

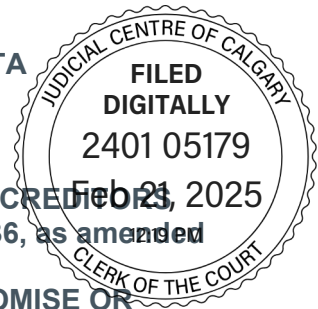


COURT FILE NUMBER **2401-05179**

COURT **COURT OF KING'S BENCH OF ALBERTA**

JUDICIAL CENTRE **CALGARY**

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



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

DOCUMENT **EIGHTH REPORT OF THE MONITOR**

**FEBRUARY 21, 2025**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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## 1.0 Introduction

1. On March 28, 2024 (the “**Filing Date**”), Alhabow Energy Ltd. (“**Alhabow**”, the “**Company**”, or the “**Applicant**”) filed a Notice of Intention to Make a Proposal (“**NOI**”), pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) (the “**NOI Proceeding**”). KSV Restructuring Inc. (“**KSV**”) consented to act as proposal trustee (the “**Proposal Trustee**”) in the NOI Proceeding.
2. On April 26, 2024, the Applicant sought and obtained an initial order (the “**Initial Order**”) from the Court of Kings’ Bench of Alberta (the “**Court**”) granting, among other things, a continuation of the NOI Proceedings under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c C-36, as amended (the “**CCAA**”) (the “**CCAA Proceeding**”). This report (the “**Eighth Report**”) is filed by KSV in its capacity as monitor (the “**Monitor**”) in the CCAA Proceeding.
3. The Initial Order granted, among other things, the following relief within the CCAA Proceeding:
  - a) declaring the NOI Proceeding previously filed by the Applicant is taken up and continued under the CCAA, pursuant to section 11.6(a) of the CCAA;
  - b) terminating the NOI Proceeding;
  - c) granting a stay of all proceedings, rights, and remedies against or in respect of the Applicant until May 6, 2024 (the “**Stay Period**”); and
  - d) granting a charge to not exceed \$100,000 as security for the fees and disbursements of the Monitor, the Monitor’s counsel, Cassels Brock & Blackwell LLP (“**Cassels**”), and the Applicant’s counsel, Bennett Jones LLP (“**Bennett Jones**”) (the “**Administration Charge**”), against the Applicant’s current and future assets, undertakings and properties of every nature and kind whatsoever (including all real and personal property), and wherever situated, including all proceeds thereof (collectively the “**Property**”).
4. Further on April 26, 2024, the Court granted the Applicant’s application for an amended Initial Order (the “**Amended and Restated Initial Order**”) which included, amongst other matters, the following relief:

- a) extending the Stay Period to, and including, July 31, 2024; and
  - b) increasing the quantum of the Administration Charge to \$500,000.
5. In addition, on April 26, 2024, the Court granted the Applicant's application for a sale and investment solicitation process order (the "**SISP Order**") which includes, amongst other matters, the following relief:
- a) approval of a sale and investment solicitation process ("**SISP**"); and
  - b) authorizing the Monitor and Sayer Energy Advisors (the "**Sales Advisor**") to conduct the SISP and approving the engagement agreement between the Applicant and the Sales Advisor.
6. Finally, on April 26, 2024, the Court approved the Applicant's application for a sale approval and vesting order approving the sale transaction (the "**Cascade Transaction**") pursuant to the purchase and sale agreement dated April 15, 2024, between Alphabow and Cascade Capture Ltd. The Cascade Transaction subsequently closed on May 8, 2024.
7. On July 23, 2024, the Court granted an extension to the Stay Period to August 31, 2024. The Stay Period was then subsequently extended to September 30, 2024, by an order issued by this Court on August 27, 2024.
8. On September 20, 2024, the Court granted Alphabow's applications for:
- a) a sale approval and vesting order approving a sale transaction (the "**Cenovus Transaction**") pursuant to the purchase and sale agreement dated September 4, 2024, between Alphabow and Cenovus Energy Inc.. The Cenovus Transaction subsequently closed on October 2, 2024;
  - b) an order (the "**Claims Process Order**") authorizing Alphabow to undertake a claims process for the purpose of ascertaining the quantum of cure costs associated with certain assets included as part of the SISP (the "**Claims Process**"); and
  - c) an order, which amongst other things, extended the Stay Period to, and including, October 31, 2024.

9. On November 4, 2024, the Court granted Alphabow's applications for multiple sale approval and vesting orders approving several transactions pursuant to purchase and sale agreements between Alphabow and:
  - i. Culloden Resources Ltd. and Rayberg Holding Ltd. ("**Culloden and Rayberg**");
  - ii. Durham Creek Energy Ltd. ("**Durham**");
  - iii. 2505108 AB Ltd. and Tians Oil Ltd. ("**250 and Tians**"); and
  - iv. Resistance Energy Ltd. ("**Resistance**")

(collectively referred herein as the "**November 4<sup>th</sup> Transactions**")
10. All of the November 4th Transactions have now closed.
11. Also on November 4, 2024, the Court granted Alphabow's application for an Order, which amongst other things, extended the Stay Period to, and including, November 29, 2024.
12. On November 5, 2024, on application by the Company, the Court declared that two royalty agreements (the "**Advance GORR**") between Alphabow and Advance Drilling Ltd. ("**Advance**") did not create an interest in land and will be vested off as part of the sale of Alphabow's assets.
13. On November 21, 2024, the Court granted Alphabow's applications for multiple sale approval and vesting orders approving several transactions pursuant to purchase and sale agreements entered into between Alphabow and:
  - i. Power Serv Engine & Compressor Repair (Med Hat) Ltd. ("**Powerserv**");
  - ii. Ember Resources Inc. ("**Ember**");
  - iii. Tykewest Limited ("**Tykewest**");
  - iv. Crbon Labs Inc. ("**Crbon**"); and
  - v. HWN Energy Ltd. ("**HWN**");

(collectively referred herein as the "**November 21<sup>st</sup> Transactions**")

14. All of the November 21st Transactions have now closed, except for the transaction with Crbon.
15. Also on November 21, 2024, the Court granted Alphabow's application for an Order, which amongst other things, extended the Stay Period to, and including, December 31, 2024.
16. On December 19, 2024, the Court granted Alphabow's applications for multiple sale approval and vesting orders approving several transactions pursuant to purchase and sale agreements between Alphabow and:
  - i. North 40 Resources Ltd. ("**North40**");
  - ii. Rockeast Energy Corp. ("**Rockeast**");
  - iii. PointBreak Resources Inc. ("**PointBreak**");
  - iv. Warwick Gas Storage Ltd. ("**Warwick**");
  - v. Signalta Resources Limited ("**Signalta**");
  - vi. 2628071 Alberta Ltd. ("**071 AB**"); and
  - vii. 2628069 Alberta Ltd. ("**069 AB**");

(collectively referred herein as the "**December 19<sup>th</sup> Transactions**").
17. The North 40 sale approval and vesting order was amended and restated on January 21, 2025 to reflect amendments to Schedule "F" of the sales agreement between Alphabow and North 40. Such amendments corrected omissions in the schedule of registrations to be transferred.
18. All the December 19<sup>th</sup> Transactions have closed except for the transactions with 071 AB and 069 AB which will close with the Corporate Transaction (defined below).
19. Also on December 19, 2024, the Court granted Alphabow's applications for:

