPMG Inc. as Monitor (“**Monitor**”). The proceedings commenced by the Company under the CCAA are referred to herein as the “**CCAA Proceedings**”.
3. By a series of subsequent orders, the Court extended the Stay to January 31, 2020. However, the Company was unable to develop a plan of arrangement or compromise (“**Plan**”) in any iteration acceptable to the Government of the Northwest Territories (“**GNWT**”), the Alberta Energy Regulator (“**AER**”), and the office of the Regulator of Oil and Gas Operations for the Northwest Territories (“**OROGO**”) and, was subsequently placed into Receivership upon application of GMT Capital Corp.
4. GMT Capital Corp. requested that a separate receiver (the “**Alberta Receiver**”) be appointed over Strategic, excepting the NWT Property. Thus, KPMG Inc. was appointed as the Alberta Receiver, primarily over Strategic’s business, undertakings and properties located in Alberta. On November 20, 2020, the Alberta Receiver received a partial discharge in respect of its duties as the Alberta Receiver.

Further background on the CCAA Proceedings and the Alberta Receiver's proceedings have been posted on the Alberta Receiver's website at: <https://www.kpmg.com/ca/strategic>.

5. Amongst other things, the NWT Receivership Order empowers and authorizes, but does not obligate, the NWT Receiver to take possession and control of the NWT Property and to sell, convey, transfer, lease or assign the NWT Property or any part or parts thereof out of the ordinary course of business. Except as they specifically relate to the NWT Property, all powers of the receivership in relation to Strategic's assets, business, undertakings and properties fall under the exclusive jurisdiction of the Alberta Receiver.
6. The priority to funds held by Strategic as at the Receivership Date, together with certain funds utilized by the Alberta Receiver through the course of its administration of Strategic's Alberta receivership proceedings, remains in dispute. As further detailed in this Report, no cash was made available from Strategic or the Alberta Receiver to the NWT Receiver at the Receivership Date or subsequently, and as such, throughout the within Receivership Proceedings, the NWT Receiver has been funded entirely by the GNWT. On November 20, 2020, by order of this Honourable Court, the Alberta Receiver was partially discharged and remains in care and custody of approximately \$780,000 in relation to this dispute. The NWT Receiver understands that, as part of the Alberta Receiver's partial discharge, GNWT advised the Court and the Alberta Receiver that they have a claim against these funds. The NWT Receiver understands that all of the AER, the Canada Energy Regulator ("**CER**") and/or OROGO have also asserted claims against these funds. This dispute remains outstanding.
7. On July 19, 2021, this Honourable Court granted an order approving a sales solicitation process ("**SSP**") and the appointment of a sales advisor to market and sell the NWT Property. While the SSP has been unsuccessful to date, the NWT Receiver has not yet terminated the SSP, as discussed further below.

8. On July 15, 2022, this Honourable Court granted an order approving a Request for Proposal process (“**RFP**”) in order to solicit proposals for abandonment work respecting the NWT Property.
9. The purpose of this fourth report of the NWT Receiver (the “**Fourth Report**” or this “**Report**”) is to provide this Honourable Court with information in respect of the following:
 - a) subsequent activities of the NWT Receiver since the third report of the NWT Receiver dated July 4, 2022 (the “**Third Report**”);
 - b) an update on the NWT Receiver’s SSP respecting the NWT Property;
 - c) an update on the NWT Receiver’s RFP respecting the abandonment of certain NWT Property and the NWT Receiver’s application for an order approving an abandonment agreement with the preferred proponent (“**Abandonment Agreement**”);
 - d) the cash flow results for the period from June 18, 2022 to November 25, 2022;
 - e) the NWT Receiver’s application for the sealing of Confidential Appendices 1 and 2 of this Report (the “**Restricted Court Access Order**”);
 - f) approval of the NWT Receiver’s actions, activities and conduct, and approval of the NWT Receiver’s fees and disbursements and those of the NWT Receiver’s independent legal counsel; and
 - g) the NWT Receiver’s conclusions and recommendations with respect to the foregoing.
10. Capitalized words or terms not otherwise defined in this Report are as defined in the NWT Receivership Order and previously filed reports of the Receiver.
11. All references to dollars are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

12. In preparing this Report, the NWT Receiver has relied upon: (i) the representations of certain management and other key stakeholders of Strategic; and (ii) financial and other information contained in the Company's books and records, which were produced and maintained principally by the Company. The NWT Receiver has not performed an audit, review or other verification of such information.
13. Further, the NWT 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 NWT Receiver expresses no opinion or other form of assurance contemplated under CASs in respect of the financial information.

BACKGROUND AND OVERVIEW

14. Strategic is an oil and gas exploration and production company with non-operational wells in the Cameron Hills area of the Northwest Territories and other producing and non-producing areas throughout Alberta.
15. Strategic Oil and Gas Ltd. ("SOG") was incorporated under the *Alberta Business Corporations Act* in April 2012 and was publicly traded on the TSX Venture Exchange in Canada under the symbol "SOG". A cease trade order was issued to the Company by the Alberta Securities Commission on May 6, 2019.
16. Strategic Transmission Ltd. ("STL") was incorporated under the *Canada Business Corporations Act*. In June 2013, SOG acquired all of the outstanding common shares of STL, in conjunction with the acquisition of the NWT Property.
17. The oil and gas properties owned by Strategic in the Northwest Territories are located in remote areas that are difficult to access. In particular, between May and November of every year, access to the properties may only be achieved via

helicopter, or in the winter months, through the construction of an ice road when conditions are suitable.

18. STL holds legal title to a section of pipeline that crosses the Alberta border into the Cameron Hills area of the Northwest Territories, which is regulated by the CER (the “**Interprovincial Pipeline**”). Beyond holding legal title to the Interprovincial Pipeline, STL has no other assets or operations.
19. Further background on the Company is contained in the materials filed in support of the NWT Receivership Order. These documents and other publicly filed Court materials in these proceedings have been posted on the NWT Receiver’s website at: <https://www.alvarezandmarsal.com/sog> (the “**NWT Receiver’s Website**”).

SUBSEQUENT ACTIVITIES OF THE NWT RECEIVER

20. Since the Third Report, the NWT Receiver’s activities have included, but are not limited to, the following:
 - a) continuing care and custody of the NWT Property, including administering and monitoring, with the assistance of its independent contractors, the various well and facility locations in Cameron Hills to ensure necessary safety and environmental monitoring;
 - b) monitoring the cash flow expenditures required to preserve and protect the NWT Property and pay other administrative obligations during the receivership proceedings;
 - c) arranging for continued funding from the GNWT to allow the NWT Receiver to carry out its duties pursuant to the NWT Receivership Order;
 - d) continuing discussions respecting the SSP;
 - e) carrying out the marketing of the RFP, including meeting with prospective proponents to provide information regarding the NWT Property and the abandonment obligations;

- f) working with the RFP Evaluation Committee to evaluate the proposals received to facilitate the well abandonment work with respect to any remaining NWT Property;
- g) drafting and finalizing terms of the Abandonment Agreement with the preferred proponent, ELM Inc., from the RFP;
- h) attending to various communications and virtual meetings with certain GNWT officials to discuss various matters related to the NWT Receivership Proceedings and the RFP;
- i) attending meetings with officials of the Mackenzie Valley Land and Water Board (the “**MVLWB**”) to discuss various matters related to the NWT Receivership Proceedings and working with the Receiver’s land consultant in relation to a permit application required for the abandonment work;
- j) communicating with CER officials to discuss the CER regulated pipeline and its implications to the NWT Receivership Proceedings;
- k) providing instructions to the NWT Receiver’s independent legal counsel, Borden Ladner Gervais LLP (“**BLG**”), in respect of NWT the Receivership Proceedings through October 31, 2022. On November 1, 2022, the NWT Receiver’s independent counsel moved their practice to Fasken Martineau DuMoulin LLP (“**Fasken**”). The NWT Receiver consequently moved its file to Fasken to ensure continuity with the partners with the relevant knowledge and history of the NWT Receivership Proceedings;
- l) attending multiple meetings and hosting various communications with the GNWT, OROGO and respective legal counsel, in general;
- m) attending multiple meetings and hosting various communications with the regional First Nations in Cameron Hills regarding the RFP and the work to be completed under the Abandonment Agreement; and

- n) communicating with the Alberta Receiver and respective legal counsel on matters concerning the joint administration of the NWT Receivership Proceedings.

REGULATORY MATTERS

OROGO Abandonment Order

- 21. As previously reported, on October 4, 2019, OROGO issued an order requiring the abandonment of approximately 40 wells and the decommissioning of specific oil and gas infrastructure, including the gathering system at Cameron Hills, within the deadlines set between January 31, 2023 and May 14, 2025 (the “**Abandonment Order**”).
- 22. The NWT Receiver obtained certain extensions from OROGO to abandon a significant number of wells, of which 24 wells are to be abandoned by March 31, 2023. The NWT Receiver, with the support of the GNWT, has carried out the RFP to facilitate the well abandonment work of these 24 wells, 17 wells to be abandoned by May 14, 2025, 3 wells to be abandoned by March 31, 2026 and the decommissioning and removal of all other oil and gas infrastructure by March 31, 2025.
- 23. On September 19, 2022, the NWT Receiver submitted a request to OROGO to further extend the deadline for the abandonment of the 24 wells from March 31, 2023 to March 31, 2024. Among other things, the NWT Receiver requested the extension to allow additional time for the NWT Receiver to obtain the land use permit from the MVLWB (as discussed below). On October 3, 2022, OROGO denied the request to extend the deadline.
- 24. The RFP and the proposed Abandonment Agreement to satisfy the Abandonment Order are discussed in more detail below.

Other Ancillary Regulatory Matters

25. The NWT Receiver is in the process of applying to the MVLWB to for a Land Use Permit in accordance with the *Mackenzie Valley Resource Management Act* and the *Mackenzie Valley Land Use Regulations*. The Land Use Permit is required to properly conduct the abandonment program contemplated under the proposed RFP. The Receiver understands that the Land Use Permit may be assigned under the *Mackenzie Valley Resource Management Act*.
26. Based on discussions with OROGO and a review of other regulatory requirements, the NWT Receiver believes it remains in compliance with OROGO and the other NWT regulatory bodies regarding the NWT Property and is not aware of any other order issued by OROGO or any other regulatory body.

