

COURT FILE NUMBER 2401-09247

Clerk's Stamp

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGMENT ACT*, RSC 1985, c.C-36, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LONG RUN EXPLORATION LTD. and CALGARY SINOENERGY INVESTMENT CORP.

DOCUMENT AFFIDAVIT

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	WILSON LAYCRAFT Barristers & Solicitors Attention: Robert J. Stack Suite 650, 211 – 11 th Avenue SW Calgary, Alberta T2R 0C6 Phone: 403-290-1601 Fax: 403-290-0828 File No.: 5-1125 RJS
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AFFIDAVIT OF: GAOYONG ZHANG (also known as FRANK ZHANG)

AFFIRMED ON: SEPTEMBER 13th, 2024

I, GAOYONG ZHANG (also known as FRANK ZHANG), of Calgary, Alberta, **SOLEMNLY AFFIRM and DECLARE:**

Overview

1. I am the President of the Plaintiff, Henenghaixin Corp. ("**H Corp**"). As such, I have personal knowledge of the matters deposed to herein, except where I state that my evidence is based on information, in which case I believe such matters to be true.

2. I make this Affidavit in support of H Corp's opposition to any order approving a compromise, arrangement or transaction in respect of Long Run Exploration Ltd (the "**Long Run**") and Calgary Sinoenergy Investment Corp. ("**Calgary Sinoenergy**") (Long Run and Calgary Sinoenergy collectively, "**CCAA Debtors**") that shall divest or effectively extinguish the claims against those entities by H Corp as set out in a Statement of Claim filed on February 28, 2020 in Court of King's Bench of Alberta Action No. 2001-03353 (the "**Action**"). H Corp also seeks leave to take procedural steps to prove its claim against the CCAA Debtors.

Claims set out in the Action

3. Attached as **Exhibit "1"** is a copy of the Statement of Claim ("**SOC**") of H Corp that initiated the Action on February 28, 2020.
4. Besides the CCAA Debtors, the SOC lists as Defendants Tianzhou Deng ("**Mr. Deng**"), Xiaobo Deng Aka Lake Deng ("**Ms. Deng**"), and Michael Lam ("**Mr. Lam**").
5. H Corp claims that from approximately January to September 2017, while Mr. Deng was simultaneously a director of H Corp. and controlling mind and director of the CCAA Debtors, approximately \$44 million of the investment funds (the "**Diverted Funds**") received by H Corp were wrongfully diverted to the CCAA Debtors. The transfer of the Diverted Funds occurred at the direction of the Deng as assisted by the other personal Defendants.
6. The SOC sets out as causes of action breach of fiduciary duty, fraud, misrepresentation, knowing receipt and knowing assistance, conversion, conspiracy, fraudulent conveyance and unjust enrichment. It claims that Calgary Sinoenergy and Long Run have been unjustly enriched at H Corp's expense because of the receipt of the Diverted Funds and seeks, among other things, the declaration that funds and benefits received by the CCAA Debtors from H Corp are held on trust for its benefit and that H Corp. is entitled to trace the Diverted Funds into the accounts and assets of the CCAA Debtors.
7. Thus long before the CCAA process was initiated, indeed before China Construction Bank Toronto registered security against Long Run, H Corp had filed trust claims against the property of both CCAA Debtors. The claim against Calgary Sinoenergy would include trust claims in relation to its secured position in Long Run dating from 2016.
8. A number of steps have been taken in the Action and considerable evidence supporting these claims has been filed.¹ H Corp does not plan to file all this material in the present proceeding, but will refer to some of it and any affidavit can be provided as this Court wishes.

¹ Affidavit of Gaoyong Zhang affirmed November 20, 2019 and filed April 3, 2020 (the "**November 2019 Affidavit**"); Affidavit of Gaoyong Zhang affirmed March 30, 2020 and filed April 3, 2020 (the "**March 2020 Affidavit**"); Affidavit of Gaoyong Zhang affirmed April 13, 2020 and filed April 14, 2020 (the "**April 2020 Affidavit**"); Affidavit of Mr. Steven Neu ("**Mr. Neu**") sworn May 21, 2021 and filed May 26, 2021 (the "**May 2021 Affidavit of Mr. Neu**"); Affidavit of David Middleton ("**Mr. Middleton**") sworn May 21, 2021 and filed May 26, 2021 (the "**May 2021 Affidavit of Mr. Middleton**"), Amended Affidavit affirmed October 15, 2021 and filed

Investment into H Corp

9. As I stated in paragraph 4 of my November 2019 Affidavit, at least CAD\$43,765,699 of the funds provided to H Corp for investment purposes described below were misdirected from H Corp to the CCAA Debtors. The misappropriation appears to have been orchestrated by Mr. Deng with the assistance of Mr. Deng's daughter, Ms. Deng, and Mr. Deng's associate, Mr. Lam.
10. As set out below, the Diverted Funds had been provided by investor entities to fund H Corp's acquisition of distressed assets of Twin Butte Energy Ltd ("**Twin Butte**") and to fund the operation of an entity making use of those assets. The background to this investment is briefly set out below.
11. Pursuant to an Order of the Court of Queen's Bench of Alberta granted September 1, 2016, FTI Consulting Canada Inc. ("**FTI**") was appointed the receiver (the "**Receiver**") of Twin Butte.
12. On December 23, 2016, FTI, acting in its capacity as the Receiver Twin Butte, entered into a Purchase and Sale Agreement as Vendor respecting the assets of Twin Butte (the "**PSA**"). The Purchaser was Henenghaixin Operation Corp. ("**HOC**"), a wholly owned subsidiary of H Corp. HOC later changed its name to West Lake Energy Corp. ("**West Lake**").
13. Pursuant to the PSA, the purchase price payable by HOC/West Lake for the Assets (as defined in the PSA) was CAD \$266,000,000.00, plus GST and/or Sales Taxes, plus or minus any adjustments as provided for in the PSA. A copy of the PSA is attached to this affidavit as **Exhibit "2"**.
14. A PricewaterhouseCoopers ("**PwC**") Report dated November 18, 2019 (the "**PwC Forensic Report**", discussed in more detail below) describes the corporate structures and transactions that facilitated this acquisition. It does so in Appendix C and Appendix F, which are separately attached as **Exhibit "3"** and **Exhibit "4"**.
15. To summarize these transactions very briefly, limited partnerships formed under the law of the People's Republic of China, JiangYin Henenghaixin Investment Partnership ("**JiangYin LP**") and Wuhan Changxin Hesheng Industrial Investment Fund Partnership ("**Wuhan LP**") (collectively the "**Limited Partnerships**"), contributed funds towards the acquisition and capitalization of West Lake assets via H Corp. (the "**H Corp Investment Purpose**").
16. JiangYin LP contributed RMB \$850 million (RMB being Renminbi, the official currency of the PRC) and Wuhan Changxin LP contributed RMB \$950 million. The total amount of investment of

August 4, 2023 (the "**October 2021 Amended Affidavit**"); Affidavit of Record of Henenghaixin Corp sworn by Gaoyong Zhang July 14, 2021 and served on defendants July 14, 2021, (the "**AOR of H Corp**"); Affidavit of Gaoyong Zhang affirmed September 22, 2022 and filed September 23, 2022 (the "**September 2022 Affidavit**"); Affidavit of Gaoyong Zhang both affirmed and filed November 8, 2022 (the "**November 2022 Affidavit**"); and Affidavit of Gaoyong Zhang affirmed April 18, 2023 and filed April 20, 2023 (the "**April 2023 Affidavit**").

Jiangyin LP and Wuhan LP is RBM\$1.8 billion and was converted into CAD \$352.2 million (the “**Investment Fund of H Corp**”).

17. In order to comply with Chinese currency control laws, banks were involved in providing funds to a British Virgin Islands entity named York City Enterprise Inc. (“**York City**”). York City then advanced the Investment Funds of H Corp to H Corp. York City had originally been owned by a Deng-controlled entities, but as part of the arrangement with the Limited Partnerships its parent company, because indirectly owned by the Limited Partnerships. See Exhibit 3.
18. Contracts entitled *Agreement on Investment in Twin Butte Energy Ltd.* are attached as **Exhibit “5”** and **Exhibit “6”**. As Deng had promoted this investment, he was a party to these agreements. It is clear that under these Agreements that the goal of the investment was the H Corp. Investment Purpose (acquisition and capitalization of the Twin Butte assets), not any other endeavour or operation, certainly not the creation of some kind of credit facility for Deng’s other businesses.
19. The definition of “This Transaction” in both Agreements was the:

...proposed indirect investment in all the assets held by TB (i.e. Twin Butte), including the rights of petroleum and natural gas, tangible assets and other interests.
20. In order to make the assets of Twin Butte productive, West Lake needed operation funds. The Limited Partnerships needed to contribute about \$80 million of the Investment Fund of H Corp to West Lake to operate and develop the assets of Twin Butte (“**West Lake Operation Investment Funds**”).
21. Unfortunately, not all of H Corp.’s West Lake Operation Investment Funds made it to West Lake, but were diverted to Long Run, an entity that was not tied to the Limited Partnerships or the H Corp Investment Purpose.

False Bank Statement

22. As stated in Affidavits filed in the Action, the discovery of the diversion of funds occurred as follows:
 - (a) in October 2018, Wuhan LP and JiangYin LP sent representatives to Calgary, Alberta to ensure that H Corp and West Lake were being operated properly, with the West Lake Operation Investment Funds left after the acquisition of Twin Butte assets applied to operations, and to ensure the value of the investment into West Lake.

I was one of those representatives. I was to examine the cash flow and net profit of West Lake and otherwise ensure that West Lake was being run appropriately, to give assurances to Wuhan LP and Jiangyin LP that their investment in H Corp and West Lake was safe.

- (b) during the week of October 15, 2018, the other representatives and I met with Mr. Lam and Ms. Deng several times at the office of the law firm Borden Ladner Gervais LLP (“**BLG**”) and at the offices of Long Run. BLG was counsel to West Lake and H Corp.
- (c) during one of the meetings, Mr. Lam and Ms. Deng showed the other representatives and I what they asserted were West Lake’s audited financial statements for the period ending December 31, 2017 the (“**False Financial Statements**”) attached as **Exhibit “7”** as well as two boxes of bank account statements for the period ending October 2018 for West Lake (“**False Bank Statements**”). We were not allowed to take the False Bank Account Statements; however, one of the representatives took pictures of them and provided copies.
- (d) during this period of time, Mr. Lam, Ms. Deng, Mr. Kevin Kang Liu (“**Mr. Liu**”), a representative of Wuhan LP, Qi Guo (“**Mr. Guo**”), a representative of JiangYin LP and I corresponded frequently over WeChat. As reflected in the WeChat communications:
 - (i) Mr. Lam and Ms. Deng asked Mr. Liu, Mr. Guo and I not to mention the False Bank Statements during a meeting scheduled with West Lake’s management; and
 - (ii) Mr. Liu and Mr. Guo also asked about the West Lake Operation Investment Funds, i.e. the approximately CAD \$81 million of working capital that was to be invested in West Lake.
 - (iii) The account statement of West Lake as provided by Mr. Deng and Mr. Lam showed the balance of \$81 million. (**Exhibit “8”** pp. 2, 4, 8 and 9)
- (e) based on our review of the False Bank Statements provided to us by Mr. Lam, Mr. Liu, Mr. Guo and I understood that West Lake had approximately CAD \$80 million in assets to operate the Twin Butte assets through West Lake.
- (f) after reviewing the False Bank Statements, Mr. Liu, Mr. Guo and I were satisfied that West Lake was being operated properly and left Calgary on October 23, 2018.
- (g) we then returned to Calgary on January 16, 2019, and attended a meeting at West Lake’s office on January 18, 2019, with David Middleton (“**Mr. Middleton**”), CEO of West Lake, Alan Steele (“**Mr. Steele**”), CFO of West Lake and Mr. Neu, a director of West Lake to review West Lake’s operations and cash flow.
- (h) we learned in the January 18, 2019, meeting that West Lake had only received approximately CAD \$42 million of the Operating Funds. West Lake should have received the entirety of the West Lake Operating Funds pursuant to the Investment Agreements. Mr. Liu, Mr. Guo and I showed Mr. Middleton, Mr. Steele and Mr. Neu the False Bank Statements that were previously provided to us by Mr. Lam.

- (i) Mr. Middleton, Mr. Steele and Mr. Neu then provided us copies of West Lake's actual audited financial statements ("**Real Financial Statements**") attached to the affidavit as **Exhibit "9"**.
- (j) the Real Financial Statements showed that the False Financial Statement of West Lake as provided by the team of Mr. Deng had been falsified. The Real Financial Statements showed lower values than the False Financial Statements for cash, exploration and evaluation, and for the share capital portion of shareholder's equity. During the meeting, we checked the Real Financial Statements against the Fake Financial Statements, and also reviewed the False Bank Statements

Fraudulent Transfer of Funds

- 23. Investors in H Corp. began to make inquiries about the missing funds. One of the individuals who provided information was Mr. Neu. In May 2021, Mr. Steven Neu sworn an Affidavit in the Action. I attach a copy of his May 2021 Affidavit as **Exhibit "10"** to show the Court the quality of the evidence H Corp can present at trial. I am not attaching all of the exhibits, although these can be provided as requested.
- 24. Mr. Neu indicated he was a Calgary Sinoenergy employee who, at the direction of a cousin of Mr. Deng, accepted a role as a director of H Corp and was then appointed President and CEO. Further, at the direction of Mr. Lam, he stated he would confirm, if asked by the bank, transfers from H Corp to West Lake that Mr. Lam initiated via ATB. He assumed H Corp was one of the corporations controlled by Deng and that Mr. Lam had authority to initiate such transfers.
- 25. Mr. Neu stated that between April 13, 2017 and September 5, 2017 Mr. Lam instructed ATB through email to transfer funds totalling CAD\$93,356,491 from H Corp to Calgary Sinoenergy. Mr. Lam set Mr. Neu up as a co-signer for H Corp's bank account with ATB. He copied Mr. Neu on emails he sent to ATB instructing them to transfer funds from H Corp to Calgary Sinoenergy. Mr. Lam instructed ATB to make the following transfers from H Corp to Calgary Sinoenergy:
 - (a) \$15,000,000.00 on April 13, 2017;
 - (b) \$10,000,000.00 on April 18, 2017;
 - (c) \$22,000,000.00 on June 2, 2017;
 - (d) \$500,000.00 on June 2, 2017;
 - (e) \$11,150,000.00 on July 5, 2017;
 - (f) \$31,000,000.00 on July 12, 2017;
 - (g) \$3,596,491.00 on July 13, 2017; and
 - (h) \$110,000.00 on September 5, 2017

26. When issues regarding the transfers original came to light, the Limited Partnerships engaged Bennett Jones LLP to assist with recovering funds originally invested through H Corp. (Bennet Jones is now counsel to FTI in its current role of court-appointed Monitor (with enhanced powers) of the CCAA Debtors (“**Monitor of CCAA Debtors**”)). As noted above, Bennett Jones in turn retained PwC to provide forensic assistance with respect to alleged diversion of funds to unrelated entities from H Corp.
27. As I stated in paragraph 5 of my March 2020 Affidavit, PwC conducted a forensic analysis of the financial transactions surrounding the investment of over \$350,000,000 CAD into H Corp, and a flow of funds analysis of H Corp.’s bank account. The full PwC Forensic Report dated November 18, 2019, is attached to this my current affidavit as **Exhibit “11”**.
28. As the Table 2 of PwC Forensic Report (*Henenghaixin’s Transactions with Calgary Sinoenergy*) indicates, during the period April 12, 2017, to September 5, 2017, 8 transactions transferring funds were made from the bank account of H Corp to Calgary Sinoenergy in a total amount of \$93,356,491. Calgary Sinoenergy received *net* payments of \$76,956,491 CAD from H Corp. taking into consideration transfers back from Calgary Sinoenergy.
29. In the PwC Forensic Report, PwC made the following findings in its Executive Summary among others:
- (a) CAD\$77,006,491 in net payment from H Corp’s bank accounts which were paid to the entities unrelated to Wuhan LP and JiangYin LP but connected to Deng, that is Calgary Sinoenergy, Long Run and Alberta Sinoenergy Petroleum Corporation (the “**Unrelated Entities**”), for the purposes unrelated to the Investment of H Corp, including
 - (i) CAD\$76,956,491 in net payment from H Corp’s bank account to Calgary Sinoenergy; and
 - (ii) CAD\$150,000 from H Corp’s bank account to Long Run.
 - (b) Further, CAD\$33,240,792 in payments were made by the Unrelated Entities in relation to toward the investment purpose of H Corp.
30. The payments by the Unrelated Entities consisted of Calgary Sinoenergy paying a deposit to FTI in relation to the acquisition of Twin Butte and New Star Energy Ltd. (“**New Star**”) making a payment at the closing of that transaction.
31. As well, Calgary Sinoenergy and Long Run made payments to York City in relation to its loans that were to facilitate the acquisition of Twin Butte. See PwC Forensic Report, see **Exhibit 11** at pp. 12-13.
32. The result of these transfers in and out of H Corp is a net outflow from H Corp of \$43,765,669 CAD to Unrelated Entities for purposes unconnected to the H Corp Investment Purpose.

Acknowledgement of Receipt of Diverted Funds and Transfer to Long Run

33. The Shanghai Stock Exchange made inquiries of the parent company of Calgary Sinoenergy, Changchun Sinoenergy Corporation (“**Sinoenergy**”), regarding matters raised in the Action. That entity responded in an announcement dated June 5, 2020 (the “**Sinoenergy Announcement of June 2020**”) on the “Inquiry Letter on Litigation Matters Concerning the Overseas Holding Subsidiary of Changchun Sinoenergy Corporation” from the Shanghai Stock Exchange on May 8, 2020”.
34. A copy of the Sinoenergy Announcement of June 2020 with a certified translation is attached to this affidavit as **Exhibit “12”**.
35. In the Sinoenergy Announcement of June 2020 Sinoenergy admitted as follows:
 - (a) that Calgary Sinoenergy received \$93,356,491.00 from H Corp during the period April 12, 2017, to September 5, 2017.
 - (b) after Calgary Sinoenergy received the funds from H Corp, it transferred \$92,150,000.00 from Calgary Sinoenergy to Long Run.
 - (c) The bank ending balance of Long Run on September 30, 2017 was \$45,415,338.31.

Purported Shareholder Declaration of H Corp and Purported York City Loan Agreement

36. In the course of the Action, no party has produced an agreement between *H Corp* and the CCAA Debtors justifying the transfers described above. Documents involving York City have been introduced.
37. In an affidavit of August 6, 2020, Mr. Lam provided a copy of a Shareholder’s Declaration of H Corp. dated April 10, 2017 (the “**Purported Shareholder Declaration of H Corp**”) and a copy of a purported York City Loan Agreement (the “**Purported York City Loan Agreement**”). These are attached as **Exhibit “13”** and **Exhibit “14”**.
38. When directors of H Corp. and West Lake, York City, Wuhan LP, and JiangYin LP, Mr. Liu, Mr. Guo and I learned of the Purported Shareholder Declaration of H Corp. and the Purported York City Loan Agreement in June 2020 or August 2020, we were shocked and began an investigation. The following facts raised suspicious:
 - (a) the fact that H Corp was not a party to Loan Agreement, though it was being held up as a reason for H Corp to transfer millions of dollars;
 - (b) the Purported York City Loan Agreement lacked commercial terms a party would expect for such a large loan, particularly regarding collateral security and interest, and from that point of view the purported “loan” made no commercial sense;
 - (c) there was no documentation provided surrounding its drafting or execution;

- (d) York City never request H Corp to perform the Purported York City Loan Agreement on its behalf;
 - (e) no original copy of the Signed Shareholder Declaration of H Corp and Purported York City Loan Agreement could be provided by Calgary Sinoenergy or Long Run upon request of H Corp's counsel; and
 - (f) our inquiries with the Limited Partners indicated that they were unaware of its existence and had not approved of it.
39. Below we briefly describe evidence gathered regarding the Purported Shareholder Declaration of H Corp. and the Purported York City Loan Agreement.
40. The Sinoenergy Announcement of June 2020 admits that, because the debt relating to these transfers was above RMB 10 million (roughly \$2 million USD), the listed parent of Calgary Sinoenergy and Long failed in its obligations both to disclose publicly the transactions and to submit them to the Board for approval, as required by Chinese securities law. See Exhibit 12 at page 4. I believe this failure to seek Board approval and disclose to the market these transfers occurred because the Purported York City Loan Agreement was fabricated and Deng did not want the transfers to be known by the Limited Partners or the directors of H Corp.
41. The Form 14 Statutory Declaration (the "**Statutory Declaration of Calgary Sinoenergy**") provided by Calgary Sinoenergy, as ordered by the Alberta Court of Queen's Bench, lists York City owing \$5,091,608.48 to Calgary Sinoenergy as of March 31, 2020, is attached as **Exhibit "15"**.
42. All current directors of H Corp as of June 2020, including Mr. Jun Xiong ("**Mr. Xiong**"), Mr. Deshuang Yu ("**Mr. Yu**"), Mr. Neu and Mr. Haipeng Tu ("**Mr. Tu**"), confirmed in writing to H Corp that none of them nor the Wuhan LP nor Jiangyin LP were aware of the existence of the Purported Shareholder Declaration of H Corp and the Purported York City Loan Agreement until June 2020. The statements are attached as **Exhibit "16"**.
43. In the course of the Action, H Corp learned that the signature appearing on the Purported Shareholder Declaration of H Corp and the Purported York City Loan Agreement was supposedly that of Ms. Xu Bo Wang. She was sole director of York City from January 6, 2017, until August 8, 2018, and otherwise worked for Deng at the time. Deng had apparently appointed her director before Chaungchun Sinoenergy lost its majority ownership of York City as part of the transactions described above and in the PWC Forensic Report.
44. In or around August 5, 2020, Xu Bo Wang was interviewed by Qi Guo, a representative of Jiangyin LP, about this signature. She indicated that: she acted as a director of York City at Deng's direction; she would not have known the "real situations" involving any York City Loan Agreement had she signed at Deng's direction; Deng may have "cut and pasted" her signatures; the signatures on the documents looked identical and smaller than her handwriting so it is unlikely she signed. A copy of her interview transcript is attached as **Exhibit "17"**.

