



*June 29/
COM.*

COURT FILE NUMBER 1901-16293

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF WHITE OAK GLOBAL ADVISORS, LLC. IN ITS CAPACITY AS ADMINISTRATIVE AGENT UNDER THAT CERTAIN CREDIT AGREEMENT DATED MARCH 13, 2017, AS AMENDED

RESPONDENTS EAGLE ENERGY INC., EAGLE ENERGY TRUST, EAGLE ENERGY HOLDINGS INC., AND EAGLE HYDROCARBONS INC.

DOCUMENT THIRD REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF EAGLE ENERGY INC., EAGLE ENERGY TRUST, EAGLE ENERGY HOLDINGS INC. AND EAGLE HYDROCARBONS INC.

JUNE 23, 2020

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

RECEIVER
 FTI Consulting Canada Inc.
 Suite 1610, 520 – 5th Avenue SW
 Calgary, AB T2P 3R7
 Deryck Helkaa / Dustin Olver
 Telephone: (403) 454-6031 / (403) 454-6032
 Fax: (403) 232-6116
 Email: deryck.helkaa@fticonsulting.com
dustin.olver@fticonsulting.com

RECEIVER'S COUNSEL
 Norton Rose Fulbright Canada LLP
 3700, 400 – 3rd Avenue SW
 Calgary, AB T2P 4H2
 Howard A. Gorman Q.C. / Meghan Parker
 Telephone: (403) 267-8144 / (403) 267-8211
 Fax: (403) 264-5973
 Email: howard.gorman@nortonrosefulbright.com /
meghan.parker@nortonrosefulbright.com

CAN_DMS: 11340835272
31472873.2

EX A-000001

THIRD REPORT OF THE RECEIVER

Table of Contents

INTRODUCTION.....	3
TERMS OF REFERENCE.....	7
RECEIVER'S ACTIVITIES.....	8
SUMMARY OF RECEIPTS AND DISBURSEMENTS	9
PROPOSAL TRUSTEE'S ACTIVITIES.....	12
COMMENTS ON THE ARRANGEMENT AGREEMENT.....	15
BANKRUPTCY OF EAGLE TRUST AND EAGLE HOLDINGS	16
APPROVAL OF FEES	17
TERMINATION OF RECEIVERSHIP PROCEEDINGS AND DISCHARGE OF THE RECEIVER	18
RECEIVER'S RECOMMENDATIONS	19

APPENDIX A – PRELIMINARY REPORT OF THE PROPOSAL TRUSTEE

APPENDIX B – FORM 40.1 – NOTICE OF APPLICATION

APPENDIX C – FORM 40 – REPORT OF TRUSTEE ON PROPOSAL

CAN_DMS: 1134083527\2



INTRODUCTION

1. On November 19, 2019 (the “**Date of Appointment**”), FTI Consulting Canada Inc. was appointed as receiver and manager (“**FTI**” or the “**Receiver**”) of all of the assets, undertakings and properties (the “**Assets**”) of Eagle Energy Inc. (“**Eagle Energy**”), Eagle Energy Trust (“**Eagle Trust**”), Eagle Energy Holdings Inc. (“**Eagle Holdings**”) and Eagle Hydrocarbons Inc. (“**Eagle US**”) (collectively, the “**Eagle Group**” or the “**Debtors**”) pursuant to an Order of this Honourable Court (the “**Receivership Order**”).
2. The Receivership Order authorized the Receiver to, among other things, manage, operate and carry on the business of the Debtors, market any or all of the Assets, including advertising and soliciting offers to purchase the Assets, and to make such arrangements or agreements as deemed necessary by the Receiver.
3. On November 22, 2019, the Receiver filed a notice of application before the United States Bankruptcy Court for the Northern District of Texas Dallas Division (the “**US Bankruptcy Court**”) for the following orders:
 - a. An order (the “**Initial Recognition Order**”) providing, *inter alia*, that these receivership proceedings (the “**Receivership Proceedings**”) be recognized as the “foreign main proceeding” as defined in Section 1502(4) of the United States Code (the “**US Bankruptcy Code**”); and
 - b. An order (the “**TRO Order**”) providing a temporary restraining order and relief pursuant to sections 105(A) and 1519 of the US Bankruptcy Code with respect to the Receivership Proceedings for fourteen days or until the application for the Initial Recognition Order could be heard on December 5, 2019.

4. On November 22, 2019, the TRO was granted by the US Bankruptcy Court and on December 5, 2019, the Initial Recognition Order was granted by the US Bankruptcy Court.
5. On February 19, 2020, the Receiver obtained authorization to initiate sale solicitation procedures (“**SSP Procedures**”), as outline in the Receiver’s first report dated February 11, 2020 (“**First Report**”), and engage two sale agents to implement the sale process:
 - a. CB Securities Inc. (“**Canadian Sale Agent**”) to sell the Canadian assets (“**Canadian Assets**”) of Eagle Energy; and
 - b. EnergyNet.com Inc. (“**US Sale Agent**”) to sell the US assets (“**US Assets**”) of Eagle US. The Canadian Sale Agent and US Sale Agent are collectively referred to as the Sale Agents.
6. On February 24, 2020, the US Bankruptcy Court issued an order approving the SSP Procedures and the retention of the US Sale Agent.
7. During its June 2, 2020 application, the Receiver advised the Court of the following:
 - a. The Receiver had executed an arrangement agreement (the “**Arrangement Agreement**”) dated May 28, 2020, to complete a transaction whereby EEI Holdco, LLC, an affiliate of the senior secured debt holder, White Oak Global Advisors, LLC (“**White Oak**”), would complete a corporate arrangement by converting a portion of its secured debt in exchange for all the equity in Eagle Energy;

- b. The Arrangement Agreement included a provision that Eagle Energy would implement a proposal (the “**Division 1 Proposal**”) pursuant to Part III Division 1 of the *Bankruptcy and Insolvency Act*, RSC 1985, c-B-3 as amended (the “**BIA**”), whereby FTI would act as proposal trustee (in such capacity, the “**Proposal Trustee**”);
 - c. The Division 1 Proposal was filed on May 29, 2020, by the Receiver;
 - d. The Proposal Trustee called a creditor’s meeting on June 10, 2020, for affected unsecured creditors to vote on the Division 1 Proposal (the “**Unsecured Creditors’ Meeting**”); and
 - e. The Receiver had executed a formal purchase and sale agreement (the “**US Asset PSA**”) dated May 28, 2020, to complete the sale of the assets of Eagle US to Aguila Energy, LLC (“**Aguila Energy**”), which is an affiliate of White Oak.
8. On June 2, 2020, this Honourable Court granted the following relief:
- a. An Order that, among other things, approved the actions and conduct of the Receiver as described in its Second Report filed in support of the June 2, 2020 application, and permitted the Receiver to return to the Commercial List of this Court for the approval of the Division 1 Proposal and the Arrangement Agreement; and
 - b. An order approving the US Asset PSA (the “**US Asset PSA Approval Order**”).
9. The Receiver’s reports and other publicly available information in respect of the Receivership Proceedings are posted on the Receiver’s website at <http://cfcanada.fticonsulting.com/EagleEnergy> (the “**Receiver’s Website**”).

10. The purpose of this report (the “**Third Report**”) is to inform the Court as to the following:

- a. The status of various aspects of the Receivership Proceedings, including the Receiver’s activities since the Second Report and the anticipated limited steps required to complete the administration of the Receivership Proceedings;
- b. A summary of the Receiver’s receipts and disbursements since the Date of Appointment;
- c. The activities of the Proposal Trustee, including the results of the Unsecured Creditors’ Meeting to vote on the Division 1 Proposal and the background relevant to the Proposal Trustee’s request to have the Division 1 Proposal approved by this Honourable Court;
- d. The relevant background to the request for approval of the Arrangement Agreement as described in the Receiver’s Second Report; and
- e. The relevant background to the Receiver’s request for authorization to assign Eagle Trust and Eagle Holdings into bankruptcy.

11. In respect of its Application scheduled on June 26, 2020 (the “**Application**”), the Receiver is requesting the following relief from this Honourable Court:

- a. Approval of the activities of the Receiver since the Second Report;
- b. Approval of the Receiver’s statement of receipts and disbursements for the period from November 19, 2019 to June 12, 2020;
- c. Approval of the Arrangement Agreement;

- d. Approval of the Division I Proposal;
- e. Permission for the Receiver to assign Eagle Trust and Eagle Holdings into bankruptcy;
- f. Approval of the fees of the Receiver and the Receiver's Counsel; and
- g. Approval for the discharge of the Receiver and the Proposal Trustee, conditional on the completion of certain remaining tasks.

TERMS OF REFERENCE

12. In preparing this Third Report, the Receiver has relied upon unaudited financial information, other information available to the Receiver and, where appropriate, the Debtors' books and records and discussions with the Debtors' management and various other parties (collectively, the "Information").

13. Except as described in this Third Report:

- a. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
- b. The Receiver has not examined or reviewed financial forecasts and projections referred to in this Third Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.

14. Future oriented financial information reported or relied on in preparing this Third Report is based on assumptions regarding future events; actual results may vary from forecast and such variations may be material.

CAN_DMS: 11340835272

7



EX A-000007

15. The Receiver has prepared this Third Report in connection with the Application, and it should not be relied upon for any other purposes.
16. Information and advice described in this Third Report that has been provided to the Receiver by its legal counsel, Norton Rose Fulbright Canada LLP (the “**Receiver’s Counsel**”), was provided to assist the Receiver in considering its course of action, and is not intended as legal or other advice to, and may not be relied upon by, any other person.
17. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not otherwise defined are as defined in the Receivership Order, Preliminary Report of the Trustee, Form 40 – Report of Trustee on Proposal and application motion materials filed in support of the Application (the “**Application Materials**”).

RECEIVER’S ACTIVITIES

US ASSET PSA

18. Since the date of the Second Report, the Receiver has continued to take the necessary steps towards closing the US Asset PSA. These steps include, among others, the following:
 - a. Assisting Aguila Energy in completing final due diligence items;
 - b. Preparing and sending consent requests and notice letters as required by the US Asset PSA; and
 - c. Completing other miscellaneous transition matters as required.
19. The Receiver has scheduled an application on June 26, 2020, before the US Bankruptcy Court to have the US Asset PSA Approval Order recognized pursuant to the Recognition Order and section 1520(a)(2) of the US Bankruptcy Code.

CAN_DMS: 113408352712



BANKRUPTCY OF EAGLE TRUST AND EAGLE HOLDINGS

20. The Receiver has continued to complete the necessary transition matters as required by the Arrangement Agreement as well as assisting White Oak in completing tasks related to strategic estate planning in conjunction with the Arrangement Agreement.
21. During the due diligence process for the Arrangement Agreement, White Oak identified that there would be a strategic benefit to the post-corporate arrangement entity of Eagle Energy to bankrupt both Eagle Trust and Eagle Holdings.
22. White Oak identified the following benefits to Eagle Energy that would arise from the bankruptcies:
 - a. Cleanse the corporate structure to include only the operating entity. Eagle Trust and Eagle Holdings were previously created as intermediaries for the Canadian and US operations of the Eagle Group and had no operations;
 - b. Eliminate inter-company balances; and
 - c. Reduce bookkeeping expenses.
23. Consequently, White Oak has asked the Receiver to complete a bankruptcy of both Eagle Trust and Eagle Holdings and will fund the proceedings.

SUMMARY OF RECEIPTS AND DISBURSEMENTS

24. The Receiver's receipts and disbursements from the Date of Appointment to June 12, 2020, are summarized as follows:

Schedule of Receipts and Disbursements
For the period of Nov. 19, 2019 to Jun. 12, 2020
\$000's CAD

Receipts

Production Revenue	\$ 11,111
Joint Venture Billing Receipts	4,514
Transfer from Pre-Receivership Bank Accounts	3,005
Other Miscellaneous Receipts	109
Bank Interest & Charges	25

Total - Receipts 18,764

Disbursements

Operating Expenses	6,635
G&A Expenses	2,855
Royalties Paid	1,273
Term Loan Interest Payments	1,038
Insurance	300
Property Taxes Paid	163
30 Day Goods Claim	92
Net Taxes Received / (Paid)	86
Legal Fees	807
Receiver's Fees	470
Other Professionals	68
FX Loss	1

Total - Disbursements 13,787

Net Cash on Hand \$ 4,978

- a. Production Revenue – receipts collected relating the crude oil, natural gas, natural gas liquids, royalty revenue and hedging revenue;
- b. Joint Venture Billing Receipts – collection of expenses paid by the Eagle Group for its joint interest working partners share of operating expenses;
- c. Transfer from Pre-Receivership Bank Accounts – amounts in the Eagle Group's pre-Receivership bank accounts transferred to the Receiver's trust account on the Date of Appointment;

- d. Other Miscellaneous Receipts – refunds on account and other operating receipts not relating to Eagle Group’s core oil and gas operations;
- e. Bank Interest & Charges – interest collected on balances in the Receiver’s trust accounts and bank fees charged;
- f. Operating Expenses – expenses to operate the oil and gas properties, including but not limited to transportation and market charges, contract operator’s salaries, well repairs and maintenance;
- g. G&A Expenses – expenses relating to corporate overhead, including but not limited to, office staff salaries, payroll source deductions, occupant rent, utilities;
- h. Royalties Paid – amounts paid in respect of oil and gas production royalties owed to the Crown and freehold parties;
- i. Term Loan Interest Payments – amounts paid to the Lender as fulfillment of the monthly interest due under the Term Loan;
- j. Insurance – insurance costs including operator’s insurance and general liability insurance;
- k. Property Taxes Paid – annual amounts paid in respect of oil and gas properties;
- l. 30 day Goods – amount paid in respect of a secured claim submitted under section 81.1(1) of the BIA.;
- m. Net Taxes Received / (Paid) – goods and services collected and paid during the Receivership Proceedings;

CAN_DMS: 11340835272



- n. Legal Fees – Receiver’s Counsel fees and disbursements in respect of the Receivership Proceedings;
- o. Receiver’s Fees – Receiver’s fees and disbursements in respect of the Receivership Proceedings;
- p. Other Professionals – fees and disbursements paid in respect of the services of the Sale Agents and US mailing agent; and
- q. FX Loss – change in cash due to changes in USD and CAD on transfers between the Receiver’s trust accounts.

