

COURT FILE NUMBER 25-2703459

COURT COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF SALT
BUSH ENERGY LTD.

DOCUMENT **APPLICATION**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

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NOTICE TO RESPONDENT(S)

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the master/judge.

To do so, you must be in Court when the application is heard as shown below:

Date: May 19, 2021
Time: 2:00 p.m.
Where: Calgary Courts Centre (Virtual Courtroom via WebEx - see
Schedule "A" hereto)
Before Whom: The Honourable Madam Justice K.M. Eidsvik

Go to the end of this document to see what else you can do and when you must do it.

Remedy Claimed or Sought: Salt Bush Energy Ltd. (the "**Debtor**") and 2345141 Alberta Inc. ("**ResidualCo**", the Debtor and ResidualCo are collectively referred to as, the "**Applicants**") apply for orders, substantially in the forms attached as Schedules "**B**" (the "**Initial Order**") and

“C” (the **“Reverse Vesting Order”**) hereto; or, in the alternative, Schedules **“D”** (the **“Sale Approval and Vesting Order”**) and **“E”** (the **“Filing Period Extension Order”**) hereto:

1. Declaring that the time for service of this application (the **“Application”**), the Third Report of Deloitte Restructuring Inc., in its capacity as Proposal Trustee of the Debtor (the **“Third Report”**), and the Second Affidavit of Charles Morgan, sworn on May 10, 2021 (**“Second Morgan Affidavit”**), is abridged, if necessary, the Application is properly returnable May 19, 2021, that service of the Application, the Third Report, and the Second Morgan Affidavit on the service list created and maintained in respect of the within proceedings (the **“Service List”**) is validated, good, and sufficient and that no persons other than those on the Service List are entitled to service of the materials filed in connection with the within Application.

Initial Order

2. Declaring that the Applicants are companies to which the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the **“CCAA”**) applies.

3. Authorizing the continuation under the CCAA of the Debtor’s proposal proceedings (the **“NOI Proceedings”**) under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the **“BIA”**), commenced on January 13, 2021 (the **“NOI Filing Date”**) pursuant to the Notice of Intention to Make a Proposal filed by the Debtor (the **“NOI”**), and adding ResidualCo as an applicant within such CCAA proceedings (the **“CCAA Proceedings”**).

4. Appointing Deloitte Restructuring Inc., the Debtor’s proposal trustee within the NOI Proceedings (the **“Proposal Trustee”**, when referred to in such capacity), as Monitor (the **“Proposed Monitor”**, when referred to in such capacity).

5. Staying all proceedings, rights, and remedies against or in respect of the Applicants, their business or property, the Proposed Monitor, or their respective employees and representatives, for a period of ten (10) days from the date of issuance of the Initial Order (the **“Stay Period”**).

6. Authorizing the Applicants to carry on business in a manner consistent with the preservation of their business and property.

7. Authorizing the Applicants to pay the reasonable and documented fees and disbursements of their counsel, the Proposed Monitor, and its counsel.

8. Continuing the following charges over the Debtor's (but not ResidualCo's) current and future assets, undertakings and properties of every kind and nature whatsoever, and wherever situate including all proceeds thereof (collectively, the "**Property**"), as granted within the NOI Proceedings for the purpose of securing the payment and performance of:

- (a) the Debtor's obligations outstanding from time to time in connection with the Interim Financing Facility (as defined hereinafter) (the "**Interim Financing Charge**");
- (b) the Debtor's obligations in connection with the Break Fee and Expense Reimbursement (as defined below) (the "**Break Fee Charge**"); and,
- (c) the fees and expenses of the Debtor's counsel, the Proposed Monitor, and the Proposed Monitor's counsel, in connection with the within proceedings (the "**Administration Charge**", the Interim Financing Charge, the Break Fee Charge and the Administration Charge are collectively referred to as, the "**Charges**").

Transaction Approval

9. Approving the Asset Purchase Agreement, dated February 2, 2021, between the Debtor, as vendor, and Ironbark Energy Ltd. (the "**Stalking Horse Bidder**"), as purchaser, as amended (as so amended, the "**Stalking Horse APA**"), and authorizing and empowering the Debtor to take all necessary or desirable steps to give effect to the Stalking Horse APA pursuant to the revised transaction structure described in the Reverse Vesting Order.

Reverse Vesting Order

10. Ordering and declaring that, effective immediately upon the Proposed Monitor issuing a certificate (the "**Monitor's Certificate**") with this Honourable Court certifying that it has been advised in writing by the Applicants that the APA Proceeds (as defined in the proposed form of the Reverse Vesting Order attached as Schedule "**C**" hereto) have been released from escrow and the fees of the Proposed Monitor and its counsel in respect of these proceedings and the NOI Proceedings have been satisfied:

- (a) the APA Proceeds (as defined in the proposed form of the Reverse Vesting Order attached as Schedule “C” hereto) shall be transferred to and vest absolutely in the name of ResidualCo;
- (b) all Debtor Liabilities (as defined in the proposed form of the Reverse Vesting Order attached as Schedule “C” hereto, excluding liabilities owed to Source Rock Royalties Ltd.) shall be transferred to, assumed by and vest absolutely in ResidualCo, and ResidualCo shall be deemed to have assumed and become liable for such Debtor Liabilities and, subject to the Initial Order, the Creditors (as defined in the proposed form of the Reverse Vesting Order attached as Schedule “C” hereto) will have all of the rights, remedies, recourses, benefits and interests against ResidualCo (including, for greater certainty, ResidualCo’s interest in, to, or against the APA Proceeds) which immediately prior to the Reverse Vesting Order becoming effective they had against the Debtor, and the nature of the Debtor Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to and vesting in ResidualCo;
- (c) the Debtor and all of its Property shall be forever released and discharged from the Debtor Liabilities (as defined in the proposed form of the Reverse Vesting Order attached as Schedule “C” hereto) and all related Claims (as defined in the proposed form of the Reverse Vesting Order attached as Schedule “C” hereto) shall be expunged and discharged as against the Debtor and its Property;
- (d) effective one (1) minute after the date and time (the “**CCAA Termination Time**”) on which the Proposed Monitor issues the Monitor’s Certificate, the CCAA Proceedings shall be automatically terminated without any further act or formality and, except as otherwise expressly set out in the form of Reverse Vesting Order attached as Schedule “C” hereto, the Initial Order shall have no further force or effect;
- (e) effective as at the CCAA Termination Time, subject only to the payment in full of all amounts owing to the beneficiaries thereunder (if any), the Charges shall be terminated, released and discharged;

- (f) for greater certainty, the Stay Period shall automatically expire on the CCAA Termination Time;
- (g) the Proposed Monitor shall be discharged as Monitor of the Applicants; and,
- (h) ResidualCo shall be authorized and directed to make an assignment in bankruptcy (the “**ResidualCo Bankruptcy Proceedings**”) and the Proposed Monitor shall be authorized to act as the trustee in bankruptcy of ResidualCo (when referred to in such capacity, the “**ResidualCo Trustee**”);

11. Approving the activities and reports of the Proposed Monitor (including in its capacity as Proposal Trustee), ratifying the fees and disbursements of the Monitor and its counsel in the CCAA Proceedings and the NOI Proceedings, declaring that a single levy shall be payable by the ResidualCo Trustee to the Office of the Superintendent of Bankruptcy, in respect of the ResidualCo Bankruptcy Proceedings, and dispensing with any requirement to pay a levy in respect of the CCAA Proceedings or the NOI Proceedings.

Alternative Relief: Sale Approval and Vesting Order and Extension of the Filing Date

12. In the alternative, if this Honourable Court does not grant the Initial Order and the Reverse Vesting Order, the Debtor seeks the Sale Approval and Vesting Order and the Filing Period Extension Order, substantially in the forms attached as Schedules “**D**” and “**E**” hereto:

- (a) approving the Stalking Horse APA, as revised and attached to the Second Morgan Affidavit as Exhibit “F” thereto, and the sale, transfer, and assignment of the lands, fixtures, improvements, attachments, agreements, chattels, equipment, and personal property, as identified therein (collectively, the “**Assets**”), and the transfer and vesting of the Assets to the Stalking Horse Bidder, and authorizing the Debtor and the Proposal Trustee to take any and all such steps as are necessary or advisable to close the transaction for the purchase and sale of the Assets, as contemplated by the February 12 Order (as defined hereinafter), the Stalking Horse APA, the SISP (as defined hereinafter), and any other orders granted in the NOI Proceedings;

- (b) ordering and declaring that, effective immediately upon the Proposal Trustee issuing a certificate with this Honourable Court (the “**Proposal Trustee’s Closing Certificate**”) confirming that all terms and conditions under the Stalking Horse APA and any modifications thereto have either been satisfied or waived and that the transactions contemplated by the Stalking Horse APA have other been completed, to the satisfaction of the Proposal Trustee (in reliance upon written notice from the Debtor and the Stalking Horse Bidder), all legal and beneficial ownership of and title to the Assets shall vest in the Stalking Horse Bidder (or its designated assignee or nominee, to the extent permitted by the Stalking Horse APA) and shall be free and clear of any and all security interests (whether contractual, statutory, or otherwise), liens, writs, executions, ownership interests, levies, charges, or other financial or monetary claims, whether or not they have been attached, registered, perfected, or filed, and whether secured, unsecured, liquidated, contingent, or absolute, but subject to the Permitted Encumbrances (as defined in the proposed form of the Sale Approval and Vesting Order, attached as Schedule “**D**” hereto);

- (c) ordering and declaring that the Debtor and any and all persons claiming through, by, or under the Debtor and all other persons in possession of any or all of the Assets shall deliver up possession of the Assets to the Stalking Horse Bidder (or its assignee or nominee), upon the filing of the Proposal Trustee’s Closing Certificate;

- (d) ordering and declaring that, notwithstanding the pendency of these proceedings or the provisions of any federal or provincial statute, the vesting provisions contained in the proposed form of Sale Approval and Vesting Order, attached as Schedule “**D**” hereto, concerning the assignment, sale, and transfer of the Assets:
 - (i) will not be void or voidable at the instance of creditors or claimants;

 - (ii) do not constitute and shall not be deemed to constitute a fraudulent preference, a fraudulent conveyance, a transfer at undervalue, or otherwise subject to challenge under the *Bankruptcy and Insolvency Act*

(Canada), the *Fraudulent Preferences Act* (Alberta), or any other applicable federal or provincial legislation; and,

(iii) do not constitute and shall not be deemed to constitute conduct meriting an oppression remedy;

(e) extending the time within which the Debtor may file a proposal, pursuant to Section 50.4(9) of the BIA, by 45 days, up to and including June 27, 2021.

