

COURT FILE NUMBER 2201 12828
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF EXPORT-IMPORT BANK OF CHINA
DEFENDANT CHANGHUA ENERGY CANADA LTD.
DOCUMENT **APPLICATION – APPROVAL OF
TRANSACTIONS AND SEALING ORDER**



ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

Norton Rose Fulbright Canada LLP
#3700, 400 Third Avenue SW
Calgary, Alberta T2P 4H2

\$50.00
COM
August 08, 2023
Justice Campbell

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Counsel for FTI Consulting Canada Inc., in its capacity as the Court-
appointed receiver of Changhua Energy Canada Ltd.
File No: 1001122095



NOTICE TO RESPONDENT(S)

This application is made against you. You are a respondent. You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Date: Tuesday, August 8, 2023
Time: 02:00 PM
Where: Calgary Courts Centre, 601-5th Street S.W., Calgary, AB
Before Whom: The Honourable Justice G.A. Campbell

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. This Application is brought by FTI Consulting Canada Inc. (**FTI** or the **Receiver**) in its capacity as the Court-appointed receiver of Changhua Energy Canada Ltd. (**Changhua**) in the above-captioned matter.

2. The Receiver, on behalf of Changhua, seeks the following relief pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the **BIA**):
 - a. an order (the **Sale and Vesting Order**) substantially in the form attached hereto as **Schedule "A"** seeking, *inter alia*:
 - i. an order abridging the time for service of this Application and supporting materials to that actually given and deeming service of the Application and supporting materials to be good and sufficient;
 - ii. the authorization of the transaction (the **Bitstone Transaction**) contemplated by the Purchase and Sale Agreement (the **PSA**) between FTI in its capacity as the Court-appointed receiver of Changhua (the **Vendor**) and Bitstone Resources Inc. (the **Purchaser**);
 - iii. vesting in the Purchaser all of the Vendor's rights, title, and interests in and to the Assets as defined in the PSA free and clear of all encumbrances; and
 - iv. granting such further and other relief as this Honourable court deems just in the circumstances; and
 - v. approving the conduct and activities as set out in the First Report of the Receiver, to be filed in connection with this Application (the **First Report**).
 - b. an order (the **Sealing Order**) substantially in the form attached hereto as **Schedule "B"** seeking, *inter alia*, the sealing of the Confidential Supplement to the First Report (as further described below), until the earlier of 3 months following the closing of the Bitstone Transaction or further order of this Court.

Grounds for making this application:

3. On November 23, 2022, pursuant to an order of the Honourable Justice G.S. Dunlop of this Court, FTI was appointed Interim Receiver of Changhua (the **Interim Receivership Order**), with authority as set out in the Interim Receivership Order.
4. On December 7, 2022, on the application of the Plaintiff Export-Import Bank of China (the **Lender**), the Honourable Justice G.S. Dunlop of this Court, granted an order appointing FTI as Receiver of the assets, undertakings and properties of Changhua (the **Receivership Order**).
5. The property of Changhua includes the Assets as defined in the PSA.
6. The Receivership Order authorized the Receiver to market any or all of Changhua's properties, including advertising and soliciting offers to purchase the Assets as defined in the PSA. The Receiver, in consultation with the Lender, determined that a selling agent should be retained to market the Property to maximize the return for all stakeholders.
7. The Receiver contacted three sales agents for requests for proposals in connection with the Marketing Process. Each of the three parties submitted a proposal and on February 7, 2023, the Receiver engaged Sayer Energy Advisors (**Sayer**).
8. Sayer commenced the Marketing Process on March 6, 2023.
9. In accordance with the Marketing Process, the Receiver entered into the PSA with the Purchaser, made effective July 10, 2023.

10. The Bitstone Transaction is more particularly described in the First Report.
11. The Receiver believes approval of the Bitstone Transaction is in the best interest of Changhua and its stakeholders for, among others, the following reasons:
 - a. the Receiver was authorized to market and sell the Assets pursuant to the Receivership Order;
 - b. the offer represents the highest and best price available for the Assets as defined in the PSA;
 - c. the Receiver is acting in good faith and with due diligence with respect to the Bitstone Transaction;
 - d. the Bitstone Transaction and the PSA were negotiated at arm's length and is commercially reasonable in the circumstances;
 - e. the Receiver believes the Bitstone Transaction was the result of a fair and robust marketing process; and
 - f. the Lender is supportive of the Bitstone Transaction.
12. Due to the confidential nature of the information in the offer received from the Purchaser, the Receiver is concerned that the disclosure of certain information relating to the offer could materially jeopardize the Bitstone Transaction or, if the Bitstone Transaction does not close, could materially jeopardize subsequent efforts by the Receiver to re-market the Assets as defined in the PSA. It is therefore appropriate to seal the confidential supplement to the First Report, which includes details of the offers received by the Receiver and an unredacted copy of the PSA.
13. The Receiver has provided, at **Schedule "C"** hereto, a blackline comparison of the requested Sale and Vesting Order against the Alberta Template Receivership Order.

Material or evidence to be relied on:

14. The pleadings, affidavits, and other materials filed on the court file.
15. The First Report of the Receiver, and the First Report of the Interim Receiver.
16. Such further and other material or evidence as counsel to the Receiver may advise, and as this Honourable Court may permit.

Applicable rules:

17. The *Alberta Rules of Court*, Rules 6.3 and 6.9.

Applicable Acts and regulations:

18. The *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and such further and other Acts and regulations as counsel to the Receiver may advise.

Any irregularity complained of or objection relied on:

19. None.

How the application is proposed to be heard or considered:

20. In person.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant a reasonable time before the application is to be heard or considered.

Schedule "A"

COURT FILE NUMBER	2201 12828
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	EXPORT-IMPORT BANK OF CHINA
DEFENDANT	CHANGHUA ENERGY CANADA LTD.
DOCUMENT	APPROVAL AND VESTING ORDER

Clerk's Stamp

(Sale by Receiver)

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

Norton Rose Fulbright Canada LLP
#3700, 400 Third Avenue SW
Calgary, Alberta T2P 4H2

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Counsel for FTI Consulting Canada Inc., in its capacity as the Court-appointed receiver of Changhua Energy Canada Ltd.

File No: 1001122095

DATE ON WHICH ORDER WAS PRONOUNCED:	August 8, 2023
NAME OF JUDGE WHO MADE THIS ORDER:	The Honourable Justice G.A. Campbell
LOCATION OF HEARING:	Calgary, Alberta

UPON THE APPLICATION by FTI Consulting Canada Inc. in its capacity as the Court-appointed receiver (the **Receiver**) of all the undertakings, property and assets of Changhua Energy Canada Ltd. (**Changhua**) for an order approving the transaction (the **Bitstone Transaction**) contemplated by the Purchase and Sale Agreement (the **PSA**) between the Receiver and Bitstone Resources Inc. (the **Purchaser**), and vesting in the Purchaser all of the rights, title, and interest in and to the Assets as defined in the PSA (the **Assets**) free and clear of all encumbrances;

AND UPON HAVING READ the Receivership Order of the Honourable Justice G.S. Dunlop dated December 7, 2022 (the **Receivership Order**), the First Report of the Receiver, and the Affidavit of Service;

AND UPON HAVING READ in the Affidavit of Service that Purchaser, the Export-Import Bank of China, and the Alberta Energy Regulator have all been served with the present Application;

AND UPON HEARING the submissions of counsel for the Receiver and for any other parties that may be present;

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 TRANSACTION

2. The Bitstone Transaction is hereby approved and execution of the PSA by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Bitstone Transaction or for the conveyance of the Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

3. Subject only to approval by the Alberta Energy Regulator (the **Energy Regulator**) of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta), upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "1"** hereto (the **Receiver's Closing Certificate**), all of Changhua's right, title and interest in and to the Assets shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, right of pre-emption, privileges, interests, assignments, actions, judgments, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the **Claims**) including, without limiting the generality of the foregoing:
 - (a) any encumbrances or charges created by the Receivership Order or any other orders granted in these proceedings;
 - (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
 - (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta), now the *Prompt Payment and Construction Lien Act* (Alberta); and
 - (d) those Claims listed in **Schedule "2"** hereto (all of which are collectively referred to as the **Encumbrances**, which term shall not include the permitted encumbrances, caveats, easements and restrictive covenants listed in **Schedule "3"** (collectively, the **Permitted Encumbrances**))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Assets are hereby expunged, discharged and terminated as against the Assets.