Interprovincial Pipeline Issues

27. The NWT Receiver has not received any abandonment order from the CER relating to the Interprovincial Pipeline. Should the Interprovincial Pipeline not be sold as part of the SSP, and at the wishes of the CER, an agreement may be considered with respect to the abandonment work related to the Interprovincial Pipeline in the future.
28. The proposed RFP does not bind the NWT Receiver or the CER to carry out an abandonment of the Interprovincial Pipeline; however, such an abandonment may be incorporated should an agreement be reached between the NWT Receiver and the CER.

SALES PROCESS STATUS

29. As discussed in the Third Report, the SSP resulted in one offer (the “**SSP Offer**”) from one interested party (the “**Sole Bidder**”) for a few of the wells, associated pipelines, facilities and batteries, as well as the Interprovincial Pipeline (the “**Potential Sale Property**”).

30. Since the Third Report, the NWT Receiver and the NWT Receiver's Counsel have continued to facilitate ongoing meetings with the Sole Bidder and with certain GNWT officials to discuss the SSP Offer to facilitate an acceptable transaction.
31. Although the marketing stages of the SSP are completed and resulted in no acceptable offer to date, the NWT Receiver, in consultation with the GNWT and the regulatory bodies, will continue to consider the sale of the Potential Sale Property with the Sole Bidder. The Receiver will report to the Court in the future and seek the appropriate relief should an acceptable transaction be facilitated with the Sole Bidder or any other interested party.

REQUEST FOR PROPOSAL UPDATE

Summary of the RFP

32. The NWT Receiver developed, in consultation with the GNWT, the RFP to facilitate the well abandonment work (the "**NWT Abandonment Work**") over any remaining NWT Property. In that regard, the NWT Receiver invited qualified proponents to submit a competitive proposal for the planning, management and performance of the NWT Abandonment Work.
33. Public marketing of the RFP commenced on July 21, 2022, shortly after the RFP was approved. On that date:
 - a) an information brochure ("**Teaser**") summarizing the RFP was emailed to approximately 45 potential proponents;
 - b) the RFP was posted on the NWT Receiver's Website; and
 - c) the NWT Receiver placed an advertisement in the *BOE Report* and the *Daily Oil Bulletin* ("**DOB**").
34. On July 25, 2022, the NWT Receiver placed a second advertisement in the DOB. Statistics show that the advertisements were viewed a total of 1,704 times.

35. A total of 12 participation agreements were received from potential proponents throughout the RFP. These proponents were granted access to a confidential Data Room with additional information to assist in the development of their proposals.
36. The NWT Receiver hosted meetings with various proponents throughout the RFP, provided Q&A to the proponents to respond to questions posed by proponents and posted additional information to the Data Room to respond to inquiries posed by proponents requesting additional and clarifying information.
37. Throughout the RFP, the NWT Receiver issued four addenda, which among other things, provided clarification of paragraphs and terms of the RFP and extended the Submission Time for Proposals on multiple occasions, initially from September 2, 2022, ultimately to October 14, 2022. The extensions were granted to allow time for proponents to ask questions and receive clarification on certain issues.
38. At the Submission Time for Proposals, the NWT Receiver received six proposals (**“Proposals”**).

Evaluation of Proposals

39. Between October 14, 2022 and October 28, 2022, the NWT Receiver and two representatives of the GNWT (the **“Evaluation Committee”**) met to discuss and evaluate the Proposals based on the evaluation criteria set out in the RFP.
40. The evaluation criteria and their weighting are as follows:
 - a) Project Team, Experience and Track Record – 40%
 - b) Project Plans, Implementation and Ongoing Operations – 40%
 - c) Indigenous & Local Benefits – 20%

Further details and additional breakdowns of the weighting can be found in the RFP and the fourth addendum to the RFP.

41. After completing a preliminary review, one of the proposals did not meet the Mandatory Requirements set out in the RFP and was deemed to be rejected by the

Evaluation Committee, as it would not be in contention to be selected based on the evaluation criteria.

42. The Evaluation Committee recommended ELM Inc. to be selected as the preferred proponent. ELM Inc. scored the highest of all six Proposals in Project Team, Experience and Track Record, in Project Plans, Implementation and Ongoing Operations and in the total score. The NWT Receiver does not consider there to be any material risks to the estate by selecting ELM Inc. as the preferred proponent.
43. Details of the Evaluation Committee's scorecard for the five Proposals is attached to this Report as Confidential Appendix '1'.
44. On November 2, 2022, the NWT Receiver notified ELM Inc. that they were the preferred proponent ("**Preferred Proponent**") and notified the other five proponents that they were not.

Proposed Abandonment Agreement

45. Since the selection of the Preferred Proponent, the NWT Receiver and ELM Inc. have negotiated the terms of a proposed Abandonment Agreement. A copy of the proposed Abandonment Agreement is attached to this Report as Appendix 'A' and has been redacted to remove commercially sensitive information. An unredacted copy is attached to this Report as Confidential Appendix '2'.
46. The Abandonment Agreement was negotiated at arm's length and in good faith between the parties to it and arose from the RFP process, which was broadly canvassed to companies and other outfits with an interest in abandonment work. The major stakeholder in these proceedings, the GNWT, is supportive of the Abandonment Agreement, which in the NWT Receiver's view, represents the most expedient opportunity to complete the necessary abandonment work for the benefit of the public, and in order to remain in compliance with the Abandonment Order.

Restricted Court Access

47. Paragraph 102 of the RFP specified that, subject to all applicable access to information legislation, privacy legislation and this RFP, the NWT Receiver and the GNWT will endeavor to keep all Proposals (and their contents) confidential.
48. The NWT Receiver is respectfully of the view that it is appropriate for this Honourable Court to seal Confidential Appendices 1 to 2 in accordance with the proposed form of the Restricted Court Access Order accompanying the NWT Receiver's application as they contain commercially sensitive information. The NWT Receiver is concerned that if the details of the Evaluation Committee's scorecard and certain terms negotiated in the proposed Abandonment Agreement were made public, it could lead to unfair advantages in future RFP processes, including, among other things, in circumstances where the Abandonment Agreement was not executed and parties had to be recanvassed about completing the NWT Abandonment Work. Additionally, the information contains commercially sensitive information of the participating proponents, each of whom participated in the NWT Receiver's process with the understanding that its information would be kept confidential.

Indigenous Involvement

49. As part of the RFP, on July 21, 2022, the NWT Receiver emailed the Teaser to the K'atlo'deeche First Nation, the Ka'a'gee Tu First Nation, the West Point First Nation and the Deh Gah Got'ie First Nation (the "**Regional First Nations**").
50. On Thursday, October 13, 2022, a representative of the Regional First Nations reached out to the NWT Receiver to request a meeting. On Sunday, October 16, 2022, the NWT Receiver held an in person meeting with the representative at which time the representative expressed interest in participating as a proponent in the RFP.
51. As the RFP Submission Date had already passed, the NWT Receiver explained the deadlines established by OROGO in the Abandonment Order and that the NWT

Receiver had already requested an extension of the timelines, which OROGO had denied.

52. The NWT Receiver provided the participation agreement to the representation of the Regional First Nations and indicated that it could evaluate an additional proposal by the proposal deadline, if the proposal was submitted by October 31, 2022. Extending the selection of the preferred proponent beyond the deadline of November 2, 2022 was not a possibility, as any successful proponent would require sufficient time to sign subcontracting agreements, and build winter access roads to meet the timelines in the Abandonment Order.
53. On October 31, 2022, the K’atlo’deche First Nation (“**KFN**”) wrote to the Premier of the Northwest Territories requesting that the GNWT take steps to extend the RFP submission date to November 30, 2022 (the “**KFN Letter**”).
54. The Minister of Lands of the GNWT responded to the KFN Letter on November 16, 2022, which response confirmed, among other things, the activities and notices given by the NWT Receiver in relation to the RFP, the reason why the NWT Receiver was not in a position to extend the submission date, and the NWT Receiver’s commitment to engage with Indigenous governments and Indigenous organizations as the NWT Abandonment Work is planned and conducted.
55. As discussed above, given the Abandonment Order deadlines and as a result of the already constrained timeline associated with building winter access roads and subcontracting services, the NWT Receiver was not in a position to extend the submission date.
56. The NWT Receiver has met with the Regional First Nations to discuss why the submission date could not be extended and to invite the Preferred Proponent to engage with the Regional First Nations to collaboratively determine opportunities for benefits to be provided to the Regional First Nations. The NWT Receiver will continue to ensure that the Regional First Nations and other affected Indigenous governments are kept apprised of the status of the project and that opportunities to

collaborate on the NWT Abandonment Work for the benefit of the Indigenous communities impacted are provided.

RECEIPTS AND DISBURSEMENTS

57. The following is a statement of the NWT Receiver's receipts and disbursements ("R&D") in respect of the NWT Property from June 18, 2022 to November 25, 2022 (the "Reporting Period"), in addition to the receipts and disbursements since the Receivership Date.
58. The below chart reflects collections and payments made by the NWT Receiver in the NWT Receivership Proceedings and the R&D is reflected on a "cash basis".

Strategic - NWT Property NWT Receiver's Interim Statement of Receipts and Disbursements CAD \$, unaudited			
	Prior Reports Jan 28/20 to Jun 17, 22	Reporting Period Jun 18/22 to Nov 25, 22	Total Jan 28/20 to Nov 25, 22
Opening cash balance	\$ -	\$ 75,276	\$ -
Receipts			
Government funding advanced	3,164,939	615,861	3,780,800
GST refunds	101,425	-	101,425
Working interest receipts	69,470	-	69,470
Total Receipts	3,335,834	615,861	3,951,696
Disbursements			
Suspension program	1,195,558	-	1,195,558
Contractor payments	1,018,893	393,058	1,411,950
Insurance premiums	223,955	-	223,955
NWT Receiver's fees and expenses	532,750	168,666	701,416
Legal fees and expenses	100,557	37,164	137,722
GST paid on disbursements	144,735	29,988	174,722
Sales Process	17,500	-	17,500
Other disbursements	26,611	4,001	30,611
	3,260,559	632,876	3,893,435
Closing cash balance	\$ 75,276	\$ 58,261	\$ 58,261

59. Opening cash during the Reporting Period was \$75,276. There was no opening cash available to the NWT Receiver as at the Receivership Date and the GNWT has provided funding to the NWT Receivership throughout the entire Receivership proceeding.