Miscellaneous

13. Ordering and declaring that service of any orders arising from the Application by email, facsimile, registered mail, courier, regular mail, or personal delivery, shall constitute good and sufficient service of such orders and that no persons other than those in attendance at the Application are entitled to be served with a copy of such orders.

14. Such further and other relief as counsel for the Applicants may advise and this Honourable Court may permit.

Grounds for Making this Application: The grounds for the Application are as follows:

Background, SISP Results, and Overview of Proposed Transaction Structure

15. The Debtor is an oil and gas exploration and production company based in the City of Calgary, and conducts business within the Province of Alberta. The Debtor is engaged in the business of operating working interests in the Wizard Lake Oil Field, approximately fifty (50) kilometers southwest of the City of Edmonton.

16. On January 13, 2021, the Debtor filed the NOI under and pursuant to section 50.4 of the BIA. The Proposal Trustee was appointed as the Debtor's proposal trustee in the NOI Proceedings.

17. On February 12, 2021, the Honourable Justice D.B. Nixon granted an order (the "**February 12 Order**") which, among other things:

(a) extended the time within which the Debtor may file a proposal to its creditors, until and including March 29, 2021;

- (b) granted an administration charge (to the maximum amount of \$150,000), an interim financing charge (to the maximum amount of \$150,000), and a break fee charge (to the maximum amount of \$75,000) over the Debtor's Property; and,
- (c) approved a sale and investment solicitation process (the "**SISP**") in respect of the Debtor, and the execution and delivery of the Stalking Horse APA between the Debtor and the Stalking Horse Bidder, a corporation related to the Debtor.

18. On March 26, 2021, the Honourable Justice D.R. Mah granted an order (the "**March 26 Order**") further extending the time within which the Debtor may file a proposal to its creditors, until and including May 13, 2021.

19. Pursuant to the February 12 Order, the Proposal Trustee was granted the sole authority to administer the SISP, and to communicate with potential bidders thereunder.

20. The Proposal Trustee commenced the SISP in order to canvas the market and potentially source a Superior Offer (as defined in the SISP). In accordance with the terms of the SISP, the Proposal Trustee marketed the business and assets of the Debtor, and took numerous actions with respect to the SISP, including, *inter alia*:

- (a) arranging for notice of the SISP to be published in the *Globe and Mail*, the *Daily Oil Bulletin*, and the *BOE Report*;
- (b) researching and identifying potential strategic and financial bidders, with the assistance of the Debtor, and preparing and delivering "teaser" information packages to such persons;
- (c) obtaining signed confidentiality agreements from nine (9) potential bidders, pursuant to the SISP;
- (d) preparing and populating a virtual data room containing information on the Debtor's assets and operations, for prospective purchasers; and
- (e) responding to due diligence requests from potential purchasers and their advisors, with the assistance of the Debtor.

21. The material dates in connection with the SISP, as approved in the February 12 Order, were as follows:

- (a) the SISP was commenced on or about February 15, 2021 (the “**SISP Commencement Date**”), by the Proposal Trustee preparing, in consultation with the Debtor, a list of known potential strategic and financial bidders;
- (b) the Phase 1 bid deadline, for the delivery of binding offers, concluded at 5:00 p.m. (Calgary time) on April 16, 2021 (the “**Bid Deadline**”), being 60 days after the SISP Commencement Date;
- (c) the Proposal Trustee was to extend invitations to all Qualified Bidders (as defined in the SISP), if any, to attend the Phase 2 Auction (as defined in the SISP) on the third business day after the Bid Deadline;
- (d) the Phase 2 Auction was to be held no earlier than five (5) Business Days after the Phase 1 Bid Deadline, and no later than April 28, 2021; and,
- (e) the contemplated completion date, for the closing of any transaction arising out of the SISP, is May 17, 2021.

22. The SISP further provided that, in the event that no Qualified Bids were received on or before the Bid Deadline, the SISP would automatically terminate and the Debtor would file an application seeking the approval of the Stalking Horse APA.

23. No Qualified Bids were received on or before the Bid Deadline. The SISP therefore automatically terminated on the Bid Deadline, in accordance with its terms.

24. Subsequent to the termination of the SISP, the Debtor and the Stalking Horse Bidder determined that the Stalking Horse APA is not the most efficient possible means of structuring the transaction contemplated under the Stalking Horse APA. Specifically, the Debtor and the Stalking Horse Bidder have determined that the Stalking Horse APA could be completed more efficiently, but on the same economic terms, by way of a reverse vesting transaction which preserves the Debtor as a going concern without requiring the transfer of the Debtor’s assets to the Stalking Horse Bidder.

25. As described in further detail hereinafter, the proposed form of Reverse Vesting Order will:

- (a) preserve certain beneficial tax attributes of the Debtor;
- (b) avoid the need to seek regulatory approval of the transfer of the Debtor's petroleum and natural gas licenses to the Stalking Horse Bidder, and the delays and expense associated with such transfer; and,
- (c) minimize transactional costs associated with the closing of the Stalking Horse Bid and the transfer of assets to the Stalking Horse Bidder,

all on the same economic terms as previously approved by this Honourable Court with respect to the Stalking Horse Bid.

Initial Order

26. The Applicants are insolvent, within the meaning of the CCAA, and seek to continue the NOI Proceedings under the CCAA pursuant to Section 11.6 of the CCAA.

27. The Applicants are companies to which the CCAA applies. The Applicants meet the statutory requirements to be eligible for relief under the CCAA.

28. Specifically, the Applicants are both Canadian corporations, registered and carrying on business in Alberta, within the jurisdiction of this Honourable Court, and collectively have liabilities in excess of \$5 million.

29. The Proposed Monitor supports the Application to continue the NOI Proceedings under the CCAA.

30. The NOI Proceedings were initiated by the Debtor in response to significant liquidity constraints as a result of various factors, including then recent declines in oil prices. The Debtor made substantial capital expenditures in connection with its Wizard Lake Oil Field assets in recent years, but production has not yet matched expenditures. In January 2021, Whitebark, an Australian publicly traded company which is the sole shareholder of the Debtor, informed the Debtor that it was no longer willing to fund the Debtor's ongoing operations in the ordinary course, absent a resolution of the aforementioned issues.

31. Accordingly, the Debtor filed the NOI on the NOI Filing Date. As at the NOI Filing Date, the Debtor's total indebtedness was approximately \$19.890 million, including approximately \$16.546 million owed to Whitebark, with the majority of the remaining indebtedness owing to unsecured trade creditors.

32. Since the NOI Filing Date, the Debtor has acted and continues to act in good faith and with due diligence to advance its proposed restructuring, to the benefit of all stakeholders, including, *inter alia*:

- (a) providing the Proposal Trustee with access to the Debtor's premises, property, and books and records;
- (b) working with the Proposal Trustee and counsel to facilitate the commencement of the SISP, including by attending to the virtual data room, providing input regarding potential purchasers and draft teaser materials, and answering the Proposal Trustee's queries with respect to the SISP and other matters;
- (c) assisting the Proposal Trustee in responding to due diligence requests, working with the Proposal Trustee and counsel to engage with creditors and answer creditor inquiries regarding the NOI Proceedings, and engaging with creditors and stakeholders generally, to address concerns that have been raised since the lodging of the NOI;
- (d) engaging with a royalty holder, and with the lessor of certain leased lands in which the Debtor has an interest, with respect to the status of the applicable royalties and leases;
- (e) carrying on business in the ordinary course and generally taking actions incidental to the operations of the Debtor, to preserve the going concern value of the Debtor;
- (f) engaging with certain creditors with respect to the discharge of liens relating to obligations which were satisfied prior to the NOI Filing Date;

- (g) negotiating with BDO Canada Limited, in its capacity as the Court-appointed receiver of Point Loma Resources Ltd. (“**Point Loma**”), to acquire certain Point Loma assets in the Wizard Lake Oil Field, increasing the Debtor’s ownership percentage in those assets by way of a quitclaim agreement (the “**Quitclaim Transaction**”), as previously described in the Second Report of the Proposal Trustee, dated March 16, 2021 (at paragraphs 14 - 18 thereof) and the First Report of the Proposal Trustee, dated February 4, 2021 (at paragraph 24 thereof). The Quitclaim Transaction has since closed;
- (h) working with the Proposal Trustee and counsel to prepare cash flow projections and to identify issues with respect to the financial condition of the Debtor and the status of its creditors; and,
- (i) engaging with the Alberta Energy Regulator (“**AER**”) regarding certain questions and concerns with respect to the NOI Proceedings.

33. The Reverse Vesting Order contemplates that the consideration for the Debtor’s business and assets will be paid on the same terms as originally set out in the Stalking Horse APA. Specifically, as consideration for the Debtor’s assets:

- (a) the Stalking Horse Bidder shall pay, in cash, the Cure Costs (as defined in the Stalking Horse APA);
- (b) the Stalking Horse Bidder shall pay, in cash, an amount sufficient to satisfy any amounts owing under the Administration Charge at the time of closing;
- (c) the Stalking Horse Bidder shall deliver an irrevocable direction from Whitebark to the Debtor, ResidualCo, and the Proposal Trustee providing that any dividends or similar distributions that Whitebark is entitled to receive, whether in the NOI Proceedings or in any bankruptcy proceedings in respect of ResidualCo, be distributed for the benefit of all of the Debtor’s unsecured creditors other than Whitebark; and,

- (d) the Stalking Horse Bidder shall pay, in cash, the amount of \$336,000, net of: (i) a 10% deposit already paid by the Stalking Horse Bidder; and (ii) any amounts paid to satisfy the Cure Costs and Administration Charge.

34. The Reverse Vesting Order represents the highest and best offer for the Debtor's business and assets available in the circumstances. The market for the Debtor's business and assets was thoroughly canvassed, during the pendency of the NOI Proceedings, under and pursuant to the Court-approved SISP. The SISP permitted any person to submit an equity or restructuring bid thereunder, in the alternative to an asset bid. If approved by this Court, the Reverse Vesting Order will give effect to a restructuring transaction on the same economic terms as the Stalking Horse APA.

35. The Reverse Vesting Order may only be effected under the CCAA.

36. The Initial Order and Reverse Vesting Order sought by the Debtor will, if approved, constitute a "daylight transaction", with all steps within the CCAA proceedings and Reverse Vesting Order transaction likely occurring on the same day (including closing of the transaction and the commencement and termination of the CCAA Proceedings).

