



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

NB
C30312

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF RAZOR ENERGY CORP.,
RAZOR HOLDINGS GP CORP., AND BLADE ENERGY
SERVICES CORP.

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

March 5, 2024

ADDRESS FOR SERVICE AND
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FIRST REPORT OF THE MONITOR

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INTRODUCTION

1. On January 30, 2024, Razor Energy Corp. (“**Razor Energy**”), Razor Holdings GP Corp. (“**Razor Holdings**”), Razor Royalties Limited Partnership (“**Razor Royalties LP**”), and Blade Energy Services Corp. (“**Blade**” and collectively with Razor Energy, Razor Holdings and Razor Royalties LP, the “**Razor Entities**”) filed a Notice of Intention to Make a Proposal (“**NOI**”), pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the “**BIA**”). FTI Consulting Canada Inc. (“**FTI**”) consented to act as proposal trustee (the “**Proposal Trustee**”) in the NOI proceedings (the “**NOI Proceedings**”) of the Razor Entities.
2. On February 16, 2024, the Honourable Justice Lema of the Court heard an application (the “**Supply Application**”) in respect of a dispute between Razor Energy and Conifer Energy Inc. (“**Conifer**”) regarding amongst other things, access to the Judy Creek Conversion Gas Plant (“**Judy Creek Gas Plant**”) in which Razor Energy holds an ownership interest, which has impacted the South Swan Hills Assets (as defined below).
3. The Reasons for Judgment (the “**Decision**”) of the Honourable Justice M.J. Lema were released on February 21, 2024. Among other things, Justice Lema held that the actions taken by Conifer, constituted a violation of the stay of proceedings under the BIA.
4. On February 23, 2024, Conifer filed a Civil Notice of Appeal, with respect to the Decision.
5. On February 28, 2024, (the “**Filing Date**”), Razor Energy, Razor Holdings, and Blade (collectively referred to as, the “**Applicants**”) sought and obtained an initial order (the “**Initial Order**”) from the Court of King’s Bench of Alberta (the “**Court**”) granting, among other things, a continuation of the NOI Proceedings under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c C-36, as amended (the “**CCAA**” and the “**CCAA Proceedings**”).

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

- (a) extending the Stay Period up to and including March 29, 2024;
 - (b) confirming the \$100,000 Administration Charge and the \$335,000 Directors' Charge and their priority;
 - (c) authorizing the Applicants to incur no further expenses during the Stay Period, in relation to certain securities or capital markets reporting obligations;
 - (d) relieving Razor Energy of any obligations to call or hold its next annual general meeting of shareholders until further Order of this Court; and
 - (e) such further and other relief as may be sought by the Applicants in connection with the Comeback Hearing.
8. This Report should be read in conjunction with the Affidavit of Doug Bailey sworn on March 4, 2024 (the "**Second Bailey Affidavit**") which provides further background information concerning the CCAA Proceedings and the Proposed Monitor's Report (defined below).
9. Electronic copies of all materials filed by the Razor Entities in connection with the Comeback Hearing and other materials are available on the Proposal Trustee's website at: <http://cfcanada.fticonsulting.com/razor-blade> (the "**Website**").

PURPOSE

10. The Monitor has reviewed the application materials filed by the Applicants in support of the Comeback Hearing. The purpose of this Report is to provide this Honourable Court and the Razor Entities stakeholders with information and the Monitor's comments with respect to the following:
- (a) the activities of the Monitor since its report dated February 21, 2024 (the "**Proposed Monitor's Report**");

- (b) a summary of correspondence with the Alberta Petroleum Marketing Commission (“**APMC**”) with respect to outstanding pre-filing royalties;
- (c) a summary of the Applicants’ intentions with respect to certain surplus equipment of Blade;
- (d) an update on the status of the SISP;
- (e) the budget to actual cash flow results for the two-week period ending March 3, 2024;
- (f) an overview of the Razor Entities’ revised cash flow statements (the “**Second Cash Flow Statement**”) for the four-week period ending March 31, 2024 (the “**Forecast Period**”) as well as the key assumptions on which the Second Cash Flow Statement are based on; and
- (g) the Monitor’s recommendations with respect to the relief requested at the Comeback Hearing.

