

C A N A D A

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
Commercial Division

Nº: 500-11-

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

ENERKEM INC., a corporation incorporated pursuant to the laws of Canada, having its registered and head office at 1130 Sherbrooke Street West, Suite 600, Montréal, Québec.

ENERKEM ALBERTA BIOFUELS G.P. INC., a corporation incorporated pursuant to the laws of Alberta, having an office at 1130 Sherbrooke Street West, Suite 600, Montréal, Quebec.

ENERKEM LIMITED (UK), a private limited company incorporated pursuant to the laws of England and Wales, having its registered office at c/o Stikeman Elliott LLP, 36 Cornhill, London, England EC3V 3NG.

ENERKEM CORPORATION (DELAWARE), a corporation incorporated pursuant to the laws of the State of Delaware, having its registered office at c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801.

ENERKEM SPAIN HOLDINGS, SOCIEDAD LIMITADA (SPAIN), a company incorporated under the laws of Spain, having its registered office at calle Muntaner, number 292, 4o-2a, 08021 Barcelona.

9390-1783 QUÉBEC INC., a corporation incorporated under the laws of the Province of Quebec, having its registered office at 1130 Sherbrooke Street West, Suite 600, Montréal, Quebec.

Applicants

-and-

ENERKEM ALBERTA BIOFUELS L.P., a limited partnership formed pursuant to the laws of Alberta, having an address at 1130 Sherbrooke Street West, Suite 600, Montréal, Quebec.

Mise-en-cause

-and-

DELOITTE RESTRUCTURING INC., a corporation incorporated pursuant to the laws of Canada, having its registered office at 1190 Avenue des Canadiens-de-Montréal, suite 500, Montréal, Quebec.

Proposed Monitor

**APPLICATION FOR THE ISSUANCE OF AN INITIAL ORDER, AN
AMENDED AND RESTATED INITIAL ORDER, AND AN ORDER APPROVING A SALE AND
INVESTMENT SOLICITATION PROCESS
(Sections 9, 11, 11.001, 11.02, 11.03, 11.51, 11.52, 11.7, 23 and 36 of the *Companies'*
Creditors Arrangement Act)**

TABLE OF CONTENT

1. Orders Sought.....	3
2. Overview.....	5
3. Description of the Enkerm Group.....	7
3.1 Corporate Structure	7
3.2 Business and Operations	9
3.2 Employees	11
3.3 Cash Management System.....	11
4. The Enkerm Group's Financial Position.....	12
4.1 Assets and liabilities.....	12
4.2 Debt structure	13
5. The Enkerm Group's Financial Difficulties and liquidity enhancement initiatives....	19
6. The Restructuring Term Sheet and the Restructuring Transaction	20
7. The Need for CCAA Protection	22
7.1 Application of the CCAA.....	22
7.2 Stay of Proceedings	23
7.3 Appointment of the Proposed Monitor	23
7.4 Interim Financing	24
7.5 Administration Charge	26
7.6 D&O Charge	26
7.7 Key Employee Retention Plan	27
7.8 Approval of the SISP.....	28
8. Conclusion	30

TO THE HONOURABLE JUSTICE CÉLINE LEGENDRE OF THE SUPERIOR COURT, SITTING IN THE COMMERCIAL DIVISION, IN AND FOR THE DISTRICT OF MONTRÉAL, THE APPLICANTS RESPECTFULLY SUBMIT THE FOLLOWING:

1. ORDERS SOUGHT

1. Enerkem Inc. ("**Enerkem Canada**") and its wholly-owned subsidiaries Enerkem Alberta Biofuels G.P., Inc. ("**EAB GP**"), Enerkem Limited ("**Enerkem UK**"), Enerkem Corporation ("**Enerkem Delaware**"), Enerkem Spain Holdings, Sociedad Limitada ("**Enerkem Spain**") and 9390-1783 Québec Inc. (collectively with Enerkem, EAB GP, Enerkem UK, Enerkem Delaware and Enerkem Spain, the "**Applicants**") submit this *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 "**Application**") seeking the following orders under the *Companies Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended, (the "**CCAA**"):
 - a) An initial order (the "**Initial Order**"), substantially in the form of the draft order communicated herewith as **Exhibit R-1**¹, which will be sought at the initial hearing to be scheduled with the Superior Court of Québec (Commercial Division) (the "**Court**"), and which will provide for, *inter alia*, the following relief:
 - i) Application of the CCAA. A declaration that the Applicants are "*debtor companies*" to which the CCAA applies;
 - ii) Stay of Proceedings. A stay of proceedings (the "**Stay of Proceedings**") for an initial period of ten (10) days in accordance with the CCAA (the "**Stay Period**") in favour of the Applicants and the Mise-en-cause, Enerkem Alberta Biofuels L.P. ("**EAB LP**" and together with EAB GP, "**EAB**") (EAB together with the Applicants, the "**Enerkem Group**"), their respective assets, undertakings and properties (collectively, the "**Property**") and their respective directors and officers (collectively, the "**D&Os**");
 - iii) Appointment of a Monitor. The appointment of Deloitte Restructuring Inc. ("**Deloitte**" or the "**Proposed Monitor**") as the monitor (if appointed, the "**Monitor**") of the Applicants in these CCAA proceedings (the "**CCAA Proceedings**");
 - iv) Interim Financing. The approval of an Interim Financing Term Sheet entered into between, among others, Enerkem Canada and Repsol Quimica, S.A. ("**Repsol**", and in such capacity, the "**Interim Lender**") concurrently with the commencement of these CCAA Proceedings (the "**Interim Financing Term Sheet**"), and the authorization for Enerkem Canada to borrow thereunder an amount of up to \$12.5 million (the "**Interim Facility**"), to be secured by a super-priority charge against the property of the Enerkem Group in an initial amount of up to \$15 million (the "**Interim Lender's Charge**");
 - v) Administration Charge. The establishment of a super-priority charge against the Property in an initial amount of up to \$200,000 (the "**Administration Charge**") to secure the Applicants' obligations towards the undersigned counsel, as legal advisors to the Applicants, Deloitte, as Monitor to the Applicants, Deloitte's legal

¹ A copy of a redline document comparing the proposed Initial Order to the model CCAA initial order is communicated herewith as **Exhibit R-1A**.

advisors, and the advisors to the Ad Hoc Committee (as defined below) (collectively, the “**Professionals**”), for work performed and to be performed in connection with these CCAA Proceedings;

- vi) Directors and Officers Charge. The establishment of a super-priority charge in an initial amount of up to \$1,400,000 (the “**D&O Charge**”) to secure the Applicants’ indemnification obligations towards their respective D&Os in connection with potential liabilities that could arise as and from the issuance of the Initial Order (as applicable), to the extent that such potential liabilities are not covered by existing insurance policies;
 - vii) KERP. The approval of a Key Employee Retention Plan (“**KERP**”), which was developed and instituted by the Enerkem Group prior to the commencement of the CCAA Proceedings to provide retention incentives to be paid to certain key employees and executives that are considered to be essential to the success of the Enerkem Group’s restructuring efforts, and the establishment of a super-priority charge against the Property in an amount of \$850,000 (the “**KERP Charge**”) to secure the Enerkem Group’s remaining obligations under the KERP;
 - viii) Sealing Order. The granting of a sealing order in respect of certain confidential exhibits communicated as part of the Application.
- b) An order (the “**SISP Order**”), substantially in the form of the draft order communicated herewith as **Exhibit R-2**, which will also be sought at the initial hearing, and which will provide for, *inter alia*, the authorization for the Applicants to conduct and implement a sale and investment solicitation process (the “**SISP**”) in accordance with the procedures set out in the annex appended to the draft SISP Order (the “**SISP Procedures**”);
 - c) An amended and restated initial order (the “**ARIO**”), substantially in the form of the draft order communicated herewith as **Exhibit R-3**², which will be sought at the “comeback hearing” and which will provide for, *inter alia*, the following additional relief:
 - i) Stay of Proceedings. The extension of the Stay Period until August 22, 2025;
 - ii) Administration Charge. An increase to the Administration Charge to a total amount of up to \$1 million for work performed and to be performed by the Professionals in connection with these CCAA Proceedings; and
 - iii) Directors and Officers Charge. An increase to the D&O Charge to a total amount of up to \$2 million.
- 2. The Applicants understand that Deloitte, in its capacity as Proposed Monitor, will be submitting to the Court, in advance of the initial hearing, a pre-filing report (the “**Pre-Filing Report**”) setting out its observations and recommendations with respect to the Applicants’ request for the issuance of the Initial Order and the SISP Order.
 - 3. To the extent that Deloitte is appointed as Monitor to the Applicants pursuant to the Initial Order, the Applicants also understand that Deloitte, this time in its capacity as Monitor, will be submitting to the Court in advance of the “comeback hearing”, another report setting out its observations and recommendations with respect to the Applicants’ request for the issuance of the ARIO.

² A copy of a redline document comparing the proposed ARIO to the model CCAA initial order is communicated herewith as **Exhibit R-3A**.

4. Unless indicated otherwise, all references to currency in this Application are in Canadian dollars.

2. OVERVIEW

5. The Enerkem Group is a corporate group comprised of Canadian and non-Canadian corporate entities that specialize in converting heterogeneous waste and biomass materials into a diverse range of clean fuels and circular chemicals, using proprietary patented technology.
6. The combined activities of the entities in the Enerkem Group encompass all Canadian and international operations.
7. In recent years, the Enerkem Group has faced increasing financial challenges and setbacks in connection with its main projects and revenue sources, including as a result of the following:
- a) While EAB LP's commercial-scale biorefinery facility in Edmonton, Alberta (the "**Alberta Plant**") successfully achieved its technology demonstration objectives at commercial scale, the Alberta Plant was retired in January 2024 for a variety of reasons. Most notably, the local regulatory landscape was not favorable for low carbon fuels and the Alberta Plant was subject to increased costs due to, among other things, global market conditions. The retirement left EAB with lingering debts and potential liabilities to a variety of creditors, including the City of Edmonton.
 - b) Extensive and unexpected delays and cost increases in the construction of the new facility being built in Varennes, Quebec (the "**Varennes Plant**") by Varennes Cellulosic Ethanol L.P. ("**VCE**"), with whom Enerkem has binding agreements to license its proprietary patented technology and to provide core proprietary equipment as well as engineering, procurement and other services. Most recently, VCE filed its own CCAA proceedings on March 11, 2025, such that there is mounting uncertainty relating to the timing and completion of this project, and the payment of outstanding amounts owing to Enerkem for the supply of proprietary equipment and services.
 - c) Delays in the execution of binding commercial agreements for the supply of engineering services and proprietary equipment to Ecoplanta Molecular Recycling Solutions S.L. ("**Ecoplanta**"), with whom Enerkem has a binding agreement to license its proprietary patented technology in connection with a new facility to be constructed near Tarragona, Spain (the "**Ecoplanta Plant**").
 - d) An overall slowdown in the market relating to energy transition which has reduced financing alternatives and new business opportunities relating to decarbonization objectives of industry and governments. This also led to decision by other commercial partners to delay the budgeted start (or progression) of other potential projects at various stages of development (such as a shift by oil and gas and petrochemical companies away from investments in the renewables sector), including potential projects that had been announced in Rotterdam and in Thurso, Québec.
8. As a result of these and other challenges, the Enerkem Group has incurred unexpected expenses, operating and net losses as well as a deterioration of its cash position.
9. Significant efforts have been undertaken over an extended period of time to seek to implement solutions to the various financial and operational challenges facing the Enerkem Group. In February 2024, the Enerkem Group and the holders of the Senior Secured Convertible Notes (as defined below) issued by Enerkem Canada (the "**Noteholders**") entered into a transaction that, among other things, provided for incremental liquidity through the issuance of the Superpriority Bridge Notes (as defined below) and also provided for the framework for a potential out-of-court

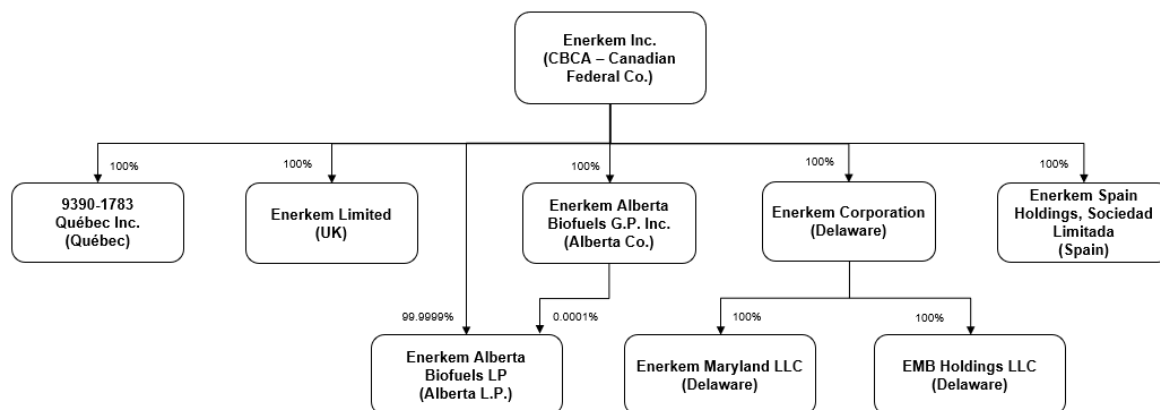
restructuring. Despite extensive efforts, the Enkern Group has not been able to implement a comprehensive out-of-court restructuring solution.

10. Accordingly, more recently, the Enkern Group engaged with a committee comprised of each of the three Noteholders (the “**Ad Hoc Committee**”) and reached an agreement on the principal terms of a comprehensive credit bid restructuring transaction to be implemented pursuant to proceedings under the CCAA (the “**Restructuring Transaction**”). On May 10, 2025, the Enkern Group and the Noteholders entered into a binding restructuring term sheet (the “**Restructuring Term Sheet**”), a copy of which is communicated herewith as **Exhibit R-4**.
11. As discussed in greater detail below, the Restructuring Transaction is beneficial to the Enkern Group, and in particular, will allow for the following:
 - a) A substantial deleveraging and reduction in debt through a credit bid of Enkern Canada’s senior secured debt, being the Senior Secured Convertible Notes and the Superpriority Bridge Notes;
 - b) Up to \$25 million in committed financing to be made available to Enkern Canada by members of the Ad Hoc Committee, consisting of: (i) the Interim Facility of an aggregate principal amount of up to \$12.5 million, and (ii) a new first lien loan facility in the aggregate principal amount of \$25 million (the “**Exit Facility**”) to be entered into on implementation of the Restructuring Transaction, consisting of (x) all outstanding obligations under the Interim Facility, which shall be converted into and exchanged for loans under the Exit Facility on a dollar-for-dollar basis, and (y) new money exit loans in a principal amount equal to CA\$25 million less the principal amount of the Interim Facility obligations converted into loans under the Exit Facility; and
 - c) The enhanced positioning of Enkern Canada to execute the agreements relating to the Ecoplanta Plant, and achieve related future success and growth through these agreements.
12. While the Ad Hoc Committee and Enkern Canada work to finalize definitive documentation in connection with the Restructuring Transaction, the Enkern Group will also conduct a SISP to determine if there is a superior third-party transaction that will provide for the repayment in full of all DIP Facility Claims (as defined in the Restructuring Term Sheet) and all Secured Notes Claims (as defined in the Restructuring Term Sheet) or is otherwise acceptable to Enkern Canada and the Ad Hoc Committee (a “**Superior Transaction**”). If no Superior Transaction emerges from the SISP, the SISP shall be terminated and the Ad Hoc Committee and the Enkern Group will seek court approval in order to implement the Restructuring Transaction.
13. As such, the Enkern Group is seeking CCAA protection, in order to pursue the Restructuring Transaction and conduct the SISP under the supervision of this Court, in a manner which will ultimately allow them to preserve and maximize enterprise value for the benefit of all of its stakeholders.
14. Moreover, the Applicants will take this opportunity to finalize the restructuring (begun in January 2024) of their business from an operational standpoint, and implement cost-cutting measures, which may be achieved by, *inter alia*, reducing operating costs through the disclaimer of non-profitable contracts, closure of unprofitably business operations, employee terminations and corporate restructuring.

3. DESCRIPTION OF THE ENERKEM GROUP

3.1 Corporate Structure

15. The Enkerm Group's corporate structure is reflected in the organization chart below.



(a) **Enkerm Canada**

16. Enkerm Canada is a Québec-based company specialized in clean technology, which technology is patented and used to convert non-recyclable waste and residual biomass into biofuels and renewable chemicals.
17. Its commitment to innovation through extensive research and development is a cornerstone of its mission, which it carries out, notably through its dedicated innovation center in Westbury, Quebec, Canada.
18. Enkerm Canada holds a complete portfolio of patents, know-how and intellectual property (collectively, the “**Enkerm IP**”), including all the intellectual property relevant to its proprietary technology that recycles the carbon contained in non-recyclable waste (e.g., municipal solid waste and biomass) into a pure synthesis gas (also called syngas), which can then be turned into methanol, cellulosic ethanol and other circular fuels and chemicals, using commercially available catalysts.
19. Enkerm Canada is a corporation incorporated pursuant to the laws of Canada with its registered and head office located in Montreal, Province of Quebec, and it is the ultimate parent of all the entities which form part of the Enkerm Group.
20. A copy of the relevant extracts from the Québec Enterprise Register for Enkerm Canada is communicated herewith as **Exhibit R-5**.

(b) **EAB GP / EAB LP**

21. EAB GP is a corporation incorporated pursuant to laws of Alberta with its head office located in Edmonton, Province of Alberta. EAB GP is wholly-owned by Enkerm Canada and is the general partner of EAB LP.
22. EAB LP is a limited partnership formed pursuant to the laws of Alberta with its head office located in Edmonton, Province of Alberta. Enkerm Canada, as limited partner, holds 99.9999% of the units in EAB LP, and EAB GP holds the remaining 0.0001% interest.

23. EAB LP operated the Alberta Plant, a commercial-scale demonstration biorefinery in Edmonton, capable of transforming municipal solid waste into methanol and cellulosic ethanol. As previously noted, the Alberta Plant was retired as of January 30, 2024 and EAB GP is currently assessing the potential final decommissioning costs and options, and is working towards an eventual liquidation of the Alberta Plant.

24. In this regard, certain decommissioning efforts have already been initiated and funded through the Superpriority Bridge Notes financing (as described and defined below), including in particular, the initial *safe-out* of the facility, which includes, among other things, the Alberta Plant being safely decommissioned, drained, de-energized, and free of chemicals. The Alberta Plant is ready to undergo physical removal of equipment among other final decommissioning steps.

(c) **Enerkem UK**

25. Enerkem UK is a corporation incorporated under the laws of England and Wales with its head office in London, England. Enerkem Canada wholly owns Enerkem UK.

26. Enerkem UK has no assets, bank account or operations. It serves only to process payroll remittances for one UK-based employee.

(d) **Enerkem Delaware**

27. Enerkem Delaware is a corporation incorporated under the laws of Delaware with its registered office located in Delaware, USA. Enerkem Canada wholly owns Enerkem Delaware.

28. Enerkem Delaware has no assets or operations, other than to act as the employer or payroll processor for three US-based employees.

29. Enerkem Delaware holds 100% of the units in both Enerkem Maryland LLC and EMB Holdings LLC. Enerkem Maryland LLC and EMB Holdings LLC are dormant limited liability corporations incorporated under the laws of Delaware, which are in the process of being liquidated outside of these CCAA proceedings.

(e) **Enerkem Spain**

30. Enerkem Spain is a limited liability corporation incorporated under the laws of Spain with its registered office located in Barcelona, Spain.

31. Enerkem Spain has no assets or operations. It was created solely to act as a holding company for Enerkem Canada's equity interest in the Ecoplanta Plant, a new facility near Tarragona, Spain owned by Ecoplanta, which is currently under development.

