

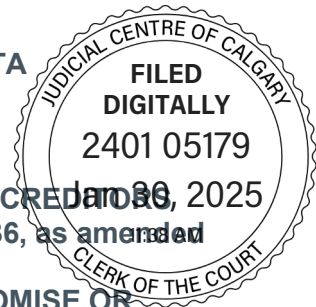


COURT FILE NUMBER **2401-05179**

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 **SEVENTH REPORT OF THE MONITOR**

JANUARY 30, 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 Proceedings.
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 “**Seventh 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**");
 - 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; and
 - c) authorizing the continued marketing and sale of the Company's carbon credits through Strom Futures Inc., or such further broker as the Monitor shall approve.
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 Alhabow 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 Alhabow'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 Alhabow and Cenovus Energy Inc. ("**Cenovus**"). The Cenovus Transaction subsequently closed on October 2, 2024;
 - b) an order (the "**Claims Process Order**") authorizing Alhabow 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 Alhabow's applications for multiple sale approval and vesting orders approving several transactions pursuant to purchase and sale agreements between between Alhabow 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 4th Transactions**")
10. All of the November 4th Transactions have now closed.
11. Also on November 4, 2024, the Court granted Alhabow'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 Alhabow and Advance Drilling Ltd. ("**Advance**") did not create an interest in land and will be vested off as part of the sale of Alhabow's assets.
13. On November 21, 2024, the Court granted Alhabow's applications for multiple sale approval and vesting orders approving several transactions pursuant to purchase and sale agreements entered into between Alhabow 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 21st Transactions**”)

14. All of the November 21st Transactions except for the Crbon transaction have closed.
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 and adjourned the application with respect to the Asset Purchase and Sale Agreement between Alphabow and North 40 Resources Ltd. to December 19, 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 19th 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. As of the date of this Seventh Report, all of the December 19th Transactions have closed except for the 071 AB, 069 AB and Rockeast transactions.
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. 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 correct quantum of the RCAM Amounts is determined.

1.1 Purposes of this Seventh Report

- 1. This Seventh 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 4, 2025. This Seventh Report specifically provides information regarding:
 - a) the Monitor’s activities since the Monitor’s sixth report dated December 13, 2024 (the “**Sixth Report**”);
 - b) the Company’s activities since the Sixth Report;
 - c) the Monitor’s comments and report on the Company’s actual performance to date versus the cash flow forecast commencing on December 11, 2024 and ending January 20, 2025 (the “**Eighth Cash Flow Statement**”);
 - d) the Monitor’s comments and report on the Company’s cash flow statement for the period commencing on January 27, 2025 and ending May 11, 2025 (the “**Ninth Cash Flow Statement**”);

- e) an update on the SISP, the December 19th Transactions and the Corporate Transaction;
- f) an update on the Claims Process;
- g) Alphabow's application for an Order (the "**Kikino Declaration Order**") declaring that Kikino and the Appeal Tribunal are stayed from advancing the Kikino Appeal (defined herein);
- h) Alphabow's application for an Order (the "**Seventh Extension Order**") extending the Stay Period to, and including, May 9, 2025; and
- i) the Monitor's comments and recommendations.

1.2 Scope and Terms of Reference

1. In preparing this Seventh 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 Seventh 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 Seventh 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 Seventh 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, and any supplement affidavit(s) filed by the Applicant prior to the upcoming hearings (the “**Li Affidavits**”). Capitalized terms not defined in this Seventh Report have the meanings ascribed to them in the Li Affidavits.

1.3 Currency

1. Unless otherwise noted, all currency references in this Seventh 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 (the “**Case Website**”).

2.0 Update on the Sale and Investment Solicitation Process (SISP) ¹

1. Since the conclusion of the second phase bid deadline on September 5, 2024 (the “**Phase 2 Bid Deadline**”), the Sales Advisor, the Monitor, and Alphabow have completed a review of the bids received and have continued to negotiate with the Successful Bidders. These negotiations have culminated in completed transactions and executed asset purchase agreements, certain of which are described below and within the Fourth Report, the Fifth Report, and the Sixth Report. The transactions described below, together with the transactions described in the Fourth, Fifth, and Sixth Report, are expected to result in the full disposition of all Alphabow’s assets in this CCAA Proceeding.
2. At the time of the Sixth Report, all of the November 4th Transactions had closed, and all of the November 21st Transactions had closed except for Crbon, who is working to satisfy its closing conditions and is anticipated to close prior to the contract’s Outside Date of March 12, 2025.

