

Clerk's Stamp

COURT FILE NUMBER 2401-03404

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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 CANADIAN OVERSEAS PETROLEUM
LIMITED AND THOSE ENTITIES LISTED IN SCHEDULE "A"

DOCUMENT

APPLICATION

(STAY EXTENSION ORDER)

ADDRESS FOR
SERVICE AND
CONTACT

OSLER, HOSKIN & HARCOURT LLP

6200 - 1 First Canadian Place

Toronto, Ontario M5X 1B8

INFORMATION OF
PARTY FILING THIS
DOCUMENT

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File Number: 1252079

NOTICE TO THE RESPONDENT

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Date: June 7, 2024

Time: 10:00 AM – 11:00 PM

Where: Court of King's Bench of Alberta, Edmonton Law Courts, 1A Sir Winston
Churchill Square, Edmonton AB (by Webex – see **Schedule "C"** hereto)

Before: The Honourable Justice Little

Go to the end of this document to see what you can do and when you must do it.

Order Sought:

1. The Applicants, Canadian Overseas Petroleum Limited (“**COPL**”) and those listed in **Schedule “A”** hereto, seek a Stay Extension Order under the *Companies’ Creditors Arrangement Act*, RSC 1985, c. C-36 (the “**CCAA**”) substantially in the form attached as **Schedule “D”** hereto, granting the following relief:
 - (a) abridging, and deeming good and sufficient the time for service of the this notice;
 - (b) extending the Stay Period, as defined in para. 14 of the Amended and Restated Initial Order, which includes the extension of the stay to the entities listed in **Schedule “B”** hereto, until and including July 7, 2024; and
 - (c) such further and other relief as the Applicants may request and this Honourable Court may grant.

Basis for this claim:

Background

2. On March 8, 2024, this Court granted the Initial Order, *inter alia*, (i) declaring the Applicants are companies to which the CCAA applies; (ii) appointing KSV Restructuring Inc. as Monitor of the Applicants in these proceedings (the “**Monitor**”); (iii) granting a stay of proceedings in respect of the Applicants up to and including March 18, 2024; (iv) extending the stay of proceedings to the entities listed in Schedule B (the “**Non-Filing Affiliates**”); (v) authorizing the Applicants to obtain and borrow under a senior secured, super priority loan (the “**DIP Loan**”), with borrowings not to exceed US \$1.5 million and, to the extent drawn either in whole or in part and a corresponding charge in favour of the DIP Lender (the “**DIP Lenders’ Charge**”); (vi) granting a charge as security for the

respective fees and disbursements of counsel to the Applicants, the Monitor and the Monitor's counsel and the Financial Advisor (as defined below) relating to services rendered in respect of the Applicants; (vii) granting a charge in favour of the directors and officers of the Applicants; and (viii) granting a charge in favour of the CRO to secure its fees and disbursements.

3. On March 11, 2024, COPL, as Foreign Representative of the Applicants, commenced proceedings in the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**") seeking the recognition of these CCAA proceedings under chapter 15 of Title 11 of the U.S. Bankruptcy Code (the "**Chapter 15 Case**").
4. On March 12, 2024, the U.S. Court granted an Order providing Provisional Relief pursuant to Section 1519 of the Bankruptcy Code (the "**Provisional Relief Order**").
5. At the comeback hearing held on March 19, 2024 (the "**Comeback Hearing**"), this Court granted the Amended and Restated Initial Order (the "**ARIO**"), *inter alia*, (i) extending the stay of proceedings until May 20, 2024, (ii) approving the agreement between the Applicants and Province Fiduciary Services ("**Province**"), pursuant to which Province acts as the CRO of the Applicants, (iii) ratifying and approving the agreement between the Applicants and Province, LLC ("**Province LLC**"), pursuant to which, Province LLC acts as financial advisor ("**Financial Advisor**") to the Applicants, (iv) authorizing the Applicants to enter into the restructuring support agreement (the "**RSA**") in the form attached to the Kravitz Affidavit #1, (v) increasing the maximum principal amount on which the Applicants could draw under the DIP Loan to \$11 million, with a corresponding increase to the amount secured by the DIP Lenders' Charge, (vi) increasing the maximum amount secured by the Administration Charge to CAD \$2.5 million, and the Directors'

Charge to CAD \$1 million, (vii) directing that the CRO Charge secure all fees, including hourly, monthly and the Transaction Fee, and (viii) exempting the Applicants from certain securities reporting requirements.

