

COURT FILE NUMBER 2201-02699
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF NATIONAL BANK OF CANADA



DEFENDANTS BALANCED ENERGY OILFIELD SERVICES INC., BALANCED ENERGY OILFIELD SERVICES (USA) INC., BALANCED ENERGY HOLDINGS INC., MICHELLE THOMAS, NEIL SCHMEICHEL, DARREN MILLER, and CODY BELLAMY

DOCUMENT **ORDER**
(Approval of Sales Solicitation Process, Stalking Horse Term Sheet and Receiver's Conduct and Activities)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
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File Number: 1230496

DATE ON WHICH ORDER WAS PRONOUNCED: March 30, 2022
NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice J.T. Neilson
LOCATION OF HEARING: Edmonton, Alberta (by WebEx)

UPON the application of FTI Consulting Canada Inc. in its capacity as receiver and manager (the "**Receiver**") of all the current and future assets, undertakings, properties whatsoever and wherever situate of Balanced Energy Oilfield Services Inc., Balanced Energy Oilfield Services (USA) Inc., and Balanced Energy Holdings Inc. (the "**Debtors**") for an order, among other things, approving the binding term sheet (as amended, the "**Stalking Horse Term Sheet**") between XDI Energy Solutions Inc. (the "**Stalking Horse Bidder**") and the Receiver, dated March 21, 2022, as attached as Appendix "B" to the First Report of the Receiver, dated March 21, 2022 (the "**First Report**"), and approving the proposed sales solicitation process ("**SSP**") attached as Appendix "A" to the First Report and as Schedule "A" hereto; **AND UPON** having reviewed the

Receivership Order granted by the Honourable Madam Justice Grosse on March 7, 2022 (the “**Receivership Order**”), the First Report, including the Confidential Supplement thereto, and the Affidavit of Service of Elena Pratt, sworn March 22, 2022; **AND UPON** hearing from counsel for the Receiver and any other interested party; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. Service of notice of this Application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this Application and time for service of this Application is abridged to that actually given.

APPROVAL OF STALKING HORSE TERM SHEET AND SSP

2. The Stalking Horse Term Sheet is hereby approved and the execution of the Stalking Horse Term Sheet by the Receiver is hereby authorized and approved, and the Receiver is authorized and directed to take such additional steps and execute such additional documents and make such minor amendments to the Stalking Horse Term Sheet as may be necessary or desirable for the completion of the terms of the Stalking Horse Term Sheet, in all cases subject to the terms of this Order.
3. The Break Fee as defined in the SSP is hereby approved and the Receiver is authorized and directed to pay the Break Fee in the manner and circumstances described therein.
4. The SSP attached hereto as **Schedule "A"**, is hereby approved. The Receiver is hereby authorized and directed to implement the SSP and do all things as are reasonably necessary to conduct and give full effect to the SSP and carry out its obligations thereunder.
5. In connection with the SSP and pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Receiver is authorized and permitted to disclose personal information of identifiable individuals to prospective purchasers or offerors and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more transactions (each, a “**Transaction**”). Each prospective purchaser or offeror to whom such information is disclosed shall maintain and protect the privacy of such information and shall limit the use of such information to its

evaluation of the Transaction, and if it does not complete a Transaction, shall: (i) return all such information to the Receiver; (ii) destroy all such information; or (iii) in the case of such information that is electronically stored, destroy all such information to the extent it is reasonably practical to do so. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver or ensure that other personal information is destroyed.

6. In the event no Superior Offers are received in the SSP or if the Stalking Horse Bidder is the Successful Bidder in the SSP, the Receiver is authorized and directed to file the Receiver's Certificate substantially in the form attached hereto as **Schedule "B"** (the "**Receiver's SSP Certificate**") certifying that no Superior Offers were received in the SSP or, in the alternative, that the Stalking Horse Bidder is the Successful Bidder in the SSP and that, as a result, the Receiver is proceeding to close the transactions detailed in the Stalking Horse Term Sheet, and serve the Receiver's SSP Certificate on the Service List established in these proceedings and on all Qualified Bidders (as defined in the SSP) which participated in the SSP.
7. Following the filing and service of the Receiver's SSP Certificate in accordance with paragraph 6 above, the Receiver is hereby authorized and empowered to close the transactions detailed in the Stalking Horse Term Sheet including, but not limited to, filing the Receiver's Certificates appended at Schedules A to the Approval and Vesting Order and Approval and Reverse Vesting Order granted by this Honourable Court concurrent with this Order.
8. In the event a Superior Bid is received in the SSP, the Receiver shall be at liberty to apply for an Order vesting title to the purchased assets in the name of the Successful Bidder in accordance with, and as defined in, the SSP.

APPROVAL OF CONDUCT AND ACTIVITIES

9. The actions, conduct and activities of the Receiver, as reported in the First Report are hereby approved.

MISCELLANEOUS

10. Paragraph 21 of the Receivership Order is hereby amended to increase the Receiver's Borrowings Charge from \$1,000,000 to \$1,750,000.
11. The Receiver shall serve by courier, fax transmission, email transmission or ordinary post, a copy of this Order on all parties present at this Application and on all parties who are presently on the service list established in these proceedings and such service shall be deemed good and sufficient for all purposes.

James J. Neilson

Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A"

Sales Solicitation Process

Sales Solicitation Process

1. On March 7, 2022, the Alberta Court of Queen's Bench (the “**Alberta Court**”) made an order (the “**Receivership Order**”) appointing FTI Consulting Canada Inc. (“**FTI**”) as receiver and manager (the “**Receiver**”) of the property, assets and undertakings of Balanced Energy Oilfield Services Inc. (“**BCAN**”), Balanced Energy Oilfield Services (USA) Inc. (“**BUSA**”) and Balanced Energy Holdings Inc. (“**BEH**”, and collectively with BCAN and BUSA, “**Balanced Energy**”).
2. The Receiver is requesting the Alberta Court's approval of the sale solicitation process (the “**Sales Process**”) set forth herein at a court application scheduled on March 30, 2022 (the “**SSP Approval Order**”).
3. Set forth below are the procedures (the “**Sales Process Procedure**”) to be followed with respect to the Sale Process to be undertaken to seek a Successful Bid, and if there is a Successful Bid, to complete the transactions contemplated by the Successful Bid.
4. All dollar amounts set out in this Sale Process shall be deemed to be in Canadian dollars unless otherwise noted.

Defined Terms

5. All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Receivership Order or the Stalking Horse Term Sheet. In addition, in these Sale Process Procedures:

“**Break Fee**” means the sum of \$250,000, which shall be paid to the Stalking Horse Bidder in the circumstances described herein;

“**Business Day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the City of Calgary;

“**Court**” means the Alberta Court of Queen’s Bench;

“**Damaged Unit Repair Costs**” means all costs incurred prior to closing of the Successful Bid or the transactions detailed in the Stalking Horse Term Sheet, as applicable, in connection with repairs to be made to that damaged coiled tubing unit of BCAN having serial No. 27124977-0435A-1013 and included in the Purchase Price, as specified in the Stalking Horse Term Sheet;

“**Laurentian**” means Laurentian Bank, a secured lender to BUSA holding first lien security over certain equipment held by BUSA;

“**Laurentian Debt**” means all secured debt of BUSA to Laurentian, currently estimated at \$900,000;

“**Minimum Incremental Overbid**” means cash (or a non-cash equivalent) value of at least \$250,000;

“**NBC**” means National Bank of Canada, the primary secured creditor of Balanced Energy;

“**Pre-Closing Expense Amount**” has the meaning given in the Stalking Horse Term Sheet and is included in the Purchase Price as specified in the Stalking Horse Term Sheet;

“**Pre-Closing Coiled Tubing Inventory Amount**” has the meaning given in the Stalking Horse Term Sheet and is included in the Purchase Price as specified in the Stalking Horse Term Sheet;

“**Property**” means all, substantially all, or certain of the assets, property, and undertakings of BCAN, BUSA, BEH, or any one of them;

“**Purchase Price**” has the meaning given in the Stalking Horse Term Sheet and in paragraph 21 below;

“**Purchased Assets**” means the assets of BUSA defined and enumerated in the Stalking Horse Term Sheet;

“**Purchased Shares**” means all of the issued and outstanding common shares in the capital of BCAN;

“**Receivership Obligations**” means the indebtedness, liabilities and obligations secured by the Receiver’s Charge and Receiver’s Borrowing Charge (as defined in the Receivership Order) granted in favour of the Receiver pursuant to the Receivership Order;

“**Retained Assets**” means all of the assets of BCAN proposed to be retained BCAN in accordance with the Stalking Horse Term Sheet, as further defined and enumerated in the Stalking Horse Term Sheet;

“**Retained Liabilities**” means all of the liabilities of BCAN proposed to be retained in BCAN in accordance with the Stalking Horse Term Sheet, as further defined and enumerated in the Stalking Horse Term Sheet;

“**Stalking Horse Bidder**” means XDI Energy Solutions Inc.;

“**Stalking Horse Term Sheet**” means the Binding Term Sheet between the Stalking Horse Bidder, the Receiver, and NBC dated March 21, 2022 and attached as Schedule “A” hereto;

“**Superior Offer**” means a credible, reasonably certain and financially viable third party offer for the acquisition of some or all of the Property, the terms of which offer are, in the determination of the Receiver, in its sole discretion acting reasonably, no less favourable and no more burdensome or conditional than the terms contained in the Stalking Horse Term Sheet, and which at a minimum includes a payment in cash of the Purchase Price under

Stalking Horse Term Sheet plus the Break Fee plus one Minimum Incremental Overbid as at the closing of such transaction;

“**Transferred Assets**” means all of the assets of BCAN proposed to be transferred to BEH in accordance with the Stalking Horse Term Sheet, as further defined and enumerated in the Stalking Horse Term Sheet;

“**Transferred Liabilities**” means all of the liabilities of BCAN proposed to be transferred to BEH in accordance with the Stalking Horse Term Sheet, as further defined and enumerated in the Stalking Horse Term Sheet;

Stalking Horse Term Sheet

6. The Receiver has entered into the Stalking Horse Term Sheet with the Stalking Horse Bidder and with NBC, pursuant to which, if there is no Successful Bid (as defined below) from a party other than the Stalking Horse Bidder, the Stalking Horse Bidder will, by virtue of the transactions set out in the Stalking Horse Term Sheet, acquire (directly or indirectly) the Purchased Assets, Purchased Shares, Retained Assets, and Retained Liabilities, but specifically excluding the Transferred Assets and Transferred Liabilities which will remain with BEH and be subject to the terms of the Receivership Order.

7. The Stalking Horse Term Sheet is attached hereto as **Schedule “A”**.

Sales Process Procedure

8. The Sales Process Procedure set forth herein describes, among other things, the Property available for sale, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property, the manner in which bidders and bids become Qualified Bidders and Qualified Bids (each as defined below), respectively, the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder (as defined below) and the Courts' approval and recognition thereof. The Receiver shall administer the Sales Process Procedure. In the event that there is disagreement as to the interpretation or application of this Sales Process Procedure, the Court will have jurisdiction to hear and resolve such dispute.

9. The Receiver will use reasonable efforts to complete the Sales Process Procedure in accordance with the timelines as set out herein. The Receiver shall be permitted to make such adjustments to the timeline that it determines are reasonably necessary.

Purchase Opportunity

10. A non-confidential teaser letter prepared by the Receiver (the "**Teaser**") describing the

opportunity to acquire the Property be made available by the Receiver to prospective purchasers and will be posted on the Receiver's website as soon as practicable following the execution of the Stalking Horse Term Sheet.

11. The Receiver will also populate an electronic data room with detailed information regarding the Purchased Assets including, but not limited to, listings, photographs, financial information, technical specifications and other information required for prospective purchasers to perform due diligence on the Property.

"As Is, Where Is"

12. The sale of the Property will be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Receiver or any of its agents, except to the extent set forth in the relevant final sale agreement with a Successful Bidder. The representations, warranties, covenants or indemnities shall not be materially more favourable than those set out in the Stalking Horse Term Sheet except to the extent additional tangible monetary value of an equivalent amount is provided by a Successful Bidder other than the Stalking Horse Bidder for such representations, warranties, covenants or indemnities.

Free of Any and All Claims and Interests

13. In the event of a sale pursuant to this Sales Process, all of the rights, title and interests of Balanced Energy in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon and there against (collectively the "**Claims and Encumbrances**"), such Claims and Encumbrances to attach to the net proceeds of the sale of such Property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), pursuant to an approval and vesting order made by the Court, upon the application of the Receiver, except to the extent otherwise set forth in the relevant sale agreement with a Successful Bidder. The vesting out of Claims and Encumbrances by a Successful Bidder other than the Stalking Horse Bidder shall not be materially more favourable to the Successful Bidder than those set out in the Stalking Horse Term Sheet except to the extent additional tangible monetary value of an equivalent amount is provided for the vesting out of such Claims and Encumbrances.

Publication of Notice and Teaser

14. As soon as reasonably practicable after the execution of the Stalking Horse Term Sheet the Receiver will cause a notice of the Sales Process contemplated by these Sale Process Procedures, and such other relevant information which the Receiver considers appropriate, to be published in *The Daily Oil Bulletin* and *Insolvency Insider*. At the same time, the Receiver will

invite, pursuant to the Teaser, and by whichever means the Receiver deems appropriate, bids from interested parties.

Participation Requirements

15. In order to participate in the Sales Process, each person interested in bidding on the Property (a "**Potential Bidder**") must deliver to the Receiver at the address specified in **Schedule "B"** hereto (the "**Notice Schedule**") (including by email transmission), and prior to the distribution of any confidential information by the Receiver to a Potential Bidder, an executed non-disclosure agreement substantially in the form attached at **Schedule "C"** hereto, which shall inure to the benefit of any purchaser of the Property.

16. A Potential Bidder that has executed a non-disclosure agreement, as described above, and who the Receiver in its sole discretion determines has a reasonable prospect of completing a transaction contemplated herein, will be deemed a "**Qualified Bidder**" and will be promptly notified of such classification by the Receiver.

Due Diligence

17. The Receiver shall provide any person deemed to be a Qualified Bidder with access to the electronic data room and the Receiver shall provide to Qualified Bidders further access to such reasonably required due diligence materials and information relating to the Property as the Receiver deems appropriate. The Receiver makes no representation or warranty as to the information to be provided through the due diligence process or otherwise, regardless of whether such information is provided in written, oral or any other form, except to the extent otherwise contemplated under any definitive sale agreement with a Successful Bidder executed and delivered by the Receiver and approved by the Court.

Seeking Qualified Bids from Qualified Bidders

18. A Qualified Bidder that desires to make a bid for the Property must deliver either:

- (a) a written final, binding proposal (the "**Final Bid**") in the form of a fully executed purchase and sale agreement substantially in the form attached hereto as **Schedule "D"** (the "**Template Sale Agreement**"); or
- (b) a signed letter confirming that the Qualified Bidder wishes to assume and perform the obligations of the Stalking Horse Bidder under the Stalking Horse Term Sheet, subject to the necessary adjustment to the Purchase Price to include the Minimum Incremental Overbid and the Break Fee, and detailing

any adjustments, revisions or other terms that the Qualified Bidder proposes be included in the Stalking Horse Term Sheet (a “**Confirmation of Term Sheet Assumption**”),

in each case to Receiver at the address specified in the Notice Schedule (including by email transmission) so as to be received by it not later than 4:00 p.m. Calgary time on April 27, 2022 (the "**Final Bid Deadline**").

Qualified Bids

19. A Final Bid will be considered a Qualified Bid only if it is submitted by a Qualified Bidder and the Final Bid complies with, among other things, the following conditions (a "**Qualified Bid**"):

- (a) it contains
 - (i) a duly executed purchase and sale agreement substantially in the form of the Template Sale Agreement and a blackline of the executed purchase and sale agreement to the Template Sale Agreement; or
 - (ii) a Confirmation of Term Sheet Assumption compliant with the requirements in paragraph 18(b) above;
- (b) it includes a letter stating that the Final Bid is irrevocable until there is a Selected Superior Offer (as defined below), provided that if such Qualified Bidder is selected as the Successful Bidder, its Final Bid shall remain an irrevocable offer until the earlier of (i) the completion of the sale to the Successful Bidder and (ii) the outside date stipulated in the Successful Bid;
- (c) it provides written evidence of a firm, irrevocable financial commitment for all required funding or financing;
- (d) it provides a written confirmation that the Qualified Bidder has not engaged in any collusion with any other bidder;
- (e) it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
- (f) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Receiver), or such other form of payment acceptable to the Receiver, payable to the order of the Receiver, in trust, in an amount equal to 10% of the total consideration in the Qualified Bid to be held and dealt with in accordance with these Sale Process Procedures;

- (g) the aggregate consideration, as calculated and determined by the Receiver in its sole discretion, to be paid in cash by the Qualified Bidder under the Qualified Bid exceeds the aggregate of the Purchase Price under the Stalking Horse Term Sheet, plus the Break Fee and plus one Minimum Incremental Overbid, upon completion of the transaction contemplated by the Stalking Horse Term Sheet;
- (h) it is not conditional upon:
 - (i) the outcome of unperformed due diligence by the Qualified Bidder, and/or
 - (ii) obtaining financing;
- (i) it contains evidence of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body); and
- (j) it is received by the Final Bid Deadline.

Stalking Horse Term Sheet

- 20. No deposit is required in connection with the Stalking Horse Term Sheet.
- 21. The purchase price for the Purchased Assets, Purchased Shares, and Retained Assets identified in the Stalking Horse Term Sheet includes the sum of:
 - (a) \$11,250,000 in cash;
 - (b) such amount as shall be required to pay out and satisfy, in full, the Laurentian Debt (estimated to be approximately \$900,000);
 - (c) such amount equal to the Damaged Unit Repair Costs;
 - (d) such amount equal to the Pre-Closing Coiled Tubing Inventory Amount; and
 - (e) such amount equal to the Pre-Closing Expense Amount;
 (collectively, the "**Purchase Price**").

No Qualified Bids

- 22. If none of the Qualified Bids received by the Receiver constitutes a Superior Offer, the Receiver shall promptly file the Receiver's Certificate substantially in the form attached

as Schedule "A" to the SSP Order (the "**Receiver's SSP Certificate**") and shall proceed immediately to close the transactions enumerated in the Stalking Horse Term Sheet.

If a Superior Offer is Received

23. If the Receiver determines in its reasonable discretion that one or more of the Qualified Bids constitutes a Superior Offer, the Receiver shall provide the parties making Superior Offers and the Stalking Horse Bidder the opportunity to make further bids through the auction process set out below (the "**Auction**").

Auction

24. If an Auction is to be held, the Receiver will conduct the Auction commencing at 10:00 a.m. (Calgary time) on May 4, 2022 at the offices of the Receiver's legal counsel, Osler Hoskin & Harcourt LLP, Suite 2700 Brookfield Place, 225 6 Ave SW, Calgary Alberta, or such other location as shall be timely communicated to all entities entitled to attend at the Auction, which Auction may be adjourned by the Receiver. The Auction shall run in accordance with the following procedures:

- (a) prior to 4:00 p.m. Calgary time on May 2, 2022, the Receiver will provide unredacted copies of the Qualified Bid(s) which the Receiver believes is/are (individually or in the aggregate) the highest or otherwise best Qualified Bid(s) (the "**Starting Bid**") to the Stalking Horse Bidder and to all Qualified Bidders that have made a Superior Offer;
- (b) prior to 4:00 p.m. Calgary time on May 3, 2022, each Qualified Bidder that has made a Superior Offer and the Stalking Horse Bidder, must inform the Receiver whether it intends to participate in the Auction (the parties who so inform the Receiver that they intend to participate are hereinafter referred to as the "**Auction Bidders**");
- (c) prior to the Auction, the Receiver shall develop a financial comparison model (the "**Comparison Model**") which will be used to compare the Starting Bid and all Subsequent Bids (as defined below) submitted during the Auction, if applicable;
- (d) during the morning of May 4, 2022, the Receiver shall make itself available to meet with each of the Auction Bidders to review the procedures for the Auction, the mechanics of the Comparison Model, and the manner by which Subsequent Bids shall be evaluated during the Auction, and the Auction shall be held immediately thereafter;

- (e) only representatives of the Auction Bidders, the Receiver, and such other persons as permitted by the Receiver (and the advisors to each of the foregoing entities) are entitled to attend the Auction in person (and the Receiver shall have the discretion to allow such persons to attend by teleconference);
- (f) the Receiver shall arrange to have a court reporter attend at the Auction;
- (g) at the commencement of the Auction, each Auction Bidder shall be required to confirm that it has not engaged in any collusion with any other Auction Bidder with respect to the bidding or any sale;
- (h) only the Auction Bidders will be entitled to make a Subsequent Bid (as defined below) at the Auction; provided, however, that in the event that any Qualified Bidder elects not to attend and/or participate in the Auction, such Qualified Bidder's Qualified Bid, shall nevertheless remain fully enforceable against such Qualified Bidder if it is selected as the Winning Bid (as defined below);
- (i) all Subsequent Bids presented during the Auction shall be made and received in one room on an open basis. All Auction Bidders will be entitled to be present for all Subsequent Bids at the Auction with the understanding that the true identity of each Auction Bidder at the Auction will be fully disclosed to all other Auction Bidders at the Auction and that all material terms of each Subsequent Bid will be fully disclosed to all other Auction Bidders throughout the entire Auction;
- (j) all Auction Bidders must have at least one individual representative with authority to bind such Auction Bidder present in person at the Auction;
- (k) the Receiver may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances (e.g., the amount of time allotted to make a Subsequent Bid, requirements to bid in each round, and the ability of multiple Auction Bidders to combine to present a single bid) for conducting the Auction, provided that such rules are (i) not inconsistent with these Sale Process Procedures, general practice in insolvency proceedings, or the Receivership Order and (ii) disclosed to each Auction Bidder at the Auction;
- (l) bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder (a “**Subsequent Bid**”) that the Receiver, utilizing the Comparison Model, determines is (i) for the first round, a higher or otherwise better offer than the Starting Bid, and (ii) for subsequent rounds, a higher or otherwise better offer than the Leading Bid (as defined below), in

each case by at least the Minimum Incremental Overbid. After the first round of bidding and between each subsequent round of bidding, the Receiver shall announce the bid (including the value and material terms thereof) that it believes to be the highest or otherwise best offer (the “**Leading Bid**”). A round of bidding will conclude after each Auction Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid;

- (m) to the extent not previously provided (which shall be determined by the Receiver), an Auction Bidder submitting a Subsequent Bid must submit, at the Receiver's discretion, as part of its Subsequent Bid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Receiver), demonstrating such Auction Bidder's ability to close the transaction proposed by the Subsequent Bid;
- (n) the Receiver reserves the right, in its reasonable business judgment, to make one or more adjournments in the Auction of not more than 24 hours each, to among other things (i) facilitate discussions between the Receiver and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide the Receiver with such additional evidence as the Receiver, in its reasonable business judgment, may require that that Auction Bidder (including, as may be applicable, the Stalking Horse Bidder) has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing overbid amount;
- (o) the Stalking Horse Bidder shall be permitted, in its sole discretion, to submit Subsequent Bids, provided, however, that such Subsequent Bids are made in accordance with these Sale Process Procedures;
- (p) if, in any round of bidding, no new Subsequent Bid is made, the Auction shall be closed;
- (q) the Auction shall be closed within 5 Business Days of the start of the Auction unless extended by the Receiver; and
- (r) no bids (from Qualified Bidders or otherwise) shall be considered after the conclusion of the Auction.

25. At the end of the Auction, the Receiver shall select the winning bid (the “**Winning Bid**”). Once a definitive agreement has been negotiated and settled in respect of the Winning Bid as selected by the Receiver (the “**Selected Superior Offer**”) in accordance with the provisions hereof, the Selected Superior Offer shall be the "Successful Bid" hereunder and the person(s) who made the Selected Superior Offer shall be the "Successful Bidder" hereunder. If the Successful Bidder is a bidder other than the Stalking Horse Bidder, the Stalking Horse Bidder shall be entitled to receive, and the Receiver shall pay to it, the Break Fee, immediately after closing, from the Successful Bidder's payment of cash at closing.

Alberta Court Approval Motion

26. Unless the Successful Bid is the Stalking Horse Term Sheet (in which case the provisions of the SSP Order shall govern and the transaction detailed in the Stalking Horse Term Sheet shall be closed in accordance with the requirements thereof), the Receiver shall apply to the Court (the "**Approval Motion**") for an order (the "**Sale Approval and Vesting Order**") approving the Successful Bid and authorizing the Receiver to enter into any and all necessary agreements with respect to the Successful Bidder, as well as an order vesting title to the Property in the name of the Successful Bidder.

27. The Approval Motion will be held on May 13, 2022 at 2:00 p.m., or such further and other date as may be agreed by the Receiver and the Successful Bidder.

28. All Qualified Bids and Subsequent Bids (other than the Successful Bid) shall be deemed rejected on and as of the date and of approval of the Successful Bid by the Court, but not before, and shall remain open for acceptance until that time.

Deposits

29. All Deposits shall be retained by the Receiver in a bank account specified by the Receiver. If there is a Successful Bid, the Deposit (plus accrued interest, if any) paid by the Successful Bidder whose bid is approved at the Approval Motion shall be applied to the purchase price to be paid by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The Deposits (plus applicable interest, if any) of Qualified Bidders not selected as the Successful Bidder shall be returned to such bidders within five (5) Business Days of the date on which the Sale Approval and Vesting Order is granted by the Court or, if the Successful Bid is the Stalking Horse Term Sheet, the date on which the Receiver files the Receiver's SSP Certificate. If there is no Successful Bid, all Deposits shall be returned to the bidders within five (5) Business Days of the date upon which the Sale Process is terminated in accordance with these procedures.

Approvals

30. For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the applicable law in order to implement a Successful Bid.

No Amendment

31. Subject to paragraph 9 above, there shall be no amendments to these Sale Process Procedures without the consent of the Receiver.

Further Orders

32. At any time during the Sales Process, the Receiver may apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder.

Schedule "A" to Sales Solicitation Process

BINDING TERM SHEET**RVO TRANSACTION**

(All amounts expressed herein are in Canadian Dollars)

This Term Sheet sets forth the agreement of the parties hereto (the "**Parties**") with respect to the proposed transaction which is described herein (the "**Proposed Transaction**"). In the Proposed Transaction, the Purchaser will: (i) purchase the Purchased Shares of Balanced Canada; and (ii) purchase the Purchased Assets of Balanced USA. Pursuant to the AVO and RVO, those purchases shall be approved and: (i) the Purchased Shares will be transferred from Balanced Holdings to the Purchaser; (ii) the Transferred Assets will be transferred from Balanced Canada to Balanced Holdings, in consideration for Balanced Holdings assuming from Balanced Canada the Transferred Liabilities; and (iii) the Purchased Assets will be transferred to the Purchaser, free and clear of all claims of the creditors of the Debtors.

The Parties acknowledge that this Term Sheet is being provided as part of a SH SSP (as that term is defined below) being administered by the Receiver (as defined below).

Upon execution of this Term Sheet by the Parties, this Term Sheet shall create a binding legal obligation on the part of the Parties, subject only to the terms and conditions hereof and of the RVO and approval of the Court of Queen's Bench of Alberta. The terms and conditions set forth in this Term Sheet, together with the RVO, are intended to be comprehensive and are not subject to any further due diligence by any Party or to any further definitive documentation, except as expressly permitted or contemplated hereunder.

Purchaser:	The Purchaser will be XDI Energy Solutions Inc. (the " Purchaser ").
Seller:	FTI Consulting Canada Inc., in its capacity as the Receiver (the " Receiver ") of Balanced Energy Holdings Ltd. (" Balanced Holdings "), Balanced Energy Oilfield Services Inc. (" Balanced Canada ") and Balanced Energy Oilfield Services (USA) Inc. (" Balanced USA ") (collectively, the " Debtors "), and not in its personal or corporate capacity.
Secured Creditor:	National Bank of Canada, the primary secured creditor of the Debtors (" NBC ").
Closing Date:	Closing of the Proposed Transaction (the " Closing ") shall occur on or about three business days after the closing conditions have been satisfied or waived, or such earlier or later date as agreed by the Parties (the " Closing Date ").
Proposed Definitive Documents:	NBC has commenced proceedings in the Court of Queen's Bench of Alberta (the " Court ") and on March 7, 2022, the Court appointed the Receiver over all the business, assets and undertaking of the Debtors (the " Receivership Order ") in Action No. 2201-02699. On March 30, 2022 (the " Sale Approval Date "), the Receiver shall apply for a Sale Approval and Vesting Order, substantially in the form attached as Schedule A, approving the purchase and sale of the Purchased Assets (the " AVO ") and a Reverse Vesting Order, in substantially the form attached as Schedule B, approving the Proposed Transaction regarding Balanced Canada (the " RVO "), the effectiveness of the AVO and the RVO each being subject to the outcome of the SH SSP.
Balanced Canada Purchased Shares:	Concurrent with Closing, all of the issued and outstanding common shares in the capital of Balanced Canada (the " Purchased Shares ") shall be transferred to the Purchaser, pursuant to the RVO.
Balanced Canada Preferred Shares:	Concurrent with, and only in the event of, Closing, each of Balanced Holdings, Neil Schmeichel, Michelle Thomas, Codie Bellamy and Darren Miller hereby consent and agree to the cancellation, for no consideration other than the consideration contained in

	<p>this Term Sheet, of: (i) all preferred shares (the "Preferred Shares") in the capital of Balanced Canada which are issued and outstanding thereto; and (ii) all rights and entitlements in connection with the Preferred Shares and, for clarity, upon Closing all claims which the foregoing individuals may have against the Debtors in connection with the Preferred Shares shall be released.</p>
<p>Balanced Canada Transferred Assets:</p>	<p>Pursuant to the RVO, the following assets of Balanced Canada shall be transferred to Balanced Holdings (collectively, the "Transferred Assets"): </p> <ul style="list-style-type: none"> (a) all of the Debtors' cash and cash equivalents, including all cash collateral and deposits posted by or for the benefit of the Debtors as security for any obligation; (b) all accounts receivable, notes receivable and negotiable instruments of the Debtors; (c) all rights to receive any refund, rebate, credit, abatement or recovery of or with respect to taxes; (d) all of the right, title and interest of Balanced Canada in and to the intercompany loan agreement between Balanced Canada and Balanced USA which was entered into by the parties to facilitate the transfer of certain equipment from Balanced Canada to Balanced USA (the "Intercompany Loan"); and (e) subject to the prior written consent of the Receiver, any other assets of Balanced Canada designated by the Purchaser as Transferred Assets, prior to the Closing Date.
<p>Balanced Canada Transferred Liabilities:</p>	<p>Pursuant to the RVO, the following liabilities of Balanced Canada shall be assumed by Balanced Holdings on or prior to Closing (collectively, the "Transferred Liabilities"), in consideration for the transfer to Balanced Holdings of the Transferred Assets:</p> <ul style="list-style-type: none"> (a) all unpaid funded indebtedness, including all claims of NBC, BDC and EDC; (b) all unsecured claims; (c) all liabilities associated with the employees that are not retained, which employees shall be identified by the Purchaser prior to Closing (the "Excluded Employees"); (d) all of the right, title and interest of Balanced Canada in and to the Calgary office lease (the "Calgary Lease") and all liabilities associated with the Calgary Lease; (e) all of the right, title and interest of Balanced Canada in and to the Brooks facility lease (the "Brooks Lease") and all liabilities associated with the Brooks Lease; and (f) subject to the prior written consent of the Receiver, any other liabilities designated by the Purchaser as Transferred Liabilities, prior to the Closing Date.
<p>Balanced Canada Retained Assets:</p>	<p>The following assets of Balanced Canada shall not be transferred to Balanced Holdings and shall be retained by Balanced Canada (collectively, the "Retained Assets"): </p> <ul style="list-style-type: none"> (a) all prepaid charges and expenses, including all prepaid rent; (b) all inventory; (c) all equipment and other tangible assets, including all vehicles, tools, parts and supplies, fuel, machinery, furniture, furnishing, appliances, fixtures, office equipment

	<p>and supplies, owned and licensed computer hardware and related documentation, stored data, communication equipment, trade fixtures and leasehold improvements, in each case, with any transferable warranty and service rights of any Seller related thereto;</p> <p>(d) all contracts (except for accounts receivable payable to the Debtors under such contracts);</p> <p>(e) all licenses and permits used by Balanced Canada in connection with the operation of its business;</p> <p>(f) all employees of Balanced Canada which the Purchaser decides to retain, acting in its sole discretion (the "Retained Employees");</p> <p>(g) all intellectual property;</p> <p>(h) all goodwill and intangibles;</p> <p>(i) all books and records;</p> <p>(j) all rights under insurance contracts and policies;</p> <p>(k) all telephone numbers, fax numbers and email addresses;</p> <p>(l) all prepaid taxes and tax credits;</p> <p>(m) all bank accounts;</p> <p>(n) all non-disclosure agreements entered into by the Receiver on behalf of the Debtors in connection with the Stalking Horse SSP process;</p> <p>(o) all proceeds of insurance paid following Closing in connection with that damaged coiled tubing unit of Balanced Canada having serial No. 27124977-0435A-1013 (the "Damaged Unit");</p> <p>(p) NBC shall assign to the Purchaser all life insurance policies outstanding in respect of Mr. Neil Schmeichel and Ms. Michelle Thomas; and</p> <p>(q) all other or additional assets, properties, privileges, rights and interests relating to the business of Balanced Canada (the "Canadian Business"), the Retained Liabilities or the assets of Balanced Canada (other than any Transferred Assets) of every kind and description and wherever located, whether known or unknown, fixed or unfixed, accrued, absolute, contingent or otherwise, and whether or not specifically referred to in this Term Sheet.</p> <p>The Purchased Shares and the Canadian Business shall be acquired on an "as is where is" basis without any representation or warranty as to fitness or condition.</p>
<p>Balanced Canada Retained Liabilities:</p>	<p>The following liabilities of Balanced Canada shall remain with Balanced Canada and shall not be assumed by Balanced Holdings (collectively, the "Retained Liabilities):</p> <p>(a) all liabilities and obligations arising from the possession, ownership and/or use of the Purchased Shares and the Retained Assets following Closing;</p>

	<ul style="list-style-type: none"> (b) all liabilities associated with contracts included in Retained Assets; (c) all outstanding property taxes or obligations; (d) all liabilities of Balanced Canada with respect to the following shareholder loans made to Balanced Canada: (i) loan from 1821109 Alberta Ltd. in the approximate amount of \$181,931.71; and (ii) loan from Michelle Thomas in the approximate amount of \$508,286.15; (e) all liabilities associated with the Retained Employees; and (f) any other liabilities of Balanced Canada designated by the Purchaser as Retained Liabilities, prior to the Closing Date.
<p>Balanced USA Purchased Assets:</p>	<p>Pursuant to the AVO, the Purchaser shall purchase the following assets of Balanced USA (collectively, the "Purchased Assets"): </p> <ul style="list-style-type: none"> (a) all prepaid charges and expenses, including all prepaid rent; (b) all inventory; (c) all equipment and other tangible assets, including all vehicles, tools, parts and supplies, fuel, machinery, furniture, furnishing, appliances, fixtures, office equipment and supplies, owned and licensed computer hardware and related documentation, stored data, communication equipment, trade fixtures and leasehold improvements, in each case, with any transferable warranty and service rights of any Seller related thereto; (d) all intellectual property; (e) all goodwill and intangibles; (f) all books and records; (g) all rights under insurance contracts and policies; (h) all telephone numbers, fax numbers and email addresses; (i) all prepaid taxes and tax credits; (j) all bank accounts; and (k) all other or additional assets, properties, privileges, rights and interests relating to the business of Balanced USA (the "US Business"), excluding the US Excluded Assets. <p>The Purchased Assets shall be acquired free and clear of all claims of the creditors of Balanced USA, and on an "as is where is" basis without any representation or warranty as to fitness or condition. The Parties acknowledge that the following Balanced USA Purchased Assets are currently under seizure in North Dakota or are otherwise unable to be transferred into Canada in advance of Closing (the "Detained Assets"): </p> <ul style="list-style-type: none"> (a) Unit HCRT 2 (Trailer only, no tractor) ("Unit HCRT 2");

	<p>(b) Unit 804 (KW tractor only, no cryogenic trailer) (“Unit 804”); and</p> <p>(c) Unit 211 (200Ton Todano Crane) (“Unit 211”).</p> <p>The Parties shall work together to secure physical possession of the Detained Assets so that they may be transferred to the Purchaser in accordance with this Term Sheet.</p>
Balanced USA Excluded Assets:	<p>Pursuant to the AVO, the following assets of Balanced USA shall remain with Balanced USA and shall not be transferred to the Purchaser on Closing (the "US Excluded Assets");</p> <p>(a) all of Balanced USA's cash and cash equivalents, including all cash collateral and deposits posted by or for the benefit of Balanced USA as security for any obligation;</p> <p>(b) all accounts receivable, notes receivable and negotiable instruments of Balanced USA;</p> <p>(c) all contracts of Balanced USA; and</p> <p>(d) such additional assets as may be identified by the Purchaser on or prior to Closing.</p>
Balanced USA Liabilities:	<p>Pursuant to the AVO, no liabilities or obligations of Balanced USA shall be assumed by the Purchaser on Closing including, without limitation, any of the following:</p> <p>(a) all liabilities associated with the employees Balanced USA;</p> <p>(b) all liabilities associated with the contracts of Balanced USA; and</p> <p>(c) all of Balanced USA's liabilities and obligations in respect of the Intercompany Loan.</p>
Damaged Unit:	<p>NBC, Balanced Canada, the Receiver and the Purchaser agree that Balanced Canada and the Receiver may proceed with procuring the repairs to the Damaged Unit prior to Closing and in advance of confirmation of whether the costs of completing such repairs will be covered by insurance. NBC agrees to fund the cost of making such repairs, whether incurred before or after the appointment of the Receiver (the "Damaged Unit Repair Costs"), subject to reimbursement of all such costs by the Purchaser on Closing. Following Closing, the Purchaser, provided it has reimbursed NBC for the Damaged Unit Repair Costs, shall be entitled make an insurance claim in respect of the Damaged Unit Repair Costs and shall be entitled to retain all proceeds of insurance paid in connection therewith.</p>
Pre-Closing Inventory:	<p>NBC, Balanced Canada and the Purchaser acknowledge that Balanced Canada was required to purchase approximately \$300,000 of coiled tubing inventory in connection with ongoing business operations prior to Closing ("Pre-Closing Coiled-Tubing Inventory"). NBC agreed to and did fund the cost of procuring the Pre-Closing Coiled-Tubing Inventory. Two business days prior to the Closing Date, Balanced Canada shall deliver a report which details the remaining useful life, described as a percentage, of all Pre-Closing Coiled-Tubing Inventory which was funded by NBC. On Closing, the Purchaser shall reimburse NBC for the value of the remaining useful life of the Pre-Closing Coiled-Tubing Inventory, which amount shall be calculated by multiplying the purchase price of the Pre-Closing Coiled-Tubing Inventory by the percentage of useful life remaining in respect of the Pre-Closing Coiled-Tubing Inventory (the "Pre-Closing Coiled-Tubing Inventory Amount").</p>

