

## SALES PROCESS (“SP”)

Receivership of Big Bear Energy Rentals Ltd. (“**Big Bear**”), 1509571 Alberta Ltd., 5556300 Manitoba Ltd. Barricade Environmental Ltd. (“**Barricade**”), & Direct Environmental Technologies Inc. (collectively, the “**Debtors**”)

### INTRODUCTION

1. On January 21, 2022, the Court of Queen’s Bench of Alberta (the “**Court**”) granted an order appointing Alvarez & Marsal Canada Inc. as interim receiver (in such capacity, the “**Interim Receiver**”), without security, of all of the Debtors’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”).
2. On February 4, 2022, the Court granted an order enhancing the Interim Receiver’s powers and, effective February 9, 2022, appointed the Interim Receiver as receiver and manager of all of the Property (in such capacity, the “**Receiver**”, and such Order being the “**Receivership Order**”).
3. The Receivership Order authorizes the Receiver to market any or all of the Property (such marketed Property being the “**Assets**”).
4. The Receiver intends to obtain an Order from the Court approving this SP on May 4, 2022 (the “**Sales Process Order**”).

### SP OVERVIEW

5. The purpose of this SP is, among other things, to:
  - a. describe the Assets available through the SP;
  - b. solicit interest in a sale or liquidation of all or substantially all of the Assets;
  - c. describe the manner in which parties interested in purchasing some or all of the Assets (“**Potential Bidders**”) may gain access to or continue to have access to due diligence materials concerning the Assets;
  - d. describe the manner in which Potential Bidders and their respective bids become Qualified Bidders and Qualified Bids (each defined below);
  - e. set out the process for delivery, receipt and negotiation of Bids (defined below) received; and
  - f. describe the process for selection of one or more Successful Bid(s) (defined below), and the process for obtaining approval of one or more Successful Bid(s) by the Court.
6. This SP, including the various deadlines set out herein, may be amended from time to time on notice to participants in the SP, by and at the sole discretion of the Receiver, with input from Canadian Western Bank and BDC. The Receiver will consider extending such deadlines, in

the event that the Receiver determines that such an extension will generally benefit the Debtors' creditors and other stakeholders.

7. The Receiver shall generally oversee the SP. In the event of a disagreement as to the interpretation or application of the SP, the Court will have jurisdiction to hear and resolve such dispute.
8. Any transaction for the sale of any Assets (a "**Transaction**") will be on an "as is, where is" basis and without any existing or surviving representations, warranties, covenants or indemnities of any kind, nature or description by the Receiver, or any of their respective agents, estates, or advisors, except to the extent as provided in the relevant Definitive Agreement(s) (defined below) with the Successful Bidder(s).
9. All of the right, title and interest in and to the Assets will be sold and transferred free and clear of all security interests, claims, options, and interests therein and there against pursuant to an approval and vesting order granted by the Court, with the exception of permitted encumbrances.
10. A summary of the key steps of the SP is as follows:

<u>Event</u>	<u>Date</u>
Receiver to send Teaser Letter to list of already known Potential Bidders and to advertise the SP in the publications identified below	May 4, 2022
Qualified Bidders review the list of Assets and may schedule appointments to inspect the Assets	May 6 – 26, 2022
Bid Deadline	May 27, 2022 (12:00 p.m. Calgary time)
Receiver to review Bids, negotiate as required, and select Successful Bidder(s)	May 28 – June 1, 2022
Receiver to seek Court approval of Bid(s) submitted by Successful Bidder(s)	Week of June 20, 2022, or such other date as determined by the Receiver

## **THE SALE PROCESS**

11. The Receiver shall prepare a list of Potential Bidders comprised of persons who are known to the Receiver as having an interest in purchasing the Assets or a portion thereof. Concurrently, the Receiver will prepare an initial offering summary (the "**Teaser Letter**") notifying the Potential Bidders and any other interested persons of the SP and inviting them to express interest in making a bid for the Assets of a portion thereof (a "**Bid**"). The Teaser Letter shall provide key details regarding the Assets, provide pictures of the Assets, and set out important deadlines under this SP.
12. On May 4, 2022, the Receiver shall distribute the Teaser Letter to the Potential Bidders known to the Receiver, along with a copy of the Sales Process Order and a form of confidentiality agreement (the "**Confidentiality Agreement**") that is acceptable to the Receiver in its sole discretion. Copies of the Teaser Letter, Sales Process Order and Confidentiality Agreement

shall also be provided to any appropriate persons who become known to the Receiver after the distribution of such documents to the known Potential Bidders. The SP also shall be posted on the Receiver's website.