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, the **Governmental Authorities**) are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser (or its nominee) clear title to the Assets subject only to Permitted Encumbrances. Without limiting the foregoing:
 - (a) Alberta Energy shall and is hereby authorized, requested and directed to forthwith:
 - (i) cancel and discharge those Claims including builders' liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this order) against the estate or interest of Changhua in and to any of the Assets located in the Province of Alberta; and
 - (ii) transfer all Crown leases listed in **Schedule "4"** to this order standing in the name of Changhua, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;
 - (b) the Registrar of the Alberta Personal Property Registry (the **PPR Registrar**) shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of Changhua in any of the Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this order and the PSA. Presentment of this order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Assets is required for the due execution, delivery and performance by the Receiver of the PSA other than any required approval by Alberta Energy referenced in paragraph 4 above.
7. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Assets from and after the delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Assets and may be asserted against the net proceeds from sale of the Assets with the same priority as they had with respect to the Assets immediately prior to the sale, as if the Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Assets without further order of this Court, provided however the Receiver may apply any part of

such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.

8. Except as expressly provided for in the PSA or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Bitstone Transaction, have liability of any kind whatsoever in respect of any Claims against Changhua.
9. Upon the completion of the Bitstone Transaction, Changhua and all persons who claim by, through or under Changhua in respect of the Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
10. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Assets for its own use and benefit without any interference of or by Changhua, or any person claiming by or through or against Changhua.
11. Immediately upon the closing of the Bitstone Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver.
12. The Receiver is to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

MISCELLANEOUS MATTERS

13. Notwithstanding:
 - (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, C. B-3, as amended (the **BIA**) in respect of Changhua, and any bankruptcy order issued pursuant to any such applications;
 - (c) any assignment in bankruptcy made in respect of Changhua; and
 - (d) the provisions of any federal or provincial statute;

the vesting of the Assets in the Purchaser (or its nominee) pursuant to this order shall be binding on any trustee in bankruptcy that may be appointed in respect of Changhua and shall not be void or voidable by creditors of Changhua, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the *BIA* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

14. The Receiver's activities as set out in the First Report and in all of its other reports, confidential reports, and confidential supplements filed herein, and the Statement of Receipts and Disbursements as attached to the First Report, are hereby ratified and approved.

15. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this order and to assist and aid the parties in closing the Bitstone Transaction.
16. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this order, to give effect to this order and to assist the Receiver and its agents in carrying out the terms of this order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this order or to assist the Receiver and its agents in carrying out the terms of this order.
17. Service of this Order shall be deemed good and sufficient by:
 - (a) serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this order;
 - (iii) any other parties attending or represented at the application for this order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
 - (b) posting a copy of this order on the Receiver's website at:
<http://cfcanada.fticonsulting.com/changhuaenergy/>and service on any other person is hereby dispensed with.
18. Service of this order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this order.

Justice of the Court of King's Bench of Alberta

Schedule "1"

COURT FILE NUMBER 2201 12828

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS
AMENDED

AND IN THE MATTER OF THE
RECEIVERSHIP OF CHANGHUA ENERGY
CANADA LTD.



DOCUMENT **RECEIVER'S CLOSING CERTIFICATE**

ADDRESS FOR SERVICE Norton Rose Fulbright Canada LLP
AND CONTACT #3700, 400 Third Avenue SW
INFORMATION OF PARTY Calgary, Alberta T2P 4H2
FILING THIS DOCUMENT **Howard A. Gorman, K.C. | Gunnar Benediktsson**
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Counsel for FTI Consulting Canada Inc., in its capacity as the Court-
appointed receiver of Changhua Energy Canada Ltd.
File No: 1001122095

RECITALS

- A. Pursuant to an order of the Honourable Justice G.S. Dunlop of the Court of King's Bench of Alberta, Judicial District of Calgary (the **Court**) dated December 7, 2022, FTI Consulting Canada Inc. (**FTI**) was appointed as the receiver (the **Receiver**) of the undertakings, properties and assets of Changhua Energy Canada Ltd. (**Changhua**).
- B. Pursuant to an order of the Court dated August 8, 2023, the Court approved the Purchase and Sale Agreement (the **PSA**) between the Receiver and Bitstone Resources Inc. (the **Purchaser** as part of the **Bitstone Transaction**), and vesting in the Purchaser all of the rights, title, and interests in and to the Assets as defined in the PSA (the **Assets**) free and clear of all encumbrances, which vesting is to be effective upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for Assets; (ii) that the conditions to Closing as set out in Article 4 of the PSA have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Bitstone Transaction has been completed to the satisfaction of the Receiver.
- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the PSA.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Assets payable on the Closing Date pursuant to the PSA.
2. The conditions to Closing as set out in Article 4 of the PSA have been satisfied or waived by the Receiver and the Purchaser (or its nominee).
3. The Bitstone Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ on _____.

FTI Consulting Canada Inc., in its capacity as Receiver of the undertakings, properties and assets of Changhua Energy Canada Ltd., and not in its personal capacity.

Per: _____

Name:
Title:

Schedule "2"

Encumbrances

Registration Number: 17030325124
Registration Type: SECURITY AGREEMENT
Registration Date: 2017-Mar-03
Expiry Date: 2024-Mar-03 23:59:59
Debtor(s): CHANGHUA ENERGY CANADA LTD.
Secured Party: THE EXPORT-IMPORT BANK OF CHINA
Collateral: General

1. All present and after acquired personal property of the Debtor.

Registration Number: 17030325167
Registration Type: LAND CHARGE
Registration Date: 2017-Mar-03
Expiry Date: Infinity
Debtor(s): CHANGHUA ENERGY CANADA LTD.
Secured Party: THE EXPORT-IMPORT BANK OF CHINA

Encumbrance ID: 1602203
Registration Type: PROMPT PAYMENT AND CONSTRUCTION LIEN
Registration Date: 2016/08/04
Lienholder: RICHERT CONTRACT OPERATING INC.

Encumbrance ID: 1701177
Registration Type: SECURITY NOTICE
Registration Date: 2017/05/02
Interest of: CHANGHUA ENERGY CANADA LTD.
Secured Party: THE EXPORT-IMPORT BANK OF CHINA

Schedule "3"

Permitted Encumbrances

At the closing of the Bitstone Transaction, Purchaser or its nominee will be conveyed clear title to the Assets, subject to Permitted Encumbrances as set forth in the PSA in the definition of "Permitted Encumbrances".

Purchaser will also assume certain liabilities relating to the Assets, including (a) all liabilities and obligations arising from the possession, ownership, use and/or operation of the Assets, to the extent such liabilities and obligations arise from and after the closing of the Bitstone Transaction, and (b) all Abandonment and Reclamation Obligations (as defined in the PSA) and all Environmental Liabilities (as defined in the PSA).

Schedule "4"

Crown Leases

LAND DESCRIPTION	WI%	MINERAL RIGHTS	BURDENS	P&NG AGREEMENTS
17-48-15W5	60	PNG Below base Bluesky to Base Rock Creek	Crown Royalty	0501100154
25-48-15W5	100	PNG Surface to Base Rock Creek	Crown Royalty	5403060633
9-48-15W5	60	PNG Below base Bluesky to Base Rock Creek	Crown Royalty	0501060189
9-48-15W5	60	PNG Surface to Base Bluesky (excluding CBM)	Crown Royalty	0501060188
16-48-15W5	100 BPO 80 APO	PNG Surface to Base Bluesky	Crown Royalty 5-15% GORR Convertible at PO 4-16 well	0502040333
E36-48-15W5	100	PNG below Cardium to Base Rock Creek	Crown Royalty	5403060634
E36-48-15W5	60	Surface to Base Cardium	Crown Royalty	5403060634
21-48-15W5	80	PNG Surface to Base Rock Creek	Crown Royalty	0501100155
35-48-15W5	100	PNG Surface to Base Rock Creek	Crown Royalty	5403060703
22-48-15W5	100	PNG Surface to Base Cardium	Crown Royalty	0518080083
22-28-15W5	100	PNG Below base Cardium to Base Bluesky-Bullhead	Crown Royalty	0518080084
22-48-15W5	100	PNG below Base Bluesky Bullhead to Base Rock Creek	Crown Royalty	0518080085

Schedule "B"

COURT FILE NUMBER 2201 12828
COURT COURT OF KING'S BENCH OF ALBERTA
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DEFENDANT CHANGHUA ENERGY CANADA LTD.
DOCUMENT **SEALING ORDER**

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Counsel for FTI Consulting Canada Inc., in its capacity as the Court-
appointed receiver of Changhua Energy Canada Ltd.
File No: 1001122095

DATE ON WHICH ORDER WAS PRONOUNCED: August 8, 2023
NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice G.A. Campbell
LOCATION OF HEARING: Calgary, Alberta

UPON THE APPLICATION by FTI Consulting Canada Inc. in its capacity as the Court-appointed receiver (the **Receiver**) of all the undertakings, property and assets of Changhua Energy Canada Ltd. (**Changhua**) for an order sealing the Confidential Supplement to the First Report of the Receiver (the **Confidential Supplement**);

AND UPON HAVING READ the Receivership Order of the Honourable Justice G.S. Dunlop dated December 7, 2022 (the **Receivership Order**), the First Report of the Receiver, and the Affidavit of Service;

AND UPON HAVING READ in the Affidavit of Service that Purchaser, the Export-Import Bank of China, and the Alberta Energy Regulator have all been served with the present Application;

AND UPON HEARING the submissions of counsel for the Receiver and for any other parties that may be present;

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.

SEALING ORDER

2. Division 4 of Part 6 of the *Alberta Rules of Court* does not apply to this Application.
3. The Clerk of the Court be and is hereby directed to seal the Confidential Supplement until 3 months after the closing of the Bitstone Transaction (as defined in this Application) or until further order of this Court.
4. The Clerk of the Court be and hereby is directed to seal an unredacted copy of the Confidential Supplement, in an envelope setting out the style of cause in the within proceedings and labelled:

THIS ENVELOPE CONTAINS THE CONFIDENTIAL SUPPLEMENT TO THE FIRST REPORT OF THE RECEIVER, FTI CONSULTING CANADA INC., FILED IN THIS ACTION. THIS CONFIDENTIAL DOCUMENT IS SEALED ON THE COURT FILE PURSUANT TO THE ORDER ISSUED BY THE HONOURABLE JUSTICE G.A. CAMPBELL ON AUGUST 8, 2023.

MISCELLANEOUS MATTERS

5. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this order, to give effect to this order and to assist the Receiver and its agents in carrying out the terms of this order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this order or to assist the Receiver and its agents in carrying out the terms of this order.
6. Service of this Order shall be deemed good and sufficient by:
 - (a) serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this order;
 - (iii) any other parties attending or represented at the application for this order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
 - (b) posting a copy of this order on the Receiver's website at:
<http://cfcanada.fticonsulting.com/changhuaenergy/>

and service on any other person is hereby dispensed with.

7. Service of this order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this order.

Justice of the Court of King's Bench of Alberta

Schedule "C"

COURT FILE NUMBER [2201_12828](#)

Clerk's S

[Clerk's Stamp](#)

COURT COURT OF ~~QUEEN~~KING'S BENCH OF ALBERTA

JUDICIAL CENTRE [CALGARY](#)

PLAINTIFF [EXPORT-IMPORT BANK OF CHINA](#)

DEFENDANT [CHANGHUA ENERGY CANADA LTD.](#)

DOCUMENT **APPROVAL AND VESTING ORDER**
(Sale by Receiver)

~~ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT~~

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[Counsel for FTI Consulting Canada Inc., in its capacity as the Court-appointed receiver of Changhua Energy Canada Ltd.](#)
[File No: 1001122095](#)

DATE ON WHICH ORDER WAS PRONOUNCED: _____ [August 8, 2023](#)

~~LOCATION WHERE ORDER WAS PRONOUNCED: _____~~

NAME OF ~~JUSTICE~~JUDGE WHO MADE THIS ORDER: _____
[The Honourable Justice G.A. Campbell](#)

