

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



IN THE MATTER OF THE *COMPANIES' CREDITORS* COM  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS Oct 7, 2024  
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 **SEVENTH 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.**

**October 2, 2024**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

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**SEVENTH 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 Notices of Intention to Make a Proposal (“**NOI**”), pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the “**BIA**”). FTI Consulting Canada Inc. (“**FTI**”) consented to act as proposal trustee (the “**Proposal Trustee**”) in the NOI proceedings (the “**NOI Proceedings**”) of the Razor Entities.
2. On February 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**”).
3. The Initial Order granted, among other things, the following relief within the CCAA Proceedings:
  - (a) a stay of proceedings 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**”) of the Razor Entities;
  - (d) approval of the sale and investment solicitation process (the “**SISP**”);

- (e) approval of the engagement letter dated January 25, 2024 (the “**Sales Agent Agreement**”) between Razor Energy and Peters & Co. Limited (the “**Sales Agent**”);
  - (f) a sealing order in respect of an unredacted copy of the Sales Agent Agreement; and
  - (g) approval of the priority and amount of the charges in favour of: (i) the Monitor, the Monitor’s counsel, and the Applicants’ legal counsel (the “**Administration Charge**”) in the amount of \$100,000; and (ii) the Applicants’ obligations to indemnify the Applicants’ directors and officers for liabilities they may incur after the Filing Date (the “**Directors’ Charge**”) in the amount of \$335,000 (together, the “**Initial Order Charges**”).
4. On March 6, 2024 (the “**Comeback Hearing**”), the Applicants sought and obtained an Amended and Restated Initial Order from the Court (the “**ARIO**”). The ARIO granted, among other things, the following relief within the CCAA Proceedings:
- (a) an extension of the Stay Period up to and including March 29, 2024;
  - (b) confirmed the quantum and priority of the Initial Order Charges as provided in the Initial Order;
  - (c) authorized the Applicants’ decision to incur no further expenses during the stay of proceedings, in relation to certain securities or capital markets reporting obligations;
  - (d) relieved Razor Energy of any obligations to call or hold its next annual general meeting of shareholders until further Order of this Court; and

- (e) a sealing order in respect of the desktop appraisal conducted by McDougall Auctioneers Ltd. of the equipment in the possession of Blade.
5. On March 25, 2024, the Applicants sought and obtained an Order from the Court (the “**March 25 Order**”). The March 25 Order granted, among other things, an extension of the Stay Period up to and including May 3, 2024.
  6. On April 10, 2024, Justice M.E. Burns of this Court heard an application of Alberta Petroleum Marketing Commission (“**APMC**”) with respect to outstanding pre-filing royalties (the “**January Royalty Amounts**”). On September 6, 2024, the Honourable Justice M.E. Burns released reasons for decision which dismissed the APMC application (the “**APMC Decision**”).
  7. On May 3, 2024, the Applicants sought and obtained an Order from the Court (the “**May 3 Order**”). The May 3 Order granted, among other things, an extension of the Stay Period up to and including June 7, 2024.
  8. On June 6, 2024, the Applicants sought and obtained an Order from the Court (the “**June 6 Order**”). The June 6 Order granted, among other things, an extension of the Stay Period up to and including August 2, 2024.
  9. On July 17, 2024, the Applicants sought and obtained Orders from the Court (the “**July 17 Orders**”), including:
    - (a) an Order approving the sale transaction contemplated by an Asset Purchase and Sale Agreement, dated June 27, 2024 between Razor Energy, as vendor, and HWN Energy Ltd., as purchaser (the “**HWN Transaction**”);

- (b) an Order authorizing the execution and delivery, by Razor Energy, of the irrevocable Share Transfer Power of Attorney dated effective as of July 17, 2024; approving the transaction (collectively, the “**FutEra Transaction**”) contemplated by the FutEra Transactional Document, and the sale, transfer, and assignment of the 210,000 common shares of the equity of FutEra, currently owned by Razor Energy; and
  - (c) an extension of the Stay Period up to and including October 13, 2024.
10. On September 11, 2024, the Honourable Justice Douglas R. Mah of the Court of King’s Bench of Alberta heard an application (the “**Conifer Application**”) in respect of a dispute between Razor Energy and Conifer Energy Inc. regarding amongst other things, post-filing arrears owed to Conifer under the Agreement for the Construction, Ownership and Operation of the Judy Creek Gas Conservation Plant (“**JCGP**”) dated March 1, 2011 (“**CO&O**”), and amounts Conifer owes Canadian Natural Resources Limited (“**CNRL**”) that CNRL seeks from Conifer due to Razor Energy not paying CNRL post-filing joint interest billing amounts (the “**CNRL Post-Filing Arrears**”, together with the Post-Filing Arrears, the “**Arrears**”). On September 19, 2024, the Honourable Justice Douglas R. Mah released reasons for decision which dismissed the Conifer Application.
  11. On September 25, 2024, APMC filed an application for leave to appeal the APMC Decision (the “**Leave to Appeal Application**”). Razor Energy is considering its position regarding APMC’s appeal. The Leave to Appeal Application has been scheduled to be heard on November 14, 2024.
  12. This report (this “**Report**”) is being filed in connection with the Applicants’ application currently scheduled to be heard on October 7, 2024 (the “**October 7 Application**”), seeking an Order Extending the Stay Period, up to and including November 8, 2024, or such other date as this Honourable Court may order.

13. This Report should be read in conjunction with Affidavit #10 of Doug Bailey sworn on October 1, 2024 (the “**Tenth Bailey Affidavit**”) which provides further background information concerning the October 7 Application.
14. Electronic copies of all materials filed by the Applicants in connection with the October 7 Application and other materials are available on the Monitor’s website at: <http://cfcanada.fticonsulting.com/razor-blade> (the “**Website**”).

## **PURPOSE**

15. The Monitor has reviewed the application materials filed by the Applicants in support of the October 7 Application. The purpose of this Report is to provide the Court and the Razor Entities’ stakeholders with information and the Monitor’s comments and recommendations with respect to the following:
  - (a) the activities of the Monitor since its report dated September 10, 2024 (the “**Sixth Monitor’s Report**”);
  - (b) the budget to actual cash flow results for the twelve-week period ending September 29, 2024;
  - (c) an overview of the Razor Entities’ revised cash flow forecast (the “**Seventh Cash Flow Forecast**”) for the six-week period ending November 10, 2024 (the “**Forecast Period**”) as well as the key assumptions which the Seventh Cash Flow Forecast are based on;
  - (d) a status update on the advancement of the Corporate Transaction; and
  - (e) the Monitor’s recommendations with respect to the relief requested at the October 7 Application.

## TERMS OF REFERENCE

16. 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**").
17. 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.
18. The Monitor has prepared this Report in connection with the October 7 Application. This Report should not be relied on for other purposes.
19. 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.



20. 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 Tenth Bailey Affidavit.

## **BACKGROUND**

21. Detailed information with respect to the Razor Entities' business, operations and causes of financial difficulty are described in the Affidavit of Doug Bailey sworn on February 20, 2024.

## **ACTIVITIES OF THE MONITOR**

22. The Monitor's activities since the date of the Sixth Monitor's Report include the following:
- (a) monitoring the Razor Entities' finances (including cash flows) and operations;
  - (b) participating in discussions with Razor Energy, the Sales Agent and the Corporate Offeror (defined below) in respect of advancing the Corporate Transaction (defined below), and attending to certain due diligence requests in respect of same;
  - (c) consulting with key stakeholders including, the Alberta Energy Regulator ("AER") and Orphan Well Association ("OWA") with respect to the SISF;
  - (d) assisting the Razor Entities in preparing the Seventh Cash Flow Forecast;
  - (e) responding to inquiries from suppliers and creditors who contacted the Monitor in connection with these CCAA Proceedings; and
  - (f) preparing this Report.

## BUDGET TO ACTUAL RESULTS

23. The Razor Entities, in consultation with the Monitor, prepared the cash flow statement (the “**Sixth Cash Flow Statement**”) which was appended to the Fifth Monitor’s Report and the Sixth Monitor’s Report.
24. Actual cash flows as compared to those contained in the Sixth Cash Flow Statement for the twelve-week period of July 8, 2024, to September 29, 2024, are summarized below.

<b>The Razor Entities</b>			
For the 12 week period of July 8, 2024 to September 29, 2024			
<b>Cash Flow Statement</b>			
(C\$ 000s)	Actual	Budget	Variance
<b>Receipts</b>			
Net production revenue	\$ 5,458	\$ 5,709	\$ (251)
Other receipts	1,640	1,380	260
<b>Total - Receipts</b>	<b>7,098</b>	<b>7,089</b>	<b>9</b>
<b>Disbursements</b>			
Operating expenses	(4,323)	(5,053)	731
Transportation and processing costs	(228)	(288)	60
Lease rentals	(652)	(156)	(496)
Insurance	(234)	(50)	(184)
Payroll	(840)	(900)	60
Professional & sales agent fees	(379)	(360)	(19)
G&A expense	(602)	(689)	87
<b>Total - Disbursements</b>	<b>(7,257)</b>	<b>(7,496)</b>	<b>239</b>
<b>Net cash flow</b>	<b>(159)</b>	<b>(407)</b>	<b>248</b>
<b>Opening cash balance</b>	<b>1,594</b>	<b>1,594</b>	<b>-</b>
<b>Ending cash balance</b>	<b>\$ 1,435</b>	<b>\$ 1,187</b>	<b>\$ 248</b>

25. The variances in actual receipts and disbursements are primarily due to the following:
- (a) Net production revenue – negative variance of approximately \$251,000 due to lower than anticipated pricing;

- (b) Other receipts – positive variance of approximately \$260,000 relating to the receipt of the proceeds from the FutEra Transaction, which is partially offset by lower road use fees and collection of joint venture receivables;
  - (c) Operating expenses – positive variance of approximately \$731,000 primarily due to timing variances related to September electricity charges now forecast to be paid in October, as well as lower than anticipated operating expenses;
  - (d) Transportation and processing costs – positive variance of approximately \$60,000 due to lower than anticipated costs;
  - (e) Lease rentals – negative variance of approximately \$496,000 due to payment of post-filing freehold lease rentals from February to May 2024 which were not previously included in the forecast, which only contemplated crown rentals;
  - (f) Insurance – negative variance of approximately \$184,000 due to the second installment payment for pollution coverage which was not included in the forecast;
  - (g) Payroll – positive variance of approximately \$60,000 due to lower than anticipated costs;
  - (h) Professional & Sales Agent fees – negative variance of approximately \$19,000 due to slightly higher than anticipated professional fees; and
  - (i) G&A expense – positive variance of approximately \$87,000 due to reduced IT costs resulting from lower staff levels, in combination with lower than anticipated consulting services required.
26. The cash balance at the end of the period is approximately \$1.4 million, which is higher than previously forecast by approximately \$248,000 and is primarily driven by timing variances related to operating expenses over the period.

## CASH FLOW FORECAST

27. The Razor Entities, in consultation with the Monitor, have prepared the Seventh Cash Flow Forecast to estimate liquidity for the six week Forecast Period, a summary of which is presented below and attached hereto as Appendix “A”.

<b>The Razor Entities</b>	
For the 6 week period of September 30, 2024 to November 10, 2024	
<b>Cash Flow Forecast</b>	<b>6 Week</b>
(C\$ 000s)	Total
<b>Receipts</b>	
Net production revenue	\$ 1,637
Other receipts	190
<b>Total - Receipts</b>	<b>1,827</b>
<b>Disbursements</b>	
Operating expenses	(1,999)
Transportation and processing costs	(78)
Lease rentals	(81)
Insurance	(34)
Payroll	(298)
Professional & sales agent fees	(325)
G&A expense	(335)
<b>Total - Disbursements</b>	<b>(3,150)</b>
<b>Net cash flow</b>	<b>(1,322)</b>
<b>Opening cash balance</b>	<b>1,435</b>
<b>Ending cash balance</b>	<b>\$ 113</b>

28. The Seventh Cash Flow Forecast projects a negative net cashflow of approximately \$1.3 million over the Forecast Period, which includes the following assumptions:
- (a) Net production revenue receipts are derived from petroleum and natural gas sales based on forecast production and third-party pricing. Crown royalties are paid in kind and included within this amount;

- (b) Other receipts consist of the proceeds from third-party road use fees, partner joint interest billings, monthly payments from Swan Hills Geothermal Power Corp. to settle an outstanding receivable owing to Blade, and other miscellaneous collections;
- (c) Operating expenses based on critical payments to suppliers to maintain the operation of oil and natural gas wells. Payments to the AER and OWA for annual administration fees and orphan fund levy are not included within the Forecast Period. Razor Energy does not dispute the amounts. This does not include payments to Conifer related to the operation of the JCGP and certain other joint venture obligations;
- (d) Transportation and processing costs associated with the transportation of petroleum and natural gas production from well head to market;
- (e) Lease rentals are based on the annual budget and exclude freehold rentals;
- (f) Insurance is based on current premium installments;
- (g) Payroll is based on payroll registers and includes costs related to employees including payroll, benefits, and payroll remittances;
- (h) Professional & Sales Agent fees are costs and disbursements of the Monitor, the Monitor's Counsel, the Razor Entities' legal counsel, and the Sales Agent including payment of arrears for prior periods; and
- (i) G&A expense includes overhead costs such as rent and other similar expenses, in addition to corporate contractors.

29. The Monitor is aware that certain joint venture parties, including Conifer and CNRL have not been paid post-filing obligations and Razor Energy has not received any production

revenue from those assets. Razor Energy has disputed certain of these charges and these amounts relate to properties where Razor is a non-operated working interest partner. As with prior versions of the cash flow forecasts, the Seventh Cash Flow Forecast does not contemplate payment of these amounts.

30. The Monitor advises that the Seventh Cash Flow Forecast projects limited liquidity over the Forecast Period and if the Subscription Agreement is not finalized within the proposed extension of the Stay Period, Razor Energy will not have sufficient funds available to meet post-filing obligations without additional financing.

**The Monitor's Comments on the Cash Flow Forecast**

31. 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 Seventh Cash Flow Forecast has been prepared by management of the Razor Entities, for the purpose described in the notes to the Seventh Cash Flow Forecast, using probable and hypothetical assumptions set out therein;
- (b) the Monitor's review of the Seventh Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to the Information supplied to it by the Razor Entities. Since hypothetical assumptions need not be supported, the Monitor's procedures were limited to evaluating whether they were consistent with the purpose of the Seventh Cash Flow Forecast, and there are no material assumptions contained therein which seem unreasonable in the circumstances. The Monitor has also reviewed the support provided by management for the probable assumptions, and the preparation and presentation of the Seventh Cash Flow Forecast;

- (c) based on the Monitor's review, as at the date of this Report, nothing has come to its attention that causes it to believe that, in all material respects:
  - (i) the hypothetical assumptions are not consistent with the purpose of the Seventh Cash Flow Forecast;
  - (ii) the probable assumptions developed by management are not supported and consistent with the plan of the Razor Entities or do not provide a reasonable basis for the Seventh Cash Flow Forecast, given the hypothetical assumptions; or
  - (iii) the Seventh Cash Flow Forecast does not reflect the probable and hypothetical assumptions;
- (d) since the Seventh Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Seventh Cash Flow Forecast will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information present in this Report, or relied upon by the Monitor in preparing this Report; and
- (e) the Seventh Cash Flow Forecast has been prepared solely for the purpose described in the notes to the Seventh Cash Flow Forecast and readers are cautioned that it may not be appropriate for other purposes.

## **SISP AND CORPORATE TRANSACTION STATUS UPDATE**

32. Since the date of the Sixth Monitor's Report, the Applicants continue to advance their restructuring and specifically, among other things, have:

- (a) completed the FutEra Transaction;
  - (b) completed the HWN Transaction;
  - (c) continued to work with the Monitor and the proposed purchaser (the “**Corporate Offeror**”) to advance the draft Subscription Agreement, in respect of a transaction (the “**Corporate Transaction**”) resulting from the SISP, which contemplates that the Corporate Offer would acquire all of Razor Energy’s issued and outstanding shares, by way of a reverse vesting order; and
  - (d) continued to engage with OWA, AER, CNRL, and other material stakeholders regarding the structuring in respect of the proposed Corporate Transaction.
33. Razor Energy and the Corporate Offeror continue to advance the Corporate Transaction and specifically, among other things, have:
- (a) resolved the structuring issue referred to in the Affidavit #9 of Doug Bailey sworn on September 6, 2024;
  - (b) mutually agreed upon an extension of the execution and delivery of the Subscription Agreement which previously had a deadline of September 20, 2024. The parties agreed that additional time was required to address the structuring issue and finalize various schedules and values referred to in the draft Subscription Agreement; and
  - (c) Razor Energy and the Corporate Offeror continue to work to complete the definitive documentation in an expedient manner.



34. While the Subscription Agreement remains subject to ongoing discussions between Razor Energy and the Corporate Offeror, the Monitor understands that the parties are nearing a finalized version of the Subscription Agreement, and the Applicants expect to bring an application for approval of the Corporate Transaction within the Stay Period.
35. Given there is no alternative transaction, the Monitor continues to view the Corporate Transaction as presenting the best potential result, in the circumstances, for the Razor Entities' stakeholders, as it would avoid a bankruptcy and zero recovery for stakeholders. The Monitor understands there are ongoing discussions with the Corporate Offeror and various stakeholders. The Monitor cannot make a final recommendation to this Honourable Court in respect of the Corporate Transaction until it has reviewed the final executed Subscription Agreement.

#### **REQUEST TO EXTEND THE STAY OF PROCEEDINGS**

36. The Monitor has considered the Applicants' request to extend the Stay Period up to and including November 8, 2024, and has the following comments:
  - (a) while certain creditors have not and may not be paid in respect of certain post-filing obligations during the proposed extension of the Stay Period, the proposed extension of the Stay Period will allow the Razor Entities to advance the Corporate Transaction, which, if successful would preserve the most value to stakeholders and avoid licensed assets being turned over to the OWA;
  - (b) if the proposed extension of the Stay Period is not granted, parties may exercise self-help remedies which would erode any potential value that could have been preserved by the Corporate Transaction and would be detrimental to the stakeholders of the Razor Entities;

- (c) the Seventh Cash Flow Forecast indicates that the Razor Entities will have sufficient, although limited, liquidity to continue to fund critical operations and the cost of these CCAA Proceedings for the duration of the proposed extension of the Stay Period; and
- (d) the Applicants and their management have and continue to act in good faith and with due diligence in taking steps to facilitate a restructuring of the business.

## RECOMMENDATIONS

37. Based on the foregoing, the Monitor is of the view that the relief being sought by the Applicants is reasonable and justified in the circumstances and respectfully recommends that this Honourable Court approve the extension of the Stay Period up to and including November 8, 2024.

All of which is respectfully submitted this 2nd day of October 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: Dustin Olver, CPA, CA, CIRP, LIT  
Title: Senior Managing Director  
FTI Consulting Canada Inc.

## **Appendix “A” – Seventh Cash Flow Forecast for the period ending November 10, 2024**

**Razor Energy Corp., Razor Royalties Limited Partnership, Razor Holdings GP Corp., and Blade Energy Services Corp. (the "Razor Entities")**  
 Projected Cash Flow Forecast for the Period of September 30, 2024 to November 10, 2024

Cash Flow Forecast		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Total
(C\$ 000s)	Week Ending	6-Oct	13-Oct	20-Oct	27-Oct	3-Nov	10-Nov	
<b>Receipts</b>								
Net production revenue	1	\$ -	\$ -	\$ -	\$ 1,637	\$ -	\$ -	\$ 1,637
Other receipts	2	65	15	15	15	65	15	190
<b>Total - Receipts</b>		<b>65</b>	<b>15</b>	<b>15</b>	<b>1,652</b>	<b>65</b>	<b>15</b>	<b>1,827</b>
<b>Disbursements</b>								
Operating expenses	3	(713)	(160)	(160)	(550)	(265)	(150)	(1,999)
Transportation and processing costs	4	(28)	-	-	-	(50)	-	(78)
Lease rentals	5	-	-	(81)	-	-	-	(81)
Insurance	6	-	(28)	(6)	-	-	-	(34)
Payroll	7	-	(136)	-	(136)	-	(26)	(298)
Professional & sales agent fees	8	-	-	-	(325)	-	-	(325)
G&A expense	9	(85)	(50)	(50)	(50)	(50)	(50)	(335)
<b>Total - Disbursements</b>		<b>(826)</b>	<b>(374)</b>	<b>(298)</b>	<b>(1,061)</b>	<b>(365)</b>	<b>(226)</b>	<b>(3,150)</b>
<b>Net cash flow</b>		<b>(761)</b>	<b>(359)</b>	<b>(283)</b>	<b>591</b>	<b>(300)</b>	<b>(211)</b>	<b>(1,322)</b>
<b>Opening cash balance</b>		<b>1,435</b>	<b>675</b>	<b>316</b>	<b>33</b>	<b>624</b>	<b>324</b>	<b>1,435</b>
<b>Ending cash balance</b>		<b>\$ 675</b>	<b>\$ 316</b>	<b>\$ 33</b>	<b>\$ 624</b>	<b>\$ 324</b>	<b>\$ 113</b>	<b>\$ 113</b>



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 September 30, 2024 to November 10, 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. Crown royalties for oil production are paid in kind.
- 2 Other receipts consist of third-party road use fees, partner joint interest billings, the SHGPC payments, etc.
- 3 Operating expenses are based on the annual operating budget and relates to the costs associated with the operation of oil and natural gas wells.
- 4 Transportation and processing 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.
- 7 Payroll is based on recent payroll registers.
- 8 Professional 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.