

March 7, 2025

**To: All Known Creditors of Avila Energy Corp. (“Avila” or the “Company”)**

On September 20<sup>th</sup>, 2024, Avila filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4(1) of the Bankruptcy and Insolvency Act. FTI Consulting Canada Inc. was appointed as the Trustee in this matter (“**FTI**” or the “**Proposal Trustee**”).

On February 28, 2025, Avila filed a Division 1 Proposal pursuant to the provisions of Part III Division 1 of the Bankruptcy and insolvency Act, RSC 1985, c-B-3 as amended (the “**Division 1 Proposal**”).

As required by the Division 1 Proposal the Proposal Trustee has called a meeting of creditors on **March 21, 2025, at 1PM MT** (the “**Creditor’s Meeting**”), for the purpose of voting on the Division 1 Proposal.

**Teams Meeting**

**Meeting ID:** 293 240 678 419

**Teams Meeting Passcode:** w8UD7uc9

**Phone Dial In**

**Number:** 1-866-840-8976 or 587-319-2925

**Guest Passcode:** 664 842 108#

Enclosed are the following documents with respect to the Division 1 Proposal:

- Notice of date, time and instructions for attending the Creditor’s Meeting;
- Condensed statement of assets and liabilities;
- List of creditors according to the Company’s records;
- Copy of the Division 1 Proposal;
- Proof of claim form;
- Proxy form; and
- Voting letter.

Yours truly,



FTI Consulting Canada Inc.,  
in its capacity as Proposal Trustee of  
Avila Energy Corp.  
and not in its personal capacity

**STATEMENT OF ASSETS AND LIABILITIES**
**IN THE MATTER OF THE DIVISION 1 PROPOSAL FOR  
 AVILA ENERGY CORP.**

Balance Sheet	As at:
(C\$ 000s)	Jun-24
<b>Assets</b>	
Current assets	
Cash	\$ 2
Accounts receivable	48
Prepays and deposits	82
<b>Total - Current assets</b>	<b>132</b>
Non-current assets	
Property and equipment	26,540
Right-of-use assets	107
Investment	3,565
Intangible assets	2,155
Assets under development	2,072
<b>Total - Assets</b>	<b>\$ 34,571</b>
<b>Liabilities</b>	
Current liabilities	
Accounts payable and accrued liabilities	5,452
Lease liabilities	16
Promissory note	600
Interest payable on convertible debentures	368
<b>Total - Current liabilities</b>	<b>6,436</b>
Non-current liabilities	
Lease liabilities	83
Decommissioning liability	2,819
Term loan	3,000
Loans payable	285
Trade payable	5,994
Convertible debentures	4,028
<b>Total - Liabilities</b>	<b>22,646</b>
<b>Shareholders' equity</b>	
Share capital	58,392
Contributed surplus	4,710
Convertible debentures	1,174
Retained deficit	(52,351)
<b>Total - Liabilities and Shareholders' equity</b>	<b>\$ 34,571</b>

**Contact person for the Proposal Trustee:**

Rob Kleebaum  
FTI Consulting Canada Inc.  
Suite 1610, 520 – 5<sup>th</sup> Avenue SW  
Calgary, AB  
T2P 3R7

Telephone: (403) 454-6035  
Email: [avilaenergy@fticonsulting.com](mailto:avilaenergy@fticonsulting.com)

Dated at the city of Calgary in the province of Alberta, this 7<sup>th</sup> day of March, 2025.

**FTI Consulting Canada Inc. – Proposal Trustee**

A handwritten signature in black ink, appearing to read 'Dustin Olver', written over a horizontal line.

Dustin Olver  
Senior Managing Director

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-3131451  
Estate No. 25-3131451

FORM 92  
Notice of Proposal to Creditors  
(Section 51 of the Act)

Take notice that Avila Energy Corp of the city of Calgary in the Province of Alberta has lodged with me a proposal under the *Bankruptcy and Insolvency Act*.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed.

A general meeting of the creditors will be held on the 21st day of March 2025 at 1:00 PM at Teams Meeting ID: 293 240 678 419  
Passcode: w8UD7uc9 or (866) 840-8976 or 587-319-2925, 664 842 108#.

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim must be lodged with me prior to the commencement of the meeting.

Proxies and voting letters intended to be used at the meeting may be filed at any time up until the moment a vote is called.

Dated at the city of Calgary in the Province of Alberta, this 7th day of March 2025.

FTI Consulting Canada Inc. - Licensed Insolvency Trustee

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Suite 1610, 520 - 5th Ave S.W.  
Calgary AB T2P 3R7  
Phone: (403) 454-6035 Fax: (403) 232-6116

(A form of proof of claim, a form of proxy and a voting letter should be enclosed with each notice.)

District of: Alberta  
 Division No. 02 - Calgary  
 Court No. 25-3131451  
 Estate No. 25-3131451

FORM 92 --- Continued

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
0865381 Bc Ltd	300-1055 West Hasting St. Vancouver BC V6E 2E9		470,745.05
1139273 Alberta Ltd	97 Masters Common SE Calgary AB T3M 2B6		15,120.00
1745573 Ontario Ltd. Allen Katz	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		25,000.00
2191836 Alberta Ltd.	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		20,000.00
2Com Consulting	Box 576 Okotoks AB T1S 1A7		5,948.25
Abadata Inc.	4728 78A Street Close Red Deer AB T4P 2J2		4,305.00
Accesswire Canada Ltd.	Lockbox number: T56394C/U P.O. Box 56394, Postal Station A Toronto ON M5W 4L1		4,095.00
Accuracy Online Production Testing Corp	34 Burnt Basin Street Red Deer AB T4P 0J2		3,783.15
Ace Vegetation Control Service Ltd.	2001 - 8 Street Nisku AB T9E 7Z1		10,717.22
Adelco Holdings Ltd.	927 Regency Drive Sherwood Park AB T8A 3K3		5,058.15
Adnet Communications Inc.	PO Box 11113 STN Royal Centre Vancouver BC V6E 3P3		290.05
Adrian Fitzgibbon - c/o RCC	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		65,000.00
Agat Laboratories Ltd.	2905 12 Street NE Calgary AB T2E 7J2		5,740.25
Alain Mehdi Ghiai Chamliou	1021 West Hastings street, 9th floor Vancouver BC V6E 0C3		777,625.52
Alberta Boilers Safety Association	9410 20th Avenue NW Edmonton AB T6N 0A4		12,016.23
Alberta Energy Regulator	1000 - 250 5 ST SW 10th Floor Mailroom Calgary AB T2P 0R4		72,124.27

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Creditor	Address	Account#	Claim Amount
Alberta Securities Commission	Suite 600, 250-5th Street S.W Calgary AB T2P0R4		2,000.00
Alberta Utilities Commission	600 3 Ave SW Tower 1400 Calgary AB T2P 0G5		241,477.00
Alberto Galeone	PH 202 -275 Rue Etienne Lavoie Laval QC H7X 0B9		53,683.68
Anthony Balme	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		40,000.00
Anthony Verelli	160, Montevista Street Dollard-Des-Ormeaux QC H9B 3A3		40,000.00
Arongi Pty Ltd (Trustee Harrison Super Fund)	1701/21 Elizabeth Bay Road, Elizabeth Bay SYdney NSW - 2011 Australia		53,431.89
Barbara Kay Alessi	Unit 2, 50 Ponsonby Parade Seaforth NSW 2092 Australia		27,055.89
Baytex Energy Ltd.	PO Box 138, Calgary STN Central 639 5th Avenue SW Calgary AB T2P 2H6		668.91
Bci Technologies Ltd.	1037 77 Ave NW Edmonton AB T6P 1M8		3,080.79
Bernd Arno Hullman & Constance Matson	BOX 12, SITE 4, RR 1 Wetaskiwin AB T9A 1W8		4,276.00
Big Sky Call Centers Inc.	111 S 8500 MacLeod Trail SE Calgary AB T2H 2N1		286.04
Bonavista Energy Corporation	Suite 1500 525 - 8th Avenue SW Calgary AB T2P 1G1		4,881.10
Bonnie Vallet	RR #4, SITE 17, BOX 29 Red Deer AB T4N 5E4		1,825.00
Bounty Onsite Inc.	BOX 964 Stettler AB T0C 2L0		17,220.78
Bradley Hines	RR4 Vermilion AB T9X 1Y9		1,958.85
Brawler Heavy Haul Ltd.	PO Box 785 Blackfalds AB T0M 0J0		4,920.30

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Creditor	Address	Account#	Claim Amount
Brimacombe Land Company Ltd.	SUITE 650, 816 - 7TH AVENUE SW Calgary AB T2P 1A1		6,600.00
Bt Global Growth Fund Lp	205 - 1001 boul. de Maisonneuve Ouest Montreal QC H3A 3C8		532,723.85
Bull Moose Capital Ltd.	500, 505 - 8th Avenue SW Calgary AB T2P 1G2		14,159.25
Calgary Drop-In & Rehab Centre	1 Dermot Baldwin Way SE Calgary AB T2G 0P8		196,382.46
Calroc Industries Inc.	6847 66 Street Lloydminster AB T9V 3R7		2,917.69
Caltech Inc.	860 Park Street Regina SK S4N 4Y3		7,287.16
Camrose County	3755-43 AVE Camrose AB T4V 3S8		29,946.70
Canadian Natural Resources Limited	2100, 855 - 2nd Street SW Calgary AB T2P 4J8		33,890.62
Cannon Chemical Contractors Ltd.	Box 219 Mannville AB T0B 2W0		3,885.00
Canol Resources Ltd.	2040 605 5 Ave SW Calgary AB T2P 3H5		1,900.18
Canpar Holdings Ltd.	1000, 517 - 10th Avenue SW Calgary AB T2R 0A8		3,796.63
Carl Dejardins	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		25,000.00
Central Construction Group	Box 6004 Wetaskiwin AB T9A 2E8		14,118.90
Central Optimization Ltd.	PO Box 6001 Innisfail AB T4G 1S7		3,184.65
Chris Page And Associates Ltd.	14435 - 124 Avenue Edmonton AB T5L 3B2		16,032.61
Christine Hines	165 Sunflower Cres. Sherwood Park AB T8H 2N2		1,958.85

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Creditor	Address	Account#	Claim Amount
Cj-Csm Inspection Ltd.	PO Box 113 Estevan SK S4A 2A2		4,714.50
Cmc Instrumentation And Controls Inc.	5304 60st. Ponoka AB T4J 1K7		76,072.13
Computershare Trust Company Of Canada	100 University Ave, 8th floor Toronto ON M5J 2Y1		14,625.31
Contact Chemicals Inc.	P.O. Box 6505 Wetaskiwin AB T9A 2G2		48,747.52
Core Laboratories Canada Ltd.	C/o CX2464 P.O. Box 2464 Station "M" Calgary AB T2P 3C1		640.50
County Of Paintearth No. 18	01 Crowfoot Drive, TR 374 HWY 12 PO BOX 509 Castor AB T0C 0X0		53,566.29
County Of Stettler	BOX 1270, 6602 - 44 Avenue Stettler AB T0C 2L0		214,528.94
County Of Vermilion River	BOX 69 Kitscoty AB T0B 2P0		1,166.28
County Of Wetaskiwin No. 10	PO Box 6960 Wetaskiwin AB T9A 2G5		608,762.22
Cream Energy Group	Box 7228, 5602-58 Avenue Drayton Valley AB T7A 1S5		10,035.23
Curtis Pohl & Jennifer Pohl	RR 5 Wetaskiwin AB T9A 1X2		2,400.00
Dale Harrison	82 Auburn Sound Close SE Calgary AB T3M 2G4		84,628.48
Dan Bainbridge	1010 Hornby Street Vancouver BC V6Z 1V6		26,763.37
Daniel Lucero Erazo	201, 1439 17th Ave SE Calgary AB T2G 1J9		5,000.00
Darrell & Diane Viske	138 BANKE CRESCENT Yellowknife AB X1A 3N1		542.41
Darren Schweer	P.O BOX 431 Stettler AB T0H2L0		542.41



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Creditor	Address	Account#	Claim Amount
David And Terrie Drahan	24716 N. Elk-Chattaroy Rd Chattaroy WA 99003 United States		21,999.43
Denis Koutsantonis	13 Aintree Road Glen Iris VIC 3146 Australia		654.96
Devlogun Rajesh Malawarair	285 118 Frontier Road Rockyview AB T1X 0V9		8,000.00
Direct Energy Regulated Services	PO Box 1520 Station M Calgary AB T2P 5R6		22,591.57
Dogma Holdings - c/o RCC	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		50,000.00
Douglas & Caren Lindstrom	BOX 19 Meeting Creek AB T0B 2Z0		3,700.00
Douglas Harry Green	BOX 83 Daysland AB T0B 1A0		3,288.67
Ds Security Solutions Inc.	6933 48th Street SE Calgary AB T2C 5A4		3,106.84
Dueck June	8802 Southfort Fort Sask AB T8L 4R6		2,021.42
Dunc'S Septic Tank Services 2017 Ltd.	RR3, Site 15, Box9 Ponoka AB T4J 1R3		924.00
Dunton Rainville LLP	Place Victoria, 43rd Floor, 800, Square Victoria, C.P. 303 Montreal QC H4Z 1H1		169,576.33
Ecoquip Rentals & Sales Ltd.	6235A 86 Avenue SE Calgary AB T2C 2S4		71,857.99
Edwin Roy Ostrom	SITE 8 BOX 4 RR 2 Ponoka AB T4J 1R2		5,574.00
Eldon Grinde & Jackolyn Grinde	BOX 4, SITE 4, RR 1 Wetaskiwin AB T9A1W8		3,450.00
Ember Resources Inc.	#800, 400 - 3rd Ave SW Calgary AB T2P 4H2		523.85
Emerson Electric Canada Ltd.	200, 110 Quarry Park Boulevard SE Calgary AB T2C 3G3		51,395.64

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Creditor	Address	Account#	Claim Amount
Ener-Controls Audit Services Inc.	72 Quarry Gardens SE Calgary AB T2C 5H7		7,353.37
Energy Supply	4517 -046 Avenue Vermilion AB T9X 1J2		14,386.95
Eric Eklund- 2191836 Alberta Ltd	PO Box 21050 Westview Lethbridge AB T1J 4B2		1,735.37
Ewart Contracting Limited	RR#1 Wetaskiwin AB T9A 1W8		38,266.89
Fidelity Clearing Canada Ulc	483 Bay St. Suite 200 Toronto ON M5G 2N7		2,637.03
Field Law LLP	400, 444 7 Avenue SW Calgary AB T2P 0X8		10,378.43
Floris R Verweijmeren - c/o RCC	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		130,000.00
Freehold Royalties Partnership	1000, 517-10th Avenue SW Calgary AB T2R0A8		7,811.86
Frontline Compression Services Inc.	BOX 1950 Rimbey AB T0C 2J0		84,288.54
Fusion Controls Inc.	Box 6488 Drayton Valley AB T7A 1R9		12,815.92
Gas Liquids Engineering	#300, 2749 - 39th Avenue NE Calgary AB T1Y 4T8		88,785.34
Gaspro Compression Corp.	227-17 Avenue North Three Hills AB T0M 2A0		4,688.49
Gear Energy Ltd.	Bow Valley Square II Suite 800, 205 5th Ave SW Calgary AB T2P 2V7		38,499.32
Geobox Solutions Inc.	19 Dieppe Dr. SW Calgary AB T3E 7L5		79,500.00
George Adams	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		20,000.00
Gerald Vikse	24 Mahogany Gardens SE Calgary AB T3M2S2		564.07

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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Gestion Jean-Francois Meilleur Inc.	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		50,000.00
Gestion Jf Meilleur - c/o RCC	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		50,000.00
Gfl Environmental Services Inc.	P.O Box 150 Concord ON L4K 1B2		472.50
Gino Masciotra	7615 Boudard St. Leonard QC H1S 1Z7		32,491.46
Global One Media	Unit 1603, 367 - 375 Queen's Road Central Sheung Wan Hong Kong		20,345.10
Graham Skelton	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		10,000.00
Gregory Viske	18747 - 86 AVENUE Edmonton AB T5T 5B5		564.07
Group 10 Engineering Ltd.	4504 8A Street NE Calgary AB T2E 4J7		3,467.63
Hammer Down Oilfield Services Ltd.	3908 39 STREET Close Ponoka AB T4J 1A9		12,285.00
Heavy Crude Hauling L.P.	6601-62 Street Lloydminster AB T9V 3T6		26,035.50
Hemisphere Land & Resource Consulting Ltd.	PO Box 1411 Stettler AB T0C 2L0		4,600.00
High Grade Enterprises Ltd.	RR 3 Vermilion AB T9X 1Y8		3,646.66
Hydrodig Canada Inc	PO Box 215 Bentley AB T0C0J0		2,789.22
Hymark Energy Services Ltd.	RR4 Rimbey AB T0C 2J0		6,177.94
Hyperion Geoservices Corp.	2202, 14645 6 ST. SW Calgary AB T2Y 3S1		11,431.25
Imo Hudani	869 West 19th Ave Vancouver BC V5Z 1X4		25,000.00