25. As at June 12, 2020, the Receiver holds \$4.98 million in cash on hand.

PROPOSAL TRUSTEE’S ACTIVITIES

26. After the June 2, 2020, application, the Proposal Trustee prepared its preliminary report (the “**Preliminary Report of the Proposal Trustee**”). The Preliminary Report of the Proposal Trustee included the following:

- a. A summary of the Division 1 Proposal;
- b. Statement of estimated realization; and
- c. The Proposal Trustee’s recommendation with respect to the Division 1 Proposal.

27. A copy of the Preliminary Report of the Proposal Trustee is attached to this Third Report as Appendix A.

28. A copy of the Preliminary Report of the Proposal Trustee was sent to all creditors of Eagle Energy on June 8, 2020 by way of electronic mail.

SUMMARY OF UNSECURED CREDITORS' MEETING

29. On June 10, 2020, the Proposal Trustee held the Unsecured Creditors' Meeting by way of conference call at 10:00 AM pursuant to the Interim Technical Instructions to LITs, dated April 14, 2020, and posted by the Office of the Superintendent of Bankruptcy on its website in response to COVID-19. The meeting was presided over by Deryck Helkaa, LIT.
30. The Unsecured Creditors' Meeting was attended by 10 creditors as well as a representative from the Receiver's Counsel and three representatives from the office of the Proposal Trustee.
31. For a proposal to be accepted, section 54 of the BIA requires unsecured creditors holding proven claims to vote in favour of the proposal by a majority in number and two thirds in value. At the Unsecured Creditors' Meeting, the unsecured creditors voted to accept the Division 1 Proposal. The favourable votes were in excess of the requirements under section 54 of the BIA. The summary of votes is as follows:

Voting Results	# of Votes	Dollar Value
Convenience Votes - FOR	39	\$ 6,500
Proof of Claims Votes - FOR	24	\$ 10,233,763
Proof of Claims Votes - AGAINST	0	\$ -
Abstained Votes	1	\$ 80,361
Total Voting Claims	64	\$ 10,320,624
Total Votes - FOR	63	\$ 10,240,263
% of Creditors Voting - FOR	98.4%	99.2%

CAN_DMS: 11340835272

13



FTI
CONSULTING
31472873.2

EX A-000013

32. Following the Unsecured Creditors' meeting, the Proposal Trustee completed Form 40.1 - Notice of Hearing (attached as Appendix B) and Form 40 - Report of Trustee on Proposal in the prescribed form (attached as Appendix C), as required by sections 58 (b) and (c) of the BIA, and delivered both to the official receiver and all creditors of Eagle Energy by way of electronic mail on June 16, 2020.

33. Based on Eagle Energy's records at the date of this Third Report, and based on the assumption that all creditors known to Eagle Energy prove their claims, the Proposal Trustee expects recoveries to unsecured creditors from the Division 1 Proposal to be as follows:

Estimated Recovery	Distribution of Unsecured Creditors' Fund			Claim Amount	% Recovery
	Convenience	Pro-rata	Total		
Convenience Claims under \$500	\$ 6,500	\$ -	\$ 6,500	\$ 6,500	100.0%
Other Unsecured Creditors	39,500	154,000	193,500	3,071,202	6.3%
White Oak unsecured claim	-	-	-	8,780,890	0.0%
Total	\$ 46,000	\$ 154,000	\$ 200,000	\$ 11,858,593	1.7%

34. As described in the Division 1 Proposal, White Oak has waived its share of the dividend payable and opted to have its pro-rata share distributed to the other unsecured creditors. Accordingly, the full unsecured creditor claims pool of \$200,000 will be split pro-rata amongst the remaining proven unsecured claims (excluding White Oak).

35. Based on the Proposal Trustee's statement of estimated realization, unsecured creditors with a claim of \$500 or less (the "Convenience Class") will receive 100% of their proven claim and all other unsecured creditors are expected to receive 6.3% of their proven claim.

COMMENTS ON THE ARRANGEMENT AGREEMENT

36. The SSP Procedures that were carried out by the Receiver in respect of the Canadian Assets, and the results of the SSP Procedures, are described in detail at paragraphs 32 to 40 of the Second Report.

37. In the Receiver's view, the SSP Procedures run by the Receiver fully exposed the Canadian Assets to the market. This was demonstrated by the strong interest in the opportunity and multiple bids received for the Canadian Assets.

38. As described in the Second Report, the Arrangement Agreement was considered to be superior to all other offers received during the SSP Procedures for the following reasons:

- a. The Arrangement Agreement represents the highest total recoveries for each class of creditor;
- b. The Arrangement Agreement transaction structure provides recoveries to unsecured creditors of Eagle Energy through the Division 1 Proposal as described above, while no other offer submitted during the SSP Procedures contemplated any payments or recoveries to unsecured creditors; and
- c. White Oak is financially capable of completing the transaction and, as the secured creditor, has a vested interest in completing a transaction in a timely manner.

39. The Proposal Trustee is of the opinion that the Division 1 Proposal administered as part of the Arrangement Agreement is advantageous to the unsecured creditors of Eagle Energy for the following reasons:

CAN_DMS: 113408352712



- a. If the Division 1 Proposal is not approved, Eagle Energy will be deemed to have made an assignment into bankruptcy;
- b. In light of the current commodity price environment and uncertainty surrounding the oil and gas market in Alberta, the \$21 million purchase price was by far the best price derived from by the SSP Procedures, which, if the transaction were to be completed by way of an asset sale instead of the Arrangement Agreement, would result in nil recoveries to unsecured creditors; and
- c. All unsecured creditors who voted at the Unsecured Creditors' Meeting voted for the acceptance of the Division 1 Proposal.

BANKRUPTCY OF EAGLE TRUST AND EAGLE HOLDINGS

40. As described earlier in this Third Report, White Oak has requested that Eagle Trust and Eagle Holdings be assigned into bankruptcy. It is the Receiver's view that the bankruptcies would be beneficial to Eagle Energy because they would simplify the corporate structure and allow for continued operations with only one corporate entity.
41. The Receiver is willing and able to act as bankruptcy trustee for Eagle Trust and Eagle Holdings.
42. The Receiver has reviewed the books and records of Eagle Trust and Eagle Holdings and neither entity has any trade creditors. The only amounts owing are intercompany balances owing within the Eagle Group.
43. The Receiver believes that assigning Eagle Trust and Eagle Holdings into bankruptcy is reasonable, based on the following:

- a. Eagle Trust and Eagle Holdings do not have any third party creditors who would be prejudiced by the bankruptcies; and
- b. The Bankruptcies of Eagle Trust and Eagle Holdings would allow for the winding up of the remaining Canadian entities of the Eagle Group.

APPROVAL OF FEES

44. Invoices rendered by the Receiver for fees and expenses exclusive of GST since the Date of Appointment total \$469,543 and the Receiver anticipates an additional \$75,000 accrued unbilled work to date and administrative work to complete the Receivership Proceedings (collectively the “**Receiver’s Fees**”). The accounts will be made available upon request.
45. Invoices rendered for fees and expenses exclusive of GST by the Receiver’s Counsel from the Date of Appointment to May 31, 2020 total \$806,642, and the Receiver’s Counsel anticipates an additional \$250,000 in accrued unbilled work to date and administrative work to complete the Receivership Proceedings (collectively the “**Receiver’s Counsel’s Fees**”). This figure includes the fees and disbursements of the Receiver’s Canadian and US counsel. The accounts will be made available upon request.
46. The Receiver believes the Receiver’s Fees and the Receiver’s Counsel’s Fees are appropriate and reasonable in the circumstances, and in particular, given the length of the Receivership Proceedings, the cross border aspects of the Eagle Group’s operations, the work required to maintain and operate the Eagle Group’s ongoing Canadian and US operations from the Date of Appointment to closing the US Asset PSA and Arrangement Agreement, the time required to complete a fulsome sales process in Canada and the US, resolve various disputes, and complete the Division 1 Proposal. The Receiver is requesting that this Honourable Court approve the Receiver’s Fees and the Receiver’s Counsel’s Fees.

CAN_DMS: 113408352712

17

 **FTI**
CONSULTING
31472873.2

EX A-000017

TERMINATION OF RECEIVERSHIP PROCEEDINGS AND DISCHARGE OF THE RECEIVER

47. If the Division 1 Proposal and Arrangement Agreement are approved, the Receiver and Proposal Trustee will have completed or have approval to imminently complete all of the substantive tasks required to fulfill their mandates. The Receiver and the Proposal Trustee will have the following tasks remaining to complete their mandates (collectively “**Remaining Tasks**”):

- a. Obtaining approval from the US Bankruptcy Court for the US Asset APA and recognition of the US Asset PSA Approval Order granted by this Honourable Court on June 2, 2020. A hearing with the US Bankruptcy Court has been scheduled for June 26, 2020, to have the above matters heard. Arrangements and planning has been completed in consultation with Aguila Energy such that the Receiver will be in a position to take the steps necessary to close the US Asset APA shortly after approval of the US Bankruptcy Court;
- b. If approved by this Honourable Court, implementing the Division 1 Proposal by finalizing the unsecured claims pool and making required cash distributions contemplated under the Division 1 Proposal;
- c. Taking necessary administrative steps to complete the Arrangement Agreement;
- d. Paying remaining operational expenses incurred during the Receivership Proceedings but not yet paid; and

- e. Completing certain administrative matters including completing final estate accounting and record keeping, updating the Receiver's website with Court and other materials and completing various statutory filings in respect of the Division 1 Proposal with the Office of the Superintendent of Bankruptcy.

48. The Receiver recommends terminating the Receivership Proceedings, discharging the Receiver and discharging the Proposal Trustee conditional upon filing a certificate ("**Completion Certificate**") confirming that the Remaining Tasks have been completed.

RECEIVER'S RECOMMENDATIONS

49. The Receiver respectfully requests that this Honourable Court grant the following relief:

- a. Approval of the Receiver's actions and activities;
- b. Approval of the Receiver's statement of receipts and disbursements for the period of November 19, 2019 to June 12, 2020;
- c. Approval of the Arrangement Agreement;
- d. Approval of the Division 1 Proposal;
- e. Permission for the Receiver to assign Eagle Trust and Eagle Holdings into bankruptcy;
- f. Approving the Receiver's Fees and the Receiver's Counsel's Fees; and

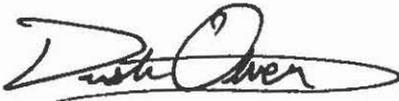
- g. Approving the Receiver's discharge, terminating the Receivership Proceedings and discharging the Proposal Trustee conditional upon filing of the Completion Certificate confirming the completion of the Remaining Tasks.

All of which is respectfully submitted this 23rd day of June, 2020.

FTI Consulting Canada Inc.
in its capacity as receiver and manager
of the assets, undertakings and properties of
Eagle Energy Inc., Eagle Energy Trust,
Eagle Energy Holdings Inc. and Eagle Hydrocarbons Inc.



Deryck Helkaa
Senior Managing Director



Dustin Olver
Senior Managing Director

Appendix A

SUPERINTENDENT ESTATE NUMBER 25-2648926

COURT FILE NUMBER 25-2648926
CALGARY JUDICIAL CENTRE

**REPORT OF THE TRUSTEE ON THE PROPOSAL
IN THE MATTER OF THE DIVISION 1 PROPOSAL FOR
EAGLE ENERGY INC.**

**of the City of Calgary
in the Province of Alberta**

June 8, 2020

BACKGROUND

1. On November 19, 2019 (the “**Date of Appointment**”), FTI Consulting Canada Inc. was appointed as receiver and manager (the “**Receiver**”) of all of the assets undertakings and properties (the “**Assets**”) of Eagle Energy Inc. (“**Eagle Energy**”), Eagle Energy Trust (“**Eagle Trust**”), Eagle Energy Holdings Inc. (“**Eagle Holdings**”) and Eagle Hydrocarbons Inc. (“**Eagle US**”) (collectively, the “**Eagle Group**” or the “**Debtors**”) pursuant to an Order of this Honourable Court (the “**Receivership Order**”).
2. Eagle Energy is a public corporation incorporated under the laws of the Province of Alberta with its registered office in Calgary, Alberta.
3. The shares of Eagle Energy Inc. are listed for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “**EGL**”.

- 2 -

4. Eagle Energy is the trustee and sole unitholder of Eagle Trust, an unincorporated open-ended limited purpose trust formed under the laws of the Province of Alberta, which does not carry on business other than to own all of the shares of Eagle Holdings.
5. Eagle Holdings is a corporation incorporated pursuant to the laws of the Province of Alberta with its registered and head office in Calgary, Alberta. Eagle Holdings is a direct wholly owned subsidiary of Eagle Trust. Eagle Holdings does not carry on any business other than to own all of the shares of Eagle US.
6. Eagle US is a company incorporated pursuant to the laws of the State of Delaware, United States, with an office in Houston, Texas. Eagle US is a wholly owned subsidiary of Eagle Holdings.
7. The Eagle Group's principal line of business is the acquisition, exploration, development and production of petroleum and natural gas assets in Alberta, Texas and Oklahoma.
8. The Eagle Group's production is derived from the following regions:
 - a. oil and gas producing properties near Peace River, AB (the "**Dixonville Property**");
 - b. non-operated working interest and royalty production ("**Non-Op Royalty Assets**") from various Alberta properties. The Dixonville Property and the Non-Op Royalty Assets are collectively referred to as the "**Canadian Assets**";
 - c. oil and gas producing properties near Hardeman County, TX (the "**Hardeman Property**"); and

EX A-000023

- 3 -

- d. other minor miscellaneous oil and gas producing properties near Jackson, Oklahoma and Palo Pinto, Texas (“**Other US Properties**”). The Hardeman Property and the Other US Properties are collectively referred to as the “**US Property**”).
9. The Debtors’ average daily production of 1,422 boe is substantially oil weighted (83% for the Canadian Property and 86% for the US Property). The Canadian Property produces approximately 960 boe/day or 68% of the Eagle Group’s production, while the US Property produces approximately 462 boe /day.
10. Following a marketing process ran by the Receiver to sell the Canadian Properties of the Debtors (the “**Canadian SSP**”) a sale agreement was reached to complete a corporate transaction for Eagle Energy by way of a corporate arrangement (the “**Arrangement Agreement**”) to EEI Holdco, LLC (the “**Purchaser**”) as designee of White Oak Global Advisors, LLC (“**White Oak**”).
11. For further clarity, Eagle Energy is the only entity that is being sold through the Arrangement Agreement and as such is the only entity making a proposal to its creditors at this time.
12. A full summary of the Receivership proceedings, including a detailed summary of the Canadian SSP can be found at the Receiver’s website: cfcanada.fticonsulting.com/eagleenergy.
13. As part of the Arrangement Agreement, on May 29, 2020, Eagle Energy filed a Division 1 Proposal pursuant to the provisions of Part III Division 1 of the Bankruptcy and insolvency Act, RSC 1985, c-B-3 as amended (the “**Division 1 Proposal**”), with FTI Consulting Canada Inc. acting as proposal trustee (the “**Proposal Trustee**”).

EX A-000024

- 4 -

14. FTI Consulting Canada Inc. will be referred to as both Receiver and Proposal Trustee is acting independently in both roles and has referred to its actions in its roles separately at different points in this Report.

FINANCIAL POSITION AND CAUSES OF DIFFICULTIES

15. Prior to the Date of Appointment, the Eagle Group was experiencing financial difficulties due to the substantial and extended decline in commodity prices. The Eagle Group was unsuccessful in generating sufficient proceeds from previous asset divestitures to repay the loan provided by White Oak Global Advisors, LLC, as administrative agent under certain loan and security agreement dated March 13, 2017, as amended.

- a. On November 18, 2019, White Oak made a demanded payment in respect of their outstanding indebtedness to the Debtors.
- b. The Debtors waived their notice period and consented to immediate enforcement and an application for consent Receivership Order was heard and granted on November 19, 2019.

16. The Debtors are still subject to the Receivership Order granted on November 19, 2019 and the Receiver continues to manage the operations of the Debtors.

17. The Proposal Trustee has presented a summary of Eagle Energy's balance sheet as at April 30, 2020. This summary is presented below:

- 5 -

	As at April 30, 2020
ASSETS	
Current assets	
Cash	2,427,878
Trade and other receivables	757,685
Prepaid expenses	531,452
	<u>3,717,015</u>
Non-current assets	
Oil & gas properties	57,790,935
Property, plant and equipment	1,124,027
	<u>58,914,962</u>
Total Assets	<u>\$62,631,977</u>
LIABILITIES	
Current liabilities	
Secured Debt - White Oak	36,493,500
Unsecured Debt White Oak	8,780,890
Trade and other payables - Post Receivership	3,193,055
Trade and other payables - Pre-Receivership	3,122,638
	<u>51,590,083</u>
Non-current liabilities	
Lease liability	1,199,085
Decommissioning liability	21,397,700
Demand promisory note	23,624,574
	<u>46,221,359</u>
Total Liabilities	<u>\$97,811,442</u>

18. The Proposal Trustee notes that these are internal and should not be relied upon for any other reason than for the purpose of this report. The above represents book values of Eagle Energy's assets and liabilities and does not provide an accurate representation of the market value of assets or what would be expected to be realized in the event of a sale. As discussed further below, the Receiver has run a court approved sale process which illustrates the current market value of the underlying assets and operations.

- 6 -

19. A cash flow forecast has been developed by the Receiver and represents the probable and hypothetical assumptions that reflect the planned course of account for the period of June 1 to July 31, 2020 (the "Cash Flow Forecast").

20. A copy of the Cash Flow Forecast is presented below:

<i>(CAD)</i>	Jun-20	Jul-20	Total
	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
Royalty & WI Revenue	64,513	69,603	134,116
Operating Expense	<u>(150,592)</u>	<u>(143,092)</u>	<u>(293,684)</u>
Field Netback	(86,079)	(73,489)	(159,568)
G&A	<u>(107,236)</u>	<u>(74,811)</u>	<u>(182,046)</u>
Operating Cash Flow	(193,315)	(148,300)	(341,615)
Proposal Trustee	(20,000)	(20,000)	(40,000)
Receivership Professional Costs	<u>(275,000)</u>	<u>(200,000)</u>	<u>(475,000)</u>
Total Change in Cash	(488,315)	(368,300)	(381,615)
Opening Cash Balance	1,965,080	1,476,766	1,965,080
Change in Cash	<u>(488,315)</u>	<u>(368,300)</u>	<u>(856,615)</u>
Closing Cash Balance	1,476,766	1,108,466	1,108,466

21. The main assumptions which are the basis for the Cash Flow Forecast are:

- a. Royalty & working interest revenue relates to proceeds from Eagle Energy's royalty and non-operated working interest oil & gas production. Production forecast based on current production adjusted for natural production decline. The forecast sales price is based on strip pricing factoring in the companies' typical quality discount to benchmark prices.

- 7 -

- b. Operating costs are based on Eagle Energy's annual operating cost budget and relate to the costs to operate Eagle Energy's wells and facilities. Eagle Energy's working interest production is currently shut in, so these costs are the fixed costs associated with maintaining the properties;
- c. G&A includes employee costs, rent, insurance, software required to run the business and other miscellaneous general and administrative expenses;
- d. Professional fees include fee estimated for the Proposal Trustee additional professional fees expected to be incurred for the Receivership proceedings; and
- e. Opening Cash balance is the cash on hand held by the Receiver at May 28, 2020

22. The Proposal Trustee is of the opinion that the assumptions are reasonable and consistent with the purpose of the Cash Flow Forecast and that as presented it demonstrates sufficient financial capacity to complete the Division 1 Proposal and fund the Unsecured Creditor's Fund.

SUMMARY OF PROPOSAL

Purpose

23. The purpose of the Division 1 Proposal is to affect a compromise of the unsecured indebtedness of Eagle Energy.

Funding

24. A fund ("**Unsecured Creditors' Fund**") in the amount of \$200,000 has been established from the cash on hand currently held by the Receiver. The Unsecured Creditors' Fund will be utilized to fund dividends to unsecured creditors who file valid proofs of claim ("**Proven Claims**").

- 8 -

25. A convenience class will be established whereby all unsecured creditors will receive the lesser of \$500 or the full amount of their unsecured claim ("**Convenience Payment**"). Unsecured creditors with claims of \$500 or less ("**Convenience Claim Creditors**") will receive a full recovery (less levy) and all unsecured creditors with Proven Claims greater than \$500 will receive a dividend of at least \$500 (less levy). The Convenience Payment will be paid from the Unsecured Creditors' Fund. The remaining Unsecured Creditors' Fund after the Convenience Payment will be distributed pro-rata to the remaining unsecured creditors with Proven Claims.

Illustrative Unsecured Claims Pool

26. Convenience Claim Creditors will not be required to submit a proof of claim and will be deemed to have Proven Claims unless such creditor disputes the amount deemed to be owing to such creditor in the creditor listing.

27. Unsecured creditors with claims greater than \$500 will be required to file a valid proof of claim with the Receiver and have it finally determined in accordance with the BIA in order to have a Proven Claim eligible for voting and distribution.

28. All contracts outlined in Schedule A of the Division I Proposal are to be repudiated. The repudiated contracts include:

- a. Office lease;
- b. Vehicle leases;
- c. Photo copier leases;
- d. Marketing agreements;
- e. Employment contracts;

- 9 -

f. Consulting agreements; and

g. Royalty agreement.

29. The parties who have their contracts repudiated will be required to file a proof of claim in respect of the loss suffered resulting from the repudiation of the contract in accordance with the Division 1 Proposal.

30. Based on review of Eagle Energy's books and records, the Receiver estimates the following composition of unsecured creditors (including projected claims following the disclaimer of contracts). The Receiver is presenting these amounts for illustrative purposes and cautions that actual amounts may vary significantly once claims are proven.

Estimated Claims	Creditors		Unsecured Claims	
	# Creditors	%	Amount	%
Convenience Claims under \$500	39	33.1%	\$ 7,000	0.1%
Other Unsecured Creditors	78	66.1%	3,115,638	26.2%
White Oak unsecured claim	1	0.8%	8,780,890	73.8%
Total	118	100%	\$ 11,903,528	100.0%

Voting and Distribution

31. The Division 1 Proposal includes the following voting structure:

- a. Only unsecured creditors with Proven Claims will be eligible to vote on and share in distributions under the Division 1 Proposal;
- b. Convenience Claim Creditors are deemed to have voted in favour of the Division 1 Proposal; and

- 10 -

- c. White Oak will be entitled to vote with their White Oak Unsecured Claim, which is estimated to represent approximately 73.8% of the total value of the total unsecured claims. However, White Oak will forgo the dividend they would otherwise be entitled to receive and allow it to be distributed to the remaining creditors with Proven Claims pro-rata.

32. The Receiver estimates that White Oak forgoing a dividend will result in a 6.2% recovery to unsecured creditors (not including creditors in the convenience class) as set out below:

Estimated Recovery	Distribution of Unsecured Creditors' Fund			Claim Amount	% Recovery
	Convenience	Pro-rata	Total		
Convenience Claims under \$500	\$ 7,000	\$ -	\$ 7,000	\$ 7,000	100.0%
Other Unsecured Creditors	39,000	154,000	193,000	3,115,638	6.2%
White Oak unsecured claim	-	-	-	8,780,890	0.0%
Total	\$ 46,000	\$ 154,000	\$ 200,000	\$ 11,903,528	1.7%

Creditor Meeting

33. The Proposal Trustee has called a creditor's meeting on June 10, 2020 at 10 AM by way of conference call, for affected creditors to vote on the Division 1 Proposal at a meeting of unsecured creditors of Eagle Energy (the "Unsecured Creditor's Meeting").

- a. A creditor can attend the Unsecured Creditor's Meeting using the following conference call instructions:

i. **Meeting Dial in Number:** 1-888-619-1583 or 403-407-1583

ii. **Guest Passcode:** 172 136 0861#

EX A-000031

- 11 -

34. In order to be accepted by the creditors, the Division 1 Proposal must be accepted by the majority of creditors who vote in number and 2/3 of the creditors in value. If accepted, by the creditors the Proposal will seek approval and sanctioning of the Division 1 Proposal by the Court of the Queen's Bench of Alberta on June 26, 2020.

Claims Bar Process

35. The Division 1 Proposal includes a customary claims bar provision whereby the Proposal Trustee will send notice ("Claims Bar Notice") pursuant to section 149 of the BIA after the Court grants an approval order sanctioning the Division 1 Proposal. The Claims Bar Notice will be sent to all known creditors giving 30 days notice to file a proof of claim. If no claim is filed within said 30 days, the creditor will be barred from making a claim in the Division 1 Proposal and sharing in any dividend therefrom.

INDENTIFICATION AND EVALUATION OF ASSETS

36. The Proposal Trustee is of the opinion that the Canadian SSP which was ran by the Receiver represents the most accurate estimate of the value of the assets of Eagle Energy. The following is a summary of the Canadian SSP:

- a. The Canadian SSP was approved by the Court of the Queen's Bench of Alberta prior to being commenced and contemplated a two phase process to be run over approximately 2 months.
- b. The results of the Canadian SSP was a total of 23 bids being received including:
 - i. A credit bid from White Oak to purchase Eagle Energy for \$21 million by way of corporate arrangement;
 - ii. 10 en bloc offers to purchase all of Eagle Energy; and 12 offers to purchase various individual package of Eagle Energy's assets.

- 12 -

- c. A summary of the offers received during the Canadian SSP is presented below. Due to the commercial sensitive nates of the information, the names of the bidders have been removed.

Bidder	Offer (CAD)	Transaction Structure	Offer Consideration
All Canadian Assets			
White Oak	\$ 21,000,000	Corporate Arrangement	- Credit Bid
Canadian Bidder 2	\$ 31,500,000	Asset Purchase	- No cash consideration - Assignment of \$31.5 million of debt - No debt re-payment for 5 years
Canadian Bidder 3	\$ 21,000,000	Asset Purchase	- No cash consideration - Assignment of \$21 million of debt
Canadian Bidder 4	\$ 15,650,000	Asset Purchase	- Cash consideration of \$650,000 - Assignment of \$15 million of debt
Canadian Bidder 5	\$ 9,100,000	Asset Purchase	- All cash consideration
Canadian Bidder 6	\$ 5,000,000	Corporate Arrangement	- All cash consideration
Canadian Bidder 7	\$ 2,200,000	Asset Purchase	- All cash consideration
Canadian Bidder 8	\$ 2,100,000	Asset Purchase	- All cash consideration
Canadian Bidder 9	\$ 1,428,571	Asset Purchase	- All cash consideration
Canadian Bidder 10	\$ 1,300,000	Asset Purchase	- All cash consideration
Canadian Bidder 11	\$ 100,000	Asset Purchase	- All cash consideration
Dixonville Only			
Canadian Bidder 12	\$ 15,550,000	Asset Purchase	- Cash consideration of \$550,000 - Assignment of \$15 million of debt
Canadian Bidder 13	\$ 850,000	Asset Purchase	- All cash consideration
Canadian Bidder 14	\$ 2,000,000	Asset Purchase	- No cash consideration - Payment in shares in O&G company
Royalty Interest and Minor WI			
Canadian Bidder 15	\$ -	Asset Purchase	- No cash consideration - Payment by way of 1.67mm Shares in O&G company (Undetermined Value)
Canadian Bidder 16	\$ 1,200,000	Asset Purchase	- All cash consideration
Canadian Bidder 17	\$ 625,010	Asset Purchase	- All cash consideration
Canadian Bidder 18	\$ 510,000	Asset Purchase	- All cash consideration
Canadian Bidder 19	\$ 360,000	Asset Purchase	- All cash consideration
Canadian Bidder 20	\$ 250,000	Asset Purchase	- All cash consideration
Canadian Bidder 21	\$ 165,000	Asset Purchase	- All cash consideration
Canadian Bidder 22	\$ 70,000	Asset Purchase	- All cash consideration
Canadian Bidder 23	\$ 55,000	Asset Purchase	- All cash consideration

EX A-000033

- 13 -

37. Based on the results of the Canadian SSP, the Proposal Trustee believes that if the Proposal is not accepted, and the Arrangement Agreement terminated, the value of Eagle Energy would be significantly less than the secured debt.

CONDUCT OF THE DEBTOR

38. The Proposal Trustee has reviewed the Receivership bank accounts for the purpose of identifying any payments that may be considered preference payments under the *Bankruptcy and Insolvency Act*.
39. At the time of this Report, the Proposal Trustee has not been able to review the Debtors accounts prior to the Receivership Date, however it has no reason to believe or indication of any preference payments being made during or prior to the Receivership date.

CREDITOR'S CLAIMS

40. The Proposal Trustee is only aware of one secured claim which is held by White Oak. The Receiver has obtained an independent security opinion with respect to White Oak's secured claim as part of the Receivership proceedings and determined it to be valid and enforceable. The security opinion was completed by the Receiver's counsel Norton Rose Fulbright Canada LLP.
41. White Oak's secured claim at the date of this report is approximately \$45.3 million.
- a. White Oak's offer to purchase Eagle Energy by way of the Arrangement Agreement was for \$21 million (credit bid);

- 14 -

- b. In the sale process to sell the Debtors US Property, White Oak was determined to have the highest and best offer. This offer was for USD \$11 million (credit bid) with payment by way of forgiveness of its secured debt. This offer was accepted by the Receiver and will reduce White Oak's secured debt against Eagle Energy by approximately \$15.5 million when converted to CAD;
- c. As discussed above, as part of the Arrangement Agreement, White Oak is converting a portion of its secured debt to an unsecured claim against Eagle Energy. The portion that is being converted is the amount of secured debt that is not being used in the purchase of Eagle Energy or the US Property of the Debtors. A calculation of the portion of White Oak's secured debt that is being converted to unsecured debt (the "**White Oak Unsecured Debt**") is provided below:

Treatment	Amount (CAD)
Total Secured Debt at May 28, 2020	\$ 45,274,390
Credit bid consideration for US Asset Sale	(15,493,500)
Credit Bid consideration in Canadian Transaction	<u>(21,000,000)</u>
Converted to unsecured claim against Eagle Energy	\$ 8,780,890

Note: Credit bid of USD \$11mm for US Asset Sale has been converted at an FX Rate of USD/CAD \$1.41

- d. The White Oak Unsecured Debt is included in the unsecured claims being addressed by the Division 1 Proposal.

42. At the date the Proposal was filed, the Proposal Trustee estimates that there are \$11.9 million in unsecured claims against Eagle Energy.

PREVIOUS BUSINESS DEALINGS WITH THE DEBTOR

43. The Proposal Trustee is also acting as the Receiver of Eagle Energy in the Receivership proceedings which commenced on November 19, 2019.

- 15 -

44. The Proposal Trustee does not believe this to be a conflict of interest for the following reasons:

- a. FTI Consulting's role as Receiver is one of an independent officer of the Court to serve the benefit of all creditors of the Debtors; and
- b. FTI Consulting's role as Receiver provides it with valuable background to the operations of Eagle Energy and as such there is no requirement to get up to speed on the operations of Eagle Energy. This limits the fees which are expected to be incurred to complete the Division 1 Proposal.

INFORMAL MEETINGS WITH MAJOR CREDITORS

45. The Receiver has been in periodic contact with White Oak in its capacity as secured creditor of Eagle Energy as well as other creditors while completing its duties as Receiver. This would be considered normal in the circumstances.

46. The Proposal Trustee has not had any informal meetings with any major creditors.

REMUNERATION OF TRUSTEE

47. The funding for the Division 1 Proposal and the payment of the Proposal Trustee's fees will be paid from the cash on hand held by the Receiver.

48. The Proposal Trustee is estimating that its fees will be \$20,000 to administer the Division 1 Proposal.

OTHER

49. The Proposal Trustee is not aware of any legal proceedings or contract arrangements which would affect the Division 1 Proposal or that creditors should be made aware of in making their voting decision with respect to the Division 1 Proposal.

- 16 -

STATEMENT OF ESTIMATED REALIZATION

50. As noted in the summary of the Proposal, the realization for unsecured creditors will be each Proven Claim's pro-rata share of the Unsecured Claims Pool which is \$200,000.

51. Based on Eagle Energy's records at the date the Division 1 Proposal was filed and the assumption that all creditors prove their claims, the Proposal Trustee expects the recoveries to be as follows:

Estimated Recovery	Distribution of Unsecured Creditors' Fund			Claim Amount	% Recovery
	Convenience	Pro-rata	Total		
Convenience Claims under \$500	\$ 7,000	\$ -	\$ 7,000	\$ 7,000	100.0%
Other Unsecured Creditors	39,000	154,000	193,000	3,115,638	6.2%
White Oak unsecured claim	-	-	-	8,780,890	0.0%
Total	\$ 46,000	\$ 154,000	\$ 200,000	\$ 11,903,528	1.7%

52. As described in the *Bankruptcy and Insolvency Act* Section (57)(a) if the Division 1 Proposal is not accepted Eagle Energy will be deemed to have made an assignment into bankruptcy. This would result in the liquidation of Eagle Energy by way of an asset sale.

53. The Proposal Trustee believes that a liquidation of the assets of Eagle Energy in bankruptcy would result in similar offers to what were received during the Canadian SSP and that because of the depressed state and uncertainty surrounding the oil and gas industry in Alberta at the time of this Report, it highly unlikely that any future offer would provide comparable recoveries to the creditors of Eagle Energy when compared to the Arrangement Agreement.

54. If the Arrangement Agreement is terminated, White Oak would no longer convert a portion of their secured debt to an unsecured portion and would have a secured claim against Eagle Energy in the amount of approximately \$29.8 million dollars. This balance is the \$45.2 million owed at May 28, 2020 less the portion being used to purchase the US Assets

- 17 -

55. The Proposal Trustee is of the view that in a bankruptcy asset sale, it would be unlikely that any offers are made which would exceed the White Oak secured debt of \$29.8 million and unsecured creditors of Eagle Energy would receive no recovery (highest cash bid for the Canadian assets was \$9.1 million).

RECOMMENDATIONS

56. The Proposal Trustee is of the opinion that the offers received during the Canadian SSP represent the market value of the assets of Eagle Energy and believes that the Arrangement Agreement was superior to all other offers received for the following reasons:

- a. The Arrangement Agreement represents the highest total recoveries for each class of creditor;
- b. The Arrangement Agreement transaction structure would provide recoveries to unsecured creditors of the estate where no other offer submitted contemplated any payments other than to the secured creditor; and
- c. White Oak is financially capable of completing the transaction and as the secured creditor has a vested interest in completing a transaction in a timely manner.

57. Accordingly, the Division 1 Proposal represents a greater benefit to unsecured creditors of Eagle Energy compared to the expected nil return in a bankruptcy asset sale.

All of which is respectfully submitted this 8th day June 2020.

Yours truly,

FTI Consulting Canada Inc.
In its capacity as Proposal Trustee of

EX A-000038

- 18 -

Eagle Energy Inc. and not
in its personal capacity

Per:



Deryck Helkaa
Senior Managing Director

Appendix B

District of: Alberta
Division No. 02 - Calgary
Court No. 25-2648926
Estate No. 25-2648926

FORM 40.1
Notice of Hearing of Application for Court Approval of Proposal
(Paragraph 58(b) of the Act)

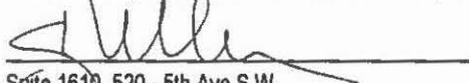
In COURT OF QUEEN'S BENCH OF ALBERTA.

In the matter of the proposal of Eagle Energy Inc, a debtor.

Take notice that an application will be made to the court, at Suite 701 N, 601 - 5th St SW, Calgary, Alberta, on the 26th day of June 2020, at 10:00 AM, to approve the proposal of Eagle Energy Inc, accepted by the creditors at a meeting held on the 10th day of June 2020.

Dated at the city of Calgary in the Province of Alberta, this 11th day of June 2020.

FTI Consulting Canada Inc. - Licensed Insolvency Trustee



Suite 1610, 520 - 5th Ave S.W.

Calgary AB T2P 3R7

Phone: (403) 454-6035 Fax: (403) 232-6116

Appendix C

District of: Alberta
 Division No. 02 - Calgary
 Court No. 25-2648926
 Estate No. 25-2648926

FORM 40
 Report of Trustee on Proposal
 (Section 59(1) and paragraph 58(d) of the Act)

We, FTI Consulting Canada Inc., the trustee acting in the proposal of Eagle Energy Inc, hereby report to the Court as follows:

1. That a proposal was filed with us on the 29th day of May 2020 a copy of which is attached and marked as Exhibit "A", and that we filed a copy of the proposal with the official receiver on the 29th day of May 2020.
2. That on the 29th day of May 2020, we gave notice to the debtor, to the division office and to every known creditor affected by the proposal, whose names and addresses are shown in Exhibit "B" to this report, of the calling of a meeting of creditors to be held on the 10th day of June 2020 to consider the proposal.
3. That with the notice was included a condensed statement of the assets and liabilities of the debtor, a list of the creditors affected by the proposal who have claims of \$250 or more and showing the amounts of their claims, a copy of the proposal, a form of proof of claim and proxy in blank and a voting letter. Copies of the notice, the condensed statement and the list of creditors are attached and marked as Exhibits "C1", "C2" and "C3", respectively.
4. That prior to the meeting of creditors we made a detailed and careful inquiry into the liabilities of the debtor, the debtor's assets and their value, the debtor's conduct and the causes of the debtor's insolvency.
5. That the meeting of creditors was held on the 10th day of June 2020, and was presided over by Deryck Helkaa.
6. That the proposal was accepted by the required majority of creditors.
7. That a copy of the minutes of the meeting is attached and marked as Exhibit "D".
8. That we are of the opinion that:
 - (a) the assets of the debtor and their fair realizable value are as follows:

Property Name	Estimated \$	Realizable \$
Business Assets - Book Debts - Prepaid Expenses	531,451.75	531,451.75
Business Assets - Book Debts - Trade and other Receivables	757,685.07	757,685.07
Business Assets - Machinery - Oil & Gas Assets	17,407,214.77	17,407,214.77
Business Assets - Machinery - Property, Plant and Equipment	338,568.41	338,568.41
Cash on hand - Chequing - Bank of Nova Scotia	1,965,080.00	1,965,080.00
Total Property Value:	21,000,000.00	21,000,000.00

- (b) the liabilities of the debtor are as follows:

Creditor Name	Secured \$		Preferred \$		Unsecured \$	
	SOA	Discrepancies	SOA	Discrepancies	SOA	Discrepancies
1391012 ALBERTA LTD.	0.00	0.00	0.00	0.00	5,200.00	5,200.00

FORM 40 — Continued

Creditor Name	Secured \$		Preferred \$		Unsecured \$	
	SOA	Discrepancies	SOA	Discrepancies	SOA	Discrepancies
2012022 AB LTD.	0.00	0.00	0.00	0.00	446.25	446.25
2121195 AB LTD	0.00	0.00	0.00	0.00	1,260.00	1,260.00
3-G ENTERPRISES LTD.	0.00	0.00	0.00	0.00	1,947.75	1,947.75
ABACUS DATAGRAPHICS	0.00	0.00	0.00	0.00	801.15	801.15
ABSOLUTE HYDRAULICS	0.00	0.00	0.00	0.00	43,747.24	43,747.24
ACCORD ANSWERING SERVICE	0.00	0.00	0.00	0.00	1,325.74	1,325.74
ACCURATE HYDRAULICS LTD	0.00	0.00	0.00	0.00	4,491.24	4,491.24
ACUREN GROUP INC.	0.00	0.00	0.00	0.00	16,654.33	16,654.33
ADVANCED FLOW TECHNOLOGIES INC	0.00	0.00	0.00	0.00	3,360.00	3,360.00
AIRSAFE CONSULTING LTD	0.00	0.00	0.00	0.00	5,596.51	5,596.51
ALBERTA ENERGY REGULATOR	0.00	0.00	0.00	0.00	66,967.24	66,967.24
ALBERTA ONE-CALL CORPORATION	0.00	0.00	0.00	0.00	25.20	25.20
ALEXANDER BROS CONTRACTING A DIVISION OF	0.00	0.00	0.00	0.00	719.25	719.25
ALPHABOW ENERGY LTD.	0.00	0.00	0.00	0.00	159.08	159.08
ARCIS SEISMIC SOLUTIONS CORP	0.00	0.00	0.00	0.00	1.00	1.00
AVENGE ENERGY SERVICES LTD.	0.00	0.00	0.00	0.00	10,413.38	10,413.38
BONNETT'S ENERGY SERVICES PARTNERSHIP	0.00	0.00	0.00	0.00	7,539.00	7,539.00
BOUCHARD VAC	0.00	0.00	0.00	0.00	934.50	934.50
BRENDA GALONSKI	0.00	0.00	0.00	0.00	79,417.47	79,417.47
BROADRIDGE	0.00	0.00	0.00	0.00	0.84	0.84
BUMPER DEVELOPMENT CORPORATION LTD. BY	0.00	0.00	0.00	0.00	1,259.52	1,259.52
BW OILFIELD OPERATING LTD	0.00	0.00	0.00	0.00	5,400.00	5,400.00
CANADA REVENUE AGENCY - NON-RESIDENT TAX	0.00	0.00	0.00	0.00	596.39	596.39
CANADIAN NATURAL RESOURCES LIMITED	0.00	0.00	0.00	0.00	171.85	171.85
CANSTONE ENERGY LTD.	0.00	0.00	0.00	0.00	280.00	280.00
CGI INFORMATION SYSTEMS AND MANAGEMENT	0.00	0.00	0.00	0.00	789.60	789.60
CHAD LANCTOT	0.00	0.00	0.00	0.00	18,555.04	18,555.04
CHOICE PROPERTIES	0.00	0.00	0.00	0.00	563,934.92	563,934.92
CIP OFFICE TECHNOLOGY	0.00	0.00	0.00	0.00	113.04	113.04
CITIMAIL	0.00	0.00	0.00	0.00	23.74	23.74