37. The Applicants have prepared a cash flow forecast that demonstrates that the Applicants will have sufficient liquidity to meet their obligations during the initial Stay Period under the CCAA. Furthermore, the nature of the proposed CCAA proceedings and the Reverse Vesting Order is such that the CCAA proceedings are unlikely to proceed beyond the initial ten day Stay Period sought under the Initial order.

38. The Proposed Monitor has consented to act as the monitor of the Applicants in the CCAA proceedings.

Reverse Vesting Order

39. The issuance of the Reverse Vesting Order is required to preserve certain beneficial tax attributes of the Debtor. The Reverse Vesting Order will also obviate the need to apply for regulatory approval of license transfers, increasing efficiency, mitigating against uncertainty and delay in the transfer process, and reducing the transactional costs associated with the closing of the Stalking Horse APA.

40. If granted, the Reverse Vesting Order will transfer all liabilities of the Debtor to ResidualCo (other than certain liabilities to be retained and assumed by the Debtor), while preserving the priority of all claims and encumbrances against the Debtor. The consideration payable under the Reverse Vesting Order, and the assets available to satisfy claims against the Debtor, will be the same as if the Stalking Horse APA were approved and closed in accordance with its terms.

41. The Reverse Vesting Order will also direct ResidualCo to make an assignment in bankruptcy at the CCAA Termination Time. The APA Proceeds (as defined in the proposed form of the Reverse Vesting Order attached as Schedule “C” hereto) will subsequently be administered within the ResidualCo Bankruptcy Proceedings. The Applicants seek related declarations with respect to the payment of the Office of the Superintendent of Bankruptcy’s levy, and the means by which the Proposed Monitor shall attend to its statutory notice and filing requirements, to increase efficiency in the administration of the CCAA Proceedings and the ResidualCo Bankruptcy Proceedings and to prevent the duplication of administrative expenses.

Alternative Relief

42. In the alternative, if this Honourable Court does not grant the Initial Order and the Reverse Vesting Order, the Debtor seeks: (i) an extension of the period within which the Debtor may file a proposal to its creditors within the NOI Proceedings, until and including June 27, 2021; and, (ii) the approval of the Stalking Horse APA and the granting of an order transferring and vesting the Assets in the Stalking Horse Bidder.

43. The Stalking Horse APA contemplates that, upon and subject to the terms and conditions of the Stalking Horse APA, the Debtor shall sell, assign and transfer to the Stalking Horse Bidder, and the Stalking Horse Bidder shall purchase, accept and receive from the Debtor, all of the Debtor’s right, title, benefit, estate and interest in and to substantially all of the material assets of the Debtor (as described in Schedule “A” to the Stalking Horse APA), free and clear of all claims and encumbrances.

44. The Stalking Horse APA is conditional upon, *inter alia*, the approval of this Honourable Court and the granting of a Sale Approval and Vesting Order.

45. The Assets to be conveyed pursuant to the Stalking Horse APA were sufficiently exposed to the relevant market in a commercially reasonable and fair marketing process. As

described in further detail above, a comprehensive, open and transparent Court-approved SISP was undertaken with respect to the assets and business of the Debtor. No Qualified Bids were received under the SISP.

46. The SISP permitted both sale offers and restructuring offers to be made by any person to the Debtor. The purpose of permitting restructuring offers under the SISP was to preserve the possibility that the Debtor could make a viable proposal if a Superior Offer (as defined in the SISP) was advanced by way of a restructuring bid.

47. Appropriate precautions were taken to preserve the integrity of the SISP in light of the participation of the related party Stalking Horse Bidder. Among other things, because the Stalking Horse APA is with a related party to the Debtor, the Proposal Trustee was granted the sole authority to market the Debtor's business and assets, administer the SISP, and communicate with potential bidders thereunder (unless otherwise directed by the Proposal Trustee).

48. Accordingly, the SISP provided an appropriate test for whether the Stalking Horse APA delivers the best possible result for all stakeholders. The price to be paid pursuant to the Stalking Horse APA represents the highest and best price that can be obtained for the subject assets in the current circumstances.

49. The transactions contemplated by the Stalking Horse APA will allow the Debtor's business to continue as a going concern, albeit under the possession and control of the Stalking Horse Bidder, rather than the Debtor; and without the benefits associated with the Reverse Vesting Order sought as primary relief, as described above.

50. The Debtor has acted and continues to act in good faith and with due diligence in the within proceedings.

51. If the Sale Approval and Vesting Order is granted, the Debtor will require additional time within which to close the transaction contemplated by the Stalking Horse APA, and to attend to transactional matters and regulatory license transfers in connection therewith. In the alternative to the granting of the Initial Order and the Reverse Vesting Order, the Debtor therefore seeks an order extending the time within which it may file a proposal, pursuant to Section 50.4(9) of the BIA, until and including June 27, 2021.

52. Such further and other grounds as counsel for the Debtor may advise and this Honourable Court may permit.

Material or Evidence to be Relied On: The Applicants will rely on the following evidence:

- 53. The Affidavit of David Messina, sworn on February 3, 2021, filed;
- 54. The Affidavit of Charles Morgan, sworn on March 15, 2021, filed;
- 55. The Second Affidavit of Charles Morgan, sworn on May 10, 2021 to be filed;
- 56. The First Report of the Proposal Trustee, filed;
- 57. The Second Report of the Proposal Trustee, filed;
- 58. The Third Report of the Proposal Trustee, to be filed; and
- 59. Such further and other evidence as counsel for the Applicants may advise.

Applicable Rules:

- 60. Rules 6.3(1), 6.9, 6.11(1)(f), 6.28, 11.27 of the *Alberta Rules of Court*.
- 61. Such further and other rules as counsel for the Applicants may advise and this Honourable Court may permit.

Applicable Acts and Regulations:

- 62. The *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, sections 50.4(9), 65.13, 66(1), 187.
- 63. The *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, sections 11, 11.02, 11.2, 11.6, 11.52, 36.
- 64. Such further and other acts and regulations as counsel for the Applicants may advise and this Honourable Court may permit.

Any Irregularity Complained of or Objection Relied On:

- 65. There are no irregularities complained of, or objections relied on.

How the Application is Proposed to be Heard or Considered:

66. The Applicants propose that the Application be heard by way of WebEx videoconference with one, some, or all of the parties present.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicants.

SCHEDULE "A" TO THE APPLICATION WEBEX VIDEOCONFERENCE INSTRUCTIONS

Webex Confirmation B201 703459 - PROPOSAL OF: v. SALT BUSH ENERGY LTD. - May 19, 2021 02:00 PM - EIDSVIK, J - Confirmed

Virtual Courtroom 60 has been assigned for the above noted matter:

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom60>

Instructions for Connecting to the Meeting

1. Click on the link above or open up Chrome or Firefox and cut and paste it into your browser address bar.
2. If you do not have the Cisco Webex application already installed on your device, the site will have a button to install it. Follow installation instructions. Enter your full name and email address when prompted
3. Click on the **Open Cisco Webex Meeting**.
4. You will see a preview screen. Click on **Join Meeting**.

Key considerations for those attending:

1. Please connect to the courtroom **15 minutes** prior to the start of the hearing.
2. Please ensure that your microphone is muted and remains muted for the duration of the proceeding, unless you are speaking. Ensure that you state your name each time you speak.
3. If bandwidth becomes an issue, some participants may be asked to turn off their video and participate by audio only.
4. **Note: Recording or rebroadcasting of the video is prohibited.**
5. **Note: It is highly recommended you use headphones with a microphone or a headset when using Webex. This prevents feedback.**

If you are a non-lawyer attending this hearing remotely, you must complete the undertaking located here: <https://www.albertacourts.ca/qb/resources/announcements/undertaking-and-agreement-for-non-lawyers>

For more information relating to Webex protocols and procedures, please visit: <https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol>

You can also join the meeting via the "Cisco Webex Meetings" App on your smartphone/tablet or other smart device. You can download this via the App marketplace and join via the link provided above.

**SCHEDULE "B" TO THE APPLICATION
FORM OF ORDER (INITIAL ORDER)**

COURT FILE NUMBER

COURT

COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, C. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
SALT BUSH ENERGY LTD. AND 2345141
ALBERTA LTD.

Clerk's Stamp

DOCUMENT

CCAA INITIAL ORDER

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

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DATE ON WHICH ORDER WAS PRONOUNCED:

May 19, 2021

LOCATION OF HEARING OR TRIAL:

Calgary, Alberta

NAME OF JUDGE WHO MADE THIS ORDER:

Justice K.M. Eidsvik

UPON THE APPLICATION of Salt Bush Energy Ltd. (the "**Debtor**") and 2345141 Alberta Ltd. ("**ResidualCo**", the Debtor and ResidualCo are collectively referred to as, the "**Applicants**"), **AND UPON** having read the Application, dated May 10, 2021 and the Second Affidavit of Charles Morgan (the "**Second Morgan Affidavit**"), sworn on May 10, 2021, all filed; **AND UPON** reading the consent of Deloitte Restructuring Inc. to act as monitor (the "**Monitor**", when referred to in such capacity); **AND UPON** having read the Third Report of Deloitte Restructuring Inc., in its capacity as Proposal Trustee of the Debtor (the "**Third Report**"), filed; **AND UPON** being advised that the secured creditors who are likely to be affected by the

charges continued herein have been provided notice of this application; **AND UPON** having read the Affidavit of Service of Katie Doran, sworn • (the “**Affidavit of Service**”), filed; **AND UPON** hearing counsel to the Applicants, counsel to the Monitor, and counsel present for other parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the corresponding Application, the Third Report, and the Second Morgan Affidavit is abridged to the date parties were served, the Application is properly returnable today, service of the Application, the Third Report, and the Second Morgan Affidavit on the service list prepared by the Debtor and maintained in these proceedings (the “**Service List**”), in the manner described in the Affidavit of Service, is validated, good, and sufficient, and no other persons are entitled to service of the Second Morgan Affidavit, the Third Report, or the Application.