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Creditor	Address	Account#	Claim Amount
Imperial Iron Inc.	Box 17 RR1 Site 2 Westrose AB T0C 2V0		42,114.72
Intuitive Pty Ltd	52 DIXON STREET 52 DIXON STREET Malvern VIC, 3144 Australia		191,840.00
Iron Cross Oilfield Contracting	Box 81 Erskine AB T0C 1G0		91,403.19
Iscada Inc.	Box 6488 Drayton Valley AB T7A 1R9		3,788.93
Jacobson Margaret	9360 rue Foucher Montreal QC H2M 1W2		1,393.57
Jason Mccullough - c/o RCC	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		25,000.00
Jay Jaxx Controls Inc.	PO Box 430 Stettler AB T0C 2L0		54,583.85
Jeffrey Schweer	11302C 95 Ave Grande Prairie AB T8V 5L2		542.41
J-Gaard Contracting Ltd.	P.O BOX 199 Penhold AB T0M 1R0		10,768.81
Jonathan Bastien	Box 10533 Lloydminster AB T9V 3A6		70,633.56
Kenneth Cotiamco	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		20,000.00
Kent Mackenzie	6024 52nd St. Stettler AB T0C 2L2		17,184.40
Kenway Mack Slusarchuk Stewart LLP	150 13 Avenue SW Suite 300 Calgary AB T2R 0V2		10,500.00
Kerry Stevens & Nelda Stevens	RR 1 Station Main Wetaskiwin AB T9A 1W8		3,850.00
Kevin & Janice Viske	18747 - 86 AVENUE Edmonton AB T5T 5B5		542.41
Keyera Partnership	Ampersand, West Tower 200 144 4 Ave SW #6th Calgary AB T2P 3N4		8,876.03

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List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Kirolloss Beshay - c/o RCC	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		50,000.00
Komodo Holdings	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		100,000.00
Konan Oilfield Services Ltd.	PO BOX 76 Falun AB T0C 1H0		7,336.04
L M Waste Removal Ltd.	Box 118 Botha AB T0C 0N0		315.00
Lacombe County	RR 3 Lacombe AB T4L 2N3		9,676.82
Landcaster Resources Ltd.	PO BOX 187 Balzac AB T0M 0E0		1,768.72
Laredo Petroleum	25 McDougall Cres. Red Deer AB T4R 1T2		14,325.00
Larry Guy	92 Foxtail Court Georgetown ON L7G 0G2		32,651.87
Leah Carlyn Tapping (Marco Melia)	12 Willis Terrace Hammond Park WA 6164 Australia		27,055.89
Lebeuf Legal Inc.	1435, rue Saint-Alexandre, #300 Montreal QC H3A 2G4		34,125.00
Leede Jones Gable	Suite 3415, 7th Avenue SW Calgary AB T2P 4K9		150,000.00
Leede Jones Gable Inc.	421 7 Ave SW #3415 Calgary AB T2P 4K9		858.88
Lloydminster & District Co op	101, 4090-41 Street Lloydminster SK S9V 2J1		37,499.55
LNG Management Services Ltd.	3207 30th Avenue, Suite 103 Vernon BC V1T 2C6		60,000.00
Lori Snelgrove	RR#4 Vermilion AB T9X 1Y9		1,958.85
Luc Grenier	40 Francois Beaucourt La Prairie QC J5R 6C9		27,209.89

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Creditor	Address	Account#	Claim Amount
Lynx Energy Ulc	Millenium Tower Suite 2000, 440 - 2nd Avenue SW Calgary AB T2P 5E9		2,255.52
Mantl Canada Inc.	1500, 510 5th Street SW Calgary AB T2P 3S2		18,193.76
Marah Al Kiwan	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		100,000.00
Marah Al Kiwan - c/o RCC	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		200,000.00
Marc Girouard	27 Westshore Dr Pointe-Du-Chene NB E4P 5J6		3,390,000.00
Marc Smadja Inc.	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		20,000.00
Mariela Hernandez	83 Discovery Ridgemount SW Calgary AB T3H5G2		10,686.38
Marines Paris (Paris Pm Services)	5717 Brenner Crescent NW Calgary AB T2L 1Z3		8,400.00
Mcelhanney Ltd.	200 – 858 Beatty Street Vancouver BC V6B 1C1		29,160.77
Medicine River Oil Recyclers Ltd.	BOX 58 Eckville AB T0M 0X0		5,506.63
Meinczinger Enterprises Ltd	PO Box 219 Breton AB T0C0P0		4,074.00
Michael Dotto	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		15,000.00
Micone Consulting Inc.	104 7th Street SW Calgary AB T2P 5N7		5,707.80
Mid-East Oilfield Services	P.O Box 71 Minburn AB T0B 3B0		1,260.00
Mindstone Consulting Inc.	5 Evanspark Gardens NW Calgary AB T3P 0G5		443.11
Mwg Trucking Ltd.	Box 609 Calmar AB T0C 0V0		7,077.00

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Creditor	Address	Account#	Claim Amount
National Energy Equipment Inc.	1850 Derry Rd. East Mississauga ON L5S 1Y6		6,363.00
Nelgar Services Inc.	101-7477 49th Avenue Red Deer AB T4P 1N1		1,087.54
Nelson Bros Oilfield Services (1997) Ltd.	BOX 6487 Drayton Valley AB T7A 1R9		6,536.25
Nitschke Vacuum Truck Services	PO Box 1377 Stettler AB T0C 2L0		2,165.63
Nordcon Canada Inc.	421 Pinnacle Ridge Place Calgary AB T3Z 3N8		111,000.00
Noreen Bell	Box 3071 Vermilion AB T9X2B1		1,958.57
Norma Glimhagen (LNG Management)	3207 30th Avenue, Suite 103 Vernon BC V1T 2C6		10,000.00
North Shore Environmental Consultants	#143, 201 Kaska Road Sherwood Park AB T8A 2J6		11,136.37
North Star Trucking Ltd.	PO Box 1805 Stettler AB T0C 2L0		14,553.06
Nove Gas Transmission Ltd. TC Energy	450 - 1st St S.W. PO Box 1000, Staiton M Calgary AB T2P 5H1		8,472.68
Oceanic Greystone Securities Inc.	20 Silverstone Place NW Calgary AB T3B 4Y9		600,000.00
Palos Management Inc.	PO BOX 8500 Don Mills ON M8C 3B2		46,337.54
Palos Management Inc. - c/o RCC	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		700,000.00
Pandell Technology Corp.	1 Place Ville-Marie, Suite 1670 Montreal QC H3B 2B6		24,045.82
Paramount Resources Ltd.	#400-4954 Richard Road SW Calgary AB T3E 6L1		651.78
Patricia Marion Norman	Suite 2800 421 7 Avenue SW Calgary AB T2P 4K9		2,591.78

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Creditor	Address	Account#	Claim Amount
Paul John Sorensen And Dana Lorenz Sorensen	RR 2, Site 8, Box 6 Ponoka AB T4J 1R2		2,600.00
Perpetual Energy	605 5 Ave SW Suite 3200 Calgary AB T2P 3H5		914.75
Peter Charles & Valmai Ann Morey	6/4 BADEN POWELL STREET Maroochydore QLD 4558 Australia		16,233.53
Peter Charles Morey	6/4 BADEN POWELL STREET Maroochydore QLD 4558 Australia		10,000.00
Peter Nesveda	52 Dixon Street Malvern VIC -3144 Australia		45,378.37
Petrus Resources Ltd.	240-4th Avenue SW Suite 2400 Calgary AB T2P 4H4		2,021.58
Ponoka County	4205 HWY 2A Ponoka AB T4J 1V9		12,120.18
Prairie Niche	PO Box 59 Hayter AB T0B 1X0		787.50
Pressure Services Inc.	P.O. Box 132 Alder Flats AB T0C 0A0		6,340.15
Pro Energy Inc.	100-101 Clearskye Way Red Deer AB T4E 0A1		324,000.00
Pro-Pipe Service & Sales Ltd.	1507 - 7 Street Box 1101 Nisku AB T9E 8A8		3,191.25
PTW Energy Services Ltd.	285188 Frontier Rd Rocky View County AB T1X 0N2		212,000.00
Queenie Cheer	3515 Prince Albert Street Vancouver BC V5V 4H8		53,718.52
R360 Environmental Solutions Canada Inc.	140 10 Ave SE Calgary AB T2G 0R1		4,032.33
Ranger Land Services Ltd.	#204, 822 11th Avenue SW Calgary AB T2R 0E5		3,727.97
Rbw Waste Management Ltd.	3280-10 Street Nisku AB T9E1E7		2,226.05



District of: Alberta  
 Division No. 02 - Calgary  
 Court No. 25-3131451  
 Estate No. 25-3131451

FORM 92 --- Continued

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Receiver General	Sudbury Tax Centre 1050 Notre Dame Avenue Sudbury ON P3A5C1		7,369.04
Research Capital Corporation	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		92,215.59
Rhonda Dutchak	5239 64 Street Vermilion AB T9X1X5		1,958.85
Richard And Yvonne Larson	PO BOX 116 Donalda AB T0B 1H0		5,560.02
Rife Resources Ltd.	1000, 517-10th Avenue SW Calgary AB T2R 0A8		425.15
Rimor Ltd.	7 Country Lane Bay Calgary AB T3Z1J8		6,830.58
Robert A. Boulter	R.R #1 Donalda AB T0B 1H0		2,600.00
Robert B. Malseed	48 Elgin Street Hawthorn VIC 3122 Australia		5,343.20
Robert Levy	1002 Sherbrooke St West # 1210 Montreal QC H3A 3L6		32,561.21
Robertson Financial Services Inc.	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		25,000.00
Robin A. Viske	4908-64 Street Camrose AB T4V 2V8		542.41
Rodney & Denica Viske	67 BAINES CRESCENT Red Deer AB T4R 1K1		542.41
Rodney R. Hines	22039 WYE Road Ardrossan AB T8E 2G7		5,876.28
Roger Springfield	12 bis Rue De La Cavee DF 95100 France		58,938.39
Ronald Leroy David & William Todd David	BOX 10073 Airdrie AB T4A 0H4		2,300.00
Roxann Nafziger	RR4 Mannville AB T0B 2W0		2,938.14

District of: Alberta  
 Division No. 02 - Calgary  
 Court No. 25-3131451  
 Estate No. 25-3131451

FORM 92 --- Continued

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Royal Well Servicing	5103 65st Lloydminster AB T9V 2E8		39,662.87
Rush Energy Services	Suite 200 940 6 Ave SW Calgary AB T2P 3T1		3,224.97
Ryan Leo Schnitzler	2118 Chilcolin Rd NW Calgary AB T2L 0X1		18,900.00
Ryan Mooney	483 Bay St. Suite 200 Toronto ON M5G 2N7		25,000.00
Ryan ULC	6775 FINANCIAL DRIVE, SUITE 102 Mississauga ON L5N0A4		2,825.88
Score Projects Inc.	3814 - 47th Ave PO Box 1889 Stettler AB T0C 2L0		6,034.88
Secure Energy	120, 8832 Blackfoot Trail SE Calgary AB T2J 3J1		1,012.66
Secure Energy (Drilling Services) Inc.	Brookfield Place 2300, 225 - 6th Avenue SW Calgary AB T2P 1N2		57,158.33
Secure Energy Services Inc.	Brookfield Place 2300, 225 - 6th Ave SW Calgary AB T2P 1N2		515.88
Selectest Inc.	3708-39St Whitecourt AB T7S 0C3		3,370.08
Sherwood Brothers Oilfield Services Ltd.	Box 136 Islay AB T0B2J0		13,558.17
Signalta Resources Ltd.	840 6 Ave SW #700 Calgary AB T2P 3E5		3,410.29
Solutioncorp Inc.	BOX 2307 Stettler AB T0C 2L0		12,764.33
Sonic Controls Services Ltd	121, 52318 Range Road 213 Sherwood Park AB T8G 1C3		5,213.18
Stanley Cheer	3515 Prince Albert Street Vancouver BC V5V 4H8		107,437.04
Steven Misener	35 Church Street, Suite 204 Toronto ON M5E 1T3		59,004.64

District of: Alberta  
 Division No. 02 - Calgary  
 Court No. 25-3131451  
 Estate No. 25-3131451

FORM 92 --- Continued

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Streamline Energy Group	900, 630- 6th Avenue SW Calgary AB T2P 0S8		3,150.00
Suzanne Lebon - c/o RCC	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		25,000.00
Synergy Well Servicing Ltd.	4202 46 Ave, Olds AB T4H 1T9		5,430.88
Taqa North	308 4 Ave SW #2100 Calgary AB T2P 0H7		11,329.09
Terroco Oilfield Services	27212 Twp Rd 391 Red Deer AB T4P 0Z8		242,548.37
The Estate Of June Pambrun	22039 WYE Road Ardrossan AB T8E 2G7		5,876.28
Timothy Hines	Apt 204 15004 - 45th Ave. Edmonton AB T6H 5T5		1,958.57
Tnt Electric And Controls Inc.	PO Box 4253 Ponoka AB T4J 1R6		3,585.25
Town Of Vermilion	5021-49 AVENUE Vermilion AB T9X1X1		12,746.14
Tri-Power Solutions Ltd.	Box 11638 Lloydminster AB T9V 3B8		5,104.19
Troy Gartner	RR4 Vermilion AB T9X 1Y9		2,938.14
Troy Kreutz	1114 LAKELAND CRESCENT SOUTH Lethbridge AB T1K 3C3		2,000.00
Tundra Petroleum Services Ltd.	38522 RR285 Red Deer County AB T4E 0N3		5,029.23
Twilight Capital	4300-800, Square Victoria Montreal QC H4Z 1H1		50,000.00
Twilight Capital - c/o RCC	199 Bay St., Suite 4500 Commerce Court West Toronto ON M5L 1G2		200,000.00
Twilight Capital Inc.	Tour de la Bourse, 43e etage 800 Square Victoria Montreal QC H4Z 1H1		2,593.60

District of: Alberta  
 Division No. 02 - Calgary  
 Court No. 25-3131451  
 Estate No. 25-3131451

FORM 92 --- Concluded

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Twp50 Resources Ltd.	2908 12 Avenue NW Calgary AB T2N 1K8		544.30
Vincent Bastien	75 rue des Guerets, Vaudreuil-Dorion QC J7V 8P3		27,215.70
Vortex Production Services Ltd.	PO Box 1480 7201 50 Avenue Stettler AB T0C 2L0		15,772.39
Watson Welding Ltd.	Box 1767, 4604 - 41 Street Stettler AB T0C 2L0		9,339.75
Wdm Chartered Professional Accountants	1501 W Broadway #420 Vancouver BC V6J 4Z6		129,250.00
Weatherford Canada Ltd	700 – 700, 9 Ave SW Calgary AB T2P3V4		3,780.38
Weirfoulds LLP	4100 - 66 Wellington Street West, PO Box 35, Toronto ON M5K 1B7		176,604.32
Westcan Fabricating Ltd	4206 – 66 ST Ponoka AB T4J 1J8		50,947.76
Western Canadian Spill Services Ltd.	#280 6815 8 St NE Calgary AB T2E 7H7		1,218.00
Western Water Disposal c/o Rksmith Energy Corp	RR1 Tees AB T0C 2N0		478.80
Wilde Card Enterprises Ltd.	Box 785 Macklin SK S0L 2C0		2,668.05
Wilf Brandt Trucking Ltd.	Box 135 Warburg AB T0C 2T0		104,255.68
Wolseley Industrial Canada Inc.	PO BOX 4220 Station Main Concord ON L4K 0L6		13,581.63
Xavier Flouret	770 Park Avenue SW New York NY 10021 United States		69,713.27
Zedcor Security Solutions Corp.	300 – 151 Canada Olympic Road SW Calgary AB T3B 6B7		13,795.90
<b>Total</b>			<b>14,240,847.82</b>

Clerk' Stamp

COURT / ESTATE FILE NUMBERS 25-3131451

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
RSC 1985, c B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF  
INTENTION TO MAKE A PROPOSAL OF AVILA  
ENERGY CORPORATION

DOCUMENT **PROPOSAL**

ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF PARTY FILING THIS DOCUMENT  
MILLER THOMSON LLP  
Barristers and Solicitors  
525-8<sup>th</sup> Avenue SW, 43<sup>rd</sup> Floor  
Calgary, AB, Canada T2P 1G1

Attention: Dustin L. Gillanders/James W. Reid  
Phone: 306.667.5616/402-298-2418  
Email: [dgillanders@millerthomson.com](mailto:dgillanders@millerthomson.com) /  
[jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)

File No.: 0287592.0001

**WHEREAS** Avila Energy Corp. (collectively the "**Debtor**") submits the following proposal under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**");

**AND WHEREAS** on September 20, 2024, the Debtor filed a notice of intention to make a proposal to its creditors under section 50.4 of the BIA and thereby commenced proceedings to restructure its financial affairs under Division I of the BIA;

**AND WHEREAS** FTI Consulting Canada Inc., of Calgary, Alberta, is a licensed trustee under the BIA, which has consented to act as a Proposal Trustee in these proceedings of the Debtor under the BIA;

## **ARTICLE 1 DEFINITIONS**

### **1.1 Definitions**

In this Proposal:

- (a) **“Administrative Fees and Expenses”** means the proper fees, expenses, including legal fees and disbursements, of the Proposal Trustee and the Debtor, and including the fees and disbursements of Miller Thomson LLP, counsel to the Debtor, on and incidental to the negotiation, preparation, presentation, consideration and implementation of the Proposal, and all proceedings and matters relating to or arising out of the Proposal;
- (b) **“AER”** means the Alberta Energy Regulator;
- (c) **“Affected Claim”** means all Claims that are not an Unaffected Claim;
- (d) **“Affected Creditor”** means a Creditor having an Affected Claim;
- (e) **“Approval”** means:
  - (i) Acceptance of this Proposal by the statutory majority of Creditors in the each of the creditor classes entitled to vote thereon in accordance with the relevant provisions of the BIA; and
  - (ii) The approval of this Proposal by the Court by the granting of the Approval Order, which is a Final Order;
- (f) **“Approval Order”** means an Order of the Court which, among other things, approves this Proposal;
- (g) **“Business Day”** means a day, other than a Saturday or Sunday, on which banks are generally open for business in Calgary, Alberta;
- (h) **“Canada Pension Plan”** means the *Canada Pension Plan*, RSC 1985, c C-8, as amended;
- (i) **“Cease Trade Order”** means the Order under the securities legislation of Alberta dated November 22, 2024;
- (j) **“Claim”** means a claim provable in bankruptcy against the Debtor and includes any indebtedness, liability, action, cause of action, suit, debt, account, bond covenant, counterclaim, demand, claim, right and obligation of any kind of the Debtor to any Person, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, by surety or otherwise and whether or not such a right is executory in nature, including, without limitation, the right or ability of any Person to make a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commence in the future based in whole or in part on facts which existed prior to or as of the Filing Date and a reference to a “Claim” or “Claims” shall include, as the case may be, Unsecured Claims, and Secured Claims;
- (k) **“Court”** means the Court of King’s Bench of Alberta (in Bankruptcy and Insolvency), Judicial District of Calgary;
- (l) **“Creditor”** means any Person, having a Claim and may, if the context requires, means a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person;

- (m) “**Creditors’ Meeting**” means the meeting of the Affected Creditors called for the purpose of considering and voting upon the Proposal;
- (n) “**Creditors’ Meeting Date**” means the date and time as may be called by the Proposal Trustee for the meeting of creditors to consider this Proposal, but in any event will be no later than twenty-one (21) days following the Proposal Date;
- (o) “**Creditors’ Meeting Notice**” means the notice and document package delivered to the Creditors in respect of the Creditors’ Meeting;
- (p) “**Crown Claims**” means an amount due to His Majesty in Right of Canada or a Province and that are of a kind that could be subject to a demand under:
  - (i) subsection 224(1.2) of the *Income Tax Act*;
  - (ii) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee’s premium, or employer’s premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts;
  - (iii) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
    - (A) has been withheld or deducted by a Person from a payment to another Person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
    - (B) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a “province providing a comprehensive pension plan” as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a “provincial pension plan” as defined in that subsection;
- (q) “**CSE**” means the Canadian Securities Exchange;
- (r) “**Disputed Claim**” means any Claim that has been received by the Proposal Trustee in accordance with the terms of this Proposal and the BIA but has not been accepted as proven or which is being disputed in whole or in part by the Proposal Trustee, or any other Person entitled to do so and has not been resolved by agreement of by Order of the Court;
- (s) “**Disputed Creditor**” means a Person holding a Disputed Claim to the extent of its Disputed Claim’
- (t) “**Employment Insurance Act**” means the *Employment Insurance Act*, SC 1996 c 23, as amended;
- (u) “**Filing Date**” means September 20, 2024 (the date the Debtor filed a Notice of Intention to Make a Proposal);

- (v) **“Implementation Date”** means the date upon which the conditions set forth in Article 7.1 have been satisfied or, if applicable, waived;
- (w) **“Income Tax Act”** means the *Income Tax Act*, RSC 1985, c 1 (5th Supp), as amended;
- (x) **“Inspectors”** will have the meaning ascribed thereto in the BIA;
- (y) **“Girouard Investments”** means Marc Girouard Investments Inc.;
- (z) **“Girouard Investments Creditor Class”** means a class comprised of the Secured Creditor Girouard Investments;
- (aa) **“Miller Thomson LLP”** means Miller Thomson LLP, counsel for the Debtor;
- (bb) **“Municipal Tax Creditors”** means a Creditor with a charge or lien against the Debtor for property taxes;
- (cc) **“New Shares”** means the common shares in the capital of the Debtor to be issued to the Unsecured Creditors pursuant to the Proposal;
- (dd) **“Official Receiver”** will have the meaning ascribed thereto in the BIA;
- (ee) **“Person”** means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (ff) **“Post-Filing Claim”** means any Claims arising in respect of services rendered, goods supplied or other consideration given to the Debtor after the Filing Date;
- (gg) **“Preferred Claim”** means that portion of a Claim that is accepted by the Proposal Trustee as entitling the Creditor to receive payment in priority to other Creditors as provided in section 136 of the BIA;
- (hh) **“Preferred Creditors”** means holders of Preferred Claims;
- (ii) **“Proof of Claim”** means the proof of Claim required by the BIA to be mailed to each known Creditor prior to the Creditors' Meeting;
- (jj) **“Property”** means all of the Debtor's current and future assets, undertakings and property of every nature and kind whatsoever, and wherever situate, including all proceeds thereof;
- (kk) **“Proposal”** means this proposal together with any amendments or additions thereto;
- (ll) **“Proposal Date”** means the date of the filing of the Proposal with the Official Receiver;
- (mm) **“Proposal Trustee”** means FTI Consulting Canada Inc., in its capacity as the proposal trustee of the Debtor, or its duly appointed successor or successors;
- (nn) **“Proven Claim”** of a Creditor means the amount of the Claim of such Creditor determined finally in accordance with the provisions of the BIA;



- (oo) **“Secured Claim”** of a Creditor means the amount of the Claim of such Creditor determined finally in accordance with the provisions of the BIA;
- (pp) **“Secured Creditor”** means a Person holding a mortgage, hypothec, charge, pledge, or lien on or against the property or assets of the Debtor as security for a debt due or accruing due the Person from the Debtor, and shall include, for greater certainty, the applicable municipalities in respect of property taxes;
- (qq) **“OWA”** means the Orphan Well Association
- (rr) **“Unaffected Claims”** means any Claims of the Unaffected Creditors;
- (ss) **“Unaffected Creditors”** means Creditors with Claims in respect of the Administrative Fees and Expenses, any Post-Filing Claims, any Crown Claims, the OWA, the AER, Preferred Creditors, and Municipal Tax Creditors;
- (tt) **“Unsecured Claim”** means the amount of an Unsecured Creditor’s Claim, as determined under Article 3.3, and includes any Preferred Claim, as applicable;
- (uu) **“Unsecured Creditors”** means the Creditor with an Unsecured Claim;
- (vv) **“Unsecured Creditor Class”** means a class comprised of all Unsecured Creditors;
- (ww) **“Voting Letter”** means the voting letter required by section 51(1) of the BIA to be mailed to each known Creditor prior to the Creditors’ Meeting.

## 1.2 Articles of Reference

The terms “hereof”, “hereunder”, “herein” and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

## 1.3 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

## 1.4 Date for Any Action

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day.

## 1.5 Time

All times expressed herein are local times in Calgary, Alberta, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time will be deemed to be 5:00 p.m. local time in Calgary, Alberta, Canada.

## **1.6 Numbers**

In the Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

## **1.7 Currency**

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

## **1.8 Statutory References**

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

## **1.9 Successors and Assigns**

The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

## **1.10 Including**

The word “including”, or any variation thereof means “including without limitation”, and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

## **ARTICLE 2 PURPOSE AND EFFECT OF PROPOSAL**

### **2.1 Purpose**

The purpose of the Proposal is to allow the Debtor to effect the restructuring of its indebtedness in the manner contemplated herein and as permitted by the BIA in the expectation that all Affected Creditors will derive greater benefit from the restructuring than they would otherwise receive from a bankruptcy of the Debtor.

This Proposal applies to all Affected Creditors, whether or not any such Affected Creditor proves a Claim against the Debtor under this Proposal. The Proposal does not effect Unaffected Creditors.

### **2.2 Binding Effect of Proposal**

This Proposal will be binding on the Debtor and the Affected Creditors, and effective on the Implementation Date, all Unsecured Claims shall be discharged and the Debtor shall thereon be released from all Unsecured Claims, other than the obligation to make payment in the manner and to the extent described in this Proposal.

### **2.3 Administrative Fees and Expenses**

Within two(2) months of the Implementation Date, all Administrative Fees and Expenses and all amounts incurred up to the Implementation Date which remain unpaid shall be paid in full by the Debtor from the operational revenue of the Debtor.

### **2.4 Unaffected Creditor**

No Unaffected Creditor in respect of an Unaffected Claim will be entitled to vote on this Proposal or attend the Creditors' Meeting.

### **2.5 Unsecured Creditors**

The Proven Claims of the Unsecured Creditors of the Debtors will be satisfied or paid as provided by Article 5.2.

### **2.6 Girouard Investments**

The Proven Claim of Girouard Investments will be satisfied or paid as provided by Article 5.3.

### **2.7 Crown Claims**

Unless His Majesty in Right of Canada agrees otherwise, the Crown Claims shall be paid by the Debtor from the Proposal Proceeds to His Majesty in Right of Canada within six (6) months of the Approval Order.

### **2.8 Disputed Claims**

An Affected Creditor with a Disputed Claim shall not be entitled to receive any distribution hereunder with respect to such Disputed Claim unless and until such Claim becomes a Proven Claim. Distributions made pursuant to this Proposal shall be made in respect of any Disputed Claim that is finally determined to be a Proven Claim.

### **2.9 Post-Filing Claims**

Post-Filing Claims, if any, will be paid in full by the Debtor in the ordinary course of business and on regular trade terms, or as may otherwise be arranged with the holders of such Post-Filing Claims.

### **2.10 Superintendent of Bankruptcy Levy**

Payments to each Creditor in respect of its Affected Claim will be net of any applicable levy payable to the Office of the Superintendent of Bankruptcy as required by the BIA and the Proposal Trustee will remit the amount of such levy to the Office of the Superintendent of Bankruptcy contemporaneous with the distributions to Affected Creditors.

### **2.11 Interest on Claims**

Interest will not accrue or be paid on Unsecured Claims after or in respect of the period following the Filing Date.

**ARTICLE 3  
PROCEDURE FOR VALIDATION AND VALUATION OF CLAIMS**

**3.1 Filing of Proofs of Claim**

In order to vote on, or to receive a distribution under this Proposal, each Affected Creditor must file a Proof of Claim with the Proposal Trustee as required by the BIA.

**3.2 Allowance or Disallowance of Claims**

Upon receipt of a completed Proof of Claim, the Proposal Trustee will examine the Proof of Claim and will, in consultation with the Debtor, allow, disallow or revise each Proof of Claim in accordance with the provisions of the BIA.

**3.3 Procedure for the Valuation of Unsecured Claims**

The procedure for (a) determining and valuing Claims of the Affected Creditors that are contingent or unliquidated; and (b) disallowing and resolving disputes with respect to Claims, will be as set forth in Section 135 of the BIA.

The Proposal Trustee reserves the right to seek the assistance of the Court in valuing the claim of any Affected Creditor, if required, to ascertain the result of any vote on this Proposal or the amount payable or to be distributed to such Creditor under this Proposal, as the case may be.

**3.4 Claims Bar Process**

Forthwith after the Creditors' Meeting, the Proposal Trustee shall give notice pursuant to Section 149 of the BIA, by registered mail, to every Person with an Affected Claim that the Proposal Trustee has notice or knowledge of, but whose Claim has not been filed or proved that if such Person does not prove its Claim within a period of thirty (30) days after the mailing of the notice, the Proposal Trustee will proceed to declare a final dividend without regard to such Person's Claim. Any Person so notified who does not provide its Claim within the said thirty (30) day period shall be barred from making a Claim in this Proposal or sharing in any distribution hereunder, subject to any exceptions set out in Subsections 149(2), (3) and (4) of the BIA.

**ARTICLE 4 MEETING OF CREDITORS**

**4.1 Creditors' Meeting**

On the Creditors' Meeting Date, the Proposal Trustee will hold a Creditors' Meeting in order for the Creditors to consider and vote upon the Proposal.

**4.2 Time and Place of Meeting**

The Creditors' Meeting will be held on the Creditors' Meeting Date. Due to location of the Proposal Trustee and Affected Creditors, the Creditors Meeting will be held virtually, on such terms and parameters as the Proposal Trustee considers appropriate, with video and teleconference access for any Affected Creditors who wish to virtually attend. The Proposal Trustee may engage a third-party service provider to virtually host the Creditors' Meeting. The Proposal Trustee shall make available to all known Affected Creditors the necessary connection, dial-in and other information about the Creditors' Meeting. Unless otherwise ordered by the Court, the Creditors' Meeting will be held at a time to be

established by the Official Receiver, or the nominee thereof, and confirmed in the notice of Creditors' Meeting to be mailed to Creditors pursuant to the BIA.

#### **4.3 Conduct of Meeting**

The Official Receiver or the nominee thereof, will preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only Persons entitled to attend the Creditors' Meeting are those Persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, and its respective legal counsel, if any, and the officers, directors, auditors and legal counsel of the Debtor, together with such representatives of the Proposal Trustee as the Proposal Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other Person may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Creditors.

#### **4.4 Adjournment of Meetings**

The Creditors' Meeting may be adjourned in accordance with sections 52 of the BIA.

#### **4.5 Classes of Creditors**

For the purposes of considering, voting on and receiving distributions under this Proposal, the Affected Creditors shall consist of two creditor classes: one secured creditor class being the Girouard Investments Creditor Class and one unsecured creditor class being the Unsecured Creditor Class.

#### **4.6 Voting by Creditors**

Persons virtually in attendance at the Creditors Meeting by video or teleconference who are eligible to vote shall cast their vote in the manner prescribed by the Proposal Trustee. All votes will be recorded and tabulated by the Proposal Trustee, who may seek the assistance of the Court with respect to any dispute arising from or out of the tabulation of votes. Any Proof of Claim in respect of a Claim of an Affected Creditor that is not a Proven Claim as at the Creditors' Meeting Date will be marked as objected to in accordance with section 108(3) of the BIA.

#### **4.7 Approval by Creditors**

In order that the Proposal be binding on the Girouard Investments Creditor Class it must first be accepted by a majority in number of the Creditors of such class who actually vote upon this Proposal (in person or by proxy) at the Creditors' Meeting or by a Voting Letter, which represent two-thirds in value of the Proven Claims of the Creditors who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

In order that this Proposal be binding on the single class of Unsecured Creditors hereof, in accordance with the BIA, it must first be accepted by a majority in number of the Creditors of such class who actually vote upon this Proposal (in person or by proxy) at the Creditors' Meeting, by a Voting Letter, or otherwise, representing two-thirds in value of the voting Claims of the Creditors of such class who actually vote upon this Proposal (whether in person or by proxy) at the Creditors' Meeting, by a Voting Letter or otherwise.

Voting Letters as provided for in the BIA submitted to the Proposal Trustee prior to the Creditors' Meeting must indicate whether the Creditor wishes to cast its vote in favour of or against the Proposal.

#### **4.8 Appointment of Inspectors**

At the Creditors' Meeting, the Creditors may appoint up to three (3) Inspectors whose powers will be limited to: (a) advising the Proposal Trustee concerning any dispute which may arise as to the validity or valuation of Claims; and (b) advising the Proposal Trustee from time to time with respect to any other matter that the Proposal Trustee may refer to them. Any decision, direction or act of the Inspectors may be referred to the Court by the Proposal Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it deems just. The authority and term of office of the Inspectors will terminate upon the discharge of the Proposal Trustee.

### **ARTICLE 5 DISTRIBUTION**

#### **5.1 Payment of Administrative Fees and Expenses**

The unpaid Administrative Fees and Expenses up to and including the making of the Approval Order will be paid in full by the Debtor on or before the Business Date that is ten (10) Business Days after the Approval Order is made. The Debtors will continue to pay any professional fees and disbursements to be incurred subsequent to the making of the Approval Order. Any amount of the retainer paid to the Proposal Trustee that is unused will be returned to the Debtor. The Proposal Trustee is authorized to pay Administrative Fees and Expenses prior to final taxation of its accounts.

#### **5.2 Distribution/Issuance of New Shares to Unsecured Creditors**

In accordance with this Proposal and in full and final satisfaction of the Proven Claims of the Unsecured Creditors, each Unsecured Creditor shall receive New Shares as set forth in Article 6 only to the extent that such Unsecured Creditor's Claim is a Proven Claim and has not been paid, released, or otherwise satisfied prior to the Implementation Date.

#### **5.3 Girouard Investments Creditors**

The Debtor shall provide an assignment of all its property to be held in trust by Girouard Investments. In the event there is a default in the Proposal, Girouard Investments is entitled to exercise on the assignment.

The Proven Claim of Girouard Investments will be paid in full by the Debtor in the following manner:

- (a) on or before June 1, 2025 the Debtor shall pay \$30,000;
- (b) beginning July 1, 2025 and each month thereafter the Debtor shall pay to Girouard Investments 70% of the net income of the Debtor from the previous month to a maximum of \$30,000.00;
- (c) on or before December 31, 2025 the Debtor shall make a balloon payment of any outstanding amounts owing to Girouard Investments which has accrued between June 2, 2025 and December 2, 2025; and

- (d) on July 1, 2026, the Debtor shall make a payment in full and final satisfaction of being of any balance owing to Girouard Investments.

#### **5.4 Crown Claims**

Within six (6) months after Proposal Implementation, the Debtor will pay in full to Her Majesty in Right of Canada or any province any amount of a kind that could be subject to a demand under the statutory provision referred to in Section 54(2.1) of the BIA that was outstanding on the Filing Date which has not been paid by Proposal Implementation.

### **ARTICLE 6 IMPLEMENTATION**

#### **6.1 Issuance of New Shares to Unsecured Creditors**

Upon the fulfillment, satisfaction or waiver of the conditions set out in Article 7.1, in full and final settlement of all Unsecured Claims, each Unsecured Creditor with a Proven Claim will receive such number of New Shares which is equal to the amount of their Proven Claim, divided by \$0.05 (being the deemed issue price per New Share), subject to CSE policies. For greater certainty, each Unsecured Creditor would receive 20,000 New Shares for every \$1,000 of its Proven Claim, subject to applicable statutory withholdings and all trading restrictions or such other requirements or conditions as set out by securities laws and the CSE.

#### **6.2 Distribution of New Shares**

The Debtor or the Proposal Trustee will instruct the Debtor's transfer agent to issue the New Shares to the Unsecured Creditors in accordance with and subject to CSE policies and other required regulatory approval. The New Shares may be uncertificated and issued to Unsecured Creditors by way of direct registration system (DRS) advices.

#### **6.3 Resale Restriction on New Shares**

Notwithstanding anything to the contrary herein, the New Shares shall be subject to a resale restriction for a period of 12 months from the date such New Shares are issued. The holders of the New Shares shall not trade, sell, pledge or otherwise transfer any New Shares until the expiry of the 12-month resale restriction. The direct registration system (DRS) advices or certificates representing the New Shares may contain a legend reflecting the foregoing.

#### **6.4 No Fractional Shares**

No fractional New Shares shall be issued under this Proposal, and any fractional share interests shall not entitle any Unsecured Creditor to any rights of a holder of New Shares. Any legal, equitable, contractual or any other rights or claims (whether actual or contingent, and whether or not previously asserted) of any Unsecured Creditor with respect to fractional New Shares pursuant to this Proposal shall be rounded down to the nearest whole number of New Shares without compensation therefor.

#### **6.5 Minimum Increments**

The New Shares issued pursuant to this Proposal shall each be issued in minimum increments of \$1.00, and the amount of New Shares that each Unsecured Creditor shall

be entitled to under this Proposal shall in each case be rounded down to the nearest multiple of \$1.00 without compensation therefor.

## **6.6 Multilateral Instrument 61-101**

As the Debtor is a public company with its shares listed for trading on the CSE, the Debtor is subject to Multilateral Instrument 61-101 (“**MI 61-101**”) governing, among other things, transactions between listed issuers and related parties of such issuers. In accordance with MI 61-101, the issuance of the New Shares by the Debtor would constitute a “related party transaction” for the purposes of MI 61-101 if any of the Unsecured Creditors receiving New Shares are insiders of the Debtor. In accordance with MI 61-101, absent an exemption, MI 61-101 would require the Debtor to receive a formal valuation of the subject matter and “majority of the minority” shareholder approval to proceed with the issuance of such New Shares to such insiders. The Debtor wishes to rely on the exemptions set forth in Section 5.5(f) of MI 61-101 (as it relates to formal valuations) and the exemption set out in 5.7(1)(d) of MI 61-101 (as it relates to shareholder approval), which exemptions provide that any issuance of shares to any “related party” will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 provided that the court is advised of the valuation and minority shareholder approval requirements set forth in MI 61-101 and does not otherwise mandate the necessity for a valuation or minority shareholder approval in accordance with MI 61-101.

## **ARTICLE 7 COMPLETION OF THE PROPOSAL**

### **7.1 Conditions to Proposal Implementation**

The implementation of the Proposal by the Debtor will be conditional upon the fulfilment or satisfaction of the following conditions:

- (a) The acceptance of the Proposal by the Affected Creditors of the Debtor in accordance with Article 4.7 hereof;
- (b) The granting of an Approval Order by the Court in respect of the Debtor and the expiry of all appeal periods, provided that the Debtor may agree to waive the expiry of the appeal period in respect of the Approval Order; and
- (c) On or before April 11, 2025, the granting of a full or partial revocation of the Cease Trade Order by the Alberta Securities Commission, the resumption of trading of the common shares of the Debtor on the CSE and the ability of the Debtor to issue the New Shares.

### **7.2 Certificate of Full Performance**

Upon distribution of all cash amounts, or New Shares contemplated by Article 5 of this Proposal, this Proposal shall have been fully performed and the Proposal Trustee shall issue the certificate referred to in section 65.3 of the BIA.

### **7.3 Discharge of Proposal Trustee**

Upon the issuance of the certificate of full performance contemplated by Article 7.2 hereof, the Proposal Trustee shall have discharged its duties as Proposal Trustee, this Proposal shall be fully performed and the Proposal Trustee shall be discharged.



The Proposal Trustee is acting in its capacity as Proposal Trustee and not in its personal capacity and no officer, director, employee or agent of the Proposal Trustee shall incur any liabilities or obligations in connection with this Proposal or in respect of the business or obligations of the Debtor and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a willful misconduct or gross negligence.

#### **7.4 Completion of the Proposal**

The payment, compromise, extinguishment or other satisfaction of any Proven Claim under the Proposal will be binding upon each Affected Creditor, its heirs, executors, administrators, successors and assigns, for all purposes, and as and from the Implementation Date all Unsecured Claims against the Debtor shall be forever discharged and released, excepting only the obligations to make distributions in respect of such Proven Claims in the manner and to the extent provided for in this Proposal.

### **ARTICLE 8 PREFERENCES, TRANSFERS AT UNDER VALUE, ETC.**

#### **8.1 Section 95 - 101 of the BIA**

In conformity with Section 101.1 of the BIA, Sections 95-101 of the BIA and any provincial statute related to preference, fraudulent conveyance, transfer at undervalue, or the like shall not apply to this Proposal.

### **ARTICLE 9 MISCELLANEOUS**

#### **9.1 Modification of Proposal**

The Debtor may propose an alteration or modification to the Proposal prior to the vote taking place on the Proposal. After the Creditors' Meeting (and both prior to and subsequent to the issuance of the Approval Order) and subject to the consent of the Proposal Trustee, the Debtor may at any time and from time to time vary, amend, modify or supplement the Proposal if the Court determines that such variation, amendment, modification or supplement is of a minor, immaterial or technical nature or would not be materially prejudicial to the interest of any of the Creditors under the Proposal and is necessary in order to give effect to the substance of the Proposal or the Approval Order.

#### **9.2 Consents, Waivers and Agreements**

As at 12:01 a.m. on the Implementation Date, each Affected Creditor will be deemed:

- (a) to have executed and delivered to the Debtor all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;
- (b) to have waived any default by the Debtor in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor that has occurred on or prior to the Implementation Date;
- (c) to have agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor as at the Implementation Date (other than

those entered into by the Debtor on, or with effect from, the Implementation Date) and the provisions of this Proposal, that the provisions of this Proposal will take precedence and priority and the provisions of such agreement or other arrangement will be amended accordingly; and

- (d) to have released the Debtor, the Proposal Trustee and all of its respective affiliates, employees, agents, directors, officers, shareholders, advisors, consultants and solicitors from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgements, expenses, executions, liens, set off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with the matters herein;

provided that nothing herein will release the Debtor of its obligation to make the payments contemplated in this Proposal or to comply with any of its obligations thereunder.

### **9.3 Effect of Proposal Generally**

As at 12:01 a.m. on the Implementation Date, the treatment of all Claims under the Proposal shall be final and binding on the Debtor and all Affected Creditors (along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and the Proposal shall constitute (i) a full, final and absolute settlement of all rights of the holders of the Claims affected hereby; and (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Debtor of or in respect of such Claims.

### **9.4 Notices**

Any notices or communication to be made or given hereunder will be in writing and will refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail, telecopier or by email addressed to the respective parties as follows:

- (a) if to the Debtor

Avila Energy Corp.  
c/o Miller Thomson LLP  
Attention: Dustin Gillanders/ James Reid  
Eighth Avenue Place  
525-8<sup>th</sup> Avenue SW  
Calgary, Alberta  
T2P 1G1  
[dgillanders@millerthomson.com](mailto:dgillanders@millerthomson.com) / [jwreid@millerthomson.com](mailto:jwreid@millerthomson.com)

- (b) if to an Affected Creditor, to the address, telecopier number or email address for such Affected Creditor specified in the claims notice sent in accordance with the Claims Procedure Order or, to such other address, telecopier number or email address at which the notifying party may reasonably believe that the Affected Creditor may be contacted; and

(c) if to the Proposal Trustee:

FTI Consulting Canada Inc.  
Attention: Dustin Olver  
520 5<sup>th</sup> Avenue SW  
Suite 1610  
Calgary, Alberta  
T2P 3R7  
[Dustin.Olver@fticonsulting.com](mailto:Dustin.Olver@fticonsulting.com)

or to such other address, telecopier number or email address as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery, by telecopier or email and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by email or telecopier or by delivery prior to 5:00 p.m. (Calgary time) on a Business Day, when received or if received after 5:00 p.m. (Calgary time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in to case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

#### **9.5 Assignment of Claims**

No assignment of a Claim by an Affected Creditor is effective to give the assignee any rights in respect of the Proposal unless written notice of the assignment is given to the Debtor and the Proposal Trustee in accordance with the requirements of Article 9.4. The assignment of the Claim will not be effective for a five (5) Business Day period from the date of effective receipt of the notice of assignment by the Debtor and by Proposal Trustee as determined in accordance with Article 9.4.

#### **9.6 Notice of Presentation of Approval Application**

Each of the Creditors and the Official Receiver (as defined by and appointed under the BIA) are hereby given notice that, after acceptance of this Proposal by the Creditors in accordance with the relevant provisions of the BIA, the Proposal Trustee will present an application to the Court seeking the Approval Order at such date and time that may be fixed following the Creditors' Meeting.

#### **9.7 Foreign Currency Obligations**

For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the Filing Date.

**9.8 Applicable Law**

This Proposal will be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and will be treated in all respects as an Alberta contract.

**9.9 Non Severability**

It is intended that all provisions of this Proposal will be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any particular provision or provisions of this Proposal is or are found to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions will be void and of no force or effect.

**9.10 Deeming Provisions**

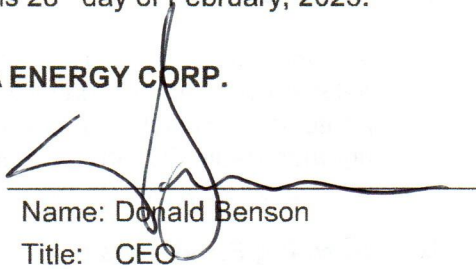
In this Proposal the deeming provisions are not rebuttable and are conclusive and irrevocable.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]**

DATED at the City of Calgary, in the Province of Alberta, this 28<sup>th</sup> day of February, 2025.

**AVILA ENERGY CORP.**

Per:

A handwritten signature in black ink, appearing to read 'Donald Benson', is written over a horizontal line. The signature is stylized and extends to the right of the line.

Name: Donald Benson

Title: CEO

I have the authority to bind the corporation

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-3131451  
Estate No. 25-3131451

**FORM 31**

Proof of Claim

(Sections 50.1, 81.5, 81.6, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8),  
102(2), 124(2), 128(1), and paragraphs 51(1)(e) and 66.14(b) of the Act)

The creditor's preference is to receive all notices and correspondence regarding this claim at the following address and/or facsimile number and/or email address (a mailing address must be provided in all cases):

Address: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
Email: \_\_\_\_\_  
Contact person name or position: \_\_\_\_\_  
Telephone number for contact person: \_\_\_\_\_

In the matter of the proposal of Avila Energy Corp of the city of Calgary in the Province of Alberta and the claim of \_\_\_\_\_, creditor.

I, \_\_\_\_\_ (name of creditor or representative of the creditor), of \_\_\_\_\_ (city and province), do hereby certify:

1. That I am a creditor of the above named debtor (or that I am \_\_\_\_\_ (state position or title) of \_\_\_\_\_, (name of creditor or representative of the creditor) and that I am authorized to represent and (if the creditor is a corporation) that I have authority to bind the creditor of the above-named debtor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of proposal, namely the 20th day of September 2024, and still is, indebted to the creditor in the sum of \$\_\_\_\_\_, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. Any debt payable in a currency other than Canadian currency was converted to Canadian currency as of the date of proposal.

(The attached statement of account or affidavit must specify the supporting documents or other evidence in support of the claim)

4. That, to the best of my knowledge, this debt has never been (or this debt has been or part of this debt has been) statute-barred as determined under the relevant legislation.

5. That payment for this debt by the debtor to the creditor has been due (or has been in default) since the \_\_\_\_ day of \_\_\_\_\_, and that the last payment, if any, on this debt by the debtor to the creditor was made on the \_\_\_\_ day of \_\_\_\_\_, and/or that the last acknowledgement, if any, of liability for this debt by the debtor to the creditor was made on the \_\_\_\_ day of \_\_\_\_\_, as follows:

(Give full particulars of the claim, including its history, any acknowledgement or legal action)

6. (Check and complete appropriate category)

**A. Unsecured claim of \$\_\_\_\_\_**

(Other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and:

(Check appropriate description)

Regarding the amount of \$\_\_\_\_\_, I do not claim a right to a priority.

Regarding the amount of \$\_\_\_\_\_, I claim a right to a priority under paragraph 136(1)(d) of the Act (Complete paragraph 6E below.)

District of Alberta  
Division No. 02 - Calgary  
Court No. 25-3131451  
Estate No. 25-3131451

FORM 31 --- Continued

- Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under paragraph 136(1)(d.01) of the Act.
- Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under paragraph 136(1)(d.02) of the Act.
- Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under paragraph 136(1)(d.1) of the Act.
- Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under paragraph 136(1)(e) of the Act.
- Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under paragraph 136(1)(f) of the Act.
- Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under paragraph 136(1)(g) of the Act.
- Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under paragraph 136(1)(i) of the Act.

(Set out on an attached sheet details to support priority claim)

**B. Claim of Lessor for disclaimer of a lease of \$ \_\_\_\_\_**

That I make a claim under subsection 65.2(4) of the Act, the particulars of which are as follows:  
(Give full particulars of the claim, including the calculations upon which the claim is based)

**C. Secured claim of \$ \_\_\_\_\_**

That in respect of this debt, I hold assets of the debtor valued at \$ \_\_\_\_\_ as security, the particulars of which are as follows:  
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security and attach a copy of the security documents.)

A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in the proof of security, by the secured creditor.

**D. Claim by Farmer, Fisherman or Aquaculturist of \$ \_\_\_\_\_**

That I make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_  
(Attach a copy of sales agreement and delivery receipts)

**E. Claim by Wage Earner of \$ \_\_\_\_\_**

- That I make a claim under subsection 81.3(8) of the Act in the amount of \$ \_\_\_\_\_,
- That I make a claim under subsection 81.4(8) of the Act in the amount of \$ \_\_\_\_\_,

**F. Claim by Pension Plan for unpaid amount of \$ \_\_\_\_\_**

- That I make a claim under subsection 81.5 of the Act in the amount of \$ \_\_\_\_\_,
- That I make a claim under subsection 81.6 of the Act in the amount of \$ \_\_\_\_\_,

**G. Claim against Director of \$ \_\_\_\_\_**

(To be completed when a proposal provides for the compromise of claims against directors)  
That I make a claim under subsection 50(13) of the Act, the particulars of which are as follows:  
(Give full particulars of the claim, including the calculations upon which the claim is based)

**H. Claim of a Customer of a Bankrupt Securities Firm of \$ \_\_\_\_\_**

That I make a claim as a customer for net equity as contemplated by section 262 of the Act, the particulars of which are as follows:  
(Give full particulars of the claim, including the calculations upon which the claim is based)

District of Alberta  
Division No. 02 - Calgary  
Court No. 25-3131451  
Estate No. 25-3131451

FORM 31 --- Concluded

7. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.

8. That the following are the payments that I have received from the debtor, the credits that I have allowed to the debtor, and the transfers at undervalue within the meaning of section 2 of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of section 2 of the Act:

(Provide details of payments, credits and transfers at undervalue)

9. (Applicable only in the case of the bankruptcy of an individual.)

Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.

I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

**Warning:** Subsection 201(1) of the Act provides for the imposition of severe penalties in the event that a creditor or person claiming to be a creditor makes any false claim, proof, declaration or statement of account.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Signature of creditor or representative



District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-3131451  
Estate No. 25-3131451

FORM 36  
Proxy  
(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

I, \_\_\_\_\_, of \_\_\_\_\_, a creditor in the above matter, hereby appoint \_\_\_\_\_, of \_\_\_\_\_, to be my proxyholder in the above matter, except as to the receipt of dividends, \_\_\_\_\_ (with or without) power to appoint another proxyholder in his or her place.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

Per \_\_\_\_\_  
Name and Title of Signing Officer

Return To:

FTI Consulting Canada Inc. - Licensed Insolvency Trustee

\_\_\_\_\_  
Suite 1610, 520 - 5th Ave S.W.  
Calgary AB T2P 3R7

E-mail: [avila@fticonsulting.com](mailto:avila@fticonsulting.com)

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-3131451  
Estate No. 25-3131451

FORM 37

Voting Letter  
(Paragraph 51(1)(f) of the Act)

I, \_\_\_\_\_, creditor (or I, \_\_\_\_\_, representative of \_\_\_\_\_, creditor), of \_\_\_\_\_, a creditor in the above matter for the sum of \$ \_\_\_\_\_, hereby request the trustee acting with respect to the proposal of Avila Energy Corp, to record my vote \_\_\_\_\_ (for or against) the acceptance of the proposal as made on the 28th day of February 2025.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

Per \_\_\_\_\_  
Name and Title of Signing Officer

Return To:  
FTI Consulting Canada Inc. - Licensed Insolvency Trustee  
Per:

\_\_\_\_\_  
Dustin Olver - Licensed Insolvency Trustee  
Suite 1610, 520 - 5th Ave S.W.  
Calgary AB T2P 3R7

E-mail: [avila@fticonsulting.com](mailto:avila@fticonsulting.com)