FORM 40 — Continued

Creditor Name	Secured \$		Preferred \$		Unsecured \$	
	SOA	Discrepancies	SOA	Discrepancies	SOA	Discrepancies
CJ-CSM INSPECTION LTD.	0.00	0.00	0.00	0.00	9,271.50	9,271.50
CLARK, DANIEL	0.00	0.00	0.00	0.00	100.00	100.00
CLARK, RICHARD	0.00	0.00	0.00	0.00	381,499.42	381,499.42
CLEARWELL OILFIELD SOLUTIONS ALBERTA INC	0.00	0.00	0.00	0.00	2,301.60	2,301.60
CNW GROUP	0.00	0.00	0.00	0.00	142.65	142.65
COMPUTERSHARE	0.00	0.00	0.00	0.00	391.91	391.91
CONA RESOURCES LTD.	0.00	0.00	0.00	0.00	342.83	342.83
CONTROL TECH 2011 LTD.	0.00	0.00	0.00	0.00	22,925.37	22,925.37
COULEE CREEK SAFETY TRAINING OJA 1592210 A	0.00	0.00	0.00	0.00	194.25	194.25
CREIT MANAGEMENT L.P.	0.00	0.00	0.00	0.00	37,708.50	37,708.50
CRITICAL CONTROL ENERGY SERVICES INC.	0.00	0.00	0.00	0.00	2,592.14	2,592.14
DARR OILFIELD LTD.	0.00	0.00	0.00	0.00	5,400.00	5,400.00
DATA SCAVENGER INC.	0.00	0.00	0.00	0.00	884.10	884.10
DIRE CONTRACTING & RENTALS	0.00	0.00	0.00	0.00	45,379.95	45,379.95
DNOW CANADA ULC	0.00	0.00	0.00	0.00	137,782.45	137,782.45
DUE COGENCY SEMI CONDUCTOR INC. SHAREHOLDERS	0.00	0.00	0.00	0.00	256,387.16	256,387.16
DUSTIN WOOD	0.00	0.00	0.00	0.00	21,147.52	21,147.52
ENERGYLINK HOLDINGS, LLC	0.00	0.00	0.00	0.00	129.78	129.78
ENMAX COMMERCIAL SERVICES INC.	0.00	0.00	0.00	0.00	83.37	83.37
EXPLORE SURVEYS INC.	0.00	0.00	0.00	0.00	2,661.57	2,661.57
FIREBALL EXPRESS COURIER	0.00	0.00	0.00	0.00	36.77	36.77
FIREBALL VISIONS LTD.	0.00	0.00	0.00	0.00	103.46	103.46
FLUID PRESSURE TESTING LTD.	0.00	0.00	0.00	0.00	3,780.00	3,780.00
FORTECK ENVIRO INC.	0.00	0.00	0.00	0.00	5,936.95	5,936.95
FULCRUM CRUDE MARKETING	0.00	0.00	0.00	0.00	16,726.04	16,726.04
FULCRUM MARKETING	0.00	0.00	0.00	0.00	8,129.73	8,129.73
GRIMSHAW GRAVEL SALES LTD.	0.00	0.00	0.00	0.00	8,093.87	8,093.87
HERBISON WELDING LTD	0.00	0.00	0.00	0.00	221,309.93	221,309.93
HJ MECHANICAL SERVICES LTD.	0.00	0.00	0.00	0.00	47,936.92	47,936.92
HOPE KLEIN	0.00	0.00	0.00	0.00	15,564.66	15,564.66

FORM 40 -- Continued

Creditor Name	Secured \$		Preferred \$		Unsecured \$	
	SOA	Discrepancies	SOA	Discrepancies	SOA	Discrepancies
HYBRID WIRELESS INC.	0.00	0.00	0.00	0.00	420.00	420.00
IDENT GROUP INC.	0.00	0.00	0.00	0.00	388.50	388.50
IRON MOUNTAIN CANADA OPERATIONS ULC	0.00	0.00	0.00	0.00	155.96	155.96
JIM PATTISON LEASING - CONTRACT TERMINATION	0.00	0.00	0.00	0.00	59,670.52	59,670.52
KIT BUSINESS	0.00	0.00	0.00	0.00	629.52	629.52
KONECRANES CANADA INC.	0.00	0.00	0.00	0.00	1,769.25	1,769.25
KRISTEL CHAN-GUEVARRA	0.00	0.00	0.00	0.00	21,416.36	21,416.36
MANTL CANADA INC.	0.00	0.00	0.00	0.00	95,081.71	95,081.71
MANZER ENERGY INC.	0.00	0.00	0.00	0.00	17,255.01	17,255.01
MATT GEORGE	0.00	0.00	0.00	0.00	31,207.51	31,207.51
MCWHORTER, F. WAYNE	0.00	0.00	0.00	0.00	9.23	9.23
MERV'S TRUCKING LTD.	0.00	0.00	0.00	0.00	4,158.00	4,158.00
MESTON GROUP	0.00	0.00	0.00	0.00	5,175.71	5,175.71
MOUNTAIN WEST SERVICES LTD.	0.00	0.00	0.00	0.00	3,570.78	3,570.78
MRC GLOBAL ULC	0.00	0.00	0.00	0.00	15,781.66	15,781.66
MUSCULAR DYSTROPHY CANADA	0.00	0.00	0.00	0.00	500.00	500.00
NELGAR SERVICES INC.	0.00	0.00	0.00	0.00	3,179.56	3,179.56
NEXEN MARKETING	0.00	0.00	0.00	0.00	1,218.29	1,218.29
ON-SITE SIGN GROUP INC.	0.00	0.00	0.00	0.00	157.50	157.50
P2 ENERGY SOLUTIONS ALBERTA ULC.	0.00	0.00	0.00	0.00	21,030.28	21,030.28
PARAMOUNT RESOURCES LTD.	0.00	0.00	0.00	0.00	680.40	680.40
PARCELS VAC SERVICE, 1826435 AB LTD.	0.00	0.00	0.00	0.00	4.24	4.24
PAT'S AUTO SUPPLY	0.00	0.00	0.00	0.00	9,308.89	9,308.89
PERISSON PETROLEUM CORP	0.00	0.00	0.00	0.00	1.01	1.01
PEYTO EXPLORATION & DEVELOPMENT CORP	0.00	0.00	0.00	0.00	544.99	544.99
PRICEWATERHOUSE COOPERS LLP	0.00	0.00	0.00	0.00	4,410.00	4,410.00
PRO-ROD INC.	0.00	0.00	0.00	0.00	13,419.84	13,419.84
PURE ENERGY LTD.	0.00	0.00	0.00	0.00	378.00	378.00
PURULATOR INC	0.00	0.00	0.00	0.00	52.12	52.12
R & R ROAD LTD.	0.00	0.00	0.00	0.00	16,464.00	16,464.00

FORM 40 — Continued

Creditor Name	Secured \$		Preferred \$		Unsecured \$	
	SOA	Discrepancies	SOA	Discrepancies	SOA	Discrepancies
RAMIER RESOURCES LTD.	0.00	0.00	0.00	0.00	98.08	98.08
RCAP LEASING INC	0.00	0.00	0.00	0.00	74.03	74.03
REMOTE WIRELINE SERVICES (2011) LTD	0.00	0.00	0.00	0.00	3,872.40	3,872.40
RICOH CANADA INC.	0.00	0.00	0.00	0.00	476.64	476.64
RIDGEBACK RESOURCES INC.	0.00	0.00	0.00	0.00	412.21	412.21
ROLL'N OILFIELD INDUSTRIES LTD.	0.00	0.00	0.00	0.00	41,517.01	41,517.01
ROXANNE TURCOTTE	0.00	0.00	0.00	0.00	29,234.98	29,234.98
SANLING ENERGY LTD.	0.00	0.00	0.00	0.00	40,270.82	40,270.82
SCHLUMBERGER LIFT SOLUTIONS CANADA LIMIT	0.00	0.00	0.00	0.00	23,768.73	23,768.73
SELECT COMMUNICATIONS INC.	0.00	0.00	0.00	0.00	131.25	131.25
SOLIUM CAPITAL ULC.	0.00	0.00	0.00	0.00	2,607.91	2,607.91
SPYGLASS RESOURCES CORP.	0.00	0.00	0.00	0.00	8.00	8.00
STAPLES BUSINESS ADVANTAGE	0.00	0.00	0.00	0.00	145.97	145.97
STYLE RYTE CLEANERS	0.00	0.00	0.00	0.00	299.70	299.70
TERVITA CORPORATION	0.00	0.00	0.00	0.00	3,606.13	3,606.13
THROTTLE OILFIELD SERVICES	0.00	0.00	0.00	0.00	1,638.00	1,638.00
TOMYN, KELLY	0.00	0.00	0.00	0.00	494,391.24	494,391.24
TR WESTCAN INC.	0.00	0.00	0.00	0.00	40.95	40.95
TRANSZAP P2P CANADA, INC	0.00	0.00	0.00	0.00	1,874.25	1,874.25
TREVOR ADAMS	0.00	0.00	0.00	0.00	20,141.90	20,141.90
TRYTON TOOL SERVICES	0.00	0.00	0.00	0.00	13,279.93	13,279.93
WEATHERFORD CANADA LTD.	0.00	0.00	0.00	0.00	15,931.23	15,931.23
WEST CAL GAS LTD.	0.00	0.00	0.00	0.00	0.71	0.71
WESTERN PIPELINE COMPLIANCE CORP.	0.00	0.00	0.00	0.00	1,180.04	1,180.04
White Oak Global Advisors LLC	36,496,500.00	36,496,500.00	0.00	0.00	0.00	0.00
WHITE OAK GLOBAL ADVISORS LLC	0.00	0.00	0.00	0.00	8,780,890.00	8,780,890.00
WOODS LOGGING	0.00	0.00	0.00	0.00	1,680.00	1,680.00
ZEMP LAW GROUP	0.00	0.00	0.00	0.00	841.31	841.31
Total :	36,496,500.00	36,496,500.00	0.00	0.00	11,903,527.93	11,903,527.93

FORM 40 -- Continued

9. That we are also of the opinion that:

(a) the causes of the insolvency of the debtor are as follows:

Other
substantial and extended decline in commodity prices

(b) the conduct of the debtor is subject to censure in the following respects:

N/A

(c) the following facts, mentioned in section 173 of the Act, may be proved against the debtor:

10. That we are further of the opinion that the debtor's proposal is an advantageous one for the creditors, for the following reasons:

The Proposal Trustee is of the opinion that the offers received during the Canadian SSP represent the market value of the assets of Eagle Energy and believes that the Arrangement Agreement was superior to all other offers received for the following reasons:

- a. The Arrangement Agreement represents the highest total recoveries for each class of creditor;
- b. The Arrangement Agreement transaction structure would provide recoveries to unsecured creditors of the estate where no other offer submitted contemplated any payments other than to the secured creditor; and
- c. White Oak is financially capable of completing the transaction and as the secured creditor has a vested interest in completing a transaction in a timely manner.

The Proposal represents a greater benefit to unsecured creditors of Eagle Energy compared to the expected nil return in a bankruptcy asset sale.

11. That we forwarded a copy of this report to the official receiver on this day.

Dated at the city of Calgary in the Province of Alberta, this 11th day of June 2020.

FTI Consulting Canada Inc. - Licensed Insolvency Trustee



Suite 1610, 520 - 5th Ave S.W.

Calgary AB T2P 3R7

Phone: (403) 454-6035 Fax: (403) 232-6116

FORM 40 — Continued

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
1391012 ALBERTA LTD.	BOX 145 GRIMSHAW AB T0H 1W0 CA		5,200.00
2012022 AB LTD.	BOX 2155 VALLEYVIEW AB T0H 3N0 CA		446.25
2121195 AB LTD	216 SIENNA PARK HEATH SW CALGARY AB T3H 5K7 CA		1,260.00
3-G ENTERPRISES LTD.	PO BOX 1054 MANNING AB T0H 2M0 CA		1,947.75
ABACUS DATAGRAPHICS	4728 78A STREET CLOSE RED DEER AB T4P 2J2 CA		801.15
ABSOLUTE HYDRAULICS	7701 102 AVE PEACE RIVER AB T8S 1M5 CA		43,747.24
ACCORD ANSWERING SERVICE	BOX 5313 PEACE RIVER AB T8S 1R9 CA		1,325.74
ACCURATE HYDRAULICS LTD	10701 77 ST PEACE RIVER AB T8S 1R2 CA		4,491.24
ACUREN GROUP INC.	PO BOX 4090 STN A TORONTO ON M5W 0E9 CA		16,654.33
ADVANCED FLOW TECHNOLOGIES INC	6023 5 ST SE CALGARY AB T2H 1L5 CA		3,360.00
AIRSAFE CONSULTING LTD	PO BOX 5245 STN MAIN PEACE RIVER AB T8S 1R9 CA		5,596.51
ALBERTA ENERGY REGULATOR	SUITE 1000, 250 - 5 STREET SW CALGARY AB T2P 0R4 CA		66,967.24
ALEXANDER BROS CONTRACTING A DIVISION OF	BOX 68 GRIMSHAW AB T0H 1W0 CA		719.25
AVENGE ENERGY SERVICES LTD.	PO BOX 6086 PEACE RIVER AB T8S 1S1 CA		10,413.38
BONNETT'S ENERGY SERVICES PARTNERSHIP	PO BOX 9660 STN M CALGARY AB T2P 0E9 CA		7,539.00
BOUCHARD VAC	BOX 6362 PEACE RIVER AB T8S 1S3 CA		934.50
BRENDA GALONSKI	2639 26A STREET SW CALGARY AB T3E 2C6 CA		79,417.47
BUMPER DEVELOPMENT CORPORATION LTD. BY	SUITE 1110, 205 - 6 AVE SW C/O ALVAREZ & MARSAL CANADA INC CALGARY AB T2P 3H7 CA		1,259.52
BW OILFIELD OPERATING LTD	BOX 149 DIXONVILLE AB T0H 1E0 CA		5,400.00
CANADA REVENUE AGENCY - NON-RESIDENT TAX	9755 KING GEORGE BLVD SURREY BC V3T 5E6 CA		596.39
CANSTONE ENERGY LTD.	650, 717 - 7 AVENUE SW CALGARY AB T2P 0Z3 CA		280.00