<p>Pre-Closing Certification and Repairs:</p>	<p>NBC, Balanced Canada, the Receiver and the Purchaser agree that, between the Sale Approval Date and the Closing Date, Balanced Canada will incur certain expenses in respect of annual maintenance, repairs, inspection and re-certification of its equipment (the "Pre-Closing Work"). NBC agrees that the cost of the Pre-Closing Work shall be paid by Balanced Canada from cash on hand, accounts receivable which are collected by Balanced Canada or by NBC by extending additional funding to the Receiver through additional advances under the Receiver's Borrowing Charge established by the Receivership Order. On the date that is two business days prior to Closing, Balanced Canada shall deliver a report (the "Pre-Closing Expense Report") which details all costs incurred in connection with the Pre-Closing Work, together with a report of which items of Pre-Closing Work could reasonably be attributed to either: (i) routine annual maintenance, repairs, inspection and re-certification of equipment for future use by the Purchaser (collectively, "Annual Maintenance Expenses"); or (ii) generating additional revenue and accounts receivable during the period prior to Closing (collectively, "Revenue Generating Expenses"). The Pre-Closing Expense Report shall calculate the difference between the Annual Maintenance Expenses minus the Revenue Generating Expenses and, if such difference is positive, the Purchase Price shall be adjusted upward by the amount of such positive amount and, if such difference is negative, the Purchase Price shall be adjusted downward by such negative amount (the "Pre-Closing Expense Amount"). The Receiver and the Purchaser currently estimate that the Pre-Closing Expense Amount will result in an upward adjustment to the Purchase Price of approximately \$650,000.</p>
<p>Closing Sequence:</p>	<p>Closing shall be sequenced such that: (i) the Preferred Shares shall be cancelled by Balanced Canada; (ii) the Purchased Shares shall be transferred to the Purchaser; and (iii) immediately following the cancellation of the Preferred Shares and the transfer of the Purchased Shares, the Purchased Assets shall be transferred to Balanced Canada upon it becoming a wholly-owned subsidiary of the Purchaser.</p>
<p>Purchase Price:</p>	<p>The total aggregate purchase price for the Purchased Shares and Purchased Assets shall be:</p> <ul style="list-style-type: none"> (a) CA\$11,250,000 in cash; (b) such amount as shall be required to pay out and satisfy, in full, the first charge held by Laurentian Bank over certain equipment held by Balanced USA (currently estimated at approximately CA\$900,000); (c) increased, dollar for dollar, by an amount equal to the Damaged Unit Repair Costs; (d) increased, dollar for dollar, by an amount equal to the Pre-Closing Coiled-Tubing Inventory Amount; and (e) increased or decreased (as the case may be), dollar for dollar, by an amount equal to the Pre-Closing Expense Amount; <p>(the "Purchase Price").</p> <p>The Purchase Price shall not be subject to any additional increase or decrease.</p>
<p>Detained Assets:</p>	<p>Notwithstanding the foregoing, in the event that the Detained Assets have not been transferred into Canada on or prior to the Closing Date, Closing shall still occur, but the</p>

	<p>amount of the Purchase Price paid on Closing shall be reduced by the following amount, per unit, set forth below:</p> <p>(a) Unit HCRT 2 – \$CA551,000;</p> <p>(b) Unit 804 – \$CA68,000; and</p> <p>(c) Unit 211 – \$CA763,000.</p> <p>Following Closing, upon each Detained Asset being transferred into Canada, but in any event not later than two business days following completion of such transfer, the Purchaser shall pay the Receiver the applicable portion of the Purchase Price which corresponds to the individual Detained Asset which has been so transferred into Canada.</p>
Stalking Horse SSP Process:	<p>The Purchaser hereby agrees to allow for disclosure of this Term Sheet to the Court and all other parties by the Receiver as part of a stalking horse sales solicitation process (the “SH SSP”) to be commenced by the Receiver as soon as practicable following execution of this Term Sheet. Additionally, upon issuance of the AVO and the RVO, and subject to receiving approval of the Court to proceed with the SH SSP, the Receiver shall continue carrying out the SH SSP in accordance with the provisions set forth in Schedule C.</p>
Transfer Taxes:	<p>The Purchase Price is exclusive of all transfer taxes, including GST, and the Purchaser shall pay, or shall otherwise be responsible for, all transfer taxes and GST which may become payable in connection with the purchase of the Proposed Transaction.</p> <p>The Parties shall, acting reasonably, mutually agree upon an allocation of the Purchase Price among the Purchased Shares and the Purchased Assets in such a manner as will reduce transfer taxes payable by the Purchaser to the greatest extent possible.</p>
Distribution to Creditors:	<p>After Closing, the Receiver shall obtain one or more distribution orders from the Court in order to cause the assets in Balanced Holdings to be distributed to the creditors of the Debtors, in accordance with the priority of their claims against the Debtors.</p>
Representations and Warranties:	<p>The purchase and sale shall be on an "as is, where is" basis, with only such representations and warranties as are customary in receivership transactions.</p>
Conditions to Closing:	<p>The Purchaser's and the Receiver's obligation to close the Proposed Transaction will be subject to the following conditions precedent:</p> <p>(a) the granting of the AVO and the RVO, all in a form satisfactory to Purchaser, the Receiver and NBC, acting reasonably;</p> <p>(b) the release by NBC of all personal guarantees (the "Personal Guarantees") granted to NBC by shareholders, directors, officers or employees of the Debtors ("Key Debtor Personnel");</p> <p>(c) resolving all potential liability of the Key Debtor Personnel to Business Development Bank of Canada and Export Development Canada to the sole satisfaction of the Key Debtor Personnel;</p> <p>(d) this Term Sheet being the successful bid under the SH SSP or there is no Superior Offer under the SH SSP; and</p>

	(e) the RVO and AVO becoming final orders, not subject to any stay or filed appeal, no later than May 15, 2022.
Post-Closing Covenants:	<p>The parties acknowledge that the Receiver is commencing ancillary proceedings pursuant to Chapter 15 of the US <i>Bankruptcy Code</i> (the "US Bankruptcy Proceedings") to seek, among other things, recognition of the Receivership Order, AVO and RVO. If the Detained Assets are not transferred into Canada on or prior to the Closing Date, the Receiver shall continue its efforts in the US Bankruptcy Proceedings (or otherwise) to recover the Detained Assets and the Purchaser, the Receiver and NBC agree that, upon the transfer of the Detained Assets into Canada, a second closing will occur with respect to such assets for the purchase price per unit specified in the section titled "<i>Detained Assets</i>", above.</p> <p>All fixtures and leasehold improvements retained by Balanced Canada will be subject to all claims by the landlord under the Calgary Lease and Brooks Lease, as applicable, and Balanced Canada shall indemnify and hold Balanced Holdings harmless in respect of any claims made by either such landlord that relate to the fixtures or leasehold improvements retained by Balanced Canada.</p>
Covenants that continue whether or not Purchaser is not the Successful Bidder under the SSP	<p>The Purchaser shall provide reasonable assistance to the Receiver in connection with the collection of all accounts receivable owing to the Debtors including, without limitation, accounts receivable owing to Balanced USA by the United States Federal Government (approximately USD\$500,000) whether it is the successful bidder under the SH SSP or not.</p> <p>NBC agrees that in the event that the Successful Bidder chosen under the SH SSP is a party other than the Purchaser, the Key Debtor Personnel shall be released of all their obligations under the Personal Guarantees provided that the Key Debtor Personnel provide assistance to the Receiver in connection with the collection of the accounts receivable outlined above.</p>
No Post-Closing Adjustments:	<p>The Purchaser is not entitled to any claim, adjustment or abatement arising from any claim, as to the conditions, existence of or effective assignment or transfer of the Purchased Shares or the Purchased Assets, provided, however, that if following Closing:</p> <ul style="list-style-type: none"> (a) any Transferred Asset or Transferred Liability is found to have been retained or received by Balanced Canada, Balanced Canada shall transfer such Transferred Asset or Transferred Liability to Balanced Holdings, including, for greater certainty, any amounts that may have been received by Balanced Canada in respect of any: (A) cash collateral and deposits posted by or for the benefit of the Debtors as security for any obligations, (B) accounts receivable, notes receivable, and negotiable instruments, and (C) refund, rebate, credit, abatement or recovery of or with respect to taxes, in each case which form part of the Transferred Assets; (b) any Retained Asset or Retained Liability is found to have been transferred to Balanced Holdings, Balanced Holdings shall transfer such Retained Asset or Retained Liability to Balanced Canada; (c) any Purchased Asset is found to have been retained or received by Balanced USA, Balanced USA shall transfer such Purchased Asset to Balanced Canada; and (d) any US Excluded Asset is found to have been transferred to or received by Purchaser, Purchaser shall transfer such US Excluded Asset to Balanced USA, including, for

	greater certainty, any amounts that may have been received by Purchaser in respect of any: (A) cash collateral and deposits posted by or for the benefit of the Debtors as security for any obligations, and (B) accounts receivable, notes receivable, and negotiable instruments, in each case which form part of the US Excluded Assets.
Expenses:	Each Party shall pay its own expenses in connection with the Proposed Transaction, whether or not the Proposed Transaction is completed, unless otherwise mutually agreed by the Parties.
Governing Law:	This Term Sheet will be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
Counterparts:	This Term Sheet may be executed and delivered electronically in two or more counterparts, any one of which need not contain the signature of more than one Party, but all such counterparts taken together shall constitute one and the same instrument.
Assignment:	This Term Sheet may not be assigned without the prior written consent of the other Parties hereto.
Further Assurances	Each of the Parties hereto shall at the request and expense of the other Party hereto so requesting execute and deliver such further or additional documents and instruments as may reasonably be considered necessary or desirable to properly reflect and carry out the true intent and meaning of this Term Sheet.
Prior Term Sheet:	All of the Parties hereby agree and acknowledge that this Term Sheet represents the final and binding agreement of the Parties with respect to the subject matter provided for herein and the Parties further agree that the prior term sheet dated as of the 28 th day of February, 2022, and executed by all Parties except the Receiver, shall be replaced in its entirety by this Term Sheet and shall of no further force or effect.

[Signature page follows]


Dated effective as of the ____ day of March, 2022

XDI ENERGY SOLUTIONS INC.

Per: _____
Name: Michelle Thomas
Title: Director

Agreed and accepted as of the 21st day of March, 2022, by:

FTI CONSULTING CANADA INC., in its capacity as Receiver of the Debtors, and not in its personal or corporate capacity

Per: 
Name: Dustin Olver
Title: Senior Managing Director

Agreed and accepted as of the ____ day of March, 2022, by:

NATIONAL BANK OF CANADA

Per: **Dana Ades-Landy**
Name: Dana Ades-Landy
Title: Senior Manager Special Loans

Digitally signed by Dana Ades-Landy
DN: cn=Dana Ades-Landy, o=Banque Nationale, ou=Special Loans/Unité d'Intervention,
email=dana.adeslandy@nbc.ca, c=CA
Date: 2022.03.21 17:45:20 -04'00'

Agreed and accepted as of the ____ day of March, 2022, by:


Name: Chantal Tremblay
Title: Senior Manager Special Loans

Chantal Tremblay
2022.03.21 17:45:56 -04'00'

BALANCED ENERGY HOLDINGS INC.

Per: _____
Name: Neil Schmeichel
Title: Director


Agreed and accepted as of the ____ day of March, 2022, by:

BALANCED ENERGY OILFIELD SERVICES INC.

Per: _____
Name: Neil Schmeichel
Title: Director

Dated effective as of the ____ day of March, 2022

XDI ENERGY SOLUTIONS INC.

Per: 
Name: Michelle Thomas
Title: Director

Agreed and accepted as of the 21st day of March, 2022, by:

FTI CONSULTING CANADA INC., in its capacity as Receiver of the Debtors, and not in its personal or corporate capacity

Per: 
Name: Dustin Olver
Title: Senior Managing Director


Agreed and accepted as of the ____ day of March, 2022, by:

NATIONAL BANK OF CANADA

Per: _____
Name: _____
Title: _____

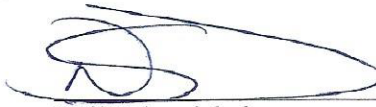
Agreed and accepted as of the 21 day of March, 2022, by:

BALANCED ENERGY HOLDINGS INC.