32. Enerkem Spain's equity interest in Ecoplanta was sold to Enerkem Spain's partner in the project, Repsol Química, S.A. ("**Repsol**"), on or around December 14, 2023. Repsol is currently the sole shareholder of Ecoplanta.

(f) **9390-1783 Québec Inc.**

33. 9390-1783 Québec inc. is a corporation incorporated under the laws of the Province of Quebec, with its registered office in Montreal, Quebec. Enerkem Canada wholly owns 9390-1783 Québec inc.

34. 9390-1783 Québec inc. is a dormant entity with no assets, employees or operations.

3.2 Business and Operations

(a) General

35. Since its creation in 2000, the Enkern Group has meticulously navigated every phase, from research and development, through pilot programs, to successful commercial demonstrations and third-party validations, in order to develop its core platforms, protected by over 120 patents.
36. In essence, through its waste-to-sustainable alternative fuels process, environmentally sound technology, and carbon-neutral practices, the Enkern Group stands at the forefront of the energy transition, setting forth a blueprint for resilience and sustainability in the energy landscape, while significantly reducing carbon emissions and inspiring widespread action.
37. The Enkern Group plays a key role in the circular economy by facilitating the creation of value-added products through the utilization of waste resources, and in doing so, works with partners around the world to develop new biorefinery projects to meet the needs of hard-to-abate sectors.

(b) Projects and Facilities

38. The Enkern Group is, or was, a leader in the development of four major projects, all of which showcase its extensive know-how in the sustainable technology to enable low-carbon fuel and chemical production from waste materials. Other project development initiatives are on-going.

(i) The Westbury Research and Development Facility

39. The Enkern Group's first facility was its innovation center in Westbury, Quebec (the "**Westbury Facility**"). The Westbury Facility is a research and development facility which the Enkern Group still owns and operates and which sets it apart in the waste-to-biofuel industry.
40. Employees and partners of Enkern Canada, work at the Westbury Facility to develop and explore waste management processes, as well as research the future of biofuels and circular chemicals.

(ii) The Alberta Plant

41. The Alberta Plant was developed as a commercial-scale demonstration facility, to demonstrate the Enkern Group's innovative proprietary technology on a commercial scale. It used municipal solid waste supplied by the City of Edmonton to produce clean biofuels and green chemicals, such as cellulosic ethanol and methanol. The Alberta Plant was designed to help the City of Edmonton tackle the challenge of reducing the volume of household waste sent to landfills.
42. The Alberta Plant, which produced, among other things, ethanol (BC LCFS) and methanol (ISCC EU and ISCC PLUS certified), facilitated the validation by strategic industry players and other third parties of Enkern Group's innovative waste-to-biofuels platform. It also allowed the Enkern Group to attract global partners and investors while developing a world-class team with expertise in design and deployment of advanced gasification technology.
43. While the Alberta Plant successfully achieved its technology demonstration objectives at commercial scale, the facility had to be retired for a variety of reasons. Most notably, the local regulatory landscape was not favorable for low carbon fuels leading the facility to become uneconomical. The Alberta Plant was retired on January 30, 2024, leaving lingering debts and potential liabilities to a variety of creditors, including the City of Edmonton. The Enkern Group has since completed the decommissioning and developed a plan for the removal of the equipment and dismantling, which plan has not yet been executed.

(iii) Varennes Plant

44. As mentioned above, the Varennes Plant, which is owned by VCE, is currently under construction in the Greater Montreal area, and binding agreements, including the *Enerkem Core Process Supply Agreement* (“**ECP Agreement**”), have been signed between Enerkem and VCR to use the Enerkem Group’s proprietary patented technology under license, and for the supply of certain proprietary equipment and for Enerkem Group’s engineering, procurement and other services in connection with the development and construction of the Varennes Plant.
45. This Varennes Plant, at its core, will be used to transform non-recyclable waste and residual biomass into biomethanol.
46. Although the Varennes Plant was initially scheduled to be operational in 2023, a number of delays and financing issues have prevented this milestone from being reached, such that the biomethanol production plant remains under construction, and is not expected to be commissioned before May 2026 at the earliest.
47. To further complicate matters, an initial order under the CCAA was issued in respect of VCE and its general partner 7037163 Canada Inc. on March 11, 2025 (500-11-065381-259), and an amended and restated initial order was issued on March 31, 2025. According to court materials, VCE had been confronted with a number of financial challenges itself (including cost overruns and a funding dispute with one of its equity partners) and is seeking to restructure its business and conduct a sale and investment solicitation process.
48. Prior to commencement of VCE’s CCAA proceedings, Enerkem suspended the ECP Agreement due to non-payment of approximately \$20.8 million by VCE to Enerkem in connection with invoices rendered thereunder. Arbitration proceedings had been initiated, however, these have been recently stayed as a result of VCE’s CCAA proceedings.

(iv) Ecoplanta Plant

49. Located in a facility on a petrochemical complex near the port of Tarragona (Spain), the Ecoplanta Plant will use Enerkem’s proprietary patented technology. The Ecoplanta Plant will help tackle major environmental challenges by diverting around 400,000 tonnes of non-recyclable municipal waste from landfills and incineration. Using Enerkem’s advanced gasification technology, the facility will convert this waste into 240,000 tonnes methanol per year.
50. Ecoplanta and Enerkem signed a binding Technology License Agreement as of November 25, 2022 (as amended in November 2023) and are also parties to an Engineering Services Agreement dated November 16, 2021 (for which the deliverables have been substantially completed).
51. Enerkem has also negotiated the following agreements with respect to the Ecoplanta Plant, which agreements are in substantially final form and are addressed in the Restructuring Term Sheet as part of the implementation of the Restructuring Transaction:
- a) with Ecoplanta, an *Enerkem Equipment Supply Agreement* for the supply of certain proprietary equipment (the “**Ecoplanta Equipment Agreement**”);
 - b) with Ecoplanta and Technip Energies Iberia, S.A.U. (“**Technip**”), a *Core Process Services Agreement* for the provision by Enerkem and Technip of, *inter alia*, detailed engineering and procurement services for the Enerkem Core Process equipment needed for the Ecoplanta Plant (the “**Ecoplanta Services Agreement**”); and

- c) with Technip, a *Consortium Agreement* regulating the parties' consortium relationship with respect to the provision of the services to Ecoplanta under the Ecoplanta Services Agreement (the "**Consortium Agreement**" and together with the Ecoplanta Equipment Agreement and the Ecoplanta Services Agreement, the "**Ecoplanta Agreements**").
52. On January 29, 2025, Repsol announced that its Board of Directors had officially approved its Final Investment Decision (FID) for the Ecoplanta Plant, marking a significant milestone in the drive for the supply of sustainable fuel and product.
53. The delays in achieving this milestone (originally anticipated in 2023), were precipitated by a number of factors including, among others, concerns by Repsol about the Spanish government's potential extension of a windfall tax on energy companies. The foregoing has had an unfortunate material adverse effect on Enkern's cashflow.

3.2 Employees

54. The Enkern Group employs approximately 133 employees in total, a significant portion of whom are engineers.
55. The consolidated monthly payroll cost for the Enkern Group is \$1.8 million per month. Prior to the January 30, 2024 retirement of the Alberta Plant, the monthly payroll cost of EAB was approximately \$700,000 per month.
56. The vast majority of the Applicants' employees are located in Canada. The breakdown of employees by location as of April 18, 2025 is listed in the chart below:

Location	Number of Employees
Quebec	121
Alberta	4
Other	8

57. The entities in the Enkern Group are not party to any collective bargaining agreements with their employees, nor do they maintain any pension plans.

3.3 Cash Management System

58. The Enkern Group's business and financial affairs require the maintenance of several bank accounts in Canada, the US and Spain to facilitate the collections, disbursements and transfer of funds.
59. In the ordinary course of business, the Enkern Group uses a centralized cash management system to accumulate funds and pay expenses associated with its operations (the "**Cash Management System**"). Additionally, the Cash Management System enables the Enkern Group to efficiently and accurately track and control corporate funds and to ensure cash availability.
60. Any significant change to the current Cash Management System would be seriously disruptive to normal course operations, and therefore, the Applicants intend to maintain the Cash Management System throughout the pendency of these CCAA Proceedings.

4. **THE ENERKEM GROUP'S FINANCIAL POSITION**

4.1 **Assets and liabilities**

(a) **Assets**

61. As at February 28, 2025, the Enerkem Group had, on a consolidated basis, total assets with a book value of approximately \$31.5 million, consisting of current cash with a book value of approximately \$15.3 million, current assets with a book value of approximately \$6.1 million and non-current assets with a book value of approximately \$10.1 million, as appears from the below:

Nature	Net Book Value
Current Assets	
Cash	\$15,326,079
Restricted Cash	\$3,703
Trade and other receivables	\$4,481,091
Work in progress	\$766,857
Deposits and other assets	\$144,525
Prepaid and deferred expenses	\$690,213
Total current assets	\$21,412,468
Non-Current Assets	
Deposits and other assets	\$141,351
Property, plant and equipment	\$2,170,557
Intangible assets	\$105,843
Right-of-use assets	\$1,674,036
Assets held for sale	\$6,000,000
Total non-current assets	\$10,091,787
TOTAL	\$31,504,255

(b) **Liabilities**

62. As at February 28, 2025, the Enerkem Group had, on a consolidated basis, outstanding indebtedness in the aggregate carrying amount of \$372.8 million and other non-current liabilities and equity, which are broken down as follows:

Nature	Net Book Value
Current Liabilities	
Trade and other payables	\$37,263,722
Other current liabilities	\$5,024,177

Current portion of contract liabilities	\$2,452,207
Current portion of asset retirement obligation	\$7,587,986
Convertible promissory notes	\$12,768,236
Short-term financing	\$72,427,518
Current portion of lease liabilities	\$687,992
Current portion of long-term debt	\$16,757,543
Current portion of conversion options	\$42
Current portion of convertible debentures	\$217,871,997
Total current liabilities	\$372,841,420
Non-Current Liabilities	
Contract liabilities	\$21,690,855
Asset retirement obligation	\$2,536,244
Lease liabilities	\$1,796,151
Deferred credits	\$570,463
Total non-current liabilities	\$26,593,713
Deficiency	
Common shares	\$91,011,968
Contributed surplus	\$14,941,006
Translation reserve	\$57,324
Deficit	\$473,826,528
Total Liabilities and Equity	\$31,504,255

4.2 Debt structure

(a) Key Credit Facilities

63. The table below summarizes the source and amounts of convertible loans, key long-term debts and bridge loans that creditors have granted to Enerkem Canada. Each category of debt is further particularized below.

Creditor	Outstanding Amount	Security
Senior Secured Superpriority Bridge Notes as at March 31, 2025³		
Repsol	USD\$36,791,778	First lien security (with Eyre Street and Monarch) on Enerkem Canada

³ Including PIK interest.

		assets Second lien security (with Eyre Street and Monarch) on EAB assets
ESC Sustainable Solutions Fund, L.P. (“ Eyre Street ”) (formerly known as Avenue Sustainable Solutions Fund, L.P.)	USD\$7,143,202	First lien security (with Repsol and Monarch) on Enkern Canada assets Second lien security (with Repsol and Monarch) on EAB assets
Certain funds managed by Monarch Alternative Capital LP (together, “ Monarch ”)	USD\$7,145,990	First lien security (with Eyre Street and Repsol) on Enkern Canada assets Second lien security (with Eyre Street and Repsol) on EAB assets
TOTAL IN USD TOTAL IN CAD	US\$51,080,970 CAD\$71,513,359⁴	
Senior Secured Convertible Notes as at March 31, 2025⁵		
Repsol	CAD\$128,471,075	First lien security (with Eyre Street and Monarch) on Enkern Canada assets Second lien security (with Eyre Street and Monarch) on EAB assets
Eyre Street	USD\$32,461,857	First lien security (with Repsol and Monarch) on Enkern Canada assets Second lien security (with Repsol and Monarch) on EAB assets
Monarch	USD\$32,468,833	First lien security (with Eyre Street and Repsol) on Enkern Canada assets Second lien security (with Eyre Street and Repsol) on EAB assets
TOTAL	CAD\$219,374,041⁶	
Long Term Secured Debt as at March 31, 2025⁷		
Fiera Private Debt Fund IV LP (“ Fiera ”)	CAD\$12,523,065.34	First lien security (with FCM) on EAB assets Second lien security (with FCM) on Enkern Canada assets
Federation of Canadian Municipalities (“ FCM ”)	CAD\$4,396,468.71	First lien security (with Fiera) on EAB assets Second lien security (with Fiera) on

⁴ Using a USD/CAD conversion rate of 1.40 for the USD-denominated notes.

⁵ Including PIK interest

⁶ Using a USD/CAD conversion rate of 1.40 for the USD-denominated notes.

⁷ Including accrued interest.

		Enerkem Canada assets
TOTAL	CAD\$16,919,534.05	
Unsecured Convertible Bridge Loans as at March 31, 2025⁸		
Kariba LLC	CAD \$62,600.35	Unsecured
Pinnacle Investment Partners "Q-6" L.P.	CAD \$293,224.31	Unsecured
Cycle Capital Fund III	CAD \$808,708.73	Unsecured
Repsol	CAD \$3,905,748.13	Unsecured
Suncor Energy Inc.	CAD \$4,523,889.60	Unsecured
Fonds de Solidarité des travailleurs du Québec (F.T.Q.)	CAD \$758,066.32	Unsecured
Investissement Québec	CAD \$1,772,827.05	Unsecured
Banque Nationale du Canada	CAD \$492,251.18	Unsecured
Fondation, le Fonds de développement de la Confédération des Syndicats nationaux pour la coopération de l'emploi	CAD \$262,373.30	Unsecured
TOTAL	CAD \$12,879,688.95	

(b) **Senior Secured Convertible Notes and Superpriority Bridge Notes**

64. On March 31, 2022, Enerkem Canada entered into a note purchase agreement and related documentation (the "**Original Note Purchase Agreement**") with Repsol, Eyre Street and Monarch. Repsol, Eyre Street and Monarch are referred to herein as the "**Noteholders**".
65. The Original Note Purchase Agreement provided for the issuance of an aggregate principal amount of \$95,000,000 and an aggregate principal amount of US\$48,019,200 (\$60,000,000) in senior secured convertible notes (the "**Senior Secured Convertible Notes**").
66. On March 31, 2022, Enerkem Canada, EAB LP, Fiera, acting as agent for the EAB Lenders (as defined below) and Computershare Trust Company of Canada, acting as collateral agent for the Noteholders, entered into an Intercreditor Agreement (the "**Intercreditor Agreement**"). A copy of the Intercreditor Agreement is communicated as **Exhibit R-6**.
67. On February 16, 2024, following unsuccessful efforts by the Enerkem Group to raise additional capital from other sources, Enerkem Canada and the Noteholders entered into an amended and restated note purchase agreement and related documentation (the "**Amended and Restated Note Purchase Agreement**"), pursuant to which the Original Note Purchase Agreement was amended and restated to provide, *inter alia*, for certain amendments to the terms and conditions of the Senior Secured Convertible Notes issued under the Original Note Purchase Agreement. A copy of the Amended and Restated Note Purchase Agreement is communicated as **Exhibit R-7**.

⁸ Including accrued interest.

68. In addition to the amendments to the terms and conditions of the Senior Secured Convertible Notes, the Amended and Restated Note Purchase Agreement provided for the additional issuance of new senior secured superpriority notes up to a maximum principal amount of U.S. dollar equivalent of \$75,000,000 ("**Superpriority Bridge Notes**" and, together with the Senior Secured Convertible Notes, the "**Notes**"). As of the date hereof, Enkern Canada has issued Superpriority Bridge Notes in an aggregate principal amount of US\$44,062,216 (US\$51,080,970 including PIK interest).
69. The Noteholders constitute Enkern Canada's principal secured creditors. Enkern UK, Enkern Delaware, Enkern Spain, EAB LP and EAB GP act as guarantors under the Amended and Restated Note Purchase Agreement.
70. Enkern Canada and certain of the aforementioned guarantors have granted security in favour of Computershare Trust Company of Canada, as collateral agent to the Noteholders, in substantially all of their assets as security for the Notes, including:
- (a) two first ranking deeds of hypothec to Computershare Trust Company of Canada acting as collateral agent for the Noteholders, dated March 29, 2022 and March 26 2024, each for the sum of \$250,000,000 plus interest thereon at a rate of 25% per annum, and
 - (b) a second ranking general security agreement and debenture on substantially all of the assets of EAB GP and EAB LP, consisting of the Alberta Plant;
- as appears from copies of the foregoing documents granting security interests in favour of the Noteholders which are communicated, *en liasse*, as **Exhibit R-8**.
71. As referenced above and described further below, the Noteholders have entered into the Restructuring Term Sheet with the Enkern Group, setting out the principal terms of the Restructuring Transaction, which provides for, among other things, a credit bid of the Secured Notes Claims.
- (c) **The EAB Loan**
72. Enkern Canada and EAB are parties to a loan agreement dated September 24, 2014, as amended on April 20, 2015 and March 31, 2022 (the "**EAB Loan Agreement**"), with Integrated Private Debt Fund IV LP (now known as Fiera Private Debt Fund IV LP) ("**Fiera**") and Federation of Canadian Municipalities ("**FCM**" and, together with Fiera, the "**EAB Lenders**") pursuant to which Fiera and FCM made loans to Enkern Canada (with EAB as guarantor) for an aggregate original principal amount of \$39,000,000 in two tranches ("**EAB Loan**"). A copy of the EAB Loan Agreement is communicated as **Exhibit R-9**.
73. Fiera advanced \$29,000,000 under the first tranche of the EAB Loan Agreement and FCM advanced \$10,000,000 under the second tranche. The EAB Loan Agreement is secured by a first lien on the assets of EAB and a second lien on the assets of Enkern Canada.
74. On February 27, 2015, Enkern Canada granted a hypothec of \$78,000,000 on a universality of all its property by way of a Deed of Hypothec to Fiera, as agent for the EAB Lenders, a copy of which is communicated as **Exhibit-R-10**. On April 20, 2015, Enkern also entered into a debenture pledge agreement in favour of Fiera, as agent for the EAB Lenders for \$78,000,000, a copy of which is communicated as **Exhibit R-11**.
75. On March 31, 2022, Enkern Canada, EAB LP, Fiera, as agent for the EAB Lenders and Computershare Trust Company of Canada, acting as collateral agent for the Noteholders, entered into the Intercreditor Agreement.

76. On April 5, 2022, Fiera ceded its priority of rank on the universality of Enerkem Canada's assets to Computershare Trust Company of Canada, acting as agent for Noteholders.
77. On April 2, 2024, in light of the impending closure of the Alberta Plant on which assets the EAB Loan has first-ranking security, the EAB Lenders issued a demand letter to accelerate the repayment of the balance of the EAB Loan and filed a prior notice to exercise recourse of their hypothecary rights in Quebec. A copy of the loan acceleration notice is communicated as **Exhibit R-12**.

(d) **Unsecured Bridge Notes**

78. In September 2023 and October 2023, in an attempt to bridge the Enerkem Group to a more substantial capital raise, Enerkem Canada issued a total of five unsecured convertible bridge grid promissory notes, over three tranches, for an aggregate principal amount of \$10,935,434 (the "**Unsecured Notes**"), each with a maturity date of December 31, 2023.
79. More specifically, in September 2023, Enerkem Canada issued \$5,000,000 in unsecured promissory notes to certain existing preferred shareholders to fund working capital, and in October 2023, Enerkem issued two additional tranches of Convertible Bridge Notes totalling \$5,900,000 to provide additional working capital.
80. The schedule of principal amounts borrowed and advance dates are detailed in the table below:

Lender	Tranche 1: Amended and Restated Grid Convertible Promissory Note dated October 24, 2023 (with effect as of September 11, 2023)	Tranche 2: Grid Convertible Promissory Note dated October 11, 2023 and Billet Promissoire Convertible dated October 16, 2023*	Tranche 3: Grid Convertible Promissory Note dated October 24, 2023 and Billet Promissoire Convertible dated October 24, 2023**
Kariba LLC	\$52,779.10	n/a	n/a
Pinnacle Investment Partners, "Q-6" L.P.	\$247,220.90	n/a	n/a
Cycle Capital Fund III	\$681,643	n/a	n/a
Repsol	\$1,756,345	\$784,380	\$767,498
Suncor Energy Inc.	\$2,034,012	\$908,385	\$888,834
Fonds de Solidarité des travailleurs du Québec (F.T.Q.)	\$228,000	\$209,861	\$205,345
Investissement	n/a	\$772,608*	\$755,980**

Québec			
Banque Nationale du Canada	n/a	\$211,849	\$207,290
Fondation, le Fonds de développement de la Confédération des Syndicats nationaux pour la coopération de l'emploi	n/a	\$112,917	\$110,487
Total	CAD\$5,000,000	CAD\$3,000,000	CAD\$2,935,434

81. The Unsecured Notes were subsequently amended, in December 2023 and again in February 2024, to extend the maturity date, such that they are currently not reimbursable in cash prior to repayment in full of the Superpriority Bridge Notes and are convertible under certain conditions into common shares of Enerkem Canada.

(e) **Other Unsecured Debt**

82. Enerkem Canada is party to a Contribution Agreement dated March 20, 2017 with Développement Économique Canada (“DEC”) and VCE (as amended, the “DEC Agreement”) which provided for a contribution of up to \$4,000,000 for the Varennes Plant. When the DEC Agreement was entered into, VCE was a wholly owned subsidiary of Enerkem Canada. While the entirety of the \$3,473,354 actually funded by DEC was received by VCE and used solely for the Varennes Plant, Enerkem Canada was obliged by DEC to remain as solidary debtor with VCE, even following Enerkem Canada’s exit in November 2021 as an equity partner of VCE, due to the refusal of VCE’s other equity partners to assume their pro rata participation as guarantors for such amount. Following VCE’s filing for creditor protection under the CCAA in March 2025, DEC has demanded payment from Enerkem of the entire balance outstanding, being \$2,720,794.01 as of April 3, 2025.
83. EAB is party to a repayable contribution agreement with Sustainable Development Technology Canada (“SDTC”) pursuant to which it received \$53.3 million in federal funding to finance a portion of the construction and commissioning of the Alberta Plant. Repayment of the subsidy is contingent on the availability of sufficient free cash flows generated by the Alberta Plant over the prescribed repayment period ending on March 31, 2027. With the Alberta Plant decommissioned, and SDTC satisfied that the technology was successfully demonstrated and performance targets achieved, no repayment of the debt is anticipated.

(f) **Accounts Payable**

84. As of April 14, 2025, Enerkem Canada had approximately \$25 million in accounts payable to vendors.
85. As of April 14, 2025, EAB LP had \$7.1 million in accounts payable to vendors.

(g) **Litigation**

86. PME Inc. (“PME”), a company retained by EAB to provide equipment and services for the original construction of the Alberta Plant, filed a claim in December 2017 for \$5,632,599 against EAB alleging additional costs and disputed change orders, and added Enerkem Canada as a defendant in April 2018. EAB and Enerkem Canada filed a defense in July 2018. A portion of the dispute was settled by a decision of Alberta Court of Queen’s Bench in November 2021, reducing the original claim to \$3,895,434. The balance of the claim remains to be adjudicated; no date has been set for the continuation of the case.
87. In June 2024, a former executive filed a claim of \$2,056,466 against Enerkem Canada alleging termination without cause or constructive dismissal, which claim is disputed by Enerkem Canada. This claim remains to be adjudicated; no court date has yet been set to hear the case.
88. There are also a number of legal proceedings that have been instituted more recently against Enerkem Canada and/or EAB, and certain consent judgments issued under escrow, in connection with alleged unpaid invoices.

5. THE ENERKEM GROUP’S FINANCIAL DIFFICULTIES AND LIQUIDITY ENHANCEMENT INITIATIVES

89. Enerkem Canada’s business plan is to partner with strategic investors to develop projects and plants that will deploy Enerkem Canada’s proprietary technology. As the technology provider, Enerkem Canada provides a technology license agreement as well as a package of specialized proprietary equipment. Enerkem Canada also provides engineering services and technical support services.
90. Unfortunately, over the past twenty-four (24) months, Enerkem Canada has faced important setbacks caused by a number of factors described above, including in particular:
- a) Disagreements between Enerkem Canada and VCE as to their respective responsibility for unexpected delays in connection with the development and construction of the Varennes Plant have exposed Enerkem Canada to escalation in material prices and in logistics and manpower costs resulting from changes in global market conditions affecting the global supply chain;
 - b) Delays in the payments owing for equipment and services for the Varennes Plant and VCE’s ultimate filing for CCAA protection;
 - c) Unexpected delays in connection with the development of the Ecoplanta Plant, caused among other factors by the challenging political landscape in Spain, marked by a new coalition government proposing taxation on energy company revenues, which caused significant delays for Repsol, the owner of Ecoplanta, to be able to arrive at its final investment decision for the project;
 - d) Lingering debts and potential liabilities relating to the retirement and decommissioning of the Alberta Plant;
 - e) Decisions by other strategic partners to materially delay their proposed projects, thereby impacting Enerkem Canada’s project pipeline; and
 - f) An overall setback on commitments and government support in the energy transition.
91. In an effort to address anticipated funding shortfalls in light of the above factors and to attract capital to help accelerate the deployment of its technology, Enerkem Canada engaged a professional investment advisor in May 2023 to lead a new capital raise. Unfortunately, despite significant efforts, such capital raise was unsuccessful for a variety of reasons (including general

slow market dynamics in the renewables sector and a desire by many potential investors to see the Varennes Plant completed before investing), and Enerkem Canada was forced to turn first to some of its existing shareholders for bridge financing (through the Unsecured Notes) and eventually to the Noteholders for additional emergency bridge financing (through the Superpriority Bridge Notes).

92. Starting in 2024, the Enerkem Group has taken significant steps to reduce its corporate costs and restructure its business, including entering into the Amended and Restated Note Purchase Agreement, which provided important additional funding, as well as the following:
- a) On January 30, 2024, the Enerkem Group announced the closure of the Alberta Plant, thereby removing over \$40M of losses per year;
 - b) Throughout 2024 and into 2025, the Enerkem Group significantly reduced its headcount, from nearly 300 (including EAB employees) at the end of January 2024 to approximately 133 as of April 18, 2025; and
 - c) Over the same time period, the Enerkem Group also reduced other corporate costs such as commercial leasing costs for its Sherbrooke, Quebec location, information technology costs and external contracted services which, combined with workforce retrenchment, achieved combined cost reductions of over \$10M.
93. Ultimately, given the challenges described above, and the significant debt-load and cash burn, the Enerkem Group is not profitable, and is unable to continue to meet its obligations as they become due.
94. For the financial year ended on December 31, 2023, Enerkem Canada incurred, on a consolidated basis, a net loss of \$211.9 million (before net finance income or costs). A copy of Enerkem Canada's audited consolidated financial statements for the year ended December 31, 2023 are communicated, under confidential seal, as **Exhibit R-13**.
95. For the financial year ended on December 31, 2024, the Enerkem Group incurred, on a consolidated basis a net loss of \$70.2 million (before net finance income or costs). A copy of Enerkem Canada's draft unaudited consolidated financial statements for the year ended December 31, 2024 are communicated, under confidential seal, as **Exhibit R-14**.
96. In these circumstances, and as part of its efforts to stabilize the business of the Enerkem Group and address its financial challenges, Enerkem Canada has been actively engaged with the Ad Hoc Committee over an extended period of time on the terms of a comprehensive restructuring.
97. Following the conclusion of the Amended and Restated Note Purchase Agreement between Enerkem Canada and the Noteholders, the Enerkem Group continued evaluating different initiatives and out-of-court restructuring alternatives. Ultimately, the Enerkem Group, working alongside the Ad Hoc Committee, determined that an out-of-court solution was not feasible in the circumstances, and decided to proceed and negotiate the Restructuring Transaction. On May 10, 2025, the Enerkem Group and the Ad Hoc Committee entered into the Restructuring Term Sheet.

6. THE RESTRUCTURING TERM SHEET AND THE RESTRUCTURING TRANSACTION

98. The principal terms of the Restructuring Transaction are set out in the Restructuring Term Sheet. The Restructuring Term Sheet is a binding agreement entered into between the Enerkem Group and the Ad Hoc Committee, comprised of each of the three Noteholders, subject to, among other things, the negotiation and execution of definitive documents. Capitalized terms used in this section and not otherwise defined herein have the meanings given to such terms in the Restructuring Term Sheet.

