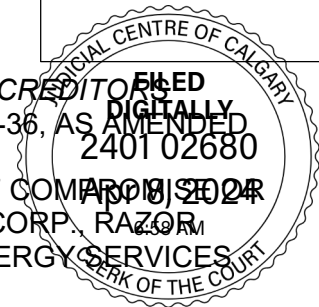


COURT FILE NUMBER 2401-02680
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk's Stamp

APPLICANTS

IN THE MATTER OF THE COMPANIES' CREDITORS' ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED, 2401 02680
AND IN THE MATTER OF THE PLAN OF COMPANIES' CREDITORS' ARRANGEMENT OF RAZOR ENERGY CORP., RAZOR HOLDINGS GP CORP., AND BLADE ENERGY SERVICES CORP.



DOCUMENT

AFFIDAVIT #5 OF DOUG BAILEY

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

McCarthy Tétrault LLP
4000, 421 – 7th Avenue SW
Calgary, AB T2P 4K9
Attention: Sean Collins / Pantelis Kyriakakis / Nathan Stewart
Tel: 403-260-3531 / 3536 / 3534
Fax: 403-260-3501
Email: scollins@mccarthy.ca / pkyriakakis@mccarthy.ca / nstewart@mccarthy.ca

AFFIDAVIT #5 OF DOUG BAILEY
Sworn on April 5, 2024

I, Doug Bailey, of the City of Calgary, of the Province of Alberta, **SWEAR AND SAY THAT:**

1. I am the CEO of Razor Energy Corp. ("**Razor Energy**"), Razor Holdings GP Corp. ("**Razor Holdings**"), and Blade Energy Services Corp. ("**Blade**", Razor Energy, Blade, and Razor Holdings are collectively referred to as, the "**Applicants**"). Razor Energy is the sole limited partner, and Razor Holdings is the sole general partner, of Razor Royalties Limited Partnership ("**Razor Royalties LP**", and collectively with the Applicants, the "**Razor Entities**"). I am also a member of the board of directors of, each of, Razor Energy, Razor Holdings, and Blade. I have reviewed the books and records prepared and maintained by the Razor Entities, in the ordinary course of business, including business and operational information and the most recently available annual audited and unaudited financial statements. I have personal knowledge of the facts and matters sworn to in this Affidavit, except where information was received from someone else or some other source of information, as identified herein. Where the information contained herein was received from another source, I believe such information to be true.

Clerk's Stamp

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

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

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

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2. On March 4, 2024, I swore an affidavit (the "**Bailey #2 Affidavit**"), filed in the within proceedings (the "**CCAA Proceedings**"). On March 6, 2024, I swore an affidavit (the "**Bailey #3 Affidavit**", the Bailey #2 Affidavit and the Bailey #3 Affidavit are collectively referred to as, the "**Bailey Affidavits**"), filed in the CCAA Proceedings. Among other things, the Bailey Affidavits describe: (i) the details concerning the Alberta Petroleum Marketing Commission's ("**APMC**") Application, served on March 5, 2024 (the "**APMC Application**"); and, (ii) details concerning Razor Energy's Forecast March 2024 Crude Oil Production. Capitalized terms used in this affidavit (this "**Affidavit**"), but not otherwise defined, shall have the meaning(s) ascribed to such terms in the Bailey Affidavits.

3. I am authorized to swear this Affidavit:
 - (a) in response to the APMC Application, seeking, among other relief, an Order: (i) directing Razor Energy to deliver, as part of future production splits, the Crown's royalty share of unremitted royalties, for the month of January 2024, to APMC, as required under the direction of APMC, dated March 1, 2024 (the "**Direction**"), under the Petroleum Marketing Regulation, Alta Reg 174/2006; and, (ii) an order that, by virtue of section 11.1 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985 (the "**CCAA**"), c. C-36, the stay of proceedings, as contemplated under the Amended and Restated Initial Order, granted on March 6, 2024, by the Honourable Justice M.E. Burns, does not apply to the Direction; and,
 - (i) in support of the Applicants' cross-application, seeking a declaration that APMC is seeking "to enforce its rights as a creditor" and is therefore stayed, pursuant to section 11.1(4) of the CCAA.

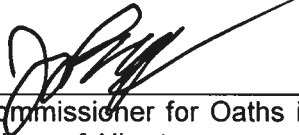
4. Razor Energy, has entered into and is listed as Payor, in approximately three hundred and twenty one (321) Crown Petroleum and Natural Gas Leases, with His Majesty in right of Alberta, as represented by the Minister of Energy and Minerals of the Province of Alberta (collectively, the "**Crown Leases**").

5. The terms and conditions of each of the Crown Leases, other than the applicable "Location" and "Leased Substances" definitions therein, are substantially identical. Attached hereto and marked as **Exhibit "A"**, to this my Affidavit, is a true copy of Petroleum and Natural Gas Lease No. 0524030045, dated March 7, 2024, with His

Majesty in right of Alberta, as represented by the Minister of Energy and Minerals of the Province of Alberta.

6. I make this Affidavit in support of the Applicant's cross-application.

SWORN BEFORE ME in the City of)
Calgary, in the Province of Alberta, this 5th)
day of April, 2024.)



A Commissioner for Oaths in and for the)
Province of Alberta)

Jonathan P. Brisebois
Student-At-Law



DOUG BAILEY

This is Exhibit "A" referred to in the Affidavit #5 of Doug Bailey
sworn before me this 5th day of April, 2024.

A handwritten signature in black ink, appearing to read 'Jonathan P. Brisebois', is written over a horizontal line.

A Commissioner for Oaths in and for the Province of Alberta

Jonathan P. Brisebois
Student-At-Law



PETROLEUM AND NATURAL GAS LEASE

NO. 0524030045

Term Commencement Date: March 07, 2024

Lessee:

RAZOR ENERGY CORP.

100.0000000%

WHEREAS His Majesty is the owner of the minerals in respect of which rights are granted under this Lease;

THEREFORE, subject to the terms and conditions of this Lease, His Majesty grants to the Lessee, insofar as His Majesty has the right to grant the same, the exclusive right to drill for and recover the Leased Substances within the Location, together with the right to remove from the Location any Leased Substances recovered, for the term of five years computed from the Term Commencement Date and, subject to the *Mines and Minerals Act*, for so long after the expiration of that term as this Lease is permitted to continue under that Act.

RESERVING AND PAYING to His Majesty,

- (a) in respect of each year during which this Lease remains in effect, a clear yearly rental computed at the rate prescribed by, and payable in accordance with, the *Mines and Minerals Act*, and
 - (b) the royalty on all Leased Substances recovered pursuant to this Lease, that is now or may hereafter from time to time be prescribed by, and that is payable in accordance with, the *Mines and Minerals Act*, such royalty to be calculated free of any deductions except those that are permitted under the *Mines and Minerals Act*.
- 1(1) In this Lease, a reference to the *Mines and Minerals Act* or to any other Act of the Legislature of Alberta referred to in section 2(2)(b) of this Lease shall be construed as a reference to
- (a) that Act, as amended from time to time,
 - (b) any replacement of all or part of that Act from time to time enacted by the Legislature, as amended from time to time, and
 - (c) any regulations, orders, directives or other subordinate legislation from time to time made under any enactment referred to in clause (a) or (b), as amended from time to time.
- (2) In this Lease,
- (a) "His Majesty" means His Majesty in right of Alberta, as represented by the Minister of Energy and Minerals of the Province of Alberta;
 - (b) "Leased Substances" means the minerals described under the heading "Description of Location and Leased Substances" in the Appendix to this Lease;
 - (c) "Location" means the subsurface area or areas underlying the surface area of the Tract and described in the Appendix to this Lease under the heading "Description of Location and Leased Substances";

- (d) "Oil Sands Area" means an oil sands deposit designated by the Alberta Energy and Minerals and Utilities Board under section 7 of the *Oil Sands Conservation Act*, c. O-5.5;
- (e) "Term Commencement Date" means the date shown on the first page of this Lease as the Term Commencement Date;
- (f) "Tract" means the tract or tracts of land described under the heading "Description of Location and Leased Substances" in the Appendix to this Lease.

2. This Lease is granted upon the following conditions:

- (1) The Lessee shall pay to His Majesty the rental and royalty reserved under this Lease.
- (2) The Lessee shall comply with the provisions of
 - (a) the *Mines and Minerals Act*, and
 - (b) any other Acts of the Legislature of Alberta that prescribe, apply to or affect the rights and obligations of a lessee of petroleum and natural gas rights that are the property of His Majesty, or that relate to, apply to or affect the Lessee in the conduct of its operations or activities under this Lease.
- (3) The provisions of the Acts referred to in subsection (2) of this section are deemed to be incorporated in this Lease.
- (4) In the event of conflict between a provision of this Lease and a provision referred to in subsection (2) of this section, the latter provision prevails.
- (5) The Lessee shall not claim or purport to exercise any rights, prerogatives, privileges or immunities that would otherwise exempt the Lessee from compliance with any of the provisions of the *Mines and Minerals Act* or of any other Act of the Legislature of Alberta referred to in subsection (2)(b) of this section.
- (6) Natural gas produced pursuant to this Lease shall be used within Alberta unless the consent of the Lieutenant Governor in Council to its use elsewhere is previously obtained.
- (7) The Lessee shall keep His Majesty indemnified against
 - (a) all actions, claims and demands brought or made against His Majesty by reason of anything done or omitted to be done, whether negligently or otherwise, by the Lessee or any other person in the exercise or purported exercise of the rights granted and duties imposed under this Lease, and
 - (b) all losses, damages, costs, charges and expenses that His Majesty sustains or incurs in connection with any action, claim or demand referred to in clause (a).

- (8) The use in this Lease of the word "Lessee", "Lease", "Leased Substances" or "rental," or of any other word or expression,
 - (a) does not create any implied covenant or implied liability on the part of His Majesty, and
 - (b) does not create the relationship of landlord and tenant between His Majesty and the Lessee for any purpose.
- (9) This Lease is also subject to the special provisions, if any, contained in the Appendix to this Lease.

APPENDIX

TO

PETROLEUM AND NATURAL GAS LEASE NO. 0524030045

TERM COMMENCEMENT DATE:

MARCH 07, 2024

AGGREGATE AREA:

64 HECTARES

DESCRIPTION OF LOCATION AND LEASED SUBSTANCES:

5-12-064: 22NW

PETROLEUM AND NATURAL GAS

SPECIAL PROVISIONS:

NIL

Continued ...

PETROLEUM AND NATURAL GAS LEASE NO. 0524030045

NOTICE TO LESSEE

THE LAND(S) IN THIS LEASE IS/ARE WITHIN A SENSITIVE HABITAT AREA.

SURFACE ACCESS IS SUBJECT TO SPECIFIC RESTRICTIONS

FOR FURTHER INFORMATION, PLEASE CONTACT:

GAVIN BERG
PROVINCIAL WILDLIFE HABITAT SPECIALIST
EDMONTON OFFICE - RESOURCE STEWARDSHIP DIVISION - ALBERTA ENVIRONMENT AND
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9920 108 ST NW FLOOR 6
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