APPLICATION

2. The Applicants are companies to which the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) applies.

CONTINUANCE UNDER THE CCAA

3. The proposal proceedings commenced by the Debtor under Division I of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) on January 13, 2021, under Court File Number 25-2703459 (the “**NOI Proceedings**”), are hereby taken up and continued under the CCAA and the NOI Proceedings shall have no further force or effect, save that any and all acts, steps, agreements and procedures validly taken, done or entered into by the Debtor during the NOI Proceedings shall remain valid, binding and actionable within these proceedings. For certainty, approval of the Monitor’s and its counsel’s fees and disbursements in this proceeding shall be deemed approval of the Proposal Trustee’s and its counsel’s fees and disbursements in the NOI Proceedings. The Applicants are hereby directed and authorized to file this Order in the NOI Proceedings forthwith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

4. Until and including May 29, 2021, or such later date as the Court may Order (the “**Stay Period**”), no proceeding or enforcement process in any court (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

5. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:

- (a) empower the Applicants to carry on any business that the Applicants are not lawfully entitled to carry on;
- (b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;
- (c) prevent the filing of any registration to preserve or perfect a security interest;
- (d) prevent the registration of a claim for lien; or
- (e) exempt the Applicants from compliance with statutory or regulatory provisions relating to health, safety or the environment.

6. Nothing in this Order shall prevent any party from taking an action against the Applicants where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH RIGHTS

7. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

8. During the Stay Period, all persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Applicants, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Applicant

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants or exercising any other remedy provided under such agreements or arrangements. The Applicants shall be entitled to the continued use of their premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the NOI Filing Date are paid by the Applicants in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

9. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the NOI Filing Date, nor shall any person, other than the Interim Lender where applicable, be under any obligation on or after the NOI Filing Date to advance or re-advance any monies or otherwise extend any credit to the Applicants.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

10. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 6 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION

11. The Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors and or officers of the Applicants after the commencement of the within proceedings except to the extent that, with respect to any officer or director, the obligation was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

APPOINTMENT OF MONITOR

12. Deloitte Restructuring Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs and the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

13. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law

respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order be deemed to be in possession of any of the Property within the meaning of any federal or provincial environmental legislation.

14. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

15. The Monitor, counsel to the Monitor, and counsel to the Applicants shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings and the NOI Proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a monthly basis.

16. The Monitor, counsel to the Monitor, if any, and the Applicants' counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall continue to be entitled to the benefits of the Administration Charge granted pursuant to the Order granted by the Honourable Justice D.B. Nixon on February 12, 2021 (the "**February 12 Order**") in the NOI Proceedings (the "**Administration Charge**"), which charge shall not exceed an aggregate amount of \$150,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge is hereby amended to extend to the Property of ResidualCo, on the same terms as such Administration Charge applies to the Property of the Debtor, *mutatis mutandis*. For greater certainty, the Administration Charge shall constitute a charge on the Property of ResidualCo and shall have the same priority with respect to the Property of ResidualCo as such Administration Charge has with respect to the Property of the Debtor. The Administration Charge shall have the priority set out in paragraphs 21 and 23 hereof.

INTERIM FINANCING

17. Whitebark Energy Ltd. (the “**Interim Lender**”) shall continue to have the benefit of the Interim Lender’s Charge granted pursuant to the February 12 Order in the NOI Proceedings (the “**Interim Lender’s Charge**”). For greater certainty, the Interim Lender’s Charge shall not secure an obligation that exists before the NOI Filing Date, and shall extend to the Property of ResidualCo. The Interim Lender’s Charge shall have the priority set out in paragraphs 21 and 23 hereof.

18. The provisions of the February 12 Order applicable to the Interim Lender’s Charge within the NOI Proceedings shall apply *mutatis mutandis* to the Interim Lender’s Charge in the within proceedings.

19. For greater certainty, the Debtor is hereby authorized and empowered, *nunc pro tunc*, to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the “**Definitive Documents**”), as are contemplated in the draft term sheet between the Debtor and the Interim Lender between the Debtor and the Interim Lender (the “**Term Sheet**”), as attached as Exhibit “**E**” to the Affidavit of David Messina, sworn on February 3, 2021, within the NOI Proceedings, or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Debtor is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities, and obligations to the Interim Lender under and pursuant to the Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

BREAK FEE CHARGE

20. Ironbark Energy Ltd. shall continue to have the benefit of the Break Fee Charge granted pursuant to the February 12 Order in the NOI Proceedings. For greater certainty, the Break Fee Charge shall not extend to the Property of ResidualCo. The Break Fee Charge shall have the priority set out in paragraphs 21 and 23 hereof.

VALIDITY AND PRIORITY OF CHARGES

21. The priorities of the Administration Charge and the Interim Lender’s Charge, as among them, shall be as follows:

- (a) **First** - Administration Charge (up to the maximum amount of \$150,000);
- (b) **Second** - Interim Lender's Charge (up to the maximum amount of \$150,000);
- (c) **Third** - Break Fee Charge (up to the maximum amount of \$75,000).

22. The filing, registration or perfection of the Administration Charge, the Interim Lender's Charge, or the Break Fee Charge (collectively, the "**Charges**") shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

23. Each of the Administration Charge, the Interim Lender's Charge and the Break Fee Charge (all as constituted and defined herein) shall constitute a charge on the applicable Property and subject always to section 34(11) of the CCAA such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person, provided, however, and for further clarity, nothing in this Order shall cause the overriding royalty interest in the Property under the Royalty Agreement (Wizard Lake) made as of August 9, 20219, between Point Loma Resources Ltd. and Source Rock Royalties Ltd. (the "**Source Rock Royalty**"), or right to payment conferred by the Source Rock Royalty, to rank subordinate to the Administration Charge, the Interim Lender's Charge or the Break Fee Charge.

24. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Debtor shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges unless the Applicants also obtain the prior written consent of the Monitor, the Interim Lender, Ironbark Energy Ltd., and the beneficiaries of the Administration Charge, or further order of this Court.

25. The Administration Charge, the Term Sheet, the Definitive Documents, the Break Fee Charge, and the Interim Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the Interim Lender thereunder shall not otherwise be limited or impaired in any way by:

- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
- (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;
- (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;
- (d) the provisions of any federal or provincial statutes; or
- (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) that binds the Applicants, or either of them, and notwithstanding any provision to the contrary in any Agreement:
 - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, including the Commitment Letter or the Definitive Documents, shall create or be deemed to constitute a new breach by the Applicants, or either them, of any Agreement to which the Applicants, or either of them, are party;
 - (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges, the Debtor entering into the Commitment Letter, or the execution, delivery or performance of the Definitive Documents; and
 - (iii) the payments made by the Applicants pursuant to this Order, including the Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

ALLOCATION

26. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Administration Charge, the Interim Lender's Charge and the Break Fee Charge amongst the various assets comprising the Property.

SERVICE AND NOTICE

27. The Monitor shall within five (5) days after the date of this Order (A) make this Order publicly available in substantially the manner prescribed under the CCAA, (B) send, in substantially the prescribed manner, a notice to every known creditor who has a claim against the Applicants, or either of them, of more than \$1,000 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a)(ii) of the CCAA and the regulations made thereunder; provided, however, that notwithstanding anything to the contrary in section 23(1)(a)(ii) of the CCAA and notwithstanding any other term of this Order, the Monitor is hereby authorized and directed to serve such notices and attend to such matters as required pursuant to section 23(1)(a)(ii) of the CCAA at the same time and in the same manner that the Monitor, in its capacity as the ResidualCo Trustee (as such term is defined in the Reverse Vesting Order applied for and granted contemporaneously with this Order), provides notice to the creditors of ResidualCo in accordance with its duties and obligations under the BIA. For greater certainty, without limiting the generality of the foregoing, the Monitor and the ResidualCo Trustee (as such term is defined in the Reverse Vesting Order applied for and granted contemporaneously with this Order) shall not be required to deliver separate notices to the aforementioned creditors in respect of the within proceedings and the ResidualCo Bankruptcy Proceedings (as such term is defined in the Reverse Vesting Order applied for and granted contemporaneously with this Order) and the Monitor and the ResidualCo Trustee (as such term is defined in the Reverse Vesting Order applied for and granted contemporaneously with this Order) are hereby authorized to deliver a joint notice package to each such creditor.

28. The Monitor's obligation to perform the duties and functions under section 23(1)(a)(i) of the CCAA is hereby dispensed with.

29. The Applicant and the Monitor shall be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true

copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or e-mail to the Applicant's creditors or other interested Persons at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery, facsimile transmission or e-mail shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing. The Monitor shall establish and maintain a website in respect of these proceedings at "<https://www.insolvencies.deloitte.ca/en-ca/Pages/Salt-Bush-Energy-Ltd.aspx?>" and shall post there as soon as practicable:

- (a) all materials prescribed by statute or regulation to be made publically available; and
- (b) all applications, reports, affidavits, orders or other materials filed in these proceedings by or behalf of the Monitor, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

GENERAL

30. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

31. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

32. Each of the Applicants and the Monitor are at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Monitor is authorized and empowered to act as a representative in respect of the within

proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

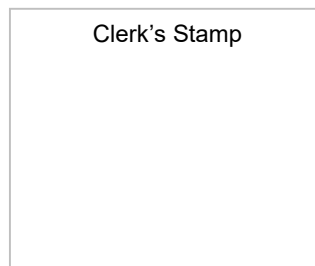
33. Any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

34. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.

Justice of the Court of Queen's Bench of Alberta

**SCHEDULE "C" TO THE APPLICATION
FORM OF ORDER (REVERSE VESTING ORDER)**

COURT FILE NUMBER 2101-
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, C. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
SALT BUSH ENERGY LTD. AND 2345141
ALBERTA LTD.

DOCUMENT **REVERSE VESTING ORDER**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS DOCUMENT
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DATE ON WHICH ORDER WAS PRONOUNCED: May 19, 2021
LOCATION OF HEARING OR TRIAL: Calgary, Alberta
NAME OF MASTER/JUDGE WHO MADE THIS ORDER: Justice K.M. Eidsvik

UPON THE APPLICATION of Salt Bush Energy Ltd. (the "**Debtor**") and 2345141 Alberta Ltd. ("**ResidualCo**", the Debtor and ResidualCo are collectively referred to as, the "**Applicants**"), **AND UPON** having read the Application, dated May 10, 2021 and the Second Affidavit of Charles Morgan, sworn on May 10, 2021 (the "**Second Morgan Affidavit**"), all filed; **AND UPON** having read the Third Report of Deloitte Restructuring Inc., in its capacity as Proposal Trustee of the Debtor ("**Proposal Trustee**"), dated May •, 2021 (the "**Third Report**"), filed; **AND UPON** having read the Affidavit of Service of Katie Doran, sworn • (the "**Affidavit of Service**"), filed; **AND UPON** hearing counsel to the Applicants, counsel to Deloitte Restructuring

Inc., in its capacity as court-appointed monitor (the “**Monitor**”) of the Applicants, and counsel present for other parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the corresponding Application, the Third Report, and the Second Morgan Affidavit is abridged to the date parties were served, the Application is properly returnable today, service of the Application, the Third Report, and the Second Morgan Affidavit on the service list prepared by the Debtor and maintained in these proceedings (the “**Service List**”), in the manner described in the Affidavit of Service, is validated, good, and sufficient, and no other persons are entitled to service of the Second Morgan Affidavit, the Third Report, or the Application.