45. H Corp, through legal counsel, retained Samiah Ibrahim (“Ms. **Ibrahim**”) to assist in determining the authenticity of the signature on the Purported Shareholder Declaration of H Corp and the Purported York City Loan Agreement. See **Exhibit 13 and Exhibit 14**. Ms. Ibrahim stated in her Forensic Report of September 7, 2021 (the “**Forensic Report on Signatures**”) attached as **Exhibit “18”** that the signature of Ms. Wang on both the Purported Shareholder Declaration of H Corp and the Purported York City Loan Agreement share near identical form. This would suggest that Ms. Wang did not physically sign the documents, a point H Corp would like to establish at trial.
46. The party who supposedly signed the signed Purported Shareholder Declaration of H Corp and the Purported York City Loan Agreement on behalf of Calgary Sinoenergy was Mr. Yingchun Wu, a director of Calgary Sinoenergy at the time. I met with him in Red Deer in 2021 to discuss the matter. He could not recall that these documents were ever discussed with him or that he signed them. He had been a classmate of Mr. Deng brought over to assist with Calgary Sinoenergy as an engineer. What he told me is consistent with his Defence to Third Party Notice attached as **Exhibit “19”**.
47. I further confirm that we have learn in the course of investigation and the Action that:
- (a) In its Statement of Defense filed February 11, 2021, Calgary Sinoenergy denied the existence of the Purported York City Loan Agreement.
 - (b) No one from the defendants ever provided any record of emails, correspondence, notes, minutes, drafts in connection with any discussion, negotiation or execution of the Purported Shareholder Declaration of H Corp and the Purported York City Loan Agreement.
 - (c) Neither H Corp nor York City ever received any interest payment by Calgary Sinoenergy under the Purported York City Loan Agreement as is clear from the PWC Report.
 - (d) Neither the Purported Shareholder Declaration of H Corp nor the York City Loan Agreement was ever found in H Corp’s minute book.
48. Current counsel for H Corp. is of the view that any issues relating to the Purported Shareholder Declaration of H Corp. and the Purported York City Loan Agreement should be dealt with at trial as soon as possible.

Misconduct by Deng and other Defendants

49. Based on the foregoing and in relation to the current CCAA proceeding, an issue is whether misconduct by Deng and others has led to unjust enrichment by Long Run and Calgary Sinoenergy to the detriment of H Corp.
50. In that regard, we note Long Run has claimed in its Third-Party Notice to Deng that he authorized an inappropriate transfer and breached fiduciary duties to Long Run. It also makes claims against Lam and seeks trust remedies. That Third-party Notice is attached as **Exhibit “20”**.
51. Further, in the wake of Sinoenergy going into receivership and being delisted from Shanghai Stock Exchange (“SSE”), Deng has been found liable for regulatory misconduct in the area of financial

disclosure. Attached to my affidavit are the decisions of the SSE as **Exhibit “21”**, the CSRC Beijing Bureau Decision as **Exhibit “22”** and the CSRC Jilin Bureau Decision as **Exhibit “23”**.

Procedural History

52. The Action has proceeded through a number of applications. In those proceedings, a considerable amount of affidavit material has been filed and cross-examinations have taken place. This may reduce the number of pre-trial steps left for the parties to take.
53. On April 23, 2020, H Corp applied *ex parte* for an attachment order/Mareva injunction/disclosure order (the “**Attachment Order**”) against Mr. Deng, Ms. Deng, Mr. Lam and the CCAA Debtors. The order was granted by Justice B. E. Romaine on April 24, 2020.
54. The defendants of the Fraud Claim of H Corp subsequently sought to set aside the Attachment Order. On March 3, 2021, Justice B. E. Romaine decided:
 - (a) on the application of Mr. Deng, Ms. Deng and Mr. Lam:
 - (i) the *ex parte* order is confirmed as it relates to Mr. Deng, Ms. Deng and Mr. Lam.
 - (ii) the order will terminate three months from the date of the decision unless H Corp provides affidavits from Mr. Neu and Mr. Middleton.
 - (b) on the application of the CCAA Debtors, the pre-trial attachment order against the CCAA Debtors must be set aside.
55. A copy of the Decision of Justice Romaine of March 3, 2021, is attached to this affidavit as **Exhibit “24”**.
56. H Corp provided the May 2021 Affidavit of Mr. Neu and the May 2021 Affidavit of Mr. Middleton in compliance with the order of Justice B. E. Romaine of March 3, 2021.
57. Mr. Deng, Ms. Deng and Mr. Lam appealed to the Court of Appeal of Alberta from the order of Justice Romaine of March 3, 2021.
58. The Court of Appeal of Alberta allowed the appeal and set aside the Attachment Order/Mareva granted with respect to Mr. Deng, Ms. Deng and Mr. Lam. A copy of Memorandum of Judgment by Justice Marina Paperny, Justice Peter Martin, and Justice Jo’ Anne Streckaf of August 22, 2022, is attached to this affidavit as **Exhibit “25”**. The primary concern of the court of Appeal appears to have been the lack of direct evidence from individuals such as Mr. Neu and Mr. Middleton at the time of Justice Romaine’s Decision, although H Corp did provide affidavits from those individuals after the fact.

Rule 7.1 Application

59. H Corp filed an application (the “**Rule 7.1 Application**”) on October 18, 2021, and sought an Order including:

(a) Directing that the following issue be determined before trial, pursuant to Rule 7.1 of the Alberta, Rules of Court Alta Reg 124/2010:

(i) Whether the Purported Shareholder Declaration and the Purported Loan Agreement are false or forged documents, or authentic documents;

(b) Following trial of this issue, granting H Corp a declaration that the Purported Shareholder Declaration and the Purported Loan Agreement are false or forged documents.

60. There was some hope that this application would shorten the proceedings. Considerable affidavit material was filed by H Corp, Lam, Deng and Lake Deng in the motion and cross-examination took place.

61. It proved difficult to obtain a full day special from the Court and a hearing did not take place until September 23, 2023.

62. On January 24, 2024, Justice Gaston rendered her decision and denied the Rule 7.1 Application. She determined that issues raised by the Plaintiff should proceed to trial with all other issues.

Third Party Claim by Mr. Deng, Ms. Deng and Mr. Lam against Mr. Xiong and Mr. Yu.

63. On December 13, 2022, third party defendants Mr. Xiong and Mr. Yu filed application for an Order:

(i) Setting aside the *ex parte* service *ex juris* Order of Applications Judge Farrington granted October 7, 2021, filed October 15, 2021 (the Service Order), on the basis that the Third Party Claim of Michael Lam (Lam), filed May 3, 2021, (the TPC) does not establish a good arguable case against the Mr. Xiong and Mr. Yu or a real and substantial connection between Alberta and the facts on which the claims advanced against the Mr. Xiong and Mr. Yu are based; and

(ii) Setting aside service of the TPC *ex juris* on Mr. Xiong and Mr. Yu in the People’s Republic of China (PRC);

64. On April 15, 2024, Justice J. R. Ashcroft pronounced her order that, among others:

(a) the Lam Service Ex Juris Order is set aside

(b) the Deng Service Ex Juris Order permitting Ms. Deng to serve *ex juris* Mr. Yu and Mr. Xiong is set aside.

(c) the Deng Service Ex Juris Order permitting Mr. Deng to serve *ex juris* Mr. Yu and Mr. Xiong is varied to allow only service *ex juris* of those Third Party claims by Mr. Deng against Mr. Yu and Mr. Xiong for contribution or indemnity that arise from alleged

breaches of any duties Mr. Yu and Mr. Xiong owed to H Corp in their respective roles as directors of H Corp. or that arise from Mr. Yu and Mr. Xiong being liable for insufficient oversight or insufficient internal control at H Corp.

65. A copy of the order of Justice J. R. Ashcroft of April 15, 2024 is attached to this affidavit as **Exhibit “26”**.

Difficulties and Delays with the AOR and Undertakings of the CCAA Debtors

66. As I stated in my April 2023 Affidavit,
- (a) the Affidavit of Records of H Corp was sworn and served on July 14, 2021, and H Corp has produced 3,172 records.
 - (b) H Corp obtained an order on March 3, 2022 compelling the CCAA Debtors to serve their Affidavit of Records no later than April 1, 2022.
 - (c) The CCAA Debtors served their Affidavit of Records on H Corp on April 14, 2022.
 - (d) The CCAA Debtors listed (and produced) only 26 records in Schedule 1 to their Affidavit of Records. The Affiant of the AOR of the CCAA Debtors was Jie Huang.
 - (e) On December 13, 2022, counsel for H Corp served counsel for the CCAA Debtors a Notice of Appointment for Questioning and sought to question the CCAA Debtors on their Affidavit of Records.
 - (f) Despite several requests, by April 18, 2023, the CCAA Debtors had failed to provide a corporate representative to be questioned on the AOR of the CCAA Debtors.
67. On May 8, 2023, Judge Farrington pronounced an order that required the CCAA Debtors to produce a Supplemental Affidavit of Records on or before June 15, 2023 and to produce the Corporate Representative for cross-examination on the CCAA Debtors’ Affidavit of Records by July 7th, 2023.
68. A copy of the order of Judge Farrington of May 8, 2023 is attached to this affidavit as **Exhibit “27”**.
69. A supplemental Affidavit of Records was sworn on or about June 15, 2023, a copy of which is attached as **Exhibit “28”**. A representative of the CCAA Debtors was questioned by counsel for H Corp on or about August 21, 2023.
70. In the course of questioning on their Affidavits of Record, the CCAA Debtors gave a series of 29 undertakings, the last of which was taken under advisement. Several of the undertakings relate to production of financial information relevant to the transfers and use of the funds that H Corp claims were fraudulently transferred to the CCAA Debtors. A list of the undertakings provided is attached hereto as **Exhibit “29”**.

71. H Corp's former counsel followed up repeatedly regarding these undertakings. Attached to the affidavit as **Exhibit "30"** is redacted email from JSS to Caron Partners, dated March 27, 2024. To my knowledge, none of the undertakings have been answered. It is important to have answers to these questions in relation to the tracing of the Diverted Funds.

Stalking Horse Bid of the CCAA Debtors

72. On July 23, 2024, H Corp received a copy of the Application of the Monitor of the CCAA Debtors with the proposed form of Second Amended and Restated Initial Order attached thereto, a document of 199 pages, only 5 business days before the hearing on July 30, 2024.
73. On July 28, 2024, Andrew Wilson KC ("**Mr. Wilson**"), counsel for H Corp sent an email to Kelsey Meyer ("**Ms. Meyer**"), counsel for the Monitor of the CCAA Debtors and raised objection to the following relief sought in the Application returnable July 30, 2024:
- "approving the terms of a stalking horse subscription agreement between the Debtor, Long Run Exploration Ltd. ("**LRE**") and Hiking Group Shandong Jinyue Int'l Trading Corporation or its nominee (the "**Stalking Horse Bidder**") dated July 23, 2024 (the "**Stalking Horse Bid**")."
74. A copy of the email of Mr. Wilson to Ms. Meyer of July 28, 2024, is attached to the affidavit as **Exhibit 31**".
75. On July 30, 2024, Mr. Wilson sent a letter to Justice Little and informed the court that H Corp intended to object to the proposed relief sought at the hearing set for July 30, 2024.
76. A copy of the letter of Mr. Wilson to Justice Little of July 30, 2024, is attached to my affidavit as **Exhibit "32"**.
77. H Corp then engaged Douglas Nishimura of Field LLP to deal with matters directly relating to the CCAA proceedings. He has written to counsel for the Stalking Horse Bid setting out his concerns about the Stalking Horse Bid, which correspondence is attached to my affidavit as **Exhibit "33"**.

Next steps in the Action

78. On August 26, 2024, H Corp. filed a Notice of Change of Solicitors naming Robert Stack of Wilson Laycraft as its counsel in the Action. On around the same time, H Corp retained Douglas Nishimura of Field LLP to assist it with the CCAA process.
79. Mr. Stack plans to propose that:
- (a) H Corp apply for the setting of trial dates by order pursuant to the pilot project announced by the Court in April 2024.
 - (b) H Corp apply to compel production of documents and completion of undertakings by Long Run, particularly in relation to the use of the H Corp funds it admittedly received.

(c) H Corp apply for a procedural order directing that pre-trial questioning occur on an expedited basis considering the urgency of this matter and the fact that considerable cross-examination has already occurred.

80. Attached is a draft procedural order formulated by Wilson Laycraft. **Exhibit "34"**.

81. Mr. Stack advises that for these applications to take place in a manner that affects the CCAA Debtors, the stay of proceedings protecting the CCAA Debtors needs to be lifted for the purposes of the Action. As H Corp is not seeking to collect immediate damages from Long Run, but rather the declaration of constructive trust over a portion of its property, we do not think that the continuation of the Action to trial would endanger the operations of Long Run as it otherwise proceeds through restructuring.

Concerns about the Stalking Horse Bid

82. A review of the Subscription Agreement and Reverse Vesting Order proposed by the Stalking Horse bidder indicates the proposed transaction would transfer H Corp's claim to a Newco which has no assets, which would therefore extinguish H Corp's claim without any compensation. In fact, no creditors aside from certain tax authorities will be paid under the transaction.

AFFIRMED BEFORE ME at the Calgary, Alberta)
on the 13th day of September, 2024)

"I certify that GAOYONG ZHANG (also known as FRANK)
ZHANG) satisfied me that he was a person entitled to affirm")



(A Commissioner for Oaths in and for Alberta))



GAOYONG ZHANG)
(also known as FRANK ZHANG))

JOYCE STAROSZYK)
My Commission Expires May 21, 2026)

Exhibit "1"

Statement of Claim of H Corp, filed Feb-28-20

8 pages

THIS IS EXHIBIT "1"

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024

A handwritten signature in blue ink that reads "Joyce Staroszik". The signature is written in a cursive style and is positioned above a horizontal line.

A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 2026

Form 10
[Rule 3.25]

COURT FILE NUMBER 2001-03353

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

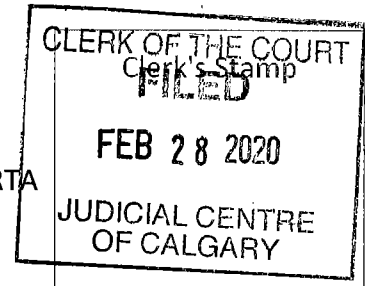
PLAINTIFFS HENENGAIXIN CORP.

DEFENDANTS TIANZHOU DENG, XIAOBO DENG aka LAKE DENG, MICHAEL LAM, CALGARY SINOENERGY INVESTMENT CORP., LONG RUN EXPLORATION LTD., JOHN DOE, and ABC CORPORATION

DOCUMENT STATEMENT OF CLAIM

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **JENSEN SHAWA SOLOMON DUGUID HAWKES LLP**
800, 304 - 8 Avenue SW
Calgary, Alberta T2P 1C2

Andrew Wilson/Erin J. Baker
Tel: 403 571 1520
Fax: 403 571 1528
File: 14828.001



NOTICE TO DEFENDANT(S)

You are being sued. You are a Defendant.

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

Note: State below only facts and not evidence (Rule 13.6)

Statement of facts relied on:

1. The Plaintiff, Henenghaixin Corp. ("**H Corp.**"), is a corporation incorporated pursuant to the laws of Alberta. H Corp. is an indirectly wholly owned subsidiary of two limited partnerships located in the People's Republic of China ("**PRC**"): Jiangyin Henenghaixin Investment Partnership ("**Jiangyin LP**") and Wuhan Changxin Hesheng Industrial Investment Fund Partnership ("**Wuhan LP**"). H Corp. is the sole shareholder of West Lake Energy Corporation ("**West Lake**"), a corporation incorporated pursuant to the laws of Alberta.

2. The Defendant, Calgary Sinoenergy Investment Corporation ("**Calgary Sinoenergy**"), is a corporation incorporated pursuant to the laws of Alberta.
3. The Defendant, Long Run Exploration ("**Long Run**"), is a corporation incorporated pursuant to the laws of Alberta. Long Run is a wholly-owned subsidiary of Calgary Sinoenergy.
4. The Defendant, Tianzhou Deng, is an individual ordinarily resident in Beijing, in the PRC. Mr. Deng is a well-known businessman in the PRC. Mr. Deng is a former director of the Plaintiff, H Corp., having served as a director of H Corp. from November 23, 2016 to September 21, 2017. Mr. Deng is also a director of Calgary Sinoenergy, a director of Long Run, and a director of West Lake.
5. The Defendant, Xiaobo Deng, also known as Lake Deng, is an individual ordinarily resident in Calgary, Alberta. Ms. Deng is Mr. Deng's daughter. Ms. Deng is a former director of West Lake, having served as a director of West Lake from April 2, 2017 to April 19, 2018. Ms. Deng is also a director of Long Run.
6. The Defendant, Michael Lam, is an individual ordinarily resident in Calgary, Alberta. Mr. Lam is a trusted advisor of Mr. Deng and a business associate of Ms. Deng.
7. Both Ms. Deng and Mr. Lam represented themselves as having authority to direct the affairs of H Corp. and West Lake as delegates of Mr. Deng. They held out Mr. Deng as being the ultimate owner or controller of H Corp. As outlined below, they had no such authority. However, under the pretenses of having such authority, Ms. Deng, Mr. Lam, and Mr. Deng wrongfully removed tens of millions of dollars from H Corp., as detailed below.
8. The Defendants John Doe and ABC Corporation are individuals and corporations who participated in the acts described below, or have received some or all of the funds so misappropriated, the identity of which is currently only known to the other Defendants.

Background

9. Through a series of subsidiaries, Jiangyin LP and Wuhan LP contributed a combined CAD\$352.5 million to H Corp. for the purpose of (i) acquiring the assets of Twin Butte Energy Ltd. ("**Twin Butte**"), an Alberta-based oil and gas firm, out of receivership, and (ii) providing the working capital required to operate the assets once purchased (the "**Investment Funds**").
10. In March 2017, the Twin Butte assets were ultimately acquired by West Lake, a wholly-owned subsidiary of H Corp., for a purchase price of CAD\$266,000,000.00, less adjustments of CAD\$3,194,245.56.

11. H Corp. believed that the Investment Funds, less the purchase price for the Twin Butte assets net of adjustments, would be available for West Lake to operate the Twin Butte assets. Those remaining funds were not to be used for any other purpose.

The Misappropriation and Diversion of Funds from H Corp.

12. Ms. Deng advised a consultant in her employ that her father, Mr. Deng, was acquiring the assets of Twin Butte out of receivership. She arranged for the consultant to become a director of H Corp. and an officer of West Lake.
13. Mr. Lam represented to individuals at H Corp. that he had full financial authority over the financial affairs of H Corp., which he described as a holding company of "Sinoenergy" (Mr. Deng is the founder and major shareholder of Changchun Sinoenergy Corp., an entity publically traded on the Shanghai Stock Exchange).
14. In this way, Ms. Deng and Mr. Lam represented that Mr. Deng owned and controlled H Corp., and that they had authority to direct the affairs of H Corp on his behalf.
15. None of this was true.
16. From approximately January to September 2017, or such other time as may be determined through oral and documentary discovery in the within Action and be proven at trial, while Mr. Deng was simultaneously a director of H Corp. and controlling shareholder and director of Calgary Sinoenergy and Long Run, approximately \$44 million of the Investment Funds received by H Corp. were diverted to Calgary Sinoenergy and Long Run (the "**Diverted Funds**").
17. These transfers occurred at the behest of Mr. Deng, Ms. Deng, and Mr. Lam.
18. It is expected that Calgary Sinoenergy and Long Run thereafter provided the Diverted Funds to others, the identities of which include Ms. Deng, Mr. Deng, Mr. Lam, John Doe and ABC Corporation.
19. There was no legitimate reason for the diversions.
20. The improper diversion of the "Diverted Funds" was unknown, and unknowable to H Corp. until January, 2019 at the earliest.

Breach of Director's Duties

21. As a director of H Corp., Mr. Deng owed a duty to H Corp. to act in its best interests.
22. Mr. Deng breached these duties by either actively arranging for the transfer of the Diverted Funds, or, alternatively, by allowing the Diverted Funds to be transferred as a result of insufficient oversight or insufficient internal controls.

23. As a result of the breach of his duties, H Corp. suffered damages and loss in the amount of \$44 million, or such other amount as may be proved at the trial of this Action.

Knowing Assistance and Knowing Receipt

24. Calgary Sinoenergy and Long Run knew or were recklessly or willfully blind to the fact that either or all of Mr. Deng, Ms. Deng, and Mr. Lam were fraudulently misappropriating the Diverted Funds from H Corp. to the detriment of H Corp. and that Mr. Deng was in breach of his fiduciary obligations to H Corp. Calgary Sinoenergy and Long Run received and accepted, for their own benefit, the Diverted Funds when each knew or ought to have known that their receipt of any portion of the Diverted Funds arose from, and were made to each of them through, fraudulent misappropriation and in breach of the fiduciary duties owed by Mr. Deng.
25. Calgary Sinoenergy and Long Run's receipt and acceptance of the Diverted Funds in these circumstances constituted a knowing receipt of the Diverted Funds, which had been fraudulently misappropriated from H Corp. As such, Calgary Sinoenergy and Long Run hold the Diverted Funds as constructive trustees of H Corp.
26. Calgary Sinoenergy and Long Run have misused and converted the Diverted Funds to their own use such that H Corp. is unable to determine what entity or individual is currently in possession of the Diverted Funds, or a portion thereof.
27. H Corp. claims return of the Diverted Funds in whatever form to which they can be traced. H Corp. also claims damages to the extent such funds have been dissipated or to the extent such assets purchased from the funds have decreased in value.

Misrepresentation

28. The Defendants Mr. Deng, Ms. Deng, and Mr. Lam made representations to officers of H Corp. that they had authority to direct the diversion of funds from H Corp. These representations were made with the intent that directors and officers of H Corp. would rely on them, and the Defendants Mr. Deng, Ms. Deng, and Mr. Lam knew or ought to have known that they would in fact be relied upon. These representations were in fact false.
29. On the basis of these representations, funds were wrongfully diverted out of H Corp. But for the misrepresentations, the funds would not have been wrongfully diverted.
30. As a result of these misrepresentations and H Corp.'s reliance on them, H Corp. has suffered damage in the amount of \$44 million or such other amount as shall be proved at the trial of this Action.

Conversion

31. By means of the Diverted Funds, the Defendants have converted the Plaintiff's funds to their own use and thereby deprived the Plaintiff of the benefit of those funds.
32. The Plaintiff is entitled to restitution of the entire amounts so fraudulently converted.
Unjust Enrichment
33. The Defendants Sinoenergy Canada and Long Run have been enriched in the amount of the Diverted Funds, the Plaintiff has been deprived by a like amount, and there is no juristic reason for either the enrichment or the deprivation.

Conspiracy

34. The Defendants had an agreement pursuant to which they acted in concert and engaged in all of the foregoing conduct with the predominate purpose of causing injury to the Plaintiff. Alternatively, the Defendants had an agreement pursuant to which they acted both in concert and unlawfully, and the Defendants knew or ought to have known that the Plaintiffs would suffer harm as a result of the Defendants' actions.
35. By virtue of the Defendants' conspiracy, the Plaintiffs have suffered losses including the loss of the Diverted Funds. Further, by conspiring in the manner they have, the Defendants are jointly and severally liable to the Plaintiff for the entirety of the Plaintiff's loss notwithstanding that a particular Defendant may not have conducted a particular act alleged above.

Fraudulent Conveyances

36. At various times, the full particulars of which are only known to the Defendants, the Defendants have transferred assets from themselves to others in order to avoid creditors, including the Plaintiff, or alternatively to payees in preference to other creditors, including the Plaintiff (the "Fraudulent Conveyances"). The Fraudulent Conveyances were done at such a time as the Defendants knew they were insolvent or knew that in light of the claims against them, including the potential claim of the Plaintiff, they were on the eve of insolvency. All such Fraudulent Conveyances were illegal and contrary to the Statue of Elizabeth and the *Fraudulent Preferences Act*, RSA 2000, c F-24.
37. The Plaintiff seeks that the Fraudulent Conveyances be set aside and any assets so transferred made available to the Plaintiff to satisfy the judgment given to the Plaintiff in this Action.
38. As a result of the Fraudulent Conveyances, the Plaintiff expressly claims the right to constructive trusts and equitable liens in and against the assets so fraudulently conveyed.

Tracing, Freezing Assets, Accounting, and Disgorgement

39. As a result of the Defendants' wrongful conduct as set out above, the Plaintiff is entitled to trace all amounts received or disbursed by the Defendants as part of or as a result of the conduct outlined above. The Plaintiff is also entitled to an accounting of the monies belonging to the Plaintiff that have come into the possession of the Defendants and to an accounting of any benefit received by the Defendants as a result of the Diverted Funds.
40. The Plaintiff is also entitled to interlocutory and permanent injunctions restraining the Defendants from disposing of any of their assets wheresoever located and an accounting of all of the Defendants' assets, effects, and property, including any trust account or jointly held assets, any improper disposition thereof, and all money had or received by the Defendants or anyone on their behalf.
41. The Defendants are liable to make restitution to the Plaintiff and to disgorge any benefit they have received from the Diverted Funds to the Plaintiff.
42. The Plaintiff has also suffered significant out of pocket expenses and special damages in its detection, investigation, and quantification of the fraud and losses suffered and the attempt to recover the Diverted Funds, in an amount to be proven at trial.

Technical Matters

43. The Plaintiff believes it is unlikely that the Trial in this Action will exceed 25 days
44. The Plaintiff proposes that the Trial of this Action be held at the Calgary Courts Centre, in the City of Calgary, in the Province of Alberta.

Service *Ex Juris* on Mr. Deng

45. There is a real and substantial connection between Alberta and the facts on which the claims in this Action are based, including that:
 - (a) Mr. Deng was a director of relevant Alberta-based corporations and the claim is governed by the laws of Alberta;
 - (b) The claim relates to torts committed in Alberta;
 - (c) The claim related to the removal of assets from an Alberta-based corporation;
 - (d) The defendant, Mr. Deng, although outside Alberta, is a necessary or proper party to the action brought by others who are resident in Alberta;
 - (e) The Action relates to a breach of an equitable duty in Alberta.

Remedy sought:

46. The Plaintiff seeks against the Defendants jointly and severally:
- (a) An Order for service *ex juris* permitting service of the documents in this Action on Mr. Deng in the PRC;
 - (b) An Order freezing the assets of all the defendants named in this Statement of Claim or granting other interim relief as may be sought;
 - (c) A Norwich Order for the disclosure of records and information relating to the bank accounts of each of the Defendants;
 - (d) Judgment, or in the alternative damages, for the fraudulent taking of the Diverted Funds in the amount of \$44 million and such further amounts as will be discovered through the oral and documentary discovery process in the within Action and proven at Trial;
 - (e) An Order declaring that any funds or benefits received by Mr. Deng, Ms. Deng, or Mr. Lam from the Diverted Funds are held in trust for H Corp. and that H Corp. is permitted to trace the Diverted Funds that Mr. Deng, Ms. Deng, and Mr. Lam fraudulently obtained from H Corp. into and through any financial institution accounts or deposit facilities in the names of Mr. Deng, Ms. Deng, or Mr. Lam and into or through any assets purchased by Mr. Deng, Ms. Deng, or Mr. Lam;
 - (f) An Order declaring that Mr. Deng, Ms. Deng, and Mr. Lam must account to H Corp. for all monies taken from H Corp. as the Diverted Funds;
 - (g) An Order declaring that any funds or benefits received by Calgary Sinoenergy and Long Run from the Diverted Funds are held in trust for H Corp. and that H Corp. is permitted to trace as follows the Diverted Funds that Calgary Sinoenergy and Long Run fraudulently obtained from H Corp. into and through any financial institution accounts or deposit facilities in the names of Calgary Sinoenergy or Long Run and into or through any assets purchased by Calgary Sinoenergy or Long Run or into the hands of any person or entity;
 - (h) An Order declaring that Calgary Sinoenergy and Long Run must account to H Corp. for all monies taken from H Corp. as the Diverted Funds and disgorge same;
 - (i) Setting aside the Fraudulent Conveyances and granting constructive trusts or equitable liens over any assets so fraudulently conveyed;
 - (j) Special damages and out of pocket expenses arising out of the detection, investigation, quantification, and recovery of the fraud, losses and consequential losses suffered by H Corp. in the amount to be proven at the Trial of this Action;

- (k) Interest in accordance with the *Judgment Interest Act*, RSA 2000, c J-1, as amended;
- (l) Costs of this Action on a full indemnity solicitor and own client basis; and
- (m) Such further and other relief as this Honourable Court may deem just.

NOTICE TO THE DEFENDANT(S)

You only have a short time to do something to defend yourself against this Claim:

- 20 days if you are served in Alberta
- 1 month if you are served outside Alberta but in Canada
- 2 months if you are served outside Canada.

You can respond by filing a Statement of Defence or a Demand for Notice in the office of the clerk of the Court of Queen's Bench at Calgary, Alberta, AND serving your Statement of Defence or a Demand for Notice on the Plaintiff's(s') address for service.

WARNING

If you do not file and serve a Statement of Defence or a Demand for Notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a Court may give a judgment to the Plaintiff(s) against you.

Exhibit "2"

Purchase and Share Agreement, Dec-23-16

30 pages

THIS IS EXHIBIT " 2 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024

A handwritten signature in blue ink that reads "Joyce Staroszik". The signature is written in a cursive style and is positioned above a horizontal line.

A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 2026

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made as of the 23rd day of December, 2016.

BETWEEN:

FTI CONSULTING CANADA INC., solely in its capacity as the receiver and manager of **TWIN BUTTE ENERGY LTD.**, and not in its personal or corporate capacity (hereinafter referred to as "**Vendor**")

- and -

HENENGHAIXIN OPERATING CORP., a corporation incorporated under the laws of Alberta (hereinafter referred to as "**Purchaser**")

WHEREAS pursuant to an order of the Honourable Madam Justice B.E.C. Romaine of the Alberta Court of Queen's Bench (the "**Court**") dated September 1, 2016 (the "**Appointment Order**"), FTI Consulting Canada Inc. ("**Receiver**") was appointed receiver and manager of Twin Butte Energy Ltd. ("**Twin Butte**");

AND WHEREAS Vendor wishes to sell, and Purchaser wishes to purchase, all of the interest of Vendor in and to the Assets, subject to and in accordance with the terms and conditions hereof;

NOW THEREFORE, THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties have agreed as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

- (a) "**Abandonment and Reclamation Obligations**" means all past, present and future obligations to:
- (i) abandon, shut-down, close, decommission, dismantle or remove any and all Wells and Tangibles, including all structures, foundations, buildings, pipelines, equipment and other facilities located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands; and
 - (ii) restore, remediate and reclaim the surface and subsurface locations of the Wells and the Tangibles and any lands used to gain access thereto, including such obligations relating to wells, pipelines and facilities which were abandoned or decommissioned prior to the Effective Time that were located on the Lands or that were located on other lands and used in respect of Petroleum Substances produced or previously produced from the Lands, and including the remediation, restoration and reclamation of any other surface and sub-surface lands affected by any environmental damage, contamination or other environmental issues emanating from or relating to the sites for the Wells or the Tangibles;

all in accordance with generally accepted oil and gas industry practices and in compliance with all Applicable Laws, provided however that such obligations and liabilities do not include obligations and liabilities solely associated with the Excluded Contracts;

- (b) "**Affiliate**" means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term "**control**" as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership or more than fifty percent (50%) of the voting securities of such Person, by contract or otherwise;
- (c) "**Applicable Law**" means, in relation to any person, property or circumstance, all laws, statutes, rules, regulations, official directives and orders of Governmental Authorities (whether administrative, legislative, executive or otherwise), including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and includes the provisions and conditions of any permit, license or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such person, property or circumstance;
- (d) "**Assets**" means the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests;
- (e) "**Assumed Corporate Contracts**" means those contracts specified in Schedule "H" hereto;
- (f) "**Business Day**" means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;
- (g) "**Closing**" means the transfer of possession, beneficial ownership and risks of the Assets from Vendor to Purchaser, the exchange of Specific Conveyances and payment of the Purchase Price by Purchaser to Vendor, and all other items and considerations required to be delivered on the Closing Date pursuant hereto;
- (h) "**Closing Date**" means 10:00 a.m. (Calgary time) on the later of:
 - (i) January 31, 2017;
 - (ii) the day that is three (3) Business Days after receipt of the Court Order;
 - (iii) the day that is three (3) Business Days after waiver, expiry or satisfaction of all Rights of First Refusal; or
 - (iv) the day that is three (3) Business Days after the date upon which the last Regulatory Approval has been received;or such other time and date as may be agreed upon in writing by the Parties;
- (i) "**Closing Place**" means the offices of Norton Rose Fulbright Canada LLP, Suite 3700, 400 3rd Ave SW, Calgary, AB or such other place as may be agreed upon in writing by the Parties;
- (j) "**Commissioner**" means the Commissioner of Competition appointed pursuant to subsection 7(1) of the *Competition Act* or his designee;
- (k) "**Competition Act**" means the *Competition Act*, R.S.C. 1985, c.C-34, as amended;
- (l) "**Competition Act Approval**" means the occurrence of one or more of the following:

- (i) an advance ruling certificate pursuant to section 102 of the Competition Act shall have been issued by the Commissioner in respect of the transactions contemplated by this Agreement;
 - (ii) the Commissioner shall have waived the obligation to notify and supply information under Part IX of the Competition Act pursuant to subsection 113(c) of the Competition Act and confirmed, in writing, that he does not, at that time, intend to make an application under section 92 of the Competition Act; or
 - (iii) the Parties shall have notified the Commissioner under section 114 of the Competition Act and the relevant waiting period under section 123 of the Competition Act shall have expired or been terminated;
- (m) "**Court Order**" means an order to be granted by the Court, in a form and substance similar to that attached in Schedule "F", as may be further amended by the mutual agreement of the Parties hereto, which: (i) authorizes, approves and confirms this Agreement and the sale of the Assets by Vendor to Purchaser in accordance with the terms and conditions contained herein; (ii) vests beneficial title to the Assets in Purchaser free and clear of all encumbrances, liens, security interests or claims, other than Permitted Encumbrances; and, (iii) seals this Agreement and any and all other filed confidential documents or information pertaining thereto or to the Transactions until three (3) months after Closing;
- (n) "**Data Room Information**" means all information provided or made available to Purchaser in hard copy or electronic form in relation to Twin Butte and/or the Assets;
- (o) "**Date of Appointment**" means September 1, 2016;
- (p) "**Effective Date**" means December 1, 2016;
- (q) "**Environmental Liabilities**" means all liabilities in respect of the environment which relate to the Assets or which arise in connection with the ownership thereof or operations pertaining thereto, including without limitation, liabilities related to or arising from:
- (i) transportation, storage, use or disposal of toxic or hazardous substances;
 - (ii) release, spill, escape, emission, leak, discharge, migration or dispersal of toxic or hazardous substances; or
 - (iii) pollution or contamination of or damage to the environment;
- including, without limitation, liabilities to compensate Third Parties for damages and Losses resulting from the items described in items (i), (ii) and (iii) above (including, without limitation, damage to property, personal injury and death) and obligations to take action to prevent or rectify damage to or otherwise protect the environment and, for purposes of this Agreement, "the environment" includes, without limitation, the air, the surface and subsurface of the earth, bodies of water (including, without limitation, rivers, streams, lakes and aquifers) and plant and animal life (including humans);
- (r) "**Excluded Contracts**" means those agreements, contracts and arrangements set forth in Schedule "G".
- (s) "**Facilities**" means Vendor's entire interest in and to all unit facilities under any unit agreement applicable to the Leased Substances and all other field facilities whether or not solely located on or under the surface of the Lands (or lands with which the Lands are pooled) and that are, or have been, used for production, gathering, treatment, compression, transportation, injection, water disposal, measurement, processing, storage

or other operations respecting the Leased Substances, including any applicable battery, separator, compressor station, gathering system, pipeline, production storage facility or warehouse, including, without limitation, those field facilities specifically identified in Schedule "B";

- (t) "**FLERC**" means Frog Lake Energy Resources Corp.;
- (u) "**FLERC Offer**" means Purchaser's offer to acquire FLERC's entire interest in the lands governed by a Joint Operating Agreement dated October 10, 2006 between the Buffalo Oil Corporation (as predecessor in interest to Twin Butte) and FLERC (the "**JOA**"), which shall be made by Purchaser in accordance with clause 7 (c) of the JOA. The lands governed by the JOA includes without limitation those interests listed on Twin Butte's Contract Abstract for file number C0223 dated December 16, 2016;
- (v) "**General Conveyance**" means the form of general conveyance attached hereto as Schedule "D";
- (w) "**Governmental Authority**" means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, or department, including any government-owned entity, having jurisdiction over a Party, the Assets or the Transaction;
- (x) "**GST**" means the goods and services tax payable pursuant to the GST Legislation;
- (y) "**GST Legislation**" means Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and the regulations promulgated thereunder;
- (z) "**Included Seismic**" means the seismic data relating to or in respect of Vendor's 100% proprietary seismic data lines and, to the extent transferable, in respect of all partner seismic, all as listed in Schedule "I".
- (aa) "**Lands**" means the lands set out and described in Schedule "A", and the Petroleum Substances within, upon or under such lands (subject to the restrictions and exclusions identified in Schedule "A" and in the Title Documents as to Petroleum Substances and geological formations);
- (bb) "**Leased Substances**" means all Petroleum Substances, rights to or in respect of which are granted, reserved or otherwise conferred by or under the Title Documents (but only to the extent that the Title Documents pertain to the Lands);
- (cc) "**Licence Transfers**" means, in relation to the Assets, the transfer of any permits, approvals, licences and authorizations granted by any applicable Governmental Authority;
- (dd) "**Losses**" means all losses, costs, claims, damages, expenses and liabilities which a Party suffers, sustains, pays or incurs, including reasonable legal fees on a solicitor and his own client basis but notwithstanding the foregoing shall not include any liability for indirect or consequential damages including business loss, loss of profit, economic loss, punitive damages or income tax liabilities;
- (ee) "**Miscellaneous Interests**" means, subject to any and all limitations and exclusions provided for in this definition, Vendor's entire interest in and to all property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles (other than the Petroleum and Natural Gas Rights and the Tangibles), or either of them, but only to the extent that such property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including without limitation any and all of the following:

- (i) all contracts and agreements, other than the Excluded Contracts, relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);
- (ii) all subsisting rights to carry out operations relating to the Lands or the Tangibles, and without limitation, all easements and other permits, licenses and authorizations pertaining to the Tangibles;
- (iii) rights to enter upon, use, occupy and enjoy the surface of any lands which are used or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them;
- (iv) all records, books, documents, licences, reports, files, correspondence and data (including historical data) which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them including any of the foregoing that pertain to geological or geophysical matters;
- (v) the Wells, including the wellbores and any and all casing;
- (vi) the Included Seismic, subject to consents of all Third Parties and Purchaser's payment of fees which may be owed to Third Parties as a result of a transfer to Purchaser, as applicable; and
- (vii) the Assumed Corporate Contracts, to the extent that they are transferable and subject to the consents of all Third Parties and Purchaser's payment of fees which may be owed to Third Parties as a result of a transfer to Purchaser, as applicable.

Notwithstanding the foregoing, unless otherwise agreed in writing by the Parties, the Miscellaneous Interests shall not include agreements, documents or data to the extent that (i) they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by Twin Butte to an assignee, except as provided in 1.1(ee)(vii); or (ii) they are Excluded Contracts. For greater certainty, if any Assumed Corporate Contract or Included Seismic is not assigned to Purchaser for any reason, there shall not be any adjustment of the Purchase Price;

- (ff) "**Outside Date**" means February 28, 2017, subject to the right of Purchaser to postpone the Outside Date for up to an additional 30 days if the Regulatory Approvals have not been obtained and have not been denied by a non-appealable decision of a Governmental Authority, upon payment by Purchaser of an additional deposit of \$5.0 million to the Vendor, which additional deposit shall form a part of the Deposit;
- (gg) "**Party**" means a party to this Agreement;
- (hh) "**Permitted Encumbrances**" means:
 - (i) all encumbrances, overriding royalties, net profits interests and other burdens identified in Schedule "A";
 - (ii) any Right of First Refusal or any similar restriction (including the FLERC Offer) applicable to any of the Assets;
 - (iii) the terms and conditions of the Title Documents, including, without limitation, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;

- (iv) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Law to terminate any Title Document;
 - (v) easements, right of way, servitudes or other similar rights in land, including, without in any way limiting the generality of the foregoing, rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables which do not materially impair the use and enjoyment of the Assets;
 - (vi) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;
 - (vii) agreements for the sale, processing, transmission or transportation of Petroleum Substances, which are terminable on not more than thirty (30) days' notice (without an early termination penalty or other cost);
 - (viii) any obligation of Twin Butte or Vendor to hold any portion of its interest in and to any of the Assets in trust for Third Parties;
 - (ix) the right reserved to or vested in any municipality, Governmental Authority or other public authority to control or regulate any of the Assets in any manner, including any directives or notices received from any municipality, Governmental Authority or other public authority pertaining to the Assets;
 - (x) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards Vendor's or Twin Butte's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;
 - (xi) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;
 - (xii) agreements and plans relating to pooling or unitization of any of the Petroleum and Natural Gas Rights;
 - (xiii) provisions for penalties and forfeitures under agreements as a consequence of non-participation in operations; and
 - (xiv) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets.
- (ii) "**Person**" means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;
- (jj) "**Petroleum and Natural Gas Rights**" means Vendor's entire interest in and to all rights to and in respect of the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands), including, without limitation, the interests set out and described in Schedule "A";

- (kk) "**Petroleum Substances**" means any of crude oil, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including without limitation, sulphur;
- (ll) "**PRC Regulatory Approvals**" means the approvals in respect of the Transaction from each of: (i) the State Administration of Foreign Exchange; (ii) the Ministry of Commerce, Qingdao Branch; and (iii) the Qingdao Development and Reform Commission, each of the People's Republic of China;
- (mm) "**Prime Rate**" means the rate of interest, expressed as a rate per annum, designated by the main branch in Calgary of the Royal Bank of Canada as the reference rate used by it to determine rates of interest charged by it on Canadian dollar commercial loans made in Canada and which is announced by such bank, from time to time, as its prime rate, provided that whenever such bank announces a change in such reference rate the "Prime Rate" shall correspondingly change effective on the date the change in such reference rate is effective;
- (nn) "**Regulatory Approvals**" means, collectively the Competition Act Approval and the PRC Regulatory Approvals;
- (oo) "**Representative**" means, with, respect to any Party, its Affiliates, and its and their respective directors, officers, servants, agents, advisors, employees and consultants;
- (pp) "**Rights of First Refusal**" means a preferential, pre-emptive or first purchase right that becomes operative by virtue of this Agreement or the Transaction;
- (qq) "**Sales Taxes**" means all transfer, sales, excise, stamp, license, production, value-added and other like taxes, assessments, charges, duties, fees, levies or other governmental charges of any kind, and includes, but is not limited to, additions by way of penalties, interest and other amounts with respect thereto, but excludes GST;
- (rr) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the interest of Vendor in and to the Assets to Purchaser and to novate Purchaser in the place and stead of Vendor with respect to the Assets;
- (ss) "**Tangibles**" means Vendor's entire interest in and to:
 - (i) the Facilities and any and all tangible depreciable property and assets, if any, which are located within, upon or in the vicinity of the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, make marketable or inject the Leased Substances or any of them, and any real property (other than the Lands);
 - (ii) all equipment, machinery, fixtures and other tangible personal property and improvements located on, used or held for use or obtained in connection with the ownership or operation of the Lands, including tanks, boilers, plants, buildings, field offices and other structures, fixtures, injection facilities, saltwater disposal facilities, compressors and other compression facilities (whether installed or not), pumping units, flow lines, pipelines, gathering systems, treating or processing systems or facilities, meters, machinery, power and other utility lines, roads, computer and automation equipment, telecommunications equipment, field radio telemetry and associated frequencies and licences, pressure transmitters, central processing equipment, tools, spare parts, major warehouse inventory, vehicles, and all equipment used in connection with such rolling stock, including safety equipment, special tools, dynamometers, hand tools and fluid level equipment),

- and other appurtenances, improvements and facilities, to the extent such items are transferable to Vendor;
- (iii) all pipes, casing, tubulars, fittings, and other spare parts, supplies, tools, and materials located on, used or held for use on or held as inventory in connection with the ownership or operation of the Lands and other Tangibles, to the extent such items are transferable to Vendor; and
 - (iv) all furniture, copiers, office equipment, phone lines, satellite services, cellular modems, cell phones, computer hardware, servers, plotters, computer software, software licenses, printers, routers and other equipment, to the extent such items are transferable to Vendor;
- (tt) **"Third Party"** means any individual or entity other than Receiver, Twin Butte, Vendor and Purchaser, including without limitation any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;
- (uu) **"this Agreement", "herein", "hereto", "hereof"** and similar expressions mean and refer to this Agreement;
- (vv) **"Title Documents"** means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements and any other documents and agreements granting, reserving or otherwise conferring rights to (i) explore for, drill for, produce, take, use or market Petroleum Substances, (ii) share in the production of Petroleum Substances, (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced, and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands; including, without limitation, those, if any, set out and described in Schedule "A", but specifically excluding any of the Excluded Contracts;
- (ww) **"Transaction"** means the transaction for the purchase and sale of the Assets as contemplated by this Agreement;
- (xx) **"Wells"** means Vendor's entire interest in and to any wells whatsoever, including without limitation all producing, shut-in, suspended, abandoned, capped, injection and disposal wells.

1.2 Headings

The expressions "Article", "section", "subsection", "clause", "subclause", "paragraph" and "Schedule" followed by a number or letter or combination thereof mean and refer to the specified article, section, subsection, clause, subclause, paragraph and schedule of or to this Agreement.

1.3 Interpretation Not Affected by Headings

The division of this Agreement into Articles, sections, subsections, clauses, subclauses and paragraphs and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Included Words

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and *vice versa*, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders.

1.5 Schedules

There are appended to this Agreement the following schedules pertaining to the following matters:

Schedule "A"	-	Lands and Petroleum and Natural Gas Rights
Schedule "B"	-	Facilities
Schedule "C"	-	Rights of First Refusal
Schedule "D"	-	General Conveyance
Schedule "E"	-	Form of Officer's Certificate
Schedule "F"	-	Form of Court Order
Schedule "G"	-	Excluded Contracts
Schedule "H"	-	Assumed Corporate Contracts
Schedule "I"	-	Included Seismic

Such schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such schedules conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

1.6 Damages

All losses, costs, claims, damages, expenses and liabilities in respect of which a Party has a claim pursuant to this Agreement include, without limitation, reasonable legal fees and disbursements on a solicitor and client basis.

1.7 Derivatives

Where a term is defined herein, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires.

1.8 Interpretation if Closing Does Not Occur

In the event that Closing does not occur, each provision of this Agreement which presumes that Purchaser has acquired the Assets hereunder shall be construed as having been contingent upon Closing having occurred.

1.9 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Agreement and that of a schedule or a Specific Conveyance, the provision of the body of this Agreement shall prevail. If any term or condition of this Agreement conflicts with a term or condition of a Title Document or any Applicable Law, the term or condition of such Title Document or the Applicable Law shall prevail, and this Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.

1.10 Currency

All dollar (\$) amounts referenced in this Agreement are expressed in the lawful currency of Canada.

**ARTICLE 2
PURCHASE AND SALE AND CLOSING**

2.1 Purchase and Sale

Vendor, exercising the powers of sale granted pursuant to the Appointment Order, hereby agrees to sell, assign, transfer, convey and set over to Purchaser, and Purchaser hereby agrees to purchase from Vendor, all of the right, title, estate and interest of Vendor (whether absolute or contingent, legal or beneficial) in and to the Assets, subject to and in accordance with the terms of this Agreement.

2.2 Purchase Price

The aggregate consideration to be paid by Purchaser to Vendor for Vendor's interest in and to the Assets shall be Two Hundred and Sixty-Six Million Dollars (\$266,000,000.00) (the "**Purchase Price**") plus applicable GST and/or Sales Taxes, plus or minus (as applicable) the net amount of the adjustments made pursuant to Article 7, and shall be satisfied by Purchaser in cash paid to Vendor at Closing.

2.3 Allocation of Purchase Price

The Parties shall allocate the Purchase Price as follows:

Petroleum and Natural Gas Rights	80%
Tangibles	20% less \$10.00
Miscellaneous Interests	\$10.00

2.4 Assumption of Abandonment and Reclamation Obligations

In determining the Purchase Price, the Parties have taken into account Purchaser's assumption of responsibility for the payment of all costs for existing or future Abandonment and Reclamation Obligations associated with the Assets, as set forth in this Agreement, and the absolute release of Twin Butte and Vendor of all and any responsibility or liability therefor.

2.5 Closing

Closing shall take place at the Closing Place on the Closing Date if there has been satisfaction or waiver of the conditions of Closing herein contained. Subject to all other provisions of this Agreement, possession, risk and beneficial ownership of Vendor's interest in and to the Assets shall pass from Vendor to Purchaser on the Closing Date.

- (a) On the Closing Date, Vendor shall deliver to Purchaser:
 - (i) the General Conveyance in the form attached as Schedule "D", duly executed by Vendor;
 - (ii) the Officer's Certificate substantially in the form attached as Schedule "E", duly executed by Vendor;
 - (iii) a receipt for the Purchase Price as adjusted herein plus applicable GST and/or Sales Taxes;
 - (iv) the tax elections as contemplated by this Agreement, duly executed by Vendor;
 - (v) a certified filed copy of the Court Order; and
 - (vi) such other items as may be specifically required hereunder.

- (b) On the Closing Date, Purchaser shall deliver to Vendor:
 - (i) the General Conveyance in the form attached as Schedule "D", duly executed by Purchaser;
 - (ii) the Officer's Certificate substantially in the form attached as Schedule "E", duly executed by Purchaser;
 - (iii) the Purchase Price, as adjusted herein, less the Deposit, plus applicable GST and/or Sales Taxes;
 - (iv) the tax elections as contemplated by this Agreement, duly executed by Purchaser; and
 - (v) such other items as may be specifically required hereunder.

2.6 Specific Conveyances

The Parties shall cooperate in the preparation of the Specific Conveyances. At a reasonable time prior to Closing, Vendor shall use reasonable efforts to prepare and provide for Purchaser's review all Specific Conveyances at Vendor's own cost and expense, provided that Purchaser shall be responsible for any and all disbursements or fees payable to any Governmental Authority in connection therewith. The Parties shall execute such Specific Conveyances at Closing. None of the Specific Conveyances shall confer or impose upon either Party any greater right or obligation than as contemplated in this Agreement. Promptly after Closing, Purchaser shall register and/or distribute (as applicable) all such Specific Conveyances and shall bear all costs incurred therewith and in preparing and registering any further assurances required to convey the Assets to Purchaser.

2.7 Title Documents, Included Seismic and Miscellaneous Interests

As soon as practicable following Closing, Vendor shall deliver to Purchaser such original copies of the Title Documents, the Included Seismic, and any other agreements and documents to which the Assets are subject and such original copies of contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests which are now in the possession of Vendor or of which Vendor gains possession of prior to Closing.

2.8 Form of Payment

All payments to be made pursuant to this Agreement shall be in Canadian funds. All payments to be made pursuant to this Agreement shall be made by certified cheque, bank draft or wire transfer.

2.9 Deposit

The Parties acknowledge that a deposit in the amount of Twenty Million United States dollars (USD\$20,000,000.00), which is approximately equivalent to Twenty Six Million Six Hundred Thousand Canadian dollars (\$26,600,000.00), as of the date hereof, representing approximately ten percent (10%) of the Purchase Price, has been provided by Purchaser to Receiver concurrent with the execution of this Agreement, to be held in trust in an interest-bearing trust account and released only in accordance with the provisions of this section 2.9 (the "**Deposit**"), which shall include any additional deposit payments provided for hereunder and all interest thereon.

The Deposit shall be held in trust by Receiver until one of the following events occur:

- (a) if Closing occurs, the Deposit shall be paid to Purchaser for the account of Purchaser absolutely;

- (b) if Closing does not occur due to a material breach of this Agreement by Purchaser or by failure of Purchaser to fulfill the conditions, for any reason whatsoever, set forth in subsections 3.4(a), 3.4(b), 3.4(c), 3.4(d) or 3.4(e) the Deposit shall be forfeited to Vendor for the account of Vendor absolutely; and
- (c) if Closing does not occur due to any reason other than as addressed by section 2.9(b), the Deposit shall be paid to Purchaser for the account of Purchaser absolutely.

2.10 Damages

The Parties agree that the amount of the Deposit constitutes their genuine estimate of all damages that will be suffered by Vendor as a result of Closing not occurring and that Vendor's retention thereof shall constitute liquidated damages to, and be the sole remedy of, Vendor as a result of Closing not occurring.

2.11 Taxes

- (a) Joint Election

The Parties agree to make a joint successor election under section 66.7 of the *Income Tax Act* (Canada) in respect of all of the cumulative resource tax accounts of Twin Butte to the extent permitted thereunder. Purchaser, acting reasonably, shall prepare, and each Party agrees to execute and file, such elections in the form and within the time periods prescribed or specified under such Act so as to transfer such cumulative resources tax pools from Twin Butte to Purchaser to the maximum extent permitted under such Act.

- (b) GST

Vendor is a registrant for GST purposes and will continue to be a registrant at the Closing Date in accordance with the provisions of the GST Legislation. Purchaser is in the process of becoming a registrant for GST purposes and when registered will continue to be a registrant at the Closing Date in accordance with the provisions of the GST Legislation. The GST registration number of Vendor is 88525 7741 RT0002. Purchaser shall provide notice to Vendor of its GST registration number promptly upon receipt thereof. If available under Applicable Law, Parties agree to make an election under subsection 167(1) of the GST Legislation in respect of the GST payable as a result of the transaction contemplated herein. Purchaser, acting reasonably, shall prepare, and each Party agrees to execute and file, such elections in the form and within the time periods prescribed or specified under Applicable Law. Purchaser shall be responsible for the payment of any amount of GST payable in respect of its purchase of the Assets pursuant hereto and any interest and penalties payable in respect of such additional GST and shall indemnify and save harmless Vendor in respect thereof.

- (c) Sales Taxes Generally

The Parties acknowledge that the Purchase Price is exclusive of all Sales Taxes. Purchaser shall be solely responsible for all Sales Taxes which may be imposed by any Governmental Authority and which pertain to Purchaser's acquisition of the Assets or to the registration of any Specific Conveyances necessitated hereby. Except where Vendor is required under Applicable Law to collect or pay such Sales Taxes, Purchaser shall pay such Sales Taxes directly to the appropriate Governmental Authority or other entity within the required time period and shall file all necessary documentation with respect to such Sales Taxes when due. Vendor will do and cause to be done such things as are reasonably requested to enable Purchaser to comply with such obligation in a timely manner. If Vendor is required under Applicable Law to pay any such Sales Taxes, Purchaser shall promptly reimburse Vendor the full amount of such Sales Taxes upon delivery to Purchaser of copies of receipts showing payment of such Sales Taxes. Purchaser shall be responsible for the payment of any amount of Sales Taxes payable in respect of its purchase of the Assets pursuant hereto and any interest and penalties payable in respect thereto and shall indemnify and save harmless Vendor in respect thereof.

(d) Additional Elections

The Parties agree to make such other elections (including, without limitation, with respect to GST or Sales Tax) as prudent and available to minimize taxes payable as a result of the transaction contemplated herein. Purchaser, acting reasonably, shall prepare, and each Party agrees to execute and file, such elections in the form and within the time periods prescribed or specified under Applicable Law.

ARTICLE 3 CONDITIONS OF CLOSING

3.1 Required Consents

Both before and after Closing, each of the Parties shall use all reasonable efforts to obtain any and all approvals required under Applicable Law and any and all material consents of Third Parties required to permit the Transaction. The Parties acknowledge that, with the exception of the Regulatory Approvals, the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of Purchaser, at Purchaser's sole cost and expense, to provide any and all financial assurances, remedial work or other documentation required by Governmental Authorities to permit the transfer to Purchaser, and registration of Purchaser as owner and/or operator, of any of the Assets including, but not limited to, the Facilities and the Wells.

3.2 Mutual Conditions

The obligation of Purchaser to purchase Vendor's interest in and to the Assets, and of Vendor to sell its interest in and to the Assets to Purchaser, is subject to the following conditions precedent:

- (a) Vendor obtaining the Court Order; and
- (b) there shall not have been instituted any legal proceedings to obtain, and no court or Governmental Authority of competent jurisdiction shall have issued, promulgated, enforced or entered any judgment, decree, injunction or other order, whether temporary, preliminary or permanent, that restrains, enjoins or otherwise prohibits consummation of the Transaction.

Unless otherwise agreed to by the Parties, if the conditions contained in this section 3.2 have not been performed or satisfied on or before the Outside Date, this Agreement and the obligations of Vendor and Purchaser under this Agreement shall automatically terminate without any further action on the part of either Vendor or Purchaser.

3.3 Purchaser's Conditions

The obligation of Purchaser to purchase Vendor's interest in and to the Assets is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Purchaser and may be waived by Purchaser in whole or in part:

- (a) the representations and warranties of Vendor herein contained shall be true in all material respects when made and as of the Closing Date;
- (b) all obligations of Vendor contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and
- (c) the Regulatory Approvals shall have been obtained.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Purchaser, at or before the Outside Date, Purchaser may terminate this Agreement by written

notice to Vendor. If Purchaser terminates this Agreement, Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in sections 2.9 and 13.13.

3.4 Vendor's Conditions

The obligation of Vendor to sell its interest in and to the Assets to Purchaser is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Vendor and may be waived by Vendor in whole or in part:

- (a) the representations and warranties of Purchaser herein contained shall be true in all material respects when made and as of the Closing Date;
- (b) all obligations of Purchaser contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects;
- (c) all amounts to be paid by Purchaser to Vendor at Closing, including, without limitation, the Purchase Price, shall have been paid to Vendor in the form stipulated in this Agreement;
- (d) Purchaser shall have obtained the PRC Regulatory Approvals;
- (e) Purchaser shall have taken all steps as are necessary for Purchaser to be able to, and to be eligible under Applicable Law to, receive and be specifically conveyed the Assets including becoming registered as a licensed operator with each of the AER, BCOGC and ECON; and
- (f) the Competition Act Approval shall have been obtained;

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Vendor, at or before the Outside Date, Vendor may terminate this Agreement by written notice to Purchaser. If Vendor terminates this Agreement, Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in sections 2.9 and 13.13.

3.5 Efforts to Fulfil Conditions Precedent

Purchaser and Vendor shall proceed diligently and in good faith and use all reasonable efforts to satisfy and comply with and assist in the satisfaction and compliance with the foregoing conditions precedent.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Vendor and Receiver

Vendor makes only the following representations to Purchaser, no claim in respect of which shall be made or be enforceable by Purchaser unless written notice of such claim, with reasonable particulars, is given by Purchaser to Vendor within a period of six (6) months following the Closing Date:

- (a) Receiver has been appointed by the Court as receiver and manager of Twin Butte and such appointment is valid and subsisting;
- (b) subject to obtaining the Court Order, Vendor has the right to enter into this Agreement and, subject to obtaining the Competition Act Approval, to complete the Transaction; and
- (c) Vendor is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

4.2 Representations and Warranties of Purchaser

Purchaser makes the following representations and warranties to Vendor, no claim in respect of which shall be made or be enforceable by Vendor unless written notice of such claim, with reasonable particulars, is given by Vendor to Purchaser within a period of six (6) months following the Closing Date:

- (a) Purchaser is a corporation duly organized, validly existing and is authorized to carry on business in the provinces in which the Lands are located;
- (b) Purchaser has good right, full power and absolute authority to purchase and acquire the interest of Vendor in and to the Assets according to the true intent and meaning of this Agreement;
- (c) except for obtaining the Court Order, the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' or equivalent actions and will not result in any violation of, be in conflict with, or constitute a default under, any articles, charter, bylaw or other governing document to which Purchaser is bound;
- (d) the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which Purchaser is party or by which Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or license applicable to Purchaser, subject to obtaining the Regulatory Approvals;
- (e) provided the Court Order is obtained, this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Purchaser enforceable against Purchaser in accordance with their terms;
- (f) except for the Regulatory Approvals, no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Assets is required for the due execution, delivery and performance by Purchaser of this Agreement, other than authorizations, approvals or exemptions from requirement therefor previously obtained and currently in force or to be obtained prior to or after Closing;
- (g) Purchaser has adequate funds available in an aggregate amount sufficient to pay: (i) all amounts required to be paid by Purchaser under this Agreement when due; and (ii) all expenses which have been or will be incurred by Purchaser in connection with this Agreement and the Transaction when due;
- (h) Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the Transaction for which Vendor shall have any obligation or liability;
- (i) Purchaser is not a non-resident of Canada within the *Income Tax Act* (Canada); and
- (j) Purchaser is a WTO investor for the purposes of the *Investment Canada Act* (Canada).

4.3 Limitation of Representations by Vendor

- (a) Subject to section 4.1, Vendor expressly negates any representations or warranties, whether written or verbal, made by Vendor or its Representatives and in particular, without limiting the generality of the foregoing, Vendor disclaims all liability and responsibility for any such representation, warranty, statement or information made or communicated, whether verbal or in writing, to Purchaser or any of its Representatives. Vendor's interest in and to the Assets shall be purchased on a strictly "as is, where is"

basis and there are no collateral agreements, conditions, representations or warranties of any nature whatsoever made by Vendor, express or implied, arising at law, by statute, in equity or otherwise, with respect to the Assets and in particular, without limiting the generality of the foregoing, there are no collateral agreements, conditions, representations or warranties made by Vendor, express or implied, arising at law, by statute, in equity or otherwise with respect to:

- (i) any engineering, geological or other interpretation or economic evaluations respecting the Assets;
 - (ii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;
 - (iii) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;
 - (iv) the rates of production of Petroleum Substances from the Lands;
 - (v) the quality, condition, fitness or merchantability of any tangible depreciable equipment or property interests which comprise the Assets (including the Tangibles);
 - (vi) the accuracy or completeness of the Data Room Information or any other data or information supplied by Vendor or any of its Representatives in connection with the Assets;
 - (vii) the suitability of the Assets for any purpose;
 - (viii) compliance with Applicable Laws; or
 - (ix) the title and interest of Vendor in and to the Assets.
- (b) Without restricting the generality of the foregoing, Purchaser acknowledges that it has made its own independent investigation, analysis, evaluation and inspection of Vendor's interests in the Assets and the state and condition thereof and that it is satisfied with, and has relied solely on, such investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets.
- (c) Except with respect to the representations and warranties in section 4.1 or in the event of fraud, Purchaser forever releases and discharges Vendor and its Representatives from any claims and all liability to Purchaser or Purchaser's assigns and successors, as a result of the use or reliance upon advice, information or materials pertaining to the Assets which was delivered or made available to Purchaser by Vendor or its Representatives prior to or pursuant to this Agreement, including, without limitation, any evaluations, projections, reports and interpretive or non-factual materials prepared by or for Vendor, or otherwise in Vendor's possession.

ARTICLE 5 INDEMNITIES FOR REPRESENTATIONS AND WARRANTIES

5.1 Vendor's Indemnities for Representations and Warranties

Vendor shall be liable to Purchaser for and shall, in addition, indemnify Purchaser from and against, all Losses suffered, sustained, paid or incurred by Purchaser which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in section 4.1 been accurate and truthful; provided, that nothing in this section 5.1 shall be construed so as to cause Vendor

to be liable to or indemnify Purchaser in connection with any representation or warranty contained in section 4.1 if and to the extent that Purchaser did not rely upon such representation or warranty.

5.2 Purchaser's Indemnities for Representations and Warranties

Purchaser shall be liable to Vendor for and shall, in addition, indemnify Vendor from and against, all Losses suffered, sustained, paid or incurred by Vendor which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in section 4.2 been accurate and truthful; provided, that nothing in this section 5.2 shall be construed so as to cause Purchaser to be liable to or indemnify Vendor in connection with any representation or warranty contained in section 4.2 if and to the extent that Vendor did not rely upon such representation or warranty.

5.3 Survival of Representations and Warranties

Each Party acknowledges that the other may rely on the representations and warranties made by such Party pursuant to section 4.1 or 4.2, as the case may be. The representations and warranties in sections 4.1 and 4.2 shall be true as of the date hereof and on the Closing Date, and such representations and warranties shall continue in full force and effect and shall survive the Closing Date for a period of six (6) months, for the benefit of the Party to which such representations and warranties were made. In the absence of fraud, however, no claim or action shall be commenced with respect to a breach of any such representation and warranty, unless, within such period, written notice specifying such breach in reasonable detail has been provided to the Party which made such representation or warranty.

ARTICLE 6 INDEMNITIES

6.1 Post-Closing Date Indemnity

Provided that Closing has occurred, Purchaser shall:

- (a) be solely liable and responsible for any and all Losses which Vendor may suffer, sustain, pay or incur; and
- (b) indemnify, release and save harmless Vendor and its Representatives from any and all Losses, actions, proceedings and demands, whatsoever which may be brought against or suffered by Vendor or which it may sustain, pay or incur,

as a result of any matter or thing resulting from, attributable to or connected with the Assets and arising or accruing after the Closing Date.

6.2 Environmental Matters and Abandonment and Reclamation Obligations

Purchaser acknowledges that, insofar as the environmental condition of the Assets is concerned, it will acquire the Assets pursuant hereto on an "as is, where is" basis. Purchaser acknowledges that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that Vendor has provided Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of Purchaser (insofar as Vendor could reasonably provide such access) and that Purchaser is not relying upon any representation or warranty of Vendor as to the environmental condition of the Assets, Environmental Liabilities or Abandonment and Reclamation Obligations. Provided that Closing has occurred, Purchaser shall:

- (a) be solely liable and responsible for any and all Losses which Vendor may suffer, sustain, pay or incur; and

- (b) indemnify, release and save harmless Vendor from any and all Losses, actions, proceedings and demands, whatsoever which may be brought against or suffered by Vendor or which it may sustain, pay or incur,

as a result of any matter or thing arising out of, resulting from, attributable to or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, Purchaser shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations as between Vendor and Purchaser (including, without limitation, whether occurring or accruing prior to, on or after the Closing Date), and hereby releases Vendor from any claims Purchaser may have against Vendor with respect to all such liabilities and responsibilities. Without restricting the generality of the foregoing, Purchaser shall be responsible for all Environmental Liabilities and Abandonment and Reclamation Obligations (including, without limitation, whether occurring or accruing prior to, on or after the Closing Date) in respect of all Wells and Facilities.

6.3 Third Party Claims

The following procedures shall be applicable to any claim by a Party (the "**Indemnitee**") for indemnification pursuant to this Agreement from another Party (the "**Indemnitor**") in respect of any Losses in relation to a Third Party (a "**Third Party Claim**"):

- (a) upon the Third Party Claim being made against or commenced against the Indemnitee, the Indemnitee shall within ten (10) Business Days of notice thereof provide written notice thereof to the Indemnitor. The notice shall describe the Third Party Claim in reasonable detail and indicate the estimated amount, if practicable, of the indemnifiable Losses that have been or may be sustained by the Indemnitee in respect thereof. If the Indemnitee does not provide notice to the Indemnitor within such ten (10) Business Day period, then such failure shall only lessen or limit the Indemnitee's rights to indemnity hereunder to the extent that the defence of the Third Party Claim was prejudiced by such lack of timely notice;
- (b) if the Indemnitor acknowledges to the Indemnitee in writing that the Indemnitor is responsible to indemnify the Indemnitee in respect of the Third Party Claim pursuant hereto, the Indemnitor shall have the right to do either or both of the following:
 - (i) assume carriage of the defence of the Third Party Claim using legal counsel of its choice and at its sole cost; and/or
 - (ii) settle the Third Party Claim, provided the Indemnitor pays the full monetary amount of the settlement and the settlement does not impose any restrictions or obligations on the Indemnitee;
- (c) each Party shall co-operate with the other Party in the defence of the Third Party Claim, including making available to the other Party and its Representatives whose assistance, testimony or presence is of material assistance in evaluating and defending the Third Party Claim;
- (d) the Indemnitee shall not enter into any settlement, consent order or other compromise with respect to the Third Party Claim without the prior written consent of the Indemnitor (which consent shall not be unreasonably withheld or delayed), unless the Indemnitee waives its rights to indemnification in respect of the Third Party Claim;
- (e) upon payment of the Third Party Claim, the Indemnitor shall be subrogated to all claims the Indemnitee may have relating thereto. The Indemnitee shall give such further assurances and co-operate with the Indemnitor to permit the Indemnitor to pursue such subrogated claims as reasonably requested by it; and

- (f) if the Indemnitor has paid an amount pursuant to the indemnification obligations herein and the Indemnitee shall subsequently be reimbursed from any source in respect of the Third Party Claim from any Third Party, the Indemnitee shall promptly pay the amount of the reimbursement (including interest actually received) to the Indemnitor, net of taxes required to be paid by the Indemnitee as a result of any such receipt.

ARTICLE 7 ADJUSTMENTS

7.1 Costs and Revenues to be Apportioned

- (a) Subject to paragraph 7.1(b) below and except as otherwise provided in this Agreement, all costs and expenses relating to the Assets (including, without limitation, maintenance, development, capital and operating costs) and all revenues relating to the Assets (including, without limitation, proceeds from the sale of production and fees from processing, treating or transporting Petroleum Substances on behalf of Third Parties) shall be apportioned as of the Effective Date between Vendor and Purchaser on an accrual basis in accordance with generally accepted accounting principles, provided that:
 - (i) advances made by Vendor in respect of the costs of operations on Lands or lands pooled or unitized therewith or facilities interests included in the Assets which have not been applied to the payment of costs prior to the Closing Date and stand to the credit of Twin Butte or Vendor will be transferred to Purchaser and an adjustment will be made in favour of Vendor equal to the amount of the advance transferred;
 - (ii) deposits made by Twin Butte or Vendor relative to operations on the Lands shall be returned to Vendor;
 - (iii) costs and expenses of work done, services provided and goods supplied shall be deemed to accrue for the purposes of this Article when the work is done or the goods or services are provided, regardless of when such costs and expenses become payable;
 - (iv) no adjustments shall be made in respect of Twin Butte's or Vendor's income taxes;
 - (v) revenues from the sale of Petroleum Substances will be deemed to accrue when the Petroleum Substances are produced;
 - (vi) all rentals and similar payments in respect of the Leased Substances or surface rights comprised in the Assets and all taxes (other than income taxes) levied with respect to the Assets or operations in respect thereof shall be apportioned between Vendor and Purchaser on a per diem basis as of the Closing Date; and
 - (vii) any and all unpaid rentals and royalties which accrue to the Assets and are not a corporate debt (including without limitation, unpaid surface lease rentals, mineral lease rentals, Crown royalties and municipal taxes for surface sites) which are identified by Purchaser prior to the preparation of the Final Statement of Adjustments shall be credited to Purchaser.
- (b) Vendor and its Representatives shall not be liable to make any adjustment in favour of, or make any payment to, Purchaser pursuant hereto in respect of any liability which relates to the period which arose prior to the Date of Appointment and which will not constitute a liability to Purchaser.

- (c) Petroleum Substances which were produced, but not sold, as of the Closing Date shall be retained by Vendor and Vendor shall be responsible for all royalties or other encumbrances thereon and all processing, treating and transportation expenses pertaining thereto. Petroleum Substances will be deemed to be sold on a first in, first out basis.

7.2 Adjustments to Account

- (a) An interim accounting of the adjustments pursuant to section 7.1 shall be made at Closing, based on Vendor's and Purchaser's good faith estimate of the costs and expenses paid by Vendor prior to Closing and the revenues received by Vendor prior to Closing. Vendor and Purchaser shall cooperate in preparing such interim accounting and Vendor shall provide a statement setting forth the adjustments to be made at Closing not later than three (3) Business Days prior to Closing and shall assist Purchaser in verifying the amounts set forth in such statement. A final accounting of the adjustments pursuant to section 7.1 shall be conducted within thirty (30) days following the Closing Date (the "**Final Statement of Adjustments**"), and no further or other adjustments whatsoever will be made thereafter. All adjustments after Closing shall be settled by payment by the Party required to make payment to the other Party hereunder within fifteen (15) Business Days of being notified of the determination of the amount owing.
- (b) All adjustments provided for in this Article shall be adjustments to the Purchase Price. An adjustment payable by a Party after Closing pursuant to this section 7.2 which is not paid within fifteen (15) Business Days of a written request for payment from the other Party, shall bear interest at the Prime Rate plus three percent (3%) per annum payable by the paying Party to the other Party from the end of such fifteen (15) Business Day period until the adjustment is paid.

ARTICLE 8 MAINTENANCE OF ASSETS

8.1 Maintenance of Assets

From the date hereof until the Closing Date, Vendor shall, to the extent that the nature of its interest permits, and subject to the Title Documents and any other agreements and documents to which the Assets are subject:

- (a) maintain the Assets in a proper and prudent manner in material compliance with all Applicable Laws and directions of Governmental Authorities; and
- (b) pay or cause to be paid all costs and expenses relating to the Assets which become due from the date hereof to the Closing Date.

8.2 Consent of Purchaser

Notwithstanding section 8.1, Vendor shall not from the date hereof to the Closing Date, without the written consent of Purchaser, which consent shall not be unreasonably withheld by Purchaser and which, if provided, shall be provided in a timely manner:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Assets of which Vendor's share is in excess of \$25,000.00, except in case of an emergency or in respect of amounts which Vendor may be committed to expend or be deemed to authorize for expenditure without its consent; provided, however, that should Purchaser withhold its consent or fail to provide its consent in a timely manner and a reduction in the value of the Assets results, there shall be no abatement or reduction in the Purchase Price;

- (b) surrender or abandon any of the Assets, unless an expenditure of money is required to avoid the surrender or abandonment and Purchaser does not provide same in a timely fashion, in which event the Assets in question shall be surrendered or abandoned without abatement or reduction in the Purchase Price;
- (c) amend or terminate any Title Document or enter into any new agreement or commitment relating to the Assets; or
- (d) sell, encumber or otherwise dispose of any of the Assets or any part or portion thereof excepting sales of the Leased Substances in the normal course of business.

8.3 Proposed Actions

If an operation or the exercise of any right or option respecting the Assets is proposed in circumstances in which such operation or the exercise of such right or option would result in Purchaser incurring an obligation pursuant to section 8.2, the following shall apply to such operation or the exercise of such right or option (hereinafter referred to as the "**Proposal**"):

- (a) Vendor shall promptly give Purchaser notice of the Proposal, describing the particulars in reasonable detail;
- (b) Purchaser shall, not later than twenty four (24) hours prior to the time Vendor is required to make its election with respect to the Proposal, advise Vendor, by notice, whether Purchaser wishes Vendor to exercise Vendor's rights with respect to the Proposal on Purchaser's behalf, provided that Purchaser's failure to make such election within such period shall be deemed to be Purchaser's election to participate in the Proposal;
- (c) Vendor shall make the election authorized (or deemed to be authorized) by Purchaser with respect to the Proposal within the period during which Vendor may respond to the Proposal; and
- (d) Purchaser's election (including, its deemed election) to not participate in any Proposal required to preserve the existence of any of the Assets shall not entitle Purchaser to any reduction of the Purchase Price if Vendor's interest therein is terminated as a result of such election, and such termination shall not constitute a failure of Vendor's representations and warranties pertaining to such Assets, notwithstanding section 5.3.

8.4 Post-Closing Transition

Following Closing and to the extent to which Purchaser must be novated into operating agreements and other agreements or documents to which the Assets are subject, until the novation has been effected:

- (a) Vendor shall not initiate any operation with respect to the Assets, except upon receiving Purchaser's written instructions, or if Vendor reasonably determines that such operation is required for the protection of life or property, in which case Vendor may take such actions as it reasonably determines are required, without Purchaser's written instructions, and shall promptly notify Purchaser of such intention or actions and of Vendor's estimate of the costs and expenses therewith associated;
- (b) Vendor shall forthwith deliver to Purchaser all revenues, proceeds and other benefits received by Vendor with respect to the Assets, provided that Vendor shall not be permitted to deduct from such revenues, proceeds and other benefits, any other costs and expenses which it incurs as a result of such delivery to Purchaser;
- (c) Vendor shall, in a timely manner, deliver to Purchaser all Third Party notices and communications, including authorizations for expenditures and mail ballots and all notices and communications received in respect of the Assets or events and occurrences

affecting the Assets, and Vendor shall respond to such notices pursuant to Purchaser's written instructions, if received on a timely basis, provided that Vendor may refuse to follow any instructions which it reasonably believes to be unlawful, unethical or in conflict with any applicable agreement or contract, and provided that nothing shall preclude Vendor from taking such actions as Vendor reasonably determines are necessary for the protection of life or property, or as are required by all Applicable Laws, rules, regulations, orders and directions of Governmental Authorities and other competent authorities; and

- (d) Vendor shall, in a timely manner, deliver to Third Parties all such notices and communications which Purchaser may reasonably request and all such monies and other items as Purchaser may reasonably provide in respect of the Assets, provided that Vendor may (but shall not be obligated to) refuse to follow instructions which it reasonably believes to be unlawful, unethical or in conflict with any applicable agreement or contract.

8.5 Licence Transfers

- (a) To the extent applicable, within two (2) Business Days following Closing, Vendor shall prepare and, where applicable, electronically submit, an application to the applicable Governmental Authorities for Licence Transfers and Purchaser or its nominee shall, where applicable, electronically ratify and sign such application.
- (b) If a Governmental Authority denies a Licence Transfer because of misdescription or other minor deficiencies in the application, Vendor shall, within two (2) Business Days of such denial, correct the application and amend and re-submit the application for the Licence Transfer and Purchaser or its nominee shall, where applicable, electronically ratify and sign such application.
- (c) If, for any reason, a Governmental Authority requires a Party or its nominee to:
 - (i) make a deposit or furnish any other form of security, or
 - (ii) undertake any corrective action or remedial work including, without limitation, inspections, tests or engineering assessments,

to approve a Licence Transfer, Purchaser shall make such deposit, furnish such other form of security or undertake such corrective or remedial work as may be required, at Purchaser's sole expense, provided that if the requirement to make such deposit or furnish such other form of security arises as a result of Alberta Energy Regulator (the "AER") Bulletin 2016-21, the Purchaser may, at its election, make such application to the AER requesting that such License Transfer be considered pursuant to AER Directive 006. For greater clarity, the making of any such application does not diminish the Purchaser's obligation to make a deposit or furnish any other form of security as may be required hereunder.

8.6 Vendor Deemed Purchaser's Agent

- (a) Insofar as Vendor maintains the Assets and takes actions in relation thereto on Purchaser's behalf pursuant to this Article 8, Vendor shall be deemed to have been Purchaser's agent hereunder. Purchaser ratifies all actions taken by Vendor or refrained from being taken by Vendor pursuant to this Article 8 in such capacity during such period, with the intention that all such actions shall be deemed to be Purchaser's actions.
- (b) Insofar as Vendor participates in either operations or the exercise of rights or options as Purchaser's agent pursuant to this Article 8, Vendor may require Purchaser to secure costs to be incurred by Vendor on Purchaser's behalf pursuant to such election in such manner as may be reasonably appropriate in the circumstances.

- (c) Purchaser shall indemnify Vendor and its Representatives against all Losses which Vendor or its Representatives may suffer or incur as a result of Vendor maintaining the Assets as Purchaser's agent pursuant to this Article 8, insofar as such Losses are not a direct result of the gross negligence or wilful misconduct of Vendor or its Representatives. An action or omission of Vendor or of its Representatives shall not be regarded as gross negligence or wilful misconduct to the extent to which it was done or omitted from being done in accordance with Purchaser's instructions (including any election deemed pursuant to section 8.3(b)) or concurrence.

8.7 Transfer of Operatorship

Insofar as Vendor operates any of the Assets, Purchaser acknowledges that Vendor may not be able to transfer operatorship of some or all of such Assets to Purchaser at or after Closing. Vendor covenants with Purchaser that Vendor shall reasonably cooperate with Purchaser to obtain appropriate consents and approvals for the assignment and transfer to Purchaser of operatorship of those of the Assets of which Vendor is currently the operator.

ARTICLE 9 RIGHTS OF FIRST REFUSAL

9.1 Rights of First Refusal

- (a) Within ten (10) Business Days from the date hereof, Purchaser, acting reasonably and in good faith, shall provide Vendor with: (i) its allocated values for the Assets which are subject to Rights of First Refusal as identified in Schedule "C"; and (ii) the FLERC Offer. Promptly after such allocations are provided to Vendor, it shall: (i) send notices to the Persons (including Purchaser, if applicable) holding such Rights of First Refusal in accordance with the terms of the Title Documents creating them, using such values provided by Purchaser; and (ii) send the FLERC Offer to FLERC. Purchaser shall be liable for and indemnify and save Vendor harmless from and against all Losses which Vendor may suffer, sustain, pay or incur as a result of utilizing any value allocations supplied by Purchaser, including that contained in the FLERC Offer.
- (b) If any Third Party elects to exercise any Rights of First Refusal, the portion of the Assets subject to such Rights of First Refusal (the "**Affected Asset**") shall not be sold pursuant hereto, and the definitions of "Assets", "Lands", "Leases", "Miscellaneous Interests", "Petroleum and Natural Gas Rights", "Facilities", "Tangibles" and "Wells" shall not include the Affected Asset. The Purchase Price and any applicable GST and/or Sales Taxes shall be reduced accordingly.
- (c) If the FLERC Offer is accepted, Purchaser shall pay the amount offered in the FLERC Offer to FLERC separate and apart from the Purchase Price and payment of same shall not amount to any adjustment in the Purchase Price. Should the FLERC Offer be accepted, negotiation and completion of the transaction contemplated in the FLERC offer shall be concluded between Purchaser and FLERC directly.

ARTICLE 10 COMPETITION ACT APPROVAL

10.1 Competition Act Approval

- (a) As soon as practicable, and in any event no later than ten (10) Business Days from the date of this Agreement, Purchaser shall file with the Commissioner a submission in support of a request for an advance ruling certificate under section 102 of the Competition Act or, in the event that the Commissioner will not issue an advance ruling certificate, a waiver of the obligation to notify and supply information under Part IX of the Competition Act pursuant to subsection 113(c) of the Competition Act and confirmation

that the Commissioner does not, at that time, intend to make an application under section 92 of the Competition Act. Purchaser shall pay the applicable filing fee in respect of the Competition Act Approval. Purchaser and Vendor will co-operate with each other and use their commercially reasonable efforts to take such action as may be required, to secure the Competition Act Approval.

- (b) Purchaser and Vendor will co-operate with each other and use their commercially reasonable efforts to take such action as may be required, to secure the Competition Act Approval.
- (c) Each Party will:
 - (i) keep the other Party promptly informed of the status of discussions relating to obtaining the Competition Act Approval and promptly inform the other Party of any communication received by that Party from the Commissioner or representatives of the Competition Bureau in connection with obtaining the Competition Act Approval;
 - (ii) use commercially reasonable efforts to respond promptly to any request or notice from any Government Authority requiring the Parties, or any one of them, to supply additional information in respect of obtaining the Competition Act Approval;
 - (iii) permit the other Party to review in advance any proposed applications, notices, filings, submissions, correspondence and communications of any nature (including responses to requests for information and inquiries from any Government Authority) in respect of obtaining the Competition Act Approval, and will provide the other Party a reasonable opportunity to comment thereon and will consider those comments in good faith;
 - (iv) promptly provide the other Party with any applications, notices, filings, submissions, correspondence and communications of any nature (including responses to requests for information and inquiries from any Government Authority) that were submitted to a Government Authority in respect of obtaining the Competition Act Approval; and
 - (v) not participate in any substantive meeting or discussion (whether in person, by telephone or otherwise) with the Commissioner or any of his representatives in respect of obtaining or concluding the Competition Act Approval unless it consults with the other Party in advance and gives the other Party the opportunity to attend and participate thereat unless the Commissioner or his representative requests otherwise.
- (d) Notwithstanding any requirement in this Section 10.1 in connection with obtaining the Competition Act Approval, submissions, filings or other written communications with any Government Authority containing information which a Party, acting reasonably, considers to be confidential or sensitive may be redacted as necessary before sharing with the other Party, provided that the disclosing Party must provide external legal counsel to the other Party non-redacted versions of drafts and final submissions, filings or other written communications with any Government Authority on the basis that the redacted information will not be shared with its client.

**ARTICLE 11
EMPLOYEE AND CONTRACTOR MATTERS**

11.1 Employee Matters

- (a) Concurrently herewith, Vendor has delivered to Purchaser a complete list containing the names, positions, service length and current compensation of all employees of Vendor ("**Vendor Employees**") for the purposes of Vendor determining whether it may wish to make offers of employment to Vendor Employees.
- (b) Once Vendor has disclosed the Transaction and the identity of Purchaser to Vendor Employees, Purchaser may, in its sole and unfettered discretion and in as many separate instances as it may require, notify Vendor that Purchaser wishes to:
 - (i) receive additional information with respect to any Vendor Employee; or
 - (ii) interview any Vendor Employee.
- (c) Upon receipt of a request for additional information pursuant to Section 11.1(b)(i), Vendor will deliver to Purchaser, within five (5) Business Days of such request, a copy of the following in respect of such requested Vendor Employee (the "**Employee Disclosure Letter**"):
 - (i) copies of all performance reviews;
 - (ii) copies of all documents relating to discipline imposed on the employee;
 - (iii) copies of the hiring letter and/or employment agreement applicable to the employee; and
 - (iv) copies of all documentation relating to changes to the employee's position and compensation,
- (d) Upon receipt of a request for interviews pursuant to Section 11.1(b)(ii), Vendor will use all reasonable efforts to facilitate such interviews as soon as possible and in any event within ten (10) days of receipt of such notification.
- (e) Purchaser may offer continued employment to such Vendor Employees and on such terms as it may determine in its absolute and sole discretion.
- (f) Notwithstanding any other provision of this Agreement, Purchaser has no obligation to offer employment to any Vendor Employee.
- (g) Under no circumstances will Purchaser have any liability or obligation to Vendor in respect of any liabilities or obligations that it has or may have to any Vendor Employees, whether or not such Vendor Employees are offered employment by Purchaser pursuant to this Agreement or otherwise.
- (h) Purchaser acknowledges and agrees that the information received pursuant to 11.1(a) and 11.1(c) is confidential information and,
 - (i) shall hold and use such information in compliance with all Applicable Laws and without limiting the generality of the foregoing, all Applicable Laws relating to privacy which govern the collection, use or disclosure of such information; and

- (ii) shall not use or disclose such information for any purpose other than that contemplated in this Article ARTICLE 11.

ARTICLE 12 PURCHASER'S REVIEW AND ACCESS TO BOOKS AND RECORDS

12.1 Vendor to Provide Access

Prior to Closing, Vendor shall, subject to all contractual and fiduciary obligations, at the Calgary offices of Vendor during normal business hours, provide reasonable access for Purchaser and its Representatives to Vendor's records, books, accounts, documents, files, reports, information, materials, filings, and data, to the extent they relate directly to the Assets, as well as physical access to the Assets (insofar as Vendor can reasonably provide such access) for the purpose of Purchaser's review of the Assets and title thereto.

12.2 Access to Information

After Closing and subject to contractual restrictions in favour of Third Parties relative to disclosure, Purchaser shall, on request from Vendor, provide reasonable access to Vendor at Purchaser's offices, during its normal business hours, to the agreements and documents to which the Assets are subject and the contracts, agreements, records, books, documents, licenses, reports and data included in the Miscellaneous Interests and the Title Documents which are then in the possession or control of Purchaser and to make copies thereof, as Vendor may reasonably require, including, but not limited to, for purposes relating to:

- (a) Twin Butte's or Vendor's ownership of the Assets (including taxation matters and liabilities and claims that arise from or relate to acts, omissions, events, circumstances or operations on or before the Closing Date);
- (b) enforcing its rights under this Agreement;
- (c) compliance with Applicable Law; or
- (d) any claim commenced or threatened by any Third Party against Twin Butte or Vendor.

12.3 Maintenance of Information

All of the information, materials and other records delivered to Purchaser pursuant to the terms hereof shall be maintained in good order and good condition and kept in a reasonably accessible location by Purchaser for a period of two (2) years from the Closing Date.

12.4 Financial Information

For the period commencing on the execution and delivery hereof and ending the earlier of: (i) six (6) months after the Closing Date; or (ii) the date which Receiver ceases to be the receiver of Twin Butte; Vendor shall:

- (a) use commercially reasonable efforts to make available to Purchaser or its auditors, counsel or engineers all financial, operating and other information for the Assets that is in Vendor's possession or control and is available and as may be reasonably required by Purchaser in order for Purchaser to comply with Applicable Laws in respect of any prospectus, business acquisition report, press release or other disclosure document filed or to be filed in connection with the Transaction, the form and content of which are subject to or prescribed by Applicable Laws (collectively, the "**Disclosure Documents**");

- (b) permit Purchaser to file any Disclosure Documents required under Applicable Laws in connection with the Transaction, including with Canadian securities regulatory authorities under the System for Electronic Document Analysis and Retrieval (SEDAR) and foreign securities regulatory authorities, subject to Vendor's reasonable requests for redaction; and
- (c) provide reasonable access during normal business hours at Purchaser's sole cost and expense to personnel of Vendor, its related persons or their auditors, counsel or engineers who are responsible for such financial, operating and reserves evaluation information.

12.5 Posts Incurred for Financial Information

- (a) Purchaser shall be solely responsible for and shall pay and, in addition and as an independent covenant, shall defend, indemnify and save harmless Vendor and each of Vendor's related persons from and against, all Third Party costs incurred by Vendor in connection with Vendor's compliance with its obligations under Section 12.4.

ARTICLE 13 GENERAL

13.1 Further Assurances

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required to fully perform and carry out the terms of this Agreement.

13.2 No Merger

The covenants, representations, warranties and indemnities contained in this Agreement shall be deemed to be restated in any and all assignments, conveyances, transfers and other documents conveying the interests of Vendor in and to the Assets to Purchaser, subject to any and all time and other limitations contained in this Agreement. There shall not be any merger of any covenant, representation, warranty or indemnity in such assignments, conveyances, transfers and other documents notwithstanding any rule of law, equity or statute to the contrary and such rules are hereby waived.

13.3 Receiver

Purchaser acknowledges that Receiver is acting solely in its capacity as the Court-appointed receiver and manager of Twin Butte, and not in its personal or corporate capacity. Under no circumstances shall Receiver or any of its Representatives have any liability pursuant to this Agreement, or in relation to the Transaction, in its or their personal or corporate capacity, whether such liability be in contract, tort or otherwise.

13.4 Entire Agreement

The provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, the provisions of this Agreement shall prevail. This Agreement supersedes all other agreements (other than the Confidentiality Agreement dated October 17, 2016 between Vendor and a related party of the Purchaser), documents, writings and verbal understandings between the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the subject matter hereof.

13.5 Governing Law

This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Agreement.

13.6 Signs and Notifications

Within sixty (60) days following Closing, Purchaser shall remove any signage which indicates Twin Butte's ownership or operation of the Assets. It shall be the responsibility of Purchaser to erect or install any signage required by applicable Governmental Authorities indicating Purchaser to be the owner or operator of the Assets.

13.7 Assignment and Enurement

This Agreement may not be assigned by a Party without the prior written consent of the other Party, which consent may be unreasonably and arbitrarily withheld. This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

13.8 Time of Essence

Time shall be of the essence in this Agreement.

13.9 Notices

The addresses and fax numbers of the Parties for delivery of notices hereunder shall be as follows:

Vendor - **FTI Consulting Canada Inc.**
Suite 720, 440 – 2nd Avenue SW
Calgary, AB T2P 5E9

Attention: Derek Helkaa
Fax: 1-403-232-6116
Email: twin.butte@fticonsulting.com

With a copy to:

Norton Rose Fulbright Canada LLP
Suite 3700, 400 3rd Avenue SW
Calgary, AB T2P 4H2

Attention: Howard Gorman, Q.C.
Fax: 1-403-264-5973
Email: howard.gorman@nortonrosefulbright.com

Purchaser - **HENENGHAIXIN OPERATING CORP.**
c/o McCarthy Tétrault LLP
Suite 4000, 421 – 7th Avenue S.W.
Calgary, AB T2R 4K9

Attention: Chief Executive Officer
Fax: 1-403-260-3501
Email: henenghaixin@gmail.com

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party when it is delivered;
- (b) by facsimile to a Party to the facsimile number of such Party for notices, in which case, if the notice was faxed prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was faxed and if it is faxed on a day which is not a Business Day or is faxed after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day; or
- (c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by first class registered postage prepaid mail to a Party at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party on the fourth (4th) Business Day following the date of mailing.

A Party may from time to time change its address for service, facsimile number for service or designated representative by giving written notice of such change to the other Party.

13.10 Invalidity of Provisions

In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

13.11 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

13.12 Amendment

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

13.13 Confidentiality and Public Announcements

Until three (3) months after Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Assets, this Agreement, or the Transaction and shall not release any information concerning the Assets, this Agreement or the Transaction without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information (i) to any Governmental Authority or regulatory authority or to the public if required by Applicable Law; or (ii) in connection with obtaining the Court Order or any other court order which Vendor may require in performing its role as Receiver; or (iii) as required to Twin Butte's creditors, provided such creditors agree to treat such information as being confidential in nature and in a manner similar to that provided herein.

[Remainder of page intentionally left blank. Signature pages to follow.]

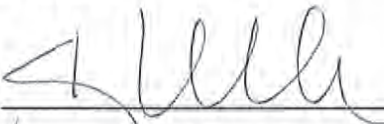

13.14 Counterpart Execution

This Agreement may be executed and delivered in counterpart and transmitted by facsimile or other electronic means and all such executed counterparts, including electronically transmitted copies of such counterparts, shall together constitute one and the same agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

FTI CONSULTING CANADA INC., solely in its capacity as the receiver and manager of **TWIN BUTTE ENERGY LTD.**, and not in its personal or corporate capacity

HENENGHAIXIN OPERATING CORP.

Per: 
Name: _____
Title: 
Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

Exhibit "3"

Appendix C to the PwC Report, Nov-18-19

2 pages

THIS IS EXHIBIT " 3 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 2026

Appendix C

Diagram of Ownership Structures and Directors Information

Appendix C
Diagram of Ownership Structures and Directors Information

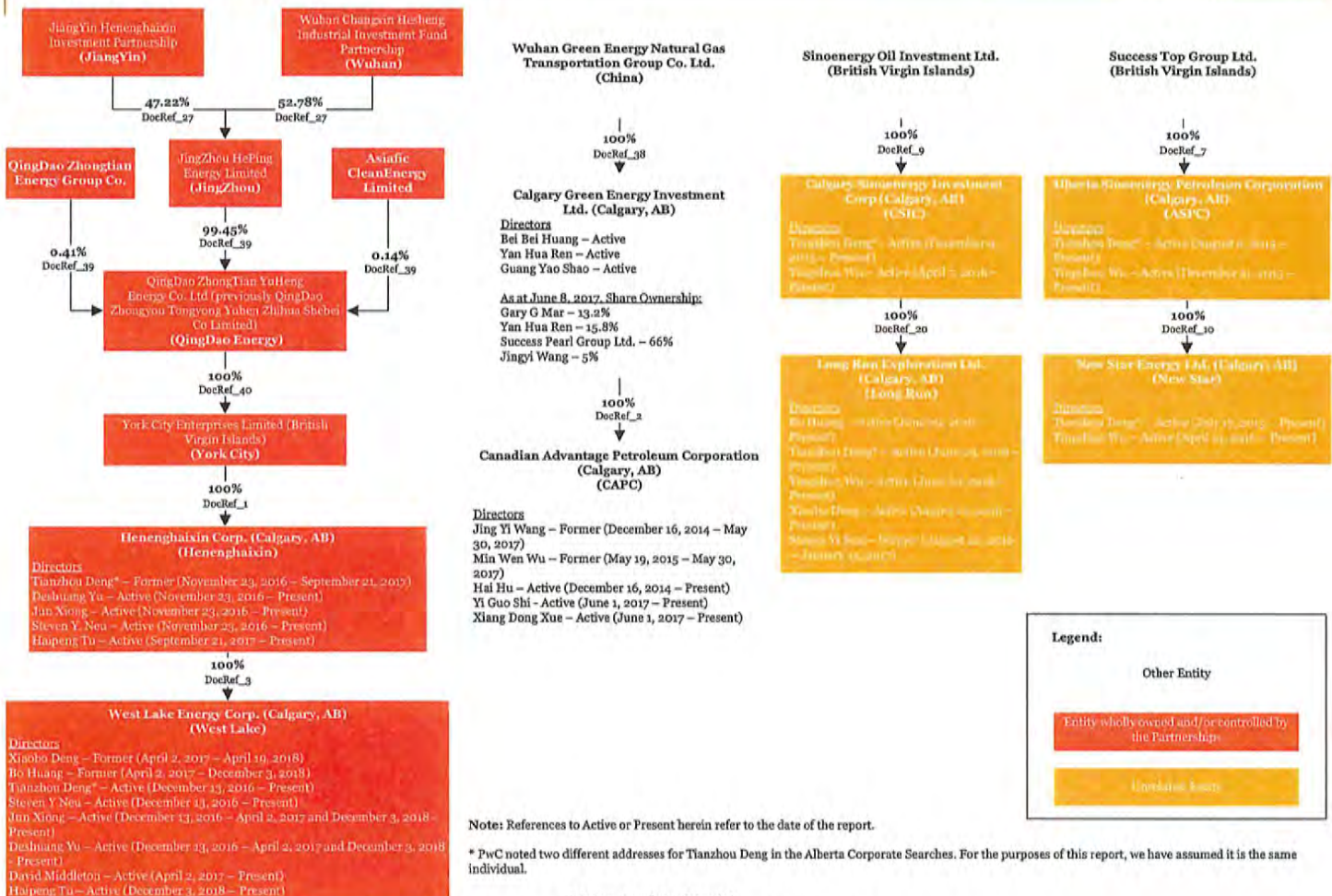


Exhibit "4"

Appendix F to the PwC Report, Nov-18-19

4 pages

THIS IS EXHIBIT " 4 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 2026

Appendix F

A. JiangYin and Wuhan's Investment in Henenghaixin

1. The Partnerships' Investment in Henenghaixin was transferred through several entities prior to ultimately being received into Henenghaixin's Accounts. Refer to *Appendix C* for a diagram of the ownership structures of the entities involved in the transfers. Our findings in this Appendix make references, denoted as "(G#)", to the corresponding section of the flow of funds diagram set out in *Appendix G*.
2. JiangYin and Wuhan each made their own investments in Henenghaixin. The structure and transactions related to each of their respective investments are detailed in agreements (collectively, the "Investment Agreements") between:
 - a. JiangYin⁴⁷ and QingDao Zhongtian Capital Management Co. ("QingDao Capital"), Mr. Tianzhou Deng, Mr. Bo Huang, and their spouses dated February 2017⁴⁸; and
 - b. Wuhan and QingDao Capital, Mr. Tianzhou Deng, Mr. Bo Huang, and their spouses dated March 2017⁴⁹.
3. Outlined in the sections below is a summary of the transactions between the Partnerships and Henenghaixin.

1. JiangYin/Wuhan to JingZhou

4. JingZhou HePing Energy Limited ("JingZhou") is an entity residing in China, jointly owned by JiangYin (47.22%) and Wuhan (52.78%), as a result of their respective investments in JingZhou outlined in paragraph 5 below.
5. JiangYin's and Wuhan's respective ownership in JingZhou were derived from the the following investments in JingZhou (as set out in the Investment Agreements noted above):
 - a. JiangYin – RMB ¥850,000,000; transferred in two amounts, RMB ¥400,000,000 and RMB ¥450,000,000, via JiangYin's general partner Heyuan Capital⁵⁰ and received in JingZhou's CCB bank account⁵¹ on February 14, 2017 and March 14, 2017, respectively (G1).
 - b. Wuhan – RMB ¥950,000,000; transferred via Beijing YingShi ChuangXin Investment Consulting Ltd. ("YingShi"), on March 28, 2017⁵². As noted in an investment agreement between Wuhan and QingDao Capital, YingShi's ownership of 52.78% derived from this transfer was subsequently transferred to Wuhan. The structure of the transactions, as explained in the investment agreement was as follows:

⁴⁷ The investment agreement is between Heyuan Capital Management Co. Ltd. ("Heyuan Capital") and QingDao Capital. Mr. Zhang confirmed that Heyuan Capital is the general partner of JiangYin. As such, the agreement is effectively between JiangYin and QingDao Capital, as we've referred to it above.

⁴⁸ DocRef_22

⁴⁹ DocRef_23

⁵⁰ DocRef_22

⁵¹ DocRef_24, 25

⁵² DocRef_26

- i. Wuhan loaned RMB ¥950,000,000 to YingShi⁵³;
- ii. YingShi transferred RMB ¥950,000,000 to JingZhou as noted above⁵⁴ (**G2**); and
- iii. YingShi subsequently transferred their 52.78% ownership in JingZhou to Wuhan (**G3**). PwC research corroborated the transfer of ownership⁵⁵. The research was conducted via a third-party enterprise information searching platform in China, which comprises data from websites such as government corporation registries, amongst other sources.