- a) an approval and reverse vesting order (the “**RVO**”), approving, among other things, the transaction (the “**Corporate Transaction**”) for the transfer of all the common shares of Alhabow to 071 AB pursuant to an Amended and Restated Subscription Agreement dated December 16, 2024 (the “**Subscription Agreement**”); and
  - b) an order, which amongst other things, extended the Stay Period to, and including, February 14, 2025 (the “**December Stay Extension Order**”) and required Alhabow to pay to the Monitor from the proceeds of transactions contemplated in paragraph 4 of the Seventh Li Affidavit a holdback amount of \$3 million from net proceeds from the transactions to satisfy the pre and post filing amounts claimed by the Orphan Well Association for the provision of reasonable care and measures costs (“**RCAM Amounts**”). The provision in the December Stay Extension Order related to RCAM Amounts was without prejudice to the ability of the Municipalities to advance opposition to the payment of pre-filing amounts at the application scheduled on January 9, 2025.
20. The Corporate Transaction is expected to close after all other transactions for Alhabow’s non-core assets have closed.
  21. On January 8, 2025, the Court granted Alhabow’s application for an Order amending the December Stay Extension Order, reducing the RCAM Amounts from \$3.0 million to \$1.9 million. This amount is currently held in the Monitor’s trust account until the RCAM Amounts claimed can be admitted for payment.
  22. On February 4, 2025, the Court granted Alhabow’s application for an Order extending the Stay Period to, and including, May 9, 2025.

## 1.1 Purposes of this Eighth Report

1. This Eighth Report is intended to provide the Court with further information related to the relief sought by the Company in its application scheduled for hearing on February 25, 2025. This Eighth Report specifically provides information regarding:
  - a) the Monitor’s activities since the Monitor’s seventh report dated January 30, 2025 (the “**Seventh Report**”);
  - b) the Company’s activities since the Seventh Report;

- c) the Monitor's comments and report on the Company's actual performance to date versus the cash flow forecast commencing on January 27, 2025 and ending May 11, 2025 (the "**Ninth Cash Flow Statement**");
- d) an update on the SISP;
- e) an update on the Claims Process;
- f) Alhabow's application for a sale approval and vesting order approving a transaction pursuant to a purchase and sale agreement between Alhabow and 2661707 Alberta Ltd. ("**266 Alberta**") dated February 18, 2025;
- g) Alhabow's application for a sale approval and vesting order approving a transaction pursuant to a purchase and sale agreement between Alhabow and Response Energy Corporation ("**Response**") dated February 14, 2025;
- h) Alhabow's application for an Order assigning Alhabow's interest in an agreement dated February 3, 1978 between Hudson's Bay Oil and Gas Company Limited and Westcoast Petroleum Ltd. (the "**Pooling and Participation Agreement**"), to Signalta; and
- i) the Monitor's comments and recommendations.

## 1.2 Scope and Terms of Reference

1. In preparing this Eighth Report, the Monitor has relied upon the Applicant's unaudited financial information, books and records, information available in the public domain and discussions with the Applicant's management and legal counsel.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Eighth Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own due diligence.



3. An examination of the Ninth Cash Flow Statement as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future-oriented financial information relied upon in this Eighth Report is based upon the Applicant's assumptions regarding future events; actual results achieved may vary from this information, and these variations may be material. The Monitor does not express any opinion or other form of assurance on whether the Ninth Cash Flow Statement will be achieved.
4. This Eighth Report should be read in conjunction with the materials filed by the Applicant, including the First Li Affidavit, sworn April 15, 2024, the Supplement to the First Li Affidavit, sworn April 24, 2024, the Second Li Affidavit, sworn July 15, 2024, the Third Li Affidavit, sworn August 15, 2024, the Fourth Li Affidavit, sworn September 9, 2024, the Fifth Li Affidavit, sworn October 21, 2024, the Sixth Li Affidavit, sworn November 12, 2024, the Supplement to the Sixth Li Affidavit, sworn November 18, 2024, the Seventh Li Affidavit, sworn December 9, 2024, the Supplement to the Seventh Li Affidavit, sworn December 16, 2024, the Eighth Li Affidavit, sworn January 27, 2025, the Ninth Li Affidavit, sworn February 18, 2025, the Supplement to the Ninth Li Affidavit, sworn February 20, 2025, and any supplement affidavit(s) filed by the Applicant prior to the upcoming hearings (the "**Li Affidavits**"). Capitalized terms not defined in this Eighth Report have the meanings ascribed to them in the Li Affidavits.