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

3. The Monitor can confirm the following with respect to the December 19th Transactions:
 - a) North40 – this transaction has closed and the Monitor’s Certificate was filed on January 14, 2025;
 - b) Signalta – the two transactions have closed and the respective Monitor’s Certificates were filed on January 15, 2025 (one of the Signalta transactions contains unwind provisions until 45 days after closing of the transaction);
 - c) Warwick – this transaction has closed and the Monitor’s Certificate was filed on January 17, 2025;
 - d) PointBreak – this transaction has closed and the Monitor’s Certificate was filed on January 9, 2025;
 - e) Bench Creek – this transaction did not proceed and the assets contemplated in this sale have since been remarketed, and it is anticipated that a new purchase and sale agreement will be submitted at a future court application;
 - f) Rockeast – this transaction has closed and the Monitor’s Certificate was filed on January 29, 2025; and
 - g) 071 AB, 069 AB and the Corporate Transaction– these transactions are anticipated to close after all other transactions have closed.

3.0 Update on the Claims Process²

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 with respect to the Claims Process on those parties that submitted a Proof of Claim that included cure costs related to the

² Capitalized terms in this section have the meaning provided to them in the Claims Process Order unless otherwise defined herein.

various transactions. The Monitor is continuing its review claims in accordance with the Claims Process Order and has thus far issued eight Notices of Revision or Disallowance. The Monitor has thus far focussed its efforts on Cure Costs claims involving transactions. 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 Company's Request for a Declaration

1. Kikino Metis Settlement ("**Kikino**"), a creditor captured by the stay of proceedings, has sought and the Metis Settlement Appeal Tribunal (the "**Appeal Tribunal**") is considering convening a hearing for the purpose of determining surface lease arrears from 112 surface leases and issuance of an order for payment pursuant to section 121 of the *Metis Settlements Act*, RSA 2000, c M-14 (the "**Kikino Appeal**").
2. The Applicant is seeking a declaration that Kikino and the Appeal Tribunal are stayed from advancing the Kikino Appeal. The Monitor supports this relief for the following reasons:
 - a) Kikino and the Appeal Tribunal are captured by the stay of proceedings and the enforcement of payment is captured by the stay pursuant to section 11.2 of the CCAA;
 - b) if permitted to advance its claim, it will require the expenditure of limited resources by Alphabow and if successful will result in a post-filing claim, which could impact the closing of the Corporate Transaction; and
 - c) maintaining the stay will allow Alphabow to continue to focus on restructuring, which it has been pursuing in good faith and with due diligence since the Initial Order and ARIO were granted.
3. The Monitor notes that Kikino has submitted a claim in accordance with the Claims Process Order, as has the Government of Alberta Treasury Board.

4.2 Company's Request for a Stay Extension

1. The Applicant is seeking an extension of the stay of proceedings from February 14, 2025 to May 9, 2025. The Monitor supports the extension request for the following reasons:
 - a) the Applicant is acting in good faith and with due diligence;
 - b) the extension will provide additional time to the Applicant to perform critical activities, including: (i) completing the Claims Process; and (ii) closing the Corporate Transaction, and the remaining November 21st and December 19th Transactions that have yet to close; iii) administering the Creditor Trust resulting from the Corporate Transaction and any potential distributions; and
 - c) the extension should not adversely affect or prejudice any group of creditors as the Applicant is projected to have sufficient funding to pay post-filing services and suppliers in the amounts contemplated by the Ninth Cash Flow Forecast.

4.3 Activities of the Monitor

1. Since the Sixth Report, the Monitor has performed the following key activities:
 - a) conducted activities as directed by the Claims Process Order, including the review of Proofs of Claims and assisting in the assessment of cure costs claims related to transactions and requesting additional information or issuing Notice of Dispute of Revision or Disallowance to claimants;
 - b) assisted both the Company, Bennett Jones and the Sales Advisor in negotiations with purchasers and finalizing transactions;
 - c) facilitated the disbursement of purchaser deposits to unsuccessful buyers in accordance with the SISP;
 - d) addressed various questions raised by creditors during the Claims Process;
 - e) monitored the Company's performance against the Eighth Cash Flow Statement;
 - f) assisted the Company in preparing the Ninth Cash Flow Statement;
 - g) responded to stakeholder inquiries,

- h) maintained the Case Website; and
- i) prepared this Seventh Report.