2. *JingZhou to QingDao Energy*

6. QingDao ZhongTian YuHeng Energy Co. Ltd. ("QingDao Energy") is a subsidiary of JingZhou⁵⁶, residing in China.
7. JingZhou transferred the sum of RMB ¥1,800,000,000 (**G4**) received from JiangYin and Wuhan to QingDao Energy in three transactions as follows:
 - a. RMB ¥400,000,000 on February 15, 2017⁵⁷;
 - b. RMB ¥450,000,000 on March 15, 2017⁵⁸; and
 - c. RMB ¥950,000,000 on March 28, 2017⁵⁹.

3. *QingDao Energy to CCB/ICBC and Foreign Loans to York City*

8. We understand from Mr. Zhang that due to China's foreign currency controls, QingDao Energy was unable to transfer funds outside of China to their subsidiary, York City located in the British Virgin Islands, for ultimate investment into Henenghaixin. For this reason, QingDao Energy entered into agreements with both the Industrial and Commercial Bank of China, Wuhan Jiangnan Branch⁶⁰ ("ICBC China") and China Construction Bank Co., Ltd. QingDao Sifang Branch⁶¹ ("CCB China") to facilitate transfers outside of China. Both agreements were structured to require a deposit/guarantee from QingDao Energy to each of ICBC China and CCB China, for the RMB amounts to then be transferred. We understand from Mr. Zhang that each of ICBC China and CCB China then set up agreements with their respective foreign branches, who ultimately loaned the CAD equivalent of the RMB deposits/guarantees (less bank fees and other charges) to York City. A summary of these agreements is set out below.

i. QingDao Energy – CCB – York City

9. QingDao Energy entered into 6 Capital Warrant Contracts with CCB China⁶², whereby the debtor (QingDao Energy) was required to deposit a specified amount into a guarantee account held by CCB China, which was not to be used or transferred without the creditor's (CCB China) approval. The

⁵³ PwC has not been provided the bank statements of Wuhan or YingShi to confirm this transaction, however as noted in paragraph 5.b above, we have confirmed YingShi's ownership in JingZhou (as a result of their ¥950,000,000 transfer) was subsequently transferred to Wuhan.

⁵⁴ DocRef_26

⁵⁵ DocRef_27

⁵⁶ DocRef_27

⁵⁷ DocRef_28

⁵⁸ DocRef_28

⁵⁹ DocRef_26

⁶⁰ DocRef_31

⁶¹ DocRef_35

⁶² DocRef_35

recalculated total amount deposited into the guarantee account per the Capital Warrant Contracts was RMB ¥938,828,227⁶³ (G5).

10. It should be noted that an additional RMB ¥88,828,227, beyond JiangYin's investment of ¥850,000,000 comprises the balance of total receipts in the guarantee account of QingDao Energy (i.e. RMB ¥88,828,227 + RMB ¥850,000,000 = RMB ¥938,828,227). We understand from Mr. Zhang that these additional funds (RMB ¥88,828,227), representing 4.70% of the total receipts in QingDao Energy (RMB ¥1,888,828,227) do not belong to the Partnerships. As instructed by you, PwC has not analyzed QingDao Energy's bank accounts further to attempt to identify the source of these funds.
11. As a result of QingDao Energy's 6 deposits totalling RMB ¥938,828,227 into the CCB China guarantee account⁶⁴, China Construction Bank Co., Ltd. Seoul Branch ("CCB South Korea") entered into 6 corresponding loan contracts with York City⁶⁵. Funds were withdrawn by York City in 6 transactions totalling CAD \$174,800,000 (G6) between March 23, 2017 and July 12, 2017⁶⁶.
12. Refer to *Section B* below for a summary of interest payments on these loans to York City.

ii. QingDao Energy – ICBC – York City

13. QingDao Energy entered into a guarantee/standby letter of credit agreement with ICBC China⁶⁷. Although this credit agreement did not state the amount of the guarantee, we understand from Mr. Zhang the guarantee amount was RMB ¥950,000,000. PwC confirmed a transfer of RMB ¥950,000,000 (G7) from QingDao Energy's Ping An bank account to their ICBC China account on March 28, 2017⁶⁸.
14. As a result of this guarantee, Industrial and Commercial Bank of China (Canada), Industrial and Commercial Bank of China (Macau) Limited and Industrial and Commercial Bank of China Limited, Seoul Branch (collectively, the "ICBC Group") entered into a loan agreement with York City⁶⁹. CAD \$177,734,700 (G8) in loan proceeds were withdrawn by York City on March 29, 2017⁷⁰.
15. Refer to *Section B* below for a summary of interest payments on these loans to York City.

4. *York City to Henenghaixin*

16. As noted previously, Henenghaixin is a Canadian corporation, wholly owned by York City.
17. York City transferred CAD \$353,978,331 (G9) to Henenghaixin, which includes the total loan proceeds of CAD \$352,534,700 received from CCB South Korea and ICBC Group (G6 and G8) and an additional CAD \$1,443,631 (G9) from York City as discussed in *Section V*, paragraph 22.

⁶³ The contracts are denoted in either USD or RMB. In instances where the contract is denoted in USD, we have converted the amount to RMB using the rates as at the date of the contract per Bloomberg.

⁶⁴ DocRef_28

⁶⁵ DocRef_36

⁶⁶ DocRef_29, 30

⁶⁷ DocRef_31

⁶⁸ DocRef_26, 37

⁶⁹ DocRef_32

⁷⁰ DocRef_21

B. Interest Payments on York City Loans

18. As noted previously, York City had loans with CCB South Korea and ICBC Group. PwC identified the following interest payments made by Unrelated Entities from documentation provided, unless otherwise stated:
 - a. CAD \$1,593,525 (**G10**) was paid by CSIC to CCB South Korea for interest on the CCB South Korea loan⁷¹; and
 - b. CAD \$1,512,973 (**G11**) was paid by CSIC to York City for interest on the ICBC Group loan⁷²; and
 - c. CAD \$1,462,294 was apparently paid by Long Run to York City (**G12**) for interest on the ICBC Group loan⁷³. We were unable to determine the payor of the interest payments from the documents provided, and have therefore relied on information provided by Mr. Zhang.
19. As of the date of this report, we have not been provided sufficient documentation to identify all interest payments, including whether any additional interest (beyond that noted above) was paid by the entities above, or any other Unrelated Entities.

⁷¹ DocRef_33

⁷² DocRef_34

⁷³ DocRef_21

Exhibit "5"

Source Capital Jiangyin LP_Investment Agreement with Deng, Feb-2017

30 pages

THIS IS EXHIBIT " 5 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK

My Commission Expires May 21, 2026

Agreement on Investment in *Twin Butte Energy Ltd.*

by

Source Capital Co. Ltd.

and

Qingdao Zhongtian Capital Management Co., Ltd.

Tianzhou DENG

Bo HUANG

Fang CHEN

Xiaoyan NING

February 2017

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Article I Definitions

1.1 Definitions

The following terms shall be defined as follows unless otherwise specified in this Agreement:

“**Beijing Inshine Investment**” means Beijing Inshine Innovation Investment Consulting Co., Ltd.;

“**This Transaction**” means Source Capital Co., Ltd.’s proposed indirect investment in all the assets held by TB, including the rights of petroleum and natural gas, tangible assets and other interests.

“**HENENGHAIXIN**” means *HENENGHAIXIN Operating Corporation (Corporate Access Number: 176736)*, a corporation duly incorporated in the Province of Alberta, Canada, the main scope of business includes oil prospecting, mining, and sales, the Purchaser of all TB’s assets. As of the date of the execution of this Agreement, its shareholder is *HENENGHAIXIN Corporation*.

“**Overseas HENENGHAIXIN Holding Company**” means *HENENGHAIXIN Corporation (Corporate Access Number: 2020067431)*, a corporation duly incorporated in the Province of Alberta, Canada.

“**HENENGHAIXIN/Fund**” means Jiangyin HENENGHAIXIN Investment Partnership (Limited Partnership).

“**GP**” means General Partners.

“**Partnership Agreement**” means the document that governs the relationships among the various partners of HENENGHAIXIN, including “Jiangyin HENENGHAIXIN Investment Partnership (Limited Partnership) Investment Partnership Agreement”

executed on February [], 2017, and any amendments or supplementary to this agreement.

“**Source Capital**” means Source Capital Co., Ltd.

“**Heping Energy**” means Jinzhou City Heping Energy Co., Ltd.

“**He Tai Jiu Ying/GP1**” means Zhuhai He Tai Jiu Ying Investment Management Co., Ltd., which is a GP of Source Capital.

“**Qingdao Zhongtian Energy**” means Qingdao Zhongtian Energy Corporation, the Industry and Trade authority registration number is 370200400146702.

“**Qingdao Yuheng**” means Qingdao Zhongtian Yuheng Energy Co., Ltd.

“**TB**” means Twin Butte Energy Ltd., a public company listed in Toronto Stock Exchange in Canada (Stock symbol: TBE).

“**Tian Ji Li Zhen**” means Jiaxing Tian Ji Li Zhen Equity Investment Fund Management Co., Ltd.

“**Zhongtian Capital**” means Qingdao Zhongtian Capital Management Co., Ltd.

“**Wanrong Asset/GP2**” means Wanrong Shidai Asset Management (Xuzhou) Co., Ltd, one of the GPs of HENENGHAIXIN.

“**Investment Consultants**” means Tian Ji Li Zhen and Wanrong Asset.

“**York City**” means *York City Enterprises Limited (BVI Company number: 1763736)*, a company duly incorporated in the British Virgin Island (BVI) for the specific purpose of applying for overseas loans which is to be used to invest in oilfields in Canada. As of the date of the execution of this Agreement, its shareholder is Duan Yueyi (*DUAN YUEYI*), ID number: 429005199109028285.

“ODI (Overseas Direct Investment) Process” means the filing and obtaining of relevant documents for This Transaction by Qingdao Zhongtian Energy with the National Development and Reform Commission or the provincial government investment authorities for the application for an overseas investment project; and filing with the provincial business and trade authorities for the overseas investment project and obtaining the “Enterprise Overseas Investment Certificate”.

“Business Day” means a day when commercial banks in China, Hong Kong, and Cayman Island are open for the transaction of normal banking business, other than a Saturday, Sunday or public holidays in China and Hong Kong.

“Year” means a calendar year.

“Related Party” means, with respect to any person, a person that is controlled by such person, a person who has control over such person, or a person that is controlled together with such person by another person. The aforementioned **“control”** or **“controlled”** means, through voting rights, agreements, or other means, directly or indirectly having the right to significantly influence the management and decision-making of an entity, or other relationships that constitute the de facto control of the entity.

“Transaction Documents” mean this Agreement, “Jiangyin HENENGHAIXIN Investment Partnership (Limited Partnership) Investment Partnership Agreement” (see Appendix II for the format and content) and any effective amendments and supplementary of such documents, “Letters of Guarantee” issued by Zhongtian Capital, Tian Zhou DENG, Bo HUANG (See Appendix III for the format and content), Share Transfer Agreement or Share Purchase Agreement (See Appendix IV for the format and content), Share Purchase Agreement where Beijing Inshine Investment increases capital

investment to Heping Energy, Share Purchase Agreement where Heping Energy increases capital investment to Qingdao Yuheng, Share Purchase Agreement where Qingdao Yuheng accepts shares of York City, Share Purchase Agreement where York City accepts shares of HENENGHAIXIN Holding Company, and relevant legal documents relating to onshore guarantees for offshore loans, relevant agreements of mortgage or pledge of assets (if available), Articles of Incorporation or similar corporate documents of the various entities under this Agreement, or such documents to be drafted or executed.

“Encumbrance” means any security interest, mortgage, pledge, lien, charge, burden, adverse claims, priority, option, preference, seizure, freeze, trust, and other restrictions of any nature (including but not limited to any conditional sales or other agreement to retain ownership, any lease containing the aforementioned nature, any agreement granting any guarantee of interest, or documents designating third parties to be the indemnitee).

“A Person” or **“Persons”** shall include a natural person, a legal person, corporate, or a consortium of corporates, or a combination of such persons.

“A Day” means a calendar day, excluding the Business Day specified in this Agreement.

“Law” means, with respect to any person, any law, treaty, regulations, inter-governmental convention, decision, order, judgment, ruling, injunction, decree, local rules and regulations, autonomous rules and regulations, singular rules and regulations and local government’s bylaws, listing rules and regulations of the security commission, the rules and regulations of any competent authorities, and other binding regulatory documents, whether formulated inside or outside of China.

“**Tax**” means any compulsory tax, levy, duty, fee, or taxation (including any fine, penalty, additional payment, or interest) of any form or nature levied by the central, local, municipal, or other organizations or agencies in China or anywhere in this world; and it shall include income tax, business tax, resource tax, value-added tax, any stamp duty, customs duty, or other tax.

“**Yuan**” means the Chinese currency RMB in this Agreement unless otherwise specified.

“**Government agencies**” mean government supervisory or administrative bodies governing legislation, administration, justice, and government agencies, commissions, and securities supervisory body (including stock exchanges) in any relevant countries.

“**Development and Reform Commission**” means the National Development and Reform Commission of the People’s Republic of China.

“**Ministry of Commerce**” means the Ministry of Commerce of the People’s Republic of China.

“**Securities Supervision Bodies**” mean China Securities Regulatory Commission, Shanghai Stock Exchange, Shenzhen Stock Exchange, medium to small sized share transfer systems in the country, and some newly established stock exchange venues.

“**China**” means the People’s Republic of China (but for the purpose of this Agreement, special administrative regions like Hong Kong, Macau, and Taiwan region are excluded.)

1.2 **Interpretations**

Unless otherwise specified, the Agreement shall be interpreted as follows:

1.2.1 The laws and regulations under this Agreement refer to all applicable, issued, publicly available laws and regulations and any amendments or new revisions to such laws and regulations, or changes to such laws and regulations made

according to other Chinese laws and regulations (either before or after the date of the execution of this Agreement.)

- 1.2.2 The chapter, article, item, point, attachment or appendix under this Agreement refer to the corresponding chapter, article, item, point, attachment or appendix in this Agreement.
- 1.2.3 The titles in this Agreement are added only for the purpose of convenience and cannot affect the interpretation of this Agreement.
- 1.2.4 Any appendices quoted or attached to this Agreement constitute an inseparable part of this Agreement and have the same legal effect as this Agreement.
- 1.2.5 **“In writing”** means any communications sent through letters, emails, or faxes.
- 1.2.6 **“Including”** in this Agreement shall be interpreted as **“Including but not limited to.”**
- 1.2.7 Any party to this Agreement include the party’s successors or authorised assignees.
- 1.2.8 Under this Agreement, if the date any action, work or items are to be implemented falls on a non-Business Day, the date when such action, work or items are supposed to be implemented shall be the first Business Day after that non-Business Day.

Article II Structure of the Transaction

2.1 Structure of the Transaction

2.1.1 Summary of the Overall Plan

As of the date of the execution of this Agreement, (1) Heping Energy has registered capital in the amount of 1,800,000,000 Yuan, and Beijing Inshine Investment holds 100%

shares of Heping Energy, Beijing Inshine Investment has not made actual investment.

The aforementioned capital investment and shareholders information has been registered with the Industry and Trade authority; (2) Qingdao Yuheng Industry and Trade capital 1,810,000, 000 Yuan, and Heping Energy holds 99.4475% of the shares of Qingdao Yuheng, Heping Energy has not made actual investment. The above capital investment and shareholders information has been registered with the Industry and Trade authority.

Source Capital Co., Ltd. proposed to invest in the assets held by TB in the name of HENENGHAIXIN incorporated in partnership between Source Capital Co., Ltd., and Zhongtian Capital Management Co., Ltd.

HENENGHAIXIN and Beijing Inshine Investment signs a share assignment agreement, accepting the 22.2222% of Heping Energy's shares held by Beijing Inshine Investment at a consideration of zero, corresponding to registered capital of 400,000,000 Yuan (in words: Four hundred million Yuan), meanwhile, HENENGHAIXIN has the right to accept another 25% of shares of Heping Energy held by Beijing Inshine Investment at a consideration of zero, corresponding to registered capital of 450,000,000 Yuan (in words: Four hundred and fifty million Yuan) within thirty-six months. After HENENGHAIXIN fulfills its funding obligation of 400,000,000 Yuan (in words: Four hundred million Yuan) to Heping Energy, Heping Energy will fund 400,000,000 Yuan (in words: Four hundred million Yuan) to Qingdao Yuheng. After Qingdao Yuheng completes the ODI process, and on such basis, Qingdao Yuheng will proceed with the onshore guarantees for offshore loans process, a domestic bank being the onshore guarantor and York City being

the debtor; and after York City receives such funding, Beijing Inshine Investment, Heping Energy will assist in the change of the registration with the Industry and Trade authority, completing the registration of HENENGHAIXIN as a shareholder of Heping Energy based on the number of shares accepted by HENENGHAIXIN.

Within five Business Days after the ODI process is completed and after the onshore guarantees for offshore loans process is completed but before the overseas bank issues funding to York City, Source Capital Co., Ltd./Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING have the obligation to bring about Qingdao Yuheng's acceptance of York City's shares, meaning that Qingdao Yuheng will hold 100% of York City's shares and will enjoy all the benefits as a shareholder. Five Business Days after York City receives the funding through the onshore guarantees for offshore loans process, Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING have the obligation to bring about the share transfer, payment of considerations, closing of transaction by York City, the overseas HENENGHAIXIN Holding Company, and HENENGHAIXIN according to the structure of this Transaction, so Qingdao Yuheng is able to own the TB interests fully through holding shares indirectly.

The structure of this Transaction is illustrated in the Appendix I, the Transaction Structure Diagram.

Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING shall bring about the following: 1) While Qingdao Yuheng implements the effective measures to complete the funding process, it appoints the persons assigned by Source Capital Co., Ltd. to be directors and advisors of Qingdao Yuheng, and to issue effective decisions/resolutions to Source Capital Co., Ltd.; 2) Within three Business Days after Heping Energy receives the first payment from HENENGHAIXIN in the amount of 400,000,000 (in words: four hundred million Yuan), it will pay 400,000,000 (in words: four hundred million Yuan) to Qingdao Yuheng; 3) If HENENGHAIXIN later accepts the 25% shares of Heping Energy held by Beijing Inshine Investment, corresponding to registered investment of 450,000,000 (in words: four hundred and fifty million Yuan), Heping Energy will pay Qingdao Yuheng 450,000,000 (in words: four hundred and fifty million Yuan) within three days after Heping Energy receives 450,000,000 (in words: four hundred and fifty million Yuan) payment from HENENGHAIXIN.

2.1.2 Withdrawal arrangement

Source Capital proposes to withdraw its investment by transferring all the shares of Heping Energy HENENGHAIXIN holds when the term of the Partnership Agreement expires or even though the term of the Partnership Agreement has not expired, the scenario described in 2.1.2, 1) occurs.