60. The NWT Receiver collected approximately \$615,861 during the Reporting Period relating to funds advanced by the GNWT to the NWT Receiver.
61. The NWT Receiver paid approximately \$632,876, which consisted primarily of the following:
- a) contractor payments of approximately \$393,058 for regulatory compliance reporting support, site inspections and other care and maintenance activities;
 - b) professional fees and costs of the NWT Receiver and its legal counsel, BLG, of approximately \$205,831;
 - c) GST paid on disbursements of approximately \$29,988; and
 - d) other disbursements of approximately \$4,001, relating primarily to database management fees and other care and maintenance activities.
62. Total cash on hand with the NWT Receiver as at November 25, 2022 is \$58,261.
63. The GNWT continues to advance funds to the NWT Receiver based on receipt of expenditures provided by the NWT Receiver to the GNWT.

APPROVAL OF PROFESSIONAL FEES AND EXPENSES

64. Pursuant to paragraphs 22 to 24 of the NWT Receivership Order, the NWT Receiver seeks approval from this Honourable Court of the respective professional fees and disbursements of the NWT Receiver and its legal counsel for the period of time from June 1, 2022 to October 31, 2022 (the “**Interim Taxation Period**”). The professional fees and costs of the NWT Receiver and its legal counsel from the Receivership Date to May 31, 2022 have been previously approved by this Honourable Court.
65. Professional fees and expenses rendered by the NWT Receiver during the Interim Taxation Period total \$119,278 (exclusive of GST) (the “**NWT Receiver’s Fees and Disbursements**”) and are summarized in Appendix ‘B’.

66. Professional fees and expenses rendered by the NWT Receiver's legal counsel, BLG, during the Interim Taxation Period total \$27,739 (exclusive of GST) (the **"NWT Receiver's Counsel's Fees and Disbursements"**) and are summarized in Appendix 'B'.
67. The accounts of the NWT Receiver and its legal counsel outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work. Copies of the NWT Receiver's and BLG's invoices will be made available for the Court prior to the hearing of this Application.
68. The professional fees and disbursements of the NWT Receiver and its legal counsel for June 1, 2022 to October 31, 2022 are reflected in the actual cash flow receipts and disbursements discussed above.
69. The professional fees and disbursements of the NWT Receiver for April 1, 2022 to May 31, 2022 have been previously approved by this Honourable Court, but are reflected in the actual cash flow receipts and disbursements discussed above.
70. The professional fees and disbursements of the NWT Receiver's Counsel for May 1, 2022 to May 31, 2022 have been previously approved by this Honourable Court, but are reflected in the actual cash flow receipts and disbursements discussed above.
71. The NWT Receiver respectfully submits that its professional fees and disbursements, and those of the NWT Receiver's legal counsel BLG, over the Interim Taxation Period, are fair and reasonable in the circumstance, and commensurate with the work performed to date. The NWT Receiver therefore respectfully requests that this Court approve the NWT Receiver's Fees and Disbursements and the NWT Receiver's Counsel's Fees and Disbursements.

NWT RECEIVER'S ACTIVITIES AND FUTURE COURSE OF ACTION

72. The NWT Receiver's next steps include, but are not limited to the following:

- a) monitoring the NWT Property and ensuring it is in compliance with the:
 - i. *Oil and Gas Operations Act* SNWT 2014, c.14, the terms and conditions of Operations Authorization OA-2018-003-SOG and other requirements of OROGO;
 - ii. the *Mackenzie Valley Resource Management Act*, the *Waters Act*, requirements of the MVLWB and related requirements, and all other applicable legal and regulatory requirements;
- b) continuing engagement with the Regional First Nations and other Indigenous governments affected by the NWT Abandonment Work;
- c) continuing consultations with GNWT and OROGO, the CER, the AER (as required), the staff of the MVLWB and other GNWT stakeholders, with respect to the NWT Property;
- d) continuing discussions with the GNWT and the Sole Bidder respecting the SSP Offer;
- e) implementing the NWT Abandonment Work based on the proposed Abandonment Agreement, if approved by this Honourable Court; and
- f) facilitating, as required, future discussions between the GNWT and the AER regarding the priority to funds that existed as at the Receivership Date and utilized by the Alberta Receiver, in addition to any funds remaining upon the expected final discharge of the Alberta Receiver.

NWT RECEIVER'S CONCLUSIONS AND RECOMMENDATIONS

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

- a) approve the proposed Abandonment Agreement and authorize the NWT Receiver to take whatever steps are necessary to implement the agreement, substantially in the form attached to this Report;
- b) grant the Restricted Court Access Order;
- c) approve the conduct, actions and activities of the NWT Receiver as more particularly set forth in this Report;
- d) approve the NWT Receiver's interim statement of receipts and disbursements, as set-out in this Report; and
- e) approve the NWT Receiver's Fees and Disbursements and the NWT Receiver's Counsel's Fees and Disbursements.

All of which is respectfully submitted this 28th day of November, 2022.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as the Court-appointed Receiver of
the NWT Property and not its personal or corporate capacity**



Cassie Riglin, CPA, CA, CIRP, LIT
Senior Vice President



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

APPENDIX A

**ALVAREZ & MARSAL CANADA INC., solely in its capacity
as the Court-Appointed Receiver of STRATEGIC OIL & GAS LTD.'S NWT Property**

-and-

**THE GOVERNMENT OF THE NORTHWEST TERRITORIES,
as represented by the Minister of Lands**

-and-

ELM INC.

ABANDONMENT AGREEMENT

•, 2022

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ABANDONMENT AGREEMENT

BETWEEN:

ALVAREZ & MARSAL CANADA INC., solely in its capacity as the Court-Appointed Receiver of **STRATEGIC OIL & GAS LTD.’S** NWT Property and not in its corporate or personal capacity

(“NWT Receiver”)

- and -

THE GOVERNMENT OF NORTHWEST TERRITORIES,
as represented by the Minister of Lands

(“GNWT”)

- and -

ELM Inc., a corporation existing under the laws of the Province of Alberta

(“Contractor”)

WHEREAS on January 28, 2020, the Alberta Court of King’s Bench (the “**Court**”) made an order (the “**Receivership Order**”) appointing Alvarez & Marsal Canada Inc. as receiver and manager over all of Strategic Oil and Gas Ltd.’s and Strategic Transmission Ltd.’s (together “**Strategic**”) current and future assets, undertakings and properties of every nature and kind whatsoever situated in the Northwest Territories, including all proceeds thereof and including, without limiting the generality of the foregoing, any letters of credit issued in respect of assets situated in the Northwest Territories;

AND WHEREAS on July 25, 2022 the Court granted an Order (the “**RFP Order**”) approving the NWT Receiver, with the support of the GNWT, to conduct a Request for Proposals (“**RFP**”) process to facilitate the NWT Abandonment Work (as defined herein), which RFP process has been conducted and is now concluded;

AND WHEREAS pursuant to the RFP process, the Contractor was selected as the successful proponent to facilitate the NWT Abandonment Work and the Parties wish to provide the general terms and conditions under which Contractor will provide Services relating to the NWT Abandonment Work;

NOW THEREFORE the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 The terms below are defined as follows:

- (a) “**Administration Costs**” has the meaning provided in Section 6.2(a) hereto;
- (b) “**Affiliate**” means a corporation or partnership which is controlled by or under common control with an entity that also controls a party to this Agreement and, for the purposes of this definition, “control” means the ability, directly or indirectly, to appoint or elect a majority of the board of directors or their equivalent or, in the case of a limited partnership,

the person that controls the general partner, or in the case of a general partnership, is a partner who has authority to bind the partnership;

- (c) **“Agreement”** means this document and any attachments including schedules, specifications, drawings, exhibits and documents reference therein;
- (d) **“Approved Subcontractors”** means those subcontractors set forth in Schedule “B” hereto and not subsequently removed as an Approved Subcontractor by the NWT Parties, and those further persons which may be approved by NWT Parties in accordance with the terms herein, including the Procurement Plan;
- (e) **“ATIPP”** means the Access to Information and Protection of Privacy Act, S.N.W.T.1994, c. 20;
- (f) **“CER”** means the Canada Energy Regulator;
- (g) **“Change Order”** means amendments to a Work Package issued in accordance with Article 4;
- (h) **“Contract Price”** means the price mechanism set out in Schedule “F” hereto;
- (i) **“Contract Security”** means certain performance or labour and materials bonds required for those Work Packages described in the NWT Abandonment Plan, [REDACTED]
[REDACTED];
- (j) **“Contractor’s RFP”** means Contractor’s complete response to the RFP, as accepted by the NWT Parties;
- (k) **“Cost Estimate”** means the cost estimate set out in Schedule “C” hereto;
- (l) **“Court”** has the meaning ascribed thereto in the preamble;
- (m) **“Dispute Resolution Principles”** means the ADR Institute of Canada’s Arbitration Rules;
- (n) **“Good Industry Practice”** means those good, sound and professional practices, methods and acts normally expected of a skilled, experienced, competent and leading contractor performing abandonment and reclamation services and furnishing goods of a comparable nature and includes any other practices, methods and acts which, in the exercise of reasonable judgment by such contractor in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with Laws while still maintaining reliability, safety and expedition at levels reasonably satisfactory to and expected by the NWT Parties;
- (o) **“Goods”** means all goods, materials, supplies or equipment to be supplied by Contractor pursuant to the Work Packages;
- (p) **“Governmental Authority”** means any federal, provincial, municipal, county or regional government or governmental authority or other law, regulation or rule making entity, and includes any court, department, commission, bureau, board, administrative agency or regulatory body of any of the foregoing;

