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	**THIRD 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.** **April 25, 2024**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MONITOR** FTI Consulting Canada Inc. Suite 1610, 520 Fifth Avenue S.W. Calgary, AB T2P 3R7 Deryck Helkaa / Dustin Olver Telephone: (403) 454-6031 / (403) 454-6032 Fax: (403) 232-6116 E-mail: deryck.helkaa@fticonsulting.com dustin.olver@fticonsulting.com **COUNSEL** Blake, Cassels & Graydon LLP Suite 3500, Bankers Hall East 855 2nd Street S.W. Calgary, AB T2P 4J8 Kelly Bourassa Telephone: (403) 260-9697 E-mail: kelly.bourassa@blakes.com

THIRD REPORT OF THE MONITOR

TABLE OF CONTENTS

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 favour 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;

(b) an extension of the stay of proceedings to Razor Royalties LP up to and including March 29, 2024;

(c) confirmed the quantum and priority of the Initial Order Charges as provided in the Initial Order;

(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 (the "**McDougall Appraisal**") in the possession of Blade.

6. On March 25, 2024, the Applicants sought and obtained an Order from the Court (the "**March 25 Order**"). The March 25 Order granted, among other things, the following relief within the CCAA Proceedings:

(a) an extension of the stay of proceedings up to and including May 3, 2024 (the "**Stay Period**"); and

(b) an extension of the stay of proceedings to Razor Royalties LP for the duration of the Stay Period.

7. On April 10, 2024, Justice M.E. Burns of this Court heard an application of Alberta Petroleum Marketing Commission ("**APMC**") with respect to outstanding pre-filing royalties (the "**January Royalty Amounts**"). To date, no decision on the January Royalty Amounts has been rendered.

8. This report (this "**Report**") is being delivered in connection with the Applicants' application currently scheduled to be heard on May 3, 2024 (the "**May 3 Application**"), seeking an Order from the Court (the "**Second Stay Extension Order**"), among other things:

   (a) extending the Stay Period up to and including June 7, 2024;

   (b) a sale approval and vesting order in relation to the proposed sale by Blade of a 2007 Kenworth Bed Truck (the "**Kenworth**"); and

   (c) such further and other relief as may be sought by the Applicants in connection with the May 3 Application.

9. This Report should be read in conjunction with Affidavit #6 of Doug Bailey sworn on April 24, 2024 (the "**Sixth Bailey Affidavit**") which provides further background information concerning the May 3 Application.

10. Electronic copies of all materials filed by the Razor Entities in connection with the May 3 Application and other materials are available on the Monitor's website at: http://cfcanada.fticonsulting.com/razor-blade (the "**Website**").

PURPOSE

11. The Monitor has reviewed the application materials filed by the Applicants in support of the May 3 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 18, 2024 (the "**Second Monitor's Report**");

(b) an update on the status of the SISP;

(c) summary of the proposed sale of the Kenworth;

(d) the budget to actual cash flow results for the five-week period ending April 21, 2024;

(e) an overview of the Razor Entities' revised cash flow forecast (the "**Fourth Cash Flow Forecast**") for the seven-week period ending June 9, 2024 (the "**Forecast Period**") as well as the key assumptions which the Fourth Cash Flow Forecast are based on; and

(f) the Monitor's recommendations with respect to the relief requested at the May 3 Application.

TERMS OF REFERENCE

12. 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**").

13. 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.

14. The Monitor has prepared this Report in connection with the May 3 Application. This Report should not be relied on for other purposes.

15. 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.

16. 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 Sixth Bailey Affidavit.

BACKGROUND

17. 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.

18. Additional background information on the Razor Entities and the CCAA Proceedings is available on the Monitor's Website.