Per: 
Name: Neil Schmeichel
Title: Director

Agreed and accepted as of the 21 day of March, 2022, by:

BALANCED ENERGY OILFIELD SERVICES INC.

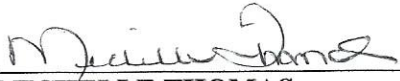
Per: 
Name: Neil Schmeichel
Title: Director

Agreed and accepted as of the 21 day of
March, 2022, by:



NEIL SCHMEICHEL

Agreed and accepted as of the 21 day of
March, 2022, by:



MICHELLE THOMAS

Agreed and accepted as of the ____ day of
March, 2022, by:

CODIE BELLAMY

Agreed and accepted as of the ____ day of
March, 2022, by:

DARREN MILLER

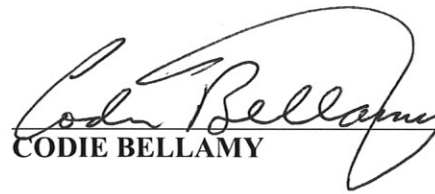
Agreed and accepted as of the ____ day of
March, 2022, by:

NEIL SCHMEICHEL

Agreed and accepted as of the ____ day of
March, 2022, by:

MICHELLE THOMAS

Agreed and accepted as of the 21st day of
March, 2022, by:



CODIE BELLAMY

Agreed and accepted as of the ____ day of
March, 2022, by:

DARREN MILLER

Agreed and accepted as of the ____ day of
March, 2022, by:

NEIL SCHMEICHEL

Agreed and accepted as of the ____ day of
March, 2022, by:

MICHELLE THOMAS

Agreed and accepted as of the ____ day of
March, 2022, by:

CODIE BELLAMY

Agreed and accepted as of the 21 day of
March, 2022, by:



DARREN MILLER

SCHEDULE A

FORM OF APPROVAL AND VESTING ORDER

(attached)

SCHEDULE B

FORM OF REVERSE VESTING ORDER

(attached)

SCHEDULE C

SALE SOLICITATION PROCESS

(attached)

Schedule “B” to Sales Solicitation Process

To the Receiver at:

FTI Consulting Canada Inc.
Suite 1610, 520 – 5th Avenue S.W.
Calgary, AB T2P 3R7

Attention: Dustin Olver / Brett Wilson

E-mail: Dustin.Olver@fticonsulting.com / Brett.Wilson@fticonsulting.com

With copy to:

Osler, Hoskin & Harcourt LLP
Suite 2700, Brookfield Place
225 – 6th Avenue S.W.
Calgary, AB T2P 1N2

Attention: Randal Van de Mosselaer / Emily Paplawski

Email: RVandemosselaer@osler.com / EPaplawski@osler.com

Schedule “C” to Sales Solicitation Process

NON-DISCLOSURE AGREEMENT

_____, 2022

Attention:

Dear Sirs & Mesdames:

On March 7, 2022, FTI Consulting Canada Inc. (the “**Receiver**”, “**us**” or “**we**”) was appointed receiver and manager of all of the assets, undertakings and properties of every nature and kind whatsoever and wherever situate, including all proceeds thereof of Balanced Energy Oilfield Services Inc., Balanced Energy Oilfield Services (USA) Inc., and Balanced Energy Holdings Inc. (collectively, the “**Debtors**”), pursuant to an Order of the Court of Queen’s Bench of Alberta (the “**Court**”).

On March 30, 2022, the Court issued an order, *inter alia*, approving the Sales Solicitation Process (the “**SSP**”). The purpose of the SSP is for the Receiver to seek sale or investment proposals for the shares and/or assets of the Debtors (collectively, the “**Potential Transactions**”) from Qualified Bidders and to subsequently implement one or a combination of such Potential Transactions. Capitalized terms used in this NDA and not otherwise defined herein have the meanings given to them in the SSP.

This SSP describes, among other things, the process by which interested parties and/or prospective bidders may evaluate and participate in Potential Transactions, including: (a) the manner in which such parties may obtain preliminary information, execute non-disclosure agreements and gain access or continue to have access to due diligence materials concerning the Potential Transactions; (b) the manner in which bidders and bids become Qualified Bidders and Qualified Bids, respectively; (c) the process for the evaluation of bids received; (d) the process for the ultimate selection of a Successful Bidder; and (e) the process for obtaining such approvals (including the approval of the Court) as may be necessary or appropriate in respect of a Successful Bid.

In executing this non-disclosure agreement (“**NDA**”) you (the “**Potential Bidder**” or “**you**”) acknowledge receipt of a copy of the SSP, attached as Schedule 1 hereto, and agree to accept and be bound by the provisions contained therein.

You confirm your interest in participating in the SSP with a view to becoming a Qualified Bidder and subsequently a Successful Bidder in order to close a transaction contemplated by a Successful Bid (the “**Transaction**”). In that regard, you have requested Confidential Information (as defined herein) be furnished to you.

As a condition to us furnishing Confidential Information to you, and in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, you agree on behalf of yourself, your affiliates and Representatives (as

defined herein and to the extent such affiliates and Representatives are in receipt of all or any part of the Confidential Information) as follows:

1. **Confidential Information** – The term “Confidential Information” means: (A) any and all information of whatever nature (including information in the form not only of written information but also information which may be transmitted orally, visually, graphically, electronically or by any other means) relating to the Debtors, their business and property including, without limitation, information concerning any past, present or future customers, suppliers or our technology, and any correspondence, internal business discussions, strategic plans, budgets, financial statements, records, reports, evaluations, notes, analyses, documents, engineering, trade secrets, know-how, data, patents, copyrights, processes, business rules, tools, business processes, techniques, programs, designs, formulae, marketing, advertising, financial, commercial, sales or programming materials, equipment configurations, system access codes and passwords, written materials, compositions, drawings, diagrams, computer programs, studies, works in progress, visual demonstrations, ideas, concepts, or any other documents or information pertaining in any way whatsoever to the Debtors; (B) all information about an identifiable individual or other information that is subject to any federal, provincial or other applicable statute, law or regulation of any governmental or regulatory authority in Canada relating to the collection, use, storage and/or disclosure of information about an identifiable individual, including the *Personal Information and Protection of Electronic Documents Act* (Canada) and equivalent provincial legislation, whether or not any such information is confidential (“**Personal Information**”); and (C) all summaries, notes, analyses, compilations, data, studies or other documents or records prepared by Potential Bidder or its Representatives that contain or otherwise reflect or have been generated, wholly or partly, or derived from, any such information (“**Derivative Information**”). The term “Confidential Information” shall not include such portions of the Confidential Information which: (i) are, or prior to the time of disclosure or utilization become, generally available to the public other than as a result of a disclosure by you or your Representatives; (ii) are received by you from an independent third party who had obtained the Confidential Information lawfully and was under no obligation of secrecy or duty of confidentiality; (iii) you can show were in your lawful possession before you received such Confidential Information from us, or (iv) you can show were independently developed by you or on your behalf by personnel having no access to the Confidential Information at the time of its independent development. In addition, you agree that the Receiver may, in its sole discretion, withhold or provide information requested by you.
2. **Non-Disclosure and Restricted Use** – the Confidential Information will be kept confidential by Potential Bidder and will not, without the prior written consent of the Receiver or as permitted by this NDA, be disclosed by Potential Bidder or any of its Representatives in any manner whatsoever, in whole or in part, and will not be used by Potential Bidder or any of its Representatives, directly or indirectly, for any purpose other than evaluating, negotiating and consummating a Transaction (the “**Permitted Purpose**”). You will not use the Confidential Information so as to obtain any commercial advantage over the Debtors or in any way which is, directly or indirectly, detrimental to the Debtors. Neither you nor any of your affiliates will alter, decompose, disassemble, reverse engineer or otherwise modify any Confidential Information received hereunder that relates to the

research and development, intellectual property, processes, new product developments, product designs, formulae, technical information, patent information, know-how or trade secrets of the Debtors. Potential Bidder agrees to comply with any applicable privacy laws in respect of Confidential Information relating to individuals. Potential Bidder recognizes and acknowledges the competitive value and confidential nature of the Confidential Information and the damage that could result to the Debtors if any information contained therein is disclosed to any person.

3. **Storage and Records** – You shall store the Confidential Information properly and securely and ensure that appropriate physical, technological and organisational measures are in place to protect the Confidential Information against unauthorised or unintended access, use or disclosure. You will only reproduce or take such copies of any of the Confidential Information as is reasonably necessary for the Permitted Purpose. You shall keep a record of the Confidential Information furnished to you, in any medium other than oral, and of the location of such Confidential Information.

4. **Access Limited to Representatives** – Potential Bidder may reveal or permit access to the Confidential Information only to its agents, representatives (including lawyers, accountants and financial advisors), directors, officers and employees (each a “**Representative**”) who need to know the Confidential Information for the Permitted Purpose, who are informed by Potential Bidder of the confidential nature of the Confidential Information, who are directed by Potential Bidder to hold the Confidential Information in the strictest confidence and who agree to act in accordance with the terms and conditions of this agreement. Potential Bidder will take all necessary precautions or measures as may be reasonable in the circumstances to prevent improper access to the Confidential Information or use or disclosure of the Confidential Information by Potential Bidder’s Representatives and will be responsible for any breach of this agreement by any of its Representatives. You will, in the event of a breach of this agreement or any disclosure of Confidential Information by you or any of your Representatives, other than as permitted by this agreement, through accident, inadvertence or otherwise, notify the Receiver of the nature of the breach promptly upon your discovery of the breach or disclosure.

You acknowledge that certain of the Debtors’ books, records or information representing or containing Confidential Information to which you may be given access are books, records and information to which solicitor-client privilege and/or litigation privilege (“**Privilege**”) attaches. You recognize and acknowledge that we have a material interest in the preservation of Privilege in respect of all Privileged material (collectively, the “**Privileged Material**”). You agree (acting on your own behalf and as agent for your Representatives) that: (a) such access is being provided solely for the Permitted Purpose; (b) such access is not intended and should not be interpreted as a waiver of any Privilege in respect of Privileged Material or any right to assert or claim Privilege in respect of Privileged Material. To the extent there is any waiver, it is intended to be a limited waiver in your favour, solely for the Permitted Purpose; (c) you shall keep the Privileged Material in strict confidence, and disclose such material solely to your legal counsel and to your directors, officers and employees and any affiliate and only to the extent required for the Permitted Purpose; (d) at our request, all copies of Privileged Material, and any notes that would disclose the contents of Privileged Material, will be destroyed or returned to the

owner thereof; and (e) at our request, you shall claim or assert, or co-operate to claim or assert, Privilege in respect of our Privileged Material.

5. **No Disclosure of Transaction** – Potential Bidder and its Representatives will not, without the Receiver’s prior written consent, disclose to any person the fact that the Confidential Information has been made available, that this agreement has been entered into, that discussions or negotiations are taking place or have taken place concerning a possible Transaction or any of the terms, conditions or other facts with respect to any such possible Transaction.
6. **Contact Persons** – In respect of Confidential Information requests or any other matters concerning the Confidential Information or the Transaction, you agree to communicate only with _____, each from FTI Consulting Canada Inc.; or with such other individual or individuals as they may authorize in writing and on terms acceptable to the Receiver, acting reasonably. Without such prior written consent, neither you nor any of your Representatives will initiate or cause to be initiated or maintain any communication with any officer, director, agent, employee of the Debtors, or any affiliate, creditor, shareholder, customer, supplier or lender of the Debtors concerning their business, operations, prospects or finances, or the Confidential Information or the Transaction.
7. **Proprietary Rights** – You acknowledge that the Confidential Information is a proprietary asset of the Debtors and its affiliates and agree that the Debtors will retain proprietary rights in the Confidential Information and the disclosure of such Confidential Information shall not be deemed to confer upon you any rights whatsoever in respect of any Confidential Information.
8. **Return of Confidential Information** – If you determine not to pursue a Transaction, you will promptly advise the Receiver of that fact. At the time of such notice, or if, at any earlier time, the Receiver so directs (whether or not you determine to pursue a Transaction), you and your Representatives will, at your own expense, promptly return or destroy all copies of the Confidential Information upon our request (and, in any event, within five (5) business days after such request), except for that portion of the Confidential Information which consists of Derivative Information, which will be destroyed, and in the case of information stored in electronic form, it will be permanently erased. If requested by the Receiver, compliance with this Section 8 shall be certified in writing by an authorized officer of the Potential Bidder.

Notwithstanding the foregoing, (i) you may retain a copy of the Confidential Information to the extent that such retention is required to demonstrate compliance with applicable law, regulation or professional standards, provided that it is kept strictly confidential; and (ii) Confidential Information that is electronically stored may be retained in back-up servers if it is not intentionally made available to any person, and is deleted in accordance with your normal policies with respect to the retention of electronic records. Notwithstanding the return or destruction of the Confidential Information, you and your Representatives shall continue to be bound by the confidentiality and other obligations hereunder.

9. **No Representation** – You acknowledge that neither we nor any of our Representatives makes any express or implied representation or warranty as to the accuracy or completeness of the Confidential Information, and agree that neither we nor our Representatives shall have any liability, direct or indirect, to you or your Representatives relating to or resulting from the Confidential Information or the use thereof, errors therein or omissions therefrom and except in accordance with any specific representations and warranties made in any definitive agreement entered into regarding the Transaction. Neither you nor we have any obligation to the other to negotiate a Transaction.
10. **Definitive Agreement** - You acknowledge and agree that no agreement relating to or providing for the Transaction shall exist unless and until a definitive agreement with respect to Transaction has been executed by you and us. It is agreed that unless and until such a definitive agreement has been executed and delivered pursuant to the terms of the SSP, neither we nor you shall have any legal obligation of any kind whatsoever with respect to the completion of the Transaction by virtue of this agreement. We and you further understand and agree that: (i) we are under no obligation to provide Confidential Information and any data room containing Confidential Information may be closed by us at any time; and (ii) neither we nor you shall have any claim whatsoever against the other (nor any of their respective affiliates or Representatives) arising out of or relating to the completion of the Transaction (other than as expressly set forth in a subsequent definitive written agreement entered into by us and you in connection with the Transaction and pursuant to the terms of the SSP). The process leading up to a Transaction shall be governed by the applicable terms of the SSP. Either party to this NDA may terminate discussions and negotiations with regard to the Transaction at any time for any reason.
11. **Required Disclosure** – In the event that you or any of your Representatives become legally compelled or are required by regulatory authorities having appropriate jurisdiction to disclose any of the Confidential Information, you will promptly provide us with written notice so that we may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this agreement. You will cooperate with us on a reasonable basis to obtain a protective order or other remedy. In the event that such protective order or other remedy is not obtained or we waive compliance with the provisions of this agreement, you will furnish only that portion of the Confidential Information which you are advised by counsel is legally required to be disclosed and will exercise all reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the Confidential Information so furnished.
12. **Non-Solicitation; No-Hire** – Without prior written consent of the Receiver, for a period of eighteen (18) months from the date of this Agreement (the “**Restriction Period**”), Potential Bidder, its Representatives and affiliates will not, either directly or indirectly, solicit for employment, employ or otherwise contract for the services of (or cause or seek to cause to leave the employ of the Debtors or its affiliates) any person who is now employed or engaged (either as an employee or consultant) or becomes employed or engaged during the term of this agreement by the Debtors in their operations, other than persons whose employment or engagement shall have been terminated at least six (6) months prior to the date of such solicitation, employment or other contractual arrangements, providing however that the foregoing provision will not prevent you from

hiring any such person who contacts you on his or her own initiative without any direct or indirect solicitation by or encouragement from you. The prohibition contained in this paragraph does not extend to general solicitations of employment by you not specifically directed towards the employees or consultants of the Debtors.

13. **Standstill** – Potential Bidder agrees that during the Restriction Period, neither you nor any of your affiliates (including any person or entity directly or indirectly through one or more intermediaries controlling you or controlled by or under common control with you) will, without the prior written authorization of the Receiver, directly, indirectly, or jointly or in concert with any other person: (i) purchase, offer or agree to purchase any direct or indirect rights or options to acquire bank indebtedness, trade claims or other liabilities of the Debtors; (ii) enter into, offer or agree to enter into or engage in any discussions or negotiations with respect to any acquisition or other business combination transaction relating to the Debtors or their affiliates, or any acquisition transaction relating to all or part of the assets of the Debtors, any of our affiliates or any of their respective businesses, or propose any of the foregoing; (iii) form, join or in any way participate in any group acting jointly or in concert with respect to the foregoing; (iv) seek any modification to or waiver of your agreements and obligations under this agreement; (v) seek, propose or otherwise act alone or in concert with others, to influence or control the management, board of directors or policies of the Debtors or any of their affiliates; (vi) advise, assist or encourage, act as a financing source for or otherwise invest in any other person in connection with any of the foregoing activities; or (vii) disclose any intention, plan or arrangement, or take any action inconsistent with the foregoing.
14. **Amendment of Agreement** – This agreement may not be amended, modified or waived except by an instrument in writing signed on behalf of each of the parties hereto.
15. **Successors and Assigns; Assignability** – This agreement shall be binding upon, inure to the benefit of, and be enforceable by, the respective successors and permitted assigns of the parties hereto. This agreement may not be assigned by the Potential Bidder without the prior written consent of the Receiver. This agreement may be assigned by the Receiver without the prior written consent of the Potential Bidder. Any assignment or attempted assignment in contravention of this subsection shall be void ab initio and shall not relieve the assigning party of any obligation under this agreement.
16. **Certain Definitions** – In this agreement, the term “**affiliate**” shall mean a person directly or indirectly controlling, or controlled by, or under common control with, the Debtors or you, as the case may be, with “**control**” meaning direct or indirect ownership of more than 50% of the voting securities or similar rights or interests of such person. The term “**person**” shall be interpreted broadly to include, without limitation, any individual, corporation, company, partnership, limited partnership, limited liability company, joint venture, estate, association, trust, firm, unincorporated organization, or other entity of any kind or nature.
17. **Governing Law** – This agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in the Province of Alberta. You hereby irrevocably (a) submit to the exclusive jurisdiction of the

Court in respect of any actions or proceedings (“**Proceedings**”) relating in any way to this agreement and the transactions contemplated hereby (and you agree not to commence any Proceeding relating thereto except in such courts); and (b) waive any objection to the venue of any Proceeding relating to this agreement or the transactions contemplated hereby in the Court, including the objection that any such Proceeding has been brought in an inconvenient forum.

18. **Non-Waiver** – No failure or delay by the Receiver in exercising any right, power or privilege under this agreement will operate as a waiver thereof, nor will any single or partial exercise preclude any other or further exercise of any right, power or privilege under this agreement.
19. **Notice** – Any notice, consent or approval required or permitted to be given in connection with this agreement (“**Notice**”) shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by facsimile or e-mail:

- (a) to the Receiver at:

FTI Consulting Canada Inc.
Suite 1610, 520 Fifth Avenue S.W
Calgary, AB T2P 3R7

Attention: Hailey Liu / Brandi Swift
E-mail: hailey.liu@fticonsulting.com / brandi.swift@fticonsulting.com

With copy to:

Osler, Hoskin & Harcourt LLP
Brookfield Place, Suite 2700
225 6 Ave SW
Calgary, AB T2P 1N2

Attention: Randal Van de Mosselaer / Emily Paplawski
Email: RVandemosselaer@osler.com / EPaplawski@osler.com

- (b) Potential Bidder at:

[●]

Any Notice delivered or transmitted as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a business day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if the Notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a business day then the Notice shall be deemed to have been given and

received on the next business day. Both you and we may, from time to time, change our respective addresses by giving Notice to the other in accordance with the provisions of this section.

20. **Indemnity** – Potential Bidder shall indemnify and hold harmless the Receiver and its Representatives from any damages, loss, cost or liability (including reasonable legal fees and the cost of enforcing this indemnity) arising out of or resulting from any breach of this agreement by Potential Bidder or any of its Representatives.
21. **Injunctive Relief** – You acknowledge that disclosure of the Confidential Information or other breach of this agreement would cause serious and irreparable damage and harm to the Debtors and that remedies at law would be inadequate to protect against breach of this agreement, and agree in advance to the granting of injunctive relief in the Debtors' favour for any breach of the provisions of this agreement and to the specific enforcement of the terms of this agreement, without proof of actual damages, and without the requirement to post a bond or other security, in addition to any other remedy to which the Receiver would be entitled.
22. **Term** – Except as otherwise provided herein, confidentiality and non-use obligations described in this agreement shall terminate on the earlier of (a) the date of completion of the proposed Transaction; and (b) the expiration of the Restriction Period. Notwithstanding the foregoing, you acknowledge that the confidentiality and non-use obligations in this agreement pertaining to Personal Information shall survive any termination or expiration of this agreement.
23. **Entire Agreement** – This agreement constitutes the entire agreement between the parties hereto and sets out all the covenants, promises, warranties, representations, conditions and agreements between the parties hereto in connection with the subject matter of this agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral, whether statutory or otherwise, between the parties hereto in connection with the subject matter of this agreement except as specifically set forth in this agreement.
24. **Counterparts** – This agreement may be executed and delivered by electronic transmission. An electronic signature shall have the same legal effect as a manual signature. This agreement may be validly executed in any number of counterparts, all of which taken together shall constitute one and the same agreement and each of which shall constitute an original.

[Signature Page Follows]

Please acknowledge your agreement to the foregoing by countersigning this letter in the place provided below and returning it to the undersigned.

Very truly yours,

FTI CONSULTING CANADA INC. in its capacity as Court-appointed receiver and manager of Balanced Energy Oilfield Services Inc., Balanced Energy Oilfield Services (USA) Inc., and Balanced Energy Holdings Inc., and not in its personal or corporate capacity

Per: _____

CONFIRMED AND AGREED this day of _____, 2022.

Per: _____

Per: _____

SCHEDULE 1- SSP

See attached

Schedule “D” to Sales Solicitation Process

ASSET PURCHASE AGREEMENT

THIS AGREEMENT has been entered into as of _____, 2022,

BETWEEN:

FTI CONSULTING CANADA INC., in its capacity as receiver and manager of Balanced Energy Oilfield Services Inc. (“**BCAN**”), Balanced Energy Oilfield Services (USA) Inc. (“**BUSA**”) and Balanced Energy Holdings Inc. (“**BEH**”, and collectively with BCAN and BUSA, “**Balanced**”), and not in its personal or corporate capacity (the “**Vendor**”)

- and -

(“**Purchaser**”)

RECITALS:

- A. Pursuant to a Receivership Order of the Court of Queen's Bench (Alberta) (the “**Court**”) made as of March 7, 2022 (the “**Appointment Order**”), Vendor was appointed as receiver and manager, without security, of all of Balanced’s current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof; and
- B. The Vendor has agreed to sell and the Purchaser has agreed to purchase the Purchased Assets (as defined herein) upon the terms and conditions hereinafter set forth.

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein, the parties hereby agree with each other as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions.

The following terms and expressions shall have the meanings set forth below wherever used in this Agreement:

“**Affiliate**” means, in respect of a person, any other person, directly or indirectly, that controls, is controlled by or under common control with the first mentioned person, and for the purposes of this definition “control” means the possession, directly or indirectly, by a person or a group of persons acting in concert of the power to direct or cause the direction of the management and policies of the person, whether through the ownership of voting securities or otherwise;

“**Agreement**” means this Asset Purchase Agreement;

“**Appointment Order**” has the meaning ascribed thereto in the recitals to this Agreement;

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"**Approval and Vesting Order**" means an order to be granted by the Court which authorizes, approves and confirms this Agreement and the completion of the Transaction contemplated hereunder and vests the Purchased Assets in the Purchaser, free and clear of all encumbrances (other than Permitted Encumbrances), in a form acceptable to the Vendor and the Purchaser;

"**Assumed Obligations**" has the meaning set out in Section 2.6;

"**Balanced**" has the meaning ascribed thereto in the recitals to this Agreement;

"**BCAN**" has the meaning ascribed thereto in the recitals to this Agreement;

"**BEH**" has the meaning ascribed thereto in the recitals to this Agreement;

"**BUSA**" has the meaning ascribed thereto in the recitals to this Agreement;

"**Business**" means the business carried on by Balanced;

"**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the Province of Alberta;

"**Closing**" means the completion of the sale to and purchase by the Purchaser of the Purchased Assets under this Agreement;

"**Closing Date**" means that date that is five (5) Business Days after the grant of the Approval and Vesting Order, or such other date as the parties hereto may agree upon in writing;

"**Court**" has the meaning ascribed thereto in the recitals to this Agreement;

"**Deposit**" means a deposit in an amount equal to 10% of the Purchase Price provided to the Vendor;

"**Encumbrance**" means pledges, liens, charges, security interest, mortgages, or adverse claims or encumbrances of any kind or character except Permitted Encumbrances;

"**ETA**" means Part IX of the *Excise Tax Act* (Canada);

"**GST**" means all taxes payable under the ETA or under any provincial legislation similar to the ETA, and any reference to a specific provision of the ETA or any such provincial legislation shall refer to any successor provision thereto of like or similar effect;

"**ITA**" means the *Income Tax Act* (Canada), as amended;

"**Permitted Encumbrances**" means, with respect to the Purchased Assets, liens for taxes, assessments or governmental charges that are not due, or the validity of which is being contested in good faith by the Vendor;

"**Purchase Price**" has the meaning set out in Section 2.2;

“**Purchased Assets**” means all of Balanced’s right, title and interest in and to the assets listed on Schedule “A” attached hereto, together with all operating manuals, keys and codes in respect of the operation of the Purchased Assets;

“**Purchaser**” has the meaning ascribed thereto in the recitals to this Agreement;

“**Receivership Proceedings**” means the receivership proceedings commenced against Balanced pursuant to the order of the Court in Action No. 2201 - 02699;

“**Sales Tax**” means GST and all transfer, sales, excise, stamp, license, production, value-added and other like taxes (including any retail sales taxes and land transfer taxes), assessments, charges, duties, fees, levies or other governmental charges of any kind whatsoever, and includes additions by way of penalties, interest and other amounts with respect thereto;

“**Time of Closing**” has the meaning ascribed thereto in Section 3.1, or such other time as may be agreed to in writing between the Vendor and the Purchaser;

“**Transaction**” means the transaction of purchase and sale contemplated by this Agreement; and

“**Vendor**” has the meaning ascribed thereto in the recitals to this Agreement.

