

C A N A D A

**PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

Nº: 500-11-065700-250

S U P E R I O R C O U R T

(Commercial Division)

Sitting as a Court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C.
1985, c. C-36

**IN THE MATTER OF THE PLAN OF
ARRANGEMENT OR COMPROMISE OF:**

ENERKEM ALBERTA BIOFUELS G.P. INC.

-and-

**9546-7049 QUÉBEC INC.
(ResidualCo1)**

-and-

**9546-7064 QUÉBEC INC.
(ResidualCo2)**

Residual Debtors

-and-

ENERKEM ALBERTA BIOFUELS L.P.

Mise-en-cause

-and-

DELOITTE RESTRUCTURING INC.

Monitor/Applicant

APPLICATION FOR THE ISSUANCE OF A STAY EXTENSION ORDER

(*Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended
("CCAA"), section 11.02(2))

**TO THE HONOURABLE CÉLINE LEGENDRE, J.S.C. OF THE SUPERIOR COURT OF
QUÉBEC, SITTING IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL
DISTRICT OF MONTRÉAL, THE MONITOR RESPECTFULLY SUBMITS THE
FOLLOWING:**

I. INTRODUCTION

1. By the present *Application for the Issuance of a Stay Extension Order* (the “**Application**”), Deloitte Restructuring Inc. (“**Deloitte**”), in its capacity as Court-appointed monitor (the “**Monitor**”) to Enerkem Alberta Biofuels G.P. Inc. (“**EAB GP**”), 9546-7049 Québec Inc. (“**ResidualCo1**”) and 9546-7064 Québec Inc. (“**ResidualCo2**”, and collectively with EAB GP and ResidualCo1, the “**Residual Debtors**”) in the present proceedings under the CCAA (the “**CCAA Proceedings**”), hereby seeks the issuance of an order, substantially in the form of the draft order communicated herewith as **Exhibit R-1** (the “**Stay Extension Order**”), providing for, *inter alia*, an extension of the Stay Period (as defined below) until November 27, 2026, the whole as more amply set out herein.
2. These CCAA Proceedings were commenced in respect of Enerkem Inc., EAB GP, Enerkem Limited (UK), Enerkem Corporation (Delaware), Enerkem Spain Holdings, Sociedad Limitada (Spain), and 9390-1783 Québec Inc. (collectively, the “**Former Debtors**”), whose business involved the conversion of heterogeneous waste and biomass materials into a range of clean fuels and circular chemicals using proprietary patented technology.
3. Following the closing of the Transactions (as defined below), the Former Debtors, other than EAB GP, were replaced in these CCAA Proceedings by ResidualCo1 and ResidualCo2. Accordingly, the only tangible assets remaining in these CCAA Proceedings are those held by EAB GP and Enerkem Alberta Biofuels L.P. (collectively, “**EAB**”).
4. As more amply set out below, the Monitor, with the assistance of environmental consultants, has been advancing the environmental work required for the decommissioning of EAB’s remaining assets and liquidation thereof.
5. The Monitor respectfully submits that granting the relief contemplated in the draft Stay Extension Order (R-1) is appropriate in the circumstances to advance the remaining steps toward the orderly wind-down of the Residual Debtors and the termination of these CCAA Proceedings.
6. The Monitor has prepared a report entitled *Sixth Report to the Court Submitted by Deloitte Restructuring Inc. in its Capacity as Monitor*, in support of the present Application and the relief sought herein (the “**Monitor’s Sixth Report**”), which is communicated herewith as **Exhibit R-2**.

II. PROCEDURAL BACKGROUND

7. On May 12, 2025, further to the Former Debtors’ application, this Court issued an Initial Order (the “**Initial Order**”) pursuant to the CCAA and a Sale and Investment Solicitation Process Order (the “**SISP Order**”), the whole as appears from the Court record.

8. The Initial Order provided for, *inter alia*:
 - the appointment of Deloitte as Monitor to the Former Debtors in these CCAA Proceedings;
 - a stay of proceedings in respect of the Former Debtors and Enerkem Alberta Biofuels L.P. (collectively, the “**Former CCAA Parties**”) and their directors and officers until May 22, 2025, as extended thereafter pursuant to the ARIO (as defined below) and several stay extension orders (the “**Stay Period**”);
 - the authorization of an Administration Charge, a Directors and Officers’ Charge, a KERP Charge, and an Interim Lender Charge (as such terms are defined in the Initial Order).
9. The SISP Order, *inter alia*, approved the initiation of a sale and investment solicitation process in respect of the Former CCAA Parties (the “**SISP**”) and its implementation in accordance with the Procedures for the Sale and Investment Solicitation Process annexed thereto as Schedule “A”, as appears from the Court record.
10. On May 22, 2025, this Court issued an Amended and Restated Initial Order (the “**ARIO**”) pursuant to the CCAA, as appears from the Court record.
11. The ARIO provided for, *inter alia*:
 - an extension of the Stay Period until August 22, 2025;
 - an increase to the Administration Charge from \$200,000 to an aggregate amount of up to \$1 million; and
 - an increase to the Directors & Officers’ Charge from \$1.4 million to an aggregate amount of up to \$2 million.
12. On July 30, 2025, this Court issued an Approval and Reverse Vesting Order, thereby approving the transactions contemplated by the Subscription Agreement dated July 22, 2025, between Enerkem Inc., as company, as well as Repsol Química, S.A., ESC Sustainable Solutions Fund, L.P., and certain funds managed by Monarch Alternative Capital LP, as investors (the “**Transactions**”).
13. Following closing of the Transactions, the Residual Debtors would no longer have any employees, directors or officers.
14. Accordingly, that same date, the Court issued an Order Extending the Stay Period, Expanding the Powers of the Monitor and Releasing, Terminating and Discharging Certain CCAA Charges, which provided for, *inter alia*:
 - an extension of the Stay Period until November 17, 2025;

- an expansion of the powers of the Monitor upon closing of the Transactions; and
 - the termination, discharge and release of the Directors and Officers' Charge, the KERP Charge, and the Interim Lender Charge.
15. On September 2, 2025, the Transactions closed and the Monitor notified and filed its Certificate of the Monitor in connection with same, the whole as appears from the Court record.
 16. Following the closing of the Transactions, EAB's assets are the only tangible assets remaining in these CCAA Proceedings. EAB previously operated a commercial-scale demonstration biorefinery in Edmonton, Alberta (the "**Alberta Plant**"), which was retired at the end of January 2024.
 17. As more amply set out below, the Monitor has been engaging in discussions with the City of Edmonton and the Alberta Environment and Protected Areas (the "**AEPA**") in respect of EAB's obligations under applicable environmental laws and the liquidation of the site following the closure of the Alberta Plant.
 18. In parallel, liquidation proposals for the assets of EAB, including the Alberta Plant, were solicited in the context of the SISP. As previously reported to the Court, the Monitor received multiple proposals for the dismantling of the Alberta Plant and liquidation thereof.
 19. On November 17, 2025, this Court issued a stay extension order thereby extending the Stay Period until May 15, 2026, as appears from the Court record.
 20. In connection with EAB's obligations following the closure of the Alberta Plant, the Monitor retained Stantec Consulting Ltd. to prepare a Phase II Environmental Site Assessment (the "**Phase II Assessment**") as well as other required environmental reports (the "**Environmental Reports**").
 21. On May 1, 2026, the Monitor received the Phase II Assessment and subsequently shared it with the AEPA, the City of Edmonton, as well as with Fiera Private Debt Fund IV LP ("**Fiera**") the remaining secured creditor on the EAB assets.
 22. On May 15, 2026, this Court issued, on the basis of the written record, a stay extension order thereby further extending the Stay Period until September 30, 2026, as appears from the Court record.
 23. Additional information on the procedural background of these CCAA Proceedings is provided in the Monitor's Sixth Report (R-2).

III. ACTIVITIES OF THE MONITOR SINCE ITS FIFTH REPORT

24. Since the Monitor's fifth report dated May 8, 2026, and the issuance of the most recent stay extension order on May 15, 2026, the Monitor notably:
- posted a copy of its fifth report, the latest stay extension order and related materials on the Monitor's website;
 - monitored the receipts and disbursements of the Residual Debtors;
 - continued discussions with the Former Debtors and Fiera in respect of the remaining steps needed to monetize the Alberta Plant, effectuate the wind-down of the Residual Debtors and terminate the CCAA Proceedings; and
 - responded to inquiries from various stakeholders.
25. Additionally, since the last extension of the Stay Period, the Monitor has continued working with key stakeholders, including the AEPA, the City of Edmonton and its environmental consultants, to plan the decommissioning and dismantling of the Alberta Plant.
26. On June 5, 2026, AEPA issued an Enforcement Order in respect of the Alberta Plant, as appears from a copy of the AEPA Enforcement Order disclosed in support hereof as **Exhibit R-3**.
27. As of the date hereof, the Monitor and the Residual Debtors have satisfied all requirements set out in the Enforcement Order.
28. As at the date hereof, the Monitor has received all required Environmental Reports and is continuing its review of the Phase II Assessment and the Environmental Reports, including their implications for these CCAA Proceedings.
29. On September 23, 2026, the decommissioning and reclamation plan in respect of the Alberta Plant (the "**Decommissioning Plan**") was submitted by the Monitor to the AEPA for review and approval.
30. The environmental consultants have also begun preparing the Remedial Action Plan (the "**RAP**"), which is also expected to be provided to the AEPA in the coming weeks.
31. In parallel, the Monitor has continued discussions with bidders having submitted proposals in the context of the SISF for the dismantling and liquidation of the Alberta Plant in accordance with the Decommissioning Plan.
32. Following approval of the RAP and Decommissioning Plan by the AEPA, the Monitor intends, in consultation with Fiera, to select a bidder for the dismantling of the Alberta Plant and seek this Court's authorization of the resulting transaction.

33. The Monitor has kept Fiera, the remaining secured creditor on the EAB, apprised of the developments in respect of the Alberta Plant and these CCAA Proceedings generally.

IV. RELIEF SOUGHT

A. Extension of the Stay Period

34. The Stay Period currently expires on September 30, 2026.
35. With the present Application, the Monitor is seeking to extend the Stay Period up to and until November 27, 2026, which will provide additional time to, *inter alia*:
- continue and finalize discussions with the City of Edmonton and the AEPA in respect of the Alberta Plant;
 - complete the RAP with the assistance of its environmental consultants;
 - select a successful bidder in the context of the SISP, finalize the transaction for the dismantling and liquidation of the Alberta Plant, and seek this Court's authorization of same; and
 - upon approval from the AEPA, implement the Decommissioning Plan.
36. Consequently, the Monitor submits that the requested extension of the Stay Period up to and until November 27, 2026, is appropriate and necessary in the circumstances.
37. Indeed, the requested extension is intended to provide the Monitor with additional time to advance the remaining steps toward the decommissioning and reclamation of the Alberta Plant.
38. Following completion of the decommissioning and reclamation of the Alberta Plant, the Monitor intends to effectuate the orderly wind-down of the Residual Debtors and terminate these CCAA Proceedings, in the best interests of all stakeholders.
39. Based on the cash flow projections and assumptions which are set out in the Monitor's Sixth Report (R-2), the Monitor expects to have sufficient funding and liquidity to cover anticipated expenses during the extended Stay Period.
40. The Monitor has acted, and continues to act, in good faith and with diligence throughout the CCAA Proceedings, and the requested extension is appropriate in the circumstances.

