

COURT FILE NUMBER 2601-01970

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF *THE BANKRUPTCY AND  
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED

AND IN THE MATTER OF THE RECEIVERSHIP OF  
HALO EXPLORATION LTD.



DOCUMENT SECOND REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS COURT APPOINTED RECEIVER AND MANAGER OF HALO EXPLORATION LTD.

**June 8, 2026**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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## SECOND REPORT OF THE RECEIVER

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## INTRODUCTION

1. On February 10, 2026 (the “**Date of Appointment**”), FTI Consulting Canada Inc. was appointed as receiver and manager (the “**Receiver**”) of all of the current and future assets, undertakings and properties (the “**Property**”) of Halo Exploration Ltd. (“**Halo**”, the “**Company**” or the “**Debtor**”) pursuant to an Order of the Honourable Justice C.C.J. Feasby (the “**Receivership Order**”) of the Court of King’s Bench of Alberta (the “**Court**”).
2. The Receivership Order authorizes the Receiver to, among other things, take possession of the Property, market any or all of the Property and sell, convey, transfer or assign the Property with the approval of this Honourable Court in respect of any transactions in excess of \$200,000 or in aggregate over \$500,000.
3. Concurrent with the Receivership Order, the Court granted an Order (the “**SISP Approval Order**”) approving a Sale and Investment Solicitation Process (the “**SISP**”).
4. On April 7, 2026, the Court granted an order (the “**April 7 Order**”) which, among other things:
  - (a) approved the actions, conduct and activities of the Receiver since the Date of Appointment, including the receipts and disbursements set out in the first report of the Receiver dated March 30, 2026 (the “**First Report**”);
  - (b) approved the KERP and the KERP Charges; and
  - (c) sealed Confidential Appendix “A” to the First Report in accordance with the terms of a restricted Court access order.
5. The Receivership Order and other publicly available information in respect of these proceedings (the “**Receivership Proceedings**”) are posted on the Receiver’s website at <http://cfcanada.fticonsulting.com/Halo> (the “**Receiver’s Website**”).

**PURPOSE**

6. The purpose of this report (the “**Report**”) is to provide this Honourable Court with information with respect to:
  - (a) the activities of the Receiver since the date of the First Report;
  - (b) a summary of the implementation and results of the SISP;
  - (c) a summary of the proposed reverse vesting transaction contemplated by the subscription agreement (“**Subscription Agreement**”) between the Receiver and Saturn Oil & Gas Inc. (“**Saturn**” or the “**Purchaser**”) dated June 8, 2026 (the “**Transaction**”);
  - (d) details of the secured and potential priority claims in the Receivership Proceedings;
  - (e) the Receiver’s statement of receipts and disbursements from the Date of Appointment to June 5, 2026;
  - (f) the Receiver’s proposed interim distribution to Invico Diversified LP, by its general partner, Invico Diversified Income Managing GP Inc. (“**Invico**”) in its capacity as secured lender to Halo and associated holdbacks;
  - (g) the Receiver’s Proposed Distributions (as defined below) to various secured creditors whose security ranks ahead of Invico and counterparties with cure costs pursuant to the terms of the Subscription Agreement; and
  - (h) the Receiver’s recommendations with respect to the above.
  
7. The Receiver is requesting orders from this Honourable Court granting the following relief at the Application returnable on June 16, 2026 (the “**June 16 Application**”):
  - (a) approving the Receiver’s activities since the date of the First Report, including its interim statement of receipts and disbursements;

- (b) authorizing and approving the Receiver to complete the Transaction contemplated by the Subscription Agreement and granting an approval and reverse vesting order (an “**RVO**”) in respect of the Transaction;
- (c) temporarily sealing the confidential supplement (the “**Confidential Supplement**”) to this Report; and
- (d) authorizing the Receiver to make the distributions set out in paragraph 80 and the Interim Distribution (defined below) to Invico in its capacity as secured lender to Halo and retain the holdbacks described below.

## TERMS OF REFERENCE

- 8. In preparing this Report, the Receiver has relied upon audited and unaudited financial information, other information available to the Receiver and, where appropriate, the Company’s books and records and discussions with various parties (collectively, the “**Information**”).
- 9. Except as described in this Report:
  - (a) the Receiver 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 *Canadian Institute of Chartered Accountants Handbook*; and
  - (b) the Receiver has not examined or reviewed financial forecasts and projections referred to in this First Report in a manner that would comply with the procedures described in the *Canadian Institute of Chartered Accountants Handbook*.
- 10. Future oriented financial information reported or relied on in preparing this Report is based on assumptions regarding future events. Actual results may vary from forecasts and such variations may be material.

11. Information and advice described in this Report that has been provided to the Receiver by its legal counsel, Burnet, Duckworth & Palmer LLP (the “**Receiver’s Counsel**”), was provided to assist the Receiver in considering its course of action, is subject to solicitor client privilege, and is not intended as legal or other advice to, and may not be relied upon by, any other person.
12. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
13. Capitalized terms used herein but not otherwise defined have the meanings ascribed to them in the Receivership Order or the SISP Approval Order, as applicable.

## **BACKGROUND**

14. Halo was incorporated pursuant to the laws of the Province of Alberta and is a privately held junior oil and gas exploration and production company, with its head office located in Calgary, Alberta.
15. Halo’s assets, including facilities and wells, are located in the Greater Kaybob area of Alberta, with exposures to the Montney and Duverney lands. Halo’s assets include:
  - (a) a 100% working interest in 98 sections of Montney land;
  - (b) a 100% working interest in 51 sections of Duverney land;
  - (c) eleven producing and seven non-producing wells, with estimated average daily production of 387 boe/d in May 2026; and
  - (d) certain water disposal and frac water source facilities,(the “**P&NG Assets**”).
16. In addition to its oil and gas assets, Halo also has certain corporate attributes, including tax pools estimated at \$142 million as of December 31, 2025.

17. As at the Date of Appointment, Halo had approximately \$18.8 million of secured debt and \$19.9 million of unsecured debt.

## RECEIVER'S ACTIVITIES

18. The Receiver's activities since the date of the First Report have included the following:
- (a) managing the Debtor's finances (including cash flows) and operations;
  - (b) reviewing the Debtor's financial information, including aged accounts receivables, and attending to recovery of the same;
  - (c) working with the Debtor's management retained by the Receiver to gather and acquire the necessary information for provision to potential bidders in the VDR, and to determine the economic viability of various contracts;
  - (d) as more particularly described at paragraphs 19 to 33 below, administering the SISP, including but not limited to: evaluating Phase 1 Bids and Phase 2 Bids, participating in management presentations and discussions with Qualified Bidders and attending to due diligence questions;
  - (e) consulting with the Alberta Energy Regulator (the "AER") to discuss the status of the P&NG Assets and the results of the SISP, including the relief being sought at the June 16 Application;
  - (f) negotiating the Subscription Agreement and the RVO;
  - (g) responding to enquiries from the Debtor's creditors and other stakeholders; and
  - (h) preparing this Report.

**SALE AND INVESTMENT SOLICITATION PROCESS**

19. A copy of the SISP is attached to the SISP Approval Order as Schedule “A”.
20. Pursuant to the SISP Approval Order, the Receiver, in consultation with Invico, administered the SISP to solicit offers for the business or Property of Halo, in whole or in or investments related thereto.
21. The Receiver, in consultation with Invico and with the assistance of Halo management, commenced the SISP to broadly canvas potential purchasers and investors in a structured manner to maximize value for the benefit of Halo’s creditors and stakeholders.
22. Pursuant to the terms of the SISP, the Receiver was obligated to achieve certain milestones, including:
  - (a) on or before February 24, 2026 (the “**Commencement Date**”):
    - i. publish a timeline of key milestones set out in the SISP Procedure on the Receiver’s Website;
    - ii. prepare a process summary (the “**Teaser Letter**”) describing the opportunity and the process under the SISP and inviting recipients to execute a non-disclosure agreement (“**NDA**”) to participate in the SISP;
    - iii. gather and review all required due diligence material to be provided to interested parties and establish a virtual data room (“**VDR**”); and
    - iv. prepare a list of known potential bidders; and
  - (b) as soon as reasonably possible following the Commencement Date:
    - i. arrange for the Notice of the SISP to be published on the Receiver’s Website and in the *BOE Report*; and
    - ii. send the Teaser Letter to all Known Potential Bidders.

23. For ease of reference, key dates included in the SISP are set out in the table below:

Milestone	Deadline
Commencement Date	On or before February 24, 2026
Marketing Stage: Publication of Notice & Sending Teaser Letter to Known Potential Bidders	On or before March 3, 2026
Phase 1 Non-Binding LOI Deadline	March 27, 2026
Phase 2 Binding Bid Deadline	May 1, 2026

24. The Receiver notes that all milestones identified above to up to the Phase 1 Bid Deadline were met.
25. The Receiver commenced the SISP on February 24, 2026, the initial steps included:
- (a) preparing a list of Known Potential Bidders;
  - (b) distributing the Teaser Letter to the Known Potential Bidders, as well as approximately 362 industry contacts, and targeted phone calls to industry contacts and virtual meetings with prospective counterparties;
  - (c) publishing notice of the SISP in the BOE Report, the DOB Energy and the Insolvency Insider;
  - (d) posting a copy of the Teaser Letter along with corresponding summary information on the Receiver's Website; and
  - (e) establishing a VDR (containing detailed information about Halo, its business, assets and operations, including but not limited to information regarding its P&NG assets and tax pools) and making it available for review upon a potential bidder executing an NDA.

26. A total of 41 parties executed NDAs and were provided with access to the VDR.
27. A total of 11 non-binding letters of intent (each an “LOI”) were received by the Phase 1 Bid Deadline.
28. The Receiver reviewed the LOIs to determine if they met the requirements of a Qualified LOI in accordance with the SISP. 7 of the 11 LOIs received were determined to be Qualified LOIs and were advanced to Phase 2.
29. During Phase 2 of the SISP, certain Phase 2 Qualified Bidders requested additional time to complete necessary operational, financial and tax due diligence. In particular Halo’s tax assets are substantial and technical in nature and the diligence required around the tax pools was important for Phase 2 Qualified Bidders and for the estate to realize value. In the Receiver’s view, providing Phase 2 Qualified Bidders with additional time to complete this due diligence was appropriate and would assist in maximizing value for Halo’s creditors. On this basis, the Receiver extended the Phase 2 Bid Deadline to May 19, 2026.
30. A summary of the Phase 2 Bids received is provided in the Confidential Supplement to this Report.
31. The Receiver determined the Phase 2 Bid submitted by Saturn to be the Successful Bid based on, among other things, the following:
  - (a) the offer provided for the highest purchase price (including receipt of a 10% deposit);
  - (b) Saturn had completed a satisfactory level of due diligence;
  - (c) the offer contemplated the retention of all the P&NG Assets and associated environmental obligations (in this instance, through Saturn’s acquisition of Halo), which is crucial for the AER; and
  - (d) Saturn had sufficiently demonstrated the ability to close in a timely manner.

32. The Receiver has the following comments regarding its administration of the SISP:
- (a) throughout the course of the SISP, the Receiver routinely consulted with Invico;
  - (b) the SISP provided for a fair and transparent in the process;
  - (c) the timelines to market and solicit a transaction in the SISP were appropriate considering, among other things, (i) the size and nature of the Debtor's operations, (ii) the Debtor's financial position, and (iii) the fact that the assets were previously marketed;
  - (d) the bidding requirements, as described in the SISP, were reasonable in the circumstances as they provided sufficient hurdles to ensure that interested parties were legitimate, had the willingness and ability to consummate a transaction, but were not unduly burdensome to discourage participation by potential bidders;
  - (e) in the Receiver's experience, the SISP timelines permitted a sufficient level of market exposure and are consistent with other similar insolvency processes involving oil and gas assets;
  - (f) the SISP sufficiently exposed the P&NG Assets to the market in an effective manner, as demonstrated by the number of interested bidders who participated, and number of offers received at each phase of the process;
  - (g) the SISP allowed a dual track to solicit either a sale or an investment proposal; and
  - (h) the Debtor's primary secured creditor, Invico, was supportive of the SISP Procedure and the Receiver's implementation thereof.
33. Overall, in the Receiver's view, the SISP terms and timelines were reasonable in the circumstances and afforded the Debtor with a reasonable opportunity to achieve a successful transaction. Further, the Receiver is not aware of any unfairness in the process that culminated in the negotiation of the Subscription Agreement.

## THE TRANSACTION

34. In this section of this Report, capitalized terms not otherwise defined have the meanings ascribed to them in the Subscription Agreement.
35. The Transactions contemplated by the Subscription Agreement include a “reverse vesting” transaction which involves the Purchaser’s purchase and subscription, and the Receiver’s issuance and sale of, the common shares in Halo. A redacted copy of the Subscription Agreement is attached as **Appendix “A”** and an unredacted copy of the Subscription Agreement has been provided to the Court in the Confidential Supplement.
36. The key terms of the Subscription Agreement and the Transaction are as follows:
- (a) the total aggregate cash consideration paid by the Purchaser is equal to the Cash Component, the release of the Deposit and the 2026 Property Tax Adjustment (the “**Purchase Price**”);
  - (b) additional consideration includes Halo’s retention of the Retained Contracts and the Retained Liabilities;
  - (c) the Purchaser will purchase and subscribe for the Purchased Shares of Halo and pay to the Receiver, a subscription amount equal to the Purchase Price;
  - (d) the Purchaser’s acquisition of the Halo shares, and retention of the Retained Assets, the Retained Contracts, and the Retained Liabilities, will be on an “as is, where is” basis;
  - (e) all of the presently issued and outstanding common shares of Halo will be cancelled for nominal consideration; and
  - (f) the Subscription Agreement is conditional upon Court approval via the RVO.
37. The Transaction contemplates the creation of the Creditor Trust through the RVO, which is proposed to be administered by the Receiver in its capacity as trustee of the Creditor Trust (the “**Trustee**”). Pursuant to the proposed RVO, certain assets and liabilities of Halo

will be transferred to the Creditor Trust upon closing the Transaction (the “**Transferred Assets**” and the “**Transferred Liabilities**”, respectively), including the Purchase Price and the Deposit.

38. The Creditor Trust will come into existence upon closing the Transaction and the beneficiaries of the Creditor Trust will be the creditors of Halo who will retain the same priorities, rights and entitlements against the Transferred Assets as they had against Halo immediately prior to the closing of the Transaction. Unless extended, the Creditor Trust will terminate upon the earlier of the expiry of five months from the date on which the RVO was issued, or the date on which the Trustee otherwise terminates the Creditor Trust after the performance of its duties.
39. The effect of the Transaction and the RVO, if approved by the Court, will be that Halo will be cleansed of certain existing liabilities and the Purchaser (as new ownership of Halo) will acquire Halo who will remain liable for and the owner of the Retained Liabilities and the Retained Assets, respectively. The Creditor Trust will then replace Halo in the Receivership Proceedings.
40. Additional commercial terms of the Subscription Agreement include:
  - (a) the sale of Halo’s business and corporate attributes, including tax deductions of approximately \$142 million including non-capital losses of approximately \$ 93 million (estimated as of December 31, 2025);
  - (b) the Transaction is expected to close on or before the Outside Date of July 31, 2026; and
  - (c) there are no material conditions to closing remaining, other than Court approval of the RVO.

## RECEIVER'S COMMENTS ON THE TRANSACTION

41. In analyzing the Transaction, the Receiver considered the following:
- (a) whether the proposed Transaction represents the best outcome and recovery to the Debtor's creditors and stakeholders; and
  - (b) whether the proposed structure is appropriate in the circumstances and when considering appropriateness, further considering whether:
    - i. the RVO is necessary in the circumstances;
    - ii. the RVO structure proposed produces an economic results at least as favourable as any other viable alternative;
    - iii. any stakeholder is worse off under the RVO structure proposed than they would have been under any other viable alternative; and
    - iv. the consideration proposed in the Transaction reflects the importance and value of the licenses and permits being preserved under the structure.

### *Recoveries to Stakeholders*

42. The Receiver is of the view that the Transaction is the best option available to maximize recovery for all stakeholders. In making this determination, the Receiver compared the potential recoveries to creditors under the Subscription Agreement to a sale or disposition under a bankruptcy. The Receiver concluded the following:
- (a) the Receiver thoroughly marketed the P&NG Assets and business through the SISP in an effort to maximize the potential return to all stakeholders;
  - (b) there was no viable alternative to the Transaction identified though the SISP that would provide better returns to stakeholders. The Transaction represents the highest and best available recovery to creditors. Alternatives to the Transaction include either a lower valued transaction or a bankruptcy. The Receiver is of the view that

a bankruptcy would significantly erode value being offered to creditors by the Transaction, if any value could be achieved at all as a bankruptcy would likely involve a shut down of operations;

- (c) the Transaction provides benefit to the public given that Halo will retain responsibility for the ongoing environmental obligations associated with the P&NG Assets; and
- (d) the Transaction also provides benefit to stakeholders in the community as Halo will continue to honour certain contracts and obligations identified as Retained Assets or Retained Liabilities.

43. For the reasons outlined above, the Receiver is of the view that the Transaction offers fair value in the circumstances and therefore, from an economic standpoint, the Receiver recommends that this Honourable Court approve the Transaction.

***The RVO is Appropriate in the Circumstances***

44. As outlined above, the Receiver considered the following to assess the appropriateness of the RVO:

- (a) why an RVO is necessary;
- (b) whether the RVO structure produced an economic result at least as favourable as another viable alternative;
- (c) whether any stakeholder is worse off under the RVO structure than they would have been under another viable alternative; and
- (d) whether the consideration paid for the debtor's business is reflective of the importance and value of the intangible assets being preserved under the RVO structure?

*The RVO Structure is Necessary*

45. The RVO is necessary to provide additional value to the estate and its stakeholders that would not be possible without the use of an RVO structure. In particular:
- (a) the RVO structure allows the parties to forego applications for the AER's approval of various license transfers, which could take a significant amount of time, and would add additional risk and costs to the Transaction; and
  - (b) certain of Halo's tax attributes outlined above will be preserved. Although the value of these tax attributes is uncertain, they may create potential future value to the business and stakeholders.
46. The result of the Transaction will be that Halo will carry on business with a new sole shareholder (Saturn), with ownership of the Retained Assets and Retained Liabilities, and a restructured balance sheet, free of all indebtedness other than the Retained Liabilities (such expunged indebtedness having been cleansed by the RVO or paid or assumed as a cure cost).
47. In addition, Saturn has advised the Receiver that it is not prepared to proceed with a traditional asset purchase transaction as Saturn expressly contemplated the preservation of (a) the applicable licensing and permitting for the P&NG Assets, and (b) Halo's tax attributes, in electing to proceed by way of an RVO structure.

*The RVO Structure Produces an Economic Result More Favourable Than Any Other Viable Alternative*

48. As described above, the Subscription Agreement provides the best recovery available to Halo's stakeholders in the circumstances. The alternative is a bankruptcy or sale to an alternative bidder at a lower price which would erode substantial value for stakeholders due to the loss of value associated with the tax attributes of Halo, and including amounts owing for cure costs payable to counterparties that may not otherwise be available.

***No Stakeholders are Worse Off Under the RVO Structure than They Would Have Been Under Another Viable Alternative***

49. The Receiver is not aware of any stakeholders that would be worse off because of the RVO structure. As outlined above, there is no viable alternative to the Transaction. It is also worth noting that other Phase 2 bids received through the SISP also contemplated a reverse vesting transaction.
50. Following closing of the Transaction, the Trustee of the Creditor Trust expects to make the distributions described herein, to the creditors in accordance with their relative priority. No creditors are expected to be worse off under the RVO structure. Conversely, it is anticipated that many of Halo's stakeholders, including Invico, would be worse off in an alternative sale at a lower value or in a bankruptcy, where any realizations are uncertain.

***The Consideration Being Paid for the Debtor's Business Reflects the Importance and Value of the Intangible Assets Being Preserved under the RVO Structure***

51. As described above, the Transaction is the best viable option in the circumstances. Saturn has not expressed a willingness to complete the Transaction by way of an asset purchase with a traditional approval and vesting order. The RVO structure was selected with a view to (a) being efficient in closing, including by eliminating the risks associated with seeking licence transfers, and (b) preserving tax losses to preserve future tax value, which potentially enhances the Purchaser's ability to recover proceeds from future operations.
52. Accordingly, in the Receiver's view, the RVO reflects the importance of the value of intangibles. In particular:
- (a) the regulatory licences associated with the P&NG Assets were available for review by potential bidders in the VDR. Halo's various regulatory licences carry environmental liabilities, and the assumption and retention of these liabilities as contemplated in the Transaction provide value to the stakeholders overall, and reduce uncertainties, costs, and delays which risk erosion to stakeholder returns;

- (b) similarly, information regarding Halo’s tax attributes were available for review by potential bidders in the VDR. The Receiver understands that a substantial amount of the value being offered by Saturn is on account of the tax assets. Saturn specifically hired a professional accounting and tax firm to assist with their due diligence of the tax assets. Certain types of tax pools (non-capital losses) can only be utilized if the Halo’s corporate entity remains intact. These pools would be lost if the Transaction were structured as a typical asset purchase agreement. Accordingly, the proposed RVO structure provides additional value to the estate and Receiver is of the view that the consideration being paid under the Transaction considers the relative value of the corporation and its business, including its associated tax attributes.

### *The Releases*

53. The form of RVO sought by the Receiver contains a release in favour of the Creditor Trust as well as the Receiver and its legal counsel (the “**Released Parties**”), from all claims in respect of the entrance and commencement of the Receivership Proceedings, the entering into and execution of the Subscription Agreement or the implementation of the Transaction.
54. The Receiver is of the view that:
- (a) the Released Parties are necessary and essential to the realization of the value of the Property in favour of the Debtor’s stakeholders, and have all contributed to the development of the Subscription Agreement and the proposed Transaction;
  - (b) the claims being released by the RVO are rationally connected to the Transaction and the RVO;
  - (c) there is no real prejudice to stakeholders in the proposed release, as parties with claims released under the RVO may seek recourse against the Creditor Trust and any claims in fraud, gross negligence and wilful misconduct are exempted from the release; and

- (d) the Transaction could not succeed in its current form in the absence of the proposed releases as no purchaser would be prepared to acquire the Property or any portion of it without certainty that the subject of the acquisition would be free and clear of encumbrances or liabilities.

### ***Confidential Supplement***

55. The Confidential Supplement contains an unredacted copy of the Subscription Agreement (which includes details of the Purchase Price) and a summary of the Qualified Phase 2 Bids submitted to the Receiver during in the SISP.
56. The Receiver is of the view that the Confidential Supplement contains commercially sensitive information in respect of the Property and the Transaction. In the event the Transaction does not close, the dissemination of this information could negatively impact the Receiver's ability to remarket the Property. As a result, the Receiver is of the view that the stakeholders' interests are protected through the issuance of a temporary sealing order.

## **DETAILS OF SECURED AND POTENTIAL PRIORITY CLAIMS**

### ***Secured Claims***

57. The Receiver is aware of the following secured claims, charges and liens that are owed by the Debtor, either pursuant to statute, or which have been registered against the Property.
58. Pursuant to a loan agreement dated October 11, 2022 (the "**Invico Loan Agreement**"), between Invico Diversified LP, by its general partner, Invico Diversified Income Managing GP Inc. as lender and Halo as borrower, Invico is a secured creditor of Halo, having advanced an aggregate principal amount of \$19.0 million to Halo under the Invico Loan Agreement. The estimated amount owing under the Invico Loan Agreement to June 30, 2026, including interest, legal and professional fees, costs, charges disbursements and expenses is approximately \$14.4 million (the "**Invico Secured Debt**").

59. Pursuant to the Invico Loan Agreement, Halo pledged the following security to Invico to secure all of its obligations to Invico, including the requirement to pay the amounts owing under the loan inclusive of interest and legal and other costs (the “**Indebtedness**”):
- (a) Fixed and Floating Charge Demand Debenture dated October 11, 2022, in the amount of \$35 million (the “**Debenture**”);
  - (b) Pledge Agreement regarding the Debenture dated October 11, 2022;
  - (c) Environmental Indemnity Agreement dated October 11, 2022; and
  - (d) Deposit Account Control Agreement dated October 21, 2022, between Halo, ATB Financial, and Invico Diversified LP,
- (collectively, the “**Invico Security**”).
60. Northbase Finance Inc. (“**Northbase**”) has security over certain of Halo’s Property, pursuant to three asset lease agreements (the “**Northbase Leases**”), with Northbase (through its predecessor, Norden Finance Inc.) as lessor, and Halo as lessee. The assets secured by the Northbase Leases comprise a substantial portion of Halo’s surface infrastructure located at its 3-22 battery. As of February 6, 2026, the amount owing under the Northbase Leases totals approximately \$5.3 million.
61. The Receiver’s Counsel completed an independent review of the validity and enforceability of the security granted in favour of each of Invico and Northbase and determined that, subject to the customary assumptions and qualifications, their respective security is valid and enforceable.
62. The Northbase Leases are contemplated to be Retained Contracts under the Subscription Agreement. The Receiver understands that Saturn and Northbase are presently in discussions with respect to potentially amending the Northbase Leases. However, the Receiver notes that regardless of whether the Northbase Leases are amended, the Northbase Leases will constitute Retained Contracts and the amendment of the Northbase Leases is not a condition precedent to under the Subscription Agreement.

63. In addition to Invico and Northbase, certain other parties have registered security against the Property at the Alberta Personal Property Registry (“PPR”) as set out below:
- (a) Bidell Gas Compression Ltd. (“**Bidell**”) in respect of certain serial numbered goods;
  - (b) Bull Moose Capital Ltd. (“**Bull Moose**”) in respect of certain serial numbered goods;
  - (c) Journey Energy Inc. (“**Journey**”) in respect of an overriding royalty agreement; and
  - (d) Roska DBO Inc. (“**Roska**”)
- (collectively, the “**PPR Registrants**”).
64. The Receiver understands the following with respect to the PPR Registrants:
- (a) the serial numbered goods listed under the Bidell registration were returned by Halo prior to the Date of Appointment and therefore the registration should have been removed;
  - (b) the serial numbered goods listed under the Bull Moose and Roska registrations are Transferred Assets under the Subscription Agreement and will be returned to Bull Moose and Roska prior to closing (or alternative arrangements made with the Purchaser). The Receiver notes that all amounts owing to Bull Moose and Roska incurred during these Receivership Proceedings have been paid; and
  - (c) the overriding royalty agreement with Journey is a Retained Contract under the Subscription Agreement.
65. The Receiver will serve each of the above parties with notice of the June 16 Application.

### *Canada Revenue Agency*

66. On March 4, 2026, the Canada Revenue Agency (the “**CRA**”) delivered a notice to the Receiver including a letter regarding proposed changes to the goods and services tax/harmonized sales tax (GST/HST) return for the period of February 1, 2026, to February 10, 2026 (the “**CRA Letter**”). A copy of the CRA Letter is attached as Appendix “**B**”.
67. The CRA Letter indicated that it had completed a review of the GST/HST for the period of February 1, 2026, to February 10, 2026, and, under paragraph 291(1)(b) of the *Excise Tax Act*, increased the tax payable by the amount of GST/HST owed on taxable supplies received before February 10, 2026, where the tax was not paid to suppliers. As a result, the tax payable under 296(1)(b) was increased by \$281,723.89 (the “**Unsecured CRA Claim**”).
68. Pursuant to the provisions of the RVO, the Unsecured CRA Claim will be a “Transferred Liability”, and will be transferred to Halo Creditor Trust, and will be administered by the Trustee along with all other Claims.

### *Wage Earner Protection Program*

69. On the Date of Appointment, Halo employed three full-time employees. Pursuant to the Subscription Agreement, all employees are expected to be terminated in advance of closing and will not be paid termination and/or severance pay.
70. In accordance with the *Wage Earner Protection Program Act*, the Receiver will review the Company’s books and records and identify employees who are owed eligible wages under Wage Earner Protection Program (the “**WEPP**”) and the Receiver will inform those former employees of their eligibility thereunder.
71. After reviewing the Company’s books and records, and with the assistance of the Company, the Receiver determined that a total of approximately \$357,500 would be owed to eligible former employees for termination and severance pay, which are considered eligible wages under the WEPP (the “**WEPP Claims**”).

72. Pursuant to section 81.4(4) of the *Bankruptcy and Insolvency Act, RSC 1985, c B-3*, the WEPP Claims are secured against the Company’s current assets to the extent of \$2,000 per employee for wages and compensation (including vacation pay, but excluding severance and termination pay).
73. The Receiver does not anticipate receiving a super priority claim from Service Canada asserting a subrogated priority claim as none of the eligible employees will be owed wages or vacation pay upon closing.

### ***Municipal Taxes***

74. The Receiver is aware that Halo has outstanding municipal property taxes (the “**Outstanding Municipal Taxes**”) owing to the Municipal District of Greenview No. 16. The Outstanding Municipal Taxes are summarized below:

<b>Outstanding Municipal Taxes</b>			
<b>\$CAD</b>			
<b>Roll Number</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
319304	\$ 27,703.64	\$ 109,661.90	<b>\$ 137,365.54</b>
321599	90,427.98	96,211.03	<b>186,639.01</b>
321491	854.57	7,914.04	<b>8,768.61</b>
322671	11,317.49	11,909.71	<b>23,227.20</b>
322928	3,430.82	3,642.46	<b>7,073.28</b>
323094	-	4,919.71	<b>4,919.71</b>
<b>Total</b>	<b>\$ 133,734.50</b>	<b>\$ 234,258.85</b>	<b>\$ 367,993.35</b>

75. The Outstanding Municipal Taxes are Transferred Liabilities which will be transferred to the Creditor Trust on Closing. The Receiver understands that the principal amount of the Outstanding Municipal Taxes enjoy a statutory super-priority pursuant to Section 348 and 348.1 of the *Municipal Government Act, RSA 2000 c M-26* over other creditors and therefore the Receiver anticipates that the Outstanding Municipal Taxes will be paid in priority to other creditors.

76. The Outstanding Municipal Taxes outlined below are proposed to be paid from the proceeds of the Transaction upon closing. The Receiver notes that the amount contemplated to be paid does not include interest or penalties.
77. The 2026 municipal taxes are contemplated to be paid by the Receiver upon closing with a corresponding adjustment to the Purchase Price for the post-closing period. The amount of the 2026 municipal taxes is \$204,696.05.

#### INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

78. The table below represents the Receiver's interim statement of receipts and disbursements from the Date of Appointment to June 5, 2026:

<b>Interim Statement of Receipts and Disbursements for the period of February 10, 2026 to June 5, 2026 SCAD</b>	
<b>Receipts</b>	
Revenue	\$ 1,673,646
Receiver's Borrowings	100,000
GST Collected	85,732
Transfer from Pre-receivership Account	60,303
Other Receipts	2,618
<b>Total Receipts</b>	<b>1,922,300</b>
<b>Disbursements</b>	
Operating Expenses	1,307,903
Payroll and Benefits	179,015
Professional Fees	193,452
GST Paid	55,001
Consultants & Contractors	13,098
Rent and utilities	22,583
Bank Fees and Other	191
<b>Total Disbursements</b>	<b>1,771,244</b>
<b>Net Cash on Hand</b>	<b>\$ 151,056</b>

- (a) revenue received in connection with the operation of the oil and gas assets with settlement on the 25th day of each month in accordance with industry standards;

- (b) Receiver's Borrowings of \$100,000 advanced by Invico and secured under the Receiver's Borrowing Charge;
  - (c) cash balance in Halo's bank account was transferred to Receiver's trust account;
  - (d) Operating Expenses relate to P&NG Assets including road use, contract operator, other operating costs;
  - (e) Payroll and Benefits relate to employee wages, payroll remittances and benefits;
  - (f) Professional Fees have been paid to the Receiver and the Receiver's Counsel to administer the Receivership Proceedings pursuant to paragraphs 18 to 20 of the Receivership Order. Certain amounts incurred and invoiced by the Receiver and Receiver's Counsel remain outstanding and are expected to be paid in future periods. Professional fees and disbursements for the Receiver and the Receiver's Counsel from the Date of Appointment to May 31, 2026, are approximately \$480,000 (exclusive of GST); and
  - (g) Occupation rent and utilities for the Debtor's leased premises.
79. As of June 5, 2026, the Receiver held \$151,056 in cash on hand in its trust account.

## PROPOSED DISTRIBUTIONS

80. The Receiver is proposing to make the distributions set out below (“**Proposed Distributions**”) from the Purchase Price upon closing the Transaction which amounts are either: (i) subject to court ordered charges against the Property in these Receivership Proceedings, (ii) in priority to Invico in its capacity as Secured Lender or (iii) Cure Costs contemplated and required to be paid pursuant to the Subscription Agreement.

<b>Proposed Distributions</b>	
<b>SCAD</b>	
Primary KERP Charge	\$ 200,000
Receiver's Borrowing Charge	110,000
<b>Priority Paybles:</b>	
Outstanding Municipal Taxes	367,993
<b>Cure Costs:</b>	
Canadian Natural Resources	16,971
Whitecap Resources Inc.	11,339
Pembina Pipeline Corporation	82,332
<b>Total - Proposed Distributions</b>	<b>\$ 788,636</b>

- (a) **Primary KERP Charge:** pursuant to the April 7 Order, the priority of the Primary KERP Charge was subject only to the Receiver’s Charge. Upon closing the Transaction, the Receiver is seeking authorization to distribute up to \$200,000 to the KEY Employees under the KERP;
- (b) **Receiver’s Borrowing Charge:** pursuant to the April 7 Order, the priority of the Receiver’s Borrowing Charge was subject only to the Receiver’s Charge and the Primary KERP Charge. The Receiver has borrowed the principal amount of \$100,000 under the Receiver’s Borrowing Charge. Upon closing the Transaction, the Receiver is seeking authorization to distribute the principal and interest owing under the Receiver’s Borrowing Charge which is estimated to be approximately \$110,000;

- (c) **Priority Payables:** as described above the Outstanding Municipal Taxes are in priority to the Invico Secured Debt and are contemplated to be paid upon closing; and
- (d) **Cure Costs:** the Subscription Agreement requires that any Cure Costs owing in respect of the Restricted Retained Contracts be paid upon closing of the Transaction. The amounts outlined above are scheduled on Schedule “C” of the Subscription Agreement.

## HOLDBACK AND PROPOSED INTERIM DISTRIBUTION TO INVICO

### *Holdback*

81. The recoveries from the administration of the Receivership Proceedings and the Transaction are not expected to be sufficient to result in a recovery to unsecured creditors after giving consideration to court ordered charges (including the Receiver’s Charge, the Receiver’s Borrowing Charge and the KERP Charges), the Priority Payables, the Invico Secured Debt, and Cure Costs contemplated by the Subscription Agreement. As a result, the Receiver is proposing a holdback (the “**Holdback**”) set out below:

<b>Holdback</b>	
<b>SCAD</b>	
Receiver's Charge	200,000
Holdback for Royalties	200,000
Operations	234,553
<b>Total - Holdback</b>	<b>634,553</b>

- (a) **Receiver’s Charge:** the Receiver’s Charge has a first-priority charge against the Property. Any amounts outstanding under the Receiver’s Charge are contemplated to be paid from the cash flow from Halo’s ongoing operations. However, the Receiver is seeking authorization to maintain the holdback in the maximum amount of the Receiver’s Charge until it seeks its discharge;
- (b) **Holdback for Royalties:** as of the Date of Appointment, Halo was in arrears with certain counterparties under Royalty Agreements. The Royalty Agreements are

Retained Contracts under the Subscription Agreement. However, the arrears owing pursuant to the Royalty Agreements are Transferred Liabilities under the Subscription Agreement which do not attract Cure Costs because the Royalty Agreements are not Restricted Retained Contracts as the royalty would run with the land in the case of an asset sale transaction. Although the Receiver's view is that the counterparty claims to the arrears owing at the Date of Appointment are unsecured claims, out of an abundance of caution, the Receiver is proposing to maintain a holdback of \$200,000 to account for these claims in the event that any royalty counterparty wishes to assert a priority claim over Invico. Each of the royalty counterparties are being served with notice of the Application, and the Receiver proposes to holdback unpaid royalty amounts, in the event there is a dispute regarding payment of these amounts; and

- (c) **Holdback for Operations:** the Receiver is proposing to hold back \$200,000 for operating invoices not yet received, costs to complete the Receivership Proceeding and administer Creditor Trust.

***Proposed Interim Distribution to Invico***

82. The Receiver's Counsel reviewed the Invico Security and determined that, subject to the standard qualifications and assumptions, Invico has a valid and enforceable security over the Property securing the Invico Secured Debt.
83. Other than those parties referenced above, no other party has contacted the Receiver or the Receiver's Counsel asserting a claim in priority to Invico and the Receiver is not aware of any party asserting priority to Invico, or any party that would be entitled to do so.
84. The Receiver is seeking authorization to make an interim distribution (the "**Interim Distribution**") in amount set out in the Confidential Supplement to this Report.
85. Given that the Invico Secured Debt continues to accrue interest daily, the Receiver is of the view that it is beneficial to make the Interim Distribution as soon as practicable after closing the Transaction.

## RECOMMENDATIONS

86. In summary, the Subscription Agreement and the Transaction result from a robust and thorough sale process, which was previously approved by the Court. The Transaction, including the contemplated “reverse vesting” structure, represents the best outcome for stakeholders generally and should be approved.
87. As a result, the Receiver respectfully requests that this Honourable Court grant the following relief:
- (a) an order approving the Subscription Agreement and the Transaction, including the Releases;
  - (b) an order approving the Receiver’s actions, conduct and activities, including its interim statement of receipts and disbursements since the date of the First Report;
  - (c) authorizing the Receiver to make the Distributions set out in paragraph 80; and
  - (d) authorizing the Receiver to maintain the Holdback and make the proposed Interim Distribution to Invico.

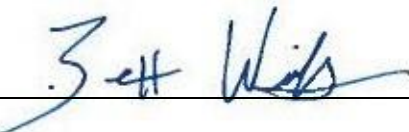
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All of which is respectfully submitted on this 8th day of June 2026.

FTI Consulting Canada Inc., LIT  
in its capacity as receiver and manager of  
Halo Exploration Ltd., and not  
in its personal or corporate capacity



Dustin Olver, LIT  
Senior Managing Director



Brett Wilson  
Managing Director

## **Appendix “A” – Redacted Subscription Agreement**

**SUBSCRIPTION AGREEMENT**

BETWEEN:

FTI CONSULTING CANADA INC. IN ITS CAPACITY  
AS COURT-APPOINTED RECEIVER AND MANAGER OF HALO  
EXPLORATION LTD. AND NOT IN ITS PERSONAL OR CORPORATE  
CAPACITY

- and -

**SATURN OIL & GAS INC.**

Dated:

June 8, 2026

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<i>Schedule "C" –</i>	<i>Cure Costs</i>

**SUBSCRIPTION AGREEMENT**

**THIS SUBSCRIPTION AGREEMENT** made as of June 8, 2026,

**BETWEEN:**

**FTI CONSULTING CANADA INC. ("FTI") in its capacity as  
Court appointed receiver and manager ("Receiver") of Halo Exploration Ltd. (the  
"Company")  
and not in its personal or corporate capacity**

- and -

**SATURN OIL & GAS INC.** a company existing under the laws of the Province of  
Alberta (the "**Purchaser**")

**WHEREAS:**

- A. On February 10, 2026, FTI was appointed as the Receiver of the Company and all of the Company's current and future assets, undertakings and property (the "**Property**"), pursuant to an Order (the "**Receivership Order**") of the Court of King's Bench of Alberta (the "**Court**") in Action No. 2601-01970 (the "**Receivership Proceedings**") pursuant to, among others, section 243 the *Bankruptcy and Insolvency Act*, RSC 1965, c B-3 (the "**BIA**").
- B. Pursuant to an Order of the Court dated February 10, 2026 (the "**SISP Order**"), the Court approved, among other things, a sale and investment solicitation process in connection with the Receivership Proceedings (the "**SISP Process**"), pursuant to which the Purchaser has submitted an offer to purchase all shares in the Company, on the terms and conditions contained herein and to be completed through a series of transactions between the Company and the Purchaser by way of the Reverse Vesting Order (as defined herein);
- C. Subject to the conditions set forth in this Subscription Agreement, and the Court approval of the Reverse Vesting Order, the Receiver, on behalf of the Company, has agreed to issue to the Purchaser, and the Purchaser has agreed to subscribe for and purchase from the Company, the Purchased Shares, upon the terms and conditions set forth herein;
- D. The Company shall effect a reorganization pursuant to the statutory procedure set out in Section 192 of the *Business Corporations Act* (Alberta) whereby, among other things, all existing Equity Interests shall be redeemed for nominal consideration and then extinguished, immediately prior to the subscription for and purchase of the Purchased Shares by the Purchaser pursuant to this Subscription Agreement (the "**Reorganization**");
- E. At Closing, the Purchased Shares shall represent all of the issued and outstanding equity of the Company;
- F. The Transactions contemplated by this Subscription Agreement are subject to the approval of the Court and will be consummated only pursuant to and in accordance with

this Subscription Agreement and the approval of the Court pursuant to the Reverse Vesting Order.

**NOW THEREFORE, THIS SUBSCRIPTION AGREEMENT WITNESSETH** that in consideration of the promises and the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties have agreed as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

In this Subscription Agreement:

- (a) **"2026 Property Tax Adjustment"** has the meaning set out in Section 2.4;
- (b) **"Abandonment and Reclamation Obligations"** means all past, present and future obligations to:
  - (i) abandon, shut-down, close, decommission, dismantle or remove any and all Wells and Tangibles, including all structures, foundations, buildings, pipelines, equipment and other facilities forming part of the Wells and Tangibles or otherwise located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands; and
  - (ii) restore, remediate and reclaim the surface and subsurface locations of the Wells and the Tangibles and any lands used to gain access thereto, including such obligations relating to Wells, pipelines and facilities which were abandoned or decommissioned prior to the Closing Date and that are located on the Lands or that are located on other lands and used in respect of Petroleum Substances produced or previously produced from the Lands, and including the remediation, restoration and reclamation of any other surface and sub-surface lands affected by any environmental damage, contamination or other environmental issues emanating from or relating to the sites for the Wells or the Tangibles;all in accordance with generally accepted oil and gas industry practices and in compliance with all Applicable Laws, excluding all obligations and liabilities that are Transferred Liabilities or are related to the Transferred Assets;
- (c) **"AER"** means the Alberta Energy Regulator, or any successor thereto having jurisdiction over the Retained Assets or certain of them or the operation thereof;
- (d) **"Affiliate"** means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term **"control"** as used in the

preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership or more than 50% of the voting securities of such Person, by contract or otherwise;

- (e) **"Applicable Law"** means, in relation to any Person, property or circumstance, all laws, statutes, rules, regulations, official directives and orders of Governmental Authorities (whether administrative, legislative, executive or otherwise), including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as applicable, and includes the provisions and conditions of any permit, licence or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such person, property or circumstance;
- (f) **"Associated Infrastructure"** means the Company's right, title and interest in all infrastructure and facilities related to the surface of any Lands used in connection with the Wells, facilities, pipelines, or any other Retained Assets, including access roads, temporary access roads, airstrips, communication towers, temporary workspace, borrow sites, campsites, remote sumps, remote cement return pits, storages areas, disposal sites, or land treatment areas, but excluding all Surface Rights;
- (g) **"BIA"** has the meaning ascribed thereto in the Recitals;
- (h) **"Business Day"** means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;
- (i) **"Cash Component"** has the meaning ascribed thereto in the Section 2.2(a);
- (j) **"Claim"** means all past, present, and future proceedings, claims, suits, actions, charges, penalties, causes of action, demands, liabilities, obligations, losses, damages, judgments, costs, expenses, fines, disbursements, and other professional fees and disbursements, of any nature or kind whatsoever, and including, without limitation, any claim, action, demand, lawsuit, proceeding, arbitration, or any investigation by a Third Party or a Governmental Authority (whether pertaining to the Retained Assets or otherwise), in each case whether asserted, threatened, pending or existing;
- (k) **"Closing"** means the completion of the Transactions pursuant to this Subscription Agreement and the Reverse Vesting Order;
- (l) **"Closing Date"** the date on which Closing occurs, which date shall be no later than three (3) Business Days from the date on which all conditions set out in Article 4 (other than those conditions that by their nature can only be satisfied on the Closing Date) have been satisfied or waived or such other date as may be agreed upon by the Parties;
- (m) **"Closing Place"** means the office of the Company or its counsel, or such other place as may be agreed upon in writing by the Parties;
- (n) **"Closing Sequence"** has the meaning ascribed thereto in the Section 3.3;

- (o) **"Company"** has the meaning ascribed thereto in the Recitals;
- (p) **"Confidential Materials"** has the meaning ascribed thereto in Section 9.12;
- (q) **"Confidentiality Agreement"** means the non-disclosure and confidentiality agreement, dated March 6, 2026, among the Receiver and Purchaser;
- (r) **"Court"** has the meaning set out in the Recitals;
- (s) **"Creditor Trust"** means the trust to be formed pursuant to the Reverse Vesting Order and named "Halo Exploration Residual Trust", which shall hold the Transferred Assets and the Transferred Liabilities for the benefit of the creditors of the Company, and subject to the claims under the Reverse Vesting Order, all in the manner specified herein and set forth in the Reverse Vesting Order;
- (t) **"Creditor Trust Settlement"** means the Creditor Trust Settlement attached as Schedule "B" to the Reverse Vesting Order;
- (u) **"Cure Costs"** means, all amounts set out in Schedule "C" required to be paid to remedy all of the Company's monetary defaults under any Restricted Retained Contracts, or required to secure a counterparty's or any other necessary Person's consent to the assignment of such Retained Contracts or the completion of the Transactions with respect to the Retained Contracts, pursuant to their terms or as may be required pursuant to the Reverse Vesting Order, and includes any other fees and expenses required to be paid to a counterparty or any other Person in connection with the assignment of any Retained Contracts or the completion of the Transactions with respect to the Retained Contracts, pursuant to their terms or Applicable Laws;
- (v) **"Deposit"** has the meaning as defined in Section 2.6;
- (w) **"Employees"** means all individuals who, as at and immediately prior to the Closing, are employed by the Company, whether on a full-time or part-time basis, including all individuals who are on an approved and unexpired leave of absence and all individuals who have been placed on temporary lay-off which has not expired;
- (x) **"Encumbrances"** means all security interests (whether contractual, statutory, or otherwise), hypothecs, pledges, mortgages, liens, trusts (express, implied, resulting, or otherwise) or deemed trusts (whether contractual, statutory or otherwise), reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, Liabilities, or other Claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order, the SISP Order, the Reverse Vesting Order or any other Order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta), or any other personal property registry system or pursuant to the *Land Titles Act* (Alberta) or any other land titles or similar registry system; and, (iii) all

charges, security interests, or claims evidenced by registrations under any registry or with any other Governmental Authority;

- (y) **"Environment"** means the components of the earth and includes the air, the surface and subsurface of the earth, bodies of water (including rivers, streams, lakes and aquifers) and plant and animal life (including humans);
- (z) **"Environmental Laws"** means all Applicable Laws relating to pollution or protection of human health or the Environment (including ambient air, water, surface water, groundwater, land surface, soil, or subsurface) or natural resources, including Applicable Laws relating to the storage, transfer, transportation, investigation, cleanup, treatment, or use of, or release or threatened release into the Environment of, any Hazardous Substances;
- (aa) **"Environmental Liabilities"** means all past, present and future Losses, Claims and other duties and obligations, whether arising under contract, Applicable Law or otherwise, arising from, relating to or associated with:
  - (i) Abandonment and Reclamation Obligations;
  - (ii) any damage, pollution, contamination or other adverse situations pertaining to the Environment howsoever and by whomsoever caused and regardless of whether such damage, pollution, contamination or other adverse situations occur or arise in whole or in part prior to, at or subsequent to the date of this Subscription Agreement;
  - (iii) the presence, storage, use, holding, collection, accumulation, assessment, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, release, emission or discharge of Petroleum Substances, oilfield wastes, water, Hazardous Substances, environmental contaminants and all other substances and materials regulated under any Applicable Law, including any forms of energy, or any corrosion to or deterioration of any structures or other property;
  - (iv) compliance with or the consequences of any non-compliance with, or violation or breach of, any Environmental Law;
  - (v) any seismic programs conducted on or in respect of the Lands, or any lands pooled or unitized therewith;
  - (vi) sampling, monitoring or assessing the Environment or any potential impacts thereon from any past, present or future activities or operations; or
  - (vii) the protection, reclamation, remediation or restoration of the Environment, including related human health and safety,

that relate to or arise by virtue of the Retained Assets or the ownership thereof or any past, present or future operations and activities conducted in

connection with the Retained Assets or on or in respect of the Lands or any lands pooled or unitized therewith, but excluding all obligations and liabilities that are Transferred Liabilities or are related to the Transferred Assets;

- (bb) **"Equity Interests"** includes (i) any common and other shares in the capital of the Company, interests, participations or other equivalents (however designated) of capital stock or share capital, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Company; (ii) any phantom stock, phantom stock rights, stock appreciation rights or stock-based performance securities; (iii) any warrants, options, convertible, exchangeable or exercisable securities, subscriptions, rights (including any pre-emptive or similar rights), calls or other rights to purchase or acquire any of the foregoing; and (iv) any interest that constitutes an "equity interest" as such term is defined in the BIA;
- (cc) **"Governmental Authority"** means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, commission or department, as well as any government-owned entity, any regulatory authority and any public authority, including any public utility, having jurisdiction over a Party, the Retained Assets or the Transactions;
- (dd) **"GST"** means taxes, interest, penalties, and other additions thereto imposed under the GST Legislation;
- (ee) **"GST Legislation"** means Part IX of the *Excise Tax Act*, RSC 1985, c E-15, as amended, and the regulations promulgated thereunder, all as amended from time to time;
- (ff) **"Hazardous Substances"** means any substance, material or waste defined, regulated, listed or prohibited by Environmental Laws, including pollutants, contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, radioactive materials, flammable substances, explosives, Petroleum Substances and products of Petroleum Substances, polychlorinated biphenyls, chlorinated solvents and asbestos;
- (gg) **"Lands"** means all lands, and formations, in or to which the Company has right, title or interest, subject to the available Title and Operating Documents, including the Petroleum Substances within, upon or under such lands, or any lands pooled or unitized therewith, and all of the Company's right, title, and interest in and to all real property;
- (hh) **"Leases"** means the leases, licenses, permits, reservations and other documents of title and agreements by virtue of which the Company is entitled to explore for, recover, remove or dispose of Petroleum Substances within, upon or under the Lands or lands with which the Lands are pooled or unitized including those leases, licenses, permits, reservations and other documents of title and agreements, but only to the extent they pertain to the Lands or lands with which

the Lands are pooled or utilized, and includes, if applicable, all renewals and extensions of those documents and all documents issued in substitution therefor;

- (ii) **"Liabilities"** means any and all past, present, and future debts, Claims, suits, actions, liabilities, duties, responsibilities, obligations, commitments, assessments, costs, expenses, losses, disbursements, damages, Losses, judgments, expenditures, charges, fees, penalties, fines, contributions or premiums, of any kind or nature whatsoever, whether known or unknown, secured or unsecured, asserted or unasserted, absolute or contingent, direct or indirect, or due or to become due and regardless of when sustained, incurred, or asserted or when any corresponding relevant events occurred or circumstances existed;
- (jj) **"Losses"** means all actions, causes of action, losses, costs, Claims, damages, penalties, assessments, charges, expenses, and other liabilities and obligations which a Party suffers, sustains, pays or incurs, including reasonable legal fees and other professional fees and disbursements on a full-indemnity basis;
- (kk) **"Miscellaneous Interests"** means, subject to any and all limitations and exclusions provided for in this definition, all of the Company's right, title and interest in and to all Property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights, the Lands, the Wells and the Tangibles (other than the Petroleum and Natural Gas Rights, the Lands, the Wells or the Tangibles themselves), or any of them, but only to the extent that such Property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights, the Lands, the Wells and the Tangibles, or any of them, including, among others, any and all of the following:
  - (i) all contracts relating to the Petroleum and Natural Gas Rights, the Lands, the Wells and the Tangibles, or any of them and all Claims thereunder;
  - (ii) all warranties, guarantees and similar rights relating to the Petroleum and Natural Gas Rights, the Lands, the Wells and the Tangibles, or any of them, including warranties and guarantees made by suppliers, manufacturers and contractors concerning the Retained Assets, and Claims against other Third Parties in connection with same;
  - (iii) all subsisting rights to carry out operations relating to the Lands, the Tangibles or the Wells, and without limitation, all easements and other Permits, licenses and authorizations pertaining to the Tangibles or the Wells;
  - (iv) rights to enter upon, use, occupy and enjoy the surface of any lands which are used or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights, the Lands, the Wells and the Tangibles, or any of them;
  - (v) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights, the Lands, the Wells and the

Tangibles, or any of them including any of the foregoing that pertain to geological or geophysical matters and, including plats, surveys, maps, cross-sections, production records, electric logs, cuttings, cores, core data, pressure data, decline and production curves, well files, and related matters, division of interest records, lease files, title opinions, abstracts of title, title curative documents, lease operating statements and all other accounting information, marketing reports, statements, gas balancing information, and all other documents relating to customers, sales information, supplier lists, records, literature and correspondence, physical maps, geologic or geophysical interpretation, electronic and physical project files; and

- (vi) the Wells, including the wellbores and any and all casing and down-hole monitoring and pumping equipment;

however, the Miscellaneous Interests shall not include: (x) the Transferred Assets or the Transferred Contracts, (y) agreements, documents or data to the extent that they solely consist of the Transferred Assets or the Transferred Contracts;

- (ll) **"Mutual Release"** has the meaning ascribed thereto in the Section 3.4(a)(iii);
- (mm) **"Northbase Finance Equipment Lease Agreements"** means the asset lease agreements, dated March 21, 2022, June 28, 2022 and August 9, 2022, each between Northbase Finance Inc. (formerly Norden Finance Inc.), as lender and the Company, as borrower;
- (nn) **"O&G Assets"** means the Petroleum and Natural Gas Rights, Tangibles and Miscellaneous Interests (including for certainty, the Company's interest in the Wells), but excluding for greater certainty, the Transferred Assets;
- (oo) **"Order"** means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority;
- (pp) **"Outside Date"** means July 15, 2026, or such other date as may be agreed upon between the Parties in writing;
- (qq) **"Parties"** means, collectively, all of the parties to this Subscription Agreement; and **"Party"** means a party to this Subscription Agreement;
- (rr) **"Permits"** means all licences, permits, approvals and authorizations granted or issued by any Governmental Authorities and relating to the construction, installation, ownership, use or operation of the Retained Assets;
- (ss) **"Permitted Encumbrances"** means the Encumbrances related to the Retained Assets listed in **Schedule "B"**, an amended list of which may be agreed to by the Purchaser and the Receiver, prior to the granting of the Reverse Vesting Order;
- (tt) **"Person"** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;

- (uu) **"Petroleum and Natural Gas Rights"** means all of the Company's right, title and interest in and to:
- (i) rights in, or right to explore or drill for and to recover, produce, save and market, Petroleum Substances;
  - (ii) rights to a share of production of Petroleum Substances therefrom;
  - (iii) fee simple interests and other estates in Petroleum Substances in situ;
  - (iv) working interests, carried working interests, royalty and overriding royalty interests, revenue interests, net profit interests, and similar interests in petroleum Substances or the proceeds of the sale of Petroleum Substances or other encumbrance accruing to the Company or to payments calculated by reference thereto; and
  - (v) rights to acquire or earn any of the foregoing in paragraphs (i), (ii), (iii) and (iv);
- (vv) **"Petroleum Substances"** means bitumen, crude oil, natural gas, natural gas liquids and other related hydrocarbons and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur and coalbed methane;
- (ww) **"Purchase Price"** has the meaning set out in Section 2.2;
- (xx) **"Purchased Shares"** means the number and type of Equity Interests, as determined and subscribed for by the Purchaser and sold by the Company hereunder, or such greater or lesser number as will give the Purchaser 100% of the issued and outstanding Equity Interests, as at Closing, as determined and subscribed for by the Purchaser and sold by the Company hereunder, as described in the sequence outlined in 3.3(j);
- (yy) **"Purchaser"** has the meaning ascribed thereto in the Recitals;
- (zz) **"Receiver"** has the meaning ascribed thereto in the Recitals;
- (aaa) **"Receiver's Certificate"** means the certificate to be filed by the Receiver certifying that all conditions of Closing of the Transactions contemplated by this Subscription Agreement and approved by the Reverse Vesting Order have been satisfied;
- (bbb) **"Receivership Order"** has the meaning ascribed thereto in the Recitals;
- (ccc) **"Receivership Proceedings"** has the meaning ascribed thereto in the Recitals;
- (ddd) **"Receiver Release"** has the meaning ascribed thereto in Section 3.4(b)(iv);
- (eee) **"Recitals"** means the preamble and the recitals to this Subscription Agreement;
- (fff) **"Released Parties"** has the meaning ascribed thereto in Section 3.4(a)(iii);

- (ggg) **"Reorganization"** has the meaning ascribed thereto in the Recitals;
- (hhh) **"Representative"** means, with respect to any Party, its Affiliates, and its and their respective directors, officers, agents, advisors, employees and consultants and with respect to the Company includes its employees and consultants, and its and their respective directors, officers, agents, advisors, employees and consultants;
- (iii) **"Restricted Retained Contract"** means any Retained Contract in respect of which the assignment of the rights and benefits of the Company thereunder explicitly requires the consent of the counterparty(ies) to such Retained Contract, and such consent is not obtained prior to Closing;
- (jjj) **"Retained Assets"** means, collectively, all present and after-acquired Property (real or personal), assets, and undertakings, of the Company, but excluding, solely, the Transferred Assets. Without limiting the generality of the foregoing, the Retained Assets shall include, without limitation: (i) all of the Company's right, title, and interest to the Property, including, but not limited to, the Lands, O&G Assets, Permits, Petroleum and Natural Gas Rights, Petroleum Substances, Wells, and Miscellaneous Interests; (ii) all Retained Assets described in Schedule "B" hereto; (iii) all Tax Refunds; (iv) the Retained Contracts; (v) all indebtedness, Liabilities, and obligations owing by any Person to the Company, including all associated actions, Claims, interests, receivables, and choses in action, except as may be designated by the Purchaser as a Transferred Asset; and, (vi) all books and records of the Company, income tax returns, and related assets;
- (kkk) **"Retained Contracts"** means those contracts, agreements and commitments described in Schedule "B" hereto;
- (III) **"Retained Liabilities"** means, only those Liabilities described under the heading "Retained Liabilities" in Schedule "B" hereto, and excluding, for certainty, the Transferred Liabilities and for greater certainty, any and all other Liabilities of the Company, other than the specific Retained Liabilities, shall constitute and form part of the Transferred Liabilities;
- (mmm) **"Reverse Vesting Order"** means an Order of the Court in substantially the form attached hereto as Schedule "A" (as may be amended or replaced from time to time, as contemplated by Section 9.10 of this Subscription Agreement), and in a form and substance acceptable to the Purchaser, in its sole discretion, that, among other things: (a) approves this Subscription Agreement and the Transactions contemplated hereby; and (b) upon the delivery of a copy of the Receiver's Certificate to the Purchaser, among other things: (i) transfers all of the Company's right, title and interest in and to the Transferred Assets to the Creditor Trust; (ii) transfers all Transferred Liabilities to the Creditor Trust; (iii) releases and discharges the Company from all of the Transferred Liabilities; (iv) discharges all Encumbrances against the Company, the Retained Contracts, the Retained Assets, and the Purchased Shares, other than the Permitted Encumbrances; and, (v) releases the Company from the purview of the Receivership Proceedings and adds the Creditor Trust as an entity in the Receivership Proceedings;

- (nnn) **"SISP Order"** has the meaning ascribed thereto in the Recitals;
- (ooo) **"SISP Process"** has the meaning ascribed thereto in the Recitals;
- (ppp) **"Specified Lease Condition"** has the meaning ascribed thereto in Section 4.3;
- (qqq) **"Subscription Agreement"** means this subscription agreement between the Company and the Purchaser, including all recitals and schedules attached hereto, and **"this Agreement"**, this **"Subscription Agreement"** **"herein"**, **"hereto"**, **"hereof"** and similar expressions mean and refer to this subscription agreement;
- (rrr) **"Surface Rights"** means all rights to occupy, cross or otherwise use or enjoy the surface of the Lands and any lands pooled or unitized therewith or any other lands: (i) upon which the Tangibles are situate; (ii) used in connection with the ownership or operation of the Petroleum and Natural Gas Rights, the Tangibles or the Wells; or (iii) used to gain access to any of the Lands (or any lands pooled or unitized therewith), the Tangibles or the Wells, whether the same are fee simple, held by right of way or otherwise;
- (sss) **"Tangibles"** means all of the Company's right, title and interest in and to all tangible depreciable property, apparatus, plant, equipment, machinery, field inventory and facilities, if any, which are located within, upon or in the vicinity of the Lands (or any lands pooled or unitized therewith), and which are used or are intended to be used to produce, process, gather, treat, measure, store, transport, make marketable or inject or otherwise useful in exploiting any Petroleum Substances from or within the Lands (whether the Petroleum and Natural Gas Rights to which such Petroleum Substances are allocated are owned by the Company or by others or both), including all gas plants, oil batteries, buildings, production equipment, pipelines, pipeline connections, meters, generators, motors, compressors, treaters, dehydrators, separators, pumps, tanks, boilers, communication equipment, all salvageable equipment pertaining to any Wells and all facilities and all Associated Infrastructure;
- (ttt) **"Tax Act"** means the *Income Tax Act* (Canada) and any related regulations;
- (uuu) **"Tax"** or **"Taxes"** means taxes, duties, fees, premiums, assessments, imposts, levies and other similar charges imposed by any Governmental Authority under Applicable Law, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, and all employment insurance, health insurance and governmental pension plan premiums or contributions;
- (vvv) **"Tax Refunds"** means all tax payments, tax subsidies, claims with respect to tax subsidies, tax credits, or tax refunds (including payments or refunds in respect of

Taxes), to which the Company is entitled that arose, relate to, or are attributable to the period prior to Closing, including but not limited to: (i) any refunds of goods and services Taxes or harmonized sales Taxes, (ii) any refund of federal or provincial income Taxes, and (iii) any refund of premiums or payments relating to any provincial or federal workers' compensation fund or program;

(www) **"Third Party"** means any individual or entity other than the Company and the Purchaser, including any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;

(xxx) **"Title and Operating Documents"** mean:

- (i) the Leases;
- (ii) agreements relating to the acquisition, ownership, operation or exploitation of the Petroleum and Natural Gas Rights, Tangibles or the Wells, including:
  - (A) operating agreements, royalty agreements, farm-out or farm-in agreements, option agreements, participation agreements, pooling agreements, unit agreements, unit operating agreements, sale and purchase agreements and asset exchange agreements;
  - (B) agreements for the sale of Petroleum Substances that are terminable on 31 days' notice or less without early termination penalty or other cost;
  - (C) agreements pertaining to the Surface Rights;
  - (D) agreements for the construction, ownership and operation of gas plants, gathering systems and other tangible depreciable property and assets;
  - (E) service agreements for the treating, gathering, storage, transportation or processing of Petroleum Substances or other substances, the injection or subsurface disposal of other substances, the use of well bores or the operation of any Tangibles or Wells by a Third Party;
  - (F) the Transportation, Sale and Handling Agreements; and
  - (G) the Permits and other approvals, authorizations or licences required under Applicable Law,

but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands;

(yyy) **"Transactions"** means the issuance by the Company to the Purchaser, and the subscription for and purchase by the Purchaser, of the Purchased Shares in

consideration of the Purchase Price and all matters related or ancillary to the foregoing contemplated by or in the manner provided for in this Subscription Agreement or the Reverse Vesting Order;

- (zzz) **"Transferred Assets"** means only those assets described in Schedule "B" hereto and, where the context requires, includes the Transferred Contracts;
- (aaaa) **"Transferred Contracts"** means those contracts, agreements and commitments described in Schedule "B" hereto;
- (bbbb) **"Transferred Liabilities"** means all debts, obligations, Liabilities (other than, solely, the Retained Liabilities), Encumbrances (other than, solely, the Permitted Encumbrances), Claims, Losses, indebtedness, contracts, leases, agreements, undertakings, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against the Company, and including, for certainty: (i) any Liabilities, Encumbrances, Claims, or Losses, which relate to any Transferred Assets or Transferred Contracts; (ii) those Liabilities described in Schedule "B" hereto, an amended list of which may be delivered by the Purchaser, in consultation with the Receiver, no later than five (5) Business Days prior to the hearing of the application seeking the Reverse Vesting Order, but excluding the Retained Liabilities; (iii) Tax Liabilities of the Company for any period ending on or before Closing; (iv) any Taxes assessed after Closing that are in respect of transactions or events that occurred prior to Closing, including, for greater certainty, those transactions or events arising from or in connection with this Subscription Agreement and the Reverse Vesting Order; and, (v) any other Liabilities, of any kind or nature, whatsoever, which are not Retained Liabilities. For clarity, only Retained Liabilities shall be excluded from and not form part of the Transferred Liabilities;
- (cccc) **"Transportation, Sale and Handling Agreements"** means agreements providing for the processing, compression, treatment, gathering, storage, transportation or sale of Petroleum Substances produced from the Lands or lands pooled or unitized therewith or obligations for processing, compression, treatment, gathering, storage, transportation or sale of Petroleum Substances on behalf of Third Parties, but does not include any construction, ownership and operation agreements for similar agreements for the co-ownership of facilities;
- (dddd) **"Trustee"** means FTI, in its capacity as the Court-appointed trustee of the Creditor Trust; and
- (eeee) **"Wells"** means all producing, shut-in, water source, observation, disposal, injection, abandoned, suspended and similar wells located on or within the Lands or any lands pooled or unitized therewith, whether or not completed, but specifically excluding the Transferred Assets.

## 1.2 Headings

The words "Article", "Section", "subsection" and "Schedule" followed by a number or letter or combination thereof mean and refer to the specified Article, Section, subsection and Schedule of or to this Subscription Agreement.

## 1.3 Interpretation Not Affected by Headings

The division of this Subscription Agreement into Articles, Sections and subsections and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Subscription Agreement.

## 1.4 Plurals and Gender

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and *vice versa*, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders.

## 1.5 Schedules

There are appended to this Subscription Agreement the following Schedules pertaining to the following matters:

Schedule "A" –	Form of Reverse Vesting Order
Schedule "B" –	Transferred Assets; Transferred Liabilities; Transferred Contracts; Retained Assets; Retained Liabilities; Retained Contracts; and, Permitted Encumbrances
Schedule "C" –	Cure Costs

Such Schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such Schedules conflicts or is at variance with any term or condition in the body of this Subscription Agreement, such term or condition in the body of this Subscription Agreement shall prevail.

## 1.6 Derivatives

Where a term is defined in the body of this Subscription Agreement, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires. The word "include" and derivatives thereof shall be read as if followed by the phrase "without limitation".

## 1.7 Interpretation if Closing Does Not Occur

In the event that Closing does not occur, each provision of this Subscription Agreement which presumes that the Purchaser has acquired the Purchased Shares or the Retained Assets hereunder shall be construed as having been contingent upon Closing having occurred.

## 1.8 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Subscription Agreement and that of a schedule, the provision of the body of this Subscription Agreement

shall prevail. If any term or condition of this Subscription Agreement conflicts with a term or condition of any Applicable Law or the Reverse Vesting Order, as applicable, the term or condition of such Applicable Law or the Reverse Vesting Order shall prevail, and this Subscription Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.

## 1.9 Currency

All dollar (\$) amounts referenced in this Subscription Agreement are expressed in the lawful currency of Canada.

## ARTICLE 2 SUBSCRIPTION OF PURCHASED SHARES

### 2.1 Subscription for Purchased Shares

Subject to the provisions of this Subscription Agreement and the Reverse Vesting Order, on the Closing Date, the Purchaser shall subscribe for and purchase from the Company, and the Company shall issue to the Purchaser the Purchased Shares, free and clear of all Liabilities and Encumbrances, other than the Retained Liabilities and Permitted Encumbrances. The Company shall retain the Retained Assets subject only to the Retained Liabilities and the Permitted Encumbrances.

### 2.2 Purchase Price

The aggregate consideration payable by the Purchaser to the Company for the Purchased Shares is \$ [REDACTED] (the "**Purchase Price**"), subject to Section 2.4, payable by way of cash payments in an amount equal to:

- (a) release of the Deposit of \$ [REDACTED], plus
- (b) a cash payment of \$ [REDACTED] (the "**Cash Component**"), plus
- (c) the 2026 Property Tax Adjustment set out in Section 2.4(b).

### 2.3 Closing Payments

At Closing, Purchase Price shall be satisfied as follows:

- (a) the Deposit shall be released to and retained by the Receiver, and applied and credited against the Purchase Price;
- (b) the payment to the Receiver on behalf of the Company of an amount equal to the Cash Component; and
- (c) the payment to the Receiver of the 2026 Property Tax Adjustment set out in Section 2.4(b).

### 2.4 Purchase Price Adjustment - Property Tax

- (a) The Parties acknowledge that the Receiver shall pay the full amount of the Company's property tax owing for the 2026 tax year of \$204,696.05 on or

about July 30, 2026 and in any event, shall only be paid after the Closing payments have been received by the Receiver pursuant to Section 2.3.

- (b) At Closing, the Purchase Price shall be increased by an amount equal to the portion of the 2026 property tax paid by the Receiver that is attributable to the period from (but excluding) the Closing Date to the end of the 2026 property tax year, calculated on a daily basis (the "**2026 Property Tax Adjustment**"). For clarity, only property taxes accrued in 2026 shall be included in the 2026 Property Tax Adjustment. There shall be no adjustment for any amounts owing and attributable to tax years other than 2026 (the "**Pre-2026 Property Taxes**"), including, without limitation, any penalties or fines associated with the Pre-2026 Property Taxes, and all Pre-2026 Property Taxes shall constitute Transferred Liabilities.
- (c) The Parties agree to co-operate and provide all necessary information and documentation to effect the adjustment contemplated by this Section 2.4, both at Closing and, if necessary, for a period of up to three (3) months following the Closing Date, should any reassessment or adjustment of property taxes occur. Any further adjustments required as a result of a subsequent reassessment or change in the amount of property taxes for the relevant period shall be made between the Parties as soon as practicable after such reassessment or change becomes known, provided that any such adjustments are identified within three (3) months after the Closing Date.

## 2.5 Form of Cash Payments

All cash payments to be made pursuant to this Subscription Agreement shall be in Canadian funds. All payments to be made pursuant to this Subscription Agreement shall be made by wire transfer.

## 2.6 Deposit

The Parties acknowledge that a deposit in the amount of [REDACTED] has already been delivered by the Purchaser to Receiver, pending execution of this Subscription Agreement, and released only in accordance with the provisions of this Section 2.6 (the "**Deposit**"). The Deposit shall be held by Receiver in a non-interest bearing account until one of the following events occurs:

- (a) if Closing occurs, the Deposit shall be released to Receiver at Closing and be applied as partial payment of, the Purchase Price, as contemplated by Section 2.2;
- (b) if Closing does not occur due to a breach of this Subscription Agreement by the Purchaser or by a failure of the Purchaser to fulfill the conditions set forth in Section 4.5 the Deposit shall be forfeited to the Receiver for the account of the Receiver absolutely; and
- (c) if Closing does not occur due to any reason other than as addressed by Section 2.6(b) the Deposit shall be returned to the Purchaser, for the account of the Purchaser, absolutely.

## 2.7 Damages

The Parties agree that the amount of the Deposit constitutes their genuine estimate of all damages that will be suffered by the Company as a result of Closing not occurring and, if the Company is entitled to retain the Deposit pursuant to Section 2.6(b), the Deposit shall constitute liquidated damages to the Company and shall not be construed as a penalty of Closing not having occurred as a result of the circumstances set forth in Section 2.6(b).

## ARTICLE 3 CLOSING

### 3.1 Date, Time and Place of Closing

Closing shall take place at the Closing Place on the Closing Date if there has been satisfaction or waiver of the conditions of Closing herein contained.

### 3.2 Effectiveness of Reverse Vesting Order

Subject to the terms of this Subscription Agreement and the Reverse Vesting Order, to the extent such further action is required to give effectiveness thereto, the Company, the Receiver and the Creditor Trust, as applicable, shall effect the steps set forth in the Reverse Vesting Order, in the sequence and at the times specified therein, as such steps, transactions, sequence and/or times may be amended by written agreement of the Parties.

### 3.3 Closing

On the Closing Date, Closing shall take place in the following sequence (the "**Closing Sequence**"), with each step following the immediately preceding step, unless otherwise stated herein, with five (5) minutes deemed to have elapsed between the end of each preceding step and the beginning of the following step, in accordance with the terms of this Subscription Agreement and the Reverse Vesting Order:

- (a) first, the Purchaser shall pay the Cash Component to the Receiver;
- (b) second, the Company shall terminate the employment of all Employees, and all liabilities owing to any Employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, severance, vacation pay, benefits, bonuses or other compensation or entitlements, shall be and constitute Transferred Liabilities;
- (c) third, all of the Company's right, title and interest in and to the Transferred Assets (including, for certainty, the Cash Component) shall vest absolutely and exclusively in the Creditor Trust and all Claims, Liabilities, and Encumbrances attached to the Transferred Assets shall continue to attach to the Transferred Assets with the same nature and priority as they had immediately prior to their transfer;
- (d) fourth, and concurrently with step 3.3(b), all Transferred Liabilities shall be transferred to, assumed by and vest absolutely and exclusively in the name of the Creditor Trust and the Transferred Liabilities shall be novated and become obligations of the Creditor Trust and no longer liabilities of the Company, for the

purpose of allowing the Trustee to continue to administer the Transferred Liabilities and Encumbrances in accordance with the terms and conditions of the Creditor Trust Settlement, for the benefit of the existing creditors of the Company as at the Closing Date. Furthermore, such: (i) Transferred Liabilities shall continue to attach to the Transferred Assets with the same nature and priority as they had immediately prior to the Closing Date, as set out in the Reverse Vesting Order; (ii) Transferred Liabilities shall be transferred to and assumed by the Creditor Trust in consideration for the transfer of the Transferred Assets (including the Cash Component), and the Creditor Trust shall be deemed to have been party to the contracts and agreements giving rise thereto and shall stand in place and stead of the Company in respect of any such interests, Liabilities, Claims, and Encumbrances;

- (e) fifth, and also concurrently with step 3.3(b), the Company shall be forever released and discharged from all Transferred Liabilities and all Encumbrances (other than the Permitted Encumbrances) shall be forever released and discharged in respect of the Company and the Retained Assets;
- (f) sixth, following steps 3.3(b), (c), (d), and (e), the Company shall, pursuant to the Reorganization, amend its articles of incorporation to alter the provisions of all Equity Interests issued and outstanding immediately prior to the Closing Date, making the same redeemable and retractable, at the nominal redemption price of \$0.00001 per each such Equity Interest;
- (g) seventh, each Equity Interest issued and outstanding immediately prior to the Closing Date shall be redeemed at the nominal redemption price of \$0.00001 each, and all such redeemed Equity Interests together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Company or any of its Equity Interests shall be deemed terminated and cancelled in accordance with and pursuant to the Reverse Vesting Order;
- (h) eighth, the Retained Liabilities shall be retained by the Company, and all Transferred Liabilities and all Encumbrances (other than the Permitted Encumbrances) shall be forever released and discharged as and against the Purchased Shares;
- (i) ninth, the Retained Assets will be retained by the Company, in each case free and clear of and from any and all Liabilities and Encumbrances (other than the Retained Liabilities and Permitted Encumbrances) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order or any other Order of the Court; and, (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) (other than those registrations in respect of the Permitted Encumbrances), or any other personal property registry system or pursuant to the *Lands Title Act* (Alberta), all of which affecting or relating to the Purchased Shares or the Retained Assets shall be expunged and discharged as against the Purchased Shares and Retained Assets, as applicable, in accordance with the Reverse Vesting Order;

- (j) tenth, the Company shall issue the Purchased Shares to the Purchaser free and clear of and from any and all Liabilities and Encumbrances, other than the Retained Liabilities and the Permitted Encumbrances, and the Purchaser shall be deemed to have acquired the Purchased Shares, which shall constitute 100% of all issued and outstanding Equity Interests of the Company, and the Cash Component and Deposit of the Purchase Price shall vest in the Creditor Trust to be administered by the Receiver for the benefit of the Company's creditors;
- (k) eleventh, the Mutual Release and the Receiver Release shall be released from escrow and shall become effective;
- (l) twelfth, any directors of the Company shall be deemed to resign, and Scott Sanborn and Grant MacKenzie shall be deemed to be appointed as directors of the Company;
- (m) thirteenth, the Receiver shall file the Receiver's Certificate;
- (n) fourteenth, the Creditor Trust shall be added as an applicant in the Receivership Proceedings;
- (o) fifteenth, the Company shall cease to be an applicant in the Receivership Proceedings and the Company shall be deemed to be released from the purview of the Receivership Order and all other Orders of the Court granted in the Receivership Proceedings; and,
- (p) sixteenth, following the delivery, filing, and service of the Receiver's Certificate, the Receiver shall, subject to Court approval in respect of any distributions: (i) pay the Cure Costs as set out in Schedule "C" up to a maximum amount of \$115,000, from the Cash Component, to the applicable parties, in accordance with their respective entitlements; (ii) retain the balance of the Cash Component, after payment of the Cure Costs, for and on behalf of the Creditor Trust, with such remaining Cash Component to be held in a segregated account, in the name of the Creditor Trust. The balance of the Cash Component after the payment of Cure Costs, shall be held and administered, by the Receiver, for and on behalf of the Creditor Trust, in accordance with the Creditor Trust Settlement, pending further Order of the Court. For greater certainty, the Cash Component shall continue to constitute part of the Transferred Assets, and all Claims, Liabilities, and Encumbrances, shall continue to attach to the balance of the Cash Component, with the same nature and priority as they had immediately prior to their transfer and vesting.

### **3.4 Closing Deliveries**

- (a) On the Closing Date, the Receiver shall deliver to the Purchaser:
  - (i) a filed copy of the Reverse Vesting Order;
  - (ii) resignations of all remaining directors and officers of the Company immediately prior to the Closing, and where such resignations are not available, those directors and officers shall be deemed to have resigned,

and the Company shall be deemed to appoint Scott Sanborn and Grant MacKenzie as directors of the Company;

- (iii) an irrevocable mutual release between the Creditor Trust, on the one hand, and the Purchaser and the Company, on the other hand, releasing such respective parties and each of their respective current and former directors, officers, employees, agents, representatives, and all of their respective advisors, including financial advisors and legal counsel, (collectively, the "**Released Parties**") from any and all rights, actions, causes of action, suits, demands, debts, covenants, or claims of any nature whatsoever, whether contractual, extra-contractual, in law or in equity or otherwise, past, present or future, direct or indirect, whether known or unknown against any of the Released Parties, including in their capacity as equity holders of the Company, as applicable; save and except for any and all claims arising out of or in connection with any fraud, gross negligence, or willful misconduct, on the part of the Released Parties, except any covenants and obligations hereunder which survive Closing, in a form and substance acceptable to the Purchaser, the Company, and the Creditor Trust, acting reasonably (collectively, the "**Mutual Release**");
  - (iv) one or more share certificates duly executed by the Company, or other satisfactory evidence such as a notice of uncertified securities, representing 100% of the outstanding Equity Interests, in aggregate, the Purchased Shares registered in the name of the Purchaser as directed by the Purchaser; and
  - (v) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transactions.
- (b) On the Closing Date, the Purchaser shall deliver to the Receiver, on behalf of the Company:
- (i) a written direction to the Receiver to retain the Deposit as partial payment of the Purchase Price;
  - (ii) the Cash Component of the Purchase Price pursuant to Section 2.2;
  - (iii) a certificate dated as of the Closing Date and executed by an executive officer of the Purchaser confirming and certifying that each of the conditions in Sections 4.4(a) and 4.4(b) have been satisfied;
  - (iv) an irrevocable release (the "**Receiver Release**") by the Purchaser in favour of FTI, its counsel and its representatives, from any and all rights, actions, causes of action, suits, demands, debts, covenants, or claims of any nature whatsoever, whether contractual, extra-contractual, in law or in equity or otherwise, past, present or future, direct or indirect, whether known or unknown against any of FTI its counsel and its representatives , save and except for any and all claims arising out of or in connection with

any fraud, gross negligence, or willful misconduct, on the part of the Receiver or its counsel or representatives

- (v) a countersigned copy of the Mutual Release, duly executed by the Purchaser; and
- (vi) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Receiver or the Company to complete the Transactions.

## **ARTICLE 4 CONDITIONS OF CLOSING**

### **4.1 Required Consents**

- (a) Before Closing, each of the Parties shall use all reasonable efforts to obtain any and all approvals required under Applicable Law to permit closing of the Transactions. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances, remedial work or other documentation required by Governmental Authorities to permit the transfer to the Purchaser, and registration of the Purchaser as owner and/or operator, of any of the Retained Assets, if any.
- (b) Each of the Parties shall use commercially reasonable efforts to: (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary, proper or advisable under any Applicable Law or otherwise to consummate and make effective the Transactions; (ii) obtain any consents, approvals or Orders required to be obtained or made in connection with the authorization, execution and delivery of this Subscription Agreement and the consummation of the Transactions; (iii) make all filings and give any notice, and thereafter make any other submissions either required or reasonably deemed appropriate by each of the Parties, with respect to this Subscription Agreement and the Transactions required under any Applicable Law; and, (iv) provide, or cause any of their respective Affiliates to provide, all information, documents and data to Governmental Authorities as may be requested, required or ordered pursuant to statutory or non-statutory requests for information, supplemental information requests or any Court Orders in connection with the approvals and consents outlined in this Section 4.1.
- (c) The Parties shall use reasonable efforts to cooperate and consult with each other in connection with the making of any such filings and notices, including providing copies of all such documents to the non-filing Party and its advisors within a reasonable period of time prior to filing or the giving of notice. Each Party shall pay for its own filing fees and other charges arising out of the actions taken under this Section 4.1.

## 4.2 Mutual Conditions

The obligation of the Purchaser to complete the Transactions, and of the Company to sell the Purchased Shares to the Purchaser, is subject to the following conditions precedent:

- (a) the Reverse Vesting Order being obtained;
- (b) no stay or appeal or application to vary the Reverse Vesting Order shall have been filed with the Court at any time by the Company or any other Person on or before the Closing;
- (c) pursuant to the Reverse Vesting Order, all Transferred Assets, Transferred Liabilities, and Encumbrances shall have been transferred to the Creditor Trust (other than the Retained Liabilities and the Permitted Encumbrances), with the same nature and priority as they had immediately prior to their transfer;
- (d) the Retained Liabilities, Permitted Encumbrances, and Retained Assets will be retained by the Company pursuant to and in accordance with the Reverse Vesting Order;
- (e) no Applicable Law or Order will have been enacted, issued, promulgated, enforced, made, entered, issued or applied and no Claim will otherwise have been made under any Applicable Laws or by any Governmental Authority (whether temporary, preliminary or permanent) that makes or which would reasonably be expected to make the Transactions contemplated by this Subscription Agreement illegal or to otherwise directly or indirectly cease trade, enjoin, restrain or otherwise prohibit completion of the Transactions contemplated by this Subscription Agreement; and
- (f) the Company shall cease to be a party to the Receivership Proceedings and the Company be deemed to be released from the purview of Receivership Order and all other Orders of the Court granted under the Receivership Proceedings, save and except for the Reverse Vesting Order the provisions of which (as they relate to the Company) shall continue to apply in all respects.

Unless otherwise agreed to by the Parties, if the conditions contained in this Section 4.2 have not been performed, satisfied or waived before the Outside Date, this Subscription Agreement and the obligations of the Company and the Purchaser under this Subscription Agreement (other than under Sections 9.11 and 9.14) shall automatically terminate without any further action on the part of either the Company or the Purchaser and the Deposit shall be addressed in accordance with Section 2.6.

## 4.3 Specified Lease Condition

The Purchaser and the Company, shall use its commercially reasonable efforts to, at least two (2) Business Days prior to the hearing of the application seeking the Reverse Vesting Order, negotiate and execute amending agreements with respect to each of the Northbase Finance Equipment Lease Agreements, in form and substance acceptable to the Purchaser, in its sole and unfettered discretion (the "**Specified Lease Condition**"). For clarity: (i) regardless of whether the Specific Lease Condition is met for any or all Northbase Finance Equipment Lease Agreements, all Northbase Finance Equipment Lease Agreements shall constitute Retained

Contracts; and, (ii) the Specified Lease Condition shall not be a condition precedent to any obligations of the Company or the Purchaser, hereunder.

#### **4.4 Purchaser's Conditions**

The obligation of the Purchaser to purchase the Purchased Shares is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Purchaser and may be waived by the Purchaser:

- (a) the representations and warranties of the Company herein contained shall be true in all material respects when made and shall remain true as of the Closing Date; and
- (b) all obligations of the Company contained in this Subscription Agreement to be performed prior to or at Closing shall have been timely performed in all material respects.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by the Purchaser, at or before the Outside Date, the Purchaser may rescind this Subscription Agreement by written notice to the Company. If the Purchaser rescinds this Subscription Agreement, the Company and the Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 9.11 and 9.14 and the Deposit shall be addressed in accordance with Section 2.6.

#### **4.5 Company's Conditions**

The obligation of the Receiver, to cause the Company to sell and issue the Purchased Shares is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Company and may be waived by the Receiver, on behalf of the Company:

- (a) the representations and warranties of the Purchaser herein contained shall be true in all material respects when made and shall remain true as of the Closing Date;
- (b) all obligations of the Purchaser contained in this Subscription Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and
- (c) all amounts to be paid by the Purchaser to the Company or the Receiver at Closing, including the Cash Component of the Purchase Price, shall have been paid to the Company or the Receiver in the form stipulated in this Subscription Agreement.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by the Company, at or before the Outside Date, the Company may rescind this Subscription Agreement by written notice to the Purchaser. If the Company rescinds this Subscription Agreement, the Company and the Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 9.11 and 9.14 and the Deposit shall be addressed in accordance with Section 2.6.

#### **4.6 Efforts to Fulfil Conditions Precedent**

- (a) The Purchaser and the Receiver shall proceed diligently and in good faith and use all reasonable efforts to satisfy and comply with and assist in the satisfaction and compliance with the foregoing conditions precedent.
- (b) The Receiver shall consult with the Purchaser regarding the form of the Reverse Vesting Order and the principal materials relating thereto and, to the extent legally permissible and practicable in the circumstances, shall provide the Purchaser with advance drafts of any material pleadings, orders, and other material court filings related to approval of the Transactions.

### **ARTICLE 5 REPRESENTATIONS AND WARRANTIES**

#### **5.1 Representations and Warranties of the Company**

The Company or Receiver, as applicable, makes only the following representations to the Purchaser, which representations shall not survive Closing:

- (a) pursuant to the Receivership Order, it has, among other things, been appointed by the Court as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Company, including all proceeds thereof, and such appointment is valid and subsisting and has not been varied or amended, except as set forth in the Receivership Order;
- (b) subject to obtaining the Reverse Vesting Order, the Company, by and through the Receiver, has the right to enter into this Subscription Agreement and to complete the Transactions;
- (c) subject to obtaining the Reverse Vesting Order, this Subscription Agreement is, and all documents executed and delivered pursuant to this Subscription Agreement will be, legal, valid and binding obligations of the Company enforceable against it in accordance with their terms; and,
- (d) the Company is not a non-resident of Canada within the meaning of the Tax Act.

#### **5.2 Representations and Warranties of the Purchaser**

The Purchaser makes the following representations and warranties to the Company and agrees that the Company is relying on such representations and warranties for the purposes of entering into this Subscription Agreement:

- (a) the Purchaser is a corporation duly organized, validly existing and is authorized to carry on business in the provinces in which the Retained Assets are located;
- (b) the Purchaser has good right, full power and absolute authority to purchase and acquire the Purchased Shares according to the true intent and meaning of this Subscription Agreement;

- (c) the execution, delivery and performance of this Subscription Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' or equivalent actions and will not result in any violation of, be in conflict with, or constitute a default under, any articles, charter, bylaw or other governing document to which the Purchaser is bound;
- (d) the execution, delivery and performance of this Subscription Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which the Purchaser is party or by which the Purchaser is bound, nor under any judgement, decree, Order, statute, regulation, rule or licence applicable to the Purchaser;
- (e) subject to the Reverse Vesting Order, this Subscription Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms;
- (f) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Retained Assets is required for the due execution, delivery and performance by the Purchaser of this Subscription Agreement, other than authorizations, approvals or exemptions from requirements previously obtained and currently in force or to be obtained prior to or after Closing;
- (g) the Purchaser has adequate funds available in an aggregate amount sufficient to pay: (i) all amounts required to be paid by the Purchaser under this Subscription Agreement; and (ii) all expenses which have been or will be incurred by the Purchaser in connection with this Subscription Agreement and the Transactions;
- (h) the Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Subscription Agreement or the Transactions for which the Company shall have any obligation or liability;
- (i) the Purchaser is an informed and sophisticated buyer, it has engaged expert advisors and is experienced in the evaluation and purchase of property and assets and assumption of certain Liabilities such as the Purchased Shares, the Retained Assets and the Retained Liabilities, and has undertaken such investigations and has been provided with and has evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Subscription Agreement;
- (j) the Purchaser understands that the Purchased Shares are being issued to it upon an exemption from the prospectus requirements applicable under applicable Canadian securities laws and that there may be restrictions imposed on the Purchaser and the Purchased Shares which limit the Purchaser's ability to resell the Purchased Shares in Canada. Without limiting the foregoing, the Purchaser further acknowledges and agrees that any proposed transfer, resale or other disposition of the Purchased Shares shall be subject to Applicable Laws, including any restrictions and requirements under Canadian securities laws;

- (k) the Purchaser is in compliance with all the requirements of all Governmental Authorities;
- (l) the Purchaser is not a non-resident of Canada within the meaning of the Tax Act; and
- (m) the Purchaser is not a non-Canadian person for the purposes of the *Investment Canada Act*, RSC, 1985, c 28 (1<sup>st</sup> Supp).

### 5.3 Limitation of Representations by the Company

Notwithstanding any other provision of this Subscription Agreement, the Purchaser acknowledges, agrees and confirms that:

- (a) except for the representations and warranties of the Company set forth in Section 5.1, it is entering into this Subscription Agreement, acquiring the Purchased Shares (and the underlying Retained Assets and Retained Liabilities), in each case on an "as is, where is" basis as they exist as of Closing;
- (b) except as expressly stated in Section 5.1, none of the Company, the Receiver or the Creditor Trust or their respective Representatives is making, and the Purchaser is not relying on, any written or oral representations, warranties, statements, information, promises or guarantees, express or implied, statutory or otherwise, concerning the Transactions, the Company, the business of the Company, the Purchased Shares, the Retained Assets, the Retained Liabilities, the Transferred Assets and the Transferred Liabilities, including the right, title or interest of the Company in and to any of the foregoing, and any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Subscription Agreement, are hereby waived in their entirety by the Purchaser;
- (c) none of the Company, the Receiver, the Creditor Trust or any of their respective Representatives has made any representation or warranty as to any regulatory approvals, Permits, licences, consents, registrations, filings or authorizations that may be needed to complete the Transactions or to obtain the benefit of the Retained Assets or any portion thereof, and the Purchaser is relying entirely on its own investigation, due diligence and inquiries in connection with such matters;
- (d) the obligations of the Purchaser under this Subscription Agreement are not conditional upon any additional due diligence;
- (e) except for the representations and warranties of the Company set forth in Section 5.1, any information regarding or describing the Purchased Shares, the Retained Assets or the Retained Liabilities, or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Company or the Creditor Trust or the Receiver or any of their respective Representatives concerning the completeness or accuracy of such information or descriptions;

- (f) except as otherwise expressly provided in this Subscription Agreement, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or claims the Purchaser might have against the Company, the Receiver, the Creditor Trust, or any of their respective Representatives pursuant to any warranty, express or implied, legal or conventional, of any kind or type, other than those representations and warranties of the Company expressly set forth in Section 5.1 such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, completeness of warranties, implied warranties, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights; and
- (g) the provisions of this Section 5.3 shall survive and not merge on Closing.

## **ARTICLE 6 INDEMNITIES**

### **6.1 Post-Closing Date Indemnity**

Provided that Closing occurs, the Purchaser shall be liable and responsible for any and all Losses which the Receiver and the Creditor Trust may suffer, sustain, pay or incur: (i) in connection with the Company, the Retained Assets, or the Retained Liabilities; and, (ii) which (a) arise and occur as a result of events and circumstances following the Closing; (b) are not attributable to, connected with, or result from any event or action which occurred before Closing; (c) are caused by or attributable to, any act, omission, decision, conduct, or failure to act, by the Purchaser, occurring after Closing; and (d) are not caused by or attributable to, any act, omission, decision, conduct, or failure to act, by the Company (prior to Closing) or the Receiver (the “**Indemnified Losses**”).

The Purchaser shall indemnify, release and save harmless the Receiver and the Creditor Trust from any and all such Indemnified Losses, which may be brought against or suffered by them or which they may sustain, pay or incur.

## **ARTICLE 7 MAINTENANCE OF RETAINED ASSETS**

### **7.1 Maintenance of Retained Assets**

From the date hereof until the Closing Date, the Receiver shall use reasonable commercial efforts, to the extent that the nature of its interest permits, and subject to the Receivership Order, the SISP Order and the Reverse Vesting Order, to:

- (a) maintain the Retained Assets in a proper and prudent manner in material compliance with all Applicable Laws and directions of Governmental Authorities; and
- (b) pay or cause to be paid all costs and expenses relating to the Retained Assets which become due from the date hereof to the Closing Date,

provided that nothing contained in the foregoing or elsewhere in this Subscription Agreement shall obligate the Company to post security, make any other financial contribution towards or file any undertaking with a Governmental Authority with respect to any liability management program or other program.

## 7.2 Consent of the Purchaser

Notwithstanding Section 7.1, the Company shall not from the date hereof to the Closing Date, without the written consent of the Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Retained Assets of which the Company's share is in excess of \$50,000, except: (i) in case of an emergency; (ii) as may be reasonably necessary to protect or ensure life and safety; (iii) to preserve the Retained Assets or title to the Retained Assets; or (iv) in respect of amounts which the Company may be committed to expend or be deemed to authorize for expenditure without its consent; provided, however, that should the Purchaser withhold its consent or fail to provide its consent in a timely manner and a reduction in the value of the Retained Assets results, there shall be no abatement or reduction in the Purchase Price;
- (b) other than pursuant to ordinary course expiries, surrender or abandon any of the Retained Assets;
- (c) other than in ordinary course of business, materially amend or terminate any title document or enter into any new material agreement or commitment relating to the Retained Assets; or
- (d) sell, encumber or otherwise dispose of any of the Retained Assets or any part or portion thereof excepting: pursuant to preferential purchase rights; or sales of non- material obsolete or surplus equipment.

## 7.3 Proposed Actions

If an operation or the exercise of any right or option respecting the Retained Assets is proposed in circumstances in which such operation or the exercise of such right or option would result in the Purchaser incurring an obligation pursuant to Section 7.2, the following shall apply to such operation or the exercise of such right or option (hereinafter referred to as the "**Proposal**"):

- (a) the Company shall promptly give the Purchaser notice of the Proposal, describing the particulars in reasonable detail;
- (b) the Purchaser shall, not later than three (3) Business Days prior to the time the Company is required to make its election with respect to the Proposal, advise the Company, by notice, whether the Purchaser wishes the Company to exercise the Company's rights with respect to the Proposal on the Purchaser's behalf, provided that the Purchaser's failure to make such election within such period shall be deemed to be the Purchaser's election not to participate in the Proposal;

- (c) the Company shall make the election authorized or deemed, by the Purchaser, with respect to the Proposal within the period during which the Company may respond to the Proposal; and
- (d) the Purchaser's election or deemed election to not participate in any Proposal required to preserve the existence of any of the Retained Assets shall not entitle the Purchaser to any reduction of the Purchase Price if the Company's interest therein is terminated as a result of such election and such termination shall not constitute a failure or breach of the Company's representations and warranties relating to such Retained Assets.

#### **7.4 Licence Transfers**

If for any reason, after Closing, a Governmental Authority requires the Purchaser or the Company or its nominee to make a deposit or furnish any other form of security, or undertake any corrective action or remedial work including inspections, tests or engineering assessments, the Purchaser shall make such deposit or furnish such other form of security or undertake such corrective or remedial work as may be required, at the Purchaser's sole expense. All processing fees (including any fees required to be paid for expedited service) shall be for the Purchaser's account.

#### **7.5 Payments in Respect of Transferred Assets**

If at any time after Closing, the Company, the Purchaser or any of their respective Affiliates receives a payment or other consideration in respect of or relating to a Transferred Asset and which payment or consideration does not also constitute a Retained Asset, and which was incurred before Closing, the recipient of such payment or other consideration shall promptly notify the Receiver and promptly pay and transfer such payment or other consideration to the Receiver, on behalf of the Creditor Trust. From and after Closing, the Receiver and the Purchaser shall provide reasonable cooperation to the Creditor Trust and the Receiver to enable the Creditor Trust and the Receiver to obtain the benefit of any Transferred Asset.

#### **7.6 Agreement Regarding Fees**

The Purchaser hereby acknowledges and agrees that it will be responsible for any and all fees incurred by the Purchaser in connection with the formulation, negotiation, submission, and pursuit of its bid.

### **ARTICLE 8 PURCHASER'S REVIEW AND ACCESS TO BOOKS AND RECORDS**

#### **8.1 Company to Provide Access**

Prior to Closing, the Receiver shall, subject to all contractual and fiduciary obligations, at the Calgary offices of the Company during normal business hours, provide reasonable access for the Purchaser and its Representatives to the records, books, accounts, documents, files, reports, information, materials, filings, and data, to the extent they relate directly to the Retained Assets and are in possession of the Receiver, as well as physical access to the Retained Assets (insofar as the Company can reasonably provide such access, with such access to be at the Purchaser's sole risk, expense and liability) to facilitate the Purchaser's review of the Retained Assets and title thereto for the purpose of completing these Transactions. The

Purchaser shall indemnify and save harmless the Company, the Receiver and the Creditor Trust from and against all liabilities, claims and causes of action for personal injury, death or property damage occurring on or to such property as a result of such entry onto the premises. The Purchaser shall comply fully with all rules, regulations and instructions issued by the Company regarding the Purchaser's actions while upon, entering or leaving such properties. The Purchaser's obligations set forth in this Section 8.1 shall survive the Closing Date indefinitely.

## **8.2 Access to Information**

After Closing and subject to contractual restrictions in favour of Third Parties relative to disclosure, the Purchaser shall, on request from the Receiver, provide reasonable access to its Representative, at the Purchaser's offices, during its normal business hours, to the agreements and documents to which the Retained Assets are subject and the contracts, agreements, records, books, documents, licences, reports and data which are then in the possession or control of the Purchaser and to make copies thereof, as they may reasonably require, including for purposes relating to:

- (a) the Creditor Trust's ownership of the Transferred Assets (including taxation matters and Losses that arise from or relate to acts, omissions, events, circumstances or operations on or before the Closing Date);
- (b) enforcing its rights under this Subscription Agreement;
- (c) compliance with Applicable Law; or
- (d) any Claim commenced or threatened by any Third Party against the Creditor Trust, the Receiver or any of them.

## **8.3 Maintenance of Information**

All of the information, materials and other records delivered to the Purchaser pursuant to the terms hereof shall be maintained by the Purchaser in good order and good condition and kept in a reasonably accessible location by the Purchaser for a period of two years from the Closing Date.

# **ARTICLE 9 GENERAL**

## **9.1 Further Assurances**

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required to fully perform and carry out the terms of this Subscription Agreement.

## **9.2 Receiver**

The Purchaser acknowledges that the Receiver is solely acting in its capacity as the Court-appointed receiver and manager of the Company, and not in its personal or corporate capacity. Under no circumstances shall the Receiver or the Creditor Trust or any of their Representatives have any liability pursuant to this Subscription Agreement, or in relation to the Transactions whether such liability be in contract, tort or otherwise.

### **9.3 Entire Agreement**

Except for the Reverse Vesting Order, this Subscription Agreement and the agreements and other documents required or contemplated to be delivered pursuant to this Subscription Agreement constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Subscription Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise with respect to the subject matter of this Subscription Agreement. In the event that Closing occurs, except for the Reverse Vesting Order, this Subscription Agreement supersedes all other agreements (other than the Confidentiality Agreement between the Company and the Purchaser), documents, writings and verbal understandings between the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the Transactions herein.

### **9.4 Governing Law**

This Subscription Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta and all disputes shall be determined within the Receivership Proceedings. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Subscription Agreement.

### **9.5 Assignment and Enurement**

This Subscription Agreement shall not be assigned by the Purchaser without the prior written consent of the Receiver, which consent may be unreasonably and arbitrarily withheld, other than to wholly owned Affiliate of Purchaser. This Subscription Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

### **9.6 Time of Essence**

Time is of the essence in this Subscription Agreement.

### **9.7 Notices**

The addresses and fax numbers of the Parties for delivery of notices hereunder shall be as follows:

The Receiver: Halo Exploration Ltd.  
c/o FTI Consulting Canada Inc.  
520 5<sup>th</sup> Avenue SW, Suite 1610  
Calgary, AB T2P 3R7

Attention: Dustin Olver / Brett Wilson  
Email: [dustin.olver@fticonsulting.com](mailto:dustin.olver@fticonsulting.com) /  
[brett.wilson@fticonsulting.com](mailto:brett.wilson@fticonsulting.com)

**With a copy to its legal counsel at:**

Burnet, Duckworth & Palmer LLP  
Eighth Avenue Place  
525 8 Ave SW, Suite 2400  
Calgary, AB T2P 1G1

Attention: David LeGeyt / Ryan Algar  
Email: [dlegeyt@bdplaw.com](mailto:dlegeyt@bdplaw.com) / [ralgar@bdplaw.com](mailto:ralgar@bdplaw.com)

Purchaser: Saturn Oil & Gas Inc.  
2800, 525-8<sup>th</sup> Ave SW  
Calgary, AB T2P 1G1

Attention: Grant MacKenzie  
Email: [gmackenzie@saturnoil.com](mailto:gmackenzie@saturnoil.com)

**With a copy to its legal counsel at:**

McCarthy Tétrault LLP  
421 7 Ave SW, Suite 4000  
Calgary, AB T2P 4K9

Attention: Jack Schroder / Pantelis Kyriakakis  
Email: [jschroder@mccarthy.ca](mailto:jschroder@mccarthy.ca) / [pkiriakakis@mccarthy.ca](mailto:pkiriakakis@mccarthy.ca)

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party when it is delivered;
- (b) by email to a Party to the email address of such Party for notices, in which case, if the notice was emailed prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was emailed and if it is emailed on a day which is not a Business Day or is emailed after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day; or
- (c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by first class registered postage prepaid mail to a Party at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party on the fourth Business Day following the date of mailing.

A Party may from time to time change its address for service, email address for service or designated representative by giving written notice of such change to the other Party.

## 9.8 Invalidity of Provisions

In case any of the provisions of this Subscription Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

## 9.9 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party and made in accordance with the Subscription Agreement. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

## 9.10 Amendment

This Subscription Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

## 9.11 Confidentiality and Public Announcements

Until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Purchased Shares, the Retained Assets and this Subscription Agreement, and shall not release any information concerning this Subscription Agreement and the Transactions without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information: (i) to any Governmental Authority or to the public if required by Applicable Law (provided that the Purchaser shall advise the Company in advance of the content of any such public statement); (ii) in connection with obtaining the Reverse Vesting Order; (iii) as required by the Company's secured creditors; or, (iv) to a Governmental Authority for the purpose of obtaining an approval to permit closing of the Transactions, as described in Section 4.1.

## 9.12 Sealing Order

The Receiver may, at its discretion, apply to the Court for a sealing Order with respect to the Confidential Materials prepared by the Company or the Receiver containing the financial and other confidential details of these Transactions (the "**Confidential Materials**"), such Order sealing the Confidential Materials and the confidential information contained therein from the public court file for the period directed by the Court. Pursuant to the terms of such sealing Order applied for by the Receiver, if granted, only the judge presiding over the Receivership Proceedings, the Purchaser and their respective Representatives and the secured creditors of the Company who have executed Confidentiality Agreements, and subject to the terms of those Confidentiality Agreements, shall have access to the Confidential Materials and the confidential information contained therein.

### 9.13 Termination

This Subscription Agreement may be terminated at any time prior to Closing:

- (a) by mutual written agreement of the Company and the Purchaser; or
- (b) by either the Company or the Purchaser pursuant to the provisions of Sections 4.2, 4.4 or 4.5, as applicable.

In the event that this Subscription Agreement is terminated, each Party shall be released from all obligations under or in connection with this Subscription Agreement, other than the provisions with respect to the Deposit (Section 2.6), confidentiality (Section 9.11) and the use of personal information (Section 9.14).

### 9.14 Personal Information

The Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records or files transferred to the Purchaser or otherwise obtained or reviewed by the Purchaser in connection with these Transactions only for those purposes for which it was initially collected from or in respect of the individual to which such information relates, unless:

- (a) the Company or the Purchaser has first notified such individual of such additional purpose, and where required by the Applicable Laws, obtained the consent of such individual to such additional purpose; or
- (b) such use or disclosure is permitted or authorized by Applicable Laws, without notice to, or consent from, such individual; and
- (c) the Purchaser's obligations set forth in this Section 9.14 shall survive the Closing Date indefinitely.

### 9.15 Counterpart Execution

This Subscription Agreement may be executed and delivered in counterpart and transmitted by facsimile or other electronic means and all such executed counterparts, including electronically transmitted copies of such counterparts, shall together constitute one and the same agreement.

***Remainder of page intentionally left blank. Signature page follows.***

**IN WITNESS WHEREOF** the Parties have executed this Subscription Agreement as of the date first above written.

**FTI CONSULTING CANADA INC.**  
in its capacity as receiver and manager of  
HALO EXPLORATION LTD., and not  
in its personal or corporate capacity

	
<u>Dustin Oliver</u>	<u>Brett Wilson</u>
Senior Managing Director	Managing Director

**SATURN OIL & GAS INC.**

Per: \_\_\_\_\_  
Name: Grant MacKenzie  
Title: Chief Legal Officer



**IN WITNESS WHEREOF** the Parties have executed this Subscription Agreement as of the date first above written.

**FTI CONSULTING CANADA INC.**

in its capacity as receiver and manager of  
HALO EXPLORATION LTD., and not  
in its personal or corporate capacity

\_\_\_\_\_  
Dustin Olver  
Senior Managing Director

\_\_\_\_\_  
Brett Wilson  
Managing Director

**SATURN OIL & GAS INC.**

Per:   
\_\_\_\_\_  
Name: Grant MacKenzie  
Title: Chief Legal Officer

THE FOLLOWING COMPRISES SCHEDULE "A" ATTACHED TO AND FORMING PART OF  
A SUBSCRIPTION AGREEMENT DATED JUNE 8, 2026 BETWEEN HALO EXPLORATION  
LTD. AND SATURN OIL & GAS INC.

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Form of Reverse Vesting Order

*See attached.*

COURT FILE NUMBER 2601-01970

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT IN THE MATTER OF THE BANKRUPTCY AND  
INSOLVENCY ACT, RSC 1985, c B-3, AS  
AMENDED  
AND IN THE MATTER OF THE RECEIVERSHIP  
OF  
HALO EXPLORATION LTD.

DOCUMENT **APPROVAL AND REVERSE VESTING ORDER**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**Burnet, Duckworth & Palmer LLP**  
2400, 525 – 8th Avenue SW  
Calgary, AB T2P 1G1  
Lawyers: Ryan Algar  
David LeGeyt  
Jessica MacKinnon  
Phone: (403) 260-0126 / 0210 / 0112  
Email: ralgar@bdplaw.com  
dlegeyt@bdplaw.com  
jmackinnon@bdplaw.com  
File No. 75459-4

Clerk's Stamp

**DATE ON WHICH ORDER WAS****PRONOUNCED:****June 16, 2026****LOCATION OF HEARING:****Calgary, Alberta****NAME OF JUDGE WHO MADE THIS ORDER:****Justice R.W. Armstrong**

**UPON THE APPLICATION** (the "**Application**") of FTI Consulting Canada Inc., in its capacity as the court-appointed receiver (the "**Receiver**") of the assets, undertakings and properties of Halo Exploration Ltd. (the "**Debtor**") for an order approving, among other things, the share transactions (the "**Transactions**") in respect of the Debtor contemplated by the Subscription Agreement between the Receiver and Saturn Oil & Gas Inc. or its nominee (the "**Purchaser**") dated June 8, 2026 (the "**Subscription Agreement**") and attached in redacted form as Appendix "A" to the Second Report of the Receiver dated June 8, 2026 (the "**Second Report**"), and in unredacted form as a confidential supplement (the "**Confidential Supplement**") to the Second Report;

**AND UPON** having read the Receivership Order, granted by the Honourable Justice C.C.J. Feasby on February 10, 2026 (the "**Receivership Order**") in the within proceedings, pursuant to which, among other things, the Receiver was appointed over all of the Debtor's current and future assets, undertakings and properties, of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**"), and the Order: Approval of Sale and Investment Solicitation Process, granted by the Honourable Justice C.C.J. Feasby on February 10, 2026 (the "**SISP Order**") in the within proceedings, pursuant to which, among other things, the sale and investment solicitation process attached as Schedule "**A**" to the SISP Order (the "**SISP**") was approved;

**AND UPON HEARING** from counsel for the Receiver, the Purchaser, and such other counsel in attendance at the hearing of this application:

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of the notice of this Application for this Order and supporting materials is hereby declared to be good and sufficient, and this Application is properly returnable today.

**CAPITALIZED TERMS**

2. Capitalized terms used but not otherwise defined in this Order shall have the meaning given to such terms in the Subscription Agreement.

**APPROVAL OF THE TRANSACTION**

3. The Subscription Agreement, the Reorganization, and the Transactions, are hereby approved, and the execution of the Subscription Agreement by the Receiver, for and on behalf of the Debtor, is hereby authorized and approved, with such minor amendments as the Receiver and the Purchaser may agree to. The Receiver, on behalf of the Debtor, is hereby authorized and directed to complete the Transactions in accordance with the terms of the Subscription Agreement, to perform its obligations under the Subscription Agreement and any ancillary documents related thereto, including, without limitation, the Mutual Release, and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions, the Reorganization, and the Closing Sequence.

4. Subject to the terms of the Subscription Agreement, this Order shall constitute the only authorization required in respect of the Receiver proceeding with and completing the Transactions and the Reorganization, for and on behalf of the Debtor. No director or shareholder approval shall be required and no authorization, approval, or other action by, notice to, or filing with any governmental authority or regulatory body exercising jurisdiction in respect of the Debtor shall be required for the due execution, delivery, or performance, by the Receiver or the Debtor, of any obligations under the Subscription Agreement and the completion of the Transactions, including, without limitation, the Closing Sequence and the Reorganization.
5. For clarity, the steps and actions set out herein and in the Subscription Agreement, regarding the issuance of Purchased Shares, the vesting of assets and liabilities, and all other matters contemplated by the Closing Sequence, the Reorganization, and the Transactions, shall be deemed, for all purposes, to occur in the same order as set out in Section 3.3 of the Subscription Agreement, in each case, at the time indicated in Section 3.3 of the Subscription Agreement. Nothing in this Order shall be interpreted as amending the order or timing of any such steps and actions.
6. The Subscription Agreement is hereby declared to be the Successful Bid (as such term is defined in and contemplated by the SISP).

#### **REORGANIZATION AND ISSUANCE OF SHARES OF THE COMPANY**

7. The Reorganization is hereby approved and the Receiver is authorized and directed to complete, or cause the Debtor to complete, the following steps, on the Closing Date, in accordance with and as contemplated by the Closing Sequence:
  - (a) amend the Debtor's articles of incorporation to alter the provisions of all Equity Interests issued and outstanding immediately prior to the Closing Date, making the same redeemable and retractable, at the nominal redemption price of \$0.00001 per each such Equity Interest;
  - (b) each Equity Interest issued and outstanding immediately prior to the Closing Date shall be redeemed at the nominal redemption price of \$0.00001, and all such redeemed Equity Interests, together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options

(including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Debtor or any of its Equity Interests, shall be deemed terminated and cancelled without any further consideration, and no Person shall have any further Claim against the Debtor or the Creditor Trust (as described below) as a result thereof; and,

- (c) issue the Purchased Shares to the Purchaser in consideration for the Purchase Price, free and clear of and from all Liabilities and Encumbrances, other than the Retained Liabilities and the Permitted Encumbrances, and the Purchaser shall be deemed to have acquired the Purchased Shares, which shall constitute 100% of all issued and outstanding Equity Interests of the Debtor.
8. On the Closing Date, in accordance with and as contemplated by the Closing Sequence, any directors of the Debtor shall be deemed to resign, and the new directors named in Section 3.3(l) of the Subscription Agreement, or such other persons as may be agreed to by the Purchaser, shall be deemed to be appointed as directors of the Debtor.
9. The Receiver and the Purchaser, in completing the Transactions or Reorganization, are authorized to:
- (a) execute and deliver any documents and assurances governing or giving effect to the Transactions, including, without limitation, the Reorganization and the Closing Sequence, as the Receiver and/or the Purchaser, in their discretion, may deem to be reasonably necessary or advisable to conclude the Transaction, including the execution of all such ancillary documents as may be contemplated in the Subscription Agreement or necessary or desirable for the completion and implementation of the Transaction, and all such ancillary documents are hereby ratified, approved and confirmed; and
  - (b) take such steps as are, in the opinion of the Receiver and/or the Purchaser, necessary or incidental to the implementation of the Transaction.
10. The Receiver, the Purchaser, and the Debtor, are hereby authorized and permitted to execute and file all such articles (including, without limitation, articles of amendment, amalgamation, continuance or reorganization), documents, or instruments as may be

required to permit, enable, or give effect to the Transactions, including, without limitation, as may be necessary or desirable to complete any steps contemplated by this Order, the issuance of the Purchased Shares and the appointment and resignation of the directors of the Debtor, or as otherwise contemplated by the Closing Sequence or the Reorganization, and such articles, documents, or other instruments, shall be deemed to be duly authorized, valid, and effective, notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the Transactions, the Closing Sequence, or the Reorganization.

11. The Registrar appointed pursuant to Section 263 of the *Business Corporations Act*, RSA 2000, c B-9 is hereby directed to accept and receive any articles (including, without limitation, articles of amendment, amalgamation, continuance or reorganization), documents, or instruments as may be required to permit or enable and effect the Transaction contemplated in the Subscription Agreement, filed by either the Receiver or the Purchaser, as the case may be, notwithstanding that such documents may be executed by a Person other than the Debtor or the registered directors or shareholders of the Debtor.

#### **VESTING OF ASSETS AND LIABILITIES**

12. Upon delivery of the Receiver's Certificate to the Purchaser substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Certificate**"), the following shall occur and be deemed to occur, commencing at the time of delivery of the Receiver's Certificate (the "**Effective Time**") and as contemplated by the Closing Sequence, in accordance with the timing, steps, order, and process set out in the Closing Sequence:
  - (a) all of the Debtor's right, title and interest in and to the Transferred Assets (including, for certainty, the Cash Component and the Transferred Contracts) shall be transferred to and shall vest absolutely and exclusively, without recourse, in the Creditor Trust (as defined herein), and all Claims, Liabilities, and Encumbrances attached to the Transferred Assets shall continue to attach to the Transferred Assets with the same nature and priority as they had immediately prior to their transfer;

- (b) all Transferred Liabilities shall be transferred to, assumed by and vest absolutely and exclusively in the name of the Creditor Trust, without recourse, and the Transferred Liabilities shall be novated and become obligations of the Creditor Trust and shall no longer be Liabilities or obligations, of any kind, of the Debtor, for the purpose of allowing the Trustee (as defined herein) to continue to administer the Transferred Liabilities and Encumbrances, in accordance with the terms and conditions of the Creditor Trust Settlement (as defined herein), as at the Closing Date. Furthermore:
- (i) all Transferred Liabilities shall continue to attach to the Transferred Assets with the same nature and priority as they had immediately prior to the Effective Time, as if the Transferred Assets had not been conveyed and had remained in the possession or control of the Person having that possession or control immediately prior to the transfer;
  - (ii) all Transferred Liabilities shall be transferred to and assumed by the Creditor Trust in consideration for the transfer of the Transferred Assets (including the Cash Component), and the Creditor Trust shall be deemed to have been party to the Transferred Contracts and the contracts, agreements, and arrangements giving rise thereto and shall stand in the place and stead of the Debtor in respect of any such interests, Liabilities, Claims, and Encumbrances; and,
  - (iii) the Transferred Liabilities shall be novated and become obligations of the Creditor Trust and not obligations of the Debtor, the Debtor and the Purchaser shall be forever released and discharged from all Transferred Liabilities, and all Encumbrances (other than the Permitted Encumbrances) shall be forever released and irrevocably expunged and discharged as against the Debtor, the Retained Assets, and the Purchased Shares;
- (c) the Retained Assets shall be retained by the Debtor, in each case free and clear of and from any and all Liabilities and Encumbrances (other than the Retained Liabilities and Permitted Encumbrances), including without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order or any other Order of the Court; and, (ii) all charges, security interests or

claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) (other than those registrations in respect of Permitted Encumbrances), or any other personal property registry system or pursuant to the *Land Titles Act* (Alberta), all of which affecting or relating to the Purchased Shares or the Retained Assets shall be expunged and discharged as against the Purchased Shares and the Retained Assets, as applicable, in accordance with this Order;

- (d) the employment of all Employees shall be terminated, and all Liabilities owing to any Employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, severance, vacation pay, benefits, bonuses, or other compensation or entitlements, shall be and constitute Transferred Liabilities; and,
  - (e) for greater certainty, all steps and actions contemplated by the Closing Sequence, as set forth in Section 3.3 of the Subscription Agreement, including, without limitation, the release of the Mutual Release and the Receiver Release, and all steps contemplated by paragraph 21 of this Order with respect to the substitution of the Creditor Trust in the place of the Debtor in the within proceedings, shall be deemed to occur at the times specified in the Subscription Agreement and the Closing Sequence, regardless of whether such steps and actions are expressly addressed in this Order or otherwise.
13. For greater certainty, and without limiting paragraph 12 of this Order, as of the Effective Time:
- (a) the Debtor shall continue to hold all right, title and interest in and to the Retained Assets, free and clear of all Claims and Encumbrances, other than the Retained Liabilities and the Permitted Encumbrances;
  - (b) all Transferred Liabilities and Transferred Contracts shall be novated and become obligations of the Creditor Trust and shall no longer constitute Liabilities, Encumbrances, or obligations of the Debtor, and the Debtor, the Purchaser, and the Retained Assets, shall be forever released from such Transferred Liabilities, Encumbrances, and Transferred Contracts, and all associated Claims and Encumbrances (other than Permitted Encumbrances and Retained Liabilities),

which shall be irrevocably expunged and discharged as against the Debtor, the Purchaser, and the Retained Assets; and,

- (c) the Debtor shall be deemed to have disposed of the Transferred Assets and shall have no right, title, or interest in or to the Transferred Assets.
14. For greater certainty, any person that, prior to the Effective Time, had a Claim, Liabilities, or Encumbrance (other than a Retained Liability or Permitted Encumbrance) against the Debtor or the Property shall, as of the Effective Time, no longer have any such Claim, Liabilities, or Encumbrance against or in respect of the Debtor or the Retained Assets, but shall have an equivalent Claim, Liabilities, or Encumbrance, as applicable, against the Transferred Assets to be administered by the Receiver in the Creditor Trust from and after the Effective Time, with the same attributes, rights, security, nature and priority as such Claim, Liabilities, or Encumbrance had immediately prior to its transfer to the Creditor Trust, and nothing in this Order limits, lessens, modifies (other than by change in debtor), or extinguishes, the Claim, Liabilities, or Encumbrance of any Person, as against the Transferred Assets, to be administered by the Receiver in the Creditor Trust.
15. From and after the Effective Time:
- (a) any and all security registrations against the Debtor (other than any security registrations in respect of a Permitted Encumbrance), including but not limited to those listed in **Schedule "B"** hereto, shall be and are hereby forever released and discharged as against the Debtor, the Purchased Shares, and all Retained Assets, and all such security registrations shall attach to the Transferred Assets, as vested in the Creditor Trust, and shall maintain the same attributes, rights, nature, perfection and priority as they had immediately prior to the Effective Time, as if the Transferred Assets had not been conveyed and remained in the possession or control of the Person having that possession or control immediately prior to the transfer, and no financing change statements in any applicable personal property or other registry system are required to reflect the transfer to and assumption by the Creditor Trust of such security registrations; and,
  - (b) the Purchaser and/or the Receiver shall be and are hereby authorized to take all steps as may be necessary or desirable to effect the discharge and release, as against the Debtor and the Retained Assets, of any Claims, Liabilities, and

Encumbrances, including all Transferred Liabilities, that are transferred to and vested in the Creditor Trust pursuant to this Order, including, but not limited to, applying for or registering such discharges at the Alberta Land Titles Registry, the Alberta Mines and Minerals Registry, the Alberta Personal Property Security Registry, or such similar registries in any other province or territory of Canada.

16. Upon the delivery of the Receiver's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the Debtor or the Property (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to give effect to the terms of this Order and the completion of the Transaction, and to discharge and release all Claims and Encumbrances, other than Retained Liabilities and Permitted Encumbrances, against or in respect of the Debtor, the Purchased Shares, and the Retained Assets, and presentment of this Order and the Receiver's Certificate shall be the sole and sufficient authority for the Governmental Authorities to do so.
17. The Purchaser shall, by virtue of the completion of the Transactions, have no liability of any kind whatsoever in respect of any Claims, Liabilities, or Encumbrances, against the Debtor.
18. Immediately after the Effective Date, the holders of Permitted Encumbrances and Retained Liabilities shall have no claim whatsoever, with respect to same, against the Receiver or the Creditor Trust.

## **RELEASES**

19. From and after the Effective Time, the Creditor Trust, the Receiver and its legal counsel (the "**Released Parties**" and each a "**Released Party**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including without limitations, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes,

recoveries and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based on statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to the issuance of the Receiver's Certificate, in connection with the within Receivership Proceedings, the entering into and execution of the Subscription Agreement, or the implementation of the Transactions (collectively the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, provided that the Released Claims shall not include any claim or liability that is determined by a court of competent jurisdiction to have constituted actual fraud, gross negligence, or wilful misconduct on the part of the applicable Released Party, or the obligations, Claims, or Liabilities of any Released Party under or in connection with the Subscription Agreement.

#### **CREDITOR TRUST**

20. The Creditor Trust created pursuant to this Order shall be named the "Halo Creditor Trust". The Creditor Trust shall be instituted and administered in accordance with the Trust Settlement attached as **Schedule "C"** hereto (the "**Trust Settlement**").
21. At the Effective Time, without further notice or Order of the Court:
  - (a) the Creditor Trust shall be substituted as the Respondent in these Receivership Proceedings in place of the Debtor;
  - (b) the Debtor shall be deemed to cease to be a Respondent in these Receivership Proceedings, and shall be deemed to be released from the purview of any order of this Court granted in respect of these Receivership Proceedings, save and except for this Order, the terms of which as they relate to the Debtor shall continue to apply in all respects to the Debtor; and
  - (c) the style of cause for these Receivership Proceedings shall be amended to read:

IN THE MATTER OF *THE BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985,  
c B-3, AS AMENDED

AND IN THE MATTER OF THE RECEIVERSHIP OF THE HALO CREDITOR TRUST.

22. The administration of the Creditor Trust shall remain subject to the Court's oversight and these Receivership Proceedings.
23. In addition to and without in any way limiting the rights and protections afforded to the Receiver pursuant to the Receivership Order or under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**"), or any other applicable law, the Receiver and its employees and representatives shall incur no liability as a result of acting in accordance with this Order or administering the Creditor Trust, save and except for any gross negligence or wilful misconduct on the part of any such parties. Nothing in this Order shall affect, vary, derogate from, limit or otherwise amend any of the protections in favour of the Receiver at law or pursuant to the BIA, the Receivership Order, or any other Order granted in these Receivership Proceedings. For greater certainty, the terms of the Receivership Order shall continue to apply in respect of authorizing the Receiver to take such steps and actions on behalf of the Debtor as necessary or desirable to complete the Transactions, pursuant to and as contemplated by the Subscription Agreement and this Order. All protections afforded to the Receiver pursuant to the Receivership Order, any further Order granted in these Receivership Proceedings, or afforded to the Receiver pursuant to the BIA or any other applicable law, shall continue to apply.
24. Other than as provided for in the Subscription Agreement, no action or other proceeding shall be commenced against any of the Released Parties, in any way arising from or related to these Receivership Proceedings or the administration of the Creditor Trust, except with prior leave of this Court on not less than fifteen (15) days' prior written notice to the applicable Released Party.

**CURE COSTS**

25. Immediately following the filing of the Receiver's Certificate, the Receiver shall: (i) pay the Cure Costs as set out in Schedule "C" to the Subscription Agreement, up to a maximum amount of \$115,000, from the Cash Component, to the applicable Persons, in accordance with their respective entitlements; and (ii) retain the balance of the Cash Component, after payment of the Cure Costs, for and on behalf of the Creditor Trust, with such remaining Cash Component to be held in a segregated account, in the name of the Creditor Trust.

The balance of the Cash Component after the payment of Cure Costs shall be held and administered, by the Receiver as Trustee, for and on behalf of the Creditor Trust, in accordance with the Trust Settlement, pending further Order of the Court. For greater certainty, the Cash Component shall continue to constitute part of the Transferred Assets, and all Claims, Liabilities, and Encumbrances, shall continue to attach to the balance of the Cash Component (after payment of Cure Costs), with the same nature and priority as they had immediately prior to their transfer and vesting.

26. Following the Effective Date, in the case of Retained Contracts other than Restricted Retained Contracts, or the payments in respect of Cure Costs being made by the Receiver, in the case of Restricted Retained Contracts:
- (a) the counterparties to the Restricted Retained Contracts shall have no further Claims against the Debtor, the Purchaser, or the Creditor Trust, or any other Claim, Encumbrances, or Liabilities, other than, solely, the Permitted Encumbrances and the Retained Liabilities, as against the Debtor;
  - (b) the counterparties to the Retained Contracts, other than the Restricted Retained Contracts, shall have no further Claims against the Debtor or the Purchaser (other than, solely, the Permitted Encumbrances and the Retained Liabilities), but shall have equivalent Claims against the Creditor Trust and Transferred Assets, and such Claims shall maintain the same attributes, rights, nature, perfection and priority as they had immediately prior to the Effective Time,
  - (c) the Retained Contracts, including for greater certainty the Restricted Retained Contracts, shall be subject to all provisions of this Order in relation to the retention and vesting, in the Debtor, of the Retained Contracts, free and clear of all Claims, Liabilities (other than Retained Liabilities), and Encumbrances (other than Permitted Encumbrances); and
  - (d) no counterparty under any Retained Contract, nor any other Person, shall make or pursue any demand, claim, action, or suit, or exercise any right or remedy under such Retained Contract, against the Debtor, the Purchaser, or the Retained Assets, relating to:
    - (i) the Debtor having been subject to these proceedings;

- (ii) the insolvency of the Debtor; or
- (iii) any failure by the Debtor to perform a non-monetary obligation under any Retained Contract, or any other non-monetary obligation accruing prior to the payment of Cure Costs in respect of each Retained Contract,

and all such counterparties and Persons shall be permanently and forever stayed, enjoined, barred, and estopped from taking such action, and shall be deemed to waive any and all defaults or events of default relating thereto, and any and all notices, demands, or steps or proceedings commenced in connection therewith shall be deemed to be rescinded and of no further force or effect.

## MISCELLANEOUS

27. The Creditor Trust shall be deemed to be the former employer of any former employees of the Debtor who were terminated between the date of granting the Receivership Order, being February 10, 2026, and the Effective Time, if any, whose claims against the Debtor are transferred to the Creditor Trust pursuant to this Order, provided that such deeming: (i) shall be effective immediately after the Effective Time; and (ii) will solely be for the purposes of termination pay and severance pay pursuant to the *Wage Earners Protection Program Act* (Canada). For greater certainty, any Claims asserted by such terminated employees shall be and constitute Transferred Liabilities, which, pursuant to this Order and the Closing Sequence, shall be discharged as against the Debtor and transferred to and vested, exclusively, in the Creditor Trust.
28. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), from and after the Effective Time, the Receiver and the Debtor are authorized, permitted, and directed, to disclose to the Purchaser all human resources and payroll information in the Debtor's records pertaining to past and current employees of the Debtor. The Purchaser shall maintain and protect the privacy of such information in accordance with Applicable Law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the use of such information by the Debtor prior to the Effective Time.
29. The Receiver is directed to file with the Court a copy of the Receiver's Certificate forthwith after delivery thereof to the Purchaser.

30. Notwithstanding:
- (a) the pendency of these proceedings;
  - (b) any application for a bankruptcy order now or hereafter issued pursuant to the BIA or otherwise and any bankruptcy or receivership order issued pursuant to any such application; or
  - (c) the provisions of any federal or provincial statute,
- the execution of the Subscription Agreement and the implementation of the Transactions, including, without limitation, the Reorganization, the Closing Sequence, and all steps contemplated thereby, shall be binding on any trustee or other administrator in respect of the Debtor or the Creditor Trust and any trustee in bankruptcy or receiver that may be appointed in respect of the Debtor or the Creditor Trust and shall not be void or voidable by creditors of the Debtor or the Creditor Trust, or any trustee or receiver thereof, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the BIA or any other applicable federal or provincial legislation or at common law, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.
31. The Receiver and the Purchaser shall be at liberty to apply for further advice, assistance and direction as may be necessary or desirable in order to give full force and effect to the terms of this Order and to assist and aid the parties in completing the Transactions.
32. This Court shall retain exclusive jurisdiction to, among other things, interpret, implement and enforce the terms and provisions of this Order, the Trust Settlement, the Subscription Agreement, and all amendments thereto, in connection with any dispute involving the Debtor or the Creditor Trust, and to adjudicate, if necessary, any disputes concerning the Debtor or the Creditor Trust related in any way to the Transactions.
33. This Court hereby requests the aid and recognition of any court, tribunal, or regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order.

34. Service of this Order shall be deemed good and sufficient:
- (a) By serving same on the Persons who were served with notice of this Application and any other parties attending or represented at the hearing of this Application; and
  - (b) By posting a copy of this Order on the Receiver's website at: [www.cfcanada.fticonsulting.com/halo](http://www.cfcanada.fticonsulting.com/halo).
35. Service of this Order on any other Person is hereby dispensed with.
36. Service of this Order may be effected by facsimile, e-mail, personal delivery, or courier. Service is deemed to be effected immediately, where sent via e-mail, or the next business day when sent via any other method, following transmission or delivery of this Order.
37. This Order is effective from the date that it is made and is enforceable without any need for entry and filing.

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Justice of the Court of King's Bench of Alberta

## Schedule "A"

## Receiver's Certificate

COURT FILE NUMBER	2601-01970	Clerk's Stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
APPLICANT	IN THE MATTER OF THE <i>BANKRUPTCY AND INSOLVENCY ACT</i> , RSC 1985, c B-3, AS AMENDED  AND IN THE MATTER OF THE RECEIVERSHIP OF HALO EXPLORATION LTD.	

DOCUMENT	<b>RECEIVER'S CERTIFICATE</b>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<b>Burnet, Duckworth &amp; Palmer LLP</b> 2400, 525 – 8 <sup>th</sup> Avenue SW Calgary, AB T2P 1G1 Lawyers: Ryan Algar David LeGeyt Jessica MacKinnon Phone: (403) 260-0126 / 0210 / 0112 Email: ralgar@bdplaw.com dlegeyt@bdplaw.com jmackinnon@bdplaw.com  File No. 75459-4

**RECITALS**

- A. Pursuant to an Order of the Honourable Justice Armstrong of the Court of King's Bench of Alberta, Judicial District of Calgary, dated June 16, 2026 (the "**Approval and Reverse Vesting Order**"), the Court approved the transaction (the "**Transaction**") contemplated by the Subscription Agreement made as of June 8, 2026 (the "**Subscription Agreement**"), between FTI Consulting Canada Inc., in its capacity as Court-appointed receiver (the "**Receiver**") of Halo Exploration Ltd. (the "**Debtor**"), as vendor, and Saturn Oil and Gas Inc. or its nominee, as purchaser (the "**Purchaser**"), and ordered, *inter alia*, that (i) all of the Debtor's right, title and interest in and to the Transferred Assets shall vest absolutely and exclusively in a trust (the "**Creditor Trust**"); (ii) all of the Transferred Contracts and Transferred Liabilities shall be transferred to and assumed by and vest in the Creditor Trust; (iii) all of the right, title and interest in and to the Purchased Shares

shall vest absolutely and exclusively in the Purchaser, which vesting is, in each case, to be effective upon the delivery by the Receiver to the Purchaser of a certificate confirming that the Receiver is satisfied that all conditions to closing have been satisfied or waived by the parties to the Subscription Agreement.

- B. Capitalized terms used and not otherwise defined herein shall have the meaning given to them in the Subscription Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser (or its nominee) has paid the Receiver and the Receiver has received the Purchase Price for the Purchased Shares payable on the Closing Date pursuant to the Subscription Agreement;
2. The conditions to Closing as set out in the Subscription Agreement have been satisfied or waived by the Receiver and/or the Purchaser (or its nominee), as the case may be; and,
3. The Transactions as contemplated by the Subscription Agreement have been completed to the satisfaction of the Receiver.

This Receiver's certificate was delivered by the Receiver at Calgary, Alberta on \_\_\_\_\_, 2026.

FTI CONSULTING CANADA INC., in its capacity as Receiver of HALO EXPLORATION LTD., and not in its personal or corporate capacity.

Per: \_\_\_\_\_

Name: Dustin Olver, CPA, CIRP, LIT  
Title: Senior Managing Director

## SCHEDULE B

## SECURITY REGISTRATIONS TO BE DISCHARGED

REGISTRATION NUMBER	REGISTRATION DATE	SECURED PARTY	COLLATERAL DESCRIPTION SUMMARY
21083113233	2021-AUG-31	BIDELL GAS COMPRESSION LTD. 6900 - 112TH AVE SE CALGARY, AB T2C 4Z1	ONE (1) BIDELL EQUIPMENT COMPRESSOR TRAILER MOUNTED COMPRESSOR UNIT NUMBER 17-1081 INCLUDING (1) GEMINI, PD2 FRAME AND (1) G3304NA ENGINE. ENCLOSED IN SELF-FRAMING STEEL BUILDING. INCLUDES RIG MATS AND HOSES. TOGETHER WITH COMPRESSOR, ALL ANCILLARY PIPING AND ACCESSORIES, SYSTEM CONTROLS, INSTRUMENTATION, VALVES, SCRUBBERS, PIPING, HOSES, MATS, SKIDS AND OTHER PARTS OF ANY KIND AND EQUIPMENT ATTACHED TO OR FORMING PART OF SUCH COMPRESSOR UNIT AT ANY TIME, WHETHER OR NOT ATTACHED, TOGETHER WITH THE SELF FRAMING METAL BUILDING IN WHICH THE FOREGOING IS CONTAINED AND ALL COMPONENTS OR OTHER PARTS OR EQUIPMENT OF ANY KIND WHICH MAY FROM TIME TO TIME BE INCORPORATED OR ATTACHED THERETO. ALL RIGHTS TO MONEY OR OTHER VALUE PAYABLE UNDER INSURANCE

			<p>POLICIES IN RESPECT OF THE FOREGOING.          PROCEEDS: GOODS, INVENTORY, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, INTANGIBLES, ACCOUNTS AND INVESTMENT PROPERTY (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT) AND INSURANCE PROCEEDS</p>
2021-DEC-20	2021-DEC-20	<p>BULL MOOSE CAPITAL LTD.          500, 505- 8TH AVENUE SW          CALGARY, AB          T2P 1G2</p>	<p>ONE (1) NATURAL GAS COMPRESSOR (AND ALL RELATED PARTS AND ACCESSORIES) HAVING UNIT #31306 AS DESCRIBED IN SCHEDULE "A" TO THE LEASE AGREEMENT DATED DECEMBER 10, 2021 BETWEEN BULL MOOSE CAPITAL LTD., AS LESSOR, AND HALO EXPLORATION LTD., AS LESSEE.          PROCEEDS: GOODS, INVENTORY, CHATTEL PAPER, SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, INTANGIBLES AND ACCOUNTS (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT) AND INSURANCE PROCEEDS.</p>
22100716551	2022-OCT-07	<p>INVICO LENDING STRATEGIES LP          600, 209 - 8TH AVENUE SW          CALGARY, AB          T2P 1B8</p>	<p>ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR. CURRENT          PROCEEDS: ALL GOODS, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY, INVESTMENT PROPERTY AND INTANGIBLES.</p>

22100716604	2022-OCT-07	INVICO LENDING STRATEGIES LP	LAND CHARGE
25031422036	2025-MAR-14	ROSKA DBO INC.	TEMPORARY PROCESS RENTAL EQUIPMENT INCLUDING: 1 - 6FT X 60IN PORTABLE FLARE STACK WITH ELECTRONIC IGNITOR - R654 VIN 2A9FFC2W9CP165776 YEAR BUILT 2013 MODEL: F6-60 BLACK VEHICLE MAKE: AB FLARES LICENCE PLATE: 4NZ759 AB 1 - FLARE KNOCK OUT DRUM 72FT X 96IN - FKO035 SN 10343 MANUFACTURER: PRISM INTEGRATED YEAR BUILT 2015 1 - 3IN CL2500 CHOKE VALVE 1 - 3IN PNEUMATIC ESD VALVE
26012809709	2026-JAN-28	770970 ALBERTA LTD. C/O 2300, 10180 101 ST EDMONTON, AB T5J 1V3	WRIT OF ENFORCEMENT

- Any and all security interests registered against the Debtor and/or the Retained Assets pursuant to the *Land Titles Act* (Alberta) or *Mines and Minerals Act* (Alberta) or such similar registries in any other province or territory of Canada.

**SCHEDULE C CREDITOR TRUST SETTLEMENT**

*(see attached)*

## CREDITOR TRUST SETTLEMENT

### Halo Creditor Trust

#### RECITALS

On February 10, 2026, the Court of King's Bench of Alberta (the "**Court**") granted a Receivership Order (the "**Receivership Order**") under the *Bankruptcy and Insolvency Act*, RSC 1985 c. B-3, as amended (the "**BIA**"), in respect of all of the current and future property, assets and undertakings of Halo Energy Ltd. ("**Halo**"), among other things, appointing FTI Consulting Canada Inc. as the receiver and manager (the "**Receiver**") of Halo.

On June 16, 2026, the Court granted a Reverse Vesting Order (the "**RVO**") which, among other things, approved the Subscription Agreement, dated June 8, 2026 (the "**Subscription Agreement**"), between the Receiver, as vendor, and Saturn Oil & Gas Inc. or its nominee (the "**Purchaser**"), as purchaser.

The Subscription Agreement contemplates a transaction (the "**Transaction**") which includes, among other things: (i) the establishment of a trust for the benefit of the creditors of Halo (the "**Creditor Trust**"); (ii) the transfer to the Creditor Trust of certain liabilities and contracts of Halo, as more particularly set forth in the Subscription Agreement, and referred to as the "**Transferred Liabilities**", the "**Transferred Assets**", and the "**Transferred Contracts**" (each as defined in the Subscription Agreement, which definitions are incorporated by reference herein), respectively; (iii) the payment by the Purchaser of the Purchase Price; and (iv) the retention by Halo of certain liabilities, assets, and contracts, as more particularly set forth in the Subscription Agreement, and referred to as the "**Retained Liabilities**", the "**Retained Assets**" and the "**Retained Contracts**" (each as defined in the Subscription Agreement, which definitions are incorporated by reference herein), respectively.

This Trust Settlement is intended to be appended to and form part of the RVO, for the purpose of furthering the Transactions, including but not limited to governing the manner in which the Creditor Trust shall be established, effective on the Effective Date, and administered thereafter. Capitalized terms used but not defined in this Trust Settlement shall have the meaning given to such terms in the RVO.

#### ARTICLE 1 ESTABLISHMENT OF THE CREDITOR TRUST

##### 1.1 Settling the Residual Trust

The Creditor Trust shall be named the "Halo Creditor Trust" and shall be settled by the delivery, by the Purchaser, of the Purchase Price (the "**Settlement Funds**"), to the Receiver.

##### 1.2 Appointment of the Trustee

The Receiver shall be the trustee of the Creditor Trust (the "**Trustee**") and shall hold the balance of the Settlement Funds, following the payment of the Cure Costs, in trust, for the creditors of Halo (the "**Creditor Trust Beneficiaries**"), subject to the terms of the RVO and this Trust Settlement. The Trustee shall have all the rights, powers and duties set forth herein and pursuant to applicable law for accomplishing the purposes of the Creditor Trust.

### **1.3 Purpose of the Creditor Trust**

The purpose of the Creditor Trust is for the Trustee to hold the Settlement Funds and the Transferred Assets (including, without limitation, the Transferred Contracts), assume the Transferred Liabilities, and to distribute the Settlement Funds, first, to cover the professional fees incurred by the Trustee, and second to the Creditor Trust Beneficiaries, in accordance with their respective priorities, rights and entitlements as against Halo. Distributions of the Settlement Funds shall be subject to further order of the Court.

## **ARTICLE 2 THE TRUSTEE**

### **2.1 Authority of Trustee**

The Trustee shall have all powers and authorities necessary to carry out the purpose of the Creditor Trust, as set out in Article 1.3. The Trustee may from time to time apply to the Court for advice and directions as to the discharge of its powers and duties hereunder.

### **2.2 Compensation of the Trustee**

The Trustee shall be compensated for its services, and reimbursed for its expenses, including the reasonable costs and expenses of its legal counsel, from the Settlement Funds.

### **2.3 Standard of Care; Exculpation**

In addition to the rights and protections afforded to the Trustee as Receiver under the Receivership Order, the BIA or otherwise as an officer of this Court, the Trustee shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Trust Settlement, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Trust Settlement shall derogate from the protections afforded the Receiver by the Receivership Order, the BIA, or any other applicable laws.

## **ARTICLE 3 INDEMNIFICATION**

### **3.1 Indemnification of Trustee and others**

To the fullest extent permitted by law, the Creditor Trust, to the extent of its assets legally available for that purpose, shall indemnify and hold harmless the Trustee, and each of its respective directors, members, shareholders, partners, officers, agents, employees, counsel and other professionals (collectively, the "**Indemnified Persons**") from and against any and all losses, costs, damages, reasonable and documented out-of-pocket expenses (including reasonable fees and expenses of counsel and other advisors and any court costs incurred by any Indemnified Person) or liability by reason of anything any Indemnified Person did, does, or refrains from doing for the business or affairs of the Creditor Trust, except to the extent that the loss, cost, damage, expense or liability resulted from the Indemnified Person's gross negligence or wilful misconduct.

**ARTICLE 4**  
**TERM; TERMINATION OF THE CREDITOR TRUST**

**4.1 Term; Termination of the Creditor Trust**

- (a) The Creditor Trust shall commence on the Effective Date as described in the RVO, and shall terminate no later than five (5) months thereafter; provided, however, that, on or prior to the date that is thirty (30) days prior to such termination, the Trustee may extend the term of the Creditor Trust if it is necessary to the efficient and proper administration of the Creditor Trust in accordance with the purposes and terms of this Trust Settlement by filing a notice of such extension with the Court and serving such notice on interested parties.
- (b) The Creditor Trust may be terminated by the Trustee earlier than its scheduled termination if the Trustee has distributed all Settlement Funds and performed all other duties required by this Trust Settlement.

**ARTICLE 5**  
**AMENDMENT AND WAIVER**

**5.1 Amendment and Waiver**

The Trustee may amend, supplement or waive any provision of this Trust Settlement, without notice to or the consent of the Creditor Trust Beneficiaries or the approval of the Court: (i) to cure any ambiguity, omission, defect or inconsistency in this Trust Settlement; (ii) to comply with any legal (including tax) requirements; and (vi) to achieve any other purpose that is not inconsistent with the purpose and intention of this Trust Settlement.

**ARTICLE 6**  
**MISCELLANEOUS PROVISIONS**

**6.1 Laws as to Construction**

This Trust Settlement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, without regard to whether any conflicts of law would require the application of the law of another jurisdiction.

**6.2 Jurisdiction**

The Court shall retain exclusive jurisdiction to enforce the terms of this Trust Settlement and to decide any claims or disputes which may arise or result from, or be connected with, this Trust Settlement, or the matters contemplated hereby. Any and all actions related to the foregoing shall be filed and maintained only in the Court.

**6.3 Irrevocability**

The Creditor Trust is irrevocable, but is subject to amendment and waiver as provided for in this Agreement.

**THE FOLLOWING COMPRISES SCHEDULE "B" ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED JUNE 8, 2026 BETWEEN HALO EXPLORATION LTD. AND SATURN OIL & GAS INC.**

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**Transferred Assets**

The Transferred Assets, being those assets proposed to be transferred to the Creditor Trust through operation of the Reverse Vesting Order, mean:

- the Purchase Price;
- the Lease Agreement, dated December 10, 2021, between Bull Moose Capital Ltd., as lessor, and Halo Exploration Ltd., as lessee;
- all assets and personal property described in the Lease Agreement, dated December 10, 2021, between Bull Moose Capital Ltd., as lessor, and Halo Exploration Ltd., as lessee, including one (1) natural gas compressor (and all related parts and accessories) having Unit #31306;
- the lease agreement between Roska DBO Inc., as lessor, and Halo Exploration Ltd., as lessee, with respect to temporary process rental equipment;
- all assets and personal property described in the Alberta Personal Property Registry financing statement, bearing registration number 25031422036, in favour of Roska DBO Inc., with a collateral description of "TEMPORARY PROCESS RENTAL EQUIPMENT INCLUDING: 1 - 6FT X 60IN PORTABLE FLARE STACK WITH ELECTRONIC IGNITOR - R654 VIN 2A9FFC2W9CP165776 YEAR BUILT 2013 MODEL: F6-60 BLACK VEHICLE MAKE: AB FLARES LICENCE PLATE: 4NZ759 AB 1 - FLARE KNOCK OUT DRUM 72FT X 96IN - FKO035 SN 10343 MANUFACTURER: PRISM INTEGRATED YEAR BUILT 2015 1 - 3IN CL2500 CHOKE VALVE 1 - 3IN PNEUMATIC ESD VALVE";
- all cash, cash equivalents, bank balances, funds, deposits or monies owned or held by the Company or any other Person (including any bank, depository or Receiver) on behalf of the Company, other than those specifically set out in the definition of Retained Assets, on the Closing Date;
- all accounts receivable, bills receivable, trade accounts, holdbacks, retention, book debts, insurance claims and amounts due or accruing to the Company, other than those specifically set out in the definition of Retained Assets, and includes, for greater certainty, any and all Tax Refunds, and together with any unpaid interest accrued on such items, which arise or accrue on or before May 31, 2026; and
- any other assets of the Company designated as a Transferred Asset upon the mutual agreement of the Purchaser and the Receiver, in writing prior to Closing.

**Transferred Liabilities**

The Transferred Liabilities, being those set out in the definition of "Transferred Liabilities" in Section 1.1 of the Subscription Agreement and including, but not limited to, the following:

- any Liabilities, Encumbrances, Claims, or Losses, which relate to any Transferred Assets or Transferred Contracts;
- any and all Claims, including trade claims, unsecured claims, contingent or otherwise, and any secured claims secured by security, but excluding any Liabilities arising after the Closing Date;
- any and all Liabilities, operating Liabilities, and Liabilities which are associated with any Taxes related to the Company;
- all Liabilities associated with any Taxes, Losses, and Claims against the Company for any period ending on or before Closing, and any Taxes assessed after Closing that are in respect of transactions or events that occurred prior to Closing, including, for greater certainty, those transactions or events arising from or in connection with this Subscription Agreement and the Reverse Vesting Order;
- any and all operating Liabilities to the extent they are trade claims, trade payables, utility bills or other unsecured claims;
- any and all Liabilities associated with shareholder loans or other promissory notes to the Company;
- any and all trade claims, trade payables or other unsecured claims;
- the secured loan agreements with Invico Lending Strategies LP and Invico Lending Strategies GP Inc.;
- the writ of enforcement held by 770970 Alberta Ltd. operating as 3 Boys Tank/Vac;
- any and all Liabilities relating to any employment agreements, severance payments or termination payments, including, without limitation, all amounts owing to Employees on account of statutory notice, termination payments, severance, vacation pay, benefits, bonuses or other compensation or entitlements;
- the Receiver's Charge and Receiver's Borrowings Charge, each as described and defined in the Receivership Order and any subsequent Orders of the Court;
- the KERP, as described and defined in the First Report of the Receiver, dated March 30, 2026, and any subsequent Orders of the Court; and,
- any and all other Liabilities or Claims, of any kind or nature, whatsoever, which are not Retained Liabilities.

### **Retained Assets**

The Retained Assets, being those set out in the definition of "Retained Assets" in Section 1.1 of the Subscription Agreement and including, but not limited to, the following, all of which shall be retained by the Company:

- all of the O&G Assets;
- all geological and seismic data, in whatever form, owned by the Company;
- computer equipment and office technology, such as printers, video conferencing equipment, etc., and any software or data contained thereon;
- all licenses for software, whether computer or cloud based;
- all organizational documents, corporate books and records, Taxes records and returns and the corporate seal, if any, of the Company;
- internal programs, policies or systems associated with regulatory or operation of oil and gas assets (i.e. safety programs, ERP, spill co-ops, etc.);
- any pre-paid insurance policies protecting against loss of assets or liability for damages, including but not limited to commercial and directors and officers insurance policies;
- any security or collateral, including recoverable deposits, relating to any Retained Assets or Retained Liabilities;
- any security posted or held by the AER for or in the name of the Company or with respect to the Retained Assets, including interest accrued thereon (the "**AER Security**");
- licenses issued in respect of the O&G Assets (the "**Licenses**");
- all regulatory and license attributes of the Company, including without limitation: business numbers, payroll numbers, GST numbers and AER operator codes;
- non-capital losses, tax pools and all other tax attributes;
- any and all rights of the Company under this Subscription Agreement and the Reverse Vesting Order;
- all accounts receivable (including any oil and gas revenue which arises or accrues on or after June 1, 2026), bills receivable, trade accounts, holdbacks, retention, book debts, insurance claims and amounts due or accruing to the Company, other than those specifically set out in the definition of Transferred Assets, and includes, for greater certainty, any and all Tax Refunds, and together with any unpaid interest accrued on such items, which arise or accrue on or after June 1, 2026; and,

- all rights, Losses or Claims, by, on behalf of, or owing to the Company, against any Person.

### **Retained Liabilities**

The Retained Liabilities, being those set out in the definition of "Retained Liabilities" in Section 1.1 of the Subscription Agreement, plus the following:

- Liabilities which relate to the Company under any Retained Contracts and which arise out of events or circumstances and which become due and owing, after the Closing Date (but excluding, for greater certainty, any Cure Costs, which shall be paid in accordance with Section 3.3(p));
- all Liabilities arising from the possession, ownership or use of the Retained Assets and which arise out of events or circumstances and which become due and owing, after Closing (including for greater certainty any municipal taxes, property taxes, surface use payments, bonuses, fees, land use fees, license fees, easement payments and similar obligations and Liabilities that arise and accrue on or after the Closing Date);
- all Abandonment and Reclamation Obligations and Environmental Liabilities;
- all Liabilities owing by the Company relating to Permits and Licenses for any Retained Assets;
- all Liabilities in relation to those matters set out in paragraph (iv) of the definition of "Miscellaneous Interests" hereunder;
- all Liabilities in relation to royalties applicable to the Retained Assets and Retained Contracts and which arise out of events or circumstances following and become due and owing, after the Closing Date; and
- all Liabilities incurred, assumed or accepted by the Company after the Closing Date.

### **Retained Contracts**

The Retained Contracts, being those contracts proposed to be retained by the Company, mean:

- all royalty agreements, land and joint venture leases, contracts, records and schedules, including, but not limited to, all rights related to the Farmout, Option and Non-Convertible Overriding Royalty Agreement dated July 6, 2017 with Journey Energy Inc.;
- all Leases;
- all Northbase Finance Equipment Lease Agreements;
- Gas Handling Agreement (Duvernay 14-28-62-20 W5 Gas Processing Facility), Contract F0101, dated effective February 1, 2021, between Halo Exploration

Ltd., as producer, and Pembina Gas Services Limited Partnership, by its general partner, Pembina Gas Services Ltd., as operator;

- Master Road Use Agreement Province of Alberta, dated effective November 1, 2025, between Canadian Natural Resources Limited and Halo Exploration Ltd.;
- Version II CAPLA Master Road Use Agreement, dated October 12, 2017, between Keyera Energy Ltd., as grantor, and Halo Exploration Ltd., as grantee; and,
- Road use and processing agreement between Whitecap Resources Inc. and Halo Exploration Ltd.

### **Restricted Retained Contracts**

Any Retained Contracts in respect of which the assignment of the rights and benefits of the Company thereunder explicitly requires the consent of the counterparty(ies) to such Retained Contract.

### **Permitted Encumbrances**

The Permitted Encumbrances, being those Encumbrances proposed to be retained by the Company, mean:

- Reservations, limitations, provisos, and conditions, if any, expressed in any original grant from the Crown provided that they do not materially adversely affect value, use, or exploitation;
- Title defects or irregularities which are of minor nature, encroachments, easements, rights-of-way, rights to use, servitudes or similar interests, provided that same does not materially adversely affect value, use, or exploitation;
- Rights-of-way for or reservations or rights of others for, sewers, drains, water lines, gas lines, electric lines, railways, telegraph, telecommunications and telephone lines, or cable conduits, poles, wires and cables, and other similar utilities, or zoning by-laws, ordinances or other restrictions as to the use of any real property which forms part of the Retained Assets;
- Security interests registered against the Company at the Alberta Personal Property Registry, which relate to the Retained Liabilities;
- Any overriding royalties, net profits interests and other burdens, which are provided for under the Title and Operating Documents;
- The terms and conditions of the Retained Contracts and the Title and Operating Documents, including the requirement to pay any rentals or royalties (so long as same constitute Retained Liabilities) to the grantor thereof to maintain the Title and Operating Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the

grantor's interest in any of the Title and Operating Documents (to the extent same constitute Retained Liabilities);

- The right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title and Operating Document or by Applicable Laws to terminate any Title and Operating Document;
- Rights of general application reserved to or vested in any Governmental Authority to levy taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Retained Assets;
- Any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;
- Any requirement to post or maintain any deposits or other form of security required by any Governmental Authority; and
- Liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Retained Assets.

THE FOLLOWING COMPRISES SCHEDULE "C" ATTACHED TO AND FORMING PART OF A SUBSCRIPTION AGREEMENT DATED JUNE 8, 2026 BETWEEN HALO EXPLORATION LTD. AND SATURN OIL & GAS INC.

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**Cure Costs**

<b>Party</b>	<b>Cure Costs</b>
Canadian Natural Resources Limited	\$16,971.33
Whitecap Resources Inc.	\$11,339.09
Pembina Pipeline Corporation / Pembina Gas Services Limited Partnership	\$82,331.99

## **Appendix “B” – CRA Letter**

March 4, 2026

Attn: Twyla Paget-Turcotte  
 Halo Exploration Ltd.  
 400 – 1333 8 St SW  
 Calgary AB T2P 1M6

Dear Twyla Paget-Turcotte:

**Subject: Proposed changes to the goods and services tax/harmonized sales tax (GST/HST) return for the period from 2026-02-01 to 2026-02-10  
 Business number: 82003 1318 RT0001**

Your GST/HST return has been selected for examination for the period noted above. Our records indicate that Halo Exploration Ltd. has an appointed Receiver by way of Court Order dated February 10, 2026, and has not paid all of the GST/HST outstanding to their suppliers as per the outstanding liabilities filed. Based on this information we now propose to re-assess your return as follows.

Period ending	Net tax as filed	Proposed changes to net tax	Revised net tax
2026-02-10	\$0.00	\$281,723.89	\$281,723.89

We have enclosed a proposed summary of adjustments and detailed working paper to support the changes.

Every recipient of a taxable supply made in Canada is required to pay the GST/HST payable in respect of the supply as per section 165 of the *Excise Tax Act* (the Act). Under paragraph 296(1)(b) of the Act, we are proposing to assess the GST/HST payable on taxable supplies received as GST/HST has not been paid to the supplier. The amount proposed is \$281,723.89. See attachment for GST/HST creditor debts.

This assessment is based on the most current creditor's list available. If this attached creditor listing is not current, or you have paid off some of your creditors, please provide an updated list along with proof to show that a payment has been made to resolve or lower the debt. Also, please identify which creditors have not supplied taxable supplies and are considered to be exempt.

We encourage you to ensure that all of your input tax credits (ITCs) have been properly claimed on your returns. If you have not claimed an ITC for any period prior to the insolvency event, you are eligible to claim that ITC prior to the insolvency event as long as it fits all other requirements. Please note that there are different filing procedures for pre and post insolvency, as a result, ITCs should be claimed in the proper period.

We will hold the assessment in abeyance until **April 6, 2026**, in order for you to submit any documentation which you wish us to consider prior to (re)assessing the returns as proposed. If no documentation is received, the proposed changes will be made to your returns for the periods being examined, and a notice of (re)assessment confirming the result will be sent to you.

You have the option of sending your accounting data through the Submit documents service which is located in [My Business Account](#). Submit documents is a secure online service that allows registrants to electronically send their accounting information to the Canada Revenue Agency (CRA). Please note that you will need to enter the following case number **3963471** before you can successfully send the information. For additional information, see [Submit documents online](#).

Alternatively, you can fax or mail the documents to the number or the address indicated at the end of this letter. **All documents should be directed to my attention and marked “Personal and Confidential”.**

You are reminded that under Section 286 of the Act every person who carries on a business or is engaged in a commercial activity in Canada is required to keep records containing information to enable the determination of the person’s liabilities and obligations under the Act. Subsection 288(1) of the Act allows authorized officers of the Canada Revenue Agency to inspect, audit, and examine the records.

To assist you in preparing for the examination, we encourage you to read [RC4188 What You Should Know About Audits](#). To help you understand your rights as a taxpayer, we also recommend that you read [Guide RC17 Taxpayer Bill of Rights](#).

If you have more information about the proposed changes that you would like us to consider, including any new or previously requested information that would support your position, or if you have any questions, please call me at 431-374-5659 or toll free at 1-833-659-2783. My team leader, Sheila Boyle, can also be reached at 431-335-5419.

Sincerely,

Tony Governo  
GST/HST Examiner  
GST/HST Audit Division  
Eastern Prairie Tax Services Office

Telephone: 431-374-5659  
Toll free: 1-833-659-2783  
Facsimile: 1-833-545-2885  
Address: 400-360 Main Street  
PO Box 1022 Stn Main  
Winnipeg MB R3C 2W2  
Website: **canada.ca/taxes**

Enclosures

I agree to the proposed changes and waive the 30-day proposal period.

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(Signature of Authorized Officer)