

COURT FILE NUMBER 2401-05179

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANTS IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, as amended
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ALPHABOW ENERGY LTD.

DOCUMENT **ORDER (Sales Approval and Vesting)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
BENNETT JONES LLP
Barristers and Solicitors
4500 Bankers Hall East
855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Keely Cameron / Sarah Aaron
Telephone No.: 403-298-3324/3177
Fax No.: 403-265-7219
Client File No.: 88323.6

DATE ON WHICH ORDER WAS PRONOUNCED: November 7, 2024

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice M. H. Bourque

LOCATION OF HEARING: Calgary Court Centre

UPON the application of AlphaBow Energy Ltd. ("**AlphaBow**" or the "**Applicant**") for an Order approving the sale transaction (the "**Transaction**") contemplated by the October 20, 2024, Asset Purchase and Sale Agreement (the "**Sale Agreement**") between AlphaBow and Resistance Energy Ltd. (the "**Purchaser**"); **AND UPON having read** the Affidavit of Ben Li, sworn on October 21, 2024, the Affidavit of Service of Stephanie Dumoulin, and the Monitor's Fourth Report (the "**Fourth Report**"); **AND UPON noting** the November 7, 2024, decision of

Justice M. H. Bourque that the 17.5% gross overriding royalty granted by AlphaBow to Advance Drilling Ltd. is not an interest in land; **AND UPON hearing** the submissions of counsel for the Applicant, counsel for KSV Restructuring Inc. (the "**Monitor**"), and any other interested parties appearing at the application;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and the supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application.

APPROVAL OF TRANSACTIONS

2. The Transaction is hereby approved, and the Sale Agreement is commercially reasonable and in the best interests of AlphaBow and its stakeholders. The execution of the Sale Agreement by AlphaBow is hereby ratified, confirmed and approved, and AlphaBow is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transaction and for the conveyance of the assets set out in Schedule "A" hereto (the "**Purchased Assets**") to the Purchaser.

VESTING OF PROPERTY

3. Subject only to approval by the Alberta Energy Regulator ("**Energy Regulator**") of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta), and upon the delivery of a Monitor's Certificate to the Purchaser substantially in the form attached as Schedule "B" hereto (the "**Monitor's Certificate**"), all of AlphaBow's right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims,

whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- (a) any Encumbrances or Charges (as created by and defined in the Initial Order of the Honourable Justice Lema and any other Orders granted in this Action);
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act*, the *Mines and Minerals Act*, the *Land Titles Act* or any other personal, mineral or real property registry system; and
- (c) those Claims listed in Schedule "C" hereto

(all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in Schedule "D" (collectively, "**Permitted Encumbrances**")) and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

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

- (a) Alberta Energy shall and is hereby authorized, requested and directed to forthwith:
 - (i) cancel and discharge those Claims including builders' liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted

Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Applicant in and to any of the Purchased Assets located in the Province of Alberta; and

(ii) transfer all Crown leases listed in Schedule "E" to this Order standing in the name of the Applicant, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;

(b) the Registrar of the Alberta Personal Property Registry (the "**PPR Registrar**") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Applicant in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.

5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and AlphaBow's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by AlphaBow of the Sale Agreement.
7. Upon delivery of the Monitor's Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land

Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by KSV Restructuring Inc., in its capacity as Monitor of the Applicant and not in its personal capacity.

8. For the purposes of determining the nature and priority of Claims, the net proceeds from sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets from and after delivery of the Monitor's Closing Certificate and all Claims (but excluding Permitted Encumbrances and the Administration Charge, as defined in paragraph 30 of the Amended and Restated Initial Order of this Honourable Court, dated April 26, 2024) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), no distributions shall be made to creditors of net proceeds from sale of the Purchased Assets without further order of this Court. Notwithstanding the foregoing, AlphaBow shall be permitted to utilize the net proceeds from the sale of the Purchased Assets in its day-to-day operations in this proceeding as prescribed by the cashflow affixed to the Fourth Report.
9. Except as expressly provided for in the Sale Agreement, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against AlphaBow.
10. Upon completion of the Transaction, AlphaBow and all persons who claim by, through or under AlphaBow in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the

Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the AlphaBow, or any person claiming by, through or against the AlphaBow.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against AlphaBow associated with the Purchased Assets.
13. The Monitor is directed to file with the Court a copy of the Monitor's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

MISCELLANEOUS MATTERS

14. Notwithstanding:
 - (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "**BIA**"), in respect of the Applicant, and any bankruptcy order issued pursuant to any such applications;
 - (c) any assignment in bankruptcy made in respect of AlphaBow; and
 - (d) the provisions of any federal or provincial statute,

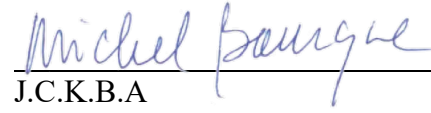
the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of AlphaBow and shall not be void or voidable by creditors of AlphaBow, nor shall it constitute nor be deemed to be a transfer at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

applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

15. AlphaBow, the Monitor, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
16. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist AlphaBow and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to AlphaBow, as may be necessary or desirable to give effect to this Order or to assist the AlphaBow and its agents in carrying out the terms of this Order.
17. Service of this Order shall be deemed good and sufficient by:
 - (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
 - (b) Posting a copy of this Order on the Monitor's website at: <https://www.ksvadvisory.com/experience/case/alphabow;>

and service on any other person is hereby dispensed with.

18. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.



J.C.K.B.A

SCHEDULE A

Assets Listing

Lands Schedule/Mineral Property Report:

Section 19 Township 38 Range 8 W4M
Alberta Crown lease # 0000037110 (001)
PNG surface to base Mannville excluding NG in Rex
94.2% working interest

Wells:

100/13-19-38-8 W4M - License #0160860

Facilities:

All equipment on the 13-19-38-8W4M wellsite

Pipelines:

88.9mm NG pipeline from 13-19-38-8W4M to 6-19-38-8W4M - License # AB00027662-3

SCHEDULE B

Form of Monitor's Certificate

COURT FILE NUMBER 2401-05179

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PROCEEDING IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended

AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF ALPHABOW ENERGY LTD.

DOCUMENT SALE AND VESTING ORDER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT BENNETT JONES LLP
Barristers and Solicitors
4500 Bankers Hall East
855 – 2 Street SW
Calgary, Alberta T2P 4K7

Attention: Keely Cameron/ Sarah Aaron
Telephone No.: 403-298-3324/3177
Fax No.: 403-265-7219
Client File No.: 88323.6

RECITALS

- A. Pursuant to an Order of the Court dated November 7, 2024, the Court approved the agreement of purchase and sale made as of October 20, 2024 (the "**Sale Agreement**") between AlphaBow Energy Inc. ("**AlphaBow**") and Resistance Energy Ltd. (the "**Purchaser**") and provided for the vesting in the Purchaser of AlphaBow's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing of the Sale Agreement have been satisfied or waived by AlphaBow and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

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

THE MONITOR CERTIFIES the following:

1. The Purchaser (or its nominee) has paid the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing of the Sale Agreement have been satisfied or waived by AlphaBow and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at [Time] on [Date].

**KSV Advisory , in its capacity as
Monitor of AlphaBow Energy Inc.,
and not in its personal capacity.**

**Per: _____
Name: Andrew Basi**

SCHEDULE C

Identified Claims

The Gross Overriding Royalty Agreement, dated November 23, 2018;

The Royalty Agreement, dated October 28, 2021; and

The Settlement Agreement, dated November 12, 2021.

SCHEDULE D

Permitted Encumbrances

Permitted Encumbrances consist of the following (with capitalized terms having the definitions given to them in the Sale Agreement, unless otherwise defined in this Order):

- i. any overriding royalties, net profits interests and other burdens, which are provided for under the Title Documents;
- ii. the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;
- iii. the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
- iv. easements, rights of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;
- v. taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;
- vi. agreements for the sale, processing, transmission or transportation of Petroleum Substances entered into by the Vendor subsequent to the date of this Agreement;
- vii. any obligation of the Vendor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
- viii. any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;
- ix. undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards the Vendor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;
- x. the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;
- xi. provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;
- xii. any requirement to post or maintain any deposits or other form of security required by any Governmental Authority; and

- xiii. liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof.