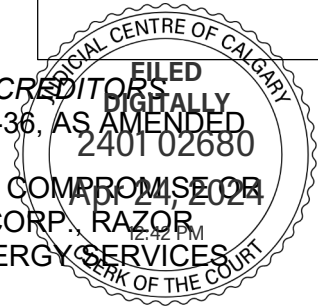


COURT FILE NUMBER 2401-02680
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk's Stamp

APPLICANTS IN THE MATTER OF THE COMPANIES' CREDITORS' ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED, 2401-02680
AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF RAZOR ENERGY CORP., RAZOR HOLDINGS GP CORP., AND BLADE ENERGY SERVICES CORP.



DOCUMENT **AFFIDAVIT #6 OF DOUG BAILEY**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
McCarthy Tétrault LLP
4000, 421 – 7th Avenue SW
Calgary, AB T2P 4K9
Attention: Sean Collins / Pantelis Kyriakakis / Nathan Stewart
Tel: 403-260-3531 / 3536 / 3534
Fax: 403-260-3501
Email: scollins@mccarthy.ca / pkyriakakis@mccarthy.ca / nstewart@mccarthy.ca

AFFIDAVIT #6 OF DOUG BAILEY
Sworn on April 24, 2024

I, Doug Bailey, of the City of Calgary, of the Province of Alberta, **SWEAR AND SAY THAT:**

1. I am the CEO of Razor Energy Corp. ("**Razor Energy**"), Razor Holdings GP Corp. ("**Razor Holdings**"), and Blade Energy Services Corp. ("**Blade**", Razor Energy, Blade, and Razor Holdings are collectively referred to as, the "**Applicants**"). Razor Energy is the sole limited partner, and Razor Holdings is the sole general partner, of Razor Royalties Limited Partnership ("**Razor Royalties LP**", and collectively with the Applicants, the "**Razor Entities**"). I am also a member of the board of directors of, each of the Applicants. I have reviewed the books and records prepared and maintained by the Razor Entities, in the ordinary course of business, including business and operational information and the most recently available annual audited and unaudited financial statements. I have personal knowledge of the facts and matters sworn to in this Affidavit, except where information was received from someone else or some other source of information, as identified herein. Where the information contained herein was received from another source, I believe such information to be true.

Clerk's Stamp

COURT FILE NUMBER 2401-02680
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

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2. On February 20, 2024, I swore an affidavit (the “**Initial Affidavit**”), filed in the within proceedings (the “**CCAA Proceedings**”). Among other things, the Initial Affidavit describes: (i) the background with respect to the Razor Entities’ assets, liabilities, and operations; and, (ii) details concerning the relief sought in connection with the Initial Order and the Amended and Restated Initial Order (each as defined below), including the Applicants’ sale and investment solicitation process (the “**SISP**”). The Initial Order (as defined below) approved the SISP. Under the SISP, proposals were due on March 12, 2024 (the “**Bid Deadline**”).
3. On February 28, 2024, the Honourable Justice N.J. Whitling granted an initial order (the “**Initial Order**”), in respect of the Applicants, under the *Companies’ Creditors Arrangement Act* (the “**CCAA**”). Among other things, the Initial Order: (i) established a stay of proceedings against the Applicants for ten (10) days (the “**Stay Period**”) and extended the stay of proceedings to Razor Royalties LP, for the duration of the Stay Period; and, (ii) appointed FTI Consulting Canada Inc. (“**FTI**”) as monitor (when referred to in such capacity, the “**Monitor**”) of the Razor Entities.
4. On March 6, 2024, the Honourable Justice M.E. Burns granted an order (the “**Amended and Restated Initial Order**”), amending and restating the Initial Order. The Amended and Restated Initial Order extended the Stay Period until and including March 29, 2024.
5. On March 25, 2024, the Honourable Justice C.M. Jones granted an order further extending the Stay Period to May 3, 2024 (the “**March 25 Order**”).

Summary of Relief Sought

6. This Affidavit is sworn in support of an application (the “**Application**”) to be filed by the Applicants, seeking: (i) an extension of the Stay Period, up to and including June 7, 2024; and (ii) a sale approval and vesting order in relation to the proposed sale by Blade of a 2007 Kenworth Bed Truck.
7. As described in further detail below, the Applicants are working with two parties who have submitted letters of intent (collectively, “**LOIs**” and the parties or persons providing such Offers, being the “**Offerors**”) in attempt to advance the LOIs to executable transactions.

The Applicants' Activities Since the March 25 Order

8. The Applicants have continued to advance their restructuring plan since the granting of the March 25 Order. Specifically, among other things, the Applicants:
 - (a) worked with the Peters & Co. Limited ("**Peters & Co.**") and the Monitor to conduct and carry out the SISP;
 - (b) have entered into LOI's with two parties that contemplate the acquisition of the entirety of the Applicants' assets, properties and undertaking;
 - (c) worked with the Monitor and the Applicants' professional advisors to prepare the Fourth Cash Flow Forecast (as defined and described below);
 - (d) are engaging with potential lenders regarding a potential Interim Financing Facility (as defined in the Initial Affidavit) and the terms on which any such interim lenders may advance financing to the Applicants;
 - (e) continue to provide information to the Monitor, as requested, and work with the Monitor to identify potential solutions to various issues arising under or in connection with the Applicants' CCAA Proceedings; and
 - (f) responded to questions and issues, from creditors and other stakeholders, concerning these CCAA Proceedings.

Update Regarding the SISP

9. Razor has entered into two LOI's with arm's-length parties; both of whom presented their offers to Peters & Co.
10. The LOI with one of the potential purchasers contemplates (the "**Corporate Offeror**") a subscription agreement to be entered into between Razor and the Corporate Offeror that will establish series of transactions that will result in all existing equity interests in Razor being cancelled for nominal consideration with Corporate Offeror, upon closing, becoming the sole beneficial owner of all of the issued and outstanding shares of Razor (the "**Corporate LOI**"). The Corporate LOI contemplates that, upon closing of the transaction, Razor's assets will be comprised of all of Razor's assets, properties and undertakings,

other than a relatively small and immaterial subset of certain petroleum and natural gas assets (the “**Excluded Assets**”).

11. The Corporate Offeror has: (i) engaged in extensive discussions with Peters & Co. and Razor management surrounding the Assets; and (ii) made a field visit to inspect and conduct due diligence on Razor’s petroleum and natural gas properties and infrastructure. The Corporate Offeror’s senior management team have advised me that the Offeror is willing, able and motivated to move toward the negotiation, execution and delivery of definitive transaction documents.
12. Peters & Co. have advised me that they have undertaken an assessment of the financial wherewithal of the Corporate Offeror to fund the acquisition contemplated by the Corporate LOI and that Peters & Co. is satisfied that the Corporate Offeror has sufficient capital to close the acquisition contemplated by the Corporate LOI.
13. The other LOI has been tendered by a party to acquire the Excluded Assets (the “**Asset Acquirer**”). The Asset Acquirer is an AER licensee that conducts oil and gas exploration and production operations in Alberta. The Asset Acquirer has concluded its due diligence and has advised that it wishes to negotiate, execute and deliver definitive transaction documents. Razor’s counsel is in the process of preparing drafts of the definitive transaction documents. It should be noted that the Excluded Assets represent a negligible component of the Assets. In any event, Peters & Co. and Razor are satisfied that the Asset Acquirer has the financial wherewithal to close the acquisition contemplated by the Asset Acquirer’s LOI.
14. As deposed to in my Initial Affidavit, Razor’s deemed liabilities as calculated by the AER at February 3, 2024 were in the approximate amount of \$123,314,655. The transactions contemplated by the Corporate LOI and the LOI to acquire the Excluded Assets satisfies Razor’s stated objectives, and the requirement of the Alberta Energy Regulator and the Orphan Well Association, of sourcing transactions that will result in all of Razor’s operated and non-operated interests in its petroleum and natural gas assets being acquired by parties who will, among other things, assume the abandonment and reclamation obligations associated with such assets. If the transactions contemplated by the LOI’s are consummated, then it is Razor’s belief that none of Razor’s assets will require the AER to

issue directives to the OWA to provide reasonable care and measures for its wells, facilities and pipelines in Alberta.

15. The cash proceeds to be derived from the proposed transactions will be insufficient to repay creditors of Razor who hold consensual or statutory security; let alone Razor's unsecured creditors. Razor's creditors who hold consensual or statutory security are projected to suffer a material shortfall and there will be no recovery available to Razor's general unsecured creditors. Razor intends on consulting with its major stakeholders in the immediate near future with a view to attempting to build support for the proposed transactions.

Fourth Cash Flow Forecast

16. With the assistance of the Monitor and the Applicants' professional advisors, the Applicants have prepared a cash flow forecast (the "**Fourth Cash Flow Forecast**") for the period ending June 9, 2024 (the "**Forecast Period**").
17. The Fourth Cash Flow Forecast projects that the Applicants are forecasted to have sufficient liquidity to satisfy their post-filing obligations during the Forecast Period.
18. A copy of the final Fourth Cash Flow Forecast will be included in the forthcoming Monitor's Report.

Sale of Surplus Blade Equipment

19. Blade has entered into a sale agreement with Brandt Tractor Ltd., as agent for a purchaser, in respect of a 2007 Kenworth Bed Truck bearing serial number 1NKCXBTX37R930220 (the "**Kenworth**"). The Kenworth is not being utilized by Blade in its commercial operations. The offer is for the all-inclusive amount of \$150,000 cash. It is proposed that the sale proceeds will be paid on account of (i) a sales commission to Brandt in the amount of \$19,500 (representing 13% of the gross sales price); and (ii) the financing obligations owed to Stride Capital Corp., the financier of the Kenworth, in the amount of \$67,416.52. The balance of the sale proceeds of \$63,083.48 will be paid to Blade.
20. The commission payable to Brandt arises pursuant to an agreement between Brandt and Blade in connection with Brandt sourcing the purchaser and acting as agent. The commission is a straight 13% commission on gross sale proceeds. In my experience, the commission being charged Brandt is market and reasonable.

21. Blade commissioned an appraisal of its rolling stock from MCD Appraisals. MCD Appraisals appraised the Kenworth's orderly sale value to be less than the price being paid by the purchaser. The purchaser is arm's-length from Blade. Stride Capital and the Monitor both support the sale of the Kenworth. There are no other registered security interests against the Kenworth in the Province of Alberta. Attached hereto and marked as Exhibits "A" is a true copy of an Alberta Personal Property Registry Serial Number Search. The purchase agreement has not yet been executed and delivered. A filed copy of the purchase agreement will be placed on the record prior to the return date of the May 3, 2024 stay extension application.

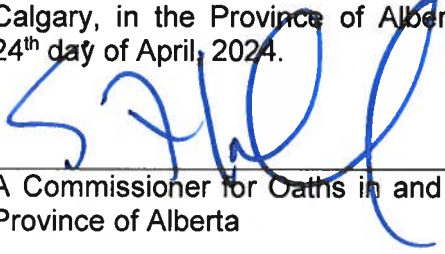
Extension of Stay Period

22. The Applicants seek the approval of an extension of the Stay Period, up to and until June 7, 2024. The extension of the Stay Period is critical to the Applicants' ability to advance the LOI's to executable transactions.

Conclusion

23. I make this Affidavit in support of the Application seeking an extension of the Stay Period, until and including June 7, 2024 and for a sale approval and vesting order in respect of the Kenworth.

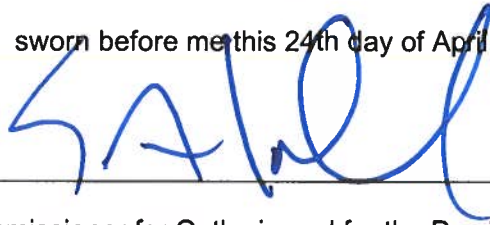
SWORN BEFORE ME in the City of)
Calgary, in the Province of Alberta, this)
24th day of April, 2024.)
)
)
)
)
)
A Commissioner for Oaths in and for the)
Province of Alberta)



DOUG BAILEY

**SEAN F. COLLINS
BARRISTER & SOLICITOR**

This is Exhibit "A" referred to in the Affidavit #6 of Doug Bailey
sworn before me this 24th day of April, 2024.

A handwritten signature in blue ink, appearing to read 'SFC', is written over a horizontal line.

A Commissioner for Oaths in and for the Province of Alberta

**SEAN F. COLLINS
BARRISTER & SOLICITOR**

Search ID #: Z17297767

Transmitting Party

MCCARTHY TETRAULT LLP
4000, 421 - 7th AVENUE SW
CALGARY, AB T2P 4K9

Party Code: 50087121
Phone #: 403 260 3500
Reference #: 218120-583066

Search ID #: Z17297767

Date of Search: 2024-Apr-24

Time of Search: 07:30:54

Serial Number Collateral Search For:

1NKCXBTX37R930220

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z17297767

Serial Number Collateral Search For:

1NKCXBTX37R930220

Search ID #: Z17297767

Date of Search: 2024-Apr-24

Time of Search: 07:30:54

Registration Number: 22061529372

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Jun-15

Registration Status: Current

Expiry Date: 2027-Jun-15 23:59:59

Exact Match on: Serial Collateral No: 1

Amendments to Registration

22061616943	Amendment	2022-Jun-16
22061620528	Amendment	2022-Jun-16
24041115735	Amendment	2024-Apr-11

Debtor(s)

Block

1 BLADE ENERGY SERVICES CORP.
800, 500 5TH AVE SW
CALGARY, AB T2P3L5

Status

Current

Block

2 RAZOR ENERGY CORP.
800, 500 5TH AVE SW
CALGARY, AB T2P3L5

Status

Deleted by
22061616943

Block

3 RAZOR ENERGY SERVICES CORP
800, 500 5TH AVE SW
CALGARY, AB T2P3L5

Status

Deleted by
22061620528

Block

4 RAZOR ENERGY CORP.
800, 500 5TH AVE SW
CALGARY, AB T2P3L5

Status

Current by
22061620528

Search ID #: Z17297767

Secured Party / Parties

Block

1 STRIDE CAPITAL CORP.
SUITE 201, 3007 14TH STREET SW
CALGARY, AB T2T3V6
Email: PPSA@STRIDECAP.COM

Status

Deleted by
24041115735

Block

2 2416924 ALBERTA LTD.
415-3332 20TH STREET SW
CALGARY, AB T2T 6T9
Email: PPSA@STRIDECAP.COM

Status

Current by
24041115735

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1NKCXBTX37R930220	2007	KENWORTH C500	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	(1) USED 2007 KENWORTH C500 BED TRUCK S/N: 1NKCXBTX37R930220	Current

TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.

Result Complete