- (q) **“Includes”/“Including”** means includes/including without limitation;
- (r) **“Independent Engineer”** means in the event of a dispute of certain items set out in Section 18.1, the independent engineer chosen by the Contractor from the three nominees provided by the NWT Parties, or such successor independent engineer as agreed upon by the Parties;
- (s) **“Indigenous Opportunities Considerations”** means those considerations set forth in the Benefits Plan Guidelines for Northwest Territories Petroleum Lands, and such further elements contained in the Socio-Economic Plan portion of the Contractor’s RFP as accepted by the NWT Parties;
- (t) **“Laws”** means all federal, provincial, local and municipal statutes, laws, by-laws, ordinances, rules, orders (including court orders), regulations, codes, guidelines and specifications in effect from time to time and made or issued by any Governmental Authority having jurisdiction over the Parties, the Services, the NWT Properties or any of them;
- (u) **“Management Fee”** has the meaning provided in Section 6.1 hereto;
- (v) **“MVLWB”** means the Mackenzie Valley Land and Water Board;
- (w) **“NWT Abandonment Plan”** means the plan set forth in Schedule “A” hereto, including the Work Packages contained therein, which plan includes the Work Package Completion Dates and Substantial Completion Date;
- (x) **“NWT Abandonment Work”** means the abandonment work set forth in the NWT Abandonment Plan;
- (y) **“NWT Parties”** means the NWT Receiver, and in the event the NWT Receiver has been discharged prior to the termination of this Agreement, the GNWT;
- (z) **“NWT Property”** means those properties set forth and described in the NWT Abandonment Plan;
- (aa) **“OROGO”** means the office of the Regulator of Oil and Gas Operations;
- (bb) **“Parties”** means Contractor, the GNWT and the NWT Receiver and **“Party”** means any of them and in the event the NWT Receiver has been discharged prior to the termination of this Agreement, the GNWT and the Contractor;
- (cc) **“Personal Information”** means information defined as “personal information” in the applicable federal or provincial personal information protection legislation;
- (dd) **“Personnel”** means Contractor’s employees, servants, sub-contractors, suppliers, agents, representatives and invitees directed by Contractor in the performance of its obligations hereunder, including the Key Personnel;
- (ee) **“Procurement Plan”** means the procurement plan set forth in Schedule “C” hereto, which provides for the selection of Approved Subcontractors for each Work Package on a competitive basis, involving the NWT Parties and any applicable Regulators, and in compliance with the Indigenous Opportunities Considerations;

- (ff) **“Receivership Order”** has the meaning ascribed thereto in the preamble;
- (gg) **“Regulators”** means any local, territorial or federal regulatory bodies as may be required to permit, license or otherwise approve of any management of environmental liabilities at the NWT Property, including any proposed abandonment plan for implementation of the NWT Abandonment Work pursuant to local, territorial or federal legislation or regulation, including the OROGO, the CER, the MVLWB;
- (hh) **“RFP”** has the meaning ascribed thereto in the preamble;
- (ii) **“RFP Order”** has the meaning ascribed thereto in the preamble;
- (jj) **“Services”** means the designing, implementation, facilitation, procurement and/or performance and provision of all services relating to the Work Packages as set forth in this Agreement, all in compliance with the requirements set forth in this Agreement, including but not limited to:
 - (i) the abandonment work required on the NWT Property pursuant to the Well Suspension and Abandonment Guidelines and Interpretation Notes (Guidelines) and the Oil and Gas Operations Act (RSC, 1985, c. O-7) and the OROGO Order dated October 4, 2019 as referenced in the RFP (the **“OROGO Order”**) and attached hereto as Schedule “H”;
 - (ii) preparation of all planning documents and submittals, including the engagement with Regulators and other stakeholders as it relates to any necessary approvals, subject to Section 3.1(c);
 - (iii) assuming responsibility for any and all activities related to mobilization and demobilization, site access, site security, well access, storage, accommodation, and subsistence of any and all required equipment, materials and/or personnel related to the completion of the specified work;
 - (iv) debris removal, abandonment and cut and cap of the wells listed in the NWT Abandonment Plan; and
 - (v) decommissioning and removal of oil and gas infrastructure listed in the NWT Abandonment Plan,

but does not expressly include work to address environmental liabilities on site. Additional services to address environmental liabilities on site may be performed as additional work if agreed to by the Contractor and the NWT Parties;
- (kk) **“Statutory Declaration”** means the statutory declaration substantially in the form attached hereto as Schedule “I”, as required pursuant to Section 6.4 hereof;
- (ll) **“Substantial Completion Date”** means [REDACTED], or such other date as may be agreed upon between the Parties;
- (mm) **“Warranty Period”** shall mean [REDACTED] after the completion date of such applicable Work Package;

- (nn) **“Work”** means any work or task to be supplied or performed by Contractor or Approved Subcontractor, directly or indirectly, pursuant to a Work Package;
- (oo) **“Work Package”** means a package of Work as described in the NWT Abandonment Plan; and
- (pp) **“Work Package Completion Dates”** means those deadlines for Work Packages as set forth in the NWT Abandonment Plan.

1.2 The following schedules are attached hereto and made part of this Agreement:

- (a) Schedule “A” NWT Abandonment Plan and Work Packages
- (b) Schedule “B” Approved Subcontractors
- (c) Schedule “C” Procurement Plan and Cost Estimate
- (d) Schedule “D” Contractor Key Personnel
- (e) Schedule “E” Security Package / Performance Bonds
- (f) Schedule “F” Contract Price
- (g) Schedule “G” Management of Change and Project Exceptions
- (h) Schedule “H” OROGO Order
- (i) Schedule “I” Statutory Declaration

If any term or condition of a schedule conflicts with a term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

ARTICLE 2 RESPONSIBILITIES OF CONTRACTOR

2.1 The Contractor agrees that it shall, subject to the terms of this Agreement, facilitate, procure and/or perform and provide the Services relating to each of the Work Packages comprising the NWT Abandonment Plan, in compliance with the terms and conditions set forth in the NWT Abandonment Plan and the other terms and conditions of this Agreement, on or prior to the dates set forth for each such Work Package on or prior to the applicable Work Package Completion Date, and for all of the Work Packages on or before the Substantial Completion Date.

2.2 In performance of the Services, Contractor shall:

- (a) perform and complete all Services diligently and carefully in a good and workmanlike manner in accordance with the specifications and requirements set forth in the relevant Work Package and, in all matters, in accordance with Good Industry Practice;
- (b) subject to Section 3.1(c), obtain and maintain all permits and licenses required to perform Services, and be responsible for any amendments or renewals as it relates to the permits, approvals and licenses;

- (c) be responsible for ensuring that all Approved Subcontractors have the necessary permits, approvals and licenses for the performance of each Work Package;
- (d) comply with all applicable Laws, regulations and guidelines issued by the applicable Regulator. In the event of any conflict between any Laws, regulations and guidelines issued by the applicable Regulator, and industry standards the most stringent shall apply, notwithstanding anything to the contrary contained herein;
- (e) for any Services conducted on a site, participate in any general and site specific orientation that may be offered by the NWT Parties (but which is not required to be offered), carefully examine all worksites and surrounding areas and all particulars relating to Services, make all investigations necessary for a reasonable understanding of difficulties and hazards (both surface and subsurface) which may be encountered in the performance of Services and ensure all identified difficulties and hazards are suitably addressed prior to commencement of Services. The NWT Parties shall accept no responsibility for the failure of Contractor to gain a reasonable understanding of any difficulties and hazards and shall not be liable for any increase in consideration to Contractor for Contractor's failure to reasonably anticipate difficulties and hazards that may be encountered;
- (f) notify the NWT Parties if any Goods to be furnished are subject to Laws relating to hazardous or toxic substances, or when disposed of, to Laws governing hazardous wastes or to any other Laws relating to the environment, health or safety, and shall provide:
 - (i) all appropriate shipping certification;
 - (ii) labeling in compliance with the Workplace Hazardous Materials Information System;
 - (iii) Material Safety Data Sheets in compliance with the Workplace Hazardous Materials Information System; and
 - (iv) instructions for shipping, safety, handling, exposure and disposal in a form sufficiently clear for use by the NWT Parties' non-technical Personnel and sufficiently specific to identify all action which the user must take concerning the material;
- (g) adequately protect all persons and property of the NWT Parties and others from injury or loss arising out of the provision of Services;
- (h) immediately report to the NWT Parties all written or verbal communications, including inspections, infractions, violations, orders, notifications and advice, from government or regulatory bodies and all incidents, injuries, damage and losses pertaining to the provision of Services on the NWT Properties;
- (i) furnish all skills, labour, supervision, transportation, equipment, tools, machinery, materials, supplies and whatever else is required to provide the Services at its own cost and expense, unless otherwise expressly agreed to in this Agreement or otherwise agreed to in writing by the NWT Parties;
- (j) pay promptly all indebtedness for labour, materials, tools and equipment used in the performance of Services and shall not permit any lien or charge relating to non-payment

by Contractor to suppliers for Goods or to Contractor's subcontractors for subcontracted Services to attach to the Services or to the premises upon which Services are being performed or delivered, but if any shall so attach, Contractor shall promptly procure its release and hold the NWT Parties harmless from all loss, costs, damage or expense incidental thereto;