4.4 Activities of the Company

1. Since the Sixth Report, the Company has continued to perform the following key activities:
 - a) continued to work with Bennett Jones, the Monitor and the Sales Agent to close the transactions as disclosed in this report and continue to advance those transactions that have yet to close;
 - b) responded to inquiries from stakeholders;
 - c) corresponded with Bennett Jones and the Monitor;
 - d) consulted with key stakeholders such as the AER and OWA with respect to the Corporate Transaction and the December 19th Transactions;
 - e) reported the Company's performance against the Eighth Cash Flow Statement;
 - f) worked with the Monitor in preparing the Ninth Cash Flow Statement;
 - g) attended ongoing meetings with the Monitor, Cassels and Bennett Jones to discuss the SISP and the Claims Process; and
 - h) worked with its legal counsel and the Monitor to prepare materials for the applications to be heard on February 4, 2025.

5.0 Cash Flow Statement

1. At the time of the Sixth Report, the Applicant, with assistance from the Monitor, prepared the Eighth Cash Flow Statement for the period December 11, 2024, to February 16, 2025. The Eighth 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 Eighth Cash Flow Statement

1. The Monitor has continued to review and evaluate the state of the Applicant's business and financial affairs since the Sixth 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 Eighth Cash Flow Statement for the period from December 11, 2024 to January 20, 2025 (the "Post Filing Reporting Period") is as follows:

| Post Filing Reporting Period (\$CAD) | Actual | Eighth Cash Flow Statements | Favourable / (Unfavourable) Variance |
|---|------------|--------------------------------|--|
| Opening Cash balance | 779,323 | 779,323 | - |
| Receipts | 12,684,241 | 175,518 | 12,508,723 |
| Operating Disbursements | (518,150) | (262,500) | (255,650) |
| Net Cash Flow from Operations | 12,166,090 | (86,982) | 12,253,072 |
| Non-operating disbursements | (522,325) | (595,000) | 72,675 |
| Net Cash Flow | 11,643,766 | (681,982) | |
| Closing cash balance | 12,423,089 | 97,341 | |
| Funds Held by Monitor | 3,686,737 | - | 3,686,737 |
| Net cash position | 16,109,826 | 97,341 | |

Monitor's Comments

- a) 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 19th Transactions. In particular, the full cash proceeds for transactions were not disclosed in the Eighth Cash Flow Statement. Operating disbursements were higher than the forecast primarily due to amounts paid by the Company to the Monitor's trust account to provide for RCAM Amounts at a future date. Non-operating disbursements were lower in the Post Filing Report Period due to timing of professional fees.
- b) 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 \$3,686,737. The Monitor is in the process of transferring amounts in

excess of the RCAM Amounts and amounts required to be held in trust by the Monitor pursuant to the transactions entered into by the Company.

- c) The Applicant has remained current in respect of its obligations that have arisen since the Filing Date except for amounts it intends to cure at the conclusion of the SISP, 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.

5.2 The Ninth Cash Flow Statement

1. The Applicant prepared the Ninth Cash Flow Statement, which is largely consistent with the Eighth Cash Flow Statement except for the period covered and revisions on the timing of certain payments, including the payment of the RCAM Amounts.
2. The Ninth Cash Flow Statement and the Applicant's statutory report on the cash flow pursuant to Section 10(2)(b) of the CCAA is attached as **Appendix "B"**.
3. The Ninth Cash Flow Statement reflects that the Applicant has sufficient liquidity for the duration of the Stay Period based on the listed assumptions.
4. Based on the Monitor's review of the Ninth Cash Flow Statement, the assumptions contained therein appear reasonable. The Monitor's statutory report on the Ninth Cash Flow Statement is attached as **Appendix "C"**.

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

Appendix “A”

AlphaBow Energy Ltd.

Cash Flow Forecast

December 11, 2024 to February 16, 2025

(Unaudited; C\$000s)