### **1.3 Currency**

1. Unless otherwise noted, all currency references in this Eighth Report are in Canadian dollars.

### **1.4 Court Materials**

1. Court materials filed in these proceedings are made available by KSV on its case website at [www.ksvadvisory.com/experience/case/alphabow](http://www.ksvadvisory.com/experience/case/alphabow) (the "**Case Website**").

## **2.0 Update on the Sale and Investment Solicitation Process (SISP) <sup>1</sup>**

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<sup>1</sup> Capitalized terms in this section have the meaning provided to them in the SISP, unless otherwise defined herein.

1. As more fully described in the Monitor's fourth, fifth, and sixth reports, Alphabow's SISP has culminated in several asset purchase agreements and Court-approved transactions. The most significant of these transactions is the Corporate Transaction which includes the acquisition of any of Alphabow's remaining unsold oil and gas assets at the conclusion of these CCAA Proceedings. The Corporate Transaction provides that Alphabow may continue to market and sell any of its non-core assets prior to the closing of the Corporate Transaction. Further details on the Corporate Transaction are included in the Monitor's sixth report, dated December 13, 2024 (the "**Sixth Report**").
2. Since obtaining Court-approval for the Corporate Transaction and several of the transactions described within the Monitor's Sixth Report, Alphabow, with the assistance of the Sales Advisor and the Monitor, has continued to market the Company's remaining assets to reduce the Company's non-core assets and liabilities prior to closing the Corporate Transaction. As a result of the SISP and this remarketing process, the Company identified three potentially viable transactions it could pursue, two of which proceeded to a fully executed purchase and sale agreement (the "**February 25<sup>th</sup> Transactions**"). The proposed terms of the February 25<sup>th</sup> Transactions are more fully described below.
3. An executed copy of the purchase and sale agreement with 266 AB is attached as an exhibit to the Supplement to the Ninth Li Affidavit and an executed copy of the purchase and sale agreement with Response is attached as an exhibit to the Ninth Li Affidavit.

## 2.1 266 AB Purchase and Sale Agreement<sup>2</sup>

1. The key terms and conditions of the purchase and sale agreement with 266 AB are provided below (the "**266 AB Purchase and Sale Agreement**"):
  - **Seller:** AlphaBow
  - **Buyer:** 2661707 Alberta Ltd.
  - **Purchase Price:** \$120,000
  - **Deposit:** \$30,000

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<sup>2</sup> Capitalized terms in this section have the meaning provided to them in the 266 AB Purchase and Sale Agreement.

- **Assumed Liabilities**: all liabilities and obligations arising from the possession, ownership and/or use of the Assets following Closing (including for greater certainty any municipal or property taxes that accrue commencing on the Closing Date), along with Environmental Liabilities, Abandonment and Reclamation Obligations and Cure Costs
- **Assets**: Various land and mineral properties detailed in Schedule A of the 266 AB Purchase and Sale Agreement
- **Representations and Warranties**: Consistent with the terms of a standard insolvency transaction (i.e., on an “as is, where is” basis, with limited representations and warranties)
- **Material Conditions**: include, among other things, the Court shall have granted the sale approval and vesting order and certain conditions pursuant to the termination clauses described below
- **Outside Date**: May 30, 2025
- **Closing**: being five business days after all conditions are satisfied or waived
- **Termination Clause**: among other standard clauses, the 266 AB Purchase and Sale Agreement can be terminated by: (i) 266 AB in the event the AER requests security in excess of \$13,074,351 (the “**AER Security Condition**”); or (ii) the Company in the event the AER has denied 266 AB’s application for the license transfers associated with this purchase and sale agreement. In the event the 266 AB Purchase and Sale Agreement is terminated by 266 AB pursuant to the AER Security Condition, the Company is entitled to retain 50% of the Deposit