[LOCATION OF HEARING: _____ Calgary, Alberta](#)

UPON THE APPLICATION by ~~{Receiver's Name}~~ FTI Consulting Canada Inc. in its capacity as the Court-appointed ~~{receiver/receiver and manager}~~ (the "Receiver") of all the undertakings, property and assets of ~~{Debtor}~~ (the "Debtor") Changhua Energy Canada Ltd. (Changhua) for an order approving the ~~sale~~-transaction (the "Bitstone Transaction") contemplated by ~~an agreement of purchase~~ the Purchase and ~~sale~~ (the "Sale Agreement") (the PSA) between the Receiver and ~~{Name of Purchaser}~~ Bitstone Resources Inc. (the "Purchaser") ~~dated {Date} and appended to the _____ Report of the Receiver dated {Date} (the "Report"),~~ and vesting in the Purchaser ~~(or its nominee)~~ all of the Debtor's ~~right~~ rights, title, and interest in and to the ~~assets described~~ Assets as defined in the ~~Sale Agreement~~ PSA (the "Purchased-Assets") free and clear of all encumbrances;

AND UPON HAVING READ the Receivership Order of the Honourable Justice G.S. Dunlop dated ~~{Date}~~ December 7, 2022 (the "Receivership Order"), the First Report of the Receiver, and the Affidavit of Service;

AND UPON HAVING READ in the Affidavit of Service that Purchaser, the Export-Import Bank of China, and the Alberta Energy Regulator have all been served with the present Application;

AND UPON HEARING the submissions of counsel for the Receiver, ~~the Purchaser {Names of and for any other parties appearing}, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed~~ that may be present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

~~4-1.~~ 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 TRANSACTION

~~2-2.~~ 2. The Bitstone Transaction is hereby approved and execution of the ~~Sale Agreement~~ PSA by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Bitstone Transaction and/or for the conveyance of the ~~Purchased-Assets~~ to the Purchaser (or its nominee).

VESTING OF PROPERTY

~~3. _____~~ 3. Subject only to approval by the Alberta Energy Regulator ("the Energy Regulator") of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta), upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in Schedule "A1" hereto (the "Receiver's Closing Certificate"), all of ~~the Debtor~~ Changhua's right, title and interest in and to the ~~Purchased-Assets~~ [listed in Schedule "B" hereto] shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgments, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "the Claims") including, without limiting the generality of the foregoing:

~~(a) (a)~~ any encumbrances or charges created by the Receivership Order; ~~(b) or any other orders granted in these proceedings;~~

(b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;

~~(c)~~ (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta), now the *Prompt Payment and Construction Lien Act* (Alberta); and

~~(d)~~ (d) those Claims listed in **Schedule "G2"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, ~~interests~~, easements, and restrictive covenants listed in **Schedule "D3"** (collectively, "the Permitted Encumbrances"))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the ~~Purchased~~ Assets are hereby expunged, discharged and terminated as against the ~~Purchased~~ Assets.

4.4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this ~~Order~~, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "the Governmental Authorities") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this ~~Order~~ as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser (or its nominee) clear title to the ~~Purchased~~ Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

~~(a) the Registrar of Land Titles ("Land Titles Registrar") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:~~

~~(i) cancel existing Certificates of Title No. * for those lands and premises municipally described as *, and legally described as:~~

~~_____*~~
~~_____ (the "Lands")~~

~~(ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee), namely, *;~~

~~(iii) transfer to the New Certificate of Title the existing instruments listed in Schedule "D", to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule "D"; and~~

~~(iv) discharge and expunge the Encumbrances listed in Schedule "C" to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;~~

(b) Alberta Energy (~~“Energy Ministry”~~) shall and is hereby authorized, requested and directed to forthwith:

(v) (i) cancel and discharge those Claims including builders’ liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of ~~the Debtor~~ Changhua in and to any of the ~~Purchased~~ Assets located in the Province of Alberta; and

(vi) (ii) transfer all Crown leases listed in **Schedule “E4”** to this Order standing in the name of ~~the Debtor~~ Changhua, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;

(c) (b) the Registrar of the Alberta Personal Property Registry (the **“PPR Registrar”**) shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of Changhua in any of the ~~Debtor in any of the Purchased~~ Assets which are of a kind prescribed by applicable regulations as serial-number goods.