99. At a high level, the Restructuring Transaction contemplates the acquisition by the Noteholders of the shares of Enerkem Canada pursuant to a credit bid reverse vesting transaction. The Restructuring Transaction will, among other things, provide for the following benefits to the Enerkem Group:
- a) A significant deleveraging of Enerkem Canada's balance sheet through a credit bid of the Senior Secured Convertible Notes and the Superpriority Bridge Notes, facilitated by the implementation of the Restructuring Transaction via a reverse vesting transaction;
 - b) A significant reduction in funded indebtedness;
 - c) The provision of up to \$25 million of committed financing made available by the members of the Ad Hoc Committee on the basis of 40% of principal amount to be funded by Repsol, 30% of principal amount to be funded by Eyre Street, and 30% of principal amount to be funded by Monarch; and
 - d) An enhanced positioning of Enerkem Canada to execute the Ecoplanta Agreements and achieve future success and growth.
100. In particular, the Restructuring Term Sheet contemplates the following key terms:
- a) Implementation of the Restructuring Transaction through a reverse vesting transaction by way of a Subscription Agreement under which, among other things, Excluded Assets and all obligations and liabilities of the Enerkem Group other than certain specific Assumed Liabilities will be transferred and vested out of the Enerkem Group to the ExcludedCo, the existing equity of Enerkem Canada will be cancelled for no consideration, and new equity of Enerkem Canada will be issued to the Noteholders in consideration for the Transaction Consideration, consisting of, among other things, the credit-bid of the Secured Notes Claims (less \$10 million or such other amounts as agreed by the Noteholders, with the amount that is not credit bid to be transferred to ExcludedCo on the Effective Date);
 - b) Receipt of the Interim Financing in an aggregate principal amount of \$12.5 million, which will be converted to Exit Loans on the Effective Date of the Restructuring Transaction. Repsol, as the Interim Lender, shall fund 100% of the principal amount of the Interim Financing until the Effective Date of the Restructuring Transaction, at which time Eyre Street and Monarch shall fund to Repsol their respective shares;
 - c) Entry into the Exit Facility upon the Effective Date of the Restructuring Transaction, comprised of Exit Loans consisting of:
 - i) all outstanding DIP Facility Claims, which shall be converted into and exchanged for Exit Loans on a dollar-for-dollar basis; and
 - ii) new money Exit Loans in a principal amount equal to CA\$25 million less the principal amount of DIP Facility Claims;
 - d) All of the individuals employed by Enerkem Canada shall remain with Enerkem Canada in connection with the completion of the Restructuring Transaction, except for such employees as may be identified by the Noteholders and Enerkem Canada prior to the Effective Date; and
 - e) Conduct of the SISP pursuant to the SISP Procedures concurrently with advancing the Restructuring Transaction and finalizing definitive documentation in respect thereof, to determine if there is a Superior Transaction, being a third-party transaction that will

provide for the repayment in full of all DIP Facility Claims and all Secured Notes Claims, or is otherwise acceptable to Enerkem Canada and the Ad Hoc Committee.

101. If no Superior Transaction emerges from the SISP, the SISP shall be terminated and the Ad Hoc Committee and the Enerkem Group shall proceed to seek Court approval of the Restructuring Transaction and work to implement such transaction.

7. THE NEED FOR CCAA PROTECTION

102. Notwithstanding significant efforts of management and the board of directors of Enerkem Canada over an extended period of time to address the various financial and operational challenges facing the Enerkem Group on an out-of-court basis, the Applicants have determined, in consultation with the Ad Hoc Committee, after careful review of all available alternatives and following consultation with its legal and financial advisors, to advance the Restructuring Transaction and concurrently conduct the SISP through these CCAA Proceedings, the whole so as to ultimately allow them to preserve enterprise value for the benefit of all of their stakeholders.
103. The Applicants require the benefit of the relief requested in this application, including a stay of proceedings and the Interim Facility, to allow them to continue operating as a going-concern while exploring these restructuring and sale efforts, engaging in further discussions with key stakeholders such as employees, suppliers, governmental authorities, equipment lessors, lenders, shareholders and affected communities under the stability and guidance of a court-supervised process, and to generally pursue available options for the benefit of all stakeholders.
104. With the protection from their creditors requested in connection with this application, the Applicants will focus their resources on:
- (a) obtaining court approval of the SISP;
 - (b) taking other steps, based on the availability of resources, to preserve and maintain the value of the Enerkem Group's assets and property; and
 - (c) such other matters that may arise throughout the CCAA Proceedings.
105. The Enerkem Group believes that the structure and oversight afforded by the CCAA process is necessary to implement such short-term measures, in conjunction with managing competing demands by various creditors and facilitating a restructuring under the CCAA with the supervision of the Court.
106. In order to properly implement the restructuring, the Enerkem Group requests that the following relief be ordered by the Court.

7.1 Application of the CCAA

107. As described in this Application, and as will be more fully described in the Pre-Filing Report:
- a) the Enerkem Group is facing a liquidity crisis which renders it unable to meet its obligations as and when they become due, and, as a result, the Enerkem Group is insolvent; and
 - b) the aggregate amount of the Enerkem Group's outstanding indebtedness, on a consolidated basis, is far greater than the C\$5 million threshold set out in the CCAA.
108. As such, the Enerkem Group meets the criteria set out at subsection 3(1) of the CCAA and are "debtor companies" to which the CCAA applies.

7.2 Stay of Proceedings

109. As set out above, and notwithstanding the significant capital raising and restructuring efforts undertaken prior to the commencement of the present CCAA Proceedings, the Enerkem Group is currently insolvent, with limited and depleting cash resources to pay its liabilities as they become due, and the Enerkem Group is expected to continue experiencing significant liquidity constraints in the weeks and months ahead.
110. The Enerkem Group is deeply concerned that unless the Stay of Proceedings is granted pursuant to the Initial Order, certain suppliers, creditors and other stakeholders may attempt to take steps to try to improve their positions in comparison to other similarly situated stakeholders, as well as take actions that will deplete the Enerkem Group's assets and jeopardize the conduct of any sort of restructuring process.
111. Accordingly, the Applicants hereby request the Stay of Proceedings against each of the Applicants and EAB LP, as well as their respective Property, and their respective D&Os for an initial ten (10) day Stay Period.
112. Before the expiration of the Stay Period, the Enerkem Group intends to return to this Court for a hearing on notice to interested parties for the issuance of the ARIO (Exhibit R-3) which relief will include, among other things, an extension of the Stay Period to August 22, 2025 and the approval of increases to certain of the super priority charges as will be reflected in the ARIO.
113. In preserving the status quo, the Stay of Proceedings will permit the Applicants to continue operating without unnecessary hindrances that may affect their operations and assets, while allowing them to develop their restructuring plan, including the approval of the SISP.
114. In the event of a forced liquidation and permanent termination of operations, the value of the Enerkem Group's assets will be substantially reduced. The Applicants believe that pursuing options under the CCAA will yield significantly better results for more stakeholders than any liquidation scenario.

7.3 Appointment of the Proposed Monitor

115. The Applicants request that Deloitte be appointed by the Court to act as Monitor in the present CCAA Proceedings.
116. Prior to the commencement of these CCAA Proceedings, Deloitte has been assisting the Enerkem Group as financial advisor and is familiar with their assets, businesses and personnel. In this role, Deloitte has obtained significant information in respect of the businesses, operations and assets of the Enerkem Group, an understanding of the many issues faced by the group and relevant to its restructuring efforts and a familiarity with the management and personnel of the Enerkem Group. Deloitte is therefore best qualified to act as Monitor and it is appropriate that Deloitte be appointed Monitor.
117. Deloitte is a licensed trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* (Canada) and is not subject to any of the restrictions on who may be appointed monitor as set out in subsection 11.7(2) of the CCAA, having provided no accounting or auditing advice to the Enerkem Group.
118. Deloitte has extensive experience in matters of this nature and is well-suited to this mandate and, as such, has confirmed that it consents, and is in a position to perform the monitoring duties without any delay.

119. Deloitte has confirmed that it is prepared to act as Monitor in these CCAA Proceedings pursuant - and subject to - the terms of the orders of the Court and the statutory provisions of the CCAA.
120. If so directed by the Court, Deloitte is also prepared to monitor the operations of the Enkern Group, to provide direction and guidance to management during the CCAA Proceedings, and to generally assist the Enkern Group with its restructuring efforts.
121. Given the foregoing, the Applicants believe that it is in the best interests of its creditors and other stakeholders that Deloitte be appointed to act as the Monitor during these CCAA Proceedings.

7.4 Interim Financing⁹

122. As will appear from the cash flow projections (the “**Cash Flow Projections**”) to be attached to the Pre-Filing Report, given its liquidity constraints, the Enkern Group will require interim financing during these CCAA Proceedings in order to, notably, continue as a going concern while conducting the contemplated SISP.
123. In this context, prior to the commencement of these CCAA Proceedings, the Applicants, together with the Proposed Monitor, have had several discussions regarding their financing needs to ensure the funding of the proposed CCAA restructuring.
124. On the basis of these discussions, the Interim Lender has advised the Applicants that it is prepared to provide Enkern Canada with interim financing pursuant to the terms of the Interim Financing Term Sheet in order to allow the Enkern Group to undertake their restructuring.
125. The Interim Facility is an integral part of the negotiations around the Restructuring Transaction and Restructuring Term Sheet. Based on the terms of the Restructuring Term Sheet, the Interim Facility will not require any cash repayments at exit as part of the Restructuring Transaction. Instead, all outstanding DIP Facility Claims will be converted into and exchanged for Exit Loans on a dollar-for-dollar basis.
126. As such, shortly prior to the commencement of these CCAA Proceedings, Repsol and the Applicants agreed upon the terms and conditions of an Interim Financing Term Sheet which provides for an Interim Facility, a copy of which is communicated as **Exhibit R-15**.
127. More specifically, the Interim Financing Term Sheet provides for the following material terms and conditions (and all capitalized terms not otherwise defined hereunder have the meaning ascribed to them in the Interim Financing Term Sheet):
 - a) **Interim Facility:** A senior secured superpriority debtor-in-possession, non-revolving multiple draw credit facility up to a maximum principal amount of \$12.5 million.
 - b) **Interest Rate:** 15% per annum.
 - c) **Security:** Super-priority charge (i.e. the “Interim Lender’s Charge”) against the Property of the Applicants, subordinate to the Administration Charge, the KERP Charge and the D&O Charge, as set out in the draft Initial Order and ARIO, in order to secure all advances to be made under the Interim Financing Term Sheet. Such super-priority charge will not secure obligations incurred prior to the commencement of these CCAA Proceedings;

⁹ Terms used in this section but not otherwise defined have the meaning ascribed to them in the Interim Financing Term Sheet

d) Permitted Purposes:

- i) to pay (i) the reasonable and documented legal and financial advisory fees and expenses of the Interim Lender, (ii) the reasonable and documented sale and financial advisory fees and legal fees and expenses of the Obligors (including, without limitation, any fees and expenses of Stikeman Elliott LLP), (iii) amounts pursuant to the KERP, (iv) the reasonable and documented fees and expenses of the Monitor and its legal counsel, and (v) the reasonable and documented fees and expenses of the Ad Hoc Group Advisors;
- ii) to pay the other fees and interest owing to the Interim Lender;
- iii) to fund the Obligors' general corporate and working capital purposes, including funding the CCAA Proceedings and the pursuit of the SISP; and
- iv) to advance and implement the Restructuring Transaction pursuant to the terms of the Restructuring Transaction Term Sheet and pay for fees and expenses of advisors in accordance thereto.

e) Maturity Date: On the earliest occurrence of, *inter alia*, the following events:

- i) the occurrence of any Event of Default which is continuing and has not been cured or waived in writing, and a demand for repayment in writing having been made by the Interim Lender to Enerkem Canada with a copy to the Monitor;
- ii) in respect of any Obligor, the termination of the CCAA Proceedings and/or the conversion thereof into a proceeding under the *Bankruptcy and Insolvency Act* (Canada) other than with the prior consent of the Interim Lender;
- iii) in respect of any Obligor, the implementation of a plan of arrangement under the CCAA other than with the prior consent of the Interim Lender; and
- iv) September 9, 2025.

f) Material Conditions: Issuance by the Court of the Initial Order, as well as the other conditions listed in the Interim Facility Term Sheet.

- 128. The Interim Facility, if it is authorized, will allow the Applicants to benefit from the funding they require to maintain their operations and implement the Restructuring Transaction.
- 129. As matters currently stand, the Enerkem Group is expected to run out of cash in the short term and, as such, it is urgent for this Court to authorize the Interim Facility and the Interim Lender's Charge.
- 130. In light of the foregoing, the Applicants are seeking the authority to borrow up to a maximum amount of \$12.5 million in order to finance the Applicants' critical required working capital requirements and other general corporate purposes, post-filing expenses and costs during the initial Stay Period.
- 131. Given the current financial situation of the Enerkem Group, including their cash position, the Interim Facility is the only feasible financing alternative available, and is on terms that are fair, reasonable and adequate. Moreover, the Interim Facility will allow the Applicants to give comfort to their stakeholders that they have access to sufficient liquidities in order to meet their ongoing obligations as part of these CCAA Proceedings.

132. The Applicants understand that the Proposed Monitor is supportive of this Court's approval of the Interim Financing Term Sheet and the establishment of the Interim Lender's Charge, as set out in the Initial Order.

7.5 Administration Charge

133. The participation of the Professionals is essential to these CCAA Proceedings.
134. Indeed, the Enkern Group requires and will continue to require the expertise, knowledge, and continued participation of the proposed beneficiaries of the Administration Charge during these CCAA Proceedings in order to complete a successful restructuring. Each of the beneficiaries of the Administration Charge will have distinct roles in the Enkern Group's restructuring and there will be no duplication of efforts.
135. The Professionals have advised the Applicants that they are willing to provide or continue to provide their professional services during the initial Stay Period to the extent that they are protected by a priority charge over their assets, property and undertaking in the amount of \$200,000, as part of the Initial Order, to be increased to the total amount of \$1 million, as part of the ARIO, in order to secure the payment of their professional fees.
136. Accordingly:
- a) At the initial hearing: The Applicants will request the establishment of an Administration Charge in favour of the Professionals in an initial amount of up to \$200,000, in order to secure the professional fees incurred to date in connection with the CCAA Proceedings and those that are expected to be incurred in the initial Stay Period; and
 - b) At the "comeback hearing": The Applicants will request that the Administration Charge be increased to an aggregate amount of up to \$1 million, in order to secure the professional fees that are expected to be incurred in the context of the CCAA Proceedings.
137. In this context, the Applicants respectfully submit that the Administration Charge sought is necessary and appropriate, as well as reasonable, under the circumstances and are in line with other administration charges previously granted in the context of other CCAA proceedings similar to the one at hand.

7.6 D&O Charge

138. Restructuring efforts by the Enkern Group will be significantly enhanced with continuity on the board of directors of Enkern Canada (collectively, the "**Directors**") as well as continuity of employment of its respective officers (collectively, the "**Officers**"), given the complexity of the Enkern Group's businesses and assets and the historical and specialized expertise and knowledge they possess with respect to the group's businesses, assets and the energy and environmental industry as a whole.
139. While the Enkern Group maintains an insurance policy for the benefit of its Directors and Officers (the "**D&O Insurance**"), the current amount of coverage provided by the D&O Insurance may ultimately not be sufficient to adequately protect the Directors and Officers from potential liability.
140. Although the Enkern Group intends to comply with all applicable laws and regulations, the D&O Insurance contains limits, exclusions and carveouts that could potentially affect the total amount of insurance available to the Directors and Officers.

141. Given the current financial situation of the Enerkem Group, these Directors and Officers require the assurance that the Enerkem Group will be in a position to indemnify them for all liabilities which they may incur in their capacity as directors and officers, after the commencement of these CCAA Proceedings.
142. Accordingly:
- a) At the initial hearing: The Applicants will request the establishment of a D&O Charge in favour of the D&Os in an initial amount of up to \$1,400,000, in order to secure the Enerkem Group's indemnification obligations towards them, in connection with any claim which may be asserted against them, personally, in the initial Stay Period; and
 - b) At the "comeback hearing": The Applicants will request that the D&O Charge be increased to an aggregate amount of up to \$2,000,000, in order to secure the Enerkem Group's indemnification obligations towards its Directors and Officers, in connection with any claim which may be asserted against them, personally, from and after the commencement of these CCAA Proceedings.
143. The Applicants submit that the requested D&O Charge is reasonable and adequate given, notably, the complexity of their business, and the corresponding potential exposure of the Directors and Officers to personal liability, especially in the present context where the Applicants are insolvent.
144. Absent the approval by this Court of the D&O Charge in the amounts set out above, the Applicants are concerned that one or more of the Directors and Officers will be forced to resign, which would, in all likelihood, render these CCAA Proceedings much more challenging, and possibly much more costly, to the detriment of the Enerkem Group's creditors and other stakeholders.
145. In addition, the Applicants further submit that the D&O Charge will provide assurances to their employees that the Applicants' obligations towards them for accrued wages and vacation pay shall be satisfied.
146. The Applicants believe that the amount of the D&O Charge is fair and reasonable in the circumstances and understand that the Proposed Monitor is supportive of the relief.

7.7 Key Employee Retention Plan

147. The Applicants have identified certain key employees (collectively, the "**Key Employees**") who will be critical in the conduct of these CCAA Proceedings and the implementation of the restructuring efforts to be undertaken in the context thereof, including the conduct of the proposed SISP.
148. Retaining these Key Employees during the CCAA Proceedings will provide critical stability in these otherwise uncertain times. It is anticipated that this stability will enable the Enerkem Group to maintain orderly operations and existing customer relations, as well as maximize enterprise value throughout the course of these CCAA Proceedings.
149. Accordingly, prior to these CCAA proceedings, and in light of the difficult financial situation that the Applicants have been under for several months, Enerkem Canada developed a Key Employee Retention Plan (the "**KERP**") in order to provide incentives for Key Employees to continue to work during the CCAA Proceedings, the whole in consultation and with the prior approval of the Ad Hoc Committee. A copy of the KERP summary is communicated herewith, under seal, as **Exhibit R-16**.

150. The KERP provides incentives for Key Employees to continue to remain employed by the Enerkem Group in the unusual circumstances that face these employees. Indeed, the KERP will ensure that these Key Employees continue to work for the Enerkem Group with the objective of completing the restructuring under the CCAA.
151. In order to secure the payment owed to such Key Employees in accordance with the KERP, the Applicants seek a priority charge over their Property as part of the Initial Order, in an amount of \$850,000 (the “**KERP Charge**”).
152. The KERP is filed under seal, as the disclosure of such confidential information to the public may give third parties the necessary information to induce these Key Employees to resign and work for such third parties. The salutary effects of sealing such information from the public record greatly outweigh the deleterious effects of doing so under the circumstances.

7.8 Approval of the SISP

153. Subject to the issuance by this Court of the Initial Order and of the ARIO, the Enerkem Group intends to conduct and implement a SISP, under the supervision of the Monitor, who will also be assisted by Deloitte Corporate Finance Inc., in accordance with the terms and conditions set out in the SISP Procedures appended to the draft SISP Order (Exhibit R-2).
154. The SISP, which was developed by the Applicants in consultation with the Monitor, the Interim Lender and the Ad Hoc Committee, provides for the procedures set out in **Exhibit R-2** communicated herewith, and the achievement of the following milestones:¹⁰

<u>Event</u>	<u>Date</u>
PHASE 1	
1. <u>Solicitation Letter</u> Monitor to distribute Solicitation Letter to potentially interested parties	Starting May 12, 2025
2. <u>CIM and VDR</u> Enerkem Group to prepare and have available the CIM and VDR for parties having executed the NDA (Potential Transaction Parties)	By no later than May 14, 2025
3. <u>Phase 1 Qualified Bidders & Bid Deadline</u> Phase 1 Bid Deadline (for delivery of non-binding LOIs by Phase 1 Qualified Bidders in accordance with the requirement of paragraph Erreur ! Source du renvoi introuvable. of the SISP Procedures)	By no later than June 19, 2025 at 5:00 pm (ET)
If applicable, termination of SISP if none of the non-binding LOIs by Phase 1 Qualified Bidders provide for a Superior Transaction.	
4. <u>Phase 1 Satisfactory Bid</u> Monitor to notify each Phase 1 Qualified Bidder in writing as to whether its bid constituted a Phase 1 Satisfactory Bid	By no later than June 26, 2025

¹⁰ Capitalized terms in this chart have the meanings ascribed to them in the SISP Procedures.

