

Clerk's Stamp

ESTATE NO.: 25-2332583
25-2332610
23-2335351

COURT COURT OF QUEEN'S BENCH OF
ALBERTA
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

APPLICANT MANITOK ENERGY INC., RAIMOUNT ENERGY CORP. and
CORINTHIAN OIL CORP.

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

IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF RAIMOUNT ENERGY CORP.

IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF CORINTHIAN OIL CORP.

DOCUMENT

**APPLICATION FOR STAY EXTENSION AND
APPROVAL AND VESTING ORDERS**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY
FILING THIS
DOCUMENT

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NOTICE TO RESPONDENTS

This Application is made against you. You are Respondents.

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

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

Date: February 14, 2018
Time: 1:00 p.m.
Where: Calgary Courts Centre
Before Whom: The Honourable Madam Justice K.M Horner

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

Remedy claimed or sought:

1. The Applicants, Manito Energy Inc. (“**Manitok**”), Raimount Energy Corp. (“**Raimount**”) and Corinthian Oil Corp. (“**Corinthian**”, collectively with Manito and Raimount, the “**Companies**”) seek the following relief from this Honourable Court:
 - (a) an Order extending the current stay of proceedings (the “**Stay**”) and the time in which each of the Companies may make a Proposal pursuant to subsection 50.4(9) of the BIA until March 31, 2018 (the “**Stay Extension Order**”);
 - (b) an Order approving the sale transaction (the “**Rockyford Transaction**”) contemplated by an asset purchase agreement dated January 25, 2018 with an effective date of December 1, 2017 (the “**Rockyford APA**”) between Manito and Doag Energy Ltd. (“**Doag**”) and vesting in Doag, Manito’s right, title and interest in and to the assets described in the Rockyford APA (the “**Rockyford Approval and Vesting Order**”); and
 - (c) an Order approving the sale transaction (the “**Ferrier Transaction**”) contemplated by an asset purchase agreement dated January 26, 2018 with an effective date of October 1, 2017 (the “**Ferrier APA**” collectively with the

Rockyford APA, the “**Asset Divestiture APAs**”) between Manitok and Yangarra Resources Ltd. (“**Yangarra**”) and vesting in Yangarra, Manitok’s right, title and interest in and to the assets described in the Ferrier APA (the “**Ferrier Approval and Vesting Order**”).

Grounds for making this Application:

The Stay Extension Order

2. Manitok is a junior oil and gas company headquartered in Calgary, Alberta. Corinthian and Raimount are wholly owned subsidiaries of Manitok.
3. On January 10, 2018, Manitok and Raimount filed a Notice of Intention (the “**NOI**”) to make a Proposal under subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”). On January 19, 2018, Corinthian filed a NOI. FTI Consulting Canada Inc. has been named as Proposal Trustee in connection with the proposals of each of Manitok, Raimount and Corinthian (in such capacity, the “**Proposal Trustee**”).
4. The Companies have developed, and are working towards, a framework (the “**Proposal Framework**”) for the implementation of proposals by each of the Companies as part of these proceedings. The key aspects of the Proposal Framework include:
 - (a) Manitok obtaining a credit facility in the maximum amount of \$25,500,000 from Stream Asset Financial Manitok Corp. / Stream Asset Financial Manitok LP;
 - (b) certain existing shareholders and stakeholders of Manitok agreeing to provide an equity injection to Manitok through a subscription of common shares;
 - (c) 25% of the principle amount of collateralized exchange listed notes previously issued by Manitok being forgiven and 37.5% of the principal amount of the CEL Notes being converted into common shares of Manitok; and
 - (d) asset purchase agreements being entered into by Manitok to sell certain non-core assets to Baserock Energy Inc. (an affiliate of Doag) and Yangarra in order to

consummate the Rockyford Transaction and the Ferrier Transaction, respectively, generating gross aggregate sale proceeds of approximately \$5,500,000.

5. The Companies have to date made significant progress towards implementing the Proposal Framework.
6. The Companies are working diligently with the Proposal Trustee to advance the Proposal Framework and to formulate proposals to the Companies' unsecured creditors.
7. In light of the time required to coordinate the advancement of the remaining steps of the Proposal Framework, the Companies are unlikely to be in a position to file proposals with the Office of the Superintendent of Bankruptcy by the time currently allotted to each under the BIA.
8. Given the level of continued stakeholder support that the Companies have, it is likely that the Companies' will be able to make viable proposals if the Stay is extended.
9. The Proposal Trustee is supportive of the Stay Extension Order for the reasons to be outlined in its second report to the Court, to be filed (the "**Second Report**").

The Asset Divestiture APAs

10. The terms and conditions of the Asset Divestiture APAs are commercially reasonable for transactions of this nature.
11. The Asset Divestiture APAs will generate gross proceeds in excess of \$5,500,000, exclusive of GST and any applicable sales tax.
12. Each of the Asset Divestiture APAs will result in the highest purchase price available for the applicable assets in the circumstances given today's market conditions for Alberta oil and gas assets.
13. The Proposal Trustee is supportive of each of the Asset Divestiture APAs and the granting of the Rockyford Approval and Vesting Order and the Ferrier Approval and Vesting Order for the reasons to be outlined in the Second Report.

Materials or evidence to be relied on:

14. The Affidavit of Massimo Geremia, sworn February 7, 2018;
15. The Second Report; and
16. Such other material as counsel may advise and this Honourable Court may permit.

Applicable rules:

17. Rules 1.2, 1.3, 1.4, and 6.9 of the *Alberta Rules of Court*.

Applicable Acts and regulations:

18. Subsection 50.4(9) and Section 65.13 of the BIA.

Any irregularity complained of or objection relied on:

19. None of which the Applicant is aware.

How the application is proposed to be heard or considered:

20. In person.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and time shown at the beginning of this form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.