## 2.2 Response Purchase and Sale Agreement<sup>3</sup>

1. The key terms and conditions of the purchase and sale agreement with Response are provided below (the “**Response Purchase and Sale Agreement**”):
  - **Seller**: AlphaBow
  - **Buyer**: Response Energy Corporation
  - **Purchase Price**: \$5,000
  - **Deposit**: Equal to 10% of the Purchase Price

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<sup>3</sup> Capitalized terms in this section have the meaning provided to them in the Response Purchase and Sale Agreement.

- **Assumed Liabilities**: all liabilities and obligations arising from the possession, ownership and/or use of the Assets following Closing (including for greater certainty any municipal or property taxes that accrue commencing on the Closing Date), along with Environmental Liabilities, Abandonment and Reclamation Obligations and Cure Costs
- **Assets**: Various land and mineral properties detailed in Schedule A of the Response Purchase and Sale Agreement
- **Representations and Warranties**: Consistent with the terms of a standard insolvency transaction (i.e., on an “as is, where is” basis, with limited representations and warranties)
- **Material Conditions**: include, among other things, the Court shall have granted the sale approval and vesting order
- **Outside Date**: 90 Days following the execution date of the Response Purchase and Sale Agreement
- **Closing**: being five business days after all conditions are satisfied or waived

### 2.3 Monitor’s Recommendation on the February 25<sup>th</sup> Transactions

2. In determining its recommendation to this Court for the February 25<sup>th</sup> Transactions, the Monitor considered whether each of the February 25<sup>th</sup> Transactions met the factors prescribed by s. 36(3) of the CCAA and the “Soundair” principles established by this Court from *Royal Bank of Canada v. Soundair Corp. (1991), 4 O.R. (3d) 1 (CA), at para. 16*. The factors of s.36(3), and the Monitor’s responding comments, are listed below:

a) *Whether the process leading to the proposed sale or disposition was reasonable in the circumstance.*

The assets included in the February 25<sup>th</sup> Transactions were extensively marketed as part of the SISP and were a part of a remarketing process to reduce the Applicant’s non-core assets which remained with it following the SISP.

b) *Whether the Monitor approved the process leading to the proposed sale or disposition.*

The Court approved the SISP, which was recommended by the Monitor. Furthermore, the remarketing process and proposed transactions have been advanced in consultation with the Sales Advisor and the Monitor.

- c) *Whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy.*

This Eighth Report reflects the Monitor's views of the February 25<sup>th</sup> Transactions. The Monitor supports the February 25<sup>th</sup> Transactions as their structure is practical, cost-effective, and consistent with other similar transactions, while providing economic benefit to the Applicant's stakeholders. Furthermore, the successful closing of the February 25<sup>th</sup> Transactions will result in a disposition of certain of the Applicant's remaining non-core assets and will enhance the outcome of the Corporate Transaction and these CCAA Proceedings.

- d) *The extent to which the creditors were consulted.*

There is no indication that the process leading to the February 25<sup>th</sup> Transactions was unfair and the Monitor is not aware of any creditor objections as of the time of this Eighth Report.

- e) *The effects of the proposed sale or disposition on the creditors and other interested parties.*

If successful, the February 25<sup>th</sup> Transactions will provide proceeds to assist in funding the conclusion of the CCAA Proceeding, which will benefit all stakeholders.

- f) *Whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.*

As mentioned above, the assets purchased as part of the February 25<sup>th</sup> Transactions were extensively marketed and resulted from a remarketing process following the SISF. The Monitor is of the view the February 25<sup>th</sup> Transactions provide for the highest and best value for the assets.

3. Based on the foregoing, the Monitor recommends this Court approve the February 25<sup>th</sup> Transactions.

### 3.0 Update on the Claims Process<sup>4</sup>

1. Since the Claims Process Order was pronounced, the Monitor has worked diligently to conduct the Claims Process in accordance with the timelines set out therein, and more particularly described in the Monitor's Third Report.
2. To date, the Monitor has received 659 Proofs of Claims, of which 28 were received following the Claims Bar Date. The Company, with the Monitor's assistance, has continued to review the Proofs of Claims received. Given the amount of claims received, the Monitor has focused its efforts on those parties that submitted a Proof of Claim that included cure costs related to the various transactions. The Monitor is continuing its review of claims in accordance with the Claims Process Order and has thus far issued eight Notices of Revision or Disallowance. If a distribution is available to certain claimants, the Monitor may adjudicate claims related to Excluded Liabilities in the Subscription Agreement.

### 4.0 Other matters

#### 4.1 Assignment of the Pooling and Participation Agreement

1. The Applicant is seeking an Order from this Court directing the assignment of the Pooling and Participation Agreement, which forms a part of the assets purchased pursuant to a purchase and sale agreement entered into between the Applicant and Signalta, and which is more fully described in the Monitor's Sixth Report as part of the December 19<sup>th</sup> Transactions.
2. The Monitor notes that Section 11.3(3) of the CCAA sets out certain criteria for consideration in determining the assignment of an agreement:
  - a) *Whether the Monitor has approved the proposed assignment;*

The Monitor supports the assignment of the Pooling and Participation Agreement as it will result in the payment of certain cure costs outstanding with the agreement's counterparty and the agreement forms a component of the Court-approved transaction with Signalta.

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<sup>4</sup> Capitalized terms in this section have the meaning provided to them in the Claims Process Order unless otherwise defined herein.

- b) *Whether the person to whom the rights and obligations are to be assigned would be able to perform the obligations;*

The Monitor is of the view Signalta can perform the obligations under the agreement and is ready to commit to satisfying any cure costs for which may be owing to the agreement's counterparty.

- c) *Whether it would be appropriate to assign the rights and obligations to that person;*

The purchase and assignment of the Pooling and Participation Agreement was included in the purchase and sale agreement entered into between Signalta and the Applicant and which was approved by this Court.

3. Further to the considerations above, the Monitor understands the Applicant has delivered a notice of the assignment to the agreement counterparty and is not aware of any objections to the proposed assignment.
4. Accordingly, in consideration of the above, the Monitor supports an Order from this Court directing the assignment of the Pooling and Participation Agreement.

#### **4.2 Activities of the Monitor**

1. Since the Seventh Report, the Monitor has performed the following key activities:
- a) assisted both the Company, Bennett Jones and the Sales Advisor in negotiations with 266 AB and Response;
  - b) continued administration of the Claims Process and addressed various questions raised by creditors;
  - c) monitored the Company's performance against the Ninth Cash Flow Statement;
  - d) responded to stakeholder inquiries,
  - e) maintained the Case Website; and
  - f) prepared this Eighth Report.

### 4.3 Activities of the Company

1. Since the Seventh Report, the Monitor has observed the Company continue to perform the following key activities:
  - a) continued to work with Bennett Jones, the Monitor and the Sales Agent to remarket the Company's non-core assets and continued to advance those transactions that have yet to close;
  - b) responded to inquiries from stakeholders;
  - c) corresponded with Bennett Jones and the Monitor;
  - d) negotiating the 226 AB Purchase and Sale Agreement and the Response Purchase and Sale Agreement;
  - e) consulted with key stakeholders such as the AER and OWA with respect to the Corporate Transaction and the December 19<sup>th</sup> Transactions and supporting documents for RCAM Amounts;
  - f) reported the Company's performance against the Ninth Cash Flow Statement;
  - g) attended ongoing meetings with the Monitor, Cassels and Bennett Jones to discuss the SISF and the Claims Process; and
  - h) worked with its legal counsel and the Monitor to prepare materials for the application to be heard on February 25, 2025.