<u>Event</u>	<u>Date</u>
PHASE 2	
5. <u>Phase 2 Bid Deadline & Qualified Bidders</u> Phase 2 Bid Deadline (for delivery of definitive offers by Phase 2 Qualified Bidders in accordance with the requirement of paragraph Erreur ! Source du renvoi introuvable. of the SISP Procedures)	By no later than August 1 st , 2025 at 5:00 pm (ET)
If applicable, termination of SISP if none of the Binding Offers by Phase 2 Qualified Bidders provide for a Superior Transaction.	
6. <u>Selection of final Successful Bid(s)</u> Deadline for selection of final Successful Bid(s)	By no later than August 8, 2025
7. <u>Definitive Documentation</u> Completion of definitive documentation in respect of Successful Bid(s)	By no later than August 15, 2025
8. <u>Approval Application - Successful Bid(s)</u> Filing of Approval Application in respect of Successful Bid(s)	By no later than August 22, 2025
9. <u>Closing - Successful Bid(s)</u> Anticipated deadline for closing of Successful Bid(s)	By no later than August 29, 2025
10. <u>Outside Date – Closing</u> Outside Date by which the Successful Bid must close	By no later than September 5, 2025

155. The SISP will be conducted in parallel with the Restructuring Transaction to determine if there is a superior third-party transaction that will provide for the repayment in full of all DIP Facility Claims and all Secured Notes Claims, or that is otherwise acceptable to Enerkem Canada and the Ad Hoc Committee.
156. The Applicants believe that the SISP provides for a fair and transparent process that will fairly canvass the market in order to maximize value for the Applicants' assets resulting in the best outcome for the Applicants' stakeholders, including their employees, and their creditors, suppliers, and contracting parties. The Applicants submit that the SISP timelines are also appropriate, particularly considering the extensive financing efforts that have already been undertaken prior to the CCAA Proceedings.
157. Given the nature of the assets and the limited liquidity of the Enerkem Group, the Applicants submit that the proposed SISP should be approved by this Court. The Proposed Monitor is supportive of the proposed SISP.

8. CONCLUSION

158. The Applicants are currently in a challenging financial position and are no longer able to meet their financial obligations and require issuance of the Initial order and the resulting protection under the CCAA.
159. After having considered all strategic alternatives, the Applicants, in consultation with the Professionals, have come to the conclusion that advancing the Restructuring Transaction in conjunction with the SISP within these CCAA Proceedings is the most appropriate course of action to preserve and maximize value for the benefit of the Enerkem Group and its stakeholders, including creditors.
160. The Applicants believe that the best way to maintain stability and maximize value for their creditors and other stakeholders is for the Court to grant the orders sought herein.
161. Considering the urgency of the situation, the Applicants respectfully submit that the notices given of this Application for the purposes of all orders sought herein are proper and sufficient and that this Application should be granted in accordance with its conclusions.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

- [1] **GRANT** the present application for the issuance of an Initial Order;
- [2] **ISSUE** orders substantially in the form of:
- (a) the draft Initial Order communicated as Exhibit R-1, at the first day hearing;
 - (b) the draft SISP Order communicated as Exhibit R-2, at the first day hearing; and
 - (c) the draft ARIO communicated as Exhibit R-3, at the “comeback hearing”.

WITHOUT COSTS, save and except in case of contestation.

Montréal, May 11, 2025

Stikeman Elliott

Me Guy P. Martel

Direct : 514 397 3163

Courriel: gmartel@stikeman.com

Me Nathalie Nouvet

Direct : 514 397 3128

Email : nnouvet@stikeman.com

Me Melis Celikaksoy

Direct : 514 397 3279

Email : MCelikaksoy@stikeman.com

STIKEMAN ELLIOTT S.E.N.C.R.L., S.R.L.

1155 René-Lévesque W.

Suite 4100

Montreal (Quebec) H3B 3V2

Attorneys of the Applicants and Mise-en-cause

SWORN STATEMENT

I, the undersigned, Michel Chornet, having a place of business at 1130 Sherbrooke Street West, Suite 600, in the city and district of Montréal, Québec, solemnly declare the following:

1. I am the Chief Executive Officer of Enerkem Inc.;
2. All the facts alleged in the *Application for the issuance of an Initial Order, an Amended and Restated Initial Order and an Order Approving a Sale and Investment Solicitation Process* are, to the best of my knowledge, true.

AND I HAVE SIGNED:



Michel Chornet

**SOLEMNLY DECLARED before me by
videoconference, at Montréal, on this 11th day
of May, 2025**

 #167833

**Commissioner of Oaths for the Province of
Québec**

NOTICE OF PRESENTATION

TO: Service List

TAKE NOTICE that the present *Application for the issuance of an Initial Order, an Amended and Restated Initial Order, and an Order Approving a Sale and Investment Solicitation Process* will be presented for adjudication before the Honourable Céline Legendre, j.c.s., Commercial Division, sitting in and for the district of Montréal, in the Montréal Courthouse located at 1, Notre-Dame Street East, Montréal, Québec, on **May 12, 2025**, at **9:30am**, in room **16.05**.

DO GOVERN YOURSELF ACCORDINGLY.

16.05	Rejoindre la réunion Microsoft Teams +1 581-319-2194 Canada, Quebec (Numéro payant) (833) 450-1741 Canada (Numéro gratuit) ID de conférence : 690 445 754# Numéros locaux Réinitialiser le code confidentiel En savoir plus sur Teams Options de réunion Rejoindre à l'aide d'un dispositif de vidéoconférence teams@teams.justice.qc.ca ID de la conférence VTC : 1135734741 Autres instructions relatives à la numérotation VTC
--------------	---

Montréal, May 11, 2025



Me Guy P. Martel

Direct : 514 397 3163

Courriel: gmartel@stikeman.com

Me Nathalie Nouvet

Direct : 514 397 3128

Email : nnouvet@stikeman.com

Me Melis Celikaksoy

Direct : 514 397 3279

Email : MCelikaksoy@stikeman.com

STIKEMAN ELLIOTT S.E.N.C.R.L., S.R.L.

1155 René-Lévesque W.

Suite 4100

Montreal (Quebec) H3B 3V2

Attorneys of the Applicants and Mise-en-cause

C A N A D A

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
Commercial Division

Nº: **500-11-**

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

ENERKEM INC.

ENERKEM ALBERTA BIOFUELS G.P. INC.

ENERKEM LIMITED (UK)

ENERKEM CORPORATION (DELAWARE)

**ENERKEM SPAIN HOLDINGS, SOCIEDAD LIMITADA
(SPAIN)**

9390-1783 QUÉBEC INC.

Applicants

-and-

ENERKEM ALBERTA BIOFUELS L.P.

Mise-en-cause

-and-

DELOITTE RESTRUCTURING INC.

Proposed Monitor

**LIST OF EXHIBITS IN SUPPORT OF THE APPLICATION FOR THE ISSUANCE OF AN INITIAL
ORDER, AN AMENDED AND RESTATED INITIAL ORDER AND AN ORDER APPROVING A SALE
AND INVESTMENT SOLICITATION PROCESS**

Exhibit R-1: Draft Initial Order

Exhibit R-1A: Redline document comparing the proposed Initial Order to the model CCAA initial order

Exhibit R-2: Draft SISF Approval Order and SISF Procedures

Exhibit R-3: Draft ARIO

Exhibit R-3A: Redline document comparing the proposed ARIO to the model CCAA initial order

Exhibit R-4	Restructuring Term Sheet
Exhibit R-5:	Extracts from the Québec Enterprise Register for Enerkem Canada
Exhibit R-6:	Intercreditor Agreement dated March 31, 2022
Exhibit R-7:	Amended and Restated Note Purchase Agreement dated February 16, 2024
Exhibit R-8:	(<i>En liasse</i>) two first ranking deeds of hypothec to Computershare Trust Company of Canada and second ranking general security agreement and debenture
Exhibit R-9:	Amended Loan agreement dated March 31, 2022
Exhibit R-10:	Deed of Hypothec to Fiera dated February 27, 2015
Exhibit R-11:	Debenture pledge agreement dated April 20, 2015
Exhibit R-12:	Loan acceleration notice dated April 2, 2024
Exhibit R-13: <u>UNDER SEAL</u>	Enerkem Canada's audited consolidated financial statements for the year ended December 31, 2023
Exhibit R-14: <u>UNDER SEAL</u>	Enerkem Canada's draft unaudited consolidated financial statements for the year ended December 31, 2024
Exhibit R-15:	Interim Financing Term Sheet
Exhibit R-16: <u>UNDER SEAL</u>	List of KERP participants and amounts

Montréal, May 11, 2025



Me Guy P. Martel

Direct : 514 397 3163

Courriel: gmartel@stikeman.com

Me Nathalie Nouvet

Direct : 514 397 3128

Email : nnouvet@stikeman.com

Me Melis Celikaksoy

Direct : 514 397 3279

Email : MCelikaksoy@stikeman.com

STIKEMAN ELLIOTT S.E.N.C.R.L., S.R.L.

1155 René-Lévesque W.

Suite 4100

Montreal (Quebec) H3B 3V2

Attorneys of the Applicants and Mise-en-cause

**SUPERIOR COURT
(Commercial Division)**

N° :

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

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

ENERKEM INC.
ENERKEM ALBERTA BIOFUELS G.P. INC.
ENERKEM LIMITED (UK)
ENERKEM CORPORATION (DELAWARE)
ENERKEM SPAIN HOLDINGS, SOCIEDAD LIMITADA (SPAIN)
9390-1783 QUÉBEC INC.

Applicants

-and-

ENERKEM ALBERTA BIOFUELS L.P.

Mise-en-cause

-and-

DELOITTE RESTRUCTURING INC.

Proposed Monitor

BS0350

File: 109513-1043

APPLICATION FOR THE ISSUANCE OF AN INITIAL ORDER, AN
AMENDED AND RESTATED INITIAL ORDER, AND AN ORDER
APPROVING A SALE AND INVESTMENT SOLICITATION
PROCESS
(Sections 9, 11, 11.001, 11.02, 11.03, 11.51, 11.52, 11.7, 23 and 36
of the *Companies' Creditors Arrangement Act*)

ORIGINAL

Me Guy P. Martel

(514) 397-3163

gmartel@stikeman.com

Me Nathalie Nouvet

(514) 397-3128

nnouvet@stikeman.com

STIKEMAN ELLIOTT
Stikeman Elliott LLP BARRISTERS & SOLICITORS
41st Floor
1155 René-Lévesque West
Montréal, Canada H3B 3V2