FORM 40 --- Continued

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
CGI INFORMATION SYSTEMS AND MANAGEMENT	P.O. BOX 12535 DOWNTOWN BRANCH MONTREAL QC H3C 6R1 CA		789.60
CHAD LANCTOT	BOX 771 GRIMSHAW AB T0H 1W0 CA		18,555.04
CHOICE PROPERTIES	410, 330 - 5TH AVE SW ATTN; JGEOFF CHRISTIE CALGARY AB T2P 0L4 CA		563,934.92
CJ-CSM INSPECTION LTD.	BOX 113 ESTEVAN SK S4S 2A2 CA		9,271.50
CLARK, RICHARD	124 LAKE PLACID GREEN SE CALGARY AB T2J 5V8 CA		381,499.42
CLEARWELL OILFIELD SOLUTIONS ALBERTA INC	1600, 144 - 4 AVE SW SUN LIFE PLAZA - WEST TOWER CALGARY AB T2P 3N4 CA		2,301.60
COMPUTERSHARE	11 FLOOR, 100 UNIVERSITY AVE ACCOUNTS RECEIVABLE DEPARTMENT TORONTO ON M5J 2Y1 CA		391.91
CONA RESOURCES LTD.	1900, 421 - 7 AVE SW CALGARY AB T2P 4K9 CA		342.83
CONTROL TECH 2011 LTD.	11001 - 78 AVE GRANDE PRAIRIE AB T8V 1A7 CA		22,925.37
CREIT MANAGEMENT L.P.	SUITE 210, 140 4TH AVE SW IN TRUST FOR ALTIUS CENTRE CALGARY AB T2P 3N3 CA		37,708.50
CRITICAL CONTROL ENERGY SERVICES INC.	800, 140 - 10TH AVENUE SOUTH EAST CALGARY AB T2G 0R1 CA		2,592.14
DARR OILFIELD LTD.	PO BOX 7545 PEACE RIVER AB T8S 1T2 CA		5,400.00
DATA SCAVENGER INC.	SUITE 200, 407 - 3RD STREET SW CALGARY AB T2P 4Z2 CA		884.10
DIRE CONTRACTING & RENTALS	BOX 361 GRIMSHAW AB T0H 1W0 CA		45,379.95
DNOW CANADA ULC	PO BOX 664 STN. M CALGARY AB T2P 2J3 CA		137,782.45
DUE COGENCY SEMI CONDUCTOR INC. SHAREHOLDERS	2710, 500 - 4 AVE SW CALGARY AB T2P 2V6 CA		256,387.16
DUSTIN WOOD	POB 7643 STN MAIN PEACE RIVER AB T8S 1T2 CA		21,147.52
EXPLORE SURVEYS INC.	1200, 101-6 AVE SW CALGARY AB T2P 3P4 CA		2,661.57
FLUID PRESSURE TESTING LTD.	BOX 836 MANNING AB T0H 2M0 CA		3,780.00
FORTECK ENVIRO INC.	BOX 1210 214, 3 AVE SW MANNING AB T0H 2M0 CA		5,936.95

FORM 40 — Continued

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
FULCRUM CRUDE MARKETING	601, 1015 - 4TH STREET SW CALGARY AB T2R 1J4 CA		16,726.04
FULCRUM MARKETING	601, 1015 - 4TH STREET SW CALGARY AB T2R 1J4 CA		8,129.73
GRIMSHAW GRAVEL SALES LTD.	BOX 1158 GRIMSHAW AB T0H 1W0 CA		8,093.87
HERBISON WELDING LTD	PO BOX 6156 PEACE RIVER AB T8S 1S2 CA		221,309.93
HJ MECHANICAL SERVICES LTD.	BOX 884 GRIMSHAW AB T0H 1W0 CA		47,936.92
HOPE KLEIN	308 - 9810 - 94 ST PEACE RIVER AB T8S 0A1 CA		15,564.66
HYBRID WIRELESS INC.	1002 - 93 GATEWAY DRIVE NE AIRDRIE AB T4B 0J6 CA		420.00
I-DENT GROUP INC.	7212 FLINT PLACE SE CALGARY AB T2H 1Y8 CA		388.50
JIM PATTISON LEASING - CONTRACT TERMINATION	1235 - 73RD AVENUE SOUTH EAST CALGARY AB T2H 2X1 CA		59,670.52
KIT BUSINESS	9709 - 100 STREET PEACE RIVER AB T8S 1J7 CA		629.52
KONECRANES CANADA INC.	PO BOX 8748 STN A TORONTO ON M5W 3C2 CA		1,769.25
KRISTEL CHAN-GUEVARRA	99 SKYVIEW SPRINGS MANOR NE CALGARY AB T3N 0A8 CA		21,416.36
MANTL CANADA INC.	143 MIDLAKE BLVD SE CALGARY AB T2X 1L2 CA		95,081.71
MANZER ENERGY INC.	PO BOX 10012 RPO SUPERCENTER PEACE RIVER AB T8S 0A7 CA		17,255.01
MATT GEORGE	BOX 6804 PEACE RIVER AB T8S 1S6 CA		31,207.51
MERV'S TRUCKING LTD.	BOX 148 GRIMSHAW AB T0H 1W0 CA		4,158.00
MESTON GROUP	P.O. BOX 7164 PEACE RIVER AB T8S 1S8 CA		5,175.71
MOUNTAIN WEST SERVICES LTD.	101, 56 CUENDET INDUSTRIAL WAY SYLVAN LAKE AB T4S 0B6 CA		3,570.78
MRC GLOBAL ULC	C/O LB 310130 PO BOX 578 STN M CALGARY AB T2P 2J2 CA		15,781.66
MUSCULAR DYSTROPHY CANADA	8944 - 182 STREET NW 200 BELMEAD PROFESSIONAL CENTRE EDMONTON AB T5T 2E3 CA		500.00
NELGAR SERVICES INC.	101- 7477 49TH AVENUE RED DEER AB T4P 1N1 CA		3,179.56
NEXEN MARKETING	801 - 7TH AVENUE SW CALGARY AB T2P 3P7 CA		1,218.29
P2 ENERGY SOLUTIONS ALBERTA ULC.	BOX 60, STATION M LOCKBOX # C06006C CALGARY AB T2P 2G9 CA		21,030.28

FORM 40 — Continued

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
PARAMOUNT RESOURCES LTD.	2800, 421 - 7TH AVENUE SW CALGARY AB T2P 4K9 CA		680.40
PAT'S AUTO SUPPLY	102803 - 100ST GRANDE PRAIRIE AB T8V 4H3 CA		9,308.89
PEYTO EXPLORATION & DEVELOPMENT CORP	300, 600 - 3RD AVENUE SW CALGARY AB T2P 0G5 CA		544.99
PRICEWATERHOUSE COOPERS LLP	354 DAVIS ROAD, SUITE 600 PWC CAC, PWC CENTRE OAKVILLE ON L6J 0C5 CA		4,410.00
PRO-ROD INC.	3201 - 84TH AVE EDMONTON AB T6P 1K1 CA		13,419.84
PURE ENERGY LTD.	PO BOX 1185 ST ISIDORE AB T0H 3B0 CA		378.00
R & R ROAD LTD.	P.O. BOX 49 DIXONVILLE AB T0H 1E0 CA		16,464.00
REMOTE WIRELINE SERVICES (2011) LTD	8804 - 98 ST MORINVILLE AB T8R 1K6 CA		3,872.40
RICOH CANADA INC.	P.O. BOX 1600 STREETSVILLE RPO MISSISSAUGA ON L5M 0M6 CA		476.64
RIDGEBACK RESOURCES INC.	2800, 525 - 8 AVE SW CALGARY AB T2P 1G1 CA		412.21
ROLL'N OILFIELD INDUSTRIES LTD.	#305, 5208- 53 AVENUE RED DEER AB T4N 5K2 CA		41,517.01
ROXANNE TURCOTTE	413, 10 MAHOGANY MEWS SE CALGARY AB T3M 2R1 CA		29,234.98
SANLING ENERGY LTD.	1700, 250 - 2 STREET SW CALGARY AB T2P 0C1 CA		40,270.82
SCHLUMBERGER LIFT SOLUTIONS CANADA LIMIT	PO BOX 2509, STATION M C/O CH3095 CALGARY AB T2P 0E2 CA		23,768.73
SOLIUM CAPITAL ULC.	1500, 600 - 3RD AVENUE SW CALGARY AB T2P 0G5 CA		2,607.91
STYLE RYTE CLEANERS	PO BOX 6358 PEACE RIVER AB T8S 1S3 CA		299.70
TERVITA CORPORATION	BOX 2572, STN M C/O C3025 CALGARY AB T2P 3L4 CA		3,606.13
THROTTLE OILFIELD SERVICES	BOX 7031 PEACE RIVER AB T8S 1S7 CA		1,638.00
TOMYN, KELLY	448 SIERRA MORENA PLACE SW CALGARY AB T3H 2X2 CA		494,391.24
TRANSZAP P2P CANADA, INC	130, 115 QUARRY PARK ROAD SE CALGARY AB T2C 5G9 CA		1,874.25
TREVOR ADAMS	BOX 235 BERWYN AB T0H 0E0 CA		20,141.90
TRYTON TOOL SERVICES	6702 - 56 STREET PO BOX 10667 LLYODMINSTER AB T9V 3A7 CA		13,279.93

FORM 40 --- Concluded

List of Creditors with claims of \$250 or more.

Creditor	Address	Account#	Claim Amount
WEATHERFORD CANADA LTD.	1200, 333 5TH AVE SW CALGARY AB T2P 3B6 CA		15,931.23
WESTERN PIPELINE COMPLIANCE CORP.	PO BOX 756 STN M CALGARY AB T3H 5B6 CA		1,180.04
White Oak Global Advisors LLC	5th Floor 3 EMBARCADERO CENTER San Francisco CA 94111 USA		36,496,500.00
WHITE OAK GLOBAL ADVISORS LLC	3 EMBARCADERO CENTER 5TH FLOOR SAN FRANCISCO CA 94111 US		8,780,890.00
WOODS LOGGING	BOX 46 DIXONVILLE AB T0H 1E0 CA		1,680.00
ZEMP LAW GROUP	#600, 805 - 8TH AVENUE SW CALGARY AB T2P 1H7 CA		841.31
Total			48,397,863.85

Exhibit A

ESTATE NUMBER

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

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

AND IN THE MATTER OF THE PROPOSAL OF EAGLE
ENERGY INC.

DOCUMENT

PROPOSAL

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

Norton Rose Fulbright Canada LLP
3700, 400 – 3rd Avenue SW
Calgary, AB T2P 4H2
Howard Gorman Q.C. / Meghan Parker
Telephone: (403) 267-8144 / (403) 267-8211
Fax: (403) 264-5973
Email: howard.gorman@nortonrosefulbright.com /
meghan.parker@nortonrosefulbright.com

WHEREAS pursuant to a receivership order of the Court dated November 19, 2019 (the "**Receivership Order**"), FTI Consulting Canada Inc. was appointed receiver and manager (the "**Receiver**") of Eagle Energy Inc. ("**Eagle Energy**"), Eagle Energy Trust, Eagle Energy Holdings Inc. and Eagle Hydrocarbons Inc. (collectively, the "**Debtors**" and each individually, a "**Debtor**");

AND WHEREAS pursuant to an approval of engagement and sale process order of the Court dated February 19, 2020 (the "**Sale Process Order**"), the Receiver was authorized and directed to implement the Sale Process in respect of the Debtors;

AND WHEREAS the Receiver carried out the Sale Process and has executed the Arrangement Agreement in accordance with the Sale Process, subject to Court approval;

AND WHEREAS the Arrangement Agreement contemplates the Receiver filing this Proposal;

NOW THEREFORE Eagle Energy, being an insolvent persons, by and through the Receiver, hereby submits the following Proposal pursuant to the provisions of Part III Division I of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 as amended (the "**Act**").

**ARTICLE 1
INTEPRETATION**

1.1 Definitions

In this Proposal, capitalized terms shall have the meanings set out in the Act, save and except for the terms and definitions set out herein and below:

- 2 -

- (a) "**ABCA**" means the *Business Corporations Act (Alberta)*;
- (b) "**Administrative Fees and Expenses**" means all reasonable fees and disbursements of the Proposal Trustee, the Receiver and counsel to the Proposal Trustee and Receiver, in each case, incurred at their standard rates and charges.
- (c) "**Arrangement Agreement**" means the Arrangement Agreement dated as of the 28 day of May, 2020, between Eagle Energy, by and through the Receiver, and the Purchaser.
- (d) "**Approval Order**" means an Order of the Court, which, among other things, approves this Proposal and shall include provisions permitted pursuant to section 192 of the ABCA as may be necessary or appropriate to give effect to this Proposal.
- (e) "**Business Day**" means each day other than a Saturday or Sunday or a statutory or civic holiday on which banks are open for business in Calgary, Alberta, Canada.
- (f) "**Canadian Credit Bid Claim**" means the Claim of White Oak Global Advisors, LLC to the extent of the value of its credit bid in the Sale Process, namely \$21,000,000.
- (g) "**Canada Pension Plan**" means the *Canada Pension Plan*, RSC 1985, c C-8, as amended.
- (h) "**Claim**" or "**Claims**" means any right or claim of any Person that may be asserted or made in whole or in part against Eagle Energy, whether or not asserted or made, in connection with any indebtedness, liability or objection of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future, together with any other rights or claims of any kind that, if unsecured, would be a debt provable in bankruptcy within the meaning of the Act, had Eagle Energy become bankrupt.
- (i) "**Court**" means the Court of Queen's Bench of Alberta, Judicial Centre of Calgary.
- (j) "**Convenience Claims**" has the meaning given to it in Article 6.4.
- (k) "**Creditor**" means any Person having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person.
- (l) "**Creditor Listing**" shall mean the list of creditors required by subsection 51(1) of the Act to be mailed to each known Creditor prior to the Unsecured Creditors' Meeting.

CAN_DMS: \1336634701

EX A-000056

- 3 -

- (m) "**Employment Insurance Act**" means the *Employment Insurance Act*, SC 1996, c 23.
- (n) "**Implementation Date**" means the date upon which the conditions set forth in Article 9.1 hereof have been satisfied.
- (o) "**Income Tax Act**" means the *Income Tax Act*, RSC 1985, c 1 (5th Supp), as amended.
- (p) "**Inspectors**" means one or more Inspectors appointed pursuant to the Act (if any) as provided for in this Proposal.
- (q) "**Issued Shares**" means the 10,000 Class A common shares in the capital of Eagle Energy to be issued to the Purchaser pursuant to the Plan of Reorganization and the Arrangement Agreement and in full and final satisfaction of the Canadian Credit Bid Claim.
- (r) "**Lessor**" means KS 500 4th Avenue SW Inc. and Canadian Property Holdings (Alberta) Inc., each with a 50% interest, under the Lease Agreement.
- (s) "**Lessor Claim**" means the claim of the Lessor, under the Lease Agreement.
- (t) "**Lease Agreement**" means the office lease between the Lessor, as landlord, and Eagle Energy, as tenant, dated January 1, 2013, as amended by a first lease amending agreement dated May 26, 2016.
- (u) "**Official Receiver**" has the meaning ascribed thereto in the Act.
- (v) "**Person**" means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government, or any agency or instrumentality thereof, or any other entity howsoever designated or constituted.
- (w) "**Plan of Reorganization**" means the proposed plan of reorganization of Eagle Energy's share capital pursuant to Section 192 of the ABCA contemplated by the Arrangement Agreement.
- (x) "**Proof of Claim**" means the proof of claim required by the Act to be mailed to each known Creditor prior to the Unsecured Creditors' Meeting.
- (y) "**Property**" means all assets, properties and undertakings of Eagle Energy.
- (z) "**Proposal**" means this Proposal made pursuant to the provisions of Part III Division I of the Act as filed with the Office of the Superintendent of Bankruptcy and as amended or supplemented from time to time.
- (aa) "**Proposal Trustee**" means FTI Consulting Canada Inc., solely in its capacity as proposal trustee of Eagle Energy and not in its personal or corporate capacity.
- (bb) "**Purchaser**" means EEI Holdco, LLC, a limited liability company formed under the laws of Delaware, United States of America, or its nominee.
- (cc) "**Receivership Date**" means November 19, 2019, being the date the Receivership Order was granted by the Court.
- (dd) "**Receivership Proceedings**" means the proceedings before the Court and identified as Court File No. 1901-16293.

CAN_DMS \133663470\1

EX A-000057

- 4 -

- (ee) **"Sale Process"** has the meaning given to it in the Sale Process Order.
- (ff) **"Unaffected Creditors"** means those Creditors having claims that will be dealt with in accordance with Article 6.2.
- (gg) **"Unsecured Claim"** means the amount of a Creditor's proven unsecured Claim, finally determined in accordance with the Act, including:
 - (i) Claims that, subject to the rights of secured creditors, are required by the Act to be paid in priority to all other Claims under a proposal made by a debtor, and including, without limitation:
 - (A) Employees and former employees of Eagle Energy, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the Act on the Receivership Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of this Proposal, together with, in the case of travelling salespersons, disbursements properly incurred by those salespersons in and about Eagle Energy's business during the same period;
 - (B) Her Majesty in Right of Canada or a Province for all amounts that were outstanding at the Receivership Date and are of a kind that could be subject to a demand under,
 - (I) subsection 224(1.2) of the *Income Tax Act*;
 - (II) any provisions of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or
 - (III) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
 - (1) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
 - (2) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection;

CAN_DMS: 11336634701

EX A-000058

- 5 -

- (ii) the Lessor Claim;
 - (iii) all deficiency Claims of White Oak Global Advisors, LLC, after having regard to the Canadian Credit Bid Claim and any amounts that may be credit bid in respect of the assets of the Debtor, Eagle Hydrocarbons Inc; and
 - (iv) any intercompany Claims there may be among the Debtors.
- (hh) "Unsecured Creditors" means Creditors with Unsecured Claims.
- (ii) "Unsecured Creditors' Fund" means a fund created for the benefit of Unsecured Creditors in the amount of \$200,000.
- (jj) "Unsecured Creditors' Meeting" means any meeting of the Unsecured Creditors of Eagle Energy called for the purpose of considering and voting upon this Proposal.
- (kk) "Unsecured Creditors' Meeting Date" means such date and time as may be called by the Proposal Trustee, but in any event shall be no later than June 15, 2020.
- (ll) "Voting Letter" shall mean the voting letter required by subsection 51(1) of the Act to be mailed to each known Creditor prior to the Unsecured Creditors' Meeting.

1.2 Articles of Reference

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

1.3 Interpretation Not Affected by Headings

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

1.4 Date for Any Action

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

1.5 Time

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

1.6 Numbers

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

- 6 -

1.7 Currency

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

1.8 Statutory References

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

1.9 Successor and Assigns

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

**ARTICLE 2
GENERAL INTENT**

2.1 Background

On November 19, 2019, pursuant to the Receivership Order, the Receiver was appointed over the Property of Eagle Energy.

The Receiver has executed the Arrangement Agreement with the Purchaser in respect of the Plan of Reorganization, subject to Court approval. The Arrangement Agreement contemplates the Receiver filing this Proposal.

This Proposal is made by the Receiver pursuant to section 50(1)(b) of the Act.

2.2 Purpose of Proposal

The purpose of this Proposal is to effect a compromise of the unsecured indebtedness of Eagle Energy in the manner contemplated herein, and as permitted by the Act, in the expectation that all Unsecured Creditors will derive greater benefit from the restructuring than they would otherwise receive from a bankruptcy of Eagle Energy and to provide for the full and final satisfaction of each Unsecured Claim in exchange for a cash payment as described in this Proposal.

This Proposal applies to all Unsecured Creditors, whether or not any such Unsecured Creditor proves a Claim against Eagle Energy under this Proposal. This Proposal does not affect Unaffected Creditors and the Canadian Credit Bid Claim.

2.3 Persons Affected

This Proposal will, as of the Implementation Date, be binding on Eagle Energy and all Unsecured Creditors.

- 7 -

**ARTICLE 3
CLASSIFICATION AND TREATMENT OF CREDITORS**

3.1 Classes of Creditors

For the purposes of voting on this Proposal, the Unsecured Creditors of Eagle Energy shall be comprised of a single class of Unsecured Creditors.

**ARTICLE 4
THE LESSOR CLAIM**

4.1 Calculation of the Lessor Claim

For the purposes of filing a Proof of Claim in accordance with Article 7.1 of this Proposal, the Lessor may file a Proof of Claim for the disclaimer or resiliation of the Lease Agreement for an amount equal to the lesser of:

- (i) the aggregate of (A) the rent provided for in the Lease Agreement for the first year of the Lease Agreement following the date on which the disclaimer or resiliation becomes effective, and (B) 15% of the rent for the remainder of the term of the Lease Agreement after that year, and
- (ii) three years' rent.

**ARTICLE 5
REORGANIZATION**

5.1 Steps for the Plan of Reorganization

The Approval Order, in addition to approving this Proposal, shall effect the Plan of Reorganization pursuant to section 192 of the ABCA, providing for the following transactions:

1. the articles of Eagle Energy will be amended such that two classes of shares shall be authorized: Class A common shares and Class B redeemable shares;
2. the issued and outstanding common shares of Eagle Energy will be re-designated as Class B redeemable shares;
3. Eagle Energy will issue the Issued Shares to the Purchaser in consideration for the settlement of the Canadian Credit Bid Claim;
4. Eagle Energy will redeem and cancel the outstanding Class B redeemable shares for their fair market value (being nil) in accordance with the terms thereof; and
5. any outstanding rights to acquire Eagle Energy's shares, shall be cancelled without compensation.

5.2 Repudiation of Contracts

Effective on the Implementation Date, Eagle Energy hereby repudiates all contracts, arrangements, agreements, leases and indentures written or oral between Eagle Energy and all Persons, including but not limited to those referenced in Schedule "A" hereto, and the Claims of each Person resulting or arising from the repudiation of such contracts, arrangements, agreements, leases and indentures shall be an Unsecured Claim in this Proposal.

CAN_DMS:\133663470\1

EX A-000061

- 8 -

5.3 Retained Contracts

Notwithstanding Article 5.2 above, following the Implementation Date, Eagle Energy will retain, in full force and effect, the contracts, arrangements, agreements, leases and indentures referenced in Schedule "B" hereto.

ARTICLE 6 TREATMENT OF CREDITORS

6.1 Administrative Fees and Expenses

On the Implementation Date, all Administrative Fees and Expenses incurred to that date which remain unpaid shall be paid in full.

6.2 The Claims of Unaffected Creditors

Any Persons with Claims that relate to purchase money security interests, true leases or other secured Claims against particular equipment or Property of Eagle Energy, in respect of which the Purchaser has elected not to assume the underlying contract as noted in Schedule "A" hereto, will be permitted to recover such Property.

6.3 The Canadian Credit Bid Claim

Upon closing of the transaction contemplated by the Arrangement Agreement, the Canadian Credit Bid Claim will be fully satisfied in consideration for the issuance of the Issued Shares and other consideration contemplated by the Arrangement Agreement.

6.4 Proposal in Respect of Unsecured Claims

In full and final satisfaction of the Unsecured Claims of Unsecured Creditors, the Purchaser shall:

1. pay in full, in cash from the Unsecured Creditors' Fund, 100% of the first \$500.00 of each Unsecured Claim, up to the full amount of an Unsecured Creditor's Unsecured Claim (the "Convenience Claims"); and
2. to the extent an Unsecured Creditor's Unsecured Claim exceeds the Convenience Claims amount described in subsection 1 above, payment, in cash, on a *pro rata* basis of the balance of the Unsecured Creditors' Fund.

The foregoing distributions shall be subject to the levy payable to the Office of the Superintendent in Bankruptcy in respect thereof, as applicable, in accordance with the Act.

6.5 The Unsecured Claim of White Oak Global Advisors, LLC

Notwithstanding the Proposal described in Article 6.4 above, White Oak Global Advisors, LLC will not share in any of the proposed distributions contemplated by this Proposal.

6.6 Debtor Claims

Notwithstanding the Proposal described in Article 6.4 above, the other Debtors will not share in any of the proposed distributions contemplated by this Proposal for any Claims any Debtors may have against Eagle Energy.

CAN_DMS: \133663470\1

EX A-000062

- 9 -

6.7 Interest on Claims

Interest will not accrue or be paid on Unsecured Claims after or in respect of the period following the Receivership Date and no Creditor with an Unsecured Claim will be entitled to any interest in respect of such Claim accruing on or after or in respect of the period following the Receivership Date.

6.8 Superintendent of Bankruptcy Levy

The Office of the Superintendent of Bankruptcy shall be paid its prescribed levy by the Proposal Trustee in respect of the distributions to Unsecured Creditors under this Proposal, as required by subsection 60(4) and section 147 of the Act.

**ARTICLE 7
PROCEDURE FOR VALIDATION OF CLAIMS**

7.1 Filing of Proofs of Claim

With the exception of Convenience Claims, in order to vote on, or to receive a distribution under this Proposal, each Unsecured Creditor shall file a Proof of Claim in accordance with the Act and as instructed in the Voting Letter.

Creditors with Convenience Claims will not be required to submit a Proof of Claim unless such Creditor disputes the amount deemed to be owing to such Creditor in the Creditor Listing, which is to be sent by the Proposal Trustee along with the Voting Letter.

7.2 Allowance or Disallowance of Claims by the Proposal Trustee

Upon receipt of a completed Proof of Claim, the Proposal Trustee shall examine the Proof of Claim and shall deal with each claim in accordance with the provisions of the Act. The Proposal Trustee shall have the power and authority to determine the validity of all claims made against Eagle Energy, including the validity of any security held by persons claiming to be secured creditors of Eagle Energy.

7.3 Claims Bar Process

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

**ARTICLE 8
MEETING OF CREDITORS**

8.1 Unsecured Creditors' Meeting

On the Unsecured Creditors' Meeting Date, Eagle Energy shall hold an Unsecured Creditors' Meeting in order for the Unsecured Creditors to consider and vote upon this Proposal. For certainty, White Oak Global Advisors, LLC is permitted to vote its Unsecured Claim at the Unsecured Creditors' Meeting.

CAN_DMS:\133863470\1

EX A-000063

- 10 -

8.2 Time and Place of Meeting

Pursuant to the Interim Technical Instructions to LITs from the Office of the Superintendent of Bankruptcy Canada, "*Stakeholder concerns and enquiries concerning meetings of creditors during the COVID-19 pandemic*" dated April 14, 2020, the Unsecured Creditors' Meeting shall be held at a time and through the remote video conferencing service selected by the Proposal Trustee, and confirmed in its notices of meeting to be sent in accordance with Directive No. 8R17 from the Office of the Superintendent of Bankruptcy Canada, unless otherwise established by the Court.

All Proofs of Claim shall be delivered in accordance with the provisions of this Proposal, the Act, Directive No. 8R17, and any Order which may be issued by the Court in respect of the procedure governing the Unsecured Creditors' Meeting.

8.3 Conduct of Meeting

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

8.4 Adjournment of Meeting

The Unsecured Creditors' Meeting may be adjourned in accordance with section 52 of the Act.

8.5 Voting by Creditors

All Unsecured Creditors who, on the Unsecured Creditors' Meeting Date, hold Unsecured Claims will be entitled to attend at the Unsecured Creditors' Meeting and vote to the extent of the amount which is equal to each such Creditor's respective Unsecured Claim against Eagle Energy.

Creditors with Convenience Claims will be deemed to have voted in favour of this Proposal.

8.6 Approval by Creditors

In order that this Proposal be binding on the single class of Creditors set out in Article 3.1 hereof, in accordance with the Act, it must first be accepted by a majority in number of the Creditors of such class who actually vote upon this Proposal (in person or by proxy) at the Unsecured Creditors' Meeting, by a Voting Letter, or otherwise, representing two-thirds in value of the voting Claims of the Creditors of such class who actually vote upon this Proposal (whether in person or by proxy) at the Unsecured Creditors' Meeting, by a Voting Letter or otherwise.

Notwithstanding the above, all holders of Convenience Claims will be deemed to vote in favour of this Proposal.

- 11 -

8.7 Appointment of Inspectors

At the Unsecured Creditors' Meeting, the Unsecured Creditors may appoint up to five Inspectors whose powers will be limited to:

- (a) advising the Proposal Trustee concerning any dispute which may arise as to the validity of Claims; and
- (b) advising the Proposal Trustee from time to time with respect to any other matter that the Proposal Trustee may refer to them.

Any decision, direction or act of the Inspectors may be referred to the Court by the Proposal Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it thinks just.

The authority and term of office of the Inspectors will terminate upon the discharge of the Proposal Trustee.

8.8 Valuation of Claims

The procedure for valuing Claims of Unsecured Creditors and resolving disputes with respect to such Claims will be as set forth in Article 7 hereof and the Act. The Proposal Trustee reserves the right to seek the assistance of the Court in valuing the Claim of any Unsecured Creditor, if required, to ascertain the result of any vote on this Proposal or the amount payable or to be distributed to such Unsecured Creditor under this Proposal, as the case may be.

ARTICLE 9 COMPLETION OF THE PROPOSAL

9.1 Conditions to Proposal Implementation

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

- (a) this Proposal shall have been accepted by the Unsecured Creditors in the requisite majorities in accordance with the Act at the Unsecured Creditors' Meeting;
- (b) the receipt by the Proposal Trustee of the Unsecured Creditors' Fund;
- (c) the Approval Order shall have been made by the Court in a form acceptable to the Purchaser;
- (d) the period for an appeal of the Approval Order has passed with no appeal of the Approval Order having been filed or, in the event that such an appeal is filed, such appeal shall have been dismissed, abandoned, quashed or permanently stayed; and
- (e) all conditions of the Arrangement Agreement shall be fulfilled or waived by the Purchaser on or before Implementation Date or such other date as may be agreed between the Proposal Trustee and the Purchaser.

CAN_DMS: V1336634701

EX A-000065

9.2 Certificate of Full Performance

Upon distribution of all cash amounts contemplated by Article 6.4 of this Proposal and the payment of the Administration Fees and Expenses, this Proposal shall have been fully performed and the Proposal Trustee shall issue the certificate referred to in section 65.3 of the Act.

9.3 Discharge of Proposal Trustee

Upon the issuance of the certificate of full performance contemplated by Article 9.2 hereof, the Proposal Trustee shall have discharged its duties as Proposal Trustee, this Proposal shall be fully performed and the Proposal Trustee shall be discharged.

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

9.4 Completion of Proposal

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

**ARTICLE 10
MISCELLANEOUS**

10.1 Modification of Proposal

The Receiver or the Purchaser may propose an alteration or modification to this Proposal prior to the conclusion of the first Unsecured Creditors' Meeting called to consider this Proposal.

10.2 Notices

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

- 1. If to the Proposal Trustee:

FTI CONSULTING CANADA INC.
Suite 1610, 520 - 5th Avenue SW
Calgary AB T2P 3R7

Attention: Deryck Helkaa
Email: deryck.helkaa@fticonsulting.com
Fax: (403) 232-6116

- 2. If to a Creditor to the address, fax number or e-mail for such Creditor specified in the Proof of Claim filed by the Creditor or, if no Proof of Claim has been filed, to such other address or fax

- 13 -

number at which the notifying party may reasonably believe that the Creditor may be contacted.

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

10.3 Releases

On the Implementation Date, the Purchaser, the Receiver, the Proposal Trustee, Eagle Energy, and their directors, officers, employees, agents, affiliates and associates (the "Released Parties") shall be released and discharged from and by all Creditors including holders of Unsecured Claims from any and all demands, claims, actions, causes of action, counterclaims, suits debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, charges and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any person may be entitled to assert, including, without limitation, any and all claims in respect of any environmental condition or damage affecting any of the property or assets of Eagle Energy, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to, arising out of or in connection with any Claims, the business and affairs of Eagle Energy, whenever and however conducted, this Proposal and the Receivership Proceedings.

10.4 Assignment of Claims

Unsecured Claims may be assigned in whole but not in part. No assignment of a Claim by an Unsecured Creditor is effective to give the assignee any rights in respect of this Proposal unless written notice of the assignment is given to the Proposal Trustee in accordance with the requirements of Article 10.2. The assignment of the Claim will not be effective for a period of five Business Days from the date of effective receipt of the notice of assignment by the Proposal Trustee as determined in accordance with Article 10.2.

10.5 Applicable Law

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

10.6 Execution

This Proposal is executed by FTI Consulting Canada Inc. in its capacity as Receiver appointed pursuant to the Receivership Order. Execution by the Receiver is effective and proper execution of this Proposal by and on behalf of Eagle Energy and is binding and effective on Eagle Energy pursuant to the terms of the Act.

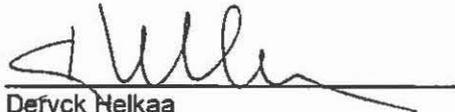
CAN_DMS: \1336634701

EX A-000067

- 14 -

DATED at the City of Calgary, in the Province of Alberta this 29 day of May, 2020.

EAGLE ENERGY INC., by an through its Court-appointed receiver and manager, **FTI CONSULTING CANADA INC.**, solely in its capacity as Court-appointed receiver and manager of the assets, properties and undertakings of Eagle Energy Inc., and not in its personal or corporate capacity

Per: 
Name: De'ryck Helkaa
Title: Senior Vice President

CAN_DMS: \1336634701

EX A-000068

Schedule A

Terminated Contracts

Office Lease dated January 1, 2013 among KS 500 4th Avenue SW Inc., Canadian Property Holdings (Alberta) Inc. and Eagle Energy Inc., as amended by the First Amending Agreement dated May 26, 2016.
Jim Pattison 2018 GMC Sierra Lease dated November 5, 2018 between Eagle Energy Inc. and JPL.
Jim Pattison 2017 Chevrolet Silverado Lease dated April 11, 2017 between Eagle Energy Inc. and JPL.
Jim Pattison 2019 Chevrolet Silverado Lease dated June 17, 2019 between Eagle Energy Inc. and JPL.
Letter Agreement re Printer Equipment Lease dated October 2, 2019 between CIP and Eagle Energy Inc.
Letter Agreement re Printer Equipment Lease dated May 9, 2018 between CIP and Eagle Energy Inc.
Marketing Consulting Services Contract dated January 27, 2016 between Eagle Energy Inc. and Fulcrum Crude Marketing Inc.
Letter Agreement re Natural Gas Purchase/Sale Contract dated January 27, 2016 between Eagle Energy Inc. and Fulcrum Energy Management Inc.
Master Seismic Data License Agreement dated September 15, 2015 between Arcis Seismic Solutions Corp and Eagle-Coda Petroleum Inc.
Supplemental Agreement dated September 15, 2015 between Arcis Seismic Solutions Corp and Eagle-Coda Petroleum Inc.
Assignee Secondment Agreement dated January 27, 2016 between Wayne Wisniewski and Eagle Energy Inc.
Brenda Galonski Employment Agreement dated June 1, 2019
Roxanne Turcotte Employment Agreement dated June 3, 2015
Kristel Chan-Guevarra Employment Agreement dated August 12, 2015
Matt George Employment Agreement dated May 29, 2016
Trevor Adams Employment Agreement dated May 29, 2016
Hope Klein Employment Agreement dated May 29, 2016
Dustin Wood Employment Agreement dated May 29, 2016
Chad Lanctot Employment Agreement dated May 29, 2016

CAN_DMS: 113366347011

EX A-000069

- 16 -

Consulting Services Agreement dated May 8, 2018 between Eagle Energy Inc. and 2121195 Alberta Ltd.
Contract Well/Facilities Operating Agreement dated June 1, 2016 between BW Oilfield Operating Ltd. and Eagle Energy Inc.
Contract Well/Facilities Operating Agreement dated June 1, 2016 between 1391012 Alberta Ltd. and Eagle Energy Inc.
Contract Well/Facilities Operating Agreement dated June 12, 2019 between Darr Oilfield Ltd. and Eagle Energy Inc.
Royalty Agreement dated May 25, 1998 (C099A)
Master Agreement dated August 11, 2015 between P2 Energy Solutions Alberta ULC and Eagle Energy Canada Inc.
Software as a Service (SaaS) License Order Form dated January 1, 2017 between P2 Energy Solutions Alberta ULC and Eagle Energy Inc.
License Agreement dated October 1, 2012 between Powervision Software Inc. and Eagle Energy Inc.
Services Access Agreement, dated March 16, 2016, between Solium Capital Inc. and Eagle Energy Inc., as supplemented by an Addendum to Services Access Agreement, dated July 15, 2019, between Solium Capital Inc. and Eagle Energy Inc.

CAN_DMS:\133663470\1

EX A-000070

- 17 -

Schedule B
Retained Contracts

Commercial Motor Vehicle Master Lease Agreement dated June 22, 2016 between Jim Pattison Industries Ltd. and Eagle Energy Inc.
Jim Pattison Lease 2019 RAM 2500 Big Horn 4x4 Crew Cab 6'4" Box (VIN: 3C6UR5DJ0KG518 140) dated September 13, 2019 between Jim Pattison Industries Ltd. and Eagle Energy Inc.
End-User Software License Agreement dated January 1, 2018 between 2Com Consulting Inc. and Eagle Energy Inc.
Subscription Order Form dated December 1, 2019 between IHS Markit Canada ULC and Eagle Energy Inc.
Marketing Agreement dated March 3, 2016 between Trafigura Canada General Partnership and Eagle Energy Inc.
Seismic Data License Agreement dated December 18, 2014 between Spyglass Resources Corp. and Eagle Energy Canada Inc.
Employment Agreement dated August 12, 2015 among Glen Glass, Eagle Energy Inc. and Eagle Energy Trust.
Employment Agreement dated August 12, 2015 among Andrew Arksey, Eagle Energy Inc. and Eagle Energy Trust.
Agreement for the Construction, Ownership and Operation of a Gas Processing Facility located in East Dixonville, Alberta, Canada dated April 9, 1976 (FC016)
Agreement for the Ownership and Operation of the Gas Gathering Facilities located in East Dixonville, Alberta, Canada dated April 9, 1976 (FC017)
Sylvan Lake Area Gas Handling Agreement dated January 5, 2016 (FS042)
Sundance/Nosehill Area Gas Transportation & Processing Agreement dated September 1, 2014 (FS043)
Rimbey Area Well Effluent Processing and Compression Agreement dated November 1, 2013 (FS046)
Contract Wells/Facilities Operating Agreement dated June 1, 2016 (FS047)
Clearhills East Compressor Station Gas Processing and Transportation Agreement dated May 1, 2001 (FS053)
Kakwa Area Gas Handling Agreement dated October 1, 2016 (FS054)
Kakwa Area Gas Handling Agreement dated September 1, 2016 (FS055)
Sales Gas Agreement Dixonville Area, Alberta dated November 1, 2018 between Insignia Energy Ltd. and Eagle Energy Inc. (FS057)

CAN_DMS: \133663470\1

EX A-000071

- 18 -

Multiple Well Farmout and Participation Agreement dated April 21, 1989 (C001A)
Amber Seismic Option Proposal dated March 27, 1985 (C003A)
Amber Seismic Option Proposal dated March 27, 1985 (C003B)
Operating Agreement dated February 1, 1992 (C004A)
Royalty Agreement dated September 7, 2011 (C005A)
Royalty Agreement dated September 7, 2011 (C006A)
Seismic Review & Farmin Letter Agreement dated March 22, 2012 (C007A)
Seismic Review & Farmin Letter Agreement dated March 22, 2012 (C007B)
Seismic Review and Farmout Letter Agreement dated August 15, 2012 (C008A)
Seismic Review and Farmout Letter Agreement dated August 15, 2012 (C008B)
Trust Agreement dated January 10, 2013 (C019A)
Farmout, Conveyance and Royalty Agreement dated August 7, 2003 (C020A)
Gross Overriding Royalty Agreement dated January 1, 1992 (C021A)
Trust Agreement dated May 24, 2013 (C029A)
Seismic Option Agreement dated January 26, 1996 (C071A)
Drilling Participation Agreement dated June 19, 2013 (C074A)
Drilling Participation Agreement dated June 19, 2013 (C074B)
Drilling Participation Agreement dated June 19, 2013 (C074C)
Drilling Participation Agreement dated June 19, 2013 (C074D)
Drilling Participation Agreement dated June 19, 2013 (C074E)
Drilling and Participation Agreement dated September 22, 2011 (C075A)
Drilling and Participation Agreement dated September 22, 2011 (C075B)
Drilling and Participation Agreement dated September 22, 2011 (C075C)
Drilling and Participation Agreement dated September 22, 2011 (C075D)
Drilling and Participation Agreement dated September 22, 2011 (C075E)
Drilling and Participation Agreement #3 dated January 23, 2012 (C076A)
Drilling and Participation Agreement #3 dated January 23, 2012 (C076B)
Drilling and Participation Agreement #3 dated January 23, 2012 (C076C)

CAN_DMS: \133663470\1

EX A-000072