13. Also on May 4, 2022, the Receiver shall advertise this SP in the following publications:
  - a. Globe & Mail (National);
  - b. FACILITYCalgary;
  - c. Insolvency Insider;
  - d. The Red Deer Advocate;
  - e. The Sylvan Lake News;
  - f. The Calgary Herald;
  - g. The Edmonton Journal;
  - h. Williston Daily Herald; and
  - i. Cheyenne Post.

Concurrently, the Receiver will issue a press release with information regarding this SP in Canada Newswire and a United States equivalent newswire for dissemination in Canada and the United States.

14. Any Potential Bidder who (a) executes the Confidentiality Agreement, (b) provides written confirmation of the identity and contact information of the Potential Bidder, and (c) provides a written acknowledgement of receipt of a copy of the Sales Process Order approving this SP and agreeing to accept and be bound by the provisions contained therein and herein, shall be deemed to be a **“Qualified Bidder”**.

#### ***Due Diligence***

15. Upon a Potential Bidder's satisfaction of the conditions set out in paragraph 14 of this SP (and therefore becoming a Qualified Bidder), the Receiver will provide such Qualified Bidder with access to an electronic data room established by the Receiver (the **“Data Room”**) that will contain such information about the Assets that the Receiver, in its reasonable business judgment, determines to be necessary for the Qualified Bidder to evaluate a Transaction.
16. The Receiver shall coordinate all reasonable requests for additional information and due diligence access from Qualified Bidders; however, the Receiver shall not be obliged to furnish any information relating to the Assets other than to a Qualified Bidder.
17. Qualified Bidders may schedule appointments with the Receiver to inspect the Assets between May 6, 2022 and May 26, 2022 in Canada and/or the United States.

18. The Receiver and its respective advisors make no representations or warranties as to the information made available pursuant to the SP, including any information contained in the Data Room.

***Bid Process***

19. Any Qualified Bidder who wishes to submit a Bid must deliver its Bid to the Receiver at the address specified at Schedule “A” attached hereto no later than 12:00 p.m. Mountain Time on May 27, 2022, or such other date or time as the Receiver may determine (the “**Bid Deadline**”).

20. For the purpose of assisting Qualified Bidders in submitting their Bids, the Assets shall be divided and marketed in groups, which are as follows:

a. Assets owned by Big Bear (the “**Big Bear Assets**”) located in Sylvan Lake, Alberta, which shall be further divided into the following subgroups:

- i. Trucks;
- ii. Trailers;
- iii. Light & Heavy Equipment; and
- iv. Fluid Management Equipment, and

b. Assets owned by Barricade (the “**Barricade Assets**”) located in Cheyenne, Wyoming and Williston, North Dakota, which shall be further divided into the following subgroups:

- i. Trucks;
- ii. Trailers;
- iii. Light & Heavy Equipment; and
- iv. Fluid Management Equipment.

21. Qualified Bidders may submit an *en bloc* Bid for the purchase of all of the Big Bear Assets and the Barricade Assets. Qualified Bidders may also submit a Bid in respect of any of the Asset groups or subgroups identified in paragraph 20, or any portion of those groups or subgroups.

22. In order for the Receiver to consider a Bid, the proposed purchase price contemplated by the Bid must be allocated as between the Big Bear Assets and the Barricade Assets, if applicable, and any further asset subgroup identified in paragraph 20 above, and must include one or more of the following three options:

- a. Net Minimum Guarantee;
- b. Commission; and
- c. Outright Purchase.

