



District of Alberta
Division No. 02 - Calgary
Court No. 25-2679074
Estate No. 25-2679074

Alvarez & Marsal Canada Inc.
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Report on Trustee's Preliminary Administration

In the Matter of the Bankruptcy of Greenfire Oil and Gas Ltd. of the city of Calgary, in the municipality of Calgary, in the Province of Alberta

Greenfire Oil and Gas Ltd. ("**Greenfire HoldCo**" or "**Corporation**") was deemed to have filed an assignment in bankruptcy on April 8, 2021 ("**Bankruptcy Date**") and the undersigned, Alvarez & Marsal Canada Inc. ("**A&M**"), was appointed as licensed insolvency trustee ("**Trustee**") of the estate of the bankrupt by the official receiver; subject to affirmation by the creditors of the trustee's appointment or substitution of another trustee by the creditors.

Background

Greenfire HoldCo is the parent company of Greenfire Hangingstone Operating Corporation ("**Greenfire OpCo**"). Greenfire OpCo, a licensee with the Alberta Energy Regulator, was engaged in the business of oil sands development and production and their primary asset is a steam-assisted gravity drainage project, in-situ oil and gas property and facility approximately 60km south of Fort McMurray, Alberta.

Greenfire HoldCo had no operations and its only "asset" is its ownership of the shares of Greenfire OpCo.

On October 8, 2020, Greenfire HoldCo (and Greenfire OpCo) filed a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3 ("**BIA**") and A&M was appointed as Proposal Trustee ("**Proposal Trustee**") of Greenfire HoldCo.

Greenfire OpCo's NOI was a result of a number of factors as outlined in an affidavit sworn October 9, 2020 by Mr. Robert Logan's, namely:

- a) Greenfire OpCo's working capital and liquidity shortage as a result of their sole marketer of the bitumen produced at the SAGD Facility failure to make payment on over 280,000 barrels of bitumen that Greenfire OpCo had produced, which culminated in the orderly shut-in of the SAGD Facility; and
- b) Greenfire OpCo's strategic process being complicated by COVID-19, requiring isolation and restricting the size of gatherings and the reduction of operations.

Greenfire HoldCo elected to file its own NOI as a result of the foregoing.

Further background regarding the Corporation and its operations is contained in various affidavits of Mr. Robert Logan and other documents filed in the Court of Queen's Bench of Alberta ("**Court**") and notices, together with the A&M's filed reports and other information regarding the NOI, all of which have been posted on A&M's website at www.alvarezandmarsal.com/greenfire.

NOI Proceeding

Transaction

On December 17, 2020, the Court granted an Order approving an asset sale transaction (the "**Asset Sale Transaction**") contemplated by an asset purchase agreement between Greenfire OpCo and Greenfire Acquisition Corporation, the nominee of MWB UK Management Limited (doing business as "**McIntyre Partners**"), an arm's length party.

Greenfire HoldCo was not a party to the Asset Sale Transaction.

Secured Claims Procedure

On March 12, 2021, the Court granted an Order approving a procedure ("**Secured Claims Procedure**") to determine all valid and outstanding secured claims (the "**Secured Claims**") against Greenfire OpCo's assets (the "**Secured Claims Procedure Order**").



The Secured Claims Procedure Order did not contemplate determining any secured claims of Greenfire HoldCo.

NOI Termination

The NOI time-period expired on April 7, 2021; the Corporation did not file a proposal and was deemed to have filed an assignment in bankruptcy on April 8, 2021.

Greenfire OpCo was also deemed to have filed an assignment in bankruptcy on April 8, 2021 and A&M was appointed Trustee of the estate of the bankrupt by the official receiver; subject to affirmation by the creditors of the trustee's appointment or substitution of another trustee by the creditors.

Potential Conflict of Interest

A&M is not aware of any potential conflicts of interest with respect to it acting as Trustee in the bankruptcy of the Corporation. As discussed, A&M previously appointed Proposal Trustee of Greenfire HoldCo and is the Trustee in the bankruptcy of Greenfire OpCo.

Conservatory & Protective Measures and Preliminary Evaluation of Property, Assets and Undertakings

The Trustee was authorized and has taken all necessary steps to take possession of Greenfire HoldCo's remaining deeds, books, records, documents and property. As at the Bankruptcy Date, the Corporation had no remaining property. Schedule 'A' is attached as the preliminary Statement of Affairs.

Books & Records

The books and records of the Corporation that are required for the Trustee's review are in the possession of the Trustee.

Provable Claims and Secured Claims

The Trustee is not aware of any secured claims outstanding as against Greenfire HoldCo.

Based on the Corporation's records, there appears to be two groups of unsecured debenture holders whose unsecured claims total approximately \$3.6 million. As of 12:00pm on April 22, 2021, no proofs of claim were received by the Trustee.

The Trustee is not aware of any additional claims.

Legal Proceedings

No legal proceedings have been instituted by the Trustee to date. The Trustee is not aware of any legal proceedings impacting the bankruptcy estate of Greenfire HoldCo.

Reviewable Transactions and Preference Payments

The Trustee has conducted a preliminary review of the books and records of Greenfire HoldCo with respect to reviewable transactions and preference payments and has not noted any transactions of significance.

Trustee's Intention to Act

A&M has accepted this engagement to act as Trustee, subject to affirmation by the creditors of the Trustee's appointment at the first meeting of creditors.

Third Party Deposit Agreement

In consideration for the Trustee's acceptance to act in the estate, the Receiver has provided a deposit of \$30,000.00 to be held in trust for the benefit of the Trustee. The amount deposited is to guarantee the costs of administration of the Trustee to a maximum of the taxed costs should the realization from other sources be less than the taxed costs or any qualification that may be explained on the Statement of Receipts and Disbursements by way of a footnote. The funds to support the guarantee will not, directly or indirectly, in whole or in part, come from assets that would otherwise be estate assets. Should there be a further requirement to provide an additional third-party deposit to complete the administration of the estate by the Trustee, the Receiver has agreed to make this available to the Trustee.



Anticipated Realization and Projected Distribution

The Trustee does not anticipate any realization or projected distribution to the creditors or shareholders of Greenfire HoldCo.

Dated at the city of Calgary in the Province of Alberta, this 23rd day of April 2021.

Alvarez & Marsal Canada Inc. - Licensed Insolvency Trustee
in its capacity as Trustee in the bankruptcy of Greenfire Oil and Gas Ltd.
and not in its personal capacity

Per: 

Orest Konowalchuk, LIT
Senior Vice President



Schedule 'A'
Preliminary Statement of Affairs

**In the Matter of the Bankruptcy of
Greenfire Oil and Gas Ltd.
of the city of Calgary, in the municipality of Calgary, in the Province of Alberta**

District of: Alberta
Division No. 02 - Calgary
Court No. 25-2679074
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☒ Original

☐ Amended

-- Form 78 --

Statement of Affairs (Business Bankruptcy) made by an entity
(Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the bankruptcy of
Greenfire Oil and Gas Ltd.
of the city of Calgary, in the municipality of Calgary, in the Province of Alberta

To the bankrupt:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the bankruptcy, on the 8th day of April 2021. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)		ASSETS (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	3,588,745.00	1. Inventory	0.00
Balance of secured claims as per list "B"	0.00	2. Trade fixtures, etc.	0.00
Total unsecured creditors	3,588,745.00	3. Accounts receivable and other receivables, as per list "E"	
		Good	0.00
2. Secured creditors as per list "B"	0.00	Doubtful	0.00
3. Preferred creditors as per list "C"	0.00	Bad	0.00
		Estimated to produce	0.00
4. Contingent, trust claims or other liabilities as per list "D"	0.00	4. Bills of exchange, promissory note, etc., as per list "F" . . .	0.00
estimated to be reclaimable for		5. Deposits in financial institutions	0.00
Total liabilities	3,588,745.00	6. Cash	0.00
Surplus	NIL	7. Livestock	0.00
		8. Machinery, equipment and plant	0.00
		9. Real property or immovable as per list "G"	0.00
		10. Furniture	0.00
		11. RRSPs, RRIFs, life insurance, etc.	0.00
		12. Securities (shares, bonds, debentures, etc.)	0.00
		13. Interests under wills	0.00
		14. Vehicles	0.00
		15. Other property, as per list "H"	0.00
		If bankrupt is a corporation, add:	
		Amount of subscribed capital	0.00
		Amount paid on capital	0.00
		Balance subscribed and unpaid	0.00
		Estimated to produce	0.00
		Total assets	0.00
		Deficiency	3,588,745.00

I, -, of the city of Calgary in the Province of Alberta, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 8th day of April 2021 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)

before me at the city of Calgary in the Province of Alberta, on this 8th day of April 2021.

Duncan MacRae, Commissioner of Oaths
For the Province of Alberta
Expires December 1, 2021

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FORM 78 -- Continued

List "A"
Unsecured Creditors

Greenfire Oil and Gas Ltd.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	Meer Taher Shabani Rad, et al	102 Christie Park View SW Calgary AB T2H 2Y7	2,869,007.00	0.00	2,869,007.00
2	Werklund Ventures Ltd.	Suite 4500, 400 – 3rd Avenue SW Calgary AB T2P 4H2	719,738.00	0.00	719,738.00
Total:			3,588,745.00	0.00	3,588,745.00

08-Apr-2021

Date

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FORM 78 -- Continued

List "B"
Secured Creditors

Greenfire Oil and Gas Ltd.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
Total:			0.00			0.00	0.00	0.00

08-Apr-2021

Date

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FORM 78 -- Continued

List "C"
Preferred Creditors for Wages, Rent, etc.

Greenfire Oil and Gas Ltd.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

08-Apr-2021

Date

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FORM 78 -- Continued

List "D"
Contingent or Other Liabilities

Greenfire Oil and Gas Ltd.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

08-Apr-2021

Date

District of: Alberta
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FORM 78 -- Continued

List "E"
Debts Due to the Bankrupt
Greenfire Oil and Gas Ltd.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
Total:				0.00 0.00 0.00			0.00	

08-Apr-2021

Date

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FORM 78 -- Continued

List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

Greenfire Oil and Gas Ltd.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

08-Apr-2021

Date

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FORM 78 -- Continued

List "G"
Real Property or Immovables Owned by Bankrupt

Greenfire Oil and Gas Ltd.

Description of property	Nature of bankrupt interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

08-Apr-2021

Date

District of: Alberta
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FORM 78 -- Concluded

List "H"
Property

Greenfire Oil and Gas Ltd.

FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other			0.00	0.00
			Total:	0.00

08-Apr-2021

Date

Court No. 25-2679074

File No. 25-2679074

In the matter of the bankruptcy of
Greenfire Oil and Gas Ltd.
of the city of Calgary, in the municipality of Calgary, in
the Province of Alberta

Form 78 (Bill C-12)
Statement of affairs (Business bankruptcy)

Alvarez & Marsal Canada Inc. - Licensed Insolvency
Trustee
Per:

—
Orest Konowalchuk - Licensed Insolvency Trustee
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