ACTIVITIES OF THE MONITOR

19. The Monitor's activities since the date of the Second 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 in connection with the SISP;

(d) consulting with the Alberta Energy Regulator (“**AER**”) with respect to the SISP;

(e) continuing to review matters concerning Conifer and its appeal of the Lema Decision;

(f) discussions with the Company on matters pertaining to APMC and its application on the January Royalty Amounts;

(g) assisting the Razor Entities in preparing the Fourth Cash Flow Forecast;

(h) responding to inquiries from suppliers and creditors who contacted the Monitor in connection with these CCAA Proceedings; and

(i) preparing this Report.

SALE AND INVESTMENT SOLICITATION PROCESS

20. Razor Energy, after consultation with the Sales Agent and the Monitor, has executed two letters of intent (collectively, the “**LOIs**” and the parties or persons providing such offers, being an “**Offeror**”) which contemplate the following transactions:

(a) one Offeror (the “**Corporate Offeror**”) contemplates entering into a subscription agreement to purchase all issued and outstanding shares of Razor Energy (the “**Corporate LOI**”). The Corporate LOI comprises of all of Razor Energy’s assets, properties, and undertakings, other than a relatively minor subset of certain petroleum and natural gas assets (the “**Excluded Assets**”); and

(b) the second Offeror contemplates acquiring the Excluded Assets (the "**Asset Acquirer**"). The Asset Acquirer is an AER licensee that conducts oil and gas exploration and production operations in Alberta.

21. The proposed extension to the Stay Period will allow the Applicants, in consultation with the Monitor and the Sales Agent, to continue to advance the LOIs to an executable transaction and to continue consultations with stakeholders.

The Monitor's Comments on the SISP

22. The Sales Agent has indicated that the Corporate Offeror has the financial capacity to fund the acquisition contemplated by the Corporate LOI. Further, the Corporate Offeror has engaged in discussions regarding Razor Energy's assets and conducted due diligence on the properties and infrastructure.

23. The Asset Acquirer is an AER licensee that conducts oil and gas exploration and production in Alberta. Moreover, the Asset Acquirer has the financial capacity to close the contemplated asset acquisition.

24. The Offerors have expressed a willingness to move forward with the negotiations, execution, and delivery of definitive transaction documents.

25. The LOIs would address the requirements of the AER and Orphan Well Association ("**OWA**") for a transaction that results in all of Razor Energy's operated and non-operated interests in its petroleum and natural gas assets being acquired by parties to assume the abandonment and reclamation obligations associated with such assets.

26. The Monitor notes that the proceeds from the proposed transactions will not be sufficient to repay creditors of the Razor Entities including those with potential security interests. The Monitor understands that the Razor Entities intend to consult with the various stakeholders in an effort to build support for the transactions outlined above.

SALE OF SURPLUS BLADE EQUIPMENT

27. Blade has entered into a sale agreement with Brandt Tractor Ltd., the agent to the purchaser, with respect to the Kenworth which is not being utilized in its commercial operations. Appended to the Sixth Bailey Affidavit as Exhibit "A" is a copy of the Alberta Personal Property Registry Serial Number Search. The Applicants intend to provide this Honourable Court with a copy of the purchase agreement prior to the May 3 Application.

28. The purchase price is $150,000 and includes the following consideration:

(a) a sales commission to the selling agent in the amount of $19,500, representing 13% of the gross sales price;

(b) financing obligations owed to Stride Capital Corp. ("**Stride**"), the financier of the Kenworth, in the amount of $67,416.52 (the "**Stride Collateral**"); and

(c) the balance of the sale is net proceeds of $63,083.48 to be paid to Blade.

The Monitor's Comments on the Sale of the Surplus Blade Equipment

29. The Monitor supports the Applicants' request for approval to sell the Kenworth based on the following:

(a) the value of the Kenworth, on an orderly liquidation value, set out in the McDougall Appraisal is less than the purchase price being paid by the purchaser;

(b) Stride supports the transaction and the Stride Collateral would be repaid in full;

(c) the commission to the selling agent is considered reasonable and within market;

(d) the contemplated sale of the Kenworth represents an arm's-length transaction;

(e) the Kenworth has no other registered security interest and consequently no creditors would be prejudiced by the sale of the Kenworth; and

(f) the sale will generate net proceeds for the Razor Entities and provide additional liquidity in the CCAA Proceedings.

BUDGET TO ACTUAL RESULTS

30. The Razor Entities, in consultation with the Monitor, prepared the cash flow statement (the "**Third Cash Flow Statement**") which was appended to the Second Monitor's Report.

31. Actual cash flows as compared to those contained in the Third Cash Flow Statement for the five-week period of March 18, 2024, to April 21, 2024, are summarized below.

The Razor Entities			
For the 5 week period of March 18, 2024 to April 21, 2024			
Budget to Actual Results			
(C$ 000s)	Actual	Budget	Variance
Receipts			
Net production revenue	$ 1,866	$ 1,903	**$ (37)**
Other receipts	55	125	**(70)**
Total - Receipts	**1,921**	**2,028**	**(107)**
Disbursements			
Operating expenses	(768)	(1,320)	**552**
Transportation costs	(12)	(50)	**38**
Lease rentals	(43)	(44)	**1**
Insurance	(319)	(672)	**353**
Payroll	(409)	(460)	**51**
Professional & sales agent fees	(214)	(295)	**81**
G&A expense	(297)	(298)	**1**
Total - Disbursements	**(2,062)**	**(3,138)**	**1,077**
Net cash flow	**(141)**	**(1,110)**	**970**
Opening cash balance	**1,203**	**1,203**	**-**
Ending cash balance	**$ 1,062**	**$ 93**	**$ 970**

32. The variances in actual receipts and disbursements are primarily due to the following:

(a) Net production revenue – negative variance of approximately $37,000 due to slightly lower than anticipated production volumes;

(b) Other receipts – negative variance of approximately $70,000 due to lower than anticipated miscellaneous other receipts such as third-party road use fees;

(c) Operating expenses – positive variance of approximately $552,000 primarily due to timing of receipt and payment of electricity invoices of approximately $400,000 and lower variable costs over the period resulting from less operating activity;

(d) Transportation costs – positive variance of approximately $38,000 partially due to timing and lower than anticipated pipeline costs;

(e) Lease rentals – substantially in line with forecast;

(f) Insurance – positive variance of approximately $353,000 is primarily timing related as certain insurers required a renewal which will be paid over two installments. Additionally, the Third Cash Flow Statement assumed payment of the directors and officers run-off insurance premium which is expected to be paid in future periods;

(g) Payroll – positive variance of approximately $51,000 due to lower payroll for Blade resulting from lower utilization over the period;

(h) Professional & Sales Agent fees – positive variance of $81,000 due to timing of receipt and payment of invoices and expected to reverse in future periods; and

(i) G&A expense – substantially in line with forecast.

33. The cash balance at the end of the period is approximately $1.1 million which is higher than previously forecast by approximately $970,000 and was primarily driven by timing variances related to operating expenses and insurance over the period.

CASH FLOW FORECAST

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

The Razor Entities For the 7 week period of April 22, 2024 to June 9, 2024	
Cash Flow Forecast	**7 Week**
(C$ 000s)	Total
Receipts	
Net production revenue	**$ 4,442**
Other receipts	**205**
Total - Receipts	**4,647**
Disbursements	
Operating expenses	**(2,598)**
Transportation costs	**(432)**
Lease rentals	**(53)**
Insurance	**(1,066)**
Payroll	**(645)**
Professional & sales agent fees	**(435)**
G&A expense	**(308)**
Total - Disbursements	**(5,536)**
Net cash flow	**(890)**
Opening cash balance	**1,062**
Ending cash balance	**$ 172**

35. The Fourth Cash Flow Forecast projects a negative net cashflow of approximately $890,000 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 amount;

(b) Other receipts consist of third-party road use fees, partner joint interest billings, SHGPC payments described in the Second Monitor's Report, and other miscellaneous collections;

(c) Operating expenses are based on the annual operating budget and relate to costs associated with the operation of oil and natural gas wells. Payments to the AER and OWA for annual administration fees and orphan fund levy are not included within the Forecast Period. Razor Energy does not dispute the amounts and intends to make payments if/when its cash flow permits;

(d) Transportation costs 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 rentals;

(f) Insurance is based on current premium installments and estimated directors and officers run-off premium;

(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.

36. The Fourth Cash Flow Forecast does not include payments with respect to a key employee retention plan or the receipt of any interim financing. However, as the LOIs are advanced towards an executable transaction, interim financing may be required, and the Applicants are in consultation with counterparties to obtain the necessary financing.

<u>The Monitor's Comments on the Cash Flow Forecast</u>

37. 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 Fourth Cash Flow Forecast has been prepared by management of the Razor Entities, for the purpose described in the notes to the Fourth Cash Flow Forecast, using probable and hypothetical assumptions set out therein;

(b) the Monitor's review of the Fourth 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 Fourth 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 Fourth 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 Fourth 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 Fourth Cash Flow Forecast, given the hypothetical assumptions; or

(iii) the Fourth Cash Flow Forecast does not reflect the probable and hypothetical assumptions;

(d) since the Fourth 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 Fourth 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 Fourth Cash Flow Forecast has been prepared solely for the purpose described in the notes to the Fourth Cash Flow Forecast and readers are cautioned that it may not be appropriate for other purposes.

REQUEST TO EXTEND THE STAY OF PROCEEDINGS

38. The Monitor has considered the Applicants’ request to extend the Stay Period up to and including June 7, 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 advance the potential transactions with respect to the LOIs, which if successful would be to the benefit of all stakeholders;

(c) the Fourth 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

39. 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 June 7, 2024.

All of which is respectfully submitted this 25th day of April 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.

Name: Deryck Helkaa, CPA, CA, CIRP, LIT
Title: Senior Managing Director
FTI Consulting Canada Inc.

Name: Dustin Olver, CPA, CA, CIRP, LIT
Title: Senior Managing Director
FTI Consulting Canada Inc.

Appendix "A" – Cash Flow Forecast for the period ending June 9, 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 April 22, 2024 to June 9, 2024

Cash Flow Forecast		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Total
(C$ 000s)	Week Ending	28-Apr	5-May	12-May	19-May	26-May	2-Jun	9-Jun	
Receipts									
Net production revenue	1	$ 2,214	$ -	$ -	$ -	$ 2,228	$ -	$ -	**$ 4,442**
Other receipts	2	15	65	15	15	15	65	15	**205**
Total - Receipts		**2,229**	**65**	**15**	**15**	**2,243**	**65**	**15**	**4,647**
Disbursements									
Operating expenses	3	(595)	(323)	(218)	(195)	(194)	(877)	(195)	**(2,598)**
Transportation costs	4	(150)	-	-	-	-	(282)	-	**(432)**
Lease rentals	5	-	-	-	(53)	-	-	-	**(53)**
Insurance	6	(421)	-	(16)	(11)	-	(617)	-	**(1,066)**
Payroll	7	(215)	-	-	(215)	-	(215)	-	**(645)**
Professional & sales agent fees	8	(145)	-	(200)	-	-	(90)	-	**(435)**
G&A expense	9	(10)	(74)	(40)	(40)	(40)	(74)	(30)	**(308)**
Total - Disbursements		**(1,536)**	**(398)**	**(474)**	**(514)**	**(234)**	**(2,155)**	**(225)**	**(5,536)**
Net cash flow		**693**	**(333)**	**(459)**	**(499)**	**2,008**	**(2,090)**	**(210)**	**(890)**
Opening cash balance		**1,062**	**1,755**	**1,423**	**964**	**465**	**2,473**	**383**	**1,062**
Ending cash balance		**$ 1,755**	**$ 1,423**	**$ 964**	**$ 465**	**$ 2,473**	**$ 383**	**$ 172**	**$ 172**

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 April 22, 2024 to June 9, 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.