- (k) only utilize Approved Subcontractors in the provision of the Services;
 - (l) comply with the terms and conditions of the Procurement Plan;
 - (m) provide all Services in compliance with any further specifications and technical requirements stipulated for the Work Package by the NWT Parties or the Regulators, from time to time; and
- 2.3 The Contractor will act as "Prime Contractor" and be responsible for all safety at the work sites pursuant to applicable health and safety legislation.
- 2.4 The Contractor will remain responsible for the performance of this Agreement and for the acts, omissions and defaults of the Approved Subcontractors and its Personnel as if they were acts, omissions or defaults of the Contractor.
- 2.5 For any subcontractors that are not Approved Subcontractors, the Contractor must provide such adequate information on such subcontractor and request the approval of the NWT Receiver, which written approval must be received within two (2) business days. In the event the NWT Receiver has been discharged prior to the termination of this Agreement, the Contractor must provide such adequate information on such subcontractor and request the approval of the GNWT, which written approval must be received within five (5) business days. Should the NWT Receiver, or in the event the NWT Receiver has been discharged, the GNWT, not object within the response time, the Contractor shall enter into subcontracts for the performance of the Work Packages by such subcontractor.
- 2.6 At any time in the event the NWT Parties have reason to believe that an Approved Subcontractor is no longer compliant with the Procurement Plan, the NWT Parties may notify the Contractor that an Approved Subcontractor is no longer deemed to be an Approved Subcontractor, and the Contractor shall no longer utilize such subcontractor until it is re-approved as an Approved Subcontractor by the NWT Parties.
- 2.7 If the NWT Parties, acting reasonably, desires to have any of Contractor's Personnel replaced during the course of performing Work, the NWT Parties will inform Contractor of the Personnel to be removed and the reason for removal. Contractor's representative will use commercially reasonable efforts to address and resolve the issue raised by the NWT Parties without, initially, removing the Personnel, provided that if the NWT Parties, at its discretion acting reasonably, is not satisfied with the resolution or the timeliness of Contractor's response, Contractor will immediately remove the Personnel as requested by the NWT Parties.
- 2.8 For those Work Packages described in the NWT Abandonment Plan as requiring the placing of performance or labour and materials bonds (as applicable), the Contractor shall, provide Contract Security, as set out in Schedule "E". Contractor shall assign any payment under such Contract Security to the GNWT in event of termination of this Agreement for default as set forth in Schedule "E" hereto.

- 2.9 In the performance of any Work by Contractor for the NWT Parties, Contractor shall be conclusively deemed an independent contractor, with the authority and right to direct and control all of the details of the Work. However, all Work contemplated hereunder shall meet the approval of the NWT Parties and shall be subject to the general right of inspection by the NWT Parties. Nothing herein shall render Contractor or any of its subcontractors, employees, consultants, agents or representatives as a partner, agent, representative, joint venture participant or employee of the NWT Parties and none of them shall hold itself out as such.

ARTICLE 3 RESPONSIBILITIES OF NWT PARTIES

- 3.1 The NWT Parties shall, subject to the Receivership Order and the RFP Order:
- (a) pay properly submitted Contractor invoices when due and in accordance with the terms of this Agreement;
 - (b) make commercially reasonable efforts to provide access to NWT Property as required for the performance of the Services; and
 - (c) make commercially reasonable efforts to have or have applied for all permits relating to each Work Package, however, in the event the NWT Receiver is discharged prior to completion of the NWT Abandonment Plan, NWT Receiver shall take commercially reasonable efforts to cause such permits to be transferred to the GNWT. These permits known to the NWT Receiver are the Land Use Permit from the MVLWB, the Water License from the MVLWB, the Operations Authorization from OROGO and the License to Temporarily Divert Water from the Province of Alberta.
- 3.2 GNWT shall make commercially reasonable efforts to provide access to NWT Property as required for the performance of the Services.

ARTICLE 4 CHANGE ORDERS

- 4.1 The Work shall be provided as specified in each Work Package. No substitutions, amendments or variations shall be made with respect to any Work Package without the prior written consent of the NWT Parties. Contractor is not entitled to payment for unauthorized Work. Contractor shall be entitled to perform Services at a project site as set forth in an applicable Work Package in order to address emergency scenarios, to prevent immediate harm to the environment and/or to human health and safety. [REDACTED]
- 4.2 The NWT Parties may, at any time, upon written notice to Contractor, issue a Change Order to make changes to the Work specified in any Work Package, including additions, deletions, rescheduling and acceleration or deceleration to all or any part of the Work. Subject to Section 4.4, Contractor agrees to perform its obligations under each Work Package as amended by any Change Order issued under this Article 4.
- 4.3 The Contractor shall be entitled to issue a Change Order in the event:

- (a) it encounters materially different conditions at the NWT Property than what is described in conditions set forth in the NWT Abandonment Plan;
- (b) it encounters weather conditions rendering the Work unsafe;
- (c) it encounters changes outside the control of the Contractor;
- (d) it encounters any of the items listed on Schedule "G" Management of Change & Project Exceptions; and
- (e) such changes are required in order to comply with applicable Laws or regulatory requirements (except changes to tax related legislation or government policy), or the requirements of Regulators that were not known and not knowable as of the date of this Agreement.

- 4.4 In the event a Change Order directly or indirectly causes an increase or decrease in the time or cost of Contractor to perform the Work under any Work Package, Contractor shall, within ten (10) days of receiving such Change Order, submit to the NWT Parties detailed information, substantiating the impact on timelines or compensation. The timelines or compensation, or both, under the relevant Work Package shall be equitably adjusted by NWT Parties in writing to account for the effects of the Change Order. Contractor shall not delay the performance of its obligations under any Work Package while the Parties settle issues of compensation, timelines or performance.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES

- 5.1 Contractor hereby represents and warrants to the NWT Parties and acknowledges that the NWT Parties are relying on such representations and warranties, as follows:
- (a) it has been duly incorporated and organized and is now a validly subsisting corporation under the laws of its jurisdiction of incorporation;
 - (b) it has the capacity and is duly qualified, registered and licensed (or will promptly and prior to commencement of the Services, become registered and licensed) to provide the Services in accordance with this Agreement;
 - (c) it has full power, authority and capacity to enter into and to carry out its obligations under this Agreement;
 - (d) it has complied in all material respects with the RFP process, and the Contractor's RFP, including all submissions made ancillary thereto, were accurate at the time of submission in all material respects;
 - (e) it is properly financed to carry out the Services, has the necessary know-how, experience, technical expertise, competency, skill, capability, availability, equipment and Personnel to perform the Services in a timely manner in accordance with this Agreement;

- (f) it has the unfettered right to sell all Goods, and the applicable NWT Parties will receive clear and unencumbered title to all such Goods, at the time when title to such Goods is to pass to the NWT Parties;
- (g) the equipment to be used in the performance of the Services is in good working condition, is properly maintained, licensed and certified, and is appropriate for the nature of the Services;
- (h) it has carefully examined the Laws, the terms and conditions of the regulatory approvals authorizing the Services, this Agreement and all conditions associated with the Services, it is satisfied as to the correctness and completeness of this Agreement, and it has carefully considered and taken into account the particular working environment in the area in which the Services are to be performed or the NWT Property is located, prior to commencing the performance of the Services including, without limitation:
 - (i) the nature and location of the sites including, means of access thereto;
 - (ii) as applicable, the atmospheric, meteorological, topographical, hydrological, geological, subsurface and other similar conditions;
 - (iii) the equipment, Goods and Personnel required for the performance of the Services and the remedying of any defect therein including, without limitation, accommodation, transportation, handling, maintenance and storage conditions;
 - (iv) the availability of equipment, Goods, Personnel, labour, parts, procurement items, fuel, water, electrical power and any and all other utilities; and
 - (v) generally, any and all other conditions and local customs that affect or may affect Contractor's performance of the Services and its obligations under this Agreement,

and Contractor accepts all responsibility for having sufficient knowledge as to all matters affecting performance of the Services and for having properly evaluated all costs and contingencies relating to the above. Contractor shall not have any right to claim for extra compensation, nor be relieved or excused from any obligation, nor shall it make any request for an amendment of this Agreement including, time extensions or price increases, due to lack of knowledge, misunderstanding or insufficient evaluation as to the nature of the NWT Property, means of access, regulations and restrictions, local facilities, climatic conditions or any other matters affecting the performance of the Services; provided, however, that Contractor shall not be responsible for inaccurate information provided by the NWT Parties, in writing, with respect to the NWT Properties and local conditions at the NWT Properties contained in the NWT Abandonment Plan unless Contractor could have discovered such inaccuracy by reasonable investigation or due diligence;

- (i) it is knowledgeable about, has a good understanding of and is experienced in the following matters to the extent that such matters relate to the Services:
 - (i) all applicable environmental, health, workers' compensation, fire, trucking, transportation and safety laws and regulations and all work practices and procedures as prescribed by the Laws and by the NWT Parties;

- (ii) safe work practices including, training of Personnel in safe work practices and procedures and the safe operation at any site where Contractor is to perform the Services;
 - (iii) safe handling, use, transportation and storage of hazardous substances;
 - (iv) well control and blowout prevention, if the Services are drilling related;
 - (v) the detection and control of exposure of Personnel to hydrogen sulphide or other hazardous atmospheres associated with the performance of the Services;
 - (vi) the handling, use, maintenance and storage of personal protective equipment;
 - (vii) the appropriate response to any emergency situation at the NWT Properties; and
 - (viii) the duties and responsibilities of all Personnel;
- (j) it is in good standing with the relevant Workers Compensation Board and has or shall upon approval of such Approved Subcontractor, provide(d) a clearance letter and ensures the same for all of its Approved Subcontractors; and
 - (k) all information provided by Contractor concerning itself, including financial statements, safety records and procedures, quality control and assurance procedures, information about the Services to be performed by Contractor, and information concerning Contractor's facilities and Personnel, is true, accurate, correct and complete and may be relied upon fully by the NWT Parties for its own purposes and in reports to others.

5.2 In addition to any other remedies the NWT Parties may have under this Agreement or at law, if Contractor breaches any of the foregoing representations or warranties, the NWT Parties shall have the right to require Contractor to remedy any defects attributable to the breach at Contractor's sole cost and expense.

ARTICLE 6 CONTRACT PRICE AND PAYMENT

6.1 The NWT Parties will compensate the Contractor by paying fee (the "**Management Fee**"), as described in the Schedule "F" hereto, [REDACTED]

6.2 The NWT Parties shall reimburse Contractor for:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6.3

[REDACTED]

6.4

[REDACTED]

(a) [REDACTED]

[REDACTED]

(c) [REDACTED]

(d) [REDACTED]

- [REDACTED]
- 6.5 Notwithstanding the forgoing, the NWT Parties may withhold any amount owing to Contractor until it is in receipt of satisfactory documentation acceptable to it documenting and supporting the costs incurred and the progress of the Work Packages and any other approved disbursements or expenses.
 - 6.6 All disputes relating to invoicing, certification or payment shall be resolved pursuant to Article 18.
 - 6.7 The NWT Parties shall be entitled to set off against any amount owing to Contractor hereunder any amount due and owing by Contractor to such NWT Party under this Agreement.
 - 6.8 Certain of the consideration payable hereunder is subject to the Federal Goods and Services Tax as provided for in the *Excise Tax Act* (Canada) (“GST”). GST and other similar charges shall be shown as separate line items on Contractor’s invoices and all invoices shall bear Contractor’s GST registration number. Except for any GST, Contractor is exclusively liable for and shall pay in a timely manner all taxes, assessments, lienable claims, charges or other impositions imposed or levied on Contractor or the NWT Parties in respect of Work performed hereunder and Contractor shall indemnify the NWT Parties against all claims incurred due to any failure by Contractor to do so.
 - 6.9 It is a condition of this Agreement that payment hereunder is subject to Section 97 of the *Financial Administration Act*, S.N.W.T. 2015, c.13, as amended, which provides that:

“It is a condition of every contract and other agreement made by or on behalf of Government requiring an expenditure pursuant to the contract or agreement will be incurred only if there is a sufficient uncommitted balance in the appropriation for the department for the Government fiscal year in which the expenditure is required under the contract or agreement”.

ARTICLE 7 LIABILITY AND INDEMNITY

- 7.1 Contractor shall:
 - (a) be liable to NWT Parties, its Personnel and Affiliates (in the remainder of this Article called “**NWT Indemnified Parties**”) for all losses, damages, costs and legal and other expenses of whatever nature which the NWT Indemnified Parties may suffer, sustain, pay or incur; and
 - (b) indemnify and hold harmless the NWT Indemnified Parties against all actions, proceedings, claims, demands, losses, costs, damages, penalties and interest, legal and other expenses whatsoever which may be brought against or suffered by the NWT Parties or which they may suffer, sustain, pay or incur,

by reason of any matter or thing arising out of or in any way attributable to the negligent acts or omissions or wilful misconduct of Contractor or any of its Personnel or Approved Subcontractors in connection with, related to or arising out of the performance, purported performance or non-performance of this Agreement and Services hereunder, except, in any event, to the extent directly

caused by the gross negligence or wilful misconduct of the NWT Parties and to the extent any act or omission was done or omitted pursuant to the specific instructions of the NWT Parties.

- 7.2 Neither Party shall be liable to the other for indirect, special, punitive or consequential damages.

ARTICLE 8 TITLE AND RISK

- 8.1 During the time period that Services are being performed (including any rework for warranty issues) by Contractor at a NWT Property in accordance with a Work Package, the Contractor agrees it has care, custody and control of the NWT Property and that other than such matters contained in the NWT Abandonment Plan which are the responsibility of the NWT Parties, the NWT Parties shall have no liability for compliance with the NWT Abandonment Plan or any other regulatory requirement. No approval or consent by the NWT Receiver, the GNWT, the Independent Engineer (if applicable) or any other consultant of GNWT or Governmental Authority relieves the Contractor from its obligations to achieve the performance of the Work Packages.

ARTICLE 9 INSURANCE

- 9.1 Without limiting its obligations or liabilities herein, Contractor shall, at its sole cost and expense, obtain and continuously carry during the term of this Agreement the following insurance coverage:

(a) Employees

(i) *Workers' Compensation*

Workers' Compensation covering Contractor and all its Personnel engaged in performing the Services in accordance with the statutory requirements of the province or territory having jurisdiction over such Personnel.

(ii) *Employers' Liability Insurance*

Employers' Liability Insurance covering Contractor and all its Personnel engaged in performing the Services with limits of not less than two million dollars (\$2,000,000.00).

(iii) *Directors, Partners, Proprietors, Owner-Operators*

If any person who is not an employee of Contractor (including directors, partners, proprietors, and owner-operators) is, or may be from time to time, involved in the actual performance of the Services hereunder on behalf of Contractor, Contractor shall ensure that such person is covered by either the optional coverage available through Workers' Compensation, or under Employers' Liability Insurance as described in Section 9.1(a)(ii) above.

(b) Commercial General Liability

Commercial General Liability Insurance containing the following:

- (i) Provision for a combined single limit of not less than five million dollars (\$5,000,000.00) for each occurrence or incident;
- (ii) Provision in respect of coverage for bodily injury (including death at any time resulting therefrom) and personal injury sustained by any person or persons and for injury to or destruction of property (including loss of use or occupancy) arising out of the performance of any of the Services;
- (iii) Provision in respect of coverage for sudden and accidental pollution under Contractor's Environmental Liability coverage;
- (iv) Provision in respect of coverage for contractual liability, tortious liability, personal injury, Contractor's liability, products liability, completed operations liability, forest fire legal liability, non-owned automobile liability and occurrence basis property damage; and
- (v) Provision to be made to name each of the NWT Parties as an additional insured for work performed on the NWT Parties' behalf only.

(c) Automobile

If Contractor operates an automobile in the course of performing the Services and where not otherwise covered by Contractor's commercial general liability policy, Contractor shall obtain and maintain Automobile Liability Insurance covering all motor vehicles, owned or non-owned, operated, used and/or hired in connection with the Services with an inclusive bodily injury, death and property damage limit per occurrence of not less than two million dollars (\$2,000,000.00).

ARTICLE 10 REPORTING OBLIGATIONS

- 10.1 Contractor must update the timelines set forth in the NWT Abandonment Plan on a monthly basis, with a report explaining any divergence from the previously approved timelines. The NWT Parties, acting reasonably, may require Contractor to accelerate the performance of the Work Packages to maintain the timelines. Such request shall be managed in accordance with Article 4.
- 10.2 Contractor shall provide to the NWT Parties monthly progress updates, and such additional updates when reasonably requested, on all Services being provided, which updates shall include an update of the overall NWT Abandonment Plan timelines, and explain any divergences between the progress for such period and the approved timelines set forth in the NWT Abandonment Plan.
- 10.3 Upon the completion of each Work Package, the Contractor shall submit to the NWT Parties the Work Package completion reports in such form as agreed upon between the Parties.

ARTICLE 11 RECORDS AND AUDIT

- 11.1 The Contractor, for a period of three (3) years after the performance of such Services, shall maintain, in accordance with generally accepted accounting principles, a true and correct set of books and records pertaining to such Services, including original payroll records, invoices issued to Contractor by its Personnel and Approved Subcontractors and all other relevant records, whether in writing or in electronic form or reproduced by any other means (“**Records**”) and shall allow the NWT Parties, or its authorized representatives, to inspect, examine, audit and copy (“**Audit**”) such Records during normal business hours and upon reasonable request, during this three (3) year period at no cost to the NWT Parties.
- 11.2 If any Records require special equipment or specialized knowledge to convert the data into readily readable form, Contractor shall provide all assistance and facilities reasonably required for that purpose in connection with any Audit.
- 11.3 Contractor shall respond to any claims or discrepancies disclosed by an Audit in writing within thirty (30) working days after the receipt of a claim from a NWT Party. Items established to be inaccurate as a result of any Audit shall be rectified forthwith and either credited or reimbursed appropriately, with interest at the rate of prime plus two percent (2%) per annum. Such interest shall accrue from the date the NWT Parties first paid the excess amounts to the date of credit or reimbursement, as the case may be. Any monies due as a result of such determination shall be forthwith remitted to the indebted Party. Contractor shall retain Records pertaining to any unresolved claim or discrepancy until such claim or discrepancy is resolved, notwithstanding the aforesaid three (3) year retention period.
- 11.4 Notwithstanding the above, throughout the course of the NWT Abandonment Work and until termination of this Agreement, the Contractor must deliver to the NWT Receiver, with copies to the GNWT, all Records including documents relating to the Procurement Plan and the Cost Estimate set forth in Schedule “C” hereto.

ARTICLE 12 CONFIDENTIALITY

- 12.1 Each Party will keep secret and confidential all information disclosed to such Party (in this Article 12, the “**Receiving Party**”) by the other Party, its agents, contractors or Affiliates (in this Article 12, collectively, the “**Disclosing Party**”) and will not, without the prior written consent of the other Party, disclose during the term of this Agreement (including any renewals or extensions thereof) and for a period of five (5) years thereafter, all information of a confidential nature disclosed by the Disclosing Party to the Receiving Party, and all information developed by the Disclosing Party pursuant to this Agreement, except:
- (a) information which at the time of disclosure is in the public domain;
 - (b) information which after disclosure is published or otherwise becomes part of the public domain through no fault of the Receiving Party (but only after it is published or otherwise becomes part of the public domain);
 - (c) information, not subject to any confidentiality obligations, which the Receiving Party can show was in its possession prior to disclosure hereunder;

- (d) information which the Receiving Party can show was received after the time of disclosure hereunder from a third party who did not require that it be held in confidence and who did not, to the Receiving Party's knowledge, acquire it, directly or indirectly, from the Disclosing Party or a third party under an obligation of confidence; or
 - (e) information which the Receiving Party is legally compelled to disclose under a subpoena or order of a court, regulatory body or other authority of competent jurisdiction, or information which Receiving Party is otherwise obliged to disclose by law (provided that Receiving Party shall give written notice to the Disclosing Party prior to such disclosure).
- 12.2 All information, including documents, submitted to the GNWT are in the custody or under the control of the GNWT and thus subject to the protection and disclosure provisions of *ATIPP*. The Parties acknowledge that the GNWT may be required to release, in whole or in part, the Agreement and any other information or documents in the GNWT's possession or control relating to this Agreement pursuant to *ATIPP*.

ARTICLE 13 WARRANTY

- 13.1 Contractor warrants during the Warranty Period the Services will: (a) conform to the specifications set forth in the NWT Abandonment Plan and applicable Work Package within the control of the Contractor (which shall include any work of the Contractor's subcontractors); and (b) have been performed in a good and workmanlike manner, in accordance with Good Industry Practice.
- 13.2 Contractor warrants that: (a) at the time of the delivery of any Goods, the Goods shall be new (or like new if allowed by the NWT Parties); (b) at the time of use of the Goods or transfer of title of such Goods, the Goods will be free from third party liens, claims and encumbrances; and (c) during the Warranty Period the Good provided by Contractor will conform to the specifications in the NWT Abandonment Plan and the applicable Work Package and meet the specifications for such Goods required under applicable Law. The Contractor shall also use commercially reasonable efforts to assign any transferrable warranties from the original equipment manufacturers.
- 13.3 Contractor warrants that during the performance of the Services all equipment provided by Contractor for the Services: (a) will conform to the specifications of the NWT Abandonment Plan and the applicable Work Package; (b) meet the technical specifications for such items required under applicable Law; and (c) has been maintained in accordance with Good Industry Practice.
- 13.4 Contractor shall use commercially reasonable efforts to cause all Approved Subcontractors to provide the warranties set forth in Sections 13.1, 13.2, and 13.3 to the NWT Parties with respect to all Services provided by such Approved Subcontractors.
- 13.5 In the event a NWT Party provides notice to Contractor of non-conformity prior to the expiry of the Warranty Period, Contractor shall re-perform, replace or repair the non-conforming Good or Service, or otherwise remedy all defects and deficiencies, in each case at no additional cost to the NWT Parties.
- 13.6 Notwithstanding the above, in the event the non-conformity was caused by an Approved Subcontractor (and not due to or caused by a failure of the Contractor to act with the appropriate standard of care or in breach of this Agreement) and the cost of the re-performance, replacement, repair or remedy of the non-conformance is not covered under an applicable Approved Subcontractor warranty and it is not possible or highly commercially impracticable to have such

remedy performed by the applicable Approved Subcontractor, the Contractor shall at the direction of the NWT Parties rectify such non-conformity and the NWT Parties shall reimburse Contractor for its costs in rectifying such non-conformity.

ARTICLE 14 KEY PERSONNEL

- 14.1 The Contractor has specified those specific named individuals in lead roles (“**Key Personnel**”) in Schedule “D” hereto, including their qualifications and experience, and Contractor agrees from the date hereof to the date of expiry of the Warranty Period, that so long as such Key Personnel remain employed or contracted by the Contractor, the Contractor shall assign and continue to assign such Key Personnel to the roles set forth in Schedule “D” hereto.
- 14.2 In the event Key Personnel resign from their positions with the Contractor or the NWT Parties requires their removal in accordance with the terms of this Agreement, the Contractor shall replace such Key Personnel with such persons with equivalent or superior qualifications and experiences, and as approved by the NWT Parties.

ARTICLE 15 FORCE MAJEURE

- 15.1 The Contractor shall be entitled to an extension of the Work Package Completion Date and/or the Substantial Completion Date when and to the extent that performance is delayed or prevented by any cause beyond its reasonable control, but specifically excluding economic conditions, lack of finances, labour disputes, shortages, delays, disruptions, strikes or lockouts with respect to Contractor’s labour force, failures or non-availability of Goods or equipment, and other issues that could have been reasonably foreseen or are risks specifically allocated to the Contractor herein.
- 15.2 In invoking this provision, the Contractor shall promptly notify the other Parties in writing of the cause upon which it relies, including reasonably full particulars in respect thereof.
- 15.3 The Party affected by the force majeure shall use all reasonable efforts to mitigate the effect thereof upon its performance of this Agreement and to fulfil its obligations under this Agreement.
- 15.4 Contractor shall give the NWT Parties written notice if the provision of any Services is, or will likely be, delayed for more than fourteen (14) days due to force majeure, in which case NWT Parties may either cancel all or a portion of the applicable Work Package or authorize any necessary delays and adjustments without incurring any liability for any direct or indirect resulting costs.

ARTICLE 16 TERM AND TERMINATION

- 16.1 Unless otherwise terminated earlier pursuant to this Article 16, this Agreement shall be in effect from the date hereof until the date that is 24 months from the Substantial Completion Date.
- 16.2 At any time either Party may terminate this Agreement and all Work Packages then in effect upon providing written notice to the other Party (the “**Defaulting Party**”) upon the occurrence of any of the following, any of which shall be deemed to be an event of default:
 - (a) the Defaulting Party ceases to carry on business;

- (b) the Defaulting Party is adjudicated guilty of fraud by a court of competent jurisdiction;
 - (c) the Defaulting Party becomes insolvent or makes an assignment for the benefit of creditors, is adjudicated bankrupt, admits in writing its inability to pay its debts generally as they become due, institutes any proceedings under any law for relief of debtors or for the appointment of a receiver, trustee or liquidator, files a voluntary petition in bankruptcy for a reorganization or for an adjudication of the Defaulting Party as an insolvent or a bankrupt, or any of its equipment becomes subject to an attachment; or
 - (d) the failure by the Defaulting Party to cure or take reasonable actions to cure a material default of its obligations under this Agreement within thirty (30) days following the date that notice of such material default is received from the other Party.
- 16.3 Upon the Contractor becoming a Defaulting Party and its failure to cure such default within 30 days of notice thereof (other than in the case of 16.2(a) and 16.2(c) in which case no cure period is applicable), either NWT Party may do one or more of the following:
- (a) terminate this Agreement;
 - (b) take over the performance of the Work Packages by taking assignment of all agreements with Approved Subcontractors or other persons;
 - (c) enter onto the NWT Property and take such remedial action it considers necessary, including through its own contractors;
 - (d) call on any security posted by Contractor or its Approved Subcontractors;
 - (e) pursue any other legal remedies against the Contractor.
- 16.4 The NWT Parties may, from time to time, by written notice to Contractor, suspend the Work in whole or in part for any reason whatsoever. Upon receipt of such notice, Contractor shall suspend the Work to the extent specified in the notice and take such steps as are necessary to minimize costs associated with such suspension. During the suspension, Contractor shall, on a time and materials basis, store, preserve and maintain the Work in accordance with Good Industry Practice and as specified in the applicable notice of suspension. Upon receipt of notice to resume Work, Contractor will as soon as reasonably practicable resume performance of the Work to the extent required in the notice. All costs and expenses incurred as result of the suspension of Work shall be paid to Contractor at time and material rates. If the NWT Parties has suspended the Work due to a default by Contractor hereunder, or for as long as necessary to prevent or stop any unsafe practice or any violation of Contractor's obligations hereunder with respect to health, safety and environment, then Contractor shall not be compensated for any costs, losses or liabilities for the period of such suspension and the time for performing the Work shall not be extended. NWT Parties shall have no liability for suspending or failing to suspend any Work and any suspension or failure to do so shall not relieve Contractor of any of its responsibilities and obligations hereunder. The NWT Parties shall make such allowances and provide such extensions to the Work Package Completion Dates and the Substantial Completion Date as may be necessitated by suspension of work other than suspensions due to a default by the Contractor.
- 16.5 On suspension of Work, as described in Section 16.4 above, the NWT Parties shall pay for the Services performed in accordance with this Agreement, to the effective date of the notice of suspension.

- 16.6 The provisions of Article 11, Article 12, Article 13, Article 17, Article 18, Article 19 and Article 20 survive the termination of this Agreement.

ARTICLE 17 PROTECTION OF PERSONAL INFORMATION

17.1 The Parties:

- (a) acknowledge and agree that they are responsible for compliance at all times with the applicable privacy legislation which governs the collection, use and disclosure of Personal Information acquired by or disclosed to the Parties.
- (b) shall employ appropriate technology and procedures in accordance with applicable privacy legislation in order to prevent (i) accidental loss or corruption of, (ii) unauthorized input or access to, or (iii) unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, deletion, use or other processing of, Personal Information.
- (c) covenant, represent and warrant that they have obtained or will obtain the prior consent of each individual whose Personal Information has been disclosed or will be disclosed, in accordance with all Laws pertaining to the protection of Personal Information, whether such disclosure is set forth in bid submission materials or in this Agreement or will occur during the performance of the Services.
- (d) acknowledge and agree that (a) all Personal Information disclosed to the NWT Parties may be used by the NWT Parties or its Affiliates for the following purposes: (i) to permit the NWT Parties to evaluate Contractor's offer to perform the Services, and to evaluate the educational and professional qualifications and experience of Personnel; (ii) to allow the NWT Parties to review and audit Contractor's performance in respect of its obligations under this Agreement, including those contained in the local preference provisions which are set forth herein; and (iii) as otherwise required for the performance of the NWT Parties' obligations or the exercise of NWT Parties' rights under this Agreement, and (b) the consents obtained under this Section 17.1 shall reflect the foregoing purposes.

- 17.2 A Party shall immediately notify the other Parties of any incidents involving the loss of, unauthorized access to, or disclosure of Personal Information as well as any inquiries, complaints and requests for access to Personal Information. Each Party shall fully cooperate with the other Parties and any Governmental Authority charged with the enforcement of applicable privacy legislation in responding to any such incidents involving the loss of, unauthorized access to, or disclosure of Personal Information, or any inquiries, complaints and requests for access to Personal Information.

ARTICLE 18 DISPUTE RESOLUTION

- 18.1 In the event that adjudication is required of technical disputes between the NWT Parties and the Contractor with respect to the development of the Procurement Plan, Change Orders, the validation of progress on Work Packages and disagreements regarding the scope of Work Packages ("**Engineer Responsible Matters**"), three nominees of neutral professional engineers with subject matter expertise will be provided by the NWT Parties with one being chosen by the Contractor, known as the Independent Engineer herein, who will have primary responsibility for the Engineer Responsible Matters. The Parties acknowledge that the Independent Engineer may, with the prior

consent of the NWT Parties and the Contractor, retain sub-consultants for specialized decisions or evaluations.

- 18.2 In the event a dispute arises during the performance of the Work Packages, each Party must continue to perform its obligations under this Agreement while such dispute is being resolved.
- 18.3 If the dispute relates to an Engineer Responsible Matter, the Parties shall each provide their materials and submissions to the Independent Engineer within fifteen (15) days of notice of such dispute, or under such other deadline as may be agreed upon in writing between the Parties, and the Independent Engineer shall have make a determination of the matter in compliance with the Dispute Resolution Principles within fifteen (15) days of provision of the materials relating to such dispute. The Independent Engineer's determination hereunder shall be binding with respect to all such disputes relating to the Engineer Responsible Matter, and neither Party shall be entitled to appeal such determination.
- 18.4 In the event of a dispute that is not a Engineer Responsible Matter, the Parties will each nominate a senior management representative to attempt to resolve the dispute through good faith negotiations. Failing negotiations, either Party may refer the dispute to arbitration. Any arbitration shall occur in the City of Calgary, in the Province of Alberta (or such other jurisdiction as may be agreed to by the Parties) and the arbitrator shall be selected by agreement between the Parties. If no agreement can be reached with respect to the selection of the arbitrator, the Independent Engineer may select the arbitrator and such selection shall be binding on the Parties.
- 18.5 The Parties shall each pay their own costs with respect to any dispute, except that the Contractor, on one side, and the NWT Parties, on the other side, shall share 50/50 in all common costs, including the engagement and costs of the Independent Engineer, and any arbitrator appointed.

ARTICLE 19 NOTICES

- 19.1 All communications and notices required or permitted to be given hereunder, unless otherwise specifically provided for, must be given in writing and delivered by hand, fax or email to that Party's representative indicated in the NWT Abandonment Plan, with a copy to the other Party as follows:

**ALVAREZ & MARSAL CANADA INC., solely in its capacity as the Court-Appointed
Receiver of STRATEGIC OIL & GAS LTD.'S NWT Property**

Suite 1110, 250 6 Ave SW
Calgary, AB T2P 3H7

Email: dmacrae@alvarezandmarsal.com

THE GOVERNMENT OF THE NORTHWEST TERRITORIES

Minister Shane Thompson
Minister responsible for the Department of Lands
P.O. Box 1320
Yellowknife, NT X1A 2L9

Email: lands@gov.nt.ca

ELM Inc.

Att: Steve Konopelky
Bow Valley Square II

Suite **1000, 205 – 5th Ave SW**

Calgary, AB, T2P 2V7

Email: [REDACTED]

Any notice or other communication given by delivery will be deemed to have been given as at the commencement of the next following business day, and any notice or other communication given by fax will be deemed to be given on the day the transmission is initiated. Any Party may change its address for service by notice served as set out above.

ARTICLE 20 GENERAL PROVISIONS

- 20.1 Contractor acknowledges that the NWT Parties shall not provide any endorsement of Contractor, its Approved Subcontractors or the Work provided pursuant to any Work Package. Contractor agrees that it shall not erect any sign or advertising, use any NWT Parties trademark, logo or device in any sign or advertisement or issue any statement to a news media organization regarding the existence of this Agreement or any Work Package, or the performance of Work without the NWT Parties' prior written consent, which consent may be withheld by the NWT Parties in their sole discretion.
- 20.2 In the event the NWT Receiver is discharged prior to the Substantial Completion Date, all rights and obligations of the NWT Receiver under this Agreement shall be assigned to the GNWT without the need for any consent from the Contractor.
- 20.3 The two (2) year period for seeking a remedial order under section 3(1)(a) of the *Limitations Act* (Alberta) for any claim (as defined in that Act) arising in connection with this Agreement is extended to:
 - (a) for claims disclosed by an audit, two (2) years after the time this Agreement permitted such audit to be performed; or
 - (b) for all other claims, four (4) years.
- 20.4 This Agreement, the Receivership Order and the RFP Order constitute the entire agreement between Contractor and the NWT Parties respecting the subject matter and supersedes and replaces all other prior written or oral agreements between the Parties (or any of their predecessors) respecting the subject matter and shall only be amended with the written consent by each of the Parties.
- 20.5 Notwithstanding anything contained herein the NWT Parties shall not be bound by any terms and conditions contained in any invoice, receipt, packing slip, bill of lading or other document of Contractor, regardless of any payment by, signature, or other action of the NWT Parties
- 20.6 The legal interpretation of this Agreement shall be governed by the laws of the Province of Alberta and the Parties hereto each attorn to the jurisdiction of the courts of the Province of Alberta.

- 20.7 This Agreement and the provision of Services hereunder shall be subject to the Laws pertaining to the locations where the Services are performed, including those jurisdictions through which Goods are transported. If any provision of this Agreement is found to be contrary to, or inconsistent with, any Law then such provision shall be deemed to be modified accordingly and in all other respects this Agreement shall continue in full force and effect.
- 20.8 If any provision of this Agreement is or becomes illegal, invalid or unenforceable, such provision shall be deemed to be separate and severable from this Agreement and in all other respects this Agreement shall continue in full force and effect.
- 20.9 The NWT Parties shall be entitled to strict performance of Contractor's obligations hereunder, and such right shall not be affected by any prior waiver, forbearance or course of dealing. Any waiver by the Parties of their rights hereunder shall not be binding unless in writing and signed by each of the Parties.
- 20.10 All rights, powers and remedies of the Parties under this Agreement are cumulative and are in addition to (not in substitution for) any rights, powers and remedies it has at law, statute, equity or otherwise and any may be exercised concurrently or partially exercised or abandoned without prejudice to any other rights, powers or remedies of the Parties.
- 20.11 Time shall be of the essence.
- 20.12 Whenever in this Agreement the singular or masculine is used the same shall be construed as meaning plural or feminine or body politic or corporate or vice versa, as the context so requires.
- 20.13 Any reference to a written notice or communication shall include those in an electronic format.
- 20.14 All headings herein are for convenience of reference and shall not be used in interpreting this Agreement.
- 20.15 This Agreement shall be binding upon and enure to the benefit of the Parties and their successors, heirs and assigns.
- 20.16 This Agreement may be signed in two or more counterparts with the same effect as if all Parties had signed and delivered the same copy, and when each Party has signed and delivered a counterpart, all counterparts together constitute an Agreement. Delivery of a copy of this Agreement by email is good and sufficient delivery and an email evidencing execution shall be effective as a valid and binding agreement between the Parties for all purposes.

[Signature page follows]

THE PARTIES, INTENDING TO BE LEGALLY BOUND, executed this Agreement as of the date first set forth above.

ALVAREZ & MARSAL CANADA INC., solely in its capacity as the Court-Appointed Receiver of STRATEGIC OIL & GAS LTD.'S NWT Property and not in its corporate or personal capacity

Per: _____
 Name: •
 Title: •

THE GOVERNMENT OF THE NORTHWEST TERRITORIES, as represented by the Minister of Lands

Per: _____
 Name: •
 Title: •

ELM INC.

Per: _____
 Name: •
 Title: •

SCHEDULE "A"

NWT Abandonment Plan and Work Packages

NWT Abandonment Plan:

Overview

Wellbore Abandonments

[illegible]

[REDACTED]

[REDACTED]

[REDACTED]

Pipeline Abandonments

[REDACTED]

Wellsite Decommissioning

[REDACTED]

H-03 Battery Decommissioning

[REDACTED]

Access Preparation

[REDACTED]

Camp / Field Accommodations

[REDACTED]

Permitting and Regulatory Plan

[REDACTED]

[REDACTED]

[REDACTED]

Abandonment Plan Implementation

Well Abandonment Implementation

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Decommissioning Plan Implementation

Pipeline Abandonments and Wellsite Decommissioning

[REDACTED]

Facility Decommissioning Implementation

[REDACTED]

Access Implementation

[REDACTED]

Camp / Field Accommodations Implementation

[REDACTED]

Work Packages:

1. **Introduction**

SCHEDULE “B”

Approved Subcontractors

[NTD: To be added upon procurement of Work Packages.]

Provider	Service	Location

Should an Approved Subcontractor not be available or unable to perform the Work, contractor shall find an alternative service provider and provide a notice in writing to the NWT Parties (as applicable) of such new proposed subcontractor in accordance with Section 2.5.

SCHEDULE "C"

Procurement Plan and Cost Estimate

Procurement Plan:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Cost Estimate:

[REDACTED]

SCHEDULE “E”

Security Package / Performance Bonds

[REDACTED]

[REDACTED]

[REDACTED]

If Contract Security is required for any given Work Package:

- The performance bond shall be in a form as approved by the Treasury Board of Canada – Federal Performance Bond and issued in favour of the GNWT, by a surety approved by the GNWT.
- The labour and material bond shall be in a form approved by the Treasury Board of Canada – Federal Labour and Material Bond or in the standard construction form CCDC 222-20002 of the Canadian Construction Document Committee and issued in favour of the GNWT by a surety approved by the GNWT.

Contract Price

Based on information currently available to us and the timing of project execution, we expect the project costs to be as follows, expressed in Canadian dollars:

[REDACTED]

[REDACTED]

SCHEDULE "G"

Management of Changes and Project Exceptions

[REDACTED]

Wellsite & Facility Decommissioning:

[REDACTED]

Pipeline Abandonments:

[REDACTED]

Well Abandonment

Access Preparation

SCHEDULE “H”
OROGO ORDER

SCHEDULE “I”
STATUTORY DECLARATION

APPENDIX B

Strategic - NWT Property NWT Receiver's Fees and Expenses Incurred in Reporting Period CAD \$, unaudited			
	Fees and expenses	GST	Total
NWT Receiver's fees and expenses			
June 1 to June 30, 2022	17,476	874	18,349
July 1 to July 31, 2022	15,730	787	16,517
August 1 to August 31, 2022	19,941	997	20,938
September 1 to September 30, 2022	14,098	705	14,802
October 1 to October 31, 2022	52,034	2,602	54,635
Total	\$ 119,278	\$ 5,964	\$ 125,242

Strategic - NWT Property NWT Receiver's Fees and Expenses Incurred in Reporting Period CAD \$, unaudited			
	Fees and expenses	GST	Total
Legal fees and expenses			
June 1 to June 30, 2022	3,449	172	3,621
July 1 to July 31, 2022	12,198	604	12,802
August 1 to August 31, 2022	1,523	76	1,599
September 1 to September 30, 2022	9,483	474	9,957
October 1 to October 31, 2022	1,088	54	1,142
Total	\$ 27,739	\$ 1,381	\$ 29,120