~~5-5.~~ In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the ~~Sale Agreement~~ PSA. Presentment of this Order and the Receiver’s Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the ~~Purchased~~ Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

~~6-6.~~ No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the ~~Purchased~~ Assets is required for the due execution, delivery and performance by the Receiver of the ~~Sale Agreement, [PSA~~ other than any required approval by ~~the Alberta~~ Energy ~~Regulator~~ referenced in paragraph ~~34~~ above.]

~~7. Upon delivery of the Receiver’s Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the Land Titles Act, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.~~

~~8-7.~~ For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the ~~Purchased~~ Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the ~~Purchased~~ Assets from and after the delivery of the Receiver’s Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the ~~Purchased~~ Assets and may be asserted against the net proceeds from sale of the ~~Purchased~~ Assets with the same priority as they had with respect to the ~~Purchased~~ Assets immediately prior to the sale, as if the ~~Purchased~~ Assets had not been sold and remained

in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this ~~Order~~), the Receiver shall not make any distributions to creditors of net proceeds from sale of the ~~Purchased~~ Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.

~~9-8.~~ Except as expressly provided for in the ~~Sale Agreement~~ PSA or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Bitstone Transaction, have liability of any kind whatsoever in respect of any Claims against ~~the Debtor~~ Changhua.

~~10-9.~~ Upon the completion of the Bitstone Transaction, ~~the Debtor~~ Changhua and all persons who claim by, through or under ~~the Debtor~~ Changhua in respect of the ~~Purchased~~ Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the ~~Purchased~~ Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the ~~Purchased~~ Assets, and to the extent that any such persons or entities remain in the possession or control of any of the ~~Purchased~~ Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the ~~Purchased~~ Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

~~11-10.~~ The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the ~~Purchased~~ Assets for its own use and benefit without any interference of or by ~~the Debtor~~ Changhua, or any person claiming by, or through or against ~~the Debtor~~ Changhua.

~~12-11.~~ Immediately upon the closing of the Bitstone Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Receiver.

~~13-12.~~ The Receiver is ~~directed~~ to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

~~14.~~ Pursuant to clause 7(3)(c) of the ~~Personal Information Protection and Electronic Documents Act (Canada)~~ and section 20(e) of the ~~Alberta Personal Information Protection Act~~, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtor was entitled.

MISCELLANEOUS MATTERS

~~15-13.~~ Notwithstanding:

- (a) ~~(a)~~ the pendency of these proceedings and any declaration of insolvency made herein;

~~(b)~~ (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.C. B-3, as amended (the "*BIA*"); in respect of ~~the Debtor~~ Changhua, and any bankruptcy order issued pursuant to any such applications;

~~(c)~~ (c) any assignment in bankruptcy made in respect of ~~the Debtor~~ Changhua; and

~~(d)~~ (d) the provisions of any federal or provincial statute;

the vesting of the ~~Purchased~~ Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of ~~the Debtor~~ Changhua and shall not be void or voidable by creditors of ~~the Debtor~~ Changhua, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the *BIA* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

14. The Receiver's activities as set out in the First Report and in all of its other reports, confidential reports, and confidential supplements filed herein, and the Statement of Receipts and Disbursements as attached to the First Report, are hereby ratified and approved.

~~16-15.~~ The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Bitstone Transaction.

~~17-16.~~ This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

~~18-17.~~ Service of this Order shall be deemed good and sufficient by:

~~(a)~~ (a) ~~Serving~~ posting the same on:

~~(i)~~ (i) the persons listed on the service list created in these proceedings;

~~(ii)~~ (ii) any other person served with notice of the application for this Order;

~~(iii)~~ (iii) any other parties attending or represented at the application for this Order;

~~(iv)~~ (iv) the Purchaser or the Purchaser's solicitors; and

~~(b)~~ (b) ~~Posting~~ posting a copy of this Order on the Receiver's website at:
*<http://cfcanada.fticonsulting.com/changhuaenergy/>

and service on any other person is hereby dispensed with.

~~19-18.~~ Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