## 5.0 Cash Flow Statement

1. At the time of the Seventh Report, the Applicant, with assistance from the Monitor, prepared the Ninth Cash Flow Statement for the period January 27, 2025 to May 11, 2025. The Ninth Cash Flow Statement and the Applicant's statutory report pursuant to section 10(20)(b) of the CCAA is attached hereto as **Appendix "A"**.

### 5.1 Performance Against the Ninth Cash Flow Statement

1. The Monitor has continued to review and evaluate the state of the Applicant's business and financial affairs since the Seventh Report.



2. A review process was established with the Company to review weekly cash variances. A comparison of the Applicant's actual receipts and disbursements to the Ninth Cash Flow Statement for the period from January 27, 2025 to February 14, 2025 (the "Post Filing Reporting Period") is as follows:

Post Filing Reporting Period (\$CAD)	Actual	Ninth Cash Flow Statements	Favourable / (Unfavourable) Variance
Funds Held by Company	12,423,089	12,423,263	(174)
Funds Held by Monitor <sup>1</sup>	3,389,405	3,686,737	(297,332)
Adjusted Opening Cash Balance	15,812,493	16,110,000	(297,507)
Receipts	245,414	-	245,414
Operating Disbursements	(83,662)	(63,000)	(20,662)
Net Cash Flow from Operations	161,752	(63,000)	224,752
Non-operating disbursements	(298,621)	(400,000)	101,379
Net Cash Flow	(136,870)	(463,000)	
Closing cash balance	15,675,624	15,647,000	

<sup>1</sup> Actuals reflect the funds held by the Monitor as of the date of this Report

### Monitor's Comments

1. For the Post Filing Reporting Period, the Company's actual cash receipts were higher than forecasted as a result of the Company closing on certain of the December 19<sup>th</sup> Transactions. In particular, the full cash proceeds for transactions were not disclosed in the Ninth Cash Flow Statement. Operating disbursements were higher than the forecast primarily due to amounts paid by the Company to maintain software access to facilitate the closing of transactions. Non-operating disbursements were lower in the Post Filing Report Period due to timing of professional fees.
2. Funds Held by Monitor are comprised of proceeds from the transactions and bidder deposits for sales that have not closed and are expected to be returned to the respective bidder, and various interest, bank charges, and other receipts, resulting in a balance of \$3,389,404. The decline in the balance since the Monitor's Seventh Report reflects the transfer of funds to the Applicant following the closing of certain December 19<sup>th</sup> Transactions and the return of certain unsuccessful bidder deposits. The Monitor will continue to transfer amounts it holds to the Company, in excess of: (i) the RCAM Amounts; and (ii) amounts required to be held in trust by the Monitor pursuant to the transactions.

3. The Applicant has remained current in respect of its obligations that have arisen since the Filing Date except for amounts it intends to pay prior to the termination of the CCAA Proceeding, including: (i) amounts owed to the OWA for care and custody activities; and (ii) certain post-filing amounts that include property tax, mineral and surface lease costs and other accruing costs.

## 6.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the relief sought by the Applicant.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,  
in its capacity as Monitor of  
AlphaBow Energy Ltd.  
and not in its personal capacity**

## **Appendix “A”**

AlphaBow Energy Ltd.  
**Cash Flow Forecast**  
January 27, 2025 to May 11, 2025  
(Unaudited; C\$000s)