V. CONCLUSION

41. For the reasons set forth above, the Monitor respectfully submits that it is both appropriate and necessary that the relief sought herein be granted.
42. With such relief, the Monitor will be able to conduct and advance the decommissioning of the Alberta Plant and, thereafter, conduct the orderly wind-down of the Residual Debtors and terminate these CCAA Proceedings, for the benefit of all stakeholders.

FOR THESE REASONS, MAY IT PLEASE THIS HONOURABLE COURT TO:

GRANT the present *Application for the Issuance of a Stay Extension Order*.

ISSUE an order substantially in the form of the draft Stay Extension Order communicated herewith as **Exhibit R-1**.

THE WHOLE WITHOUT COSTS, save and except in the event of contestation.

Montréal, September 24, 2026

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Our file: 1268210

SWORN DECLARATION

I, the undersigned, Jean-François Nadon, having my professional address at 1190 Avenue des Canadiens-de-Montréal, Suite 500, Montréal, Québec, H3M 0M7, do solemnly declare that:

1. I am a duly authorized representative of Deloitte Restructuring Inc., acting in its capacity as court-appointed Monitor of the Residual Debtors.
2. All the factual allegations contained in the Application are true.

AND I HAVE SIGNED:



Jean-François Nadon



Solemnly affirmed before me by
videoconference, in Montréal,
on September 24, 2026.



Suzanne Langlois
Commissioner for Oaths for Québec

**NOTICE OF PRESENTATION
COMMERCIAL DIVISION**

TO: **SERVICE LIST**

PRESENTATION OF THE PROCEEDING

You are hereby notified of the attached *Application for the Issuance of a Stay Extension Order* pursuant to section 11.02(2) of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c C-36, as amended (the "**Application**").

TAKE NOTICE the Court has advised the Monitor that it is prepared to extend the Stay Period (as defined in the Application) until November 27, 2026, without a hearing on the basis of the evidence in the Court record, provided that no party objects to such proposed extension.

Should you wish to object to the extension of the Stay Period until November 27, 2026, you are required to serve a written Notice of Objection on the Service List no later than September 28, 2026 at 3:30 pm.

PLEASE GOVERN YOURSELF ACCORDINGLY.

MONTREAL, September 24, 2026

Osler, Hoskin & Harcourt LLP

OSLER, HOSKIN & HARCOURT LLP

**Mtre. Sandra Abitan
Mtre. Ilia Kravtsov
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Our file: 1268210

C A N A D A

**PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

S U P E R I O R C O U R T
(Commercial Division)

Sitting as a Court designated pursuant to the
Companies' Creditors Arrangement Act, R.S.C.
1985, c. C-36

Nº: 500-11-065700-250

**IN THE MATTER OF THE PLAN OF
ARRANGEMENT OR COMPROMISE OF:**

ENERKEM ALBERTA BIOFUELS G.P. INC.

-and-

**9546-7049 QUÉBEC INC.
(ResidualCo1)**

-and-

**9546-7064 QUÉBEC INC.
(ResidualCo2)**

Residual Debtors

-and-

ENERKEM ALBERTA BIOFUELS L.P.

Mise-en-cause

-and-

DELOITTE RESTRUCTURING INC.

Monitor/Applicant

LIST OF EXHIBITS	
EXHIBIT R-1:	Draft Stay Extension Order
EXHIBIT R-2:	Sixth Report of the Monitor
EXHIBIT R-3:	Enforcement Order issued by the AEPA, dated June 5, 2026

Montréal, September 24, 2026

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Our file: 1268210

EXHIBIT R-1

DRAFT

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-065700-250

DATE: September [●], 2026

BEFORE THE HONOURABLE CÉLINE LEGENDRE, J.S.C.

IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF:

ENERKEM ALBERTA BIOFUELS G.P. INC.

-and-

9546-7049 QUÉBEC INC. (ResidualCo1)

-and-

9546-7064 QUÉBEC INC. (ResidualCo2)
Residual Debtors

-and-

ENERKEM ALBERTA BIOFUELS L.P.
Mise-en-cause

-and-

DELOITTE RESTRUCTURING INC.
Monitor/Applicant

ORDER EXTENDING THE STAY OF PROCEEDINGS

- [1] **CONSIDERING** the Monitor's *Application for the Issuance of a Stay Extension* dated September 24, 2026 (the "**Application**");
- [2] **CONSIDERING** the Monitor's Sixth Report dated September 24, 2026;

- [3] **CONSIDERING** the Initial Order issued by this Court on May 12, 2025 (as amended and restated from time to time, including on July 30, 2025, the “**Initial Order**”);
- [4] **CONSIDERING** that the Stay Period (as defined in the Initial Order), currently expires on September 30, 2026;
- [5] **CONSIDERING** that it is appropriate and economical to extend the Stay Period (as defined in the Initial Order) until November 27, 2026;
- [6] **CONSIDERING** the Service List (as defined in the Initial Order) was notified of the Application, advised of the proposed extension and invited to submit any objections thereto prior to September 28, 2026, at 15:30 (the “**Objection Deadline**”);
- [7] **CONSIDERING** the absence of any contestation or objection to the proposed extension prior to the Objection Deadline;
- [8] **CONSIDERING** that it is appropriate to issue the order sought in the Application without a hearing;
- [9] **GIVEN** the provisions of the *Companies’ Creditors Arrangement Act*, RSC, 1985, c. C-36 (the “**CCAA**”);

THE COURT HEREBY:

- [10] **GRANTS** the Application.
- [11] **EXTENDS** the Stay Period (as defined in the Initial Order), up to and including **November 27, 2026**.
- [12] **DECLARES** that this Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada.

[13] **THE WHOLE WITHOUT COSTS.**

CÉLINE LEGENDRE, J.S.C.

MTRE SANDRA ABITAN
MTRE ILIA KRAVTSOV
MTRE JACK M. LITTLE
MTRE CATHERINE SAYA
(OSLER HOSKIN & HARCOURT LLP)
COUNSEL TO THE MONITOR

DRAFT

EXHIBIT R-2

C A N A D A
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
COURT. No.: 500-11-065700-250

S U P E R I O R C O U R T
Commercial Division

**IN THE MATTER OF A PLAN OF
ARRANGEMENT OR COMPROMISE OF:** **ENERKEM ALBERTA BIOFUELS G.P. INC.,**
-and-
9546-7049 QUÉBEC INC. (ResidualCo1),
-and-
9546-7064 QUÉBEC INC. (ResidualCo2),
Residual Debtors
-and-
ENERKEM ALBERTA BIOFUELS L.P.
Montreal, Quebec.
Mise-en-cause
-and-
DELOITTE RESTRUCTURING INC.
Monitor/Applicant

**SIXTH REPORT TO THE COURT
SUBMITTED BY DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS MONITOR**
(Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended)

INTRODUCTION

1. On May 11, 2025, Enerkem Inc. ("**Enerkem Canada**"), Enerkem Alberta Biofuels G.P. Inc. ("**EAB GP**"), Enerkem Limited UK ("**Enerkem UK**"), Enerkem Corporation (Delaware) ("**Enerkem Delaware**"), Enerkem Spain Holdings, Sociedad Limitada (Spain) ("**Enerkem Spain**") (collectively, "**Enerkem**", the "**Company**" or the "**Applicants**") filed an *Application for the Issuance of an Initial Order, an Amended and Restated Initial Order and an Order Approving a Sale and Investment Solicitation Process* (the "**Initial Application**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**"), before the Superior Court of Quebec (the "**Court**") seeking the appointment of Deloitte Restructuring Inc. ("**Deloitte**") as the CCAA monitor in these proceedings (in such capacity the "**Proposed Monitor**") and various other reliefs.
2. On that same date, Deloitte, then in its capacity as Proposed Monitor, issued its first report to the Court (the "**First Report**"). The purpose of the First Report was to provide information to the Court with respect to i) Deloitte's qualifications to act as Monitor, ii) the business, financial affairs and financial results of Enerkem, iii) the proposed restructuring process, iv) the Sale and Investment Solicitations process ("**SISP**"), v) the Key Employee Retention Plan ("**KERP**"), vi) Enerkem's cash flow forecast, vii) the Interim Facility, viii) the charges sought in the Proposed First Day Initial Order and the Proposed Initial Order, and ix) the Proposed Monitor's conclusions and recommendations regarding the relief requested.

3. On May 12, 2025, the Court granted the Initial Application and issued a First Day Initial Order (the "**First Day Order**") which provided for, *inter alia*, i) a stay of proceedings in favour of Enerkem until May 22, 2025 (the "**Stay Period**"), ii) a stay of proceedings in favour of the directors and officers, iii) the appointment of Deloitte as the Monitor under the CCAA (in such capacity the "**Monitor**"), iv) the approval of the Interim Facility of \$12.5M, and v) the granting of various charges including an Administration Charge of \$0.2M, a D&O Charge of \$1.4M, an Interim Lender Charge of \$15M, and a KERP Charge of \$850K (as each of these defined terms are defined in the First Day Order).
4. On May 12, 2025, the Court also granted a SISP order (the "**SISP Order**") which provided for, *inter alia*, the approval of the SISP and the SISP Procedures (as this term is defined in the SISP Order) attached thereto.
5. On May 21, 2025, Deloitte, then in its capacity as Monitor, issued its second report to the Court (the "**Second Report**") as part of the Debtors' CCAA proceedings (the "**CCAA Proceedings**"). The purpose of the Second Report was to provide information to the Court with respect to i) Enerkem's communications to stakeholders and operations, ii) the Monitor's activities since the First Report, iii) the status of the SISP, iv) the modifications sought in the proposed Amended and Restated Initial Order ("**ARIO**"), v) the Cash Flow results for the two-week period ended May 18, 2025, vi) the Cash Flow Projections until August 22, 2025, vii) the request for an extension of the Stay Period, and viii) the Monitor's conclusions and recommendations regarding the relief requested.
6. On May 22, 2025, the Court granted the ARIO, which, *inter alia*, i) extended the Stay Period until August 22, 2025, ii) increased the Administration Charge to \$1M, and ii) increased the D&O Charge to \$2M. The Interim Lender Charge and the KERP Charge were not increased and were maintained in the amounts of \$15M and \$850K, respectively.
7. On July 23, 2025, the Company filed an Application for the Issuance of an Approval and Reverse Vesting Order (the "**RVO Application**"), seeking:
 - (i) an Approval and Reverse Vesting Order providing, *inter alia*, the following relief:
 - i) the approval of the subscription agreement dated July 22, 2025 (the "**Subscription Agreement**"), executed by Enerkem Canada with Repsol Quimica, S.A., Monarch Alternative Capital LP and ESC Sustainable Solutions Fund, L.P. (collectively, the "**Investors**") and transactions contemplated thereunder (the "**Transactions**"), including the transfer and vesting to new "residual" corporations to be incorporated of the excluded assets, excluded contracts and excluded liabilities, as contemplated in the Subscription Agreement, and iii) releases in favour of Enerkem Canada, the Retained Entities¹ and the Investors, as well as certain releases in favour of Enerkem Canada's and the Retained Entities' present and former Directors and Officers;
 - (ii) an Order for the cancellation of security registrations; and,
 - (iii) an Order: i) extending the Stay Period until November 14, 2025, ii) releasing, terminating and discharging certain of the charges granted in these CCAA Proceedings, iii) providing for the enhancement of certain powers of the Monitor with respect to the ResidualCos, and iv) granting certain ancillary relief.
8. On July 30, 2025, the Court granted the Approval and Reverse Vesting Order, the Order Extending the Stay Period until November 17, 2025, Expanding the Powers of the Monitor and Releasing, Terminating and Discharging Certain CCAA Charges as well as the *Ordonnance d'Annulation et de Radiation*.

¹ The term "Retained Entities" is defined in the Subscription Agreement to include Enerkem UK, Enerkem Delaware and Enerkem Spain.

9. Pursuant to the Transactions, 9546-7049 Québec Inc. ("**ResidualCo1**") and of 9546-7064 Québec Inc. ("**ResidualCo2**") (collectively, the "**ResidualCos**", and together with Energem Alberta Biofuels G.P. Inc., the "**Residual Debtors**") were added as parties to these CCAA Proceedings and Energem Canada and the Retained Entities ceased to be parties thereto.
10. On November 12, 2025, the Monitor filed the Application for a Stay Extension.
11. On November 17, 2025, the Court granted the Order Extending the Stay of Proceedings until May 15, 2026.
12. On May 8, 2026, the Monitor filed the Application for a Stay Extension.
13. On May 15, 2026, the Court granted the Order Extending the Stay of Proceedings until September 30, 2026.
14. Concurrently with the issuance of this sixth report of the Monitor (the "**Sixth Report**"), the Monitor filed the Application for the Issuance of a Stay Extension (the "**Application**"), seeking a further extension of the Stay Period until November 30, 2026.
15. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not otherwise defined in this report are as defined in the previous reports of the Monitor or the Application.

PURPOSE OF THIS REPORT

16. The purpose of the Sixth Report is to update the Court with respect to:
 - (i) The Monitor's activities since the Fifth Report;
 - (ii) The progress in view of dismantling the Alberta Plant (as defined hereafter);
 - (iii) The Cash Flow results for the 4-month period ended August 31, 2026;
 - (iv) Cash Flow Projections;
 - (v) The request for an extension of the Stay Period; and,
 - (vi) The Monitor's conclusions and recommendations.
17. In preparing the Sixth Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, the Residual Debtors' books and records and financial information prepared by the Residual Debtors and discussions with management ("**Management**") of the Residual Debtors (collectively, the "**Information**"). Except as described in this Sixth Report in respect of the Applicants' Cash Flow Statement (as defined below):
 - (i) The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and,
 - (ii) Some of the information referred to in this Sixth Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in Chartered Professional Accountants Canada Handbook, has not been performed.

18. Future oriented financial information referred to in this Sixth Report was prepared based on estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
19. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in the Sixth Report concerning Enerkem, the Residual Debtors and their business is based on the Information, and not independent factual determinations made by the Monitor.

I. THE MONITOR'S ACTIVITIES SINCE THE FIFTH REPORT

20. Since the closing of the Transactions, the Monitor has continued to have various communications with the Company's suppliers and other key stakeholders to explain the situation and the next steps relating to the CCAA Proceedings and the Company's restructuring (the "**Restructuring**").
21. The Monitor has also maintained communication with Enerkem and Fiera (the remaining secured creditor over the EAB assets), as to the remaining steps needed to monetize the biorefinery in Edmonton (the "**Alberta Plant**"), the wind down the Residual Debtors and the eventual termination of the CCAA Proceedings.
22. The Alberta Plant is the only remaining tangible asset in these CCAA Proceedings following the closing of the Transactions.
23. The Monitor has been proactive in responding to the different stakeholders' inquiries relating to the CCAA Proceedings and the Restructuring.
24. The Monitor has also had various communications with the City of Edmonton and Alberta Environment and Protected Areas (the "**AEPA**") with respect to the Alberta Plant previously operated by EAB GP and Enerkem Alberta Biofuels L.P. (collectively, "**EAB**"), as more fully detailed below.
25. The Monitor has carefully and diligently managed liquidity and sought to limit costs whenever possible and justified.
26. Pursuant to the First Day Order, the Residual Debtors have paid all post-filing obligations in the normal course of business.
27. To the Monitor's knowledge, the Residual Debtors have complied and continue to comply with the provisions of the First Day Order, the ARIO and the provisions of the CCAA.
28. The Monitor has been managing the receipts and disbursements transacted through the Monitor's bank accounts in respect of the Residual Debtors' operations.
29. Since the commencement of the CCAA Proceedings, the Monitor has continued to monitor the Residual Debtors' activities with a view to reporting its observations and recommendations to the Court.

II. PROGRESS IN VIEW OF DISMANTLING THE ALBERTA PLANT

The EAB Environmental Incident

30. As more fully described in the Monitor's previous reports, during the fall of 2025, the Monitor engaged a specialized waste management firm to assess options for the disposal of the accumulated water following a potential environmental release incident reported by the City of Edmonton to the AEPA in November 2025. More specifically, due to freezing temperatures in Edmonton, a portion of the accumulated water froze, preventing its immediate disposal.
31. On May 25, 2026, following an increase in temperatures, the weekly monitoring conducted by the specialized waste management firm confirmed that the water had thawed. The Monitor subsequently obtained a quote for the disposal of the water contained within the dike, which dike was successfully drained on June 4, 2026.
32. The Monitor has managed the potential environmental release incident with celerity and diligence. The Monitor considers that the management of this potential environmental release incident is now completed.

The EAB Site Monitoring

33. As mentioned in the Monitor's previous reports, the Monitor proactively retained a specialized waste management firm to conduct weekly monitoring of the EAB site with a view of preventing and promptly addressing potential environmental incidents.
34. During the reporting period, there have been minor environmental incidents, which were proactively addressed by the Monitor.
35. On June 12, 2026, the weekly monitoring conducted by the specialized waste management firm identified the presence of diluted pink dye staining on the concrete surface. Following this observation, the Monitor obtained a quote for the required remediation work, and the dye was cleaned and removed on June 17, 2026.
36. Following a period of heavy rainfall in Edmonton, Alberta in May and June 2026, the weekly monitoring conducted by the specialized waste management firm identified a significant volume of water that had accumulated within a dike. The Monitor subsequently obtained a quote for the disposal of the accumulated water, and the dike was drained between June 16 and June 19, 2026.
37. As of the date of the Sixth Report, the Monitor has not been made aware of any other issues requiring immediate actions.

The Phase II Environmental Site Assessment

38. Since the closing of the Transactions, the Monitor has been in ongoing discussions with the City of Edmonton and its legal counsel, and the AEPA with respect to the obligations of EAB under applicable environmental laws in relation to the Alberta Plant.
39. As mentioned in the Fifth Report, the Monitor has retained Stantec Consulting Ltd. ("**Stantec**") as an environmental consultant in connection with the ongoing environmental site assessment of the Alberta Plant. The Monitor has also instructed Stantec to prepare additional environmental monitoring reports requested by the AEPA to satisfy EAB's obligations in connection with the decommissioning work and the tenant's environmental commitments.

40. On June 5, 2026, the AEPA issued an enforcement order ("**Enforcement Order**") in respect of the Alberta Plant, requiring the investigation, remediation, decommission, and reclamation of the site in accordance with Alberta environmental regulations, including contamination assessment and remediation, remediation reporting, site reclamation, and ongoing quarterly progress reporting.
41. As of the date of the Sixth Report, the Monitor has satisfied the requirements set out in the Enforcement Order.
42. Over the past several months, Stantec has conducted its work and has delivered the following reports:

ENERKEM ALBERTA BIOFUELS Summary of Environmental Reports	
Report's Name	Date of Issuance
Annual Waste Management Summary Report	2026-03-17
Phase II report	2026-05-01
Groundwater Monitoring Report	2026-05-08
Soil Monitoring Program Report	2026-05-08
Quarterly Progress Report - June 30, 2026	2026-07-18
Final Decommissioning Plan	2026-09-23
Remedial Action plan	<i>Expected on Oct. 16, 2026</i>

43. The Monitor is continuing its review of the reports obtained and is considering the impact of same on these CCAA proceedings.

The dismantling

44. As mentioned in the Monitor's previous reports, the Monitor conducted the EAB SISP to solicit interest in the specific assets of EAB and received multiple proposals prior to the Phase I Bid Deadline. Following several calls with the Bidders to obtain certain clarifications, the Monitor received amended proposals.
45. Following the receipt of the Phase II Assessment, the Monitor, in consultation with Fiera, determined that it would be appropriate to continue advancing the dismantling process for the EAB assets.
46. Accordingly, the Monitor continued its discussions with bidders having submitted proposals in the context of the EAB SISP to further assess the costs associated with the dismantling of the assets and the rehabilitation of the Alberta Plant. Subject to the outcome of these discussions and the overall economic viability of the proposed transaction, a definitive agreement will be negotiated, which will subsequently be submitted to the Court for approval.
47. In addition to the foregoing, the Monitor has continued its collaboration with key stakeholders, including the AEPA, the City of Edmonton, and the specialized environmental services firm, to advance the planning and execution of the Alberta Plant's decommissioning and dismantling.

EAB Sales Tax Refund

48. As mentioned in the Monitor's previous reports, EAB collected a sales tax refund totaling \$1M.
49. As mentioned in the Application for the Issuance of an Approval and Reverse Vesting Order, the Investors and Fiera reserved their rights with respect to whether EAB's cash and receivables constitute assets and property of EAB or Enerkem.

50. As of the date of this report, no agreement has been reached in that regard. In addition, Fiera has advised the Monitor that it reserves its rights with respect to the allocation of costs and professional fees between the Applicants.

III. THE CASH FLOW RESULTS FOR THE 4-MONTH PERIOD ENDED AUGUST 31, 2026

51. The Residual Debtors' financial performance for the 4-month period commencing on May 1, 2026, and ending August 31, 2026 ("**Initial Cash Flow Period**"), is presented in the Actual Cash Flow annexed hereto as **Appendix A**.

52. The table below provides an overview of the cash balances and cash variances during the Initial Cash Flow Period:

Cash Variation For the 4-month period ended August 31, 2026 in \$000's CAD	
EAB	
Beginning Cash - May 1, 2026	728
Net Cash Variation	(93)
Ending Cash - August 31, 2026	635
Administration Expense Reserve	
Beginning Cash - May 1, 2026	360
Net Cash Variation	(12)
Ending Cash - August 31, 2026	348

EAB

53. The Monitor's comments on the financial performance of EAB during the Initial Cash Flow Period are set out below:

- (i) Compared with the statement of projected cash flow presented to the Court in the Fifth Report dated May 8, 2026 (the "**Cash Flow Statement**"), EAB experienced a favorable variance of approximately \$6K with respect to the cash inflows. This variance is primarily attributable to interest on bank balance.
- (ii) Compared with the Cash Flow Statement, EAB experienced a favorable variance of \$238K in respect of the outflows. The variance is primarily attributable to:
 - i. An unfavorable variance of \$9K due to higher than budgeted costs related to various reports requested by the AEPA, including a wastewater report, decommissioning plan update, and soil and groundwater monitoring reports;
 - ii. A favorable variance of \$9K in Site Maintenance due to the timing of the disbursements;
 - iii. A favorable variance of \$6K in Weekly Monitoring due to the timing of the disbursements, and,
 - iv. A favorable variance of \$154K in professional fees. This variance is primarily due to the delay in the implementation of the dismantling process.

- (iii) In summary, compared with the Cash Flow Statement, EAB experienced a net favorable variance of approximately \$244K.

Administration Expense Reserve

54. As mentioned in the Fifth Report, the Administration Expense Reserve represents an amount retained and held by the Monitor to pay the administrative expense costs for so long as may be reasonably required to wind down and/or dissolve and/or bankrupt the ResidualCos and the Excluded Entities, as applicable. Any unused portion of the Administrative Expense Reserve after payment or reservation for all administrative expense costs shall be transferred by the Monitor to the Company upon the termination of the CCAA Proceedings and the discharge of the Monitor.
55. Compared with the Cash Flow Statement, the Monitor experienced a favorable variance of approximately \$88K. This favorable variance in professional fees is mainly explained by the delay in winding down the ResidualCos.

IV. THE CASH FLOW PROJECTIONS

56. The Monitor prepared the statement of projected cash flow (the "**10-Week Cash Flow Statement**") for the 10-Week period starting September 21, 2026, to November 29, 2026 (the "**Cash Flow Period**") for the purpose of forecasting the estimated liquidity needs during the Cash Flow Period. A copy of the Cash Flow Statement is provided in **Appendix B** of this Sixth Report.
57. The Cash Flow Statement has been prepared by the Monitor using probable and hypothetical assumptions set out in the notes to the Cash Flow Statement.
58. Based on the Monitor's work and the foregoing qualifications and limitations, nothing has come to its attention that causes it to believe that, in all material respects:
- (i) The hypothetical assumptions are not consistent with the purpose of the 10-Week Cash Flow Statement;
 - (ii) As at the date of the Sixth Report, the probable assumptions are not suitably supported and consistent with the plans of the Residual Debtors or do not provide a reasonable basis for the 10-Week Cash Flow Statement, given the hypothetical assumptions; or,
 - (iii) The 10-Week Cash Flow Statement does not reflect the probable and hypothetical assumptions.
59. Since the 10-Week Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no opinion as to whether the projections in the 10-Week Cash Flow Statement will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.
60. The 10-Week Cash Flow Statement has been prepared solely for the purpose described in the Notes to the 10-Week Cash Flow Statement, and readers are cautioned that the 10-Week Cash Flow Statement may not be appropriate for other purposes.
61. The key assumptions used in the 10-Week Cash Flow Statement are based on the current status of the Residual Debtors and the projected level of operations for the coming weeks.

V. THE REQUEST FOR AN EXTENSION OF THE STAY PERIOD

62. The current Stay Period expires on September 30, 2026, and the Monitor is requesting an extension of the Stay Period up to and including November 27, 2026.
63. The Monitor is seeking an extension of the Stay Period until November 27, 2026, to allow the Monitor sufficient time to, *inter alia*:
- (i) continue and finalize its discussions with the City of Edmonton and the AEPA in respect of the Alberta Plant;
 - (ii) complete the Decommissioning Plan and the RAP with the assistance of its environmental consultants;
 - (iii) select a successful bidder in the context of the EAB SISP, finalize a transaction for the dismantling and liquidation of the Alberta Plant, and seek the Court's authorization of same; and,
 - (iv) submit the Decommissioning Plan to the AEPA and obtain its approval.
64. As illustrated in the 10-Week Cash Flow Statement, the remaining funds at the end of the extension period will be limited and, should the dismantling process be further delayed, it is highly probable that EAB will be required to file for bankruptcy, which would result in the trustee abandoning EAB's assets for the benefit of the Government of Alberta.
65. The Monitor is of the opinion that the Residual Debtors have acted in good faith and continue to act in good faith in these CCAA Proceedings.
66. As described in this Sixth Report, the 10-Week Cash Flow Statement indicates that the Residual Debtors should have sufficient liquidity to continue to meet their obligations in the ordinary course of business up to November 27, 2026.

VI. THE MONITOR'S CONCLUSIONS AND RECOMMENDATIONS

67. Considering the foregoing, the Monitor is of the view that the extension of the Stay Period up to November 27, 2026, is required to proceed with the dismantling of the Alberta Plant and, thereafter, conduct the orderly wind-down of the Residual Debtors and terminate the CCAA Proceedings.
68. It is the Monitor's view that the continuation of the CCAA Proceedings is beneficial to the Residual Debtors' creditors and stakeholders.
69. The Monitor respectfully submits to the Court its Sixth Report.

DATED AT MONTREAL, this 24th day of September 2026.

DELOITTE RESTRUCTURING INC.

In its capacity as Court-Appointed Monitor of the
Applicants



Benoit Clouâtre, CPA, CIRP, LIT
Senior Vice President



Jean-François Nadon, CPA, CIRP, LIT
President

APPENDIX A

Energkem Alberta Biofuels ("EAB")
Budget-to-Actual Analysis for the period ended
August 31, 2026
In 000's CAD

For the 4-month period ended August 31, 2026					Notes
	Actual	Budget [1]	Var. (\$)	Var. (%)	
<u>Receipts</u>					
Revenue from dismantling	-	-	-	0%	Note 1
Other receipts	6	-	6	0%	
Total receipts	6	-	6	100%	
<u>Disbursements</u>					
Environmental fees:					Note 2 Note 3 Note 4
Phase 2 site assessment	(29)	(20)	(9)	-47%	
Site maintenance	(6)	(15)	9	59%	
Weekly monitoring	(6)	(12)	6	50%	
Utilities	-	-	-	0%	Note 5
Insurance	(12)	(10)	(2)	-20%	
Professional fees	(46)	(200)	154	77%	
Contingency	-	(80)	80	100%	
Total Disbursements	(99)	(337)	238	71%	
Net cash flow	(93)	(337)	244	72%	
Net cash (Shortfall) - Beginning	728	728	(0)	0%	
Net cash (Shortfall) - End	635	391	244	62%	
<u>Administration Expense Reserve</u>					
Net Cash - Beginning	360	360	-	0%	Note 6 Note 7
Other receipts	2	-	2	0%	
Professional fees	(13)	(100)	87	87%	
Net Cash - End	348	260	88	34%	

Note 1 - Other Receipts : The favorable variance of \$6K in other receipts is explained by interests on the bank balance.

Note 2 - Phase 2 Site Assessment : The unfavorable variance of \$9K is due to higher than budgeted costs related to various reports requested by AEPA such as waste waste report, decommissioning plan update, and soil and groundwater monitoring reports.

Note 3 - Site Maintenance : The favorable variance of \$9K is due to the timing of the disbursements.

Note 4 - Weekly Monitoring : The favorable variance of \$6K is due to the timing of the disbursements.

Note 5 - Professional Fees : The favorable variance of \$154K in professional fees is mainly explained by the fact that the implementation of the dismantling was delayed.

Note 6 - Admin. Expense Reserve - Other Receipts : The favorable variance of \$2K in other receipts is explained by interests on the bank balance.

Note 7 - Admin. Expense Reserve - Professional Fees : The Admin. Reserve represents an amount retained and held by the Monitor to pay the administrative expense costs for so long as may be reasonably required to wind down and/or dissolve and/or bankrupt the ResidualCos and the Excluded Entities, as applicable. Any unused portion of the Administrative Expense Reserve after payment or reservation for all administrative expense costs shall be transferred by the Monitor to the Company upon the termination of the CCAA Proceedings and the discharge of the Monitor. The favorable variance of \$60K in professional fees is mainly explained by the delay in winding down the ResidualCos.

APPENDIX B

Enerkem Alberta Biofuels ("EAB")

Cash flow for the 10-week period ending November 29, 2026

in \$000 CAD

	Week ending										Total 10-Week
	27-Sep	04-Oct	11-Oct	18-Oct	25-Oct	01-Nov	08-Nov	15-Nov	22-Nov	29-Nov	
Inflows											
Revenue from dismantling [1]	-	-	-	-	-	-	-	-	-	-	-
Total inflows	-	-	-	-	-	-	-	-	-	-	-
Outflows											
Environmental fees:											
Environmental consulting firm support	(7)	-	-	(25)	-	-	(25)	-	-	(25)	(83)
Site maintenance	(30)	-	-	-	-	-	-	-	-	-	(30)
Weekly monitoring	(2)	(2)	-	-	-	(4)	-	-	-	(4)	(12)
Utilities	-	-	(21)	-	-	-	(10)	-	-	-	(31)
Insurance	-	(4)	-	-	-	(2)	-	-	-	(2)	(8)
Professional fees	(30)	-	-	(75)	-	-	(75)	-	-	(75)	(255)
Contingency	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(55)
Total outflows	(74)	(11)	(26)	(106)	(5)	(11)	(116)	(5)	(5)	(112)	(474)
Net cash flow	(74)	(11)	(26)	(106)	(5)	(11)	(116)	(5)	(5)	(112)	(474)
Net cash (Shortfall) - Beginning	635	561	550	523	417	412	400	285	279	274	635
Net cash (Shortfall) - End	561	550	523	417	412	400	285	279	274	162	162
Administration Expense Reserve [2]											
Net cash - Beginning	348	348	348	348	323	323	323	298	298	298	348
Professional fees	-	-	-	(25)	-	-	(25)	-	-	(25)	(75)
Net cash - End	348	348	348	323	323	323	298	298	298	273	273

Note 1 : As no agreement has been finalized, the current budget assumes no inflows from dismantling proceeds.

Note 2 : Amount retained and held by the Monitor to pay the administrative expense costs for so long as may be reasonably required to wind down and/or dissolve and/or bankrupt the ResidualCos and the Excluded Entities, as applicable. Any unused portion of the Administrative Expense Reserve after payment or reservation for all administrative expense costs shall be transferred by the Monitor to the Company upon the termination of the CCAA Proceedings and the discharge of the Monitor.

NOTES TO THE CASH FLOW STATEMENT

NOTE A – PURPOSE

The purpose of these cash flow projections is to determine the liquidity requirements of Enerkem during the CCAA proceedings until November 30, 2026.

NOTE B

The Cash Flow Statement has been prepared by the Monitor using probable and hypothetical assumptions set out in the notes to the Cash Flow Statement.

NOTE C - DEFINITIONS

(1) CASH FLOW STATEMENT:

In respect of a company, means a statement indicating, on a weekly basis (or such other basis as is appropriate in the circumstances), the projected cash-flow of the company as defined in section 2(1) of the Act based on Probable and Hypothetical Assumptions that reflect the company's planned course of action for the period covered.

(2) HYPOTHETICAL ASSUMPTIONS:

Means assumptions with respect to a set of economic conditions or courses of action that are not necessarily the most probable in the company's judgment but are consistent with the purpose of the Cash Flow Statement.

(3) PROBABLE ASSUMPTIONS:

Means assumptions that:

- (i) The company believes reflect the most probable set of economic conditions and planned courses of action, **Suitably Supported** that are consistent with the plans of the company; and
- (ii) Provide a reasonable basis for the Cash Flow Statement.

(4) SUITABLY SUPPORTED:

Means that the Assumptions are based on either one or more of the following factors:

- (i) The past performance of the company;
- (ii) The performance of other industries/market participants engaged in similar activities as the company;
- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

The extent of detailed information supporting each Assumption, and an assessment as to the reasonableness of each Assumption, will vary according to circumstances and will be influenced by factors such as the significance of the Assumption and the availability and quality of the supporting information.

NOTE C – ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
EAB's CF ASSUMPTIONS			
<u>Opening Cash Balance</u>	Based on current bank balances	X	
<u>Forecasted Cash Disbursements:</u>			
Environmental consulting firm support	Based on the information received		X
Site maintenance	Based on quote received and on the expected level of work required		X
Weekly monitoring	Based on quote received and on the expected level of work required		X
Utilities	Based on the Company's historical costs		X
Insurance	Based on the Company's historical costs and actual contracts for commercial insurance	X	
Professional fees	Based on estimate of professional fees related to the monitoring of the site and the dismantling of the plant to be incurred in the following weeks. The level of professional fees to be incurred could vary depending on the negotiation around the work to be performed for the dismantling and the dismantling agreement.		X
Contingency	Contingency of \$5K per week		X

EXHIBIT R-3



Signifié
10 juin 2026
11:55
[Signature]

Environmental Protection and Enhancement ACT

BEING CHAPTER E-12 R.S.A. 2000 (the "Act")

ENFORCEMENT ORDER NO. EO-EPEA-DORD-1245

Enerkem Alberta Biofuels G.P. Inc.
 C/O Deloitte Restructuring Inc. in its
 capacity as Monitor
 1190, avenue des Canadiens-de-Montreal
 Bureau 500,
 Montreal, QC H3B 0M7

Dominique Boies, Former Director
 Enerkem Alberta Biofuels G.P. Inc.
 700, rue de la Futaie, Boucherville,
 QC J4B 0E4

Enerkem Alberta Biofuels LP
 C/O Deloitte Restructuring Inc. in its
 capacity as Monitor
 1190, avenue des Canadiens-de-Montreal
 Bureau 500
 Montreal, QC H3B 0M7

[Collectively, the "Parties"]

WHEREAS the City of Edmonton (the "City") is a municipality incorporated under the *Municipal Government Act*, RSA 2000, c. M-26 and is the registered owner of the land legally described as Plan 0941790, Block 1, Lot 11PUL in City of Edmonton, in the province of Alberta (the "Lands");

WHEREAS Enerkem Alberta Biofuels LP ("Enerkem") is the registered occupant of the Lands where the Edmonton Chemical (Biofuels) Manufacturing Plant (the "Facility") is located;

WHEREAS Enerkem Alberta Biofuels G.P. Inc. is the general partner of Enerkem Alberta Biofuels LP;

WHEREAS on April 21, 2009, *Environmental Protection and Enhancement Act* ("EPEA") Approval No. 249118-00-00 was issued to Enerkem Greenfield Alberta Biofuels G.P. Inc. for the construction, operations, and reclamation of the Facility. Construction was to commence prior to December 31, 2010, or the approval holder was to apply for an amendment to the approval;

WHEREAS on June 11, 2014, an amendment (Approval No. 249118-00-01) was issued to Enerkem Alberta Biofuels G.P. Inc with a revised construction commencement date of June 1, 2015, for Phase 1 and Phase 2A of the Facility, or the approval holder was to apply for an amendment to the approval;

WHEREAS on January 30, 2017, an amendment (Approval No. 249118-00-02) was issued to Enerkem Alberta Biofuels LP Inc. for the construction of Phase 2B of the Facility;

WHEREAS on March 17, 2020, an amendment (Approval No. 249118-00-04) was issued to Enerkem Alberta Biofuels LP Inc.;

WHEREAS on January 1, 2021, EPEA Approval No. 249118-01-00 was issued to Enerkem Alberta Biofuels LP Inc. for the construction, operations, and reclamation of the Facility;

WHEREAS Enerkem was issued by Environment and Protected Areas ("EPA") an EPEA Approval No. 249118-01-02, as amended on March 3, 2025; (the "Approval") for the Facility;

WHEREAS on July 15, 2025, an EPA Reclamation Approval Specialist (the "RAS") received an email from the City, requesting clarification on Enerkem reclamation and decommissioning requirements outlined in the Approval, and the City requested from EPA an update on the current regulatory standing of the Lands which the Facility is located.

WHEREAS on May 12, 2025, the Superior Court of the Province of Quebec issued Order No. 500-11-065700-250 ("Initial Order") with the effect that Enerkem Inc. and Enerkem Alberta Biofuels G.P. Inc. are debtor companies to which the *Companies' Creditors Arrangement Act* ("CCAA") applies. Although not a debtor company, the Initial Order also provides the same protection and authorizations to Enerkem Alberta Biofuels LP including any other orders by the Court. ("CCAA proceedings")

WHEREAS Deloitte Restructuring Inc. is the Monitor in the CCAA proceeding described in the Initial Order.

WHEREAS the City stated, in the July 15, 2025, email, given the CCAA proceedings, the City was considering conducting a Phase II Environmental Site Assessment to identify the current site conditions and required EPA input;

WHEREAS on July 16, 2025, the RAS responded by email to the City about Enerkem's requirements under the Authorization and stated:

- as per Condition 4.6.2 of the Approval, Enerkem was to submit a Soil Monitoring Program Report which EPA authorized an extension to October 31, 2025,
- as per Condition 4.5.4 of the Approval, Enerkem was to submit a Groundwater Monitoring Program Report in which EPA authorized an extension to October 31, 2025,
- as per Condition 5.1.1 of the Approval, Enerkem was to submit a Remediation or Risk Management Action Plan based on the findings of the groundwater and soil investigation which EPA authorized an extension to December 1, 2025,
- a Phase II ESA would meet the Soils Monitoring Directive and Environment Site Assessment Standard, and
- if contamination was identified, EPA could review the completed Phase II ESA;

WHEREAS on September 25, 2025, the RAS received an email from the Monitor notifying of the CCAA proceedings and requested that all written and verbal communications related to Enerkem Alberta Biofuels LP be made to Osler, Hoskin & Harcourt LLP, ("Monitor's Counsel") and the Monitor;

WHEREAS on September 25, 2025, EPA Compliance was made aware by the City, of environmental concerns present on the Lands, as the City reported areas of liquids that may release outside approved containment areas, and the occupant, Enerkem Alberta Biofuels LP, had gone into receivership and would not be conducting remedial action related to the City's concerns;

WHEREAS on October 2, 2025, the City submitted to EPA, a seven-day letter (the "Letter") and the Letter included:

- A site inspection was completed by the City on October 1, 2025, of the Lands, and
- A statement from the City that they observed "liquids or other substances of unknown quality, quantity and source".

WHEREAS on October 8, 2025, An EPA Environmental Protection Officer ("EPO") called the City, based on the review of the Letter, and discussed:

- if liquids were being pumped at the time of the City site inspection and if chemical analysis has been done regarding the substances observed on the Lands,
- the City stated they cannot confirm if chemical analysis has been done on the liquids or other substances, or if pumping of liquids had been completed, and
- the City provided a contact for the Facility (the "Contact")

WHEREAS on October 8, 2025, an EPO called the Contact about the unknown liquids being pumped off of the Lands, and if chemical analysis of the liquids were completed;

WHEREAS the Contact stated:

- that there has not been any pumping of the liquids off site,
- no chemical analysis has been completed on the liquids,
- there was a plan for Secure Energy Services Inc. ("Secure") services to sample of the liquids and any other substances at the Facility,
- all tanks in the bermed area were emptied when the Facility was shut down, but sampling would be done in the containment to determine what was in the containment,
- the Facility was being managed under the Monitor, and he was only a consultant helping the Monitor and;
- a former Enerkem Alberta Biofuels LP employee ("Site Representative") would be available to assist with an EPA site inspection;

WHEREAS on October 9, 2025, EPA notified the Monitor and Monitor's Counsel, by email, of an EPA site inspection of the Lands;

WHEREAS On October 10, 2025, two EPA EPOs and the RAS completed a site inspection of the Lands and observed:

- empty intermediate bulk container ("IBC") tanks around the Facility,
- two IBC tanks containing unidentifiable liquids and one IBC tank labeled as methanol at the southeast area of the Facility,
- empty plastic and metal containers around the northwest and southwest area of the Facility,
- unknown substance in tote bags at the southwest corner of the Facility,
- industrial tote bags with unidentified substances present within the tote bags in the northwest area of the facility,
- unknown liquid was present in bermed tank area in the south side of the Facility,
- a pump and hoses located on the north side of the bermed tank area with hoses running to the north of the Lands, and
- gates on the tanks in the bermed area were open;

WHEREAS the Site Representative stated that the Facility had been shut down for over a year;

WHEREAS on November 12, 2025, EPA representatives, the Monitor and the Monitor's Counsel met and discussed the following:

- Enerkem currently has no directors or employees, the only asset is the infrastructure on the Lands,
- the Monitor is managing the affairs as an appointed representative of the courts,
- Enerkem is in non-compliance with Condition 2.1.3, Condition 4.5.4 (Ground Water Monitoring report) and Condition 4.6.2 (Soils Monitoring Program Report) of Approval No. 249118-01-03,
- the Monitor will request additional time to come into compliance with the Authorization conditions,
- the RAS requested that all extension requests related to the Authorization be sent to the RAS,
- the Compliance Manager be added as a designate for the court proceedings related to Enerkem insolvency,
- the Monitor has engaged Secure Energy Services Inc. to complete testing of the unknown liquids and substances found during the EPA site inspection, and proper disposal if needed,
- the Monitor stated that correspondences should be addressed to Enerkem Alberta Biofuels LP care of Deloitte Restructuring Inc, and
- the Monitor will provide update reports to EPA for activities conducted at the Facility;

WHEREAS on November 14, 2025, EPA sent a follow up email summarizing the November 12, 2025, meeting details to the Monitor and Monitor's Counsel. The email included the discussion points and requested the following:

- clarification on Enerkem's active status as a corporation in Alberta,
- all completed Environmental Site Assessment (ESA) reports for the Facility,
- a proposed timeline for completing the environmental site assessments and tentative decommissioning timeline for the Facility,
- all analytical results for sampling taken by Secure, and
- a report on the activities at the Facility taken by the Monitor since Initial Order;

WHEREAS on November 18, 2025, Monitor's Counsel stated in response, by email that:

- Enerkem has not been dissolved and still has corporate existence,
- EPA should have all historic reports in EPA possession,
- any new reports will be provided to EPA,
- timelines for Phase II ESA will be provided to EPA, and
- analytical results will be provided to EPA;

WHEREAS on November 18, 2025, Monitor's Counsel sent an email to the RAS requesting an extension to complete Conditions 4.5.4 and 4.6.2 of the Authorization;

WHEREAS on December 3, 2025, the Monitor's Counsel submitted, by email, to EPA:

- a detailed summary of the Monitor's activities for the Facility since September 2, 2025,
- a signed professional service agreement with Stantec Consulting Ltd. ("Stantec") to complete a Phase II ESA (the "2026 Phase II ESA") and Regulatory Monitoring Reports (the "Regulatory Monitoring Reports"),
- Secure's analytical results for onsite water sampling,

- Secure's weekly monitoring for November 20, 2025, and November 27, 2025, and
- documentation confirming the removal and disposal of Methanol and Sulphuric Acid to the Recycle West Inc facility in Edmonton Alberta, and
- documentation confirming the removal and disposal of Non-Regulated Liquid, listed as Waster water and spill tray water, to Secure's facility in Edmonton Alberta;

WHEREAS on December 15, 2025, the RAS requested, by email, the Phase I ESA report titled "Phase I Environmental Site Assessment, Enerkem Facility, 460, 250 Aurum Road NE, Edmonton, Alberta" prepared for Enerkem by Stantec in March 2025 (the "Phase I");

WHEREAS on December 16, 2025, Monitor's Counsel submitted, to EPA, the Phase I Environmental Site Assessment (the "2025 Phase I"). The findings were:

- 18 Areas of Potential Environmental Concern ("APECs") present at the Facility,
- the Contaminates of Potential Concern were salinity, metals, benzene, toluene, ethylbenzene, xylenes, petroleum hydrocarbon F1-F4, alcohols, volatile organic compounds, polycyclic aromatic hydrocarbons, glycols, phosphates, ammonia, cyanide, sulphur and asbestos-containing materials,
- the 2025 Phase I recommended for further environmental assessment based on the APECs and the potential for liquids and residues to remain in the emptied containers/piping, and
- the liquid and associated cleaning wastewater should be contained and disposed of during facility decommissioning;

WHEREAS on January 12, 2026, EPA requested 11 documents listed in Section 3.1.1 and 3.1.2 in the 2025 Phase I;

WHEREAS on January 27 and January 28, 2026, the Monitor's Counsel provided, by email, the 11 documents requested;

WHEREAS EPA completed a review of the documents and noted:

- the March 2009 Limited Phase II Environmental Site Assessment, prepared for the City, conducted an assessment for metals and petroleum hydrocarbon but did not include detailed salinity of the area assessed,
- total chromium was noted in the 2009 Limited Phase II and 2009 Delineation Assessment, prepare for the City, with a total area of 40 m³ of impact but there is no report of the impacts being removed,
- the 2010 Phase I and II, prepared for Enerkem, noted elevated concentrations of total dissolved solids, manganese and iron within the groundwater on site, no findings during the soil assessment and recommended no further investigation,
- The 2017 Soil Monitoring Report, prepared for Enerkem, noted elevated concentration of benzene at borehole BH8, pH at BH6 and BH8 and copper at BH7, and
- The 2020 groundwater Quality Monitoring Report, prepared for Enerkem Alberta Biofuels L.P, noted elevated concentration of manganese, nitrate and total dissolved solids about the applied guidelines and were not related to facility operations;

WHEREAS on March 13, 2026, EPA Compliance sent a request, by email, to the Monitor's Counsel to provide an update on activities ongoing at the Facility;

WHEREAS on March 20, 2026, the Monitor's Counsel provided response, by email, stating Stantec was preparing the 2026 Phase II ESA to be submitted to EPA and the City by March 31, 2026, and requested an extension for the submission of the Annual Decommissioning and Land Reclamation Report to EPA to May 15, 2026;

WHEREAS on April 17, 2026, the Monitor's counsel advised that the 2026 Phase II ESA was not completed and would be submitted by end of April 2026;

WHEREAS Enerkem was issued by Environment and Protected Areas ("EPA") an EPEA Approval No. 249118-01-03, as amended on April 27, 2026; the ("Approval") for the Facility;

WHEREAS on May 6, 2026, Monitor's Counsel submitted the 2026 Phase II ESA for EPA review. The findings were:

- Stantec advanced 22 boreholes up to a maximum depth of 22.5 m below ground surface ("bgs") at the Facility,
- analytical results of the soil showed exceedances of methanol (BH25-08, BH25-20, and BH25-22), petroleum hydrocarbon ("PHC") F4 fraction (BH25-10), pH (BH25-20, BH25-22) and SAR (BH25-02),
- methanol and PHC F4 were determined to be from Facility activities and pH, and SAR may be from fill material or activities prior to Enerkem's activity at the Facility,
- no polyaromatic hydrocarbons ("PAHs"), volatile organic compounds, glycols or phenols concentrations exceeded the applied Tier 2 guidelines (exclusion of the freshwater aquatic life pathway),
- Stantec conducted groundwater monitoring for 12 historic monitoring wells and two monitoring wells install in 2026,
- two monitoring wells (MW21-04 and MW21-06) could not be located during the monitoring and historic exceedances of PAHs (MW21-04) could not be confirmed,
- analytical results of ground water sampled showed exceedances of total dissolved solids, chlorides, and dissolved manganese in most samples analyzed,
- dissolved iron had observed exceedances in five monitoring wells but was not considered to be from Facility operations,
- nitrate and nitrate (as nitrogen) had observed exceedances in six monitoring wells but was not considered to be from Facility operations was and
- selenium exceedances at P11-10A were above applicable guidelines but the well is considered upgradient of the Facility and representative of background conditions,
- Stantec recommended a second groundwater monitoring event to understand seasonal variation and effects prior to remediation and to locate groundwater MW21-04,
- further lateral delineation of the soil exceedances at BH25-02, BH25-08, BH25-10, BH25-20 and BH25-22,
- delineation of historic exceedances noted in the Phase I ESA at APEC 1, 2, 4, 7, and 11 and to delineate historical locations where PAHs (APEC 4 at MW21-04, APEC 7 at MW21-05 and MW21-06, and APEC 8 at SS21-01) were exceeding the guidelines set to be protective of the DUA pathway, and
- once lateral delineation is achieved, the development of a remedial action plan for the Facility;

WHEREAS on May 14, 2026, EPA representatives, the Monitor and the Monitor's Counsel met in a due process meeting and discussed the following:

- EPA requested that the Monitor clarifies the timelines of submission of required documents and status of court proceedings related to Enerkem insolvency;
- the Monitor Counsel indicated that the Monitor has taken over process and has worked diligently to comply with the terms and conditions of the Approval;
- Stantec has been engaged by the Monitor to help ensure the Monitor complies with the EPA Approval;
- the Monitor clarified that extension requests were made to the RAS for additional time from November 18, 2025, till May 15, 2026,
- the Compliance Manager is considering all information before making a decision on the file,

- the Compliance Manager stated if more extension is needed based on the outcome of the Phase II ESA, the Monitor can request an extension,
- EPA would expect the Annual Decommissioning and Land Reclamation Report scheduled for submission on May 15, 2026,
- the Monitor's counsel stated there would be a stay of extension in court till September 30, 2026, and
- the Monitor's Counsel suggested a next steps meeting with the City and Stantec;

WHEREAS on May 14, 2026, Monitor's Counsel submitted, to EPA, the draft Annual Decommissioning and Land Reclamation Report for the 2025 calendar year prepared by Stantec;

WHEREAS on May 22, 2026, EPA sent an email proposing an "opportunity to be heard meeting" with Dominique Boies, ("the Former Director"), Enerkem for May 26, 2026;

WHEREAS on June 3, 2026, the Former Director, Enerkem stated in response, by email that he had resigned as Director of Enerkem in April 2024, and as Director of its parent entity, Enerkem Inc., in July 2024 and has no knowledge of alleged contraventions referred to in the opportunity to be heard letter;

WHEREAS Allysa Weatherall, Compliance Manager, Regulatory Assurance Division, Capital District, has been designated as a director (the "Director") for the purpose of issuing Enforcement Orders under the *Environmental Protection and Enhancement Act*;

WHEREAS the Director is of the opinion that the Parties have contravened conditions 2.1.3, 4.5.4, 5.1.1 and 4.6.2 of the Approval, which forms an offence under section 227 (e) of the *EPEA*;

THEREFORE, I, Allysa Weatherall, Director, pursuant to section 210 (1) (d) and (e) of the *Act*, **HEREBY ORDER THAT**:

1. If, based on the findings of the 2026 Phase II Environmental Site Assessment submitted on May 6, 2026, or any further delineation work approved by the Director, concentrations of any substance above Alberta Tier 1 soil and groundwater remediation guidelines, the Parties shall:
 - a. provide a plan outlining the delineation of the material exceeding the Alberta Tier 1 soil and groundwater remediation guidelines, and
 - b. prepare a Remedial Action Plan ("RAP") for the remediation of the material found to contain concentrations of any substance above Alberta Tier 1 soil and groundwater remediation guidelines and submit the Remedial Action Plan to the Director for approval by no later than sixty (60) days of reporting set out in clause 5a;
2. The Parties shall implement the work prescribed by the RAP as approved in writing by the Director and by the schedule of implementation approved by the Director;
3. The Parties shall prepare a report detailing the remedial activities at the Facility as required by Clause 1 and submit to the Director by December 18, 2026;
4. The Parties shall submit to the Director, for the Director's approval, a written decommissioning plan (the "Final Decommissioning Plan") limited to infrastructure and facilities authorized under the Approval and associated with the Facility operation by January 31, 2027;

5. The Parties shall include in the Decommissioning Plan, at a minimum:
- a. a detailed map for all locations where infrastructure will be removed from the Lands,
 - b. a description of the decommissioning methodology, including equipment, to be used in the removal of the infrastructure,
 - c. a detailed list of any infrastructure to remain on the Lands including written permission from the land owner, and
 - d. a schedule of implementation for the work prescribed by the Decommissioning Plan including milestones;
6. The Parties must apply for a reclamation certificate for the Lands as per Section 137 (1) of the Act once the Lands meet applicable reclamation criteria, and in any event no later than December 17, 2027;
7. The Parties shall submit to the Director quarterly written progress reports, March 30, June 30, September 30 and December 30, detailing work completed, work remaining, analytical results obtained, and any deviations from approved schedules, until the Director confirms in writing that the requirements of this Order have been satisfied.

DATED at Edmonton, in the Province of Alberta, this 5 day of June 2026.



Allysa Weatherall, Director
Compliance Manager
Northern Region – Capital District

Notwithstanding the above requirements, the Parties shall obtain all other necessary approvals or authorizations required to comply with this order.

Take notice that this enforcement order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation.

Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.

Environmental Protection and Enhancement ACT

BEING CHAPTER E-12 R.S.A. 2000 (the "Act")

ENFORCEMENT ORDER NO. EO-EPEA-DORD-1245

Enerkem Alberta Biofuels G.P. Inc.
C/O Deloitte Restructuring Inc. in its
capacity as Monitor
1190, avenue des Canadiens-de-Montreal
Bureau 500,
Montreal, QC H3B 0M7

Dominique Boies, Former Director
Enerkem Alberta Biofuels G.P. Inc.
700, rue de la Futaie, Boucherville,
QC J4B 0E4

Enerkem Alberta Biofuels LP
C/O Deloitte Restructuring Inc. in its
capacity as Monitor
1190, avenue des Canadiens-de-Montreal
Bureau 500
Montreal, QC H3B 0M7

[Collectively, the "Parties"]

WHEREAS the City of Edmonton (the "City") is a municipality incorporated under the *Municipal Government Act*, RSA 2000, c. M-26 and is the registered owner of the land legally described as Plan 0941790, Block 1, Lot 11PUL in City of Edmonton, in the province of Alberta (the "Lands");

WHEREAS Enerkem Alberta Biofuels LP ("Enerkem") is the registered occupant of the Lands where the Edmonton Chemical (Biofuels) Manufacturing Plant (the "Facility") is located;

WHEREAS Enerkem Alberta Biofuels G.P. Inc. is the general partner of Enerkem Alberta Biofuels LP;

WHEREAS on April 21, 2009, *Environmental Protection and Enhancement Act* ("EPEA") Approval No. 249118-00-00 was issued to Enerkem Greenfield Alberta Biofuels G.P. Inc. for the construction, operations, and reclamation of the Facility. Construction was to commence prior to December 31, 2010, or the approval holder was to apply for an amendment to the approval;

WHEREAS on June 11, 2014, an amendment (Approval No. 249118-00-01) was issued to Enerkem Alberta Biofuels G.P. Inc with a revised construction commencement date of June 1, 2015, for Phase 1 and Phase 2A of the Facility, or the approval holder was to apply for an amendment to the approval;

WHEREAS on January 30, 2017, an amendment (Approval No. 249118-00-02) was issued to Enerkem Alberta Biofuels LP Inc. for the construction of Phase 2B of the Facility;

WHEREAS on March 17, 2020, an amendment (Approval No. 249118-00-04) was issued to Enerkem Alberta Biofuels LP Inc.;

WHEREAS on January 1, 2021, EPEA Approval No. 249118-01-00 was issued to Enerkem Alberta Biofuels LP Inc. for the construction, operations, and reclamation of the Facility;

WHEREAS Enerkem was issued by Environment and Protected Areas ("EPA") an EPEA Approval No. 249118-01-02, as amended on March 3, 2025; (the "Approval") for the Facility;

WHEREAS on July 15, 2025, an EPA Reclamation Approval Specialist (the "RAS") received an email from the City, requesting clarification on Enerkem reclamation and decommissioning requirements outlined in the Approval, and the City requested from EPA an update on the current regulatory standing of the Lands which the Facility is located.

WHEREAS on May 12, 2025, the Superior Court of the Province of Quebec issued Order No. 500-11-065700-250 ("Initial Order") with the effect that Enerkem Inc. and Enerkem Alberta Biofuels G.P. Inc. are debtor companies to which the *Companies' Creditors Arrangement Act* ("CCAA") applies. Although not a debtor company, the Initial Order also provides the same protection and authorizations to Enerkem Alberta Biofuels LP including any other orders by the Court. ("CCAA proceedings")

WHEREAS Deloitte Restructuring Inc. is the Monitor in the CCAA proceeding described in the Initial Order.

WHEREAS the City stated, in the July 15, 2025, email, given the CCAA proceedings, the City was considering conducting a Phase II Environmental Site Assessment to identify the current site conditions and required EPA input;

WHEREAS on July 16, 2025, the RAS responded by email to the City about Enerkem's requirements under the Authorization and stated:

- as per Condition 4.6.2 of the Approval, Enerkem was to submit a Soil Monitoring Program Report which EPA authorized an extension to October 31, 2025,
- as per Condition 4.5.4 of the Approval, Enerkem was to submit a Groundwater Monitoring Program Report in which EPA authorized an extension to October 31, 2025,
- as per Condition 5.1.1 of the Approval, Enerkem was to submit a Remediation or Risk Management Action Plan based on the findings of the groundwater and soil investigation which EPA authorized an extension to December 1, 2025,
- a Phase II ESA would meet the Soils Monitoring Directive and Environment Site Assessment Standard, and
- if contamination was identified, EPA could review the completed Phase II ESA;

WHEREAS on September 25, 2025, the RAS received an email from the Monitor notifying of the CCAA proceedings and requested that all written and verbal communications related to Enerkem Alberta Biofuels LP be made to Osler, Hoskin & Harcourt LLP, ("Monitor's Counsel") and the Monitor;

WHEREAS on September 25, 2025, EPA Compliance was made aware by the City, of environmental concerns present on the Lands, as the City reported areas of liquids that may release outside approved containment areas, and the occupant, Enerkem Alberta Biofuels LP, had gone into receivership and would not be conducting remedial action related to the City's concerns;

WHEREAS on October 2, 2025, the City submitted to EPA, a seven-day letter (the "Letter") and the Letter included:

- A site inspection was completed by the City on October 1, 2025, of the Lands, and
- A statement from the City that they observed "liquids or other substances of unknown quality, quantity and source".

WHEREAS on October 8, 2025, An EPA Environmental Protection Officer ("EPO") called the City, based on the review of the Letter, and discussed:

- if liquids were being pumped at the time of the City site inspection and if chemical analysis has been done regarding the substances observed on the Lands,
- the City stated they cannot confirm if chemical analysis has been done on the liquids or other substances, or if pumping of liquids had been completed, and
- the City provided a contact for the Facility (the "Contact")

WHEREAS on October 8, 2025, an EPO called the Contact about the unknown liquids being pumped off of the Lands, and if chemical analysis of the liquids were completed;

WHEREAS the Contact stated:

- that there has not been any pumping of the liquids off site,
- no chemical analysis has been completed on the liquids,
- there was a plan for Secure Energy Services Inc. ("Secure") services to sample of the liquids and any other substances at the Facility,
- all tanks in the bermed area were emptied when the Facility was shut down, but sampling would be done in the containment to determine what was in the containment,
- the Facility was being managed under the Monitor, and he was only a consultant helping the Monitor and;
- a former Enerkem Alberta Biofuels LP employee ("Site Representative") would be available to assist with an EPA site inspection;

WHEREAS on October 9, 2025, EPA notified the Monitor and Monitor's Counsel, by email, of an EPA site inspection of the Lands;

WHEREAS On October 10, 2025, two EPA EPOs and the RAS completed a site inspection of the Lands and observed:

- empty intermediate bulk container ("IBC") tanks around the Facility,
- two IBC tanks containing unidentifiable liquids and one IBC tank labeled as methanol at the southeast area of the Facility,
- empty plastic and metal containers around the northwest and southwest area of the Facility,
- unknown substance in tote bags at the southwest corner of the Facility,
- industrial tote bags with unidentified substances present within the tote bags in the northwest area of the facility,
- unknown liquid was present in bermed tank area in the south side of the Facility,
- a pump and hoses located on the north side of the bermed tank area with hoses running to the north of the Lands, and
- gates on the tanks in the bermed area were open;

WHEREAS the Site Representative stated that the Facility had been shut down for over a year;

WHEREAS on November 12, 2025, EPA representatives, the Monitor and the Monitor's Counsel met and discussed the following:

- Enerkem currently has no directors or employees, the only asset is the infrastructure on the Lands,
- the Monitor is managing the affairs as an appointed representative of the courts,
- Enerkem is in non-compliance with Condition 2.1.3, Condition 4.5.4 (Ground Water Monitoring report) and Condition 4.6.2 (Soils Monitoring Program Report) of Approval No. 249118-01-03,
- the Monitor will request additional time to come into compliance with the Authorization conditions,
- the RAS requested that all extension requests related to the Authorization be sent to the RAS,
- the Compliance Manager be added as a designate for the court proceedings related to Enerkem insolvency,
- the Monitor has engaged Secure Energy Services Inc. to complete testing of the unknown liquids and substances found during the EPA site inspection, and proper disposal if needed,
- the Monitor stated that correspondences should be addressed to Enerkem Alberta Biofuels LP care of Deloitte Restructuring Inc, and
- the Monitor will provide update reports to EPA for activities conducted at the Facility;

WHEREAS on November 14, 2025, EPA sent a follow up email summarizing the November 12, 2025, meeting details to the Monitor and Monitor's Counsel. The email included the discussion points and requested the following:

- clarification on Enerkem's active status as a corporation in Alberta,
- all completed Environmental Site Assessment (ESA) reports for the Facility,
- a proposed timeline for completing the environmental site assessments and tentative decommissioning timeline for the Facility,
- all analytical results for sampling taken by Secure, and
- a report on the activities at the Facility taken by the Monitor since Initial Order;

WHEREAS on November 18, 2025, Monitor's Counsel stated in response, by email that:

- Enerkem has not been dissolved and still has corporate existence,
- EPA should have all historic reports in EPA possession,
- any new reports will be provided to EPA,
- timelines for Phase II ESA will be provided to EPA, and
- analytical results will be provided to EPA;

WHEREAS on November 18, 2025, Monitor's Counsel sent an email to the RAS requesting an extension to complete Conditions 4.5.4 and 4.6.2 of the Authorization;

WHEREAS on December 3, 2025, the Monitor's Counsel submitted, by email, to EPA:

- a detailed summary of the Monitor's activities for the Facility since September 2, 2025,
- a signed professional service agreement with Stantec Consulting Ltd. ("Stantec") to complete a Phase II ESA (the "2026 Phase II ESA") and Regulatory Monitoring Reports (the "Regulatory Monitoring Reports"),
- Secure's analytical results for onsite water sampling,

- Secure's weekly monitoring for November 20, 2025, and November 27, 2025, and
- documentation confirming the removal and disposal of Methanol and Sulphuric Acid to the Recycle West Inc facility in Edmonton Alberta, and
- documentation confirming the removal and disposal of Non-Regulated Liquid, listed as Waster water and spill tray water, to Secure's facility in Edmonton Alberta;

WHEREAS on December 15, 2025, the RAS requested, by email, the Phase I ESA report titled "Phase I Environmental Site Assessment, Enerkem Facility, 460, 250 Aurum Road NE, Edmonton, Alberta" prepared for Enerkem by Stantec in March 2025 (the "Phase I");

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- the 2025 Phase I recommended for further environmental assessment based on the APECs and the potential for liquids and residues to remain in the emptied containers/piping, and
- the liquid and associated cleaning wastewater should be contained and disposed of during facility decommissioning;

WHEREAS on January 12, 2026, EPA requested 11 documents listed in Section 3.1.1 and 3.1.2 in the 2025 Phase I;

WHEREAS on January 27 and January 28, 2026, the Monitor's Counsel provided, by email, the 11 documents requested;

WHEREAS EPA completed a review of the documents and noted:

- the March 2009 Limited Phase II Environmental Site Assessment, prepared for the City, conducted an assessment for metals and petroleum hydrocarbon but did not include detailed salinity of the area assessed,
- total chromium was noted in the 2009 Limited Phase II and 2009 Delineation Assessment, prepare for the City, with a total area of 40 m³ of impact but there is no report of the impacts being removed,
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- The 2020 groundwater Quality Monitoring Report, prepared for Enerkem Alberta Biofuels L.P, noted elevated concentration of manganese, nitrate and total dissolved solids about the applied guidelines and were not related to facility operations;

WHEREAS on March 13, 2026, EPA Compliance sent a request, by email, to the Monitor's Counsel to provide an update on activities ongoing at the Facility;

WHEREAS on March 20, 2026, the Monitor's Counsel provided response, by email, stating Stantec was preparing the 2026 Phase II ESA to be submitted to EPA and the City by March 31, 2026, and requested an extension for the submission of the Annual Decommissioning and Land Reclamation Report to EPA to May 15, 2026;

WHEREAS on April 17, 2026, the Monitor's counsel advised that the 2026 Phase II ESA was not completed and would be submitted by end of April 2026;

WHEREAS Enerkem was issued by Environment and Protected Areas ("EPA") an EPEA Approval No. 249118-01-03, as amended on April 27, 2026; the ("Approval") for the Facility;

WHEREAS on May 6, 2026, Monitor's Counsel submitted the 2026 Phase II ESA for EPA review. The findings were:

- Stantec advanced 22 boreholes up to a maximum depth of 22.5 m below ground surface ("bgs") at the Facility,
- analytical results of the soil showed exceedances of methanol (BH25-08, BH25-20, and BH25-22), petroleum hydrocarbon ("PHC") F4 fraction (BH25-10), pH (BH25-20, BH25-22) and SAR (BH25-02),
- methanol and PHC F4 were determined to be from Facility activities and pH, and SAR may be from fill material or activities prior to Enerkem's activity at the Facility,
- no polyaromatic hydrocarbons ("PAHs"), volatile organic compounds, glycols or phenols concentrations exceeded the applied Tier 2 guidelines (exclusion of the freshwater aquatic life pathway),
- Stantec conducted groundwater monitoring for 12 historic monitoring wells and two monitoring wells install in 2026,
- two monitoring wells (MW21-04 and MW21-06) could not be located during the monitoring and historic exceedances of PAHs (MW21-04) could not be confirmed,
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- nitrate and nitrate (as nitrogen) had observed exceedances in six monitoring wells but was not considered to be from Facility operations was and
- selenium exceedances at P11-10A were above applicable guidelines but the well is considered upgradient of the Facility and representative of background conditions,
- Stantec recommended a second groundwater monitoring event to understand seasonal variation and effects prior to remediation and to locate groundwater MW21-04,
- further lateral delineation of the soil exceedances at BH25-02, BH25-08, BH25-10, BH25-20 and BH25-22,
- delineation of historic exceedances noted in the Phase I ESA at APEC 1, 2, 4, 7, and 11 and to delineate historical locations where PAHs (APEC 4 at MW21-04, APEC 7 at MW21-05 and MW21-06, and APEC 8 at SS21-01) were exceeding the guidelines set to be protective of the DUA pathway, and
- once lateral delineation is achieved, the development of a remedial action plan for the Facility;

WHEREAS on May 14, 2026, EPA representatives, the Monitor and the Monitor's Counsel met in a due process meeting and discussed the following:

- EPA requested that the Monitor clarifies the timelines of submission of required documents and status of court proceedings related to Enerkem insolvency;
- the Monitor Counsel indicated that the Monitor has taken over process and has worked diligently to comply with the terms and conditions of the Approval;
- Stantec has been engaged by the Monitor to help ensure the Monitor complies with the EPA Approval;
- the Monitor clarified that extension requests were made to the RAS for additional time from November 18, 2025, till May 15, 2026,
- the Compliance Manager is considering all information before making a decision on the file,

- the Compliance Manager stated if more extension is needed based on the outcome of the Phase II ESA, the Monitor can request an extension,
- EPA would expect the Annual Decommissioning and Land Reclamation Report scheduled for submission on May 15, 2026,
- the Monitor's counsel stated there would be a stay of extension in court till September 30, 2026, and
- the Monitor's Counsel suggested a next steps meeting with the City and Stantec;

WHEREAS on May 14, 2026, Monitor's Counsel submitted, to EPA, the draft Annual Decommissioning and Land Reclamation Report for the 2025 calendar year prepared by Stantec;

WHEREAS on May 22, 2026, EPA sent an email proposing an "opportunity to be heard meeting" with Dominique Boies, ("the Former Director"), Enerkem for May 26, 2026;

WHEREAS on June 3, 2026, the Former Director, Enerkem stated in response, by email that he had resigned as Director of Enerkem in April 2024, and as Director of its parent entity, Enerkem Inc., in July 2024 and has no knowledge of alleged contraventions referred to in the opportunity to be heard letter;

WHEREAS Allysa Weatherall, Compliance Manager, Regulatory Assurance Division, Capital District, has been designated as a director (the "Director") for the purpose of issuing Enforcement Orders under the *Environmental Protection and Enhancement Act*;

WHEREAS the Director is of the opinion that the Parties have contravened conditions 2.1.3, 4.5.4, 5.1.1 and 4.6.2 of the Approval, which forms an offence under section 227 (e) of the *EPEA*;

THEREFORE, I, Allysa Weatherall, Director, pursuant to section 210 (1) (d) and (e) of the *Act*, **HEREBY ORDER THAT**:

1. If, based on the findings of the 2026 Phase II Environmental Site Assessment submitted on May 6, 2026, or any further delineation work approved by the Director, concentrations of any substance above Alberta Tier 1 soil and groundwater remediation guidelines, the Parties shall:
 - a. provide a plan outlining the delineation of the material exceeding the Alberta Tier 1 soil and groundwater remediation guidelines, and
 - b. prepare a Remedial Action Plan ("RAP") for the remediation of the material found to contain concentrations of any substance above Alberta Tier 1 soil and groundwater remediation guidelines and submit the Remedial Action Plan to the Director for approval by no later than sixty (60) days of reporting set out in clause 5a;
2. The Parties shall implement the work prescribed by the RAP as approved in writing by the Director and by the schedule of implementation approved by the Director;
3. The Parties shall prepare a report detailing the remedial activities at the Facility as required by Clause 1 and submit to the Director by December 18, 2026;
4. The Parties shall submit to the Director, for the Director's approval, a written decommissioning plan (the "Final Decommissioning Plan") limited to infrastructure and facilities authorized under the Approval and associated with the Facility operation by January 31, 2027;

5. The Parties shall include in the Decommissioning Plan, at a minimum:
- a. a detailed map for all locations where infrastructure will be removed from the Lands,
 - b. a description of the decommissioning methodology, including equipment, to be used in the removal of the infrastructure,
 - c. a detailed list of any infrastructure to remain on the Lands including written permission from the land owner, and
 - d. a schedule of implementation for the work prescribed by the Decommissioning Plan including milestones;
6. The Parties must apply for a reclamation certificate for the Lands as per Section 137 (1) of the Act once the Lands meet applicable reclamation criteria, and in any event no later than December 17, 2027;
7. The Parties shall submit to the Director quarterly written progress reports, March 30, June 30, September 30 and December 30, detailing work completed, work remaining, analytical results obtained, and any deviations from approved schedules, until the Director confirms in writing that the requirements of this Order have been satisfied.

DATED at Edmonton, in the Province of Alberta, this 5 day of June 2026.



Allys Weatherall, Director
Compliance Manager
Northern Region – Capital District

Notwithstanding the above requirements, the Parties shall obtain all other necessary approvals or authorizations required to comply with this order.

Take notice that this enforcement order is a remedial tool only, and in no way precludes any enforcement proceedings being taken regarding this matter under this Act or any other legislation.

Further, contravention of the Environmental Protection Order may lead to additional enforcement proceedings, up to and including prosecution.

No: 500-11-065700-250

SUPERIOR COURT

(Commercial Division)

(Sitting as a court designated pursuant to the *Companies'*
Creditors Arrangement Act,
RSC 1985, c. C-36)

**PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

**IN THE MATTER OF THE PLAN OF ARRANGEMENT OR
COMPROMISE OF:**

ENERKEM ALBERTA BIOFUELS G.P. INC. ET ALS.

Debtors

-and-

ENERKEM ALBERTA BIOFUELS L.P.

Mise-en-cause

-and-

DELOITTE RESTRUCTURING INC.

Monitor/Applicant

**APPLICATION FOR THE ISSUANCE OF A STAY
EXTENSION ORDER, AFFIDAVIT, NOTICE OF
PRESENTATION, LIST OF EXHIBITS, EXHIBITS
(Section 11.02(2) of the *Companies' Creditors
Arrangement Act*, RSC 1985, c C-36, as amended)**

ORIGINAL

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