

Clerk's Stamp:



QUESTIONING OF DOUG BAILEY
BY J.L. CAMERON
AFFIDAVITS SWORN FEBRUARY 20, 2024, AND
OCTOBER 28, 2024
HELD NOVEMBER 4, 2024

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 CROP.

1 DOCUMENT QUESTIONING ON AFFIDAVITS

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3 Taken before A. Porco, Official Court Reporter,
4 pursuant to Rules 5.26, 6.20, and 13.46 of the
5 Court of King's Bench of Alberta, at the offices of
6 Fasken Martineau DuMoulin LLP, Calgary, Alberta.

7 _____

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16 _____
17 (PROCEEDINGS COMMENCED AT 10:06 AM)
18 DOUG BAILEY, Sworn, Questioned by J. Cameron
19 Q J. CAMERON: Good morning, Mr. Bailey.
20 My name is Jessica Cameron, and I am counsel to
21 Arena Investors, LP. I will be conducting your
22 cross-examination this morning.
23 If I refer to Arena Investors, LP simply as
24 "Arena", you'll know who I'm referring to?
25 A Yes.
26 Q Thank you, sir.
27 Just to confirm, you've just taken an oath

1 this morning to tell the truth, and you will

2 tell the truth to me this morning?

3 A Yes.

4 Q Mr. Bailey, do you understand that you are
5 being cross-examined today in relation to
6 proceedings commenced by Razor Energy Corp.,
7 Razor Holdings GP Corp., and Blade Energy
8 Services Corp. pursuant to the Companies'
9 Creditors Arrangement Act in Alberta Court of
10 King's Bench Action Number 2401-02680?

11 A Yes.

12 Q Thank you, sir.

13 And, more specifically, I am
14 cross-examining you in relation to your
15 11th affidavit, sworn on October 28th, 2024?

16 A Yes.

17 Q And can you confirm for me, sir, that you have
18 a copy of that affidavit in front of you?

19 A I do.

20 Q I would ask you to turn to page 36 of that
21 affidavit, and it's just below paragraph 85.

22 A Yes.

23 Q There you will see a signature above your name.
24 That is your signature; correct?

25 A That's correct, yeah.

26 Q And you read your affidavit, including all
27 exhibits to it, before you swore and signed

1 that affidavit; correct?

2 A Correct.

3 Q And when you swore it, you believed it to be

4 true?

5 A I did.

6 Q And have you reviewed that affidavit in

7 preparation for today's cross-examination?

8 A I have.

9 Q And is it still true and correct, to the best

10 of your knowledge?

11 A Yes.

12 Q Thank you, Mr. Bailey.

13 Mr. Bailey, you are a chartered

14 professional accountant, CPA; is this right?

15 A That's right.

16 Q And you are the chief executive officer of each

17 of Razor Energy Corp., Razor Holdings GP Corp.,

18 and Blade Energy Services?

19 A Correct.

20 Q I also understand that you are a member of the

21 board of directors for each of those three

22 entities. Is that accurate?

23 A Correct, yes.

24 Q How long have you been the CEO of Razor Energy

25 Corp.?

26 A Since it went public February 1st, 2017.

27 Q Okay. And how long have you been the CEO of

1 Razor Holdings GP Corp.?

2 A I'm unsure of the exact date.

3 Q You were the CEO of Razor Energy Corp. -- or
4 Razor Energy when they approached Arena with
5 respect to providing financing to the Razor
6 entities; is that correct?

7 A Yes.

8 Q Were you involved in the discussions with Arena
9 regarding the initial loan agreement?

10 A Yes.

11 Q Do you recall the parties initially discussing
12 that Arena would purchase a gross overriding
13 royalty directly from Razor Energy?

14 A Yes, with the overriding theme that it was a
15 lending agreement, right, and the goal was
16 serving as a form of security.

17 Q Okay. And the structure of that transaction
18 was changed, I understand, due to potential tax
19 implications. Is that a fair assessment?

20 A Along the way, yes. I think legal advisors
21 were --

22 Q M-hm.

23 A -- engaged.

24 Q I would like to fast-forward to discussing
25 what you refer to in your 11th affidavit as
26 "corporate transaction". So I'd ask you to
27 turn to paragraph 23 of your affidavit. So

1 here you state that Solidarity Holdings Inc.
2 delivered a nonbinding letter of intent dated
3 March 28th, 2024, and that this LOI is attached
4 as Exhibit B to your affidavit; is that right?

5 A That's right, yes.

6 Q So I would ask you to go to Exhibit B and the
7 Solidarity LOI, specifically page 2 of that
8 LOI. And it notes "Licence Transfer", and it
9 goes on to indicate that Solidarity does not
10 have eligibility to acquire and hold AER
11 licences and approvals under Directive 067.

12 Are you aware of whether Texcal Energy
13 Canada Inc., Solidarity's nominee for the
14 corporate transaction -- if they have obtained
15 AER approval with respect to completing the
16 corporate transaction?

17 A I have not personally verified that. I'm
18 assuming, given the -- the maturity of the
19 transaction and the fact it has been obtained.

20 Q M-hm. And Schedule A to this LOI includes a
21 list of excluded assets and liabilities. There
22 is a map and listing of Razor's oil and gas
23 interests that are excluded. The list
24 describes them as the "Kaybob nonop" interests
25 in the Simonette and Karr regions of Alberta.

26 My understanding is that this list of
27 excluded assets pertained to the subset of

1 assets that have since been sold as part of the
2 Court-approved transaction to HWN. Is that an
3 accurate representation?

4 A That's accurate.

5 Q This list of excluded assets does not include
6 assets in relation to Swan Hills Unit Number 1;
7 is that right?

8 A That's correct.

9 Q Okay. And this LOI that we're reviewing, this
10 was the final LOI submitted by Solidarity?

11 A That's incorrect.

12 Q Is the other LOI attached to your affidavit?

13 A Surprisingly, I don't believe so. There's an
14 April 22nd letter of intent that I executed as
15 well -- or I shouldn't say "as well" 'cause my
16 signature's clearly not on this March 28th LOI,
17 but the April 22nd was the subsequent LOI that
18 was executed by both parties.

19 J. CAMERON: I do actually have a copy
20 of that LOI that I'd ask to share with the
21 witness and share with the court reporter as
22 well.

23 Q J. CAMERON: So is this the April 22nd
24 LOI that you were just referring to that you
25 executed on behalf of Razor Energy Corp. dated
26 April 22nd, 2024?

27 A Yes.

1 Q And you've seen this document before?

2 A Yes.

3 Q And if we turn to page 3 of this document, is
4 that your signature signing on behalf of Razor
5 Energy Corp.?

6 A Yes.

7 J. CAMERON: I'd ask that we mark this
8 as Exhibit Number 1, the Solidarity LOI dated
9 April 22nd, 2024.

10 S. SMYTH: No objection.

11 J. CAMERON: Thank you, sir.

12 Q J. CAMERON: So if we turn --

13 THE COURT REPORTER: Sorry. One second.

14 J. CAMERON: Oh, pardon me.

15 THE COURT REPORTER: No worries.

16 Sorry. Your first name is Douglas or Doug?

17 A Doug.

18 THE COURT REPORTER: Thank you.

19 EXHIBIT 1 - Solidarity Holdings Inc.

20 letter of intent dated April 22, 2024

21 Q J. CAMERON: So if we turn to the
22 second page, at the top, it's discussing part
23 of the purchase price. And you'll agree with
24 me that part of the purchase price under this
25 LOI proposed to be paid included the assumption
26 of the secured obligations owing to Arena in
27 the approximate amount of \$6.5 million?

1 A Correct.

2 Q And can you confirm for me that the excluded
3 assets between the March 28th LOI and this
4 April 22nd LOI were the same?

5 A Yes. Yeah. There was no change.

6 Q So the excluded assets did not include Razor
7 Energy's interest in Swan Hills Unit Number 1?

8 A No.

9 Q You've indicated, sir, in your affidavit that
10 part of the reason Razor determined to pursue
11 the Solidarity corporate transaction was due to
12 the fact that it was the only transaction that
13 addressed all of the Razor entities' deemed
14 abandonment and reclamation obligations. Razor
15 Energy Corp. is the party who holds all of the
16 AER licences. Is that accurate?

17 A Yes.

18 Q And it is also the party who holds the
19 nonoperated working interests?

20 A Yes.

21 Q So is Razor Energy Corp. the party who owes the
22 AER administrative fee for 2024?

23 A Yes.

24 Q And it is also the party who owes the orphan
25 fund levy for 2024?

26 A Yes.

27 Q And these two LOIs that we've just been

1 discussing, they were a result of the sales and
2 investment solicitation process undertaken by
3 Razor Energy with the assistance of Peters &
4 Co.; is that correct?

5 A That's correct.

6 Q So if we turn to Exhibit A of your 11th
7 affidavit, this is the information memorandum
8 prepared by Peters & Co. in relation to the
9 sales process. If I could ask you to turn to
10 the second-to-last page of that information
11 memorandum where it sets out the process
12 details and contacts.

13 A Yes.

14 Q Is there any other document outlining the sales
15 and investment solicitation procedures that
16 governed this particular sales process, that
17 you're aware of?

18 A Not that I'm aware of.

19 Q Okay.

20 A There -- there could be within the -- the
21 legalities of the SISP, but this would be what
22 would be referenced.

23 Q So there was no separate stand-alone sales and
24 investment solicitation procedures?

25 A No.

26 Q Thank you.

27 So we're going to move along here,

1 Mr. Bailey, and talk about the virtual
2 stakeholder meeting held on May 16th, 2024.

3 Did you attend that meeting on behalf of Razor?

4 A I did.

5 Q Do you recall at that meeting stakeholders
6 being advised that as part of the Solidarity
7 corporate transaction, it was contemplated that
8 Arena's debt would be assumed in full?

9 A There was a -- a slide presentation that was
10 put up for all stakeholders that included that
11 narrative.

12 Q Is it accurate to say that following that
13 virtual stakeholder meeting, several interested
14 parties reached out to you to discuss the
15 proposed corporate transaction?

16 A No. There are -- there was not really, other
17 than potentially Arena or -- or legal
18 representatives, anyone that reached out to me
19 specifically on that.

20 Q You did not have conversations with CNRL?

21 A I had conversations with CNRL, Ron Laing, in
22 particular, twice, but it was more or less to
23 update the process. But to characterize, you
24 know, a sum of incoming calls, I think that
25 would be incorrect. There might have been a
26 couple of conversations.

27 Q Okay. So I'm going to direct you to page 13 of

1 your affidavit, which is paragraph 30(c).

2 S. SMYTH: Paragraph one three?

3 Paragraph one three?

4 J. CAMERON: 30.

5 S. SMYTH: 30.

6 J. CAMERON: At sub (c).

7 S. SMYTH: Thank you.

8 Q J. CAMERON: And there you reference
9 the conversations with Mr. Laing of CNRL that
10 you've just told me about. You met -- you note
11 that you met with him both in person and by
12 telephone on July 24th, 2024. Did both your
13 in-person meeting and telephone call with
14 Mr. Laing occur on July 24th?

15 A There was two separate coffee in -- in-person
16 meetings and one phone call, and I think the
17 phone call was the last one in September. So I
18 don't think it's correct to say two happened in
19 one day. There's three separate --

20 Q Okay.

21 A -- discussions.

22 Q And your prior discussions to this July 24th
23 telephone call, do you recall approximately
24 when those meetings would have occurred?

25 A I can't recall exact dates, although we can get
26 them for you for sure. It was one in -- two in
27 July and one in September, and the September

1 was the phone meeting. So ...

2 THE COURT REPORTER: "September was" what?

3 A September was the phone meeting -- or the phone
4 conversation.

5 Q J. CAMERON: Okay. I would ask you,
6 sir, to undertake to use your reasonable best
7 efforts to review your calendar and advise as
8 to when you met with Mr. Laing in person or had
9 a telephone conversation with him regarding
10 these proceedings.

11 A Okay.

12 S. SMYTH: That's acceptable.

13 J. CAMERON: Thank you.

14 UNDERTAKING 1 - To use reasonable
15 best efforts to review Doug Bailey's
16 calendar and advise as to when he met
17 with Ron Laing in person or had a
18 telephone conversation with him
19 regarding these proceedings
20 (Taken Under Advisement)

21 Q J. CAMERON: In your affidavit, you go
22 on to state that the discussions with Mr. Laing
23 concerned requests made by CNRL with respect to
24 Solidarity.

25 Would one of these requests made by CNRL be
26 that in order for CNRL to support the corporate
27 transaction, they would require Solidarity to

1 post a letter of credit of approximately
2 \$97 million with respect to the end-of-life
3 obligations associated with the CNRL jointly
4 owned assets?

5 A Yes.

6 Q And those jointly owned assets predominantly
7 relate to the Swan Hills Unit Number 1. Is
8 that accurate?

9 A Predominantly, yes.

10 Q These are nonoperated interests held by Razor
11 Energy?

12 A Correct.

13 Q And CNRL is the operator of the Swan Hills Unit
14 Number 1?

15 A Yes, and licensee.

16 Q And was this largely the reason why the Swan
17 Hills Unit Number 1 assets were excluded from
18 the original draft subscription agreement?

19 A Yes.

20 Q And the AER did not like that exclusion, did
21 they?

22 A They did not.

23 Q The AER essentially told Razor that all of its
24 oil and gas interests, both licenced and
25 nonoperated, needed to be part of a transaction
26 or the AER would not support it?

27 A Correct. That would be the August 23rd letter

1 from the AER.

2 Q And -- and that's where I was going --

3 A Okay.

4 Q -- yes.

5 And they -- they conveyed that position to

6 you on August 23rd?

7 A Yes.

8 Q And Razor executed the definitive subscription

9 agreement with Texcal, Solidarity's nominee, on

10 October 27th, 2024?

11 A Correct.

12 Q So about two months after this advice from the

13 AER?

14 A Yes.

15 Q So let's talk about those two months and what

16 went on during them. At the beginning of

17 September 2024, you went to Miami, Florida?

18 A Correct.

19 Q You went --

20 A Sorry. What was the date that you said?

21 Q September 2024. Just the year.

22 A Okay.

23 Q At the beginning of September.

24 A Fair. Yes.

25 Q And you went down to meet with my client,

26 Mr. Greg White, a representative of Arena?

27 A Correct.

1 Q In your meeting with Mr. White, you expressed
2 to him a concern that Solidarity might not
3 assume the debt?

4 A Yes. And I think some colour around the -- the
5 reasoning why is because in late August, there
6 was some discussions internally about the
7 validity of the security itself, and that was
8 what prompted me to think that this is probably
9 a piece of information that's -- that's useful
10 for your client --

11 Q M-hm.

12 A -- or Greg to be able to chart a -- a
13 commercial course.

14 Q You also indicated to him during that meeting
15 that you believed Arena's interests would be
16 protected by the GORR?

17 A I'm not a lawyer, and that was not my
18 opinion --

19 Q M-hm.

20 A -- but, given the GORR isn't what I presumed
21 was an interest in land and was reviewed by his
22 own legal counsel prior to entering into the
23 said lending or GORR agreement or security
24 agreement, there was no reason for me not to
25 believe that; however, again, I'll qualify it
26 that there was some belief by some other legal
27 people around the table that it may not be a

1 valid security.

2 Q And when did it become clear to you that the
3 Solidarity corporate transaction would no
4 longer include the assumption of Arena's debt?

5 A Well, it didn't become clear to me until it was
6 excluded from -- I think it was Draft 16 of the
7 subscription agreement on September 16th,
8 that -- unlike Draft 15 from August 16th, which
9 did include the provision to assume Arena's
10 debt was no longer in that Version 16 -- Draft
11 Version 16.

12 Q And is that the same time at which it became
13 clear to you that there was no intention to
14 assume Arena's interests in the GORR as well?

15 A I -- I -- I can't comment to that because
16 there's been so many discussions between
17 various legal advisors. I don't know what was
18 said. I wasn't -- to use the word "clear"
19 would be not the correct term. I had, call it,
20 an instinct when I saw that the assumed debt
21 was no longer part of the subscription
22 agreement, and, again, the chatter, if you
23 will, from other legal advisors that there was
24 something that was not going to follow through
25 from what the April 22nd LOI had assumed.

26 Q And was Arena provided a copy of that
27 September 16th draft subscription agreement?

1 A Not from me personally. Again, I -- I have
2 lawyers as well that would otherwise have
3 provided that information if it was appropriate
4 at that time.

5 Q I'm going to ask, Mr. Bailey, for an
6 undertaking for you to confirm with Razor
7 Energy's legal counsel whether Arena was
8 provided with a copy of the draft subscription
9 agreement and, if so, when.

10 S. SMYTH: I'll consider that
11 undertaking request and inform you of our
12 position.

13 J. CAMERON: Thank you.

14 UNDERTAKING 2 - To confirm with Razor
15 Energy Corp.'s legal counsel whether
16 Arena Investors, LP was provided with
17 a copy of the draft subscription
18 agreement; if so, to advise as to
19 when (Taken Under Advisement)

20 Q J. CAMERON: I am also going to ask
21 for an undertaking request that you provide to
22 Arena copies of all correspondence between any
23 one of the Razor entities and Texcal or
24 Solidarity from and after August 16th, 2024,
25 being the date of the original draft
26 subscription agreement up until the execution
27 of the definitive subscription agreement on

1 October 27th, which discussed the parties'
2 treatment -- or proposed treatment of the
3 assumption of Arena's debt and, secondly, the
4 treatment of Arena's interests in the GORR.

5 S. SMYTH: Let me just see if I
6 understand the undertaking request before I
7 respond to it.

8 J. CAMERON: M-hm.

9 S. SMYTH: I -- I heard you to say
10 after August 16th communications --

11 J. CAMERON: Correct.

12 S. SMYTH: -- between Razor and
13 Solidarity?

14 J. CAMERON: Or Texcal.

15 S. SMYTH: Oh, yes. Or Texcal.

16 And in that request, are you meaning to
17 include or exclude legal counsel on behalf of
18 both parties?

19 J. CAMERON: I am meaning to include
20 legal counsel.

21 S. SMYTH: I'll consider your
22 undertaking request and respond to you.

23 J. CAMERON: M-hm. Thank you.

24 UNDERTAKING 3 - To provide copies of
25 all correspondence between any one of
26 the Razor entities and Texcal Energy
27 Canada Inc. or Solidarity Holdings

1 Inc. from and after August 16, 2024,
2 until October 27, 2024; to advise of
3 the treatment of Arena Investors,
4 LP's interests in the gross
5 overriding royalty
6 (Taken Under Advisement)

7 Q J. CAMERON: So let's turn to discuss
8 the corporate transaction itself. I understand
9 that the outside date under the transaction is
10 November 30th, 2024; is that right?

11 A Yes.

12 Q I also understand that due to Razor's liquidity
13 position, the parties' intention is to close
14 that transaction earlier than that. Is that
15 also fair?

16 A That would be ideal.

17 Q When are you closing -- targeting a closing
18 date?

19 A I -- I don't have a specific date. I've been
20 advised to -- I just know the court date and,
21 obviously, subsequently thereafter.

22 Q So you're not targeting a closing date of
23 Tuesday, November 12th?

24 A Not that I'm aware of, but there is certainly
25 intent to close it, as we discussed, as quickly
26 as possible.

27 Q I'd ask for another undertaking request, sir,

1 for you to advise as to the target closing date
2 of the corporate transaction.

3 S. SMYTH: What do you mean by
4 "target closing date"? Just so that I
5 understand what you're asking of us.

6 J. CAMERON: When are the parties
7 scheduled to close the transaction?

8 S. SMYTH: Thank you.
9 I will consider that undertaking request
10 and respond to you.

11 UNDERTAKING 4 - To advise as to when
12 the parties are scheduled to close
13 the corporate transaction (Taken
14 Under Advisement)

15 Q J. CAMERON: So I would ask you,
16 Mr. Bailey, to turn to paragraph 39(f) of your
17 affidavit, which is on page 15. And this is a
18 discussion regarding the treatment of municipal
19 property taxes?

20 A M-hm.

21 Q What municipalities are getting their
22 post-filing municipal property taxes paid in
23 full?

24 S. SMYTH: Under which scenario?
25 Can you clarify?

26 J. CAMERON: Upon the closing of the
27 transaction. So the -- Mr. Bailey's affidavit

1 notes that all post-filing municipal taxes are
2 being paid on closing, to be distributed by the
3 monitor, other than post-filing taxes where
4 there's been a tax arrangement entered into.
5 So I'm wanting to discuss who's getting paid in
6 full, if anyone, and then, separately, the tax
7 arrangements.

8 A Yeah. At this point, I wouldn't be able to
9 answer that question accurately. The reason
10 being -- is that Solidarity or Texcal --

11 Q J. CAMERON: M-hm.

12 A -- and their legal counsel have been
13 negotiating directly with the counties or the
14 municipalities. So I think they would probably
15 have better, more pertinent information.

16 Certainly can undertake to get said
17 information, but I don't -- I can't answer
18 that --

19 Q M-hm.

20 A -- that question.

21 Q So I would ask for an undertaking for you to
22 provide a list of municipalities receiving
23 payment in full of their post-filing property
24 tax claims and the quantum that they are
25 receiving.

26 S. SMYTH: Well, I think the witness
27 has just said that the best he can do is ask --

1 J. CAMERON: Reasonable --
2 S. SMYTH: -- some other party.
3 J. CAMERON: Reasonable best efforts
4 to ask Solidarity if they will provide that
5 information.
6 S. SMYTH: We can make that inquiry.
7 UNDERTAKING 5 - To use reasonable
8 best efforts to provide a list of
9 municipalities receiving payment in
10 full of their post-filing property
11 tax claims and the quantum that they
12 are receiving
13 J. CAMERON: And then a second
14 undertaking response related to that --
15 S. SMYTH: Who's not getting paid?
16 J. CAMERON: -- would be -- exactly --
17 S. SMYTH: All right.
18 J. CAMERON: -- who is not getting
19 paid. So it would be a list of all
20 municipalities who have entered into payment
21 plan arrangements with the purchaser, and that
22 includes the amounts of the municipalities'
23 pre- and post-filing property tax claims,
24 together with what payment arrangements have
25 been made.
26 S. SMYTH: Well, again, we -- the
27 best that we collectively can do is to ask

1 Solidarity. So if you'll --

2 J. CAMERON: Yes.

3 S. SMYTH: -- accept that ...

4 J. CAMERON: I will accept that.

5 S. SMYTH: Thank you.

6 UNDERTAKING 6 - To make inquiries
7 of Solidarity Holdings Inc. and
8 provide a list of all municipalities
9 who have entered into payment plan
10 arrangements with the purchaser,
11 including the amounts of the
12 municipalities' pre- and post-filing
13 property tax claims, together with
14 what payment arrangements have been
15 made

16 Q J. CAMERON: And just so I understand
17 the liabilities being assumed with respect to
18 the GORR agreements, is it your understanding
19 that the GORR agreements themselves as between
20 Razor Energy and Razor Royalties LP will remain
21 in place under the transaction, and it's the
22 assignment agreements to Arena that are being
23 vested out?

24 A I'd hesitate to answer that question, just
25 because of the legal nature of it.

26 Q M-hm. During the Razor -- during Razor
27 Energy's insolvency proceedings -- and with

1 "insolvency proceedings", I am referring both
2 to its current CCAA proceedings and the prior
3 proceedings under the proposal provisions of
4 the BIA -- what has been the average monthly
5 production generated from the royalty lands
6 subject to the GORRs held by Razor Royalties LP?

7 A I will give you maybe a best guess. This can
8 all be confirmed. Roughly 2,100 BOEs per day.
9 And I think our -- our weekly production
10 reporting has continued vis-à-vis Arena as
11 well. So that would be some pertinent
12 information.

13 Q M-hm. And do you know what the average monthly
14 production generated from the royalty lands
15 subject to the GORRs was in the year preceding
16 the filing?

17 A I could guess a range, but I don't know if --
18 think that will be helpful. It would be 3,500
19 BOEs per day, give or take. But, again, it can
20 be confirmed very easily.

21 Q M-hm. I am going to ask, sir, that you do
22 confirm that for me by way of undertaking
23 responses. So I would ask you to undertake to
24 provide the average monthly production
25 generated from the royalty lands subject to the
26 GORRs during the Razor entities' insolvency
27 proceedings, being from January 31st, 2024, to

1 today's date as well as for the 12-month period
2 immediately before the filing date of
3 January 30th -- 31st, 2024.

4 A Okay.

5 S. SMYTH: And just struggling as to
6 relevance of this.

7 J. CAMERON: M-hm. So if the GORR
8 does constitute an interest in land and Razor
9 is seeking to vest it out, a valuation of the
10 interest needs to be conducted, and part of
11 that valuation would go to determining the
12 value of the GORR, which, I submit, is informed
13 by what it's producing.

14 S. SMYTH: Okay. Allow me to
15 consider that, then, please, and I'll respond
16 to you in due course.

17 J. CAMERON: M-hm.

18 UNDERTAKING 7 - To provide the
19 average monthly production generated
20 from the royalty lands subject to the
21 gross overriding royalties during the
22 Razor entities' insolvency
23 proceedings from January 31, 2024, to
24 today's date as well as for the
25 12-month period immediately before
26 the filing date of January 31, 2024
27 (Taken Under Advisement)

1 Q J. CAMERON: So the subscription
2 agreement provides for the payment of what are
3 classified as three regulatory payments; is
4 that right?

5 A Is that -- can we -- can we go to the page
6 where ...

7 Q I can. Just give me one moment.

8 So if we turn to page 24 of your affidavit,
9 beginning at paragraph 53. Pardon me.
10 Paragraph 54 is more on point.

11 A Okay. Yes.

12 Q So there's one regulatory payment to the
13 Alberta Energy Regulator, which is referred to
14 in your affidavit as the "AER", for about
15 \$370,000 for the 2024 AER administrative levy;
16 correct?

17 A Correct.

18 Q And that is owed by Razor Energy?

19 A Correct.

20 Q Part of that includes a late payment penalty?

21 A Yes.

22 Q Do you know how much of the \$370,000 is on
23 account of the payment for late -- or the
24 penalty -- pardon me -- for late payment?

25 A Not offhand.

26 Q I would ask you to undertake to provide Arena
27 with a copy of the invoice or other

1 documentation from the AER indicating the
2 amount of the 2024 administrative levy owed by
3 Razor Energy, and if the invoice does not break
4 out the late penalty, to advise of what amount
5 being paid to the AER constitutes the late
6 penalty.

7 A Okay.

8 S. SMYTH: It's acceptable.

9 J. CAMERON: Thank you.

10 UNDERTAKING 8 - To provide a copy of
11 the invoice or other documentation
12 from the Alberta Energy Regulator
13 indicating the amount of the 2024
14 administrative levy owed by Razor
15 Energy Corp.; if the invoice does not
16 break out the late penalty, to advise
17 of what amount being paid to the
18 Alberta Energy Regulator constitutes
19 the late penalty

20 Q J. CAMERON: The next regulatory
21 payment discussed at subparagraph (b) is to the
22 Orphan Well Association, or OWA, for about
23 \$732,000 for the 2024 orphan fund levy?

24 A Yes.

25 Q Again, this is owed by Razor Energy to the OWA?

26 A Yes.

27 Q And part of this amount includes a late payment

1 penalty?

2 A Yes.

3 Q And do you know, sir, how much of the \$732,000

4 is on account of the penalty for late payment?

5 A Not offhand.

6 Q Again, I would ask you to undertake to provide

7 Arena with a copy of the invoice from the OWA

8 or other correspondence indicating the amount

9 of the 2024 orphan fund levy owed by Razor

10 Energy, and if that documentation does not

11 identify the late penalty, to advise of what

12 amount is being paid to the OWA for a late

13 payment penalty.

14 A We will.

15 S. SMYTH: That's acceptable.

16 J. CAMERON: Thank you.

17 UNDERTAKING 9 - To provide a copy of

18 the invoice from the Orphan Well

19 Association or other correspondence

20 indicating the amount of the 2024

21 orphan fund levy owed by Razor Energy

22 Corp.; if that documentation does not

23 identify the late penalty, to advise

24 of what amount is being paid to the

25 Orphan Well Association for a late

26 payment penalty

27 Q J. CAMERON: And the last contemplated

1 regulatory payment is to the Alberta Petroleum
2 and Marketing Commission, or APMC, for about
3 \$480,000?

4 A Yes. I see that.

5 Q And this amount is with respect to Crown
6 royalties owed by Razor Energy for
7 January 2024, which were not delivered by
8 Razor Energy to the Crown; is that right?

9 A That's right.

10 Q During the CCAA proceedings, the APMC brought
11 an application to compel Razor to deliver
12 production volumes in kind to satisfy this
13 under-delivered balance, did they not?

14 A They did.

15 Q And Razor Energy opposed the APMC's
16 application?

17 A We did.

18 Q Were you also aware that Arena supported Razor
19 Energy in its opposition to that application?

20 A Not specifically, but it would be consistent,
21 yes.

22 Q And the APMC ultimately lost that application?

23 A Right.

24 Q Razor Energy was not required to deliver
25 production volumes to satisfy this January
26 Crown royalty claim during the CCAA
27 proceedings?

1 A Yes.

2 Q "Yes", they were not required to do so?

3 A So, yes, but I will caveat this is going to get

4 into insolvency law; so I -- we are obviously

5 paying \$480,390 to APMC --

6 THE COURT REPORTER: Sorry. You're paying

7 what?

8 A \$480,390 to APMC, but I would -- I'd have to

9 refer to my insolvency counsel to get more

10 specific as to why the proceedings had happened

11 in the event --

12 Q I'm not going --

13 A Okay.

14 Q -- to ask you why.

15 A Okay.

16 Q I'm just --

17 A Good. Thank you.

18 Q -- trying to stick to the factual -- they lost

19 their application?

20 A Yes.

21 Q You did not -- Razor Energy did not pay them

22 any funds during the CCAA, nor did they deliver

23 any production in kind on account of this?

24 A Right.

25 Q Okay. And if Razor Energy had been required to

26 deliver such production volumes in kind or cash

27 to the APMC at that time, being April or May,

1 did Razor have sufficient liquidity to make
2 that payment?

3 A Well, it would have been give and take. So we
4 had and continue to have insufficient liquidity
5 to satisfy creditors, obviously; so if we were
6 to pay the \$480,000 to APMC, there would have
7 been a take from -- from another, whether it
8 would be ongoing operations or any other claims
9 that we had to satisfy at the time.

10 Q The APMC sought leave to appeal that decision;
11 correct?

12 A Correct.

13 Q And are you aware that that application for
14 leave is scheduled for next Thursday,
15 November 14th?

16 A Yes.

17 Q So I'd like to go to the subscription
18 agreement, and I'm hoping you can help me
19 understand something. So I'd like to turn
20 to -- so the subscription agreement, for your
21 reference, is Exhibit C to your affidavit; and
22 attached to the subscription agreement as
23 Schedule B1 is a list titled "Excluded Lands";
24 and then attached to that, there are several
25 pages of mineral property reports from Razor
26 Energy Corp.

27 And I had understood that there were going

1 to be no interests left behind as part of the
2 corporate transaction. So from a general
3 perspective, can you explain to me what lands
4 or other mineral interests are being excluded
5 from the corporate transaction?

6 A As far as I'm aware, none, but if we could go
7 to the particular schedule we're referring to.

8 Q M-hm. So it's Schedule B1.

9 A Schedule ...

10 Q And I'm happy to do this by way of undertaking
11 response as well. We're just trying to get a
12 sense of what interests, if any, are being
13 excluded under this transaction.

14 S. SMYTH: So you're looking for
15 kind of a description of --

16 J. CAMERON: What --

17 S. SMYTH: -- as to what these
18 assets are?

19 J. CAMERON: What -- what are these
20 assets?

21 S. SMYTH: Because obviously
22 they're -- to the extent any assets are
23 excluded, they're described in the mineral
24 reports.

25 But you're wanting is to give some sort of
26 name to them?

27 J. CAMERON: Some -- some sort of

1 description of what is that.

2 A At -- at first glance, I think the first page,

3 page 61 -- I think that is either Karr or

4 something. We talked about that --

5 Q J. CAMERON: M-hm.

6 A -- before. Why it's -- why it's scheduled I

7 can't answer to you 'cause obviously it's been

8 sold already. But, you know, Razor was a

9 27 percent non-op interest in this, and that

10 would have been -- that would have been Karr, I

11 believe. So I think the theme would be that

12 it's associated with --

13 Q The assets that have already been sold?

14 A Yes. But, I mean, I won't be able to --

15 Q M-hm.

16 A But my assumption was -- and obviously AER's

17 and OWA's is as well -- is that this is a

18 corporate sale, and there's no licenced or

19 unlicenced oil and gas assets that are being

20 disclaimed or --

21 Q Excluded?

22 A -- excluded.

23 J. CAMERON: And I would just like to

24 confirm that because that is the -- the basis

25 for supporting the transaction.

26 A Yeah.

27 J. CAMERON: And so I was a bit

1 confused when I saw a list of excluded lands.

2 So --

3 S. SMYTH: Really, what you're
4 asking is are the excluded assets disclosed in
5 the subscription agreement assets that have
6 already been sold, or are they a different
7 bundle of assets?

8 J. CAMERON: Or are they a different
9 bundle of assets, yes.

10 S. SMYTH: We'll provide that answer
11 to you.

12 J. CAMERON: Thank you.

13 So I'd ask for an undertaking response for
14 you to undertake to confirm whether the list of
15 excluded assets in the subscription agreement
16 relates to the bundle of assets that has
17 already been sold or whether there are other
18 assets that are supposed to be excluded as part
19 of this transaction.

20 S. SMYTH: That's acceptable.

21 UNDERTAKING 10 - To confirm whether
22 the list of excluded assets in the
23 subscription agreement relates to the
24 bundle of assets that has already
25 been sold or whether there are other
26 assets that are supposed to be
27 excluded as part of this transaction

1 Q J. CAMERON: So my understanding is
2 also that some of the proceeds of sale from the
3 corporate transaction will be paid to the
4 Residual Co. for distribution to creditors.

5 Is that accurate?

6 A That's accurate.

7 Q And the amount anticipated to be distributed
8 is about \$2.8 million?

9 A I'd have to confirm that -- that amount, yeah.

10 Q I'm also going to ask whether Razor Energy
11 has prepared a waterfall analysis of its
12 anticipated distributions of creditor claims at
13 Residual Co.

14 A I believe, yes, a waterfall does exist. I
15 don't know if I have a current one or not.
16 We'll have to undertake to -- to obtain that.

17 Q So I would ask for an undertaking for you to
18 provide a copy of the draft waterfall analysis
19 prepared by Razor Energy.

20 S. SMYTH: I'm going to have to take
21 that under advisement or refuse it at the
22 moment, it being that until it's finalized,
23 it's subject to solicitor-client communication.
24 So which would you prefer, by refusal, or I'll
25 let you know?

26 J. CAMERON: Under advisement.

27 S. SMYTH: Thank you.

1 S. SMYTH: Mr. Barr, as you know,
2 I'm always generous.

3 J. CAMERON: And while you are
4 considering that under advisement, I will just
5 indicate that our rationale for requesting it
6 is due to the fact that Razor Energy is
7 indicating that there will be distributions to
8 creditors from Residual Co., and the
9 transaction should be supported on that basis.
10 Our position is while we need to know whether
11 we're anticipated to receive any distributions,
12 if we're going to be supported in the
13 transaction ...

14 S. SMYTH: And my only reason for
15 hesitating is the draft nature of such a
16 document. When and if it's ready to be
17 disclosed, that's a different matter but ...

18 J. CAMERON: Understood.

19 S. SMYTH: Thank you.

20 UNDERTAKING 11 - To provide a copy of
21 the draft waterfall analysis prepared
22 by Razor Energy Corp. (Taken Under
23 Advisement)

24 Q J. CAMERON: Another form of relief
25 sought by Razor Energy on this application is
26 relation -- in relation to channelling of
27 claims against directors and officers into

1 Razor Energy's existing director and officers'
2 insurance policies.

3 Given the nature of the channelling relief
4 sought, I would ask you to undertake to provide
5 copies of all directors' and officers'
6 insurance policies maintained by any of the
7 CCAA applicants.

8 S. SMYTH: Had you concluded?

9 J. CAMERON: Yes.

10 S. SMYTH: Subject to
11 confidentiality provisions within such
12 policies, we'll provide those to you.

13 UNDERTAKING 12 - To provide copies
14 of all directors' and officers'
15 insurance policies maintained by any
16 of the Companies' Creditors
17 Arrangement Act applicants (Subject
18 to Confidentiality)

19 Q J. CAMERON: And following the closing
20 of the Texcal transaction, Mr. Bailey, are you
21 staying on with Texcal in any capacity?

22 A No.

23 Q Are you receiving any equity in Texcal?

24 A No.

25 Q Are you receiving any other payment or
26 consideration in relation to the approval of
27 this transaction?

1 A No.

2 Q And I'd like to conclude today, sir, with just
3 a few questions on the first affidavit you
4 swore in these proceedings, which was
5 referenced in your 11th affidavit. I have a
6 copy of it for you. I'll just pass that to
7 you.

8 So as with your 11th affidavit, sir, I'd
9 ask you to turn to page 37 of that affidavit,
10 just below paragraph 119.

11 S. SMYTH: Counsel, you -- you asked
12 this witness a number of questions about having
13 reviewed Affidavit Number 11. I'd just ask
14 that you offer the witness the same opportunity
15 to review the affidavit before you proceed with
16 your questions.

17 J. CAMERON: Absolutely. And I am
18 going to go through the same preliminary
19 questions and reference. I do only have one
20 question on this affidavit.

21 S. SMYTH: Okay.

22 J. CAMERON: And I will make sure to
23 direct you to that paragraph.

24 Q J. CAMERON: So on page 37, just below
25 paragraph 119, there you will see a signature
26 above your name. Is that your signature, sir?

27 A Yes.

1 Q And you read that affidavit and all the
2 exhibits to it before you swore and signed that
3 affidavit at that time?

4 A Yes.

5 Q And when you swore it, you believed it to be
6 true?

7 A Yes.

8 Q And is it still true and correct, to the best
9 of your knowledge?

10 A I haven't reviewed it for --

11 Q For today?

12 A -- since, but I think -- I think I can say yes.

13 Q Yes.

14 I would direct you just to paragraph 32 of
15 that affidavit. I'll give you a moment to
16 review that.

17 A Okay.

18 Q So there you state that: (as read)

19 Razor Royalties LP maintains certain
20 commodity hedges, as required under
21 the Arena loan agreement.

22 Does Razor Royalties still maintain these
23 hedges?

24 A Not in conjunction with the loan agreement..

25 We haven't added hedges since the insolvency
26 filing. Instead the hedge book was allowed
27 to -- well, the -- the various hedges, which is

1 on a monthly basis, were allowed to expire. I
2 think there's probably still nine months' worth
3 of -- of hedges in place within that particular
4 account, and, again it just unwinds or expires
5 every month.

6 Q Okay.

7 A One position per month.

8 THE COURT REPORTER: I didn't hear the last
9 part.

10 A One position per month. Yeah.

11 THE COURT REPORTER: Thank you.

12 J. CAMERON: So I'd ask for just a
13 brief ten-minute break. Review my notes and
14 ensure I have no further questions.

15 (ADJOURNMENT)

16 Q J. CAMERON: So, Mr. Bailey, subject
17 to any questions arising from any redirect or
18 undertaking responses, those are my questions
19 for today. Thank you very much for your time.
20 I understand that some of my friends might have
21 questions. I'm not sure. So -- but, for me,
22 I -- I'm finished, so thank you very much. I
23 appreciate it.

24 S. SMYTH: You're concluding?

25 J. CAMERON: I'm concluding.

26 S. SMYTH: Thank you.

27 (WHICH WAS ALL THE EVIDENCE TAKEN AT 11:06 AM)

1 CERTIFICATE OF TRANSCRIPT:

2

3 I, A. Porco, certify that the foregoing
4 pages are a complete and accurate transcript of
5 the proceedings taken down by me in shorthand
6 and transcribed from my shorthand notes to the
7 best of my skill and ability.

8 Dated at the City of Calgary, Province of
9 Alberta, this 4th day of November 2024.

10

11

12

13 _____
A. Porco, CSR(A)

14 Official Court Reporter

15 Commissioner for Oaths Appointee No. 0734405

16 ASRA Membership No. 185

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1 UNDERTAKINGS GIVEN IN THE QUESTIONING OF
2 DOUG BAILEY
3 NOVEMBER 4, 2024

4 _____
5 Undertakings are inserted and indexed as a
6 courtesy service to be utilized at the discretion
7 of counsel. They are interpretations by the
8 court reporter, and it is requested counsel refer
9 to the appropriate page to ensure accuracy.

10 _____
11

| 12 Description | Page |
|--|------|
| 14 UNDERTAKING 1 - To use reasonable best efforts 15 to review Doug Bailey's calendar and advise as 16 to when he met with Ron Laing in person or had 17 a telephone conversation with him regarding 18 these proceedings (Taken Under Advisement) | 15 |
| 20 UNDERTAKING 2 - To confirm with Razor Energy 21 Corp.'s legal counsel whether Arena Investors, 22 LP was provided with a copy of the draft 23 subscription agreement; if so, to advise as 24 to when (Taken Under Advisement) | 20 |

25
26
27

| | | |
|----|--|----|
| 1 | UNDERTAKING 3 - To provide copies of all | 21 |
| 2 | correspondence between any one of the | |
| 3 | Razor entities and Texcal Energy Canada Inc. | |
| 4 | or Solidarity Holdings Inc. from and after | |
| 5 | August 16, 2024, until October 27, 2024; | |
| 6 | to advise of the treatment of Arena Investors, | |
| 7 | LP's interests in the gross overriding royalty | |
| 8 | (Taken Under Advisement) | |
| 9 | | |
| 10 | UNDERTAKING 4 - To advise as to when the | 23 |
| 11 | parties are scheduled to close the corporate | |
| 12 | transaction (Taken Under Advisement) | |
| 13 | | |
| 14 | UNDERTAKING 5 - To use reasonable best efforts | 25 |
| 15 | to provide a list of municipalities receiving | |
| 16 | payment in full of their post-filing property | |
| 17 | tax claims and the quantum that they are | |
| 18 | receiving | |
| 19 | | |
| 20 | UNDERTAKING 6 - To make inquiries of | 26 |
| 21 | Solidarity Holdings Inc. and provide a list | |
| 22 | of all municipalities who have entered into | |
| 23 | payment plan arrangements with the purchaser, | |
| 24 | including the amounts of the municipalities' | |
| 25 | pre- and post-filing property tax claims, | |
| 26 | together with what payment arrangements | |
| 27 | have been made | |

1 UNDERTAKING 7 - To provide the average monthly 28
2 production generated from the royalty lands
3 subject to the gross overriding royalties
4 during the Razor entities' insolvency
5 proceedings from January 31, 2024, to today's
6 date as well as for the 12-month period
7 immediately before the filing date of
8 January 31, 2024 (Taken Under Advisement)

9
10 UNDERTAKING 8 - To provide a copy of the 30
11 invoice or other documentation from the
12 Alberta Energy Regulator indicating the
13 amount of the 2024 administrative levy owed
14 by Razor Energy Corp.; if the invoice does
15 not break out the late penalty, to advise of
16 what amount being paid to the Alberta Energy
17 Regulator constitutes the late penalty

18
19 UNDERTAKING 9 - To provide a copy of the 31
20 invoice from the Orphan Well Association or
21 other correspondence indicating the amount of
22 the 2024 orphan fund levy owed by Razor Energy
23 Corp.; if that documentation does not identify
24 the late penalty, to advise of what amount is
25 being paid to the Orphan Well Association for
26 a late payment penalty

27

| | | |
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| 1 | UNDERTAKING 10 - To confirm whether the list | 37 |
| 2 | of excluded assets in the subscription | |
| 3 | agreement relates to the bundle of assets | |
| 4 | that has already been sold or whether there | |
| 5 | are other assets that are supposed to be | |
| 6 | excluded as part of this transaction | |
| 7 | | |
| 8 | UNDERTAKING 11 - To provide a copy of the | 39 |
| 9 | draft waterfall analysis prepared by Razor | |
| 10 | Energy Corp. (Taken Under Advisement) | |
| 11 | | |
| 12 | UNDERTAKING 12 - To provide copies of all | 40 |
| 13 | directors' and officers' insurance policies | |
| 14 | maintained by any of the Companies' Creditors | |
| 15 | Arrangement Act applicants (Subject to | |
| 16 | Confidentiality) | |
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|---------------------------|--------------------------|--------------------------|--------------------------|---------------------------|
| Exhibits | 119 41:10,25 | 24 29:8 | 6 | ADJOURNME |
| Exhibit 1 - | 11:06 43:27 | 2401-02680 5:10 | 6 26:6 47:20 | NT 43:15 |
| Letter of Intent | 11th 5:15 7:25 | 24th 14:12,14,22 | 61 36:3 | administrative |
| for the Purchase | 12:6 41:5,8 | 25 47:14 | | 11:22 29:15 30:2, |
| of Razor Energ | 12 40:13 49:12 | 26 47:20 | 7 | 14 48:13 |
| y Corp. 10:19 | 12-month 28:1, | 27 22:2 36:9 47:5 | 7 28:18 48:1 | advice 17:12 |
| 45:7 | 25 48:6 | 27th 17:10 21:1 | | advise 15:7,16 |
| \$ | 12th 22:23 | 28 48:1 | | 20:18 22:2 23:1, |
| \$2.8 38:8 | 13 13:27 | 28th 5:15 8:3 | 8 | 11 30:4,16 31:11, |
| \$370,000 29:15, | 14th 34:15 | 9:16 11:3 | 8 30:10 48:10 | 23 46:15,23 47:6, |
| 22 | 15 19:8 23:17 | 3 | 85 5:21 | 10 48:15,24 |
| \$480,000 32:3 | 46:14 | 3 10:3 21:24 47:1 | | advised 13:6 |
| 34:6 | 16 19:6,10,11 | 3,500 27:18 | 9 | 22:20 |
| \$480,390 33:5,8 | 22:1 47:5 | 30 14:4,5 48:10 | 9 31:17 48:19 | advisement |
| \$6.5 10:27 | 16th 13:2 19:7,8, | 30(c) 14:1 | | 15:20 20:19 22:6 |
| \$732,000 30:23 | 27 20:24 21:10 | 30th 22:10 28:3 | A | 23:14 28:27 |
| 31:3 | 185 44:16 | 31 28:23,26 48:5, | | 38:21,26 39:4,23 |
| \$97 16:2 | 1st 6:26 | 8,19 | | 46:18,24 47:8,12 |
| (| 2 | 31st 27:27 28:3 | | 48:8 49:10 |
| (b) 30:21 | 2 8:7 20:14 46:20 | 32 42:14 | | advisors 7:20 |
| (c) 14:6 | 2,100 27:8 | 36 5:20 | | 19:17,23 |
| 0 | 20 46:20 | 37 41:9,24 49:1 | | AER 8:10,15 |
| 067 8:11 | 2017 6:26 | 39 49:8 | | 11:16,22 16:20, |
| 0734405 44:15 | 2024 5:15 8:3 | 39(f) 23:16 | 4 | 23,26 17:1,13 |
| 1 | 9:26 10:9,20 | | 4 23:11 45:3 46:3 | 29:14,15 30:1,5 |
| 1 9:6 10:8,19 11:7 | 11:22,25 13:2 | | 47:10 | AER's 36:16 |
| 15:14 16:7,14,17 | 14:12 17:10,17, | | 40 49:12 | affidavit 5:15,18, |
| 45:7 46:14 | 21 20:24 22:1,2, | | 4th 44:9 | 21,26 6:1,6 7:25, |
| 10 37:21 45:7 | 10 27:27 28:3,23, | | | 27 8:4 9:12 11:9 |
| 49:1 | 26 29:15 30:2,13, | | | 12:7 14:1 15:21 |
| 10:06 4:17 | 23 31:9,20 32:7 | | | 23:17,27 29:8,14 |
| 11 39:20 41:13 | 44:9 45:3,8 46:3 | | | 34:21 41:3,5,8,9, |
| 49:8 | 47:5 48:5,8,13,22 | | | 13,15,20 42:1,3, |
| | 21 47:1 | | | 15 |
| | 22 10:20 45:8 | | | agree 10:23 |
| | 22nd 9:14,17,23, | | | agreement 7:9, |
| | 26 10:9 11:4 | | | 15 16:18 17:9 |
| | 19:25 | | | 18:23,24 19:7,22, |
| | 23 7:27 47:10 | | | 27 20:9,18,26,27 |
| | 23rd 16:27 17:6 | | | 29:2 34:18,20,22 |
| | | | | 37:5,15,23 42:21, |
| | | | | 24 46:23 49:3 |
| | | | | agreements |
| | | | | 26:18,19,22 |

Alberta 5:9 8:25
29:13 30:12,18
32:1 44:9 48:12,
16
allowed 42:26
43:1
amount 10:27
30:2,4,13,17,27
31:8,12,20,24
32:5 38:7,9
48:13,16,21,24
amounts 25:22
26:11 47:24
analysis 38:11,18
39:21 49:9
anticipated 38:7,
12 39:11
APMC 32:2,10,
22 33:5,8,27
34:6,10
APMC's 32:15
appeal 34:10
applicants 40:7,
17 49:15
application
32:11,16,19,22
33:19 34:13
39:25
Appointee 44:15
approached 7:4
approval 8:15
40:26
approvals 8:11
approximate
10:27
approximately
14:23 16:1
April 9:14,17,23,
26 10:9,20 11:4
19:25 33:27 45:8
Arena 4:21,23,24
7:4,8,12 10:26
13:17 17:26
19:26 20:7,16,22

22:3 26:22 27:10
29:26 31:7 32:18
42:21 46:21 47:6
Arena's 13:8
18:15 19:4,9,14
21:3,4
arising 43:17
arrangement
5:9 24:4 40:17
49:15
arrangements
24:7 25:21,24
26:10,14 47:23,
26
ASRA 44:16
assessment 7:19
assets 8:21,27
9:1,5,6 11:3,6
16:4,6,17 35:18,
20,22 36:13,19
37:4,5,7,9,15,16,
18,22,24,26 49:2,
3,5
assignment
26:22
assistance 12:3
Association
30:22 31:19,25
48:20,25
assume 18:3
19:9,14
assumed 13:8
19:20,25 26:17
assuming 8:18
assumption
10:25 19:4 21:3
36:16
attached 8:3 9:12
34:22,24
attend 13:3
August 16:27
17:6 18:5 19:8
20:24 21:10 22:1
47:5

average 27:4,13,
24 28:19 48:1
aware 8:12
12:17,18 22:24
32:18 34:13 35:6

B

B1 34:23 35:8
Bailey 4:18,19
5:4 6:12,13 13:1
20:5 23:16 40:20
43:16 45:2 46:2
Bailey's 15:15
23:27 46:15
balance 32:13
Barr 39:1
basis 36:24 39:9
43:1
beginning 17:16,
23 29:9
behalf 9:25 10:4
13:3 21:17
belief 18:26
believed 6:3
18:15 42:5
Bench 5:10
BIA 27:4
bit 36:27
Blade 5:7 6:18
board 6:21
BOES 27:8,19
book 42:26
break 30:3,16
43:13 48:15
brought 32:10
bundle 37:7,9,16,
24 49:3

C

calendar 15:7,16
46:15

Calgary 44:8
call 14:13,16,17,
23 19:19
calls 13:24
Cameron 4:18,
19,20 9:19,23
10:7,11,12,14,21
14:4,6,8 15:5,13,
21 20:13,20 21:8,
11,14,19,23 22:7
23:6,15,26 24:11
25:1,3,13,16,18
26:2,4,16 28:7,17
29:1 30:9,20
31:16,27 35:16,
19,27 36:5,23,27
37:8,12 38:1,26
39:3,18,24 40:9,
19 41:17,22,24
43:12,16,25
Canada 8:13
21:27 47:3
capacity 40:21
cash 33:26
caveat 33:3
CCAA 27:2
32:10,26 33:22
40:7
CEO 6:24,27 7:3
CERTIFICATE
44:1
certify 44:3
change 11:5
changed 7:18
channelling
39:26 40:3
characterize
13:23
chart 18:12
chartered 6:13
chatter 19:22
chief 6:16
City 44:8

claim 32:26
claims 24:24
25:11,23 26:13
34:8 38:12 39:27
47:17,25
clarify 23:25
classified 29:3
clear 19:2,5,13,18
client 17:25
18:10
close 22:13,25
23:7,12 47:11
closing 22:17,22
23:1,4,26 24:2
40:19
CNRL 13:20,21
14:9 15:23,25,26
16:3,13
coffee 14:15
collectively
25:27
colour 18:4
commenced 4:17
5:6
comment 19:15
commercial
18:13
Commission
32:2
Commissioner
44:15
commodity
42:20
communication
38:23
communications
21:10
Companies' 5:8
40:16 49:14
compel 32:11
complete 44:4
completing 8:15

| | | | | |
|--|--|--|--|--|
| concern 18:2 | 41:6 46:22 48:10, 19 49:8 | creditors 5:9 34:5 38:4 39:8 40:16 49:14 | determining 28:11 | due 7:18 11:11 22:12 28:16 39:6 |
| concerned 15:23 | Corp 5:6,7,8 6:17,25 7:1,3 9:25 10:5 11:15, 21 30:15 31:22 34:26 39:22 48:14,23 49:10 | cross- examination 4:22 6:7 | direct 13:27 41:23 42:14 | <hr/> E <hr/> |
| conclude 41:2 | Corp.'s 20:15 46:21 | cross-examined 5:5 | Directive 8:11 | earlier 22:14 |
| concluded 40:8 | corporate 7:26 8:14,16 11:11 13:7,15 15:26 19:3 22:8 23:2,13 35:2,5 36:18 38:3 47:11 | cross-examining 5:14 | directly 7:13 24:13 | easily 27:20 |
| concluding 43:24,25 | Crown 32:5,8,26 CSR(A) 44:13 | current 27:2 38:15 | director 40:1 | efforts 15:7,15 25:3,8 46:14 47:14 |
| conducted 28:10 | correct 5:24,25 6:1,2,9,19,23 7:6 9:8 11:1 12:4,5 14:18 16:12,27 17:11,18,27 19:19 21:11 29:16,17,19 34:11,12 42:8 | <hr/> D <hr/> | directors 6:21 39:27 | eligibility 8:10 |
| conducting 4:21 | correspondence 20:22 21:25 31:8, 19 47:2 48:21 | date 7:2 17:20 20:25 22:9,18,19, 20,22 23:1,4 28:1,2,24,26 48:6,7 | directors' 40:5, 14 49:13 | end-of-life 16:2 |
| confidentiality 40:11,18 49:16 | counsel 4:20 18:22 20:7,15 21:17,20 24:12 33:9 41:11 46:7, 8,21 | dated 8:2 9:25 10:8,20 44:8 45:8 | disclaimed 36:20 | Energy 5:6,7 6:17,18,24 7:3,4, 13 8:12 9:25 10:5 11:15,21 12:3 16:11 20:15 21:26 26:20 29:13,18 30:3,12, 15,18,25 31:10, 21 32:6,8,15,19, 24 33:21,25 34:26 38:10,19 39:6,22,25 46:20 47:3 48:12,14,16, 22 49:10 |
| confirm 4:27 5:17 11:2 20:6,14 27:22 36:24 37:14,21 38:9 46:20 49:1 | counties 24:13 | dates 14:25 | disclosed 37:4 39:17 | Energy's 11:7 20:7 26:27 40:1 |
| confirmed 27:8, 20 | couple 13:26 | day 14:19 27:8,19 44:9 | discretion 46:6 | engaged 7:23 |
| confused 37:1 | court 5:9 9:21 10:13,15,18 15:2 22:20 33:6 43:8, 11 44:14 46:8 | debt 13:8 18:3 19:4,10,20 21:3 | discuss 13:14 22:7 24:5 | ensure 43:14 46:9 |
| conjunction 42:24 | Court-approved 9:2 | decision 34:10 | discussed 21:1 22:25 30:21 | entered 24:4 25:20 26:9 45:1 47:22 |
| consideration 40:26 | courtesy 46:6 | deemed 11:13 | discussing 7:11, 24 10:22 12:1 | entering 18:22 |
| consistent 32:20 | CPA 6:14 | definitive 17:8 20:27 | discussion 23:18 | entities 6:22 7:6 20:23 21:26 47:3 |
| constitute 28:8 | credit 16:1 | deliver 32:11,24 33:22,26 | discussions 7:8 14:21,22 15:22 18:6 19:16 | entities' 11:13 27:26 28:22 48:4 |
| constitutes 30:5, 18 48:17 | creditor 38:12 | delivered 8:2 32:7 | distributed 24:2 38:7 | equity 40:23 |
| contacts 12:12 | | describes 8:24 | distribution 38:4 | essentially 16:23 |
| contemplated 13:7 31:27 | | description 35:15 36:1 45:5 46:12 | distributions 38:12 39:7,11 | event 33:11 |
| continue 34:4 | | details 12:12 | document 10:1,3 12:14 39:16 | EVIDENCE 43:27 |
| continued 27:10 | | determined 11:10 | documentation 30:1,11 31:10,22 48:11,23 | |
| conversation 15:4,9,18 46:17 | | | Doug 4:18 10:16, 17 15:15 45:2 46:2,15 | |
| conversations 13:20,21,26 14:9 | | | Douglas 10:16 | |
| conveyed 17:5 | | | draft 16:18 19:6, 8,10,27 20:8,17, 25 38:18 39:15, 21 46:22 49:9 | |
| copies 20:22 21:24 40:5,13 47:1 49:12 | | | | |
| copy 5:18 9:19 19:26 20:8,17 29:27 30:10 31:7, 17 38:18 39:20 | | | | |

exact 7:2 14:25
exclude 21:17
excluded 8:21, 23,27 9:5 11:2,6 16:17 19:6 34:23 35:4,13,23 36:21, 22 37:1,4,15,18, 22,27 49:2,6
exclusion 16:20
executed 9:14, 18,25 17:8
execution 20:26
executive 6:16
Exhibit 8:4,6 10:8,19 12:6 34:21 45:7
exhibits 5:27 42:2 45:1
exist 38:14
existing 40:1
expire 43:1
expires 43:4
explain 35:3
expressed 18:1
extent 35:22

F

fact 8:19 11:12 39:6
factual 33:18
fair 7:19 17:24 22:15
fast-forward 7:24
February 6:26
fee 11:22
filing 27:16 28:2, 26 42:26 48:7
final 9:10
finalized 38:22
financing 7:5

finished 43:22
Florida 17:17
follow 19:24
foregoing 44:3
form 7:16 39:24
friends 43:20
front 5:18
full 13:8 23:23 24:6,23 25:10 47:16
fund 11:25 30:23 31:9,21 48:22
funds 33:22

G

gas 8:22 16:24 36:19
general 35:2
generated 27:5, 14,25 28:19 48:2
generous 39:2
give 27:7,19 29:7 34:3 35:25 42:15
glance 36:2
goal 7:15
Good 4:19 33:17
GORR 18:16,20, 23 19:14 21:4 26:18,19 28:7,12
GORRS 27:6,15, 26
governed 12:16
GP 5:7 6:17 7:1
Greg 17:26 18:12
gross 7:12 22:4 28:21 47:7 48:3
guess 27:7,17

H

happened 14:18 33:10

happy 35:10
hear 43:8
heard 21:9
hedge 42:26
hedges 42:20,23, 25,27 43:3
held 13:2 16:10 27:6
helpful 27:18
hesitate 26:24
hesitating 39:15
Hills 9:6 11:7 16:7,13,17
hold 8:10
Holdings 5:7 6:17 7:1 8:1 10:19 21:27 26:7 45:7 47:4,21
holds 11:15,18
hoping 34:18
HWN 9:2

I

ideal 22:16
identify 31:11,23 48:23
immediately 28:2,25 48:7
implications 7:19
in-person 14:13, 15
include 9:5 11:6 19:4,9 21:17,19
included 10:25 13:10
includes 8:20 25:22 29:20 30:27
including 5:26 26:11 47:24

incoming 13:24
incorrect 9:11 13:25
indexed 46:5
indicating 30:1, 13 31:8,20 39:7 48:12,21
inform 20:11
information 12:7,10 18:9 20:3 24:15,17 25:5 27:12
informed 28:12
initial 7:9
initially 7:11
inquiries 26:6 47:20
inquiry 25:6
inserted 46:5
insolvency 26:27 27:1,26 28:22 33:4,9 42:25 48:4
instinct 19:20
insufficient 34:4
insurance 40:2,6, 15 49:13
intent 8:2 9:14 10:20 22:25 45:8
intention 19:13 22:13
interest 11:7 18:21 28:8,10 36:9
interested 13:13
interests 8:23,24 11:19 16:10,24 18:15 19:14 21:4 22:4 35:1,4,12 47:7
internally 18:6
interpretations 46:7
investment 12:2,

15,24
Investors 4:21,23 20:16 22:3 46:21 47:6
invoice 29:27 30:3,11,15 31:7, 18 48:11,14,20
involved 7:8

J

January 27:27 28:3,23,26 32:7, 25 48:5,8
Jessica 4:20
jointly 16:3,6
July 14:12,14,22, 27

K

Karr 8:25 36:3, 10
Kaybob 8:24
kind 32:12 33:23, 26 35:15
King's 5:10
knowledge 6:10 42:9

L

Laing 13:21 14:9, 14 15:8,17,22 46:16
land 18:21 28:8
lands 27:5,14,25 28:20 34:23 35:3 37:1 48:2
largely 16:16
late 18:5 29:20, 23,24 30:4,5,16, 19,27 31:4,11,12, 23,25 48:15,17,

| | | | | |
|----------------------------|--------------------------|-------------------------|--------------------------|--------------------------|
| 24,26 | longer 19:4,10,21 | 12:7,11 | nonop 8:24 | opposed 32:15 |
| law 33:4 | lost 32:22 33:18 | met 14:10,11 | nonoperated | opposition 32:19 |
| lawyer 18:17 | LP 4:21,23 20:16 | 15:8,16 46:16 | 11:19 16:10,25 | order 15:26 |
| lawyers 20:2 | 26:20 27:6 42:19 | Miami 17:17 | note 14:10 | original 16:18 |
| leave 34:10,14 | 46:22 | million 10:27 | notes 8:8 24:1 | 20:25 |
| left 35:1 | LP's 22:4 47:7 | 16:2 38:8 | 43:13 44:6 | orphan 11:24 |
| legal 7:20 13:17 | | mineral 34:25 | November | 30:22,23 31:9,18, |
| 18:22,26 19:17, | M | 35:4,23 | 22:10,23 34:15 | 21,25 48:20,22, |
| 23 20:7,15 21:17, | | moment 29:7 | 44:9 45:3 46:3 | 25 |
| 20 24:12 26:25 | M-HM 7:22 8:20 | 38:22 42:15 | number 5:10 9:6 | outlining 12:14 |
| 46:21 | 18:11,19 21:8,23 | monitor 24:3 | 10:8 11:7 16:7, | overriding 7:12, |
| legalities 12:21 | 23:20 24:11,19 | month 43:5,7,10 | 14,17 41:12,13 | 14 22:5 28:21 |
| lending 7:15 | 26:26 27:13,21 | monthly 27:4,13, | | 47:7 48:3 |
| 18:23 | 28:7,17 35:8 | 24 28:19 43:1 | O | OWA 30:22,25 |
| letter 8:2 9:14 | 36:5,15 | 48:1 | | 31:7,12 |
| 10:20 16:1,27 | made 15:23,25 | months 17:12,15 | oath 4:27 | OWA's 36:17 |
| 45:7 | 25:25 26:15 | months' 43:2 | Oaths 44:15 | owed 29:18 30:2, |
| levy 11:25 29:15 | 47:27 | morning 4:19,22 | objection 10:10 | 14,25 31:9,21 |
| 30:2,14,23 31:9, | maintain 42:22 | 5:1,2 | obligations | 32:6 48:13,22 |
| 21 48:13,22 | maintained 40:6, | move 12:27 | 10:26 11:14 16:3 | owes 11:21,24 |
| liabilities 8:21 | 15 49:14 | municipal 23:18, | obtain 38:16 | owing 10:26 |
| 26:17 | maintains 42:19 | 22 24:1 | obtained 8:14,19 | owned 16:4,6 |
| Licence 8:8 | make 25:6 26:6 | municipalities | occur 14:14 | |
| licenced 16:24 | 34:1 41:22 47:20 | 23:21 24:14,22 | occurred 14:24 | P |
| 36:18 | map 8:22 | 25:9,20 26:8 | October 5:15 | pages 34:25 44:4 |
| licences 8:11 | March 8:3 9:16 | 47:15,22 | 17:10 21:1 22:2 | paid 10:25 23:22 |
| 11:16 | 11:3 | municipalities' | 47:5 | 24:2,5 25:15,19 |
| licensee 16:15 | mark 10:7 | 25:22 26:12 | offer 41:14 | 30:5,17 31:12,24 |
| liquidity 22:12 | Marketing 32:2 | 47:24 | offhand 29:25 | 38:3 48:16,25 |
| 34:1,4 | matter 39:17 | | 31:5 | paragraph 5:21 |
| list 8:21,23,26 9:5 | maturity 8:18 | N | officer 6:16 | 7:27 14:1,2,3 |
| 24:22 25:8,19 | meaning 21:16, | narrative 13:11 | officers 39:27 | 23:16 29:9,10 |
| 26:8 34:23 37:1, | 19 | nature 26:25 | officers' 40:1,5, | 41:10,23,25 |
| 14,22 47:15,21 | meet 17:25 | 39:15 40:3 | 14 49:13 | 42:14 |
| 49:1 | meeting 13:2,3,5, | needed 16:25 | Official 44:14 | pardon 10:14 |
| listing 8:22 | 13 14:13 15:1,3 | negotiating | oil 8:22 16:24 | 29:9,24 |
| loan 7:9 42:21,24 | 18:1,14 | 24:13 | 36:19 | part 9:1 10:22,24 |
| LOI 8:3,7,8,20 | meetings 14:16, | nominee 8:13 | ongoing 34:8 | 11:10 13:6 16:25 |
| 9:9,10,12,16,17, | 24 | 17:9 | operations 34:8 | 19:21 28:10 |
| 20,24 10:8,25 | member 6:20 | non-op 36:9 | operator 16:13 | 29:20 30:27 35:1 |
| 11:3,4 19:25 | Membership | nonbinding 8:2 | opinion 18:18 | 37:18,27 43:9 |
| LOIS 11:27 | 44:16 | | opportunity | 49:6 |
| long 6:24,27 | memorandum | | 41:14 | |

| | | | | |
|---|--|--|--|--|
| <p>parties 7:11 9:18 13:14 21:18 23:6, 12 47:11</p> <p>parties' 21:1 22:13</p> <p>party 11:15,18, 21,24 25:2</p> <p>pass 41:6</p> <p>pay 33:21 34:6</p> <p>paying 33:5,6</p> <p>payment 24:23 25:9,20,24 26:9, 14 29:2,12,20,23, 24 30:21,27 31:4, 13,26 32:1 34:2 40:25 47:16,23, 26 48:26</p> <p>payments 29:3</p> <p>penalty 29:20,24 30:4,6,16,19 31:1,4,11,13,23, 26 48:15,17,24, 26</p> <p>people 18:27</p> <p>percent 36:9</p> <p>period 28:1,25 48:6</p> <p>person 14:11 15:8,17 46:16</p> <p>personally 8:17 20:1</p> <p>perspective 35:3</p> <p>pertained 8:27</p> <p>pertinent 24:15 27:11</p> <p>Peters 12:3,8</p> <p>Petroleum 32:1</p> <p>phone 14:16,17 15:1,3</p> <p>piece 18:9</p> <p>place 26:21 43:3</p> <p>plan 25:21 26:9 47:23</p> | <p>point 24:8 29:10</p> <p>policies 40:2,6, 12,15 49:13</p> <p>Porco 44:3,13</p> <p>position 17:5 20:12 22:13 39:10 43:7,10</p> <p>post 16:1</p> <p>post-filing 23:22 24:1,3,23 25:10, 23 26:12 47:16, 25</p> <p>potential 7:18</p> <p>potentially 13:17</p> <p>pre- 25:23 26:12 47:25</p> <p>preceding 27:15</p> <p>predominantly 16:6,9</p> <p>prefer 38:24</p> <p>preliminary 41:18</p> <p>preparation 6:7</p> <p>prepared 12:8 38:11,19 39:21 49:9</p> <p>presentation 13:9</p> <p>presumed 18:20</p> <p>price 10:23,24</p> <p>prior 14:22 18:22 27:2</p> <p>procedures 12:15,24</p> <p>proceed 41:15</p> <p>proceedings 4:17 5:6 15:10,19 26:27 27:1,2,3,27 28:23 32:10,27 33:10 41:4 44:5 46:18 48:5</p> <p>proceeds 38:2</p> <p>process 12:2,9, 11,16 13:23</p> | <p>producing 28:13</p> <p>production 27:5, 9,14,24 28:19 32:12,25 33:23, 26 48:2</p> <p>professional 6:14</p> <p>prompted 18:8</p> <p>property 23:19, 22 24:23 25:10, 23 26:13 34:25 47:16,25</p> <p>proposal 27:3</p> <p>proposed 10:25 13:15 21:2</p> <p>protected 18:16</p> <p>provide 20:21 21:24 24:22 25:4, 8 26:8 27:24 28:18 29:26 30:10 31:6,17 37:10 38:18 39:20 40:4,12,13 47:1,15,21 48:1, 10,19 49:8,12</p> <p>provided 19:26 20:3,8,16 46:22</p> <p>providing 7:5</p> <p>Province 44:8</p> <p>provision 19:9</p> <p>provisions 27:3 40:11</p> <p>public 6:26</p> <p>purchase 7:12 10:23,24</p> <p>purchaser 25:21 26:10 47:23</p> <p>pursuant 5:8</p> <p>pursue 11:10</p> <p>put 13:10</p> | <p style="text-align: center;">Q</p> <p>qualify 18:25</p> <p>quantum 24:24 25:11 47:17</p> <p>question 24:9,20 26:24 41:20</p> <p>Questioned 4:18</p> <p>QUESTIONING 45:1 46:1</p> <p>questions 41:3, 12,16,19 43:14, 17,18,21</p> <p>quickly 22:25</p> <p style="text-align: center;">R</p> <p>range 27:17</p> <p>rationale 39:5</p> <p>Razor 5:6,7 6:17, 24 7:1,3,4,5,13 9:25 10:4 11:6, 10,13,14,21 12:3 13:3 16:10,23 17:8 20:6,14,23 21:12,26 26:20, 26 27:6,26 28:8, 22 29:18 30:3,14, 25 31:9,21 32:6, 8,11,15,18,24 33:21,25 34:1,25 36:8 38:10,19 39:6,22,25 40:1 42:19,22 46:20 47:3 48:4,14,22 49:9</p> <p>Razor's 8:22 22:12</p> <p>reached 13:14,18</p> <p>read 5:26 42:1,18</p> <p>ready 39:16</p> <p>reason 11:10 16:16 18:24 24:9 39:14</p> | <p>reasonable 15:6, 14 25:1,3,7 46:14 47:14</p> <p>reasoning 18:5</p> <p>recall 7:11 13:5 14:23,25</p> <p>receive 39:11</p> <p>receiving 24:22, 25 25:9,12 40:23, 25 47:15,18</p> <p>reclamation 11:14</p> <p>redirect 43:17</p> <p>refer 4:23 7:25 33:9 46:8</p> <p>reference 14:8 34:21 41:19</p> <p>referenced 12:22 41:5</p> <p>referred 29:13</p> <p>referring 4:24 9:24 27:1 35:7</p> <p>refusal 38:24</p> <p>refuse 38:21</p> <p>regions 8:25</p> <p>Regulator 29:13 30:12,18 48:12, 17</p> <p>regulatory 29:3, 12 30:20 32:1</p> <p>relate 16:7</p> <p>related 25:14</p> <p>relates 37:16,23 49:3</p> <p>relation 5:5,14 9:6 12:8 39:26 40:26</p> <p>relevance 28:6</p> <p>relief 39:24 40:3</p> <p>remain 26:20</p> <p>reporter 9:21 10:13,15,18 15:2 33:6 43:8,11</p> |
|---|--|--|--|--|

| | | | | |
|---|---|--|--|---|
| 44:14 46:8 | 27:6 28:21 32:6 42:19,22 48:3 | signed 5:27 42:2 | 8:7 13:19 32:20 | Swan 9:6 11:7 16:7,13,16 |
| reporting 27:10 | royalty 7:13 22:5 27:5,14,25 28:20 32:26 47:7 48:2 | signing 10:4 | stakeholder 13:2,13 | swore 5:27 6:3 41:4 42:2,5 |
| reports 34:25 35:24 | | Simonette 8:25 | stakeholders 13:5,10 | sworn 4:18 5:15 |
| representation 9:3 | | simply 4:23 | stand-alone 12:23 | |
| representative 17:26 | S | sir 4:26 5:12,17 10:11 11:9 15:6 22:27 27:21 31:3 41:2,8,26 | state 8:1 15:22 42:18 | T |
| representatives 13:18 | sale 36:18 38:2 | SISP 12:21 | staying 40:21 | table 18:27 |
| request 20:11,21 21:6,16,22 22:27 23:9 | sales 12:1,9,14, 16,23 | skill 44:7 | stick 33:18 | talk 13:1 17:15 |
| requested 46:8 | satisfy 32:12,25 34:5,9 | slide 13:9 | structure 7:17 | talked 36:4 |
| requesting 39:5 | scenario 23:24 | SMYTH 10:10 14:2,5,7 15:12 20:10 21:5,9,12, 15,21 23:3,8,24 24:26 25:2,6,15, 17,26 26:3,5 28:5,14 30:8 31:15 35:14,17, 21 37:3,10,20 38:20,27 39:1,14, 19 40:8,10 41:11, 21 43:24,26 | struggling 28:5 | target 23:1,4 |
| requests 15:23, 25 | schedule 8:20 34:23 35:7,8,9 | sold 9:1 36:8,13 37:6,17,25 49:4 | subject 27:6,15, 25 28:20 38:23 40:10,17 43:16 48:3 49:15 | targeting 22:17, 22 |
| require 15:27 | scheduled 23:7, 12 34:14 36:6 47:11 | solicitation 12:2, 15,24 | submit 28:12 | tax 7:18 24:4,6,24 25:11,23 26:13 47:17,25 |
| required 32:24 33:2,25 42:20 | second-to-last 12:10 | solicitor-client 38:23 | submitted 9:10 | taxes 23:19,22 24:1,3 |
| Residual 38:4,13 39:8 | secured 10:26 | Solidarity 8:1,7, 9 9:10 10:8,19 11:11 13:6 15:24, 27 18:2 19:3 20:24 21:13,27 24:10 25:4 26:1,7 45:7 47:4,21 | subparagraph 30:21 | telephone 14:12, 13,23 15:9,18 46:17 |
| respect 7:5 8:15 15:23 16:2 26:17 32:5 | security 7:16 18:7,23 19:1 | Solidarity's 8:13 17:9 | subscription 16:18 17:8 19:7, 21,27 20:8,17,26, 27 29:1 34:17,20, 22 37:5,15,23 46:23 49:2 | ten-minute 43:13 |
| respond 21:7,22 23:10 28:15 | seeking 28:9 | sort 35:25,27 | subsequent 9:17 | term 19:19 |
| response 25:14 35:11 37:13 | sense 35:12 | sought 34:10 39:25 40:4 | subsequently 22:21 | Texcal 8:12 17:9 20:23 21:14,15, 26 24:10 40:20, 21,23 47:3 |
| responses 27:23 43:18 | separate 12:23 14:15,19 | specific 22:19 33:10 | subset 8:27 | theme 7:14 36:11 |
| result 12:1 | separately 24:6 | specifically 5:13 | subsequently 22:21 | Thursday 34:14 |
| review 15:7,15 41:15 42:16 43:13 46:15 | September 14:17,27 15:2,3 17:17,21,23 19:7, 27 | | sum 13:24 | time 19:12 20:4 33:27 34:9 42:3 43:19 |
| reviewed 6:6 18:21 41:13 42:10 | service 46:6 | | support 15:26 16:26 | titled 34:23 |
| reviewing 9:9 | Services 5:8 6:18 | | supported 32:18 39:9,12 | today 5:5 41:2 42:11 43:19 |
| Ron 13:21 15:17 46:16 | servicing 7:16 | | supporting 36:25 | today's 6:7 28:1, 24 48:5 |
| Roughly 27:8 | sets 12:11 | | supposed 37:18, 26 49:5 | told 14:10 16:23 |
| royalties 26:20 | share 9:20,21 | | Surprisingly 9:13 | top 10:22 |
| | shorthand 44:5,6 | | | transaction 7:17, 26 8:14,16,19 9:2 |
| | signature 5:23, 24 10:4 41:25,26 | | | |
| | signature's 9:16 | | | |

11:11,12 13:7,15
15:27 16:25 19:3
22:8,9,14 23:2,7,
13,27 26:21 35:2,
5,13 36:25 37:19,
27 38:3 39:9,13
40:20,27 47:12
49:6

transcribed 44:6

transcript 44:1,4

Transfer 8:8

treatment 21:2,4
22:3 23:18 47:6

true 6:4,9 42:6,8

truth 5:1,2

Tuesday 22:23

turn 5:20 7:27
10:3,12,21 12:6,9
22:7 23:16 29:8
34:19 41:9

U

ultimately 32:22

under-delivered
32:13

understand 5:4
6:20 7:18 21:6
22:8,12 23:5
26:16 34:19
43:20

understanding
8:26 26:18 38:1

understood
34:27 39:18

undertake 15:6
24:16 27:23
29:26 31:6 37:14
38:16 40:4

undertaken 12:2

undertaking
15:14 20:6,11,14,
21 21:6,22,24
22:27 23:9,11
24:21 25:7,14

26:6 27:22 28:18
30:10 31:17
35:10 37:13,21
38:17 39:20
40:13 43:18
46:14,20 47:1,10,
14,20 48:1,10,19
49:1,8,12

Undertakings

46:1,5

Unit 9:6 11:7
16:7,13,17

unlicenced 36:19

unlike 19:8

unsure 7:2

unwinds 43:4

update 13:23

utilized 46:6

V

valid 19:1

validity 18:7

valuation 28:9,
11

verified 8:17

Version 19:10,11

vest 28:9

vested 26:23

virtual 13:1,13

vis-à-vis 27:10

volumes 32:12,
25 33:26

W

wanting 24:5
35:25

waterfall 38:11,
14,18 39:21 49:9

weekly 27:9

White 17:26 18:1

word 19:18

working 11:19

worries 10:15

worth 43:2

Y

year 17:21 27:15



Solidarity
Holdings Inc.

| | |
|----------------------------|--------------|
| EXHIBIT NO. | 1 |
| EXAM OF | Doug Bailey |
| DATE | Nov. 4, 2024 |
| REPORTER | cup |
| DICTA COURT REPORTING INC. | |

April 22, 2024

Solidarity Holdings Inc.
Unit 114, 7710 5 St SE
Calgary, Alberta T2H 2L9

Razor Energy Corp.
c/o Peters & Co. Limited
Attention: Thomas Schenk / Darren Juss / Franklin Eldridge
2300 Jamieson Place
308-4th Avenue SW
Calgary AB T2P 0H7

Subject: Letter of Intent for the Purchase of Razor Energy Corp. ("**Razor**")

Solidarity Holdings Inc. ("**Solidarity Holdings**") hereby express our intent to acquire one hundred (100%) percent of the equity of Razor under and pursuant to the following indicative terms and conditions. This Letter of Intent replaces and supersedes our Letter of Intent dated March 28, 2024.

Intent:

This Letter of Intent is an expression of our intention to proceed with an acquisition of Razor by way of a subscription agreement (the "**Subscription Agreement**") for all common shares in Razor, pursuant to a series of transactions (collectively, the "**Transaction**") that will result in Solidarity Holdings beneficially owning all issued and outstanding shares of Razor subject to the negotiation and execution of mutually acceptable Definitive Agreements (as defined below).

- i. **Assets to be Acquired:** The transaction shall be on an "as is, where is" basis, for all issued and outstanding shares of Razor (the "**Shares**"). Razor's assets, upon the closing of the Transaction, will comprise all of Razor's assets, properties, undertakings and liabilities, other than those set out in Schedule "**A**" hereto (collectively, the "**Assets**").
- ii. **Acquiring Entity:** Solidarity Holdings is a privately held corporation incorporated under and pursuant to the Alberta *Business Corporations Act*.
- iii. **Purchase Price:** The purchase price will be comprised of the following:
 - (a) credit bid of the then amount outstanding, by Razor, to Solidarity Holdings, under and pursuant to the CDN.\$3,000,000 Interim Financing Facility (as defined below);

- (b) assumption of the secured obligations owing by Razor Royalties LP and guaranteed by Razor, to Arena Holdings LP, in the approximate amount of CDN.\$6.5 million (collectively, the “**Assumed Arena Obligations**”); and
 - (c) approximately, CDN.\$2.0 million, in cash.
- iv. Interim Financing:** Solidarity Holdings will provide a court-approved interim financing facility of CDN.\$3,000,000 (the “**Interim Financing Facility**”) on terms and conditions to be negotiated and agreed to by the parties, with the approval of FTI Consulting Canada Inc., in its capacity as the Court appointed monitor of Razor.
- v. Effective Date:** April 1st, 2024
- vi. Closing:** June 1, 2024
- vii. Financing:** Solidarity Holdings possesses required cash on hand to fund the transaction and its offer is not subject to financing; other than the negotiation of the Assumed Arena Obligations.
- viii. Conditions:** The obligation of Razor to enter into and complete any Transaction is and remains subject to the negotiation, execution, and delivery of a fully executed and final Subscription Agreement, the Interim Financing Facility, and any other requisite definitive documents (collectively, the “**Definitive Agreements**”) concerning the closing of the Transaction. The Definitive Agreements will contain the terms and conditions of this Letter of Intent, as well as representations, warranties, conditions, indemnities, covenants and agreements, customary in proceedings under the *Companies’ Creditors Arrangement Act*, including, among others, that any such agreement(s)/transaction(s) will at all times be subject to and conditional upon receiving all necessary Court and regulatory approvals.
- ix. Break Fee:** There shall be NO fee or reimbursement cost of any kind in the case of a break or termination.
- x. Exclusivity:** Razor agrees not to initiate, solicit, or engage in negotiations with any other party concerning the sale or disposition of the Assets for a period of thirty (30) days from the date of expiry of this Letter of Intent. Solidarity Holdings shall have the exclusive right during this period to negotiate the terms of the Definitive Agreements. This exclusivity provision shall expire at 5:00 PM MDT on May 24, 2024, unless extended by mutual written agreement of all parties.
- xi. Acceptance Time:** This proposal is open for acceptance through 4:00 pm MDT, Wednesday, April 24th, 2024.

We look forward to further discussions and the opportunity to proceed with the Transaction. Please acknowledge your understanding to the terms outlined herein by signing and returning a copy of this Letter of Intent


Sincerely,

SOLIDARITY HOLDINGS INC.

Per: 
Name: Mohammed Al-Attereh
Title: Managing Director

Acknowledged and agreed this 23 day of April, 2024

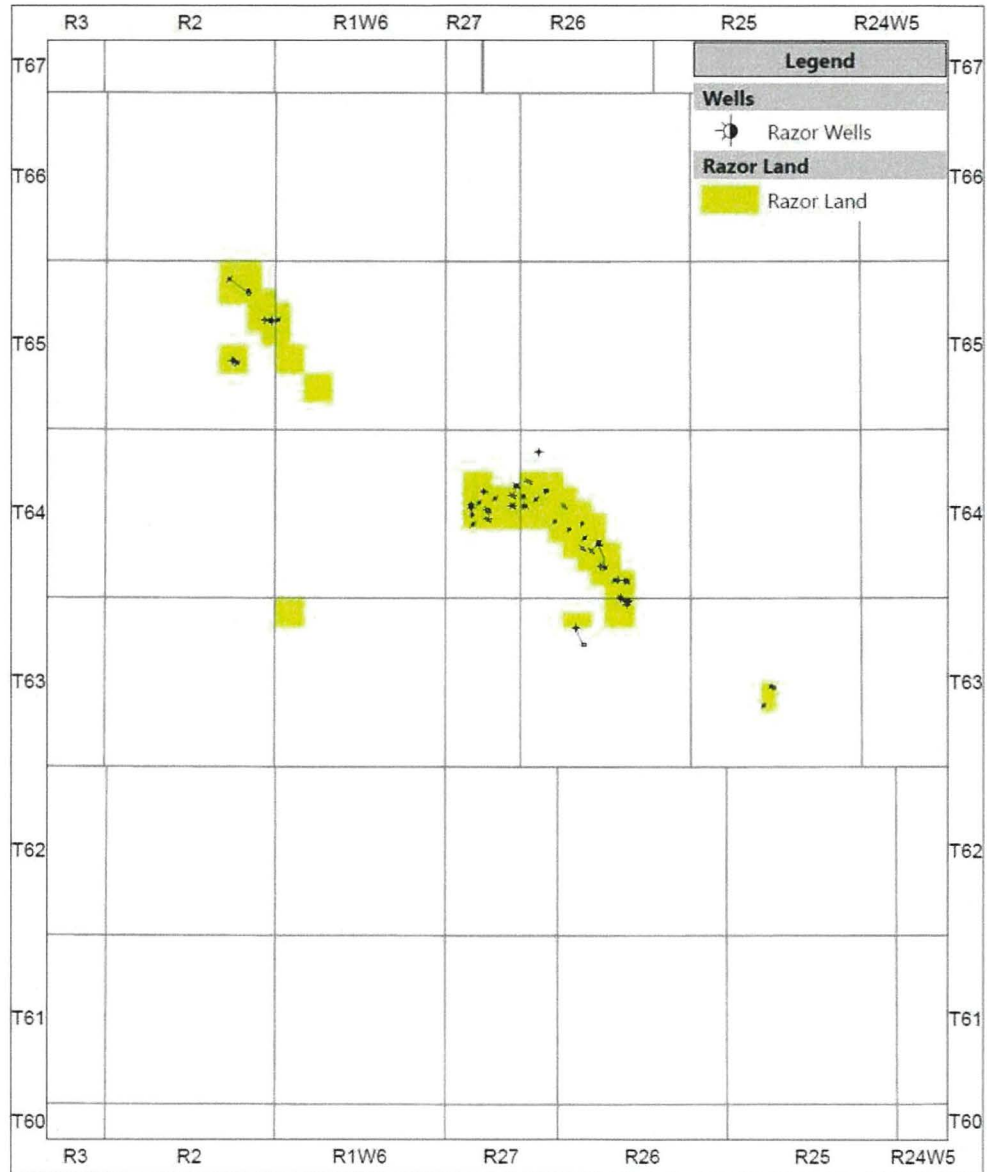
RAZOR ENERGY CORP.

Per: 
Name: Doug Bailey
Title: Chief Executive Officer

SCHEDULE "A"
EXCLUDED ASSETS AND LIABILITIES OF RAZOR ENERGY CORP.

Excluded Assets:

- All wells, facilities, pipelines, rights, interests, equipment, and mineral titles associated with or as described or identified below:



| Asset Package | Property | CPA Pretty Well ID | Lic / WA / WID / Permit # |
|---------------|------------------|-----------------------|---------------------------|
| Kaybob Non-Op | Simonette & Karr | 100/02-16-063-25W5/00 | 0091669 |
| Kaybob Non-Op | Simonette & Karr | 100/16-16-063-25W5/00 | 0122571 |
| Kaybob Non-Op | Simonette & Karr | 100/16-29-063-26W5/00 | 0209841 |
| Kaybob Non-Op | Simonette & Karr | 100/16-34-063-26W5/00 | 0179870 |
| Kaybob Non-Op | Simonette & Karr | 102/16-34-063-26W5/00 | 0229471 |
| Kaybob Non-Op | Simonette & Karr | 102/16-34-063-26W5/02 | 0229471 |
| Kaybob Non-Op | Simonette & Karr | 102/02-03-064-26W5/02 | 0179870 |
| Kaybob Non-Op | Simonette & Karr | 102/02-03-064-26W5/03 | 0179870 |
| Kaybob Non-Op | Simonette & Karr | 100/09-03-064-26W5/00 | 0195546 |
| Kaybob Non-Op | Simonette & Karr | 100/11-03-064-26W5/00 | 0169060 |
| Kaybob Non-Op | Simonette & Karr | 100/11-03-064-26W5/02 | 0169060 |
| Kaybob Non-Op | Simonette & Karr | 100/01-09-064-26W5/00 | 0252707 |
| Kaybob Non-Op | Simonette & Karr | 100/01-09-064-26W5/02 | 0252707 |
| Kaybob Non-Op | Simonette & Karr | 100/11-09-064-26W5/02 | 0171430 |
| Kaybob Non-Op | Simonette & Karr | 100/13-09-064-26W5/00 | 0163052 |
| Kaybob Non-Op | Simonette & Karr | 100/16-09-064-26W5/00 | 0171430 |
| Kaybob Non-Op | Simonette & Karr | 100/03-16-064-26W5/00 | 0396697 |
| Kaybob Non-Op | Simonette & Karr | 100/12-16-064-26W5/00 | 0165024 |
| Kaybob Non-Op | Simonette & Karr | 100/07-17-064-26W5/00 | 0172853 |
| Kaybob Non-Op | Simonette & Karr | 100/13-17-064-26W5/00 | 0167205 |
| Kaybob Non-Op | Simonette & Karr | 100/05-19-064-26W5/00 | 0168424 |
| Kaybob Non-Op | Simonette & Karr | 100/10-19-064-26W5/00 | 0171830 |
| Kaybob Non-Op | Simonette & Karr | 100/12-19-064-26W5/00 | 0252801 |
| Kaybob Non-Op | Simonette & Karr | 100/16-19-064-26W5/00 | 0177759 |
| Kaybob Non-Op | Simonette & Karr | 100/07-20-064-26W5/00 | 0160081 |
| Kaybob Non-Op | Simonette & Karr | 100/03-30-064-26W5/00 | 0174971 |
| Kaybob Non-Op | Simonette & Karr | 100/02-31-064-26W5/00 | 0170877 |
| Kaybob Non-Op | Simonette & Karr | 100/11-14-064-27W5/00 | 0178029 |
| Kaybob Non-Op | Simonette & Karr | 100/14-14-064-27W5/03 | 0173564 |
| Kaybob Non-Op | Simonette & Karr | 100/16-14-064-27W5/00 | 0213093 |
| Kaybob Non-Op | Simonette & Karr | 100/01-23-064-27W5/00 | 0176495 |
| Kaybob Non-Op | Simonette & Karr | 100/03-23-064-27W5/02 | 0173564 |
| Kaybob Non-Op | Simonette & Karr | 100/05-23-064-27W5/00 | 0173564 |
| Kaybob Non-Op | Simonette & Karr | 100/07-23-064-27W5/00 | 0398309 |
| Kaybob Non-Op | Simonette & Karr | 100/15-23-064-27W5/00 | 0163796 |
| Kaybob Non-Op | Simonette & Karr | 100/15-23-064-27W5/02 | 0163796 |
| Kaybob Non-Op | Simonette & Karr | 100/07-24-064-27W5/00 | 0174216 |
| Kaybob Non-Op | Simonette & Karr | 100/07-24-064-27W5/02 | 0174216 |
| Kaybob Non-Op | Simonette & Karr | 100/10-24-064-27W5/02 | 0177757 |
| Kaybob Non-Op | Simonette & Karr | 100/12-24-064-27W5/00 | 0170255 |