DEFINED TERMS

2. Capitalized terms used in this Order and not otherwise defined shall have the meanings referred to or given to them below:

- (a) “**Administration Charge**” shall have the meaning given to it in the Initial Order;
- (b) “**APA Proceeds**” means: (i) the Purchase Price (as such term is defined in the Stalking Horse APA, with the direction in respect of the Debtor contemplated in Section 3.1(iii) of the Stalking Horse APA being replaced by an equivalent direction in respect of both the Debtor and ResidualCo); and, (ii) the cash and cash equivalents held by the Debtor described as Excluded Assets (as such term is defined in the Stalking Horse APA);
- (c) “**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (d) “**CCAA**” means the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
- (e) “**CCAA Proceedings**” means the within proceedings commenced by the Applicants under the CCAA;

- (f) “**Claim**” has the meaning given to such term in the CCAA, but shall exclude any Claims by or on behalf of Source Rock in connection with the Source Rock Royalty Agreement;
- (g) “**Creditors**” means, collectively, any Person asserting a Claim against the Debtor as of the Filing Date, all Persons to whom the Debtor Liabilities are owed and all Persons holding any Encumbrances securing the payment and performance thereof, but shall exclude Source Rock in its capacity as a Creditor under the Source Rock Royalty Agreement;
- (h) “**Debtor Liabilities**” means, collectively, any and all Liabilities of the Debtor, but excluding liabilities owed to Source Rock in connection with the Source Rock Royalty Agreement;
- (i) “**Encumbrances**” means, collectively, all caveats, security interests, hypothecs, pledges, mortgages, liens, trust or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgments, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have been attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing:
 - (i) any encumbrances or charges created by the Initial Order;
 - (ii) all charges, security interests or claims evidenced by registrations pursuant to: (i) the *Personal Property Security Act* (Alberta) or any other real or personal property registry system; and, (ii) the *Land Titles Act*, R.S.A. 2000, c. L-7 (the “**Land Titles Act**”), and the registrations thereunder;
 - (iii) any liens or claims of lien under the *Builders’ Lien Act* (Alberta).
- (j) “**Liabilities**” means, collectively, debts, liabilities and obligations, whether accrued or fixed, liquidated or unliquidated, absolute or contingent, matured or

unmatured, determined or determinable, including those arising under statute or under any contract or otherwise, and “**Liability**” means any one of the Liabilities;

- (k) “**Initial Order**” means the Initial Order applied with in connection with this Order and granted on the date hereof;
- (l) “**Monitor’s Certificate**” means a certificate substantially in the form attached as Schedule “**A**” hereto;
- (m) “**NOI Proceedings**” means the proceedings commenced by the Debtor under Division I of the NOI by filing a Notice of Intention to Make a Proposal on January 13, 2021;
- (n) “**Person**” includes an individual, a partnership, an unincorporated association, a corporation, a trust, a cooperative society or a cooperative organization, the successors of a partnership, of an association, of a corporation, of a society or of an organization, or any other legal or governmental entity whether similar to the foregoing or not, and includes the trustees, heirs, executors, liquidators, receivers, receiver-managers, administrators or other legal representatives of such Persons;
- (o) “**Property**” means, collectively, all of the Debtor’s current and future assets, undertakings and properties of every kind and nature whatsoever, and wherever situate including all proceeds thereof;
- (p) “**Reverse Vesting**” means, collectively, all steps and actions contemplated by or given effect by this Order, including for greater certainty, the transfer of the Debtor Liabilities and corresponding Claims and Encumbrances to ResidualCo and the assumption by ResidualCo of the Debtor Liabilities, and the transfer of the APA Proceeds to the Debtor by the Stalking Horse Bidder;
- (q) “**Source Rock**” means Source Rock Royalties Ltd.;
- (r) “**Source Rock Royalty Agreement**” means the Royalty Agreement (Wizard Lake) made as of August 9, 2019, between Point Loma Resources Ltd. and

Source Rock, and includes any right to payment conferred by the Source Rock Royalty Agreement;

- (s) **“Stalking Horse APA”** means the agreement of purchase and sale, dated as of February 2, 2021, between the Debtor, as vendor, and Ironbark Energy Ltd., as purchaser, as previously approved by an Order of the Honourable Justice D.B. Nixon granted on February 12, 2021, as amended and attached to the Second Morgan Affidavit as Exhibit “F” thereto.

REVERSE VESTING APPROVAL

3. The Stalking Horse APA is hereby approved and the Debtor is authorized, empowered and directed to execute and deliver the Stalking Horse APA, and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Reverse Vesting. This Order shall constitute the only authorization required by the Applicants to proceed with the Reverse Vesting, and no shareholder or other approval shall be required in connection therewith.

REVERSE VESTING AND CCAA TERMINATION

4. Effective immediately upon the Monitor filing the Monitor’s Certificate with this Honourable Court certifying that it has been advised in writing by the Applicants that the APA Proceeds have been released from escrow to the Debtor and the Monitor’s and its counsel’s fees and disbursements arising from the NOI Proceedings and this proceeding have been satisfied in full:

- (a) the APA Proceeds shall be transferred to and vest absolutely in the name of ResidualCo;
- (b) all Debtor Liabilities shall be transferred to, assumed by and vest absolutely in ResidualCo, and ResidualCo shall be deemed to have assumed and become liable for such Debtor Liabilities and, subject to the Initial Order, the Creditors will have all of the rights, remedies, recourses, benefits and interests against ResidualCo (including, for greater certainty, ResidualCo’s interest in, to, or against the APA Proceeds) which immediately prior to this Order becoming

effective they had against the Debtor, and the nature of the Debtor Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to and vesting in ResidualCo. For greater certainty, for the purpose of determining the nature and priority of the Claims relating to the Debtor Liabilities, the APA Proceeds will stand in the place and stead of the Debtor and all of its Property;

- (c) the Debtor and all of its Property shall be forever released and discharged from the Debtor Liabilities and all related Claims shall be expunged and discharged as against the Debtor and its Property;
- (d) effective one (1) minute after the date and time (the “**CCAA Termination Time**”) on which the Monitor issues the Monitor’s Certificate, the CCAA Proceedings shall be automatically terminated without any further act or formality and, except as otherwise expressly set out in this Order, the Initial Order shall have no further force or effect, and the Debtor and ResidualCo shall be deemed to cease being Applicants in these CCAA Proceedings and shall be deemed to be released from the purview of the Initial Order and all other Orders of this Court granted in respect of the CCAA Proceedings, save and except for this Order, the provisions of which (as they related to the Applicants) shall continue to apply in all respects;
- (e) effective as at the CCAA Termination Time, subject only to the payment in full of all amounts owing to the beneficiaries thereunder (if any), the Charges (as such term is defined in the Initial Order) shall be terminated, released and discharged;
- (f) for greater certainty, the Stay Period (as such term is defined in the Initial Order) shall automatically expire on the CCAA Termination Time; and,
- (g) ResidualCo shall hereby be authorized and directed, without further formality or order of this Court, to forthwith make an assignment in bankruptcy pursuant to the BIA (such bankruptcy proceedings being, the “**ResidualCo Bankruptcy Proceedings**”) on the CCAA Termination Time, and the Monitor shall be authorized to act as trustee in bankruptcy of ResidualCo (when referred to in such capacity, the “**ResidualCo Trustee**”).

MISCELLANEOUS

5. The Monitor is authorized and directed to undertake and perform such activities and obligations as are contemplated to be undertaken or performed by the Monitor pursuant to this Order, the Stalking Horse APA, or any ancillary document related thereto, and shall incur no liability, whatsoever, in connection therewith, save and except for any liability arising due to gross negligence or wilful misconduct on its part. Without limiting the generality of the foregoing, the Monitor may rely on written notice from the Applicants (or either of them) regarding the release of the APA Proceeds from escrow.

6. Notwithstanding:

- (a) the pendency of these proceedings and any declaration of insolvency made in the CCAA Proceedings or the NOI Proceedings;
- (b) the pendency of any application for a bankruptcy order now or hereafter issued pursuant to the BIA, in respect of ResidualCo, and any bankruptcy order issued pursuant to such applications;
- (c) any assignment in bankruptcy made by ResidualCo; and
- (d) the provisions of any federal or provincial statutes;

the Reverse Vesting pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of ResidualCo and shall not be void or voidable by creditors of ResidualCo, nor shall it constitute nor be deemed to constitute a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. The Monitor, the Applicants, the Stalking Horse Bidder, and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

8. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Monitor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.

9. Upon the Monitor issuing the Monitor's Certificate the Monitor shall be discharged as Monitor of the Applicants, provided however, that notwithstanding its discharge herein (a) the Monitor shall remain Monitor for the performance of such incidental duties as may be required to complete the administration of the Applicants herein, and (b) the Monitor shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Monitor in its capacity as Monitor and the Administration Charge.

10. The Monitor's activities as set out in the Third Report and in all of its other reports filed herein, including for certainty all of its reports in its capacity as proposal trustee of the Debtor filed within the NOI Proceedings, are hereby ratified and approved.

11. On the evidence before the Court, the Monitor has satisfied its obligations under and pursuant to the terms of the Orders granted in the within proceedings up to and including the date hereof, and the Monitor shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of fraud, gross negligence or wilful misconduct on the part of the Monitor, or with leave of the Court. Subject to the foregoing any claims against the Monitor in connection with the performance of its duties, including for certainty its duties in its capacity as proposal trustee of the Debtor within the NOI Proceedings, are hereby stayed, extinguished and forever barred.

12. No action or other proceedings shall be commenced against the Monitor in any way arising from or related to its capacity or conduct as Monitor (and including, for certainty, its capacity or conduct as proposal trustee of the Debtor within the NOI Proceedings), except with prior leave of this Court on notice to the Monitor, and upon such terms as this Court may direct.

13. The requirement to approve the fees of the Applicants is hereby dispensed with.

14. The Monitor and its counsel's fees and disbursements in this proceeding and the NOI Proceedings are hereby ratified and approved.

15. The requirement to approve any additional fees and disbursements of the Monitor and the Monitor's counsel relating to such incidental duties as may be required to complete the administration of the Applicants in this proceeding is hereby dispensed with.

16. Notwithstanding section 23(1)(f.1) of the CCAA and Section 123(2) of the *Bankruptcy and Insolvency General Rules*, C.R.C., c. 368, the Monitor shall not be required to pay any levy to the Superintendent of Bankruptcy in respect of these CCAA Proceedings or the NOI Proceedings; provided, however, that the ResidualCo Trustee is hereby authorized and directed to pay a levy to the Superintendent of Bankruptcy in respect of the ResidualCo Bankruptcy Proceedings, in accordance with Section 147 of the BIA and the regulations made thereunder.

17. Service of this Order by email, facsimile, registered mail, courier or personal delivery to the persons listed on the Service List, any other Person served with notice of the application for this Order, and any other parties attending or represented at the application for this Order, and posting a copy of this Order on the Monitor's website at "<https://www.insolvencies.deloitte.ca/en-ca/Pages/Salt-Bush-Energy-Ltd.aspx?>", shall constitute good and sufficient service of this Order, and no Persons other than those listed on the Service List are entitled to be served with a copy of this Order.

Justice of the Court of Queen's Bench of Alberta

**SCHEDULE "A" TO THE ORDER (REVERSE VESTING ORDER)
MONITOR'S CERTIFICATE**

COURT FILE NUMBER 2101-
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk's Stamp

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, C. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
SALT BUSH ENERGY LTD. AND 2345141
ALBERTA INC.

DOCUMENT **MONITOR'S CERTIFICATE (REVERSE VESTING
ORDER)**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS DOCUMENT
Dentons Canada LLP
Suite 1500, 850 - 2nd Street SW
Calgary, AB T2P 0R8
Attention: David Mann / Sam Gabor
Telephone: 403-268-7079 / 403-268-3048
Email: david.mann@dentons.com /
sam.gabor@dentons.com

RECITALS

1. Pursuant to an Order of the Honourable Justice K.M. Eidsvik of the Court of Queen's Bench, Judicial District of Calgary (the "**Court**"), dated May 19, 2021 (the "**Initial Order**"), Deloitte Restructuring Inc. was appointed as the monitor (the "**Monitor**") of Salt Bush Energy Ltd. (the "**Debtor**") and 2345141 Alberta Inc. ("**ResidualCo**", the Debtor and ResidualCo are collectively referred to as, the "**Applicants**"). The Monitor was previously appointed as Proposal Trustee in proceedings commenced by the Debtor under Division I of the *Bankruptcy and Insolvency Act* (Canada) by filing a Notice of Intention to Make a Proposal on January 13, 2021 ("**NOI Proceedings**") which was continued on in these proceedings.

2. Pursuant to an Order of the Court, dated May 19, 2021 (the "**Reverse Vesting Order**"), the Court approved the agreement of purchase and sale, dated as of February 2, 2021, between the Debtor, as vendor, and Ironbark Energy Ltd., as purchaser (the "**Stalking Horse APA**"), and a reverse vesting and restructuring transaction (the "**Transaction**") pursuant to

which, effective immediately upon the Monitor issuing a certificate certifying that it has been advised in writing by the Applicants that the APA Proceeds (as such term is defined in the Reverse Vesting Order) have been released from escrow and that the fees of the Proposed Monitor and its counsel in respect of these proceedings and the NOI Proceedings have been satisfied, the following shall occur:

- (a) the APA Proceeds (as defined in the Reverse Vesting Order) shall be transferred to and vest absolutely in the name of ResidualCo;
- (b) all Debtor Liabilities shall be transferred to, assumed by and vest absolutely in ResidualCo, and ResidualCo shall be deemed to have assumed and become liable for such Debtor Liabilities and, subject to the Initial Order, the Creditors (as defined in the Reverse Vesting Order) will have all of the rights, remedies, recourses, benefits and interests against ResidualCo (including, for greater certainty, ResidualCo's interest in, to, or against the APA Proceeds) which immediately prior to the Reverse Vesting Order becoming effective they had against the Debtor, and the nature of the Debtor Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to and vesting in ResidualCo. For greater certainty, for the purpose of determining the nature and priority of the Claims relating to the Debtor Liabilities, the APA Proceeds will stand in the place and stead of the Debtor and all of its Property (as defined in the Reverse Vesting Order);
- (c) the Debtor and all of its Property shall be forever released and discharged from the Debtor Liabilities and all related Claims (as defined in the Reverse Vesting Order) shall be expunged and discharged as against the Debtor and its Property;
- (d) effective one (1) minute after the date and time (the "**CCAA Termination Time**") on which the Monitor issues the Monitor's Certificate, the CCAA Proceedings (as defined in the Reverse Vesting Order) shall be automatically terminated without any further act or formality and, except as otherwise expressly set out in this Order, the Initial Order shall have no further force or effect, and the Debtor and ResidualCo shall be deemed to cease being Applicants in the CCAA

Proceedings and shall be deemed to be released from the purview of the Initial Order and all other Orders of this Court granted in respect of the CCAA Proceedings, save and except for this Order, the provisions of which (as they related to the Applicants) shall continue to apply in all respects;

- (e) effective as at the CCAA Termination Time, subject only to the payment in full of all amounts owing to the beneficiaries thereunder (if any), the Charges (as such term is defined in the Initial Order) shall be terminated, released and discharged;
- (f) the Stay Period (as such term is defined in the Initial Order) shall automatically expire on the CCAA Termination Time;
- (g) the Monitor shall be discharged as Monitor of the Applicants; and,
- (h) ResidualCo shall be directed and authorized to make an assignment in bankruptcy and the Monitor shall be authorized to act as the trustee in bankruptcy of ResidualCo.

THE MONITOR CERTIFIES the following:

1. The Monitor has been advised in writing by the Applicants that the APA Proceeds have been released from escrow to the Debtor.
2. The Monitor's and its counsel's fees and disbursements arising from the NOI Proceedings and this proceeding have been satisfied in full.

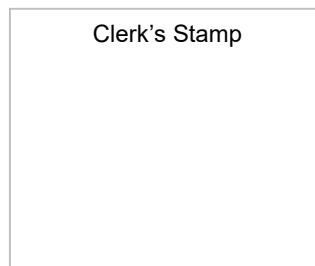
This Certificate was executed by the Monitor at _____ on _____, 2021 at _____ o'clock a.m./p.m..

DELOITTE RESTRUCTURING INC., in its capacity as the monitor of **SALT BUSH ENERGY LTD.**, and not in its personal or corporate capacity

Per: _____
Name:
Title:

**SCHEDULE "D" TO THE APPLICATION
FORM OF ORDER (SALE APPROVAL AND VESTING)**

COURT FILE NUMBER 25-2703459
COURT COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE CALGARY
IN THE MATTER OF THE *BANKRUPTCY
AND INSOLVENCY ACT*, R.S.C. 1985, C. B-
3, AS AMENDED



AND IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF
SALT BUSH ENERGY LTD.

DOCUMENT **SALE APPROVAL AND VESTING ORDER**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT
McCARTHY TÉTRAULT LLP
Barristers & Solicitors
Sean Collins / Nathan Stewart
Suite 4000, 421 - 7 Avenue S.W.
Calgary, AB T2P 4K9
Phone: 403-260-3531 / 3534
Fax: 403-260-3501
Email: scollins@mccarthy.ca / nstewart@mccarthy.ca

DATE ON WHICH ORDER WAS PRONOUNCED: May 19, 2021
LOCATION OF HEARING OR TRIAL: Calgary, Alberta
NAME OF MASTER/JUDGE WHO MADE THIS ORDER: Justice K.M. Eidsvik

UPON THE APPLICATION of Salt Bush Energy Ltd. (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Debtor and Ironbark Energy Ltd. (the "**Purchaser**") dated as of February 2, 2021, as subsequently amended and appended as Exhibit "F" to the Affidavit of Charles Morgan, sworn on May 10, 2021 (the "**Second Morgan Affidavit**"), and vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"); **AND UPON** having read the Second Morgan Affidavit and the Third Report of the Deloitte Restructuring Inc. (the "**Proposal Trustee**"), in its capacity as the proposal trustee of the Debtor, dated ●, 2021

(the “**Third Report**”), all filed; **AND UPON** having read the Affidavit of Service of Katie Doran, sworn • (the “**Service Affidavit**”), filed; **AND UPON** hearing counsel to the Debtor, counsel to the Proposal Trustee, and counsel present for other parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the corresponding Application, the Third Report, and the Second Morgan Affidavit is abridged to the date parties were served, the Application is properly returnable today, service of the Application, the Third Report, and the Second Morgan Affidavit on the service list prepared by the Debtor and maintained in these proceedings (the “**Service List**”), in the manner described in the Affidavit of Service, is validated, good, and sufficient, and no other persons are entitled to service of the Second Morgan Affidavit, the Third Report, or the Application.

APPROVAL OF THE TRANSACTION

2. The Transaction is hereby approved and execution of the Sale Agreement by the Debtor is hereby authorized and approved, with such minor amendments as the Debtor and the Purchaser may agree to, with the consent of the Proposal Trustee. The Debtor and the Proposal Trustee are hereby authorized and directed to take such additional steps and the Debtor is hereby authorized and empowered to execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser (or its nominee).

VESTING OF PURCHASED ASSETS

3. Subject only to approval by the Alberta Energy Regulator (“**Energy Regulator**”) of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta), upon the delivery of a Proposal Trustee’s certificate to the Purchaser (or its nominee) substantially in the form set out in Schedule “**A**” hereto (the “**Proposal Trustee’s Certificate**”), all of the Debtor’s right, title, and interest in and to the Purchased Assets, as described in Schedule A to the Sale Agreement, shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed

trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) any charges, security interests or claims evidenced by registrations pursuant to (i) the *Personal Property Security Act* (Alberta) or any other personal property registry system; (ii) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and, (iii) the *Land Titles Act*, RSA 2000, c. L-7; and
- (c) those Claims listed in Schedule "**B**" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in Schedule "**C**" (collectively, "**Permitted Encumbrances**")),

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

4. Upon delivery of the Proposal Trustee's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Proposal Trustee's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) Notwithstanding Section 191(1) of the *Land Titles Act*, the Registrar of Land Titles of Alberta (the "**Alberta Land Titles Registrar**") is hereby authorized, requested, and directed to, where required:

- (i) discharge and expunge the Encumbrances listed in Schedule “**B**” to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands; and,
 - (ii) enter the Purchaser (or its nominee) as the lessee of the mines and minerals comprising the Purchased Assets against the Certificates of Title set out in Schedule “**C**” hereto;
- (b) Alberta Energy (“**Energy Ministry**”) shall and is hereby authorized, requested and directed to forthwith:
- (i) cancel and discharge those Claims including builders’ liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Debtor in and to any of the Purchased Assets located in the Province of Alberta; and
 - (ii) transfer all Crown leases listed in Schedule “**D**” to this Order standing in the name of the Debtor, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;
- (c) the Registrar of the Alberta Personal Property Registry (the “**PPR Registrar**”) shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.

5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Proposal Trustee’s

Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Debtor of the Sale Agreement, other than any required approval by the Energy Regulator referenced in paragraph 3 above.

7. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed.

8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Proposal Trustee) shall stand in the place and stead of the Purchased Assets from and after delivery of the Proposal Trustee's Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Proposal Trustee shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court.

9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta Employment Standards Code, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.

10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred,

estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.

12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Proposal Trustee or the Debtor.

13. The Proposal Trustee is directed to file with the Court a copy of the Proposal Trustee's Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Debtor is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtor was entitled.

MISCELLANEOUS MATTERS

15. Notwithstanding:

- (a) the pendency of these proceedings and any declaration of insolvency made herein;
- (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

(the "**BIA**"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;

- (c) any assignment in bankruptcy made in respect of the Debtor; and
- (d) the provisions of any federal or provincial statute

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. The Proposal Trustee, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Proposal Trustee and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Proposal Trustee, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Proposal Trustee and its agents in carrying out the terms of this Order.

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

- (a) Serving the same on:
 - (i) the persons listed on the Service List created in these proceedings;

- (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchaser; and
- (b) Posting a copy of this Order on the Proposal Trustee's website at:
"https://www.insolvencies.deloitte.ca/en-ca/Pages/Salt-Bush-Energy-Ltd.aspx?"

and service on any other person is hereby dispensed with.

17. Service of this Order by email, facsimile, registered mail, courier or personal delivery to the persons listed on the Service List shall constitute good and sufficient service of this Order, and no persons other than those listed on the Service List are entitled to be served with a copy of this Order.

Justice of the Court of Queen's Bench of Alberta

**SCHEDULE "A" TO THE ORDER (SALE APPROVAL AND VESTING)
PROPOSAL TRUSTEE'S CERTIFICATE**

COURT FILE NUMBER 25-2703459

COURT COURT OF QUEEN'S BENCH OF ALBERTA
 IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY



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

AND IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF
SALT BUSH ENERGY LTD.

DOCUMENT **PROPOSAL TRUSTEE'S CERTIFICATE**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT Dentons Canada LLP
 Suite 1500, 850 - 2nd Street SW
 Calgary, AB T2P 0R8
 Attention: David Mann / Sam Gabor
 Telephone: 403-268-7079 / 403-268-3048
 Email: david.mann@dentons.com /
 sam.gabor@dentons.com

RECITALS

1. Pursuant to a Notice of Intention to Make a Proposal (the "**NOI**") filed by Salt Bush Energy Ltd. (the "**Debtor**") under Division I of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") on January 13, 2021, Deloitte Restructuring Inc. consented to act as the proposal trustee (the "**Proposal Trustee**") of the Debtor.

2. Pursuant to an Order of the Honourable Justice K.M. Eidsvik of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**"), dated May 19, 2021, the Court approved the agreement of purchase and sale between the Debtor and Ironbark Energy Ltd. (the "**Purchaser**") dated as of February 2, 2021 (the "**Sale Agreement**"), as subsequently amended, and vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming that (i) the Proposal Trustee has been advised in

writing by the Debtor that the payment by the Purchaser of the Purchase Price for the Purchased Assets has been received; (ii) the Proposal Trustee has been advised in writing by the Debtor that the conditions to Closing as set out in sections 11.1, 11.2, and 11.3 of the Sale Agreement have been satisfied or waived by the Debtor and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Proposal Trustee (in reliance upon written notice by the Debtor).

3. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Proposal Trustee has been advised by the Debtor that:
 - (a) The Purchaser (or its nominee) has paid and the Debtor has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement; and,
 - (b) The conditions to Closing as set out in sections 11.1, 11.2, and 11.3 of the Sale Agreement have been satisfied or waived by the Debtor and the Purchaser (or its nominee);
2. The Transaction has been completed to the satisfaction of the Proposal Trustee, in reliance upon written notice by the Debtor.

This Certificate was executed by the Proposal Trustee at _____ on _____, 2021.

DELOITTE RESTRUCTURING INC., in its capacity as the proposal trustee of **SALT BUSH ENERGY LTD.**, and not in its personal or corporate capacity

Per: _____
Name:
Title:

**SCHEDULE "B"
ENCUMBRANCES**

Alberta Personal Property Registry Encumbrances

Registration No.	Registration Type	Registration Date	Secured Party
20063042925	SECURITY AGREEMENT	2020-Jun-30	APEX DISTRIBUTION INC. 407 - 2 STREET SW CALGARY, AB T2P 2Y3 Email: Kim.Petrich@Whitebarkenergy.com
20063042947	LAND CHARGE	2020-Jun-30	APEX DISTRIBUTION INC. 407 - 2 STREET SW CALGARY, AB T2P 2Y3 Email: Kim.Petrich@Whitebarkenergy.com
20120132783	SECURITY AGREEMENT	2020-Dec-01	WHITEBARK ENERGY LTD. LEVEL 2, 6 THELMA STREET WEST PERTH, AUSTRALIA, XX 6872 Email: David.Messina@whitebarkenergy.com
21010729169	SECURITY AGREEMENT	2021-Jan-07	COMPRESSCO CANADA, INC. 607B MCCOOL STREET CROSSFIELD, AB T0M 0S0 Email: rlodermeier2@csicompressco.com

Encumbrances Registered with the Alberta Department or Minister of Energy

Builders' Lien	Encumbrance ID: 2000956 Registration Type: Builders' Lien
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	Registration Date: 2020/04/15 Lienholder(s): Apex Distribution Inc. Land Keys: 4-27-048:20
Lis Pendens	Encumbrance ID: 2001413 Registration Type: Lis Pendens Registration Date: 2020/05/20 Lienholder(s): Apex Distribution Inc. Land Keys: 4-27-048:20
Builders' Lien	Encumbrance ID: 2000958 Registration Type: Builders' Lien Registration Date: 2020/04/15 Lienholder(s): Apex Distribution Inc. Land Keys: 4-27-048: 4N, Ptn4S
Lis Pendens	Encumbrance ID: 2001415 Registration Type: Lis Pendens Registration Date: 2020/05/20 Lienholder(s): Apex Distribution Inc. Land Keys: 4-27-048: 4N, Ptn4S
Security Notice	Encumbrance ID: 2001759 Registration Type: Security Notice Registration Date: 2020/07/02 Lienholder(s): Apex Distribution Inc. Land Keys: 4-27-048: 6N
Security Notice	Encumbrance ID: 2001760 Registration Type: Security Notice Registration Date: 2020/07/02 Lienholder(s): Apex Distribution Inc. Land Keys: 4-27-048: 22
Builders' Lien	Encumbrance ID: 2000690 Registration Type: Builders' Lien Registration Date: 2020/03/13 Party To: Salt Bush Energy Ltd. Lienholder(s): Precision Well Servicing, a Division of Precision Limited Partnership Land Keys: 4-27-048: 4N

Lis Pendens	Encumbrance ID: 2002104 Registration Type: Lis Pendens (Amendment) Amendment Date: 2020/09/09 Party To: Salt Bush Energy Ltd. Lienholder(s): Precision Well Servicing, a Division of Precision Limited Partnership Land Keys: 4-27-048: 4N
Builders' Lien	Encumbrance ID: 2000955 Registration Type: Builders' Lien Registration Date: 2020/04/15 Lienholder(s): Apex Distribution Inc. Land Keys: 4-27-048: 4N
Builders' Lien	Encumbrance ID: 2001300 Registration Type: Builders' Lien Registration Date: 2020/05/05 Lienholder(s): Onstream Engineering Ltd. Land Keys: 4-27-048: 4N
Lis Pendens	Encumbrance ID: 2001416 Registration Type: Lis Pendens Registration Date: 2020/05/20 Lienholder(s): Apex Distribution Inc. Land Keys: 4-27-048: 4N
Security Notice	Encumbrance ID: 2001761 Registration Type: Security Notice Registration Date: 2020/07/02 Lienholder(s): Apex Distribution Inc. Land Keys: 4-27-048: 4N
Lis Pendens	Encumbrance ID: 2001416 Registration Type: Lis Pendens Registration Date: 2020/09/09 Lienholder(s): Precision Well Servicing, a Division of Precision Limited Partnership Land Keys: 4-27-048: 4N
Builders' Lien	Encumbrance ID: 2100599 Registration Type: Builders Lien Registration Date: 2021/04/06

	Party To: Salt Bush Energy Ltd. Lienholder(s): Maximum Controls Inc. Land Key(s): 4-27-048: 4N
Builders' Lien	Encumbrance ID: 2100599 Registration Type: Builders Lien Registration Date: 2021/04/06 Party To: Salt Bush Energy Ltd. Lienholder(s): Maximum Controls Inc. Land Key(s): 4-27-047: 32
Builders' Lien	Encumbrance ID: 2100599 Registration Type: Builders Lien Registration Date: 2021/04/06 Party To: Salt Bush Energy Ltd. Lienholder(s): Maximum Controls Inc. Land Key(s): 4-28-048: 24
Builders' Lien	Encumbrance ID: 2100599 Registration Type: Builders Lien Registration Date: 2021/04/06 Party To: Salt Bush Energy Ltd. Lienholder(s): Maximum Controls Inc. Land Key(s): 4-28-048: 5NEP PORTION(S) DESIGNATED AS WIZARD LAKE ON A TOWNSHIP PLAN APPROVED AND CONFIRMED BY THE SURVEYOR GENERAL AT OTTAWA ON 1899/06/13
Security Notice	Encumbrance ID: 2001762 Registration Type: Security Notice Registration Date: 2020/07/02 Lienholder(s): Apex Distribution Inc. Land Keys: 4-28-048: 24
Builders' Lien	Encumbrance ID: 2000957 Registration Type: Builders' Lien Registration Date: 2020/04/15 Lienholder(s): Apex Distribution Inc. Land Keys: 4-27-048: 5NEP
Lis Pendens	Encumbrance ID: 2001414 Registration Type: Security Notice

