



COURT FILE NUMBER 2401-02680  
COURT COURT OF KING'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 A PLAN OF COMPROMISE  
OR ARRANGEMENT OF RAZOR ENERGY CORP.,  
RAZOR HOLDINGS GP CORP., AND BLADE ENERGY  
SERVICES CORP.

DOCUMENT **SECOND REPORT TO COURT OF FTI  
CONSULTING CANADA INC., IN ITS CAPACITY  
AS MONITOR OF RAZOR ENERGY CORP.,  
RAZOR HOLDINGS GP CORP., AND BLADE  
ENERGY SERVICES CORP.**

**March 18, 2024**

ADDRESS FOR SERVICE AND  
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**SECOND REPORT OF THE MONITOR**

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## INTRODUCTION

1. On January 30, 2024, Razor Energy Corp. (“**Razor Energy**”), Razor Holdings GP Corp. (“**Razor Holdings**”), Razor Royalties Limited Partnership (“**Razor Royalties LP**”), and Blade Energy Services Corp. (“**Blade**” and collectively with Razor Energy, Razor Holdings and Razor Royalties LP, the “**Razor Entities**”) filed Notices of Intention to Make a Proposal (“**NOI**”), pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the “**BIA**”). FTI Consulting Canada Inc. (“**FTI**”) consented to act as proposal trustee (the “**Proposal Trustee**”) in the NOI proceedings (the “**NOI Proceedings**”) of the Razor Entities.
2. On February 16, 2024, the Honourable Justice M.J. Lema of the Court of King’s Bench of Alberta (the “**Court**”) heard an application (the “**Supply Application**”) in respect of a dispute between Razor Energy and Conifer Energy Inc. (“**Conifer**”) regarding amongst other things, access to the Judy Creek Conversion Gas Plant (“**Judy Creek Gas Plant**”) in which Razor Energy holds an ownership interest, which has impacted the assets related to the Swan Hills Beaverhill Lake formation, including the South Swan Hills assets (the “**South Swan Hills Assets**”). The Reasons for Judgment (the “**Lema Decision**”) of Justice Lema were released on February 21, 2024.
3. On February 28, 2024, (the “**Filing Date**”), Razor Energy, Razor Holdings, and Blade (collectively referred to as, the “**Applicants**”) sought and obtained an initial order (the “**Initial Order**”) from 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**” and the “**CCAA Proceedings**”).
4. The Initial Order granted, among other things, the following relief within the CCAA Proceedings:
  - (a) a stay of proceedings until March 8, 2024;

- (b) an extension of the stay of proceedings to Razor Royalties LP until March 8, 2024;
  - (c) the appointment of FTI as monitor (FTI in such capacity, the “**Monitor**”) of the Razor Entities in these CCAA Proceedings;
  - (d) approval of the sale and investment solicitation process (the “**SISP**”);
  - (e) approval of the engagement letter dated January 25, 2024 (the “**Sales Agent Agreement**”), between Razor Energy and Peters & Co. Limited (the “**Sales Agent**”);
  - (f) a sealing order in respect of an unredacted copy of the Sales Agent Agreement; and
  - (g) approval of the priority and amount of the charges in favor of: (i) the Monitor, the Monitor’s counsel, and the Applicants’ legal counsel (the “**Administration Charge**”) in the amount of \$100,000; and (ii) the Applicants’ obligations to indemnify the Applicants’ directors and officers for liabilities they may incur after the Filing Date (the “**Directors’ Charge**”) in the amount of \$335,000 (together, the “**Initial Order Charges**”).
5. On March 6, 2024 (the “**Comeback Hearing**”), the Applicants sought and obtained an Order from the Court (the “**Amended and Restated Initial Order**” or the “**ARIO**”). The ARIO granted, among other things, the following relief within the CCAA Proceedings:
- (a) an extension of the stay of proceedings up to and including March 29, 2024 (the “**Stay Period**”);
  - (b) an extension of the stay of proceedings to Razor Royalties LP for the duration of the Stay Period;

- (c) confirmed the quantum of the Initial Order Charges for the Administration Charge in the amount of \$100,000 and Directors' Charge in the amount of \$335,000 and their priority;
  - (d) authorized the Applicants' decision to incur no further expenses during the stay of proceedings, in relation to certain securities or capital markets reporting obligations;
  - (e) relieved Razor Energy of any obligations to call or hold its next annual general meeting of shareholders until further Order of this Court; and
  - (f) a sealing order in respect of the desktop appraisal conducted by McDougall Auctioneers Ltd. of the equipment in the possession of Blade.
6. This report (this "**Report**") is being delivered in connection with the Applicants' application currently scheduled to be heard on March 25, 2024 (the "**March 25 Application**"), seeking an Order from the Court (the "**Stay Extension Order**"), among other things:
- (a) extending the Stay Period up to and including May 3, 2024; and
  - (b) such further and other relief as may be sought by the Applicants in connection with the March 25 Application.
7. This Report should be read in conjunction with the Affidavit of Doug Bailey sworn on March 18, 2024 (the "**Fourth Bailey Affidavit**") which provides further background information concerning the March 25 Application.
8. Electronic copies of all materials filed by the Razor Entities in connection with the March 25 Application and other materials are available on the Monitor's website at: <http://cfcanada.fticonsulting.com/razor-blade> (the "**Website**").

## PURPOSE

9. The Monitor has reviewed the application materials filed by the Applicants in support of the March 25 Application. The purpose of this Report is to provide the Court and the Razor Entities' stakeholders with information and the Monitor's comments with respect to the following:
- (a) the activities of the Monitor since its report dated March 5, 2024 (the "**First Monitor's Report**");
  - (b) an update on the status of the application filed by Alberta Petroleum Marketing Commission ("**APMC**") with respect to outstanding pre-filing royalties;
  - (c) an update on the status of the SISP;
  - (d) the budget to actual cash flow results for the two-week period ending March 17, 2024;
  - (e) an overview of the Razor Entities' revised cash flow forecast (the "**Third Cash Flow Forecast**") for the seven-week period ending May 5, 2024 (the "**Forecast Period**") as well as the key assumptions which the Third Cash Flow Forecast are based on; and
  - (f) the Monitor's recommendations with respect to the relief requested at the March 25 Application.

## TERMS OF REFERENCE

10. In preparing this Report, the Monitor has relied upon unaudited financial information, other information available to the Monitor and, where appropriate, the Razor Entities' books and records and discussions with various parties (collectively, the "**Information**").

11. Except as described in this Report:
- (a) the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*;
  - (b) the Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the *Chartered Professional Accountants of Canada Handbook*; and
  - (c) future oriented financial information reported or relied on in preparing this report is based on assumptions regarding future events; actual results may vary from forecast and such variations may be material.
12. The Monitor has prepared this Report in connection with the March 25 Application. This Report should not be relied on for other purposes.
13. Information and advice described in this Report that has been provided to the Monitor by its legal counsel, Blake, Cassels & Graydon LLP (the “**Monitor’s Counsel**”), was provided to assist the Monitor in considering its course of action, is not intended as legal or other advice to, and may not be relied upon by, any other person.
14. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms used but not defined herein are given the meaning ascribed to them in the Fourth Bailey Affidavit.

## BACKGROUND

15. Detailed information with respect to the Razor Entities' business, operations and causes of financial difficulty are described in the Affidavit of Doug Bailey sworn on February 20, 2024.
16. Additional background information on the Razor Entities and the CCAA Proceedings is available on the Monitor's Website.

## ACTIVITIES OF THE MONITOR

17. The Monitor's activities since the date of the First Monitor's Report include the following:
  - (a) monitoring the Razor Entities' finances (including cash flows) and operations;
  - (b) participating in discussions with Razor Energy and the Sales Agent to conduct and carry out the SISP and assisting with due diligence requests in respect of the same;
  - (c) reviewing the offers received (the "**Offers**") in connection with the SISP;
  - (d) assisting the Razor Entities in preparing the Third Cash Flow Forecast;
  - (e) responding to inquiries from suppliers and creditors who contacted the Monitor in connection with these CCAA Proceedings; and
  - (f) preparing this Report.

## APMC

18. As summarized in the First Monitor's Report, APMC is the agent of the Crown responsible for accepting delivery and dealing with the Crown's royalty share of production under the *Petroleum Marketing Act*.



19. In-kind royalties owing to the Crown in respect of January production (the “**January Royalty Amounts**”) were not delivered for the period prior to the Filing Date. APMC wrote to Razor Energy and the Monitor in respect of the January Royalty Amounts disputing Razor Energy’s position that the amounts are stayed pursuant to the ARIO. APMC directed Razor Energy to remedy the undelivered January Royalty Amounts, by delivering equal quantity and like quality crude oil as part of their February 2024 delivery.
20. APMC has scheduled an application to be heard by this Court on April 10, 2024. Razor Energy, in consultation with its counsel and the Monitor, is reviewing the statutory basis for APMC’s position with respect to the January Royalty Amounts. The Monitor will consider if any further reporting on APMC’s claim would be beneficial and of assistance to the Court in advance of the April 10, 2024 application.

#### **SALE AND INVESTMENT SOLICITATION PROCESS**

21. Beginning on February 6, 2024, the Sales Agent initiated the SISP including:
  - (a) preparing an information memorandum that was sent to approximately 400 potentially interested parties (inclusive of Canadian, U.S., and International exploration and production entities) and posted on the Sales Agent’s website;
  - (b) directly contacting approximately 50 high graded counterparties identified as potentially having greater interest due to offsetting operations and overall asset fit;
  - (c) publishing notice of the SISP in the Daily Oil Bulletin on February 7 and February 8, 2024, and the BOE Report on February 7, 2024;
  - (d) preparing a virtual data room (“**VDR**”) containing financial and technical information regarding Razor Energy’s petroleum and natural gas assets;

- (e) executing 53 confidentiality agreements (“CA”) and providing VDR access to the counterparties;
  - (f) providing detailed bid instructions which were posted to the VDR on March 1, 2024;
  - (g) continuing to address questions from interested parties; and
  - (h) completing a preliminary review of the bids received.
22. Interested parties submitted their proposals by 12:00 PM MST on March 12, 2024 (the “**Bid Deadline**”). The Applicants received multiple Offers of varying complexity and asset mix. Razor Energy, in consultation with the Sales Agent and the Monitor, has begun to assess the Offers received, including clarifying and evaluating the Offers.
23. The proposed extension to the Stay Period will allow the Applicants, in consultation with the Monitor and the Sales Agent, to continue to assess and evaluate the Offers and consider the options available for a restructuring or sale transaction.

## **JUDY CREEK GAS PLANT**

24. Since the Lema Decision, Conifer (the operator of the Judy Creek Gas Plant) and Razor Energy have had discussions regarding the terms upon which Conifer would grant access to the Judy Creek Gas Plant. To date an agreement has not been reached.
25. As set out in the Fourth Bailey Affidavit, Conifer has claimed an entitlement to a right of first refusal (the “**ROFR**”) with respect to Functional Unit H, which forms part of the Judy Creek Gas Plant.

26. The Monitor understands that there is no relief being sought by the Razor Entities with respect to the ROFR claimed by Conifer, and at this point is focusing on the various Offers in hand and next steps with respect to an overall restructuring.

#### **RECEIVABLE SETTLEMENT**

27. Blade was owed approximately \$500,000 by Swan Hills Geothermal Power Corp. (“SHGPC”) relating to work performed prior to the commencement of the NOI Proceedings. Blade had made several attempts to collect the outstanding indebtedness and, to avoid litigation costs, agreed with SHGPC for the outstanding receivable to be collected on a payment plan basis with the total receivable to be collected over the next several months. The collections expected to be received during the Forecast Period are included in the Third Cash Flow Forecast discussed below.

#### **BUDGET TO ACTUAL RESULTS**

28. The Razor Entities, in consultation with the Monitor, prepared cash flow statement (the “**Second Cash Flow Statement**”) which were appended to the First Monitor’s Report.
29. Actual cash flows as compared to those contained in the Second Cash Flow Statement for the two-week period of March 4, 2024, to March 17, 2024, are summarized below.

<b>The Razor Entities</b>			
For the 2 week period of March 4, 2024 to March 17, 2024			
<b>Budget to Actual Results</b>			
(C\$ 000s)	Actual	Budget	Variance
<b>Receipts</b>			
Net production revenue	\$ 284	\$ 283	\$ 1
Other receipts	4	30	(26)
<b>Total - Receipts</b>	<b>288</b>	<b>313</b>	<b>(25)</b>
<b>Disbursements</b>			
Operating expenses	(565)	(810)	245
Transportation costs	(26)	-	(26)
Lease rentals	(52)	(54)	1
Insurance	(54)	(54)	(0)
Payroll	(215)	(230)	15
Professional & Sales Agent fees	(122)	(125)	3
G&A expense	(153)	(100)	(53)
<b>Total - Disbursements</b>	<b>(1,188)</b>	<b>(1,373)</b>	<b>185</b>
<b>Net cash flow</b>	<b>(900)</b>	<b>(1,060)</b>	<b>160</b>
<b>Opening cash balance</b>	<b>2,102</b>	<b>2,102</b>	<b>-</b>
<b>Ending cash balance</b>	<b>\$ 1,203</b>	<b>\$ 1,042</b>	<b>\$ 160</b>

30. The variances in actual receipts and disbursements are primarily due to the following:
- (a) Net production revenue – substantially in line with forecast and collected amounts relate to the Pembina Midstream Limited Partnership receivable as described in the First Monitor’s Report;
  - (b) Other receipts – negative variance of approximately \$26,000 due to timing of miscellaneous other revenue such as third-party road use fees;
  - (c) Operating expenses – positive variance of approximately \$245,000 due partially to timing variances, but also lower than anticipated field activity resulting in fewer variable expenses being incurred;

- (d) Transportation costs – negative variance of approximately \$26,000 due to timing variances related to transportation of petroleum and natural gas production;
  - (e) Lease rentals – substantially in line with forecast;
  - (f) Insurance – substantially in line with forecast;
  - (g) Payroll – positive variance of approximately \$15,000 due to lower payroll for Blade resulting from lower utilization over the period;
  - (h) Professional & Sales Agent fees – substantially in line with forecast; and
  - (i) G&A expense – negative variance of approximately \$53,000 due to a one-time expense.
31. The cash balance at the end of the period is approximately \$1.2 million which is higher than previously forecast by approximately \$160,000 and was primarily driven by lower than anticipated operating expenses over the period.

### **CASH FLOW FORECAST**

32. The Razor Entities, in consultation with the Monitor, have prepared the Third Cash Flow Forecast to estimate the liquidity for the Forecast Period, a summary of which is presented below and attached hereto as Appendix “A”.

<b>The Razor Entities</b>	
For the 7 week period of March 18, 2024 to May 5, 2024	
<b>Cash Flow Forecast</b>	<b>7 Week</b>
(C\$ 000s)	Total
<b>Receipts</b>	
Net production revenue	\$ 3,914
Other receipts	205
<b>Total - Receipts</b>	<b>4,119</b>
<b>Disbursements</b>	
Operating expenses	(2,665)
Transportation costs	(300)
Lease rentals	(44)
Insurance	(672)
Payroll	(690)
Professional & Sales Agent fees	(415)
G&A expense	(402)
<b>Total - Disbursements</b>	<b>(5,188)</b>
<b>Net cash flow</b>	<b>(1,069)</b>
<b>Opening cash balance</b>	<b>1,203</b>
<b>Ending cash balance</b>	<b>\$ 134</b>

33. The Third Cash Flow Forecast projects a negative net cashflow of approximately \$1.1 million over the Forecast Period, which includes the following assumptions:
- (a) Net production revenue receipts are derived from petroleum and natural gas sales based on forecast production and third-party pricing. Crown royalties are paid in kind and included within this balance;
  - (b) Other receipts consist of third-party road use fees, partner joint interest billings, and SHGPC payments (discussed within this Report), amongst other miscellaneous revenue;
  - (c) Operating expenses are based on the annual operating budget and relate to costs associated with the operation of oil and natural gas wells;

- (d) Transportation costs are associated with the transportation of petroleum and natural gas production from well head to market;
  - (e) Lease rentals are based on the annual budget and exclude freehold;
  - (f) Insurance is based on current premiums and estimated director and officer run-off coverage;
  - (g) Payroll is based on payroll registers and includes costs related to employees including payroll, benefits, and payroll remittances;
  - (h) Professional & Sales Agent fees are costs and disbursements of the Monitor, the Monitor's Counsel, the Razor Entities' legal counsel, and the Sales Agent; and
  - (i) G&A expense includes overhead costs such as rent and other similar expenses, in addition to amounts to cover the margin call expense on hedging contracts.
34. In consideration of the ongoing dispute between Razor Energy and Conifer, the Third Cash Flow Forecast assumes that production from the South Swan Hill Assets remains shut-in and is not reconnected over the Forecast Period.
35. The Third Cash Flow Forecast does not include payments with respect to KERP or the receipt of any Interim Financing. Discussions of a KERP or Interim Financing continue, and will ultimately be decided based on result of the SISP.

***The Monitor's Comments on the Cash Flow Forecast***

36. Pursuant to section 23(1)(b) of the CCAA and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standard of Practice 09-1, the Monitor hereby reports as follows:

- (a) the Third Cash Flow Forecast has been prepared by management of the Razor Entities, for the purpose described in the notes to the Third Cash Flow Forecast, using probable and hypothetical assumptions set out therein;
- (b) the Monitor's review of the Third Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to the Information supplied to it by the Razor Entities. Since hypothetical assumptions need not be supported, the Monitor's procedures were limited to evaluating whether they were consistent with the purpose of the Third Cash Flow Forecast, and there are no material assumptions contained therein which seem unreasonable in the circumstances. The Monitor has also reviewed the support provided by management for the probable assumptions, and the preparation and presentation of the Third Cash Flow Forecast;
- (c) based on the Monitor's review, as at the date of this Report, nothing has come to its attention that causes it to believe that, in all material respects:
  - (i) the hypothetical assumptions are not consistent with the purpose of the Third Cash Flow Forecast;
  - (ii) the probable assumptions developed by management are not supported and consistent with the plan of the Razor Entities or do not provide a reasonable basis for the Third Cash Flow Forecast, given the hypothetical assumptions;  
or
  - (iii) the Third Cash Flow Forecast does not reflect the probable and hypothetical assumptions;



- (d) since the Third Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Third Cash Flow Forecast will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information present in this Report, or relied upon by the Monitor in preparing this Report; and
- (e) the Third Cash Flow Forecast has been prepared solely for the purpose described in the notes to the Third Cash Flow Forecast and readers are cautioned that it may not be appropriate for other purposes.

#### **REQUEST TO EXTEND THE STAY OF PROCEEDINGS**

37. The Monitor has considered the Applicants' request to extend the Stay Period up to and including May 3, 2024, and has the following comments:
- (a) there will be no material prejudice to the Razor Entities' creditors and stakeholders as a result of the proposed extension of the Stay Period;
  - (b) the extension of the Stay Period will allow the Razor Entities to assess and review the Offers received as part of the SISF and pursue a restructuring or sale transaction, which if successful would be to the benefit of all stakeholders;
  - (c) the Third Cash Flow Forecast indicates that the Razor Entities will have sufficient liquidity to continue to fund operations and the cost of these CCAA Proceedings for the duration of the proposed extension of the Stay Period; and
  - (d) the Applicants and their management have and continue to act in good faith and with due diligence in taking steps to facilitate a restructuring of the business.

## RECOMMENDATIONS

38. Based on the foregoing, the Monitor is of the view that the relief being sought by the Applicants' is reasonable and justified in the circumstances and respectfully recommends that this Honourable Court approve the extension of the Stay Period up to and including May 3, 2024.

All of which is respectfully submitted this 18th day of March 2024.

FTI Consulting Canada Inc.,  
Licensed Insolvency Trustee in its capacity as  
Monitor of Razor Energy Corp., Razor Holdings  
GP Corp., and Blade Energy Services Corp., and  
not in its personal or corporate capacity.



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## **Appendix “A” – Cash Flow Forecast for the period ending May 5, 2024**

**Razor Energy Corp., Razor Royalties Limited Partnership, Razor Holdings GP Corp., and Blade Energy Services Corp. (the "Razor Entities")**

Projected Cash Flow Forecast for the Period of March 18, 2024 to May 5, 2024

Cash Flow Forecast (C\$ 000s)	Week Ending	Week 1 24-Mar	Week 2 31-Mar	Week 3 7-Apr	Week 4 14-Apr	Week 5 21-Apr	Week 6 28-Apr	Week 7 5-May	Total
<b>Receipts</b>									
Net production revenue	1	\$ -	\$ 1,903	\$ -	\$ -	\$ -	\$ 2,011	\$ -	\$ 3,914
Other receipts	2	15	65	15	15	15	15	65	205
<b>Total - Receipts</b>		<b>15</b>	<b>1,968</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>2,026</b>	<b>65</b>	<b>4,119</b>
<b>Disbursements</b>									
Operating expenses	3	(599)	(260)	(290)	(160)	(10)	(1,205)	(140)	(2,665)
Transportation costs	4	-	(50)	-	-	-	(250)	-	(300)
Lease rentals	5	-	-	-	-	(44)	-	-	(44)
Insurance	6	-	(645)	-	(27)	-	-	-	(672)
Payroll	7	-	(230)	-	(230)	-	(230)	-	(690)
Professional & Sales Agent fees	8	(100)	(195)	-	-	-	(120)	-	(415)
G&A expense	9	(50)	(60)	(88)	(50)	(50)	(20)	(84)	(402)
<b>Total - Disbursements</b>		<b>(749)</b>	<b>(1,440)</b>	<b>(378)</b>	<b>(467)</b>	<b>(104)</b>	<b>(1,825)</b>	<b>(224)</b>	<b>(5,188)</b>
<b>Net cash flow</b>		<b>(734)</b>	<b>528</b>	<b>(363)</b>	<b>(452)</b>	<b>(89)</b>	<b>201</b>	<b>(159)</b>	<b>(1,069)</b>
<b>Opening cash balance</b>		<b>1,203</b>	<b>469</b>	<b>997</b>	<b>633</b>	<b>181</b>	<b>93</b>	<b>293</b>	<b>1,203</b>
<b>Ending cash balance</b>		<b>\$ 469</b>	<b>\$ 997</b>	<b>\$ 633</b>	<b>\$ 181</b>	<b>\$ 93</b>	<b>\$ 293</b>	<b>\$ 134</b>	<b>\$ 134</b>



RAZOR ENTITIES

Per: Doug Bailey, President and CEO

**Notes:**

Management of the Razor Entities has prepared this Projected Cash Flow Forecast solely for the purposes of determining the liquidity requirements of the Razor Entities during the period of March 18, 2024 to May 5, 2024. This Projected Cash Flow Forecast is based on probable and hypothetical assumptions detailed in the notes below. Consequently, actual results will likely vary from actual performance and such variances may be material.

- 1 Net production revenue relates to the sale of Razor Energy Corp's petroleum and natural gas production and is based on forecast production volumes and third-party pricing. Further, it assumes no operated production can be sent to the Judy Creek Gas Plant and no additional net revenue received from non-operated production. Crown royalties for oil production are paid in kind.
- 2 Other receipts consist of third-party road use fees, partner joint interest billings, the SHGPC payments, etc.
- 3 Operating expenses are based on the annual operating budget and relates to the costs associated with the operation of oil and natural gas wells.
- 4 Transportation costs relate to transporting petroleum and natural gas production from well head to market and is based on projected production volumes and transportation rates.
- 5 Lease rentals are based on annual budget (excluding freehold).
- 6 Insurance is based on current policy premiums and estimated D&O run off insurance.
- 7 Payroll is based on the most recent payroll registers.
- 8 Professional fees include estimates for the Monitor, the Monitor's legal counsel, Razor Entities' legal counsel, and Sales Agent.
- 9 G&A expense includes overhead costs based on the annual budget and margin call on hedging contracts.