6. On the same day, this Court granted an order (the “**SISP Order**”), which, among other things, (i) authorized and directed the Applicants to negotiate and finalize the Stalking Horse Purchase Agreement, substantially on the terms set out in the Restructuring Term Sheet attached as Exhibit “B” to the RSA, and (ii) approved the sale and investment solicitation process (the “**SISP**”), in which the Stalking Horse Purchase Agreement would serve as the “**Stalking Horse Bid**”, and authorized the Applicants to implement the SISP pursuant to its terms.
7. On March 21, 2024, COPL, as Foreign Representative, filed a motion in the Chapter 15 Case seeking recognition and enforcement of the SISP Order by the U.S. Court.
8. On April 8, 2024, the U.S. Court granted the Order (I) Recognizing Canadian Proceedings as a Foreign Main Proceeding and (II) Granting Related Relief (the “**Recognition Order**”), as well as the Order (I) Recognizing and Enforcing the SISP Order and (II) Granting Related Relief (the “**SISP Recognition Order**”).
9. After no LOIs (as defined in the SISP) were received in the SISP, the Applicants applied for an approval and vesting order (the “**AVO**”) which would, among things (i) approve the Stalking Horse Purchase Agreement in its entirety, and the transactions contemplated therein (collectively, the “**Transaction**”), (ii) order that upon delivery of the Monitor’s Certificate (as appended to the AVO), all of the Applicants’ right, title and interest in and to the Purchased Assets (as defined in Stalking Horse Purchase Agreement) shall vest absolutely in the Stalking Horse Purchaser, free and clear of any and all Encumbrances,

other than the Permitted Encumbrances, (iii) grant certain releases with respect to the current and former directors, officers, employees, and advisors, and (iv) postpone the requirement for any future annual or other meeting of the shareholders of COPL during these CCAA proceedings.

10. BP Energy Company (“**BP**”) opposed the AVO on a number of grounds. At the hearing of the AVO on April 24, 2024, Justice Yamauchi rejected BP’s opposition on all grounds, and granted the AVO, alongside a stay extension order until and including June 7, 2024.
11. On April 30, 2024, COPL, as Foreign Representative, filed a motion in the Chapter 15 Case seeking recognition and enforcement of the AVO by the U.S. Court, as well as the Declaration in support of same.
12. On May 14, 2024, BP filed an application with the Alberta Court of Appeal for permission to appeal the AVO (the “**BP Leave Application**”).
13. On May 15, 2024, BP filed an objection to the Chapter 15 AVO recognition hearing with the U.S. Court.
14. As a result, the Foreign Representative’s motion in the Chapter 15 Case seeking recognition of the AVO was consensually postponed, pending the outcome of the BP Leave Application.
15. The target closing date for the Transaction has been postponed pending the AVO Recognition Order, which is pending the outcome of the BP Leave Application.
16. On May 29, 2024, Justice de Wit of the Alberta Court of Appeal heard the hearing of the BP Leave Application. After hearing submissions, Justice de Wit reserved his decision.

Stay Extension

17. The Applicants continue to require a stay of proceedings to maintain stability during these CCAA proceedings, through the resolution of the BP Leave Application, any further procedural steps, if necessary, and during the implementation of the Stalking Horse Purchase Agreement, if applicable.
18. The Applicants have sufficient liquidity to fund their operations and the costs of these CCAA proceedings during the proposed stay extension.
19. The Applicants have acted, and are acting, in good faith and with due diligence so far in these CCAA proceedings.

Affidavit or other evidence to be used in support of this application:

20. The Affidavit of Peter Kravitz, affirmed March 7, 2024.
21. The Affidavit of Peter Kravitz, affirmed March 14, 2024.
22. The Affidavit of Peter Kravitz, affirmed April 18, 2024.
23. The Affidavit of Peter Kravitz, affirmed April 24, 2024.
24. The Affidavit of Peter Kravitz, affirmed May 31, 2024
25. The Affidavit of Thomas Richardson, affirmed March 14, 2024.
26. The Pre-Filing Report of the Proposed Monitor, dated March 8, 2024.
27. The First Report of the Monitor, dated March 15, 2024.
28. The Second Report of the Monitor, dated April 19, 2024.
29. The Third Report of the Monitor, to be delivered.

30. Such further and other materials or evidence as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

31. *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36.
32. *Judicature Act*, RSA 2000, c J-2.
33. *Rules of Court*, Alta Reg 124/2010.
34. Such further and other acts and regulations as counsel may advise and this Honourable Court may permit.

WARNING

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

1. Canadian Overseas Petroleum Limited
2. COPL Technical Services Limited
3. Canadian Overseas Petroleum (UK) Limited
4. Canadian Overseas Petroleum (Bermuda) Limited
5. Canadian Overseas Petroleum (Bermuda Holdings) Limited
6. Canadian Overseas Petroleum (Ontario) Limited
7. COPL America Holding Inc.
8. COPL America Inc.
9. Atomic Oil & Gas LLC
10. Southwestern Production Corp.
11. Pipeco LLC

SCHEDULE "B"

1. Shoreline Canoverseas Development Corporation Limited
2. Essar Exploration and Production Limited

SCHEDULE "C"

The above booking is Confirmed

File #(s) : 2401 03404

Style of Cause: CANADIAN OVERSEAS PETROLEUM LTD. v. COMPANIES CREDITORS
ARRANGEMENT ACT

Date/Duration:

Jun 07, 2024 10:00 AM

Total: 60 Minute(s)

Booking Type/List: Commercial

Purpose of Hearing: Commercial Hearing

Counsel: Randal Steven Van de Mosselaer;

Special Requirements:

Requirements: Courtroom Required

Equipment: Video Conferencing

Counsel: Please ensure that all relevant parties have received Webex information.

Virtual Courtroom 86 has been assigned for the above noted matter:

Virtual Courtroom Link:

<https://albertacourts.webex.com/meet/virtual.courtroom86>

Instructions for Connecting to the Meeting

1. Click on the link above or open up Chrome or Firefox and cut and paste it into your browser address bar.
2. If you do not have the Cisco Webex application already installed on your device, the site will have a button to install it. Follow installation instructions. Enter your full name and email address when prompted
3. Click on the **Open Cisco Webex Meeting**.
4. You will see a preview screen. Click on **Join Meeting**.

Key considerations for those attending:

Please connect to the courtroom **15 minutes prior** to the start of the hearing.

Please ensure that your microphone is muted and remains muted for the duration of the proceeding, unless you are speaking. Ensure that you state your name each time you speak.

If bandwidth becomes an issue, some participants may be asked to turn off their video and participate by audio only.

Note: Recording or rebroadcasting of the video is prohibited.

Note: It is highly recommended you use headphones with a microphone or a headset when using Webex. This prevents feedback.

For more information relating to Webex protocols and procedures, please visit:

<https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol>

You can also join the meeting via the "Cisco Webex Meetings" App on your smartphone/tablet or other smart device. You can download this via the App marketplace and join via the link provided above.

Thank you,



**Court of King's
Bench of Alberta**

Brittany Robinson (she/her)
Commercial Duty Coordinator

commercialcoordinator.kbjedmonton@albertacourts.ca

Court of King's Bench of Alberta
Edmonton Law Courts
1A Sir Winston Churchill Square,
Edmonton, Alberta T5J 0R2

SCHEDULE D

Stay Extension Order.

Clerk's Stamp:



COURT FILE NUMBER
COURT
JUDICIAL CENTRE OF

COURT OF KING'S BENCH OF ALBERTA
CALGARY

APPLICANTS:

IN THE MATTER OF THE *COMPANIES' CREDITORS
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AND IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF CANADIAN OVERSEAS
PETROLEUM LIMITED AND THOSE ENTITIES
LISTED IN SCHEDULE "A"

DOCUMENT
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT:

STAY EXTENSION ORDER

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drosenblat@osler.com

File Number: 1252079

**DATE ON WHICH ORDER
WAS PRONOUNCED:**
**NAME OF JUDGE WHO
MADE THIS ORDER:**
LOCATION OF HEARING:

June 7, 2024

The Honourable Justice Little

Calgary, Alberta

UPON THE APPLICATION of CANADIAN OVERSEAS PETROLEUM LIMITED and those entities listed in Schedule “A” hereto (collectively, the “**Applicants**”) for an order extending the stay of proceedings until July 7, 2024;

AND UPON having read the Application, the Affidavit of Peter Kravitz, affirmed March 7, 2024, the Affidavit of Peter Kravitz affirmed March 14, 2024, the Affidavit of Peter Kravitz affirmed April 18, 2024, and the Affidavit of Peter Kravitz affirmed ●; **AND UPON** reading the Third Report of KSV Restructuring Inc. its capacity as monitor of the Applicants (the “**Monitor**”) dated ●, 2024, (the “**Third Report**”);

AND UPON hearing counsel for the Applicants, counsel for the Monitor, and counsel for any other party present at the application; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE AND DEFINITIONS

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.
2. Capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Order of this Court dated March 8, 2024 (as amended and restated on March 19, 2024, and as may be amended and restated from time to time, the “**ARIO**”).

STAY

3. The Stay Period, as defined in paragraph 14 of the ARIO, is hereby further extended until and including July 7, 2024.

GENERAL

4. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States of America, or in any foreign jurisdiction, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All

courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

5. Each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Monitor is authorized and empowered to act as a representative in respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
6. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.
7. Service of this Order shall be deemed good and sufficient by:
 - (a) Serving the same on:
 - (i) the persons listed in 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/canadian-overseas-petroleum>,

and service on any other person is hereby dispensed with.

8. 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.

Justice of the Court of King's Bench of Alberta

SCHEDULE “A”

Applicants

Canadian Overseas Petroleum Limited

COPL Technical Services Limited

Canadian Overseas Petroleum (UK) Limited

Canadian Overseas Petroleum (Bermuda) Limited

Canadian Overseas Petroleum (Bermuda Holdings) Limited

Canadian Overseas Petroleum (Ontario) Limited

COPL America Holding Inc.

COPL America Inc.

Atomic Oil & Gas LLC

Southwestern Production Corp.

Pipeco LLC