	Note	02-Feb-25	09-Feb-25	16-Feb-25	23-Feb-25	02-Mar-25	09-Mar-25	16-Mar-25	23-Mar-25	30-Mar-25	06-Apr-25	13-Apr-25	20-Apr-25	27-Apr-25	04-May-25	11-May-25	Total
	1																
Receipts																	
Asset sales	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disbursements																	
Care and Custody Costs	3	-	-	-	-	1,064	-	-	-	-	-	-	-	-	-	-	1,064
Contractors	4	60	-	-	-	60	-	-	-	60	-	-	-	60	-	-	240
Rent	5	3	-	-	-	3	-	-	-	3	-	-	-	3	-	-	12
Total Operating disbursements		63	-	-	-	1,127	-	-	-	63	-	-	-	63	-	-	1,316
Net Cash Flow before the Undernoted		(63)	-	-	-	(1,127)	-	-	-	(63)	-	-	-	(63)	-	-	(1,316)
Professional Fees	6	400	-	-	-	150	-	-	-	150	-	-	-	150	-	-	850
Net Cash Flow		(463)	-	-	-	(1,277)	-	-	-	(213)	-	-	-	(213)	-	-	(2,166)
Opening Cash balance	7	16,110	15,647	15,647	15,647	15,647	14,370	14,370	14,370	14,370	14,157	14,157	14,157	14,157	13,944	13,944	16,110
Net Cash Flow		(463)	-	-	-	(1,277)	-	-	-	(213)	-	-	-	(213)	-	-	(2,166)
Closing cash balance		15,647	15,647	15,647	15,647	14,370	14,370	14,370	14,370	14,157	14,157	14,157	14,157	13,944	13,944	13,944	13,944

The above financial projections are based on management's assumptions detailed in Appendix "1-1".  
The note references correspond to the assumption numbers shown in Appendix "1-1".

AlphaBow Energy Ltd.

**Notes to Projected Statement of Cash Flows**

January 27, 2025 to May 11, 2025

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**Purpose and General Assumptions**

1. The purpose of the projection is to present a forecast of the cash flow of AlphaBow Energy Ltd. (the "Applicant") for the period January 27 to May 11, 2025 (the "Period").

**Hypothetical**

2. Asset sales reflect the sale proceeds from certain asset sales as a result of the SJSP and, for purposes of the sealing order, have been omitted.

**Most Probable**

3. The cash flow assumes February payments to the Orphan Well Association for RCAM costs for pre-filing amounts and invoices received to date for post-filing amounts. The Monitor is required to confirm the claimed amount owing. As of the date of this cash flow, the Monitor is holding sufficient cash in its trust account to provide for the Orphan Well Association holdback amount of \$1,900,000. The current balance of the trust account as at February 21, 2025 is approximately \$3.4 million (not accounting for deposits that are in the process of being returned).
4. Contractor costs incurred monthly for the Applicant's personnel.
5. Rent reflects monthly occupancy for a leased space.
6. Includes the estimated payments to the Applicant's legal counsel, the Monitor, and the Monitor's legal counsel.
7. Opening cash reflected as of January 20, 2025 and includes funds held in the Monitor's trust account, less any deposits which are currently subject to return to bidders.

**IN THE COURT OF KING'S BENCH OF ALBERTA**

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

**AND IN THE MATTER OF ALPHABOW ENERGY LTD.**

**MANAGEMENT'S REPORT ON THE NINTH CASH FLOW  
STATEMENT (paragraph 23(1)(b) of the CCAA)**

The management of Alhabow Energy Ltd. (the "**Applicant**") has developed the assumptions and prepared the attached statement of projected cash flow as of the 29th day of January, 2025 for the period January 27, 2025 to May 11, 2025 ("**Ninth Cash Flow Statement**"). All such assumptions are disclosed in the notes to the Ninth Cash Flow Statement.

The hypothetical assumptions are suitably supported and consistent with the purpose of the Ninth Cash Flow Statement as described in Note 1 to the Ninth Cash Flow Statement, and the probable assumptions are suitably supported and consistent with the plans of the Applicant and provide a reasonable basis for the Ninth Cash Flow Statement.

Since the Ninth Cash Flow Statement is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Ninth Cash Flow Statement has been prepared solely for the purpose outlined in Note 1 using a set of probable assumptions set out therein. Consequently, readers are cautioned that the Ninth Cash Flow Statement may not be appropriate for other purposes.

Dated at Calgary, AB this 29th day of January, 2025.

**ALPHABOW ENERGY LTD.**

*Songsong Li*

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Per: Ben Li