23. To the extent the Bid contemplates an Outright Purchase, the Bid shall be accompanied by a deposit equal to 10% of the purchase price.
24. A Bid **may not include** any request or entitlement of any break fee, expense reimbursement, or similar form of payment.
25. A Bid **may not** be subject to any conditions other than approval by the Court. Specifically, all inspections or other due diligence associated with the Assets, wherever situated, must be completed by the Qualified Bidder prior to submitting its Bid to the Receiver.
26. A Bid submitted by a Qualified Bidder that complies with the conditions set out at paragraphs 23-25 is referred to herein as a “**Qualified Bid**”.

### *Selection of Winning Bid*

27. The Receiver shall review all Qualified Bids between May 28, 2022 and June 1, 2022.
28. Bids for the purchase of entire groups or subgroups of Assets (described at paragraph 20 above) may be viewed more favourably by the Receiver than Bids for portions of the groups or subgroups of the Assets.
29. After the Qualified Bids have been submitted, the Receiver may contact a Qualified Bidder for the purpose of further negotiating the terms of a definitive agreement (“**Definitive Agreement**”) for the purchase and sale of the Assets contemplated in such Qualified Bidder’s Bid, and may enter into such negotiations.
30. A Qualified Bid that is determined by the Receiver to be the highest, best or otherwise most favourable Bid is a “**Winning Bid**.” A Qualified Bidder who submits a Winning Bid that is accepted by the Receiver is referred to herein as a “**Successful Bidder**”.
31. If a Winning Bid has been accompanied by a deposit in accordance with paragraph 23 hereof, the deposit shall be applied to the total purchase price. In the event a Bid that is accompanied by a deposit is not a Winning Bid, the Receiver shall return the deposit within 5 days of the Court approving the Winning Bid(s).
32. The Receiver reserves the right to reject or refuse to accept any Bid or to otherwise terminate the SP. The Receiver further reserves the right to deal with one or more Qualified Bidders to the exclusion of others, to accept a Bid for some or all of the Assets or to accept multiple Bids and enter into multiple Definitive Agreements in respect of the Assets.

### *Approval Orders*

33. In the event the Receiver accepts a Winning Bid(s), the Receiver shall apply for an order from the Court in form and substance that is satisfactory to the Receiver, approving the Transaction(s) contemplated by the Winning Bid(s) and any necessary related relief required to consummate the Transaction(s) contemplated by the Winning Bid(s), subject to the terms of the Definitive Agreement(s) (the “**Approval Order**”). The application for the Approval

Order shall take place during the week of June 20, 2022 or at such later date as determined by the Receiver.

34. An Approval Order shall become a “**Final Order**” upon the satisfaction of the following conditions:
  - a. It is in full force and effect;
  - b. It has not been reversed, modified or vacated and is not subject to a stay; and
  - c. All applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving the Approval Order, wholly operable.
35. Closing of the Transaction(s) contemplated by any Winning Bid(s) shall occur within fifteen (15) days of the date upon which the Approval Order has become a Final Order, or as may be extended with approval from the Receiver.

**SCHEDULE "A"**  
**Addresses for Deliveries**

Any notice or other delivery made to the Receiver pursuant to the SP must be made to:

**ALVAREZ & MARSAL CANADA INC.**

Bow Valley Square 4

Suite 1110, 250 6th Ave SW

Calgary, AB T2P 3H7

Attention: Orest Konowalchuk / Dave Williams

Tel: (403) 538-4736 / (403)538-7536

Email: [okonowalchuk@alvarezandmarsal.com](mailto:okonowalchuk@alvarezandmarsal.com) / [david.williams@alvarezandmarsal.com](mailto:david.williams@alvarezandmarsal.com)

With a copy to:

**BORDEN LADNER GERVAIS LLP**

Centennial Place, East Tower

520 3rd Avenue SW, Suite 1900

Calgary, AB, T2P 0R3

Attention : Robyn Gurofsky / Anthony Mersich

Tel : (403) 232-9774 / (403) 232-9154

Email : [RGurofsky@blg.com](mailto:RGurofsky@blg.com) / [AMersich@blg.com](mailto:AMersich@blg.com)

Deliveries made pursuant to this SP by email shall be deemed to be received when sent. In all other instances, deliveries made pursuant to this SP shall be deemed to be received when delivered to the relevant address, as identified above.