	<p>Registration Date: 2020/05/02</p> <p>Lienholder(s): Apex Distribution Inc. Land Keys: 4-27-048: 5NEP</p>
Security Notice	<p>Encumbrance ID: 2001763 Registration Type: Security Notice Registration Date: 2020/07/02</p> <p>Lienholder(s): Apex Distribution Inc. Land Keys: 4-27-048: 5NEP</p>

Encumbrances Registered against Certificates of Title

Builders' Lien	<p>Title Number: 142 208 009 +23 Registration Number: 202 080 906 Caveator/Lienor: Apex Distribution Inc. c/o Carscallen LLP Registration Date: 15/04/2020</p>
Certificate of Lis Pendens	<p>Title Number: 142 208 009 +23 Registration Number: 202 108 990 Affects Instrument: 202080906 Registration Date: 20/05/2020</p>
Caveat Re: Agreement Charging Land	<p>Title Number: 142 208 009 +23 Registration Number: 202 144 204 Caveator/Lienor: Apex Distribution Inc. c/o Carscallen LLP Registration Date: 15/07/2020</p>
Builders' Lien	<p>Title Number: 012 180 772 Registration Number: 202 059 920 Caveator/Lienor: Precision Limited Partnership o/a Precision Well Servicing c/o Carscallen LLP Registration Date: 16/03/2020</p>
Certificate of Lis Pendens	<p>Title Number: 012 180 772 Registration Number: 202 194 858 Affects Instrument: 202059920 Registration Date: 10/09/2020</p>
Builders' Lien	<p>Title Number: 012 180 772 Registration Number: 202 080 905 Caveator/Lienor: Apex Distribution Inc. c/o Carscallen LLP Registration Date: 15/04/2020</p>
Certificate of Lis Pendens:	<p>Title Number: 012 180 772 Registration Number: 202 108 879 Affects Instrument: 202080905</p>

	Registration Date: 20/05/2020
Caveat Re: Agreement Charging Land	Title Number: 012 180 772 Registration Number: 202 144 200 Caveator/Lienor: Apex Distribution Inc. c/o Carscallen LLP Registration Date: 15/07/2020
Builders' Lien	Title Number: 012 107 275 +10 Registration Number: 202 059 919 Caveator/Lienor: Precision Limited Partnership o/a Precision Well Servicing c/o Carscallen LLP Registration Date: 16/03/2020
Certificate of Lis Pendens	Title Number: 012 107 275 +10 Registration Number: 202 194 857 Affects Instrument: 202059919 Registration Date: 10/09/2020
Builders' Lien	Title Number: 012 107 275 +10 Registration Number: 202 080 904 Caveator/Lienor: Apex Distribution Inc. c/o Carscallen LLP Registration Date: 15/04/2020
Certificate of Lis Pendens:	Title Number: 012 107 275 +10 Registration Number: 202 108 878 Affects Instrument: 202080904 Registration Date: 20/05/2020
Builders' Lien:	Title Number: 012 107 275 +10 Registration Number: 202 099 310 Caveator/Lienor: Onstream Engineering Ltd. c/o Burnet, Duckworth ETC Registration Date: 06/05/2020
Caveat Re: Agreement Charging Land	Title Number: 142 208 009 +24 Registration Number: 202 144 203 Caveator/Lienor: Apex Distribution Inc. c/o Carscallen LLP Registration Date: 15/07/2020
Builders' Lien	Title Number: 141 208 009 +27 Registration Number: 202 080 485 Caveator/Lienor: Heavy Crude Hauling L.P. c/o Miles Davison LLP Registration Date: 15/04/2020
Certificate of Lis Pendens	Title Number: 012 107 275 +10 Registration Number: 202 215 043 Affects Instruments: 202080485 Registration Date: 05/10/2020

Builders' Lien	Title Number: 141 208 009 +27 Registration Number: 202 080 903 Caveator/Lienor: Apex Distribution Inc. c/o Carscallen LLP Registration Date: 15/04/2020
Certificate of Lis Pendens	Title Number: 141 208 009 +27 Registration Number: 202 108 877 Affects Instruments: 202080903 Registration Date: 20/05/2020
Builders' Lien	Title Number: 141 208 009 +27 Registration Number: 202 099 310 Caveator/Lienor: Onstream Engineering Ltd. c/o Burnet, Duckworth ETC Registration Date: 06/05/2020
Caveat Re: Agreement Charging Land	Title Number: 141 208 009 +27 Registration Number: 202 144 202 Caveator/Lienor: Apex Distribution Inc. c/o Carscallen LLP Registration Date: 15/07/2020
Builders' Lien	Title Number: 162 061 109 Registration Number: 202 059 918 Caveator/Lienor: Precision Limited Partnership o/a Precision Well Servicing c/o Carscallen LLP Registration Date: 16/03/2020
Certificate of Lis Pendens	Title Number: 162 061 109 Registration Number: 202 194 856 Affects Instrument: 202059918 Registration Date: 10/09/2020
Builders' Lien	Title Number: 162 061 109 Registration Number: 202 059 921 Caveator/Lienor: Precision Limited Partnership o/a Precision Well Servicing c/o Carscallen LLP Registration Date: 16/03/2020
Certificate of Lis Pendens	Title Number: 162 061 109 Registration Number: 202 194 859 Affects Instrument: 202059921 Registration Date: 10/09/2020
Builders' Lien	Title Number: 162 061 109 Registration Number: 202 080 902 Caveator/Lienor: Apex Distribution Inc. c/o Carscallen LLP Registration Date: 15/04/2020
Certificate of Lis Pendens	Title Number: 162 061 109 Registration Number: 202 108 876 Affects Instrument: 202080902

	Registration Date: 20/05/2020
Builders' Lien	Title Number: 162 061 109 Registration Number: 202 080 907 Caveator/Lienor: Apex Distribution Inc. c/o Carscallen LLP Registration Date: 15/04/2020
Certificate of Lis Pendens	Title Number: 162 061 109 Registration Number: 202 108 881 Affects Instrument: 202080907 Registration Date: 20/05/2020
Builders' Lien	Title Number: 162 061 109 Registration Number: 202 093 211 Caveator/Lienor: Quantum Compression Inc. c/o Schnell Hardy Jones LLP Registration Date: 29/04/2020
Builders' Lien	Title Number: 162 061 109 Registration Number: 202 137 248 Caveator/Lienor: Crow Enterprises Ltd. c/o Miller Thomson LLP Registration Date: 03/07/2020
Caveat Re: Agreement Charging Land	Title Number: 162 061 109 Registration Number: 202 144 205 Caveator/Lienor: Apex Distribution Inc. c/o Carscallen LLP Registration Date: 15/07/2020
Builders' Lien	Title Number: 932 024 485 Registration Number: 202 080 908 Caveator/Lienor: Apex Distribution Inc. c/o Carscallen LLP Registration Date: 15/04/2020
Certificate of Lis Pendens	Title Number: 932 024 485 Registration Number: 202 108 882 Affects Instrument: 202080908 Registration Date: 20/05/2020
Builders' Lien	Title Number: 932 024 485 Registration Number: 202 093 211 Caveator/Lienor: Quantum Compression Inc. c/o Schnell Hardy Jones LLP Registration Date: 29/04/2020
Builders' Lien	Title Number: 932 024 485 Registration Number: 202 137 248 Caveator/Lienor: Crow Enterprises Ltd. c/o Miller Thomson LLP Registration Date: 03/07/2020
Caveat Re: Agreement	Title Number: 932 024 485 Registration Number: 202 144 199

Charging Land	Caveator/Lienor: Apex Distribution Inc. c/o Carscallen LLP Registration Date: 15/07/2020
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SCHEDULE "C"
PERMITTED ENCUMBRANCES

All registrations evidencing royalty agreements in respect of the Lands (as defined in the Sale Agreement), including, without limitation, any and all royalties payable to Source Rock Royalties Ltd. or PrairieSky Royalty Ltd.

LINC	TITLE NUMBER	REGISRTATION NUMBER	DATE	PARTICULARS

**SCHEDULE "D"
CROWN LEASES**

0417120142

0419070069

0420030088

0418020147

0419010049

0419100084

**SCHEDULE "E" TO THE APPLICATION
FORM OF ORDER**

COURT FILE NUMBER 25-2703459
COURT COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE CALGARY

Clerk's Stamp

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

AND IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF
SALT BUSH ENERGY LTD.

DOCUMENT **FILING PERIOD EXTENSION ORDER**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS DOCUMENT
McCARTHY TÉTRAULT LLP
Barristers & Solicitors
Sean Collins / Nathan Stewart
Suite 4000, 421 - 7 Avenue S.W.
Calgary, AB T2P 4K9
Phone: 403-260-3531 / 3534
Fax: 403-260-3501
Email: scollins@mccarthy.ca / nstewart@mccarthy.ca

DATE ON WHICH ORDER WAS PRONOUNCED: May 19, 2021
LOCATION OF HEARING OR TRIAL: Calgary, Alberta
NAME OF MASTER/JUDGE WHO MADE THIS ORDER: Justice K.M. Eidsvik

UPON THE APPLICATION of Salt Bush Energy Ltd. (the "**Debtor**"), **AND UPON** having read the Second Affidavit of Charles Morgan, sworn on May 10, 2021 (the "**Second Morgan Affidavit**"), filed; **AND UPON** having read the Third Report of the Deloitte Restructuring Inc., in its capacity as proposal trustee (the "**Proposal Trustee**") of the Debtor, dated ●, 2021 (the "**Third Report**"), filed; **AND UPON** having read the Affidavit of Service of Katie Doran, sworn ● (the "**Service Affidavit**"), filed; **AND UPON** hearing counsel to the Debtor, counsel to the Proposal Trustee, and counsel present for other parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the corresponding Application, the Third Report, and the Second Morgan Affidavit is abridged to the date parties were served, the Application is properly returnable today, service of the Application, the Third Report, and the Second Morgan Affidavit on the service list prepared by the Debtor and maintained in these proceedings (the “**Service List**”), in the manner described in the Affidavit of Service, is validated, good, and sufficient, and no other persons are entitled to service of the Second Morgan Affidavit, the Third Report, or the Application.

FILING EXTENSION

2. The period of time within which the Debtor is required to file a proposal to its creditors, under section 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, shall be and is hereby extended up to and including June 27, 2021.

MISCELLANEOUS MATTERS

3. Service of this Order by email, facsimile, registered mail, courier or personal delivery to the persons listed on the Service List shall constitute good and sufficient service of this Order, and no persons other than those listed on the Service List are entitled to be served with a copy of this Order.

Justice of the Court of Queen’s Bench of Alberta