1.2 Headings, etc. The division of this Agreement into articles, sections and paragraphs and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise stated, all references herein to articles or sections are to those of this Agreement.

1.3 Including. Where the word “including” or “includes” is used in this Agreement, it means “including (or includes) without limitation”.

1.4 Plurality and Gender. Words used herein importing the singular number only shall include the plural and vice versa and words importing gender shall include all genders and words importing individuals shall include corporations, partnerships, trusts, syndicates, joint ventures, governments and governmental agents and authorities and vice versa.

1.5 Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Alberta and the federal laws of Canada applicable therein, without regard to its conflict of law rules. Each of the parties hereto irrevocably submits to the exclusive jurisdiction of the courts of the Province of Alberta over any action or proceeding arising out of or relating to this Agreement or the Transaction and the parties hereto irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in such courts of the Province of Alberta.

1.6 Currency. Unless otherwise specified, all references to money amounts are to lawful currency of Canada.

1.7 Time. Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and, in the case of calculation

of the Closing Date, by extending the period to the next Business Day following if the last day of the period is not a Business Day.

- 1.8 **Schedules.** The following Schedules are incorporated herein and form part of this Agreement:

Schedule “A”	Purchased Assets
Schedule “B”	General Conveyance

ARTICLE 2 PURCHASE AND SALE

- 2.1 **Sale of Purchased Assets.** Upon the terms and conditions stated herein (which conditions, for greater certainty, include the granting by the Court of the Approval and Vesting Order), effective as of the Closing Date, the Purchaser shall purchase from the Vendor, and the Vendor shall sell, assign, set over and deliver to the Purchaser, the Purchased Assets free and clear of all Encumbrances (other than Permitted Encumbrances) at and for the Purchase Price hereinafter described.
- 2.2 **Purchase Price.** The aggregate purchase price payable by the Purchaser to the Vendor for the Purchased Assets shall be the amount of CAD\$ _____ (the “**Purchase Price**”).
- 2.3 **Payment of Purchase Price.** Subject to this Agreement, on or prior to the Closing Date, the Purchaser shall pay the Purchase Price to the Vendor by paying the amount by which the Purchase Price exceeds the Deposit at the Time of Closing (the “**Balance**”). Unless otherwise agreed by the parties, all amounts payable to the Vendor in this Section 2.3 and Section 2.5 below shall be paid to the Vendor in Canadian funds and by wire transfer, or by cheque certified by, or draft of, a Canadian chartered bank.
- 2.4 **Deposit.** The Deposit shall be released, and the Balance payable, at the Time of Closing.
- 2.5 **Sales Taxes.** At Closing, the Purchaser shall be solely responsible for all Sales Taxes pertaining to their acquisition of the Purchased Assets including, but not limited to, GST. The Purchase Price does not include GST. The Vendor and the Purchaser shall, acting reasonably, mutually agree upon an allocation of the Purchase Price among the Purchased Assets in such a manner as will reduce transfer taxes payable by the Purchaser to the greatest extent possible. If GST is payable in respect of the purchase of the Purchased Assets pursuant hereto, the Purchaser shall be responsible for the payment of, and shall indemnify and save harmless the Indemnified Parties in respect of, the GST and all interest and penalties payable pursuant to the ETA in respect thereof.
- 2.6 **Assumption of Obligations.**
- (a) The Purchased Assets shall remain at the risk of the Vendor until the Closing Date and thereafter shall be at the sole risk of the Purchaser.

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- (b) The Purchaser shall assume such liabilities and obligations arising on or after the Closing Date only to the extent that they relate to the Purchased Assets on or after the Closing Date not related to any default existing prior to or as a consequence of the closing of the Transaction contemplated by this Agreement or any breach or misrepresentation by the Vendor of a representation, warranty or covenant in this Agreement (the “**Assumed Obligations**”). For greater certainty, the Purchaser shall not assume and shall not be deemed to have assumed any liabilities, obligations, contracts (written or unwritten) or commitments of the Vendor or Balanced other than the Assumed Obligations and, except as expressly provided herein, shall have no obligation to discharge any liability or obligation of the Vendor or Balanced.
- (c) The Purchaser shall indemnify and save harmless the Indemnified Parties in respect of any liabilities, debts and obligations of the Vendor forming part of the Assumed Obligations. The Purchaser, and its respective successors, assigns, and Affiliates, agree to and do hereby remise, release and forever discharge the Indemnified Parties from and against any and all actions, causes of actions, claims, damages, costs, expenses, interests and demands of every kind and nature whatsoever, whether at law or at equity, or under any statute, which either of them ever had, now have, or may in the future have against the Indemnified Parties, in connection with the Assumed Obligations. The covenants and agreements to indemnify made by the Purchaser in this Section 2.6 shall survive Closing.

ARTICLE 3 CLOSING

- 3.1 **Time of Closing.** The closing of the Transaction shall occur at 9:00 a.m. (Calgary time) on the Closing Date (the “**Time of Closing**”), at the office of the Vendor’s solicitor.
- 3.2 **Mutual Condition to Closing.** The obligation of the Purchaser and the Vendor to proceed with the closing of the Transaction is subject to the Vendor obtaining the Approval and Vesting Order, which shall not have been stayed, varied, vacated or be subject to any pending appeal and no order shall have been issued which restrains or prohibits the completion of the Transaction.
- 3.3 **Purchaser’ Conditions.** The obligation of the Purchaser to complete the Transaction on the Closing Date is subject to the following conditions being fulfilled or performed at or prior to the time indicated:
- (a) at or prior to the Time of Closing, all representations and warranties of the Vendor contained in this Agreement shall be true and correct in all material respects with the same effect as though made on and as of that date;
- (b) prior to the Time of Closing, the Vendor shall have performed or complied with each of its agreements, covenants and obligations (including, without limitation, those set out in Section 8.1) under this Agreement to the extent required to be performed on or before the Closing Date; and

- (c) prior to the Time of Closing the Vendor shall have executed (as applicable) and delivered all deliverables required under Section 4.1.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition may be waived by the Purchaser in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. In the event that any of the foregoing conditions is not satisfied or waived by the Closing Date, the Purchaser shall be entitled to terminate this Agreement by notice in writing given to the Vendor on the Closing Date.

3.4 Vendor's Conditions. The obligation of the Vendor to complete the Transaction on the Closing Date is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing, as applicable:

- (a) at or Prior to the Time of Closing, all representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects with the same effect as though made on and as of that date; and
- (b) prior to the Time of Closing the Purchaser shall have performed or complied with, in all material respects, each of its agreements, covenants and obligations under this Agreement, to the extent required to be performed on or before the Closing Date; and
- (c) prior to the Time of Closing the Purchaser shall have executed (as applicable) and delivered all deliverables required under Section 4.2.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition may be waived by the Vendor in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. In the event that any of the foregoing conditions is not satisfied or waived by the Closing Date, the Vendor shall be entitled to terminate this Agreement by notice in writing given to the Purchaser on the Closing Date.

ARTICLE 4 CLOSING DELIVERIES

4.1 Deliveries by the Vendor at Closing. At the Time of Closing the Vendor shall deliver, or cause to be delivered, the following to the Purchaser:

- (a) a certified copy of the Approval and Vesting Order;
- (b) such bills of sale, assignments, instruments of transfer, deeds, assurances, consents and other documents as shall be necessary or desirable to effectively transfer and assign to the Purchaser the Purchased Assets including the General Conveyance attached hereto as Schedule "B"; and
- (c) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

4.2 **Deliveries by the Purchaser at Closing.** At the Time of Closing the Purchaser shall deliver, or cause to be delivered, the following to the Vendor:

- (a) an amount equal to the Purchase Price plus applicable GST;
- (b) such bills of sale, assignments, instruments of transfer, deeds, assurances, consents and other documents as shall be necessary or desirable to effectively transfer and assign to the Purchaser the Purchased Assets including the General Conveyance attached hereto as Schedule “B”; and
- (c) such further and other documentation as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE VENDOR

5.1 **Vendor’s Representations and Warranties.** The Vendor represents and warrants, and acknowledges that the Purchaser is relying upon such representations and warranties in connection with the acquisition of the Purchased Assets, that, as at the Closing Date:

- (a) the Vendor has been appointed by the Court as receiver of the assets, undertakings and properties of Balanced pursuant to the Appointment Order, a copy of which has been provided to the Purchaser;
- (b) subject to the Appointment Order, the issuance of the Approval and Vesting Order and any further order made by the Court in the Receivership Proceedings, the Vendor has all necessary power and authority to enter into, execute and deliver this Agreement and all related documents and to carry out its obligations under this Agreement; and
- (c) the Vendor is not a non-resident of Canada within the meaning of the ITA.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

6.1 **Purchaser’ Representations and Warranties.**

- (a) if the Purchaser is a corporation, partnership, unincorporated association or other entity, it has been duly incorporated, organized or formed, as the case may be, it is valid and subsisting under the laws of its jurisdiction of incorporation, organization or formation, as the case may be, and it has the legal capacity, power and authority to execute and deliver this Agreement and to perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof, and upon acceptance by the Vendor, this Agreement will constitute a legal, valid and binding contract of the Purchaser in accordance with its terms;
- (b) if the Purchaser is an individual, it is of the full age of majority in the jurisdiction in which this Agreement is executed and is legally competent to execute and deliver this Agreement and to perform its covenants and obligations hereunder, and upon

acceptance by the Vendor, this Agreement will constitute a legal, valid and binding contract of the Purchaser in accordance with its terms;

- (c) the Purchaser is not a non-Canadian as defined in the *Investment Canada Act* (Canada) and that the completion of the within Transaction is not notifiable or reviewable under the said legislation; and
- (d) the Purchaser is not a non-resident of Canada within the meaning of the ITA.

ARTICLE 7

LIMITATIONS ON REPRESENTATIONS AND WARRANTIES OF THE VENDOR

7.1 **Limitations.** Except as set out herein, the Purchased Assets are being sold on an "as is, where is" basis as of the Closing and in their condition as of Closing with "all faults" and:

- (a) neither the Vendor, its Affiliates, nor any of their respective officers, directors, employees or other representatives make, have made or shall be deemed to have made any other representation or warranty, express or implied, at law or in equity, in respect of the Purchased Assets, including but not limited to those with respect to title, encumbrances, description, fitness for purpose, merchantability, condition, assignability, collectability, quantity, outstanding amount, value or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Vendor to sell same and without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to any sale of goods or similar legislation in any jurisdiction in Canada or the United States shall not apply hereto and shall be deemed to have been waived by the Purchaser to the maximum extent permitted by law; and
- (b) neither the Vendor, its Affiliates, nor any of their respective officers, directors, employees or representatives will have or be subject to any liability or indemnification obligation to the Purchaser or to any other person resulting from the distribution to the Purchaser, its Affiliates or representatives of, or the Purchaser's use of, any information relating to the Purchased Assets, and any information, documents or material made available to the Purchaser, whether orally or in writing, in certain data rooms, management presentations, functional break-out discussions, responses to questions submitted on behalf of the Purchaser or in any other form in expectation of the Transaction. Any such other representation or warranty is hereby expressly disclaimed. The Purchaser warrants, covenants and expressly acknowledges that it has conducted its own independent inspection and investigation of the Purchased Assets and is satisfied with the Purchased Assets in all respects.

7.2 **Indemnification Procedures for Third Party Claims.**

- (a) In the case of claims made by a third party with respect to which indemnification is sought, the Vendor, its Affiliates, or any of their respective officers, directors, employees or representatives (each an "**Indemnified Party**") shall give prompt notice, and in any event within 10 days, to the other Party (the "**Indemnifying Party**") of any such claims made upon it including a description of such third party

claim in reasonable detail including the sections of this Agreement which form the basis for such claim, copies of all material written evidence of such claim in the possession of the Indemnified Party and the actual or estimated amount of the damages that have been or will be sustained by an Indemnified Party, including reasonable supporting documentation therefor.

- (b) The Indemnifying Party shall have the right, by notice to the Indemnified Party given not later than 30 days after receipt of notice described in Section 7.2(a) to assume the control of the defence, compromise or settlement of the claim, provided that such assumption shall, by its terms, be without cost to the Indemnified Party.
- (c) Upon the assumption of control of any claim by the Indemnifying Party as set out in Section 7.2(b), the Indemnifying Party shall diligently proceed with the defence, compromise or settlement of the claim at its sole expense, including, if necessary, employment of counsel reasonably satisfactory to the Indemnified Party and, in connection therewith, the Indemnified Party shall co-operate fully, but at the expense of the Indemnifying Party with respect to any out-of-pocket expenses incurred, to make available to the Indemnifying Party all pertinent information and witnesses under the Indemnified Party's control, make such assignments and take such other steps as in the opinion of counsel for the Indemnifying Party are reasonably necessary to enable the Indemnifying Party to conduct such defence. The Indemnified Party shall also have the right to participate in the negotiation, settlement or defence of any claim at its own expense. The Indemnifying Party shall not, without the prior written consent of the Indemnified Party, settle, compromise or offer to settle or compromise any third-party claim if such settlement (i) does not include an unconditional written release by the claimant or plaintiff of the Indemnified Party from all liability in respect of such third-party claim or (ii) would result in (A) the imposition of a consent order, injunction or decree that would restrict the future activity or conduct of the Indemnified Party or any of its Affiliates or (B) a finding or admission of a violation of applicable laws, wrongdoing or violation of the rights of any Person by the Indemnified Party or any of its Affiliates.
- (d) The final determination of any claim pursuant to this Section 7.2(b), including all related costs and expenses, shall be binding and conclusive upon the Parties as to the validity or invalidity, as the case may be of such claim against the Indemnifying Party.
- (e) If the Indemnifying Party does not assume control of a claim as permitted in Section 7.2(b), the obligation of the Indemnifying Party to indemnify the Indemnified Party in respect of such claim shall terminate if the Indemnified Party settles such claim without the consent of the Indemnifying Party.

7.3 General Indemnity. The Purchaser shall be liable to the Indemnified Parties for and shall, in addition, indemnify the Indemnified Parties from and against, all losses, costs, claims, damages, expenses and liabilities suffered, sustained, paid or incurred by the Indemnified Parties which arise out of any matter or thing related to the Purchased Assets after the

Closing Date. The covenants and agreements to indemnify made by the Purchaser in this Section 7.2 shall survive Closing.

**ARTICLE 8
COVENANTS**

8.1 Vendor's Covenants. Prior to the Time of Closing, the Vendor shall refrain from transferring, leasing, selling or otherwise disposing of any of the Purchased Assets.

**ARTICLE 9
NOTICES**

9.1 Notices. Any notices or other communications required or given under this Agreement shall be in writing, shall be delivered in person or by facsimile and shall be deemed to have been given and received when delivered in person or when communicated by facsimile during normal business hours on a Business Day (and otherwise on the next Business Day):

if to the Vendor, addressed to:

FTI CONSULTING CANADA INC. in its capacity as receiver and manager of
Balanced Energy Oilfield Services Inc., Balanced Energy Oilfield Services (USA)
Inc. and Balanced Energy Holdings Inc.
520 Fifth Avenue S.W.
Suite 1610
Calgary, AB T2P 3R7

Attn: Brett Wilson / Dustin Olver
Facsimile: 403-232-6116
Email: Brett.wilson@fticonsulting.com / dustin.olver@fticonsulting.com

with a copy to:

Osler, Hoskin & Harcourt LLP
Brookfield Place, Suite 2700
225 6 Ave SW, Calgary, AB T2P 1N2

Attention: Randal Van de Mosselaer
Facsimile: (403) 260-7024

if to the Purchaser, addressed to:

Attention: _____
Facsimile: _____

with a copy to:

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Attention: _____
Facsimile: _____

or at such other place or places or to such other person or persons as shall be designated in writing by a party to this Agreement in the manner herein provided.

**ARTICLE 10
MISCELLANEOUS**

- 10.1 **Enurement**. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their legal representatives, successors and permitted assigns.
- 10.2 **Assignment**. The Purchaser shall not assign any right or interest in this Agreement without the Vendor's prior written consent, which consent may be withheld in the Vendor's sole and absolute discretion, provided that the Purchaser shall be entitled, upon giving notice to the Vendor at any time not less than two Business Days prior to the Closing Date, to assign all of their rights and obligations under this Agreement to any Affiliate of the Purchaser. Any such assignment will not release the Purchaser from any of their obligations or liabilities hereunder.
- 10.3 **Severability**. In case any provision in this Agreement shall be prohibited, invalid, illegal or unenforceable in any jurisdiction, such provision shall be ineffective only to the extent of such prohibition, invalidity, illegality or unenforceability in such jurisdiction without affecting or impairing the validity, legality or enforceability of the remaining provisions hereof, and any such prohibition, invalidity, illegality or unenforceability shall not affect or impair such provision in any other jurisdiction.
- 10.4 **Further Assurances**. Each of the parties hereto shall at the request and expense of the other party hereto so requesting execute and deliver such further or additional documents and instruments as may reasonably be considered necessary or desirable to properly reflect and carry out the true intent and meaning of this Agreement.
- 10.5 **Survival**. In addition to the circumstances above where the survival of certain representations, warranties, covenants and agreements is expressly provided for, the representations, warranties, covenants and agreements made by the parties each to the other in or pursuant to this Agreement shall survive the Closing of the Transaction provided for herein.
- 10.6 **Time of Essence**. Time shall be of the essence of this Agreement.
- 10.7 **Waiver**. Failure by either party hereto to insist in any one or more instances upon the strict performance of any one of the covenants contained herein shall not be construed as a waiver or relinquishment of such covenant. No waiver by any party hereto of any such

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covenant shall be deemed to have been made unless expressed in writing and signed by the waiving party.

- 10.8 Amendment.** This Agreement may not be amended, modified or terminated except by an instrument in writing signed by the parties hereto.
- 10.9 Entire Agreement.** This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the parties and set out all of the covenants, promises, warranties, representations, conditions and agreements between the parties in connection with the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral between the parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered hereunder or thereunder.

[Remainder of Page Intentionally Left Blank]

10.10 Counterparts and Facsimile. This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original and all counterparts together shall constitute one and the same instrument. A signed counterpart provided by way of facsimile transmission or by e-mail in PDF shall be as binding upon the parties as an originally signed counterpart.

IN WITNESS WHEREOF the parties hereto have caused this Asset Purchase Agreement to be executed and delivered by its duly authorized officer, to be effective as of the date first written above.

FTI CONSULTING CANADA INC., in its capacity as receiver and manager of Balanced Energy Oilfield Services Inc., Balanced Energy Oilfield Services (USA) Inc. and Balanced Energy Holdings Inc., and not in its personal or corporate capacity

Per: _____
 Name:
 Title:

(Insert name of Purchaser)

Per: _____
 Name:
 Title:

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SCHEDULE "A"

Purchased Assets

(To be inserted by Purchaser.)

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SCHEDULE "B"

General Conveyance

(see attached)

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GENERAL CONVEYANCE

THIS AGREEMENT made the ___ day of _____, 2022.

BETWEEN:

FTI CONSULTING CANADA INC., in its capacity as receiver and manager of Balanced Energy Oilfield Services Inc. (“**BCAN**”), Balanced Energy Oilfield Services (USA) Inc. (“**BUSA**”) and Balanced Energy Holdings Inc. (“**BEH**”, and collectively with BCAN and BUSA, “**Balanced**”), and not in its personal or corporate capacity (the “**Vendor**”)

- and -

(“**Purchaser**”)

WHEREAS the Vendor and the Purchaser entered into an Asset Purchase Agreement made as of _____, 2022 providing, among other things, for the acquisition of the Purchased Assets by the Purchaser from the Vendor.

NOW THEREFORE THIS AGREEMENT WITNESSES that Vendor and Purchaser agree as follows:

Definitions

Unless otherwise defined in this General Conveyance, capitalized words when used in this General Conveyance have the meaning ascribed to them in the Asset Purchase Agreement.

Conveyance

Pursuant to and for the consideration provided for in the Asset Purchase Agreement, Vendor hereby sells, assigns, transfers, conveys and sets over to Purchaser the Purchased Assets (all of which are listed in Exhibit “A” hereto), and Purchaser hereby purchases and accepts the Purchased Assets, to have and to hold the same absolutely, together with all benefits and advantages to be derived therefrom, subject to the terms and conditions of the Asset Purchase Agreement.

Effective Date

The Vendor and the Purchaser agree that the effective date of this transaction shall be effective as the date first written above.

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Subordinate Documents

This General Conveyance is executed and delivered by the parties hereto pursuant to and for the purposes of the provisions of the Asset Purchase Agreement and the provisions of the Asset Purchase Agreement shall prevail and govern in the event of a conflict between the provisions of the Asset Purchase Agreement and this General Conveyance.

Enurement

This General Conveyance shall be binding upon and enure to the benefit of each of the parties hereto and their respective successors and permitted assigns.

Further Assurances

The Vendor and the Purchaser will each, from time to time and at all times hereafter, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this General Conveyance.

Merger

Nothing contained in this General Conveyance shall in any way result in a merger of the terms and conditions of the Asset Purchase Agreement with the terms and conditions of this General Conveyance and the parties hereto specifically agree that all such terms and conditions of the Asset Purchase Agreement shall continue to apply to the within conveyance.

Governing Law

This General Conveyance shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the federal laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta.

Counterpart Execution

This General Conveyance may be executed in counterparts and delivered by one party hereto to the other by facsimile or other electronic means (including by portable document format “pdf”), each of which shall constitute an original and all of which taken together shall constitute one and the same instrument. If this is delivered by facsimile or other electronic means, the party thereto so delivering this General Conveyance shall within a reasonable time after such delivery, deliver an original executed copy to the other.

[Remainder of Page Intentionally Left Blank]

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IN WITNESS WHEREOF the parties have executed this General Conveyance as of the date first written above.

FTI CONSULTING CANADA INC., in its capacity as receiver and manager of Balanced Energy Oilfield Services Inc., Balanced Energy Oilfield Services (USA) Inc. and Balanced Energy Holdings Inc., and not in its personal or corporate capacity

Per: _____
Name:
Title:

(Insert name of Purchaser)

Per: _____
Name:
Title:

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EXHIBIT "A"

LIST OF PURCHASED ASSETS

(To be inserted by Purchaser.)

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SCHEDULE “B”**Receiver’s SSP Certificate**

COURT FILE NUMBER 2201-02699

COURT COURT OF QUEEN’S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF NATIONAL BANK OF CANADA

DEFENDANTS BALANCED ENERGY OILFIELD SERVICES INC., BALANCED ENERGY OILFIELD SERVICES (USA) INC., BALANCED ENERGY HOLDINGS INC., MICHELLE THOMAS, NEIL SCHMEICHEL, DARREN MILLER, and CODY BELLAMY

DOCUMENT **RECEIVER’S CERTIFICATE**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **OSLER, HOSKIN & HARCOURT LLP**
 Barristers & Solicitors
 Brookfield Place, Suite 2700
 225 6 Ave SW
 Calgary, AB T2P 1N2

Solicitors: Randal Van de Mosselaer / Emily Paplawski
 Telephone: (403) 260-7060 / (403) 260-7071
 Facsimile: (403) 260-7024
 Email: RVandemosselaer@osler.com / EPaplawski@osler.com
 File Number: 1230496

RECITALS

- A. Pursuant to an Order of the Honourable Madam Justice A.D. Grosse of the Court of Queen’s Bench of Alberta (the “**Court**”), dated March 7, 2022, FTI Consulting Canada Inc. was appointed receiver and manager (the “**Receiver**”) of the undertaking, property and assets of Balanced Energy Oilfield Services Inc., Balanced Energy Oilfield Services (USA) Inc. (“**BUSA**”), and Balanced Energy Holdings Inc. (the “**Debtors**”).
- B. Pursuant to an Order (Approval of Sales Solicitation Process, Stalking Horse Term Sheet and Receiver’s Conduct and Activities) granted by the Honourable Mr. J.T. Neilson on March 30, 2022 (the “**Order**”) the Court approved a binding term sheet between XDI Energy Solutions Inc. and the Receiver, dated March 21, 2022 (as amended, the “**Stalking**

Horse Term Sheet”), and a sales solicitation process. This Receiver’s Certificate is the certificate referred to in paragraph 6 of the Order.

C. Capitalized terms not otherwise defined herein have the meanings given to those terms in the Order.

THE RECEIVER CERTIFIES THE FOLLOWING:

1. No Superior Offers were received by the Receiver in the SSP or, in the alternative, the Stalking Horse Bidder is the Successful Bidder in the SSP and, as a result, the Receiver is proceeding to close the transactions detailed in the Stalking Horse Term Sheet.

2. This Certificate was delivered by the Receiver at _____ on _____, 2022.

FTI Consulting Canada Inc., in its capacity as Receiver of the undertakings, property and assets of Balanced Energy Oilfield Services Inc., Balanced Energy Oilfield Services (USA) Inc., and Balanced Energy Holdings Inc., and not in its personal or corporate capacity.

Name:

Title: