

FORM 7
[RULE 3.8]



COURT FILE NUMBER 2401-13792
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PROCEEDING IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended
AND IN THE MATTER OF ERIKSON NATIONAL
ENERGY INC.

C110840
COM
Nov 21, 2024

DOCUMENT **APPLICATION** (Extending Stay of Proceedings)

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/ Luc Rollingson
Telephone No.: 403-298-3324/7971
Fax No.: 403-265-7219
Client File No.: 87754.38

NOTICE TO RESPONDENTS:

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

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

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

Date: Thursday, November 21, 2024
Time: 10:00 a.m.
Where: Edmonton Law Courts, by videoconference
<https://albertacourts.webex.com/meet/virtual.courtroom86>
Before: The Honourable Justice M. E. Burns

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

Remedy claimed or sought:

1. Erikson National Energy Inc. (the "**Applicant**" or "**Erikson**") seeks an Order pursuant to the *Bankruptcy and Insolvency Act*, RSA 1985, c. B-3, as amended (the "**BIA**"), substantially in the form attached hereto as **Schedule "A"**, granting the following relief:
 - (a) declaring service of this Application and its supporting materials good and sufficient, and if necessary, abridging time for notice of the Application to the time actually given;
 - (b) extending the stay of proceedings and period for filing a proposal in the within matter to January 15, 2025;
 - (c) approving the amendment to the Interim Financing Agreement and increase to the Interim Lenders Charge to \$950,000;
 - (d) such further and other relief as this Honourable Court may deem just.

Grounds for making this application:

2. Erikson is a junior oil and natural gas company with assets in the Fort Nelson and Greater Fort St. John areas of British Columbia. Erikson is incorporated and registered pursuant to the laws of Alberta, with headquarters located in Calgary, Alberta.
3. Erikson was established to own and operate certain assets, which were acquired through the Ranch Energy Corp. ("**Ranch**") receivership.
4. Third Eye Capital Corporation ("**TEC**") as agent is Erikson's primary secured creditor. As at September 30, 2024, Erikson owes TEC on behalf of Erikson's Secured Lenders \$31,696,600.64.
5. Erikson has concluded its SISP which resulted in multiple bids.
6. Erikson needs additional time to negotiate one or more definitive agreements for the sale of its assets and to advance a proposal.

Extension of Stay of Proceedings and time to File A Proposal

7. On October 1, 2024, Erikson, through its Proposal Trustee KSV Restructuring Inc. (“KSV”) filed a Notice of Intention to Make a Proposal pursuant to section 50.4 of the *BIA*.
8. Erikson was granted an initial NOI extension up to including November 30, 2024 by the Honorable Justice P. Johnston on October 21, 2024.
9. Erikson requires a further extension up to and including January 15, 2025, so that it can conclude the SISP and advance a proposal.
10. An extension of time to file a proposal and an extension of the stay is appropriate, because:
 - (a) Erikson has acted and continues to act in good faith and with due diligence;
 - (b) Erikson will likely be able to make a viable proposal if the extension of the filing period is granted; and
 - (c) the extension will not materially prejudice any of Erikson’s creditors.
11. Such further and other grounds as counsel for Erikson may advise and this Honourable Court may grant.

Amended Interim Financing

12. TEC has provided interim financing to Erikson on the terms set forth in the Interim Financing Agreement attached as a schedule to the Interim Financing Order granted on October 21, 2024.
13. In order to provide the necessary time and funds to enable Erikson to advance a proposal and conclude one or more transactions pursuant to the SISP, Erikson will require additional borrowing and an extension of the existing Interim Financing Agreement which contains a maturity date of December 15, 2024.
14. The approval of the amendment and additional borrowing is in the best interests of Erikson’s stakeholders.

Material or evidence to be relied on:

15. The Affidavit of Mark Horrox, filed October 18, 2024;
16. The Supplemental Affidavit of Mark Horrox, filed October 24, 2024;
17. The Affidavit of Mark Horrox, sworn on November 15, 2024, filed;
18. Such further and other materials as counsel for the Proposal Trustee or the Applicants may advise and this Honourable Court may permit.

Applicable rules:

19. Part 6, Division 1 of the *Alberta Rules of Court*.

Applicable Acts and regulations:

20. The *Bankruptcy and Insolvency Act*; RSC 1985, c B-3
21. Such further and other Acts or regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

22. None.

How the application is proposed to be heard or considered:

23. By Webex videoconference.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the 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 a reasonable time before the application is to be heard or considered.

Schedule "A": Proposed Form of Order

CLERK'S STAMP

COURT FILE NUMBER

COURT

JUDICIAL CENTRE

PROCEEDING

DOCUMENT

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

DATE ON WHICH ORDER WAS
PRONOUNCED:

LOCATION WHERE ORDER WAS
PRONOUNCED:

NAME OF JUSTICE WHO MADE THIS
ORDER:

COURT OF KING'S BENCH OF ALBERTA

CALGARY

IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF
ERIKSON NATIONAL ENERGY INC.

ORDER

BENNETT JONES LLP
Barristers and Solicitors
4500 Bankers Hall East
855 – 2 Street SW
Calgary, Alberta T2P 4K7

Attention: Keely Cameron/Luc Rollingson
Telephone No.: 403-298-4485
Fax No.: 403-265-7219
Client File No.: 87754.38

November 21, 2024

Calgary, Alberta

Justice Burns

UPON the application of the Applicant, Erikson National Energy Inc. ("**Erikson**" or the "**Applicant**"); AND UPON having reviewed the Affidavit of Mark Horrox, filed October 18, 2024 and the Supplemental Affidavit of Mark Horrox, filed October 24, 2024; AND UPON having reviewed the Affidavit of Mark Horrox, sworn November 12, 2024 (the "**Horrox Affidavit #2**"),

AND UPON reviewing the Certificate of Filing of a Notice of Intention to Make a Proposal filed, October 1, 2024; AND UPON reviewing the Second Report of KSV Restructuring Inc. as Proposal Trustee (“**Proposal Trustee**”); AND UPON having heard counsel for Erikson, the Proposal Trustee and counsel for any other interested parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of this Application and its supporting materials is deemed good and sufficient, and the time for service of this Application and its supporting materials is abridged to the time actually given.

CAPITALIZED TERMS

2. Capitalized terms used but not otherwise defined in this Order shall have the meaning given to such term in the Interim Financing Order of this Court in these proceedings dated October 21, 2024.

EXTENSION

3. Erikson is granted an extension of 45 days, to January 15, 2025 (“**Proposal Extension Date**”) to file a proposal to its creditors, under section 50.4 of the *Bankruptcy and Insolvency Act*, RSA 1985, c. B-3, as amended (“**BIA**”).
4. The stay of proceedings in the within matter is extended by 45 days to and including January 15, 2025.

AMENDMENT OF INTERIM FINANCING AGREEMENT

5. The amended Interim Financing Agreement attached to the Affidavit #2 of Mark Horrox between the Applicant and TEC to among other things: (i) increase the credit limit of the Interim Financing Agreement from \$250,000 to \$950,000; and (ii) extend the maturity date of the Interim Financing Agreement from December 16, 2024 to January 15, 2025 is hereby approved.

6. Paragraphs 3 and 9 of the Interim Financing Order shall be amended as follows:

3. The Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from Third Eye Capital Corporation (the “**DIP Lender**”) in order to finance the Applicant’s working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$950,000 unless permitted by further order of this Court.

9. The priorities of the Administration Charge and the Interim Lender’s Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$250, 000);
and

Second – Interim Lenders Charge (to the maximum amount of \$950,000).

J.C.K.B.A.