| | Note | Period ending | | | | | | | | | | Total |
|-------------------------------------|------|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------|
| | | 15-Dec-24 | 22-Dec-24 | 29-Dec-24 | 05-Jan-25 | 12-Jan-25 | 19-Jan-25 | 26-Jan-25 | 02-Feb-25 | 09-Feb-25 | 16-Feb-25 | |
| Receipts | 1 | | | | | | | | | | | |
| Asset sales | 2 | - | 176 | - | - | - | - | - | 1,100 | - | - | 1,276 |
| Total Receipts | | - | 176 | - | - | - | - | - | 1,100 | - | - | 1,276 |
| Disbursements | | | | | | | | | | | | |
| Care and Custody Costs | 3 | - | - | - | 200 | - | - | - | 500 | - | - | 700 |
| Contractors | 4 | - | - | - | 60 | - | - | - | 60 | - | - | 120 |
| Rent | 5 | - | - | - | 3 | - | - | - | 3 | - | - | 6 |
| Total Operating disbursements | | - | - | - | 263 | - | - | - | 563 | - | - | 826 |
| Net Cash Flow before the Undernoted | | - | 176 | - | (263) | - | - | - | 537 | - | - | 450 |
| Sales Advisor Fees | 6 | - | - | - | - | - | - | - | 275 | - | - | 275 |
| Professional Fees | 7 | - | 495 | - | 100 | - | - | - | 300 | - | - | 895 |
| Net Cash Flow | | - | (319) | - | (363) | - | - | - | (38) | - | - | (720) |
| Opening Cash balance | 8 | 779 | 779 | 460 | 460 | 97 | 97 | 97 | 97 | 59 | 59 | 779 |
| Net Cash Flow | | - | (319) | - | (363) | - | - | - | (38) | - | - | (720) |
| Closing cash balance | | 779 | 460 | 460 | 97 | 97 | 97 | 97 | 59 | 59 | 59 | 59 |

The above financial projections are based on management's assumptions detailed in the notes.

The note references correspond to the assumption numbers shown in notes.

AlphaBow Energy Ltd.

Notes to Projected Statement of Cash Flows

December 11, 2024 to February 16, 2025

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 December 11 to February 16, 2025 (the "Period").

Hypothetical

2. Asset sales reflect the sale proceeds from certain asset sales identified during the SISP. For purposes of the sealing order, the full transaction value is not disclosed in this cash flow.

Most Probable

3. The cash flow assumes payments made to the Orphan Well Association for post-filing care and custody costs will be paid following closing of the transaction contemplated within the Monitor's fourth, fifth, and sixth report. As of the date of this cash flow, the post-filing amounts owed to the Orphan Well Association are estimated to amount to approximately \$700,000.
4. Contractor costs incurred monthly for the Applicant's personnel.
5. Rent reflects monthly occupancy for a leased space.
6. Reflects estimated fees to be paid to the Sales Advisors.
7. Includes the estimated payments to the Applicant's legal counsel, the Monitor, and the Monitor's legal counsel.
8. Opening cash reflected as of December 10, 2024.

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 EIGHTH 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 12th day of December, 2024 for the period December 11, 2024 to February 16, 2025 ("**Eighth Cash Flow Statement**"). All such assumptions are disclosed in the notes to the Eighth Cash Flow Statement.

The hypothetical assumptions are suitably supported and consistent with the purpose of the Eighth Cash Flow Statement as described in Note 1 to the Eighth 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 Eighth Cash Flow Statement.

Since the Eighth 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 Eighth 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 Eighth Cash Flow Statement may not be appropriate for other purposes.

Dated at Calgary, AB this 12th day of December, 2024.

ALPHABOW ENERGY LTD.

songsong Li

Per: Ben Li

Appendix “B”

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 the notes.
The note references correspond to the assumption numbers shown in notes.

AlphaBow Energy Ltd.

Notes to Projected Statement of Cash Flows

January 27, 2025 to May 11, 2025

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 January 29, 2025 is approximately \$3.7 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

Per: Ben Li

Appendix “C ”

IN THE COURT OF THE 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.

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

The attached statement of projected cash flow of Alphabow Energy Ltd. (the "**Applicant**") as of the 29th day January, 2025, consisting of a weekly projected Ninth cash flow statement for the period January 27, 2025 to May 11, 2025 (the "**Ninth Cash Flow Statement**") has been prepared by the management of the Applicant for the purpose described in Note 1, using probable and hypothetical assumptions set out in the notes to the Ninth Cash Flow Statement.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management of the Applicant. We have reviewed the support provided by management for the probable and hypothetical assumptions and the preparation and presentation of the Ninth Cash Flow Statement.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Ninth Cash Flow Statement;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the Ninth Cash Flow Statement, given the hypothetical assumptions; or
- c) the Ninth Cash Flow Statement does not reflect the probable and hypothetical assumptions.

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. Accordingly, we express no assurance as to whether the Ninth Cash Flow Statement will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Ninth Cash Flow Statement has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

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

KSV Restructuring Inc.

KSV RESTRUCTURING INC.,
solely in its capacity as the proposed monitor of
Alphabow Energy Ltd.