TERMS OF REFERENCE

11. In preparing this Report, the Monitor has relied upon unaudited financial information, other information available to the Monitor and, where appropriate, the Razor Entities’ books and records and discussions with various parties (collectively, the “**Information**”).
12. Except as described in this Report:
 - (a) the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*;

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

BACKGROUND

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

ACTIVITIES OF THE MONITOR

18. The Monitor's activities since the date of the Proposed Monitor's Report include the following:
- (a) monitoring the Razor Entities' finances (including cash flows) and operations;
 - (b) participating in discussions with the Razor Entities and the Sales Agent, to conduct and carry out the SISP and assisting with due diligence requests in respect of the same;
 - (c) assisting the Applicants in preparing the Second Cash Flow Statement;
 - (d) participating in discussions with the Applicants and Conifer surrounding the Judy Creek Gas Plant, which was subject to the Supply Application and the Decision;
 - (e) responding to inquiries from suppliers and creditors who contacted the Monitor and in connection with these CCAA Proceedings; and
 - (f) preparing this Report.

CROWN ROYALTIES

19. APMC is the crown agent responsible for accepting delivery and dealing with the Crown's royalty share of production under the *Petroleum Marketing Act*. Royalties owing to the Crown in respect of January production (the "**January Royalty Amounts**") were not delivered during the pendency of the NOI Proceedings.

20. Prior to the NOI Proceedings, the Proposal Trustee (now Monitor) discussed the general assumptions of preparing the cash flow forecast with management of the Applicants. During these discussions, the Proposal Trustee noted that amounts owing to suppliers and creditors for periods prior to the NOI Proceedings would be stayed. Based on these discussions, the cash flow forecast was prepared assuming pre-filing obligations were stayed, including Crown and freehold royalties, and may be considered a cure cost required to complete any transaction.
21. On February 28, 2024, APMC wrote to the Monitor in respect of the January Royalty Amounts and disputed Razor Energy's position on the basis that the Crown's royalty share of production is taken in-kind.
22. On March 1, 2024, APMC wrote to Razor Energy and the Monitor directing (the "**Direction**") that Razor Energy deliver in kind to APMC, as part of deliveries for February 2024, crude oil of an equal quantity and of like quality to those that would be subject to the January Royalty Amounts. A copy of the Direction is attached at Appendix "A".
23. As the Direction from APMC is directly related to the January Royalty Amounts, it appears to the Monitor that the Direction is in breach of the prohibition on the exercise of rights and remedies contained in paragraph 15 of the Initial Order. Further, as oil and gas revenues are not paid until the 25th of the month, APMC is not prejudiced by a determination in respect of the nature of the January Royalty Amounts not being made at the Comeback Hearing.
24. Following APMC's correspondence, Razor Energy, in consultation with their counsel and the Monitor, is reviewing the statutory basis for APMC's position with respect to the January Royalty Amounts. The Monitor recommends that the Company be given additional time to attempt to reach a resolution with APMC and failing which, the parties can return to the Court for assistance in resolving the dispute.

BLADE EQUIPMENT

25. Blade owns a variety of heavy equipment (the “**Blade Equipment**”) as set out in the Confidential Exhibit #1 to the Second Bailey Affidavit.
26. McDougall Auctioneers Ltd. was engaged by Blade to prepare a desktop appraisal of the Blade Equipment (the “**McDougall Appraisal**”) on an orderly liquidation value and forced liquidation value with the analysis completed on February 23, 2024, which indicated there is equity in certain of the Blade Equipment. A copy of the appraisal is attached as Confidential Exhibit #1 to the Second Bailey Affidavit.
27. Stride Capital (“**Stride**”), an equipment lessor, requested, through counsel, that Razor Energy and Blade return certain equipment subject to equipment leases with Stride (the “**Stride Collateral**”).
28. The Applicants are seeking to retain possession of the Stride Collateral during the Stay Period, in part because they are of the view there is sufficient equity in the Stride Collateral and the Applicants are continuing to make post-filing payments in respect of the Stride Collateral.
29. Counsel to Stride has been served with notice of the Comeback Hearing.

SALE AND INVESTMENT SOLICITATION PROCESS

30. Activities of the Sales Agent since the date of the Proposed Monitor’s Report to the date of this Report are summarized below:
 - (a) executed an additional 7 confidentiality agreements (“**CA**”) (total CA of 50) and provided counterparties with access to a virtual data room (“**VDR**”);
 - (b) discussed with interested parties about potential restructuring transaction options including corporate and asset sales, among others;

- (c) prepared a bid instruction letter and uploaded it to the VDR; and
 - (d) continued to address any information requests from interested parties.
31. Interested parties are required to submit their proposals by 12:00 PM MST on March 12, 2024 (the “**Bid Deadline**”). Razor Energy, in consultation with the Sales Agent and the Monitor, will assess any bids received to determine the highest and best bid(s) and seek Court approval of one or more transactions following such determination.
32. The proposed extension to the Stay Period will allow the Applicants, in consultation with the Monitor and the Sales Agent, to assess and evaluate any bids following the Bid Deadline.

BUDGET TO ACTUAL RESULTS

33. The Razor Entities, in consultation with the Monitor, prepared cash flow statements (the “**Initial Cash Flow Statement**”) which were appended to the Proposed Monitor’s Report.
34. Actual cash flows as compared to those contained in the Initial Cash Flow Statement for the two-week period of February 19, 2024, to March 3, 2024, are summarized below.

The Razor Entities			
For the 2 week period of February 19, 2024 to March 3, 2024			
Budget to Actual Results			
(C\$ 000s)	Actual	Budget	Variance
Receipts			
Net production revenue	\$ 2,767	\$ 2,360	\$ 408
Other receipts	97	30	67
Total - Receipts	2,864	2,390	474
Disbursements			
Operating expenses	(314)	(1,047)	733
Transportation costs	(9)	-	(9)
Lease rentals	-	(120)	120
Insurance	-	-	-
Payroll	(223)	(255)	32
Professional & Sales Agent fees	(180)	(175)	(5)
G&A expense	(155)	(139)	(16)
Total - Disbursements	(880)	(1,737)	856
Net cash flow	1,984	653	1,331
Opening cash balance	118	118	-
Ending cash balance	\$ 2,102	\$ 771	\$ 1,331

35. The variances in actual receipts and disbursements are primarily due to the following:
- (a) higher than anticipated receipts of approximately \$474,000 primarily due to timing of collection of a portion of the Pembina Midstream Limited Partnership (“PMLP”) receivable (discussed within this Report) and nominally higher net production revenue;
 - (b) lower than anticipated disbursements of approximately \$856,000 primarily related to the following:
 - operating expenses were approximately \$733,000 lower than anticipated which is due to timing variances including payment of electricity costs and certain costs previously included related to the reconnection of the Judy Creek Gas Plant;

- lease rentals variance of approximately \$120,000 is the result of deferred payments of freehold leases which are contemplated to be included as part of the cure costs if a transaction(s) is completed;
 - lower payroll expense of approximately \$32,000 is the result of lower than anticipated payroll for Blade due to lower utilization; and
 - G&A expense were approximately \$16,000 higher which is the result of timing variances.
- (c) the cash balance at the end of the period is approximately \$2.1 million which is higher than anticipated by approximately \$1.3 million primarily driven by higher than forecast net production revenue due to partial collection of the PMLP receivable and lower than anticipated operating expenses due to timing variances which is expected to normalize in the following weeks.

CASH FLOW STATEMENT

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

The Razor Entities	
For the 4 week period of March 4, 2024 to March 31, 2024	
Cash Flow Statement	4 Week
(C\$ 000s)	Total
Receipts	
Net production revenue	\$ 2,362
Other receipts	60
Total - Receipts	2,422
Disbursements	
Operating expenses	(1,885)
Transportation costs	(327)
Lease rentals	(54)
Insurance	(678)
Payroll	(460)
Professional & Sales Agent fees	(290)
G&A expense	(210)
Total - Disbursements	(3,904)
Net cash flow	(1,482)
Opening cash balance	2,102
Ending cash balance	\$ 620

37. The Second Cash Flow Statement projects a negative net cashflow of approximately \$1.5 million over the Forecast Period, including:
- (a) cash receipts of approximately \$2.4 million primarily related to the collection of petroleum and natural gas sales;
 - (b) cash disbursements of approximately \$3.9 million primarily related to trade payments, insurance premiums and estimated D&O run-off, payroll and benefits, other operating disbursements, and professional fees; and
 - (c) the negative net cash flow for the Forecast Period decreases the Razor Entities' opening balance from approximately \$2.1 million to \$620,000.

South Swan Hill Assets

38. Razor Energy has not been able to agree with Conifer to the commercial terms associated with the reconnection of the South Swan Hills Assets to the Judy Creek Gas Plant. Further, Conifer has appealed the Decision and has refused the reconnection until agreeable commercial terms are reached to offset any potential operational risks they may incur in the process.
39. The Initial Cash Flow Statement assumed that the South Swan Hills Assets production would be reconnected to the Judy Creek Gas Plant and brought back on production starting March 1, 2024. Moreover, the Initial Cash Flow Statement assumed that a \$200,000 deposit would be paid to Conifer as additional security for providing ongoing services.
40. In consideration to the ongoing dispute between Razor Energy and Conifer, the Second Cash Flow Statement assumes that the production from South Swan Hill Assets remains shut-in and is not reconnected over the Forecast Period.

Pembina Receivable

41. As previously summarized in the Proposed Monitor's Report, Razor Energy sold oil to PMLP for delivery in December 2023, which was valued at \$729,232.09. PMLP disputed the payment citing the potential right to offset against amounts owing to Pembina Pipeline Corporation (for oil transportation) and Pembina Gas Infrastructure (for gas processing).
42. Razor Energy has received approximately \$331,000 from PMLP and are in continued discussion with PMLP on the remaining balance. As of the date of this Report, Razor Energy anticipates that an additional amount of \$283,000 will be received the week ending March 17, 2024.

The Monitor's Comments on the Cash Flow Statement

43. Pursuant to section 23(1)(b) of the CCAA and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standard of Practice 09-1, the Monitor hereby reports as follows:
- (a) the Second Cash Flow Statement have been prepared by management of the Razor Entities, for the purpose described in the notes to the Second Cash Flow Statement, using probable and hypothetical assumptions set out therein;
 - (b) the Monitor's review of the Second Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to the Information supplied to it by the Razor Entities. Since hypothetical assumptions need not be supported, the Monitor's procedures were limited to evaluating whether they were consistent with the purpose of the Second Cash Flow Statement, and there are no material assumptions contained therein which seem unreasonable in the circumstances. The Monitor has also reviewed the support provided by management for the probable assumptions, and the preparation and presentation of the Second Cash Flow Statement;
 - (c) based on the Monitor's review, as at the date of this Report, nothing has come to its attention that causes it to believe that, in all material respects:
 - The hypothetical assumptions are not consistent with the purpose of the Second Cash Flow Statement;
 - The probable assumptions developed by the Razor Entities are not supported and consistent with the plan of the Razor Entities or do not provide a reasonable basis for the Second Cash Flow Statement, given the hypothetical assumptions; or

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

STAY EXTENSION

44. The Monitor has considered the Applicants' request to extend the Stay Period to March 29, 2024, and has the following comments:
- (a) there will be no material prejudice to the Razor Entities' creditors and stakeholders as a result of the proposed extension of the Stay Period;
 - (b) the extension of the Stay Period will allow the Razor Entities to advance the SISP and pursue a restructuring or sale transaction, which if successful would be to the benefit of all stakeholders;
 - (c) the Second Cash Flow Statement indicates that the Razor Entities will have sufficient liquidity to continue to fund operations and the cost of these CCAA Proceedings for the duration of the proposed extension of the Stay Period; and

- (d) the Applicants have acted and are continuing to act in good faith and with due diligence.

AMOUNT AND PRIORITY OF INITIAL ORDER CHARGES

45. The Initial Order provided for the Administration Charge in the amount of \$100,000 and Directors' Charge in the amount of \$335,000, ranking in priority to all other charges and security interests over the assets, properties, and undertakings of the Razor Entities.
46. The proposed ARIO confirms the amounts and priority of the Administration Charge and Directors' Charge.
47. The Monitor has reviewed the quantum of the Administration Charge and Directors' Charge and determined that they are reasonable and appropriate in the circumstances.
48. As noted in the Proposed Monitor's Report, the Applicants had contemplated seeking approval of certain additional priority charges including, the Interim Financing Charge and KERP Charge (each defined therein) at the Comeback Hearing; however the Applicants have determined seeking that relief would be more appropriate after the results of the SISP are known.

CONCLUSIONS AND RECOMMENDATIONS

49. The Razor Entities and their management have and continue to act in good faith and with due diligence in taking steps to facilitate a restructuring of the business.
50. The Monitor is of the view that the relief sought by the Razor Entities pursuant to the proposed ARIO is necessary, reasonable, and justified in the circumstances.
51. The Razor Entities have available liquidity for the requested Stay Period.

52. Based on the foregoing, the Monitor supports the relief being sought by the Applicants and respectfully recommends that the Applicants request for the proposed ARIO be granted.

All of which is respectfully submitted this 5th day of March 2024.

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



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



Name: Dustin Olver, CPA, CA, CIRP, LIT
Title: Senior Managing Director
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First Report of FTI Consulting Canada Inc.,
In its capacity as Monitor of Razor Energy Corp., Razor Holdings GP Corp., and Blade Energy Services Corp.

Appendix “A” – Directive to Deliver January Royalty Deficiency Volumes-in-Kind



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Calgary, Alberta T2P 0R4
Email: APMC-Marketing@apmc.ca

March 1, 2024

VIA EMAIL

FTI Consulting Canada Inc. (the “Monitor”)
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Calgary, AB T2P 3R7

And

Razor Energy Corp.(“Razor Energy”)
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Calgary, AB T2P 3L5

**Attn: Cameron Browning
Linda Kerbrat**

DIRECTIVE TO DELIVER JANUARY ROYALTY DEFICIENCY VOLUMES-IN-KIND

Razor Energy failed to deliver the prescribed royalty quantity of Crown oil to the Alberta Petroleum Marketing Commission (“APMC”) for the January 2024 delivery month. According to the records of APMC, the underdelivery balance for each Razor Energy battery for the delivery month of January 2024 is set out below (and collectively referred to as the “January Royalty Deficiency Volumes”):

Delivery Month	Operator Id - Name	Div Facility	Calculated Royalty Volume (m ³)	Confirmed Delivery Volume (m ³)	Net Balance Volume (m ³)
2024-01	A7L1 - RAZOR ENERGY CORP.	AB BT 0046304	0.4	0.0	0.4
2024-01	A7L1 - RAZOR ENERGY CORP.	AB BT 0090060	0.0	0.0	0.2
2024-01	A7L1 - RAZOR ENERGY CORP.	AB BT 0093531	8.9	0.0	8.9
2024-01	A7L1 - RAZOR ENERGY CORP.	AB BT 0107818	14.0	0.0	14.0
2024-01	A7L1 - RAZOR ENERGY CORP.	AB BT 0120702	73.7	0.0	73.7
2024-01	A7L1 - RAZOR ENERGY CORP.	AB BT 0131305	23.5	0.0	23.5
2024-01	A7L1 - RAZOR ENERGY CORP.	AB BT 0142356	3.1	0.0	3.1
2024-01	A7L1 - RAZOR ENERGY CORP.	AB BT 0144707	1.8	0.0	1.8
2024-01	A7L1 - RAZOR ENERGY CORP.	AB BT 0152603	8.9	0.0	8.9
2024-01	A7L1 - RAZOR ENERGY CORP.	AB BT 0154311	12.6	0.0	12.6
2024-01	A7L1 - RAZOR ENERGY CORP.	AB BT 0900019	24.3	0.0	24.3
2024-01	A7L1 - RAZOR ENERGY CORP.	AB BT 5140017	446.9	0.0	446.9
2024-01	A7L1 - RAZOR ENERGY CORP.	AB BT 8870059	0.5	0.0	0.5
2024-01	A7L1 - RAZOR ENERGY CORP.	AB BT 8870076	95.0	0.0	95.0
2024-01	A7L1 - RAZOR ENERGY CORP.	AB BT 8890004	221.0	0.0	221.0
Total Outstanding:					934.8

On February 28th, APMC notified the Monitor and Razor Energy of the Crown's ownership and title to royalty oil, including the January Royalty Deficiency Volumes, which cannot form part of the property of Razor Energy.

In accordance with the *Petroleum Marketing Regulation*, APMC now directs Razor Energy to deliver in kind to APMC, as part of deliveries for February 2024, crude oil of an equal quantity and of like quality to the January Royalty Deficiency Volumes (the "Make-Up Volumes").

Please ensure that all forecasts and final shipper balances for the February 2024 delivery month are updated to reflect Crown oil deliveries to APMC for both: (i) the Make-Up Volumes, and (ii) the prescribed royalty quantities for the February 2024 delivery month. Please also ensure that deliveries recorded in Petrinex reflect these new Crown pipeline splits, and that all forecast reports are amended promptly to reflect the changes.

Thank you for your cooperation with this matter.

Sincerely,



Brad Weicker
Senior Manager, Marketing
Alberta Petroleum Marketing Commission

cc. Nolan Hindmarsh, APMC
Lindsay Rowlands, Alberta Energy and Minerals

First Report of FTI Consulting Canada Inc.,
In its capacity as Monitor of Razor Energy Corp., Razor Holdings GP Corp., and Blade Energy Services Corp.

Appendix “B” – Cash Flow Statement for the period ending March 31, 2024

Razor Energy Corp., Razor Holdings GP Corp., Blade Energy Services Corp., and Razor Royalties Limited Partnership (the "Razor Entities")
 Projected Cash Flow Statement for the period of March 4, 2024 to March 31, 2024

Cash Flow Statement		Week 1	Week 2	Week 3	Week 4	Total
(C\$ 000s)	Week Ending	10-Mar	17-Mar	24-Mar	31-Mar	
Receipts						
Net production revenue	1	\$ -	\$ -	\$ 283	\$ 2,079	\$ 2,362
Other receipts	2	15	15	15	15	60
Total - Receipts		15	298	15	2,094	2,422
Disbursements						
Operating expenses	3	(337)	(473)	(812)	(263)	(1,885)
Transportation costs	4	-	-	-	(327)	(327)
Lease rentals	5	-	(54)	-	-	(54)
Insurance	6	(27)	(27)	-	(624)	(678)
Payroll	7	-	(230)	-	(230)	(460)
Professional & Sales Agent fees	8	(125)	-	-	(165)	(290)
G&A expense	9	(50)	(50)	(50)	(60)	(210)
Total - Disbursements		(539)	(834)	(862)	(1,669)	(3,904)
Net cash flow		(524)	(536)	(847)	425	(1,482)
Opening cash balance		2,102	1,578	1,042	195	2,102
Ending cash balance		\$ 1,578	\$ 1,042	\$ 195	\$ 620	\$ 620



RAZOR ENTITIES

Per: Doug Bailey, President and CEO

Notes:

Management of the Razor Entities has prepared this Projected Cash Flow Statement solely for the purposes of determining the liquidity requirements of the Razor Entities during the period of March 4, 2024 to March 31, 2024. This Projected Cash Flow Statement is based on probable and hypothetical assumptions detailed in the notes below. Consequently, actual results will likely vary from actual performance and such variances may be material.

- 1 - Net production revenue relates to the sale of Razor Energy Corp's petroleum and natural gas production and is based on forecast production volumes and third-party pricing. Further, it assumes no operated production can be sent to the Judy Creek Gas Plant and no additional net revenue received from non-operated production.
 - Week ending March 17, 2024, includes the Pembina Midstream Limited Partnership receivable.
 - Crown royalties for oil production are paid in kind.
- 2 Other receipts consist of third-party road use fees, partner joint interest billings, etc.
- 3 Operating expenses are based on the annual operating budget and relates to the costs associated with the operation of oil and natural gas wells.
- 4 Transportation costs relate to transporting petroleum and natural gas production from well head to market and is based on projected production volumes and transportation rates.
- 5 Lease rentals are based on annual budget (excluding freehold).
- 6 Insurance is based on current policy premiums and estimated D&O run-off insurance.
- 7 Payroll is based on the most recent payroll registers.
- 8 Professional & Sales Agent fees include estimates for the Monitor, the Monitor's legal counsel, Razor Entities' legal counsel, and the Sales Agent.
- 9 G&A expense includes overhead costs based on the annual budget and margin call on hedging contracts.