- 1) During the term of the Partnership Agreement, Source Capital has the right to demand Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING severally or jointly purchase all the shares of Heping Energy HENENGHAIXIN holds within ten days from the date the following scenarios occur:

- a) The closing date specified under the *PURCHASE AND SALE AGREEMENT* executed between *FTI CONSULTING CANADA INC.* and *HENENGHAIXIN* is not realized within 45 Business Days after the registration of the change with Industry and Trade authority for *HENENGHAIXIN* investing in *HEPING Energy* is completed, or when Source Capital has reasons to believe that the closing date specified under the *PURCHASE AND SALE AGREEMENT* cannot be realized, or within 45 Business Days after the registration of the change with Industry and Trade authority for *HENENGHAIXIN* investing in *HEPING Energy* is completed, the transaction structure arrangement specified under 2.1.1 of this Agreement is not fully completed, Qingdao Yuheng, *York City*, Overseas *HENENGHAIXIN* Holding Company, *HENENGHAIXIN* have not completed the respective share transfers, payments of considerations, or closing procedures, as a result, Qingdao Yuheng fails to fully own TB's interest through indirectly holding shares;
- b) During the term of the Partnership Agreement, significant issues are identified for any of the companies - Source Capital, Zhongtian Yuheng, *York City*, *HENENGHAIXIN* - and such issues were not identified before *HENENGHAIXIN* pays capital into *Heping Energy* (including but not limited to significant legal flaws that hinder such company to participate in this Transaction; such company being subject to any litigations, arbitration, or administrative penalties and such litigations, arbitration, or administrative penalties may cause significant adverse impact to such

company; such company has a debt in excess of 10,000,000 Yuan;
significant flaws in compliance in the operation of such company; there is false, misleading information or material omission in the disclosure made by Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING, which will impact Source Capital's decision to participate in this Transaction), and the issues cannot be resolved by the parties;

- c) When something happens that results in the significant adverse impact on the performance capability, ability to pay, or the effectiveness and enforceability of the payment of Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING, including but not limited to share reduction actions that result in their loss of the third party controlling shareholder position/actual controlling party position, or they are investigated by the Securities Supervision Bodies, or subject to significant litigations;
- d) After HENENGHAXIN becomes Heping Energy's shareholder, if any of the net profit projections of HENENGHAXIN (net profit is calculated as the lower of the two before and after deducting extraordinary items, prepared and calculated as per the Chinese Business Accounting Standards) is not met, i.e., from the year 2017, the net profit of any year (net profit is calculated as the lower of the two before and after deducting extraordinary items) is lower than RMB four hundred million Yuan;

- e) When Heping Energy, Qingdao Yuheng, York City, Overseas HENENGHAIXIN Holding Company, HENENGHAIXIN cannot normally operate for 6 consecutive months, caused by reasons including but not limited to Board of Directors disputes, government's order to cease operation due to labour, environmental, or safety concerns, or order to cease operation for rectification, or broken cash flow chain, etc.
 - f) After the closing of HENENGHAIXIN's investment in Heping Energy transaction, HENENGHAIXIN's average daily production output is less than 10,000 barrels (or equivalent) for 90 days consecutively;
 - g) When Party A deems necessary before the term of the Partnership Agreement expires.
- 2) Within ten days after the duration of the Partnership Agreement is expired, the related third party appointed by Zhongtian Capital/Tianzhou DENG/Bo HUANG shall purchase all the Heping Energy shares held by HENENGHAIXIN. If Zhongtian Capital/Tianzhou DENG/Bo HUANG has not duly appointed the related third party for the purchase or the appointed related third party refuses the purchase, HENENGHAIXIN has the right to transfer all the Heping Energy shares it holds to Zhongtian Capital/Tianzhou DENG/Bo HUANG or a third party.
- 3) Price and payment for transfer
- The total price of the transfer of shares specified in Article 2.1.2, 1), 2) under this Agreement shall not be lower than the result of the formula below:
- The lowest transfer price = Fund Size * (1+10%*Fund Closing Period ÷365)

“Fund size” means the total actual amount paid to HENENGHAIXIN by all partners according to the Partnership Agreement and all subsequent supplementary agreements;

“Fund closing period” means the period from the date when the initial fund closes under the Partnership Agreement (inclusive) to the date when the related third party appointed by Zhongtian Capital/Tianzhou DENG/Bo HUANG pays the full price for the share transfer under this agreement (exclusive).

To avoid disputes, all the interest and dividend received by HENENGHAIXIN from Heping Energy before the transfer of shares will not constitute part of the share transfer price to be deducted.

2.1.3 Credit enhancement arrangement

- 1) Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING severally and jointly undertake that should the purchase price paid by the related third party appointed by Zhongtian Capital/Tianzhou DENG/Bo Huang is lower than the lowest transfer price specified under Article 2.1.2, 3), Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING (who are responsible severally and jointly) will pay HENENGHAIXIN the difference of the two prices.
- 2) Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING severally and jointly undertake that should the designated

third party refuses the purchase or does not purchase all the Heping Energy shares held by HENENGHAIXIN under the Agreement, HENENGHAIXIN has the right to transfer all the Heping Energy shares held by HENENGHAIXIN to Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING severally and jointly, Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING shall purchase the aforementioned shares at a price no lower than the lowest transfer price specified in 2.1.2, 3) as per the requirement of HENENGHAIXIN.

- 3) Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING severally and jointly undertake that, if HENENGHAIXIN chooses to transfer all the Heping Energy shares held by HENENGHAIXIN under 2.1.2, 3) of this Agreement to a third party, and the transfer price is lower than the lowest transfer price specified in 2.1.2, 3) under this Agreement, Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING (the five parties are jointly responsible) will pay HENENGHAIXIN the difference.
- 4) Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING severally and jointly undertake that if there is a difference between the amount of return all the partners actually receive for a period and the amount specified in the Partnership Agreement, i.e., return calculated according to their actual investment in HENENGHAIXIN, and the annual 7.2% for the Preferred Class Partners and 9% for the Intermediate Class Partners for the period, they have the obligation to pay the difference to all the partners;

Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING shall pay such difference within ten Business Days from the last date of distribution for the period specified under the Partnership Agreement;

- 5) Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING severally and jointly undertake that HENENGHAIXIN's preferred class and Intermediate Class Partners will eventually receive an amount no less than their actual investment amount plus annual projected return of 7.2%, 10% calculated from the date when the actual investment is made to the date when the aforementioned actual investment and projected return is all paid back. If there is any difference, Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING shall jointly pay such difference. Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING shall pay such difference in cash into the account designated by HENENGHAIXIN 30 days upon receiving HENENGHAIXIN's written notice;
- 6) Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING shall urge Hepping Energy to use the 46.9613% of Qingdao Yuheng's shares it holds as a pledge to guarantee the performance of Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING under this Agreement;
- 7) Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING shall urge Beijing Inshine to use the 25% of shares that

have not been transferred to HENENGHAIXIN as a pledge to HENENGHAIXIN according to “Jinzhou City Heping Energy Co., Ltd. Share Transfer Agreement”;

- 8) HENENGHAIXIN has the right to appoint a director to sit on the Boards or similar bodies of *York City*, Overseas HENENGHAIXIN Holding Company, *HENENGHAIXIN* as per the laws where *York City* is located and this director has the veto power by casting one vote on material matters, including but not limited to capital increase, reduction, the purchase and disposal of significant assets, mortgaging or pledging company’s assets, or adding encumbrance to the company’s assets, borrowing from outside parties, providing guarantee to outside parties, and so on, *York City*, Overseas HENENGHAIXIN Holding Company, *HENENGHAIXIN* shall incorporate the above-mentioned rights of HENENGHAIXIN into the Articles of Incorporation or similar legal documents;
- 9) Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING severally and jointly undertake that they will not impair the overseas interest indirectly owned by HENENGHAIXIN through the multi-layer structure, and will not add any encumbrance to such interest, including but not limited to such that without the written consent of Source Capital Co., Ltd., they shall not transfer the Qingdao Yuheng shares owned by Heping Energy, *York City* shares or similar interest owned by Qingdao Yuheng, the Overseas HENENGHAIXIN Holding Company shares or similar interest owned by *York City*, HENENGHAIXIN shares or similar interest owned by the Overseas HENENGHAIXIN Holding Company, and shall not add any encumbrance on the above mentioned interests.

2.1.4 The method to transfer funds overseas

Various parties agree that the funds will be transferred overseas through the process of onshore guarantees for offshore loans. Qingdao Yuheng will deposit security into a domestic commercial bank as counter-guarantee, the domestic commercial bank will provide an overseas bank with a Bank Letter of Guarantee, the overseas bank will then issue a foreign currency loan to York City, the debtor.

2.1.5 Account supervision

Various parties agree that a Heping Energy bank account and Qingdao Yuheng bank account approved in writing by Source Capital Co., Ltd. will be jointly supervised accounts, any funds related to the funding, payments, increase of funding under this Agreement shall go through such accounts, the seals of Source Capital Co., Ltd. and the account holder shall be kept with the bank, any ins and outs of funds of such accounts shall be approved in writing by both Source Capital Co., Ltd. and the account holder.

Relevant parties will execute an account supervision agreement or conduct account management business with the relevant bank.

2.2 HENENGHAIXIN's structure

2.2.1 HENENGHAIXIN was incorporated by Source Capital Co., Ltd.'s related party and Zhongtian Capital's related party on November 17, 2016. As of the date of the execution of this Agreement, the funding methods, amount, payment terms of HENENGHAIXIN's partners are as follows:

Name or description	Nature of partner	Funding amount	Method	Payment term
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		(10,000 Yuan)		
He Tai Jiu Ying	General Partner	100	Cash	30 years from the date of the incorporation of company
Jiaying Tian Ji Hong Sheng Energy Investment Partnership (Limited Partnership)	Limited Partner	2000	Cash	30 years from the date of the incorporation of company

2.2.2 For the purpose of this Transaction, Source Capital Co., Ltd. and Zhongtian Capital agree to make the following adjustment to the structure and funding of HENENGHAIXIN:

- 1) Target subscription: No less than four hundred and fifty million Yuan (¥450,000,000 Yuan), to be paid in by all the partners as per the Partnership Agreement. Please see Appendix V, "List of Partners and Their Respective Contributions in Investment".
- 2) Duration: Two (2) years from the closing date specified by the Partnership Agreement, it can be extended for one (1) year if approved by partners via a meeting.
- 3) The upper limit number of Limited Partners: 48
- 4) General Partners: GP1 is He Tai Jiu Ying, GP2 is Wanrong Asset.
- 5) Executive Partner: He Tai Jiu Ying.
- 6) Preferred Class, Intermediate Class Limited Partners, Inferior Class Partners: See details in Appendix V, "List of Partners and Their Respective Contributions in Investment".
- 7) Investment Consultants: Wanrong Asset and Tian Ji Li Zhen.
- 8) Investment Strategies: 4 members will form the Investment Strategy Committee of HENENGHAIXIN, Source Capital will appoint two, Wanrong Asset will

appoint 1, Tian Ji Li Zhen (or related party) will appoint 1; any investment decision can only be approved if at least three members approve it.

9) Scope of investment: All assets held by TB, including the rights of petroleum and natural gas, tangible assets and other interests.

10) Payment methods: Through subscription; The minimum subscription for institutional investors is 10 million RMB, the minimum subscription for natural persons is 1 million RMB, in cash.

11) Fees

a) Management fee: Source Capital will charge annual 1.1% of the total paid-in capital as management fee, and when HENENGHAIXIN closes this Transaction and upon withdrawal, will charge 7% of the Excess Earning as a one-time fee; Wanrong Assets will charge annual 0.6% of the total paid-in capital investment consulting fee; Tian Ji Li Zhen will charge annual 0.3% of the total paid-in capital as investment consulting fee; (Note: Please see the Partnership Agreement for the definition of the Excess Return.)

12) Principle for Earning Distribution

HENENGHAIXIN's principle for earning distribution is as follows:

a) Management fee, consulting fee, and other fees related to the fund;

b) Preferred class partners: On June 30th or December 31st of each calendar year, such partners will receive an annual rate of return of 7.2% from the date of initial closing date of funding under the Partnership Agreement (inclusive) to the date of withdrawal of funding (exclusive) (preferred

class partners' preferred rate of return), and when withdrawing investment, they will receive their investment principals on a priority basis;

- c) Intermediate class partners: On June 30th or December 31st of each calendar year, such partners will receive an annual rate of return of 9% from the date of initial closing date of funding under the Partnership Agreement (inclusive) to the date of withdrawal of funding (exclusive) (intermediate class partners' preferred rate of return), and when withdrawing investment, after paying the Preferred Class Partners their investment principals and returns, they will receive their investment principals;
- d) Inferior Class Partners and general partners: If, after paying the Preferred Class Partners and Intermediate Class Partners their investment principals and returns, there is still money left, pay General Partners until they receive their investment principals, then pay the Inferior Class Partners until they receive their investment principals;
- e) Excess Earning distribution: After the above distributions are made and there is Excess Earning left, Intermediate Class Partners are entitled to 10% of a portion of the aforementioned Excess Earning that is the proportion of their actual investment to the total fund size; Source Capital Co., Ltd. is entitled to 7% of the aforementioned Excess Earning, Wan Rong Asset is entitled to 5% of aforementioned Excess Earning, Tian Ji Li Zhen is entitled to 3% of aforementioned Excess Earning, what is left will

be distributed pro rata among the General Partners and Inferior Class Partners according to their investment percentages.

HENENGHAIXIN will distribute as per the aforementioned method, the specifics of which will be determined in an agreement executed by the partners.

Article IV Undertakings

4.1 Zhongtian Capital, Tianzhou DENG and spouse Fang CHEN, Bo Huang and spouse Xiaoyan NING shall urge Qingdao Yuheng, *York City*, HENENGHAIXIN Holding Company, *HENENGHAIXIN* to regularly disclose their respective financial information as specified below:

- 1) Within ninety (90) days after each fiscal year end, audited consolidated financial statement of the fiscal year prepared as per applicable accounting standards;
- 2) Within sixty (60) days after each half of the fiscal year, unaudited consolidated financial statement of the half fiscal year prepared as per applicable accounting standards;
- 3) Within sixty (60) days after each accounting quarter in the first three quarters, unaudited consolidated financial statement (if available) prepared as per applicable accounting standards;

4.2 Information update. Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING undertake that during the performance of this Agreement, they will notify HENENGHAIXIN in writing, in a timely fashion, any incidents, facts, conditions, changes, or other scenarios that have caused or may cause significant adverse impact to HENENGHAIXIN. Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING have the obligation to notify or disclose to HENENGHAIXIN in a timely fashion the complete and accurate information about any serious violations of the presentations, undertakings, obligations, or promises made under this Agreement, such violations committed or may be committed by any related party.

Article V Transaction Costs

- 5.1 Except otherwise specified by this Agreement or other Transaction Documents, the parties to this Agreement shall be responsible for any tax incurred in the Transaction contemplated in this Agreement.

Article IX Applicable Laws and Dispute Resolutions

- 9.1 The formulation, effectiveness, interpretation, performance, and dispute resolution shall be governed by the laws of China, and interpreted by the same.
- 9.2 Any disputes arising from the performance of this Agreement or related to the Agreement shall be resolved through friendly negotiations along various parties. If a dispute cannot be resolved through friendly negotiations after 15 days from the date the dispute arises, any party has the right to submit such dispute to Chinese International Economic and Trade Arbitration Commission (the “Arbitration Commission”) for arbitration, which will be conducted in Beijing in accordance with the effective arbitration rules at the time. The arbitration panel is consisted of three (3) members appointed in accordance with the arbitration rules, the applicant will appoint one (1) arbitrator, the respondent will appoint one (1) arbitrator, the leading arbitrator will be appointed by the Arbitration Commission. The language for arbitration is the Chinese language. The arbitration decision is final and binding to both parties. Unless otherwise ordered by the arbitration panel, the arbitration cost shall be paid by the losing party.
- 9.3 During the dispute resolution period, the various parties shall be entitled to the other rights under this Agreement and shall continue to perform their respective obligations under this Agreement.

Article XI Information Disclosure

- 11.1 Terms and conditions of this Agreement and its Appendices (including all the terms and the conditions, even the existence of this Agreement and all related documents) shall be kept confidential, the various parties to this Agreement shall not disclose any such information to any third party unless otherwise specified.
- 11.2 After the execution of this Agreement, if any one party proposes to disclose this Transaction publicly through news release, industry or professional media, marketing material or any other means, such party shall confirm with the other parties about a uniform publicity plan in advance (including but not limited to the scope of information permitted to be disclosed, the content of news release and so on.) Prior to obtaining the approval from other parties, any party it is prohibited from disclosing information beyond the content of the confirmed uniform publicity plan.
- 11.3 Each party shall keep confidential any proprietary or confidential information or confidential data belonging to other parties about their companies and business that is disclosed to such party by other parties for the purpose of the negotiations of this Agreement or for the purpose of establishing or operating their companies, and keep confidential any information related to this Agreement (“Confidential Information”), and is prohibited from disclosing such information to any third parties or persons other than the various parties to this Agreement, companies, professional consultants, and relevant government agencies.
- 11.4 The parties agree and undertake to urge the directors they have appointed not to use any Confidential Information for any purposes other than exercising their rights as directors or implementing the business of the Company, except that such directors report their

work to the appointing party, provided that the appointing party will abide by the confidentiality obligation under this Agreement.

11.5 Bound by other terms of this Agreement, notwithstanding the foregoing provision, the parties have the right to disclose this information about this Transaction to their respective investors, fund management company, investment banks, creditors, accountants, legal counsels, potential investors with goodwill, employees and business partners, provided that the persons or organizations receiving such information have agreed to fulfill the confidentiality obligation.

11.6 Disclosure of information is not restricted by the terms of the foregoing Article XI should the following occur:

11.6.1 Disclosure is required by law or any regulatory authorities;

11.6.2 Any legal proceedings arising from this Agreement or any other agreements formulated for the purpose of this Agreement require disclosure, or taxation authorities require reasonable disclosure;

11.6.3 Disclosures made to the professional consultants of the parties, however, the parties shall require such professional consultants to abide by the confidentiality obligations under Article XI in the same way as if they were the parties to this Agreement;

11.6.4 The information has been leaked to the public not due to the reasons of the parties;

11.6.5 Other information that has been approved for disclosure in writing by all the parties.

For the information disclosure under 11.6.1 and 11.6.2, the disclosing party shall discuss the disclosure and submission within a reasonable time period before the disclosure is made, and make effort to keep the submitted information confidential.

Appendix I Transaction Structure Diagram

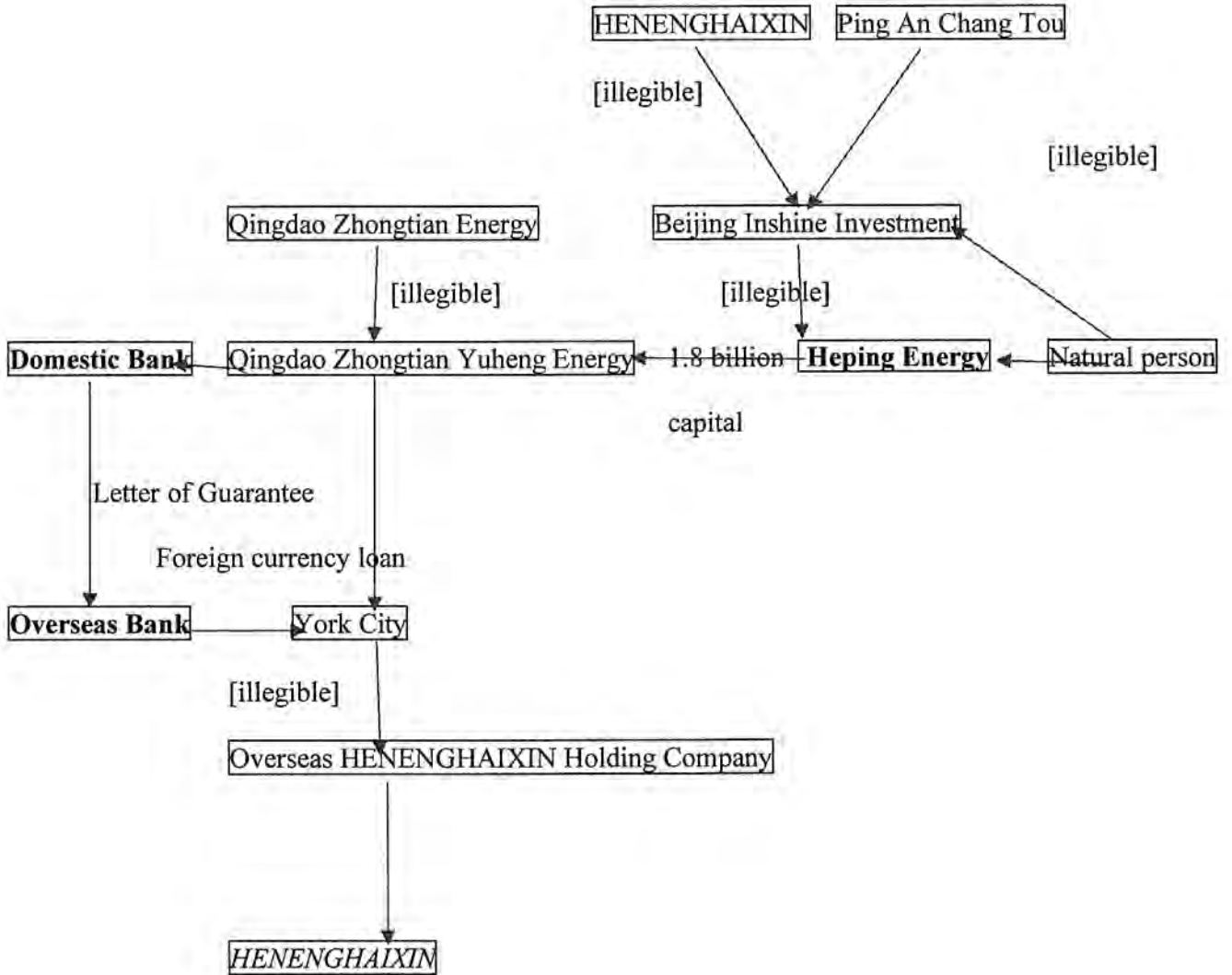


Exhibit "6"

Wuhan Investment agreement with Deng, March 2017

29 pages

THIS IS EXHIBIT " 6 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 2026

Agreement on Investment in *Twin Butte Energy Ltd.*

by

Wuhan Changxin Hecheng Industry Investment Fund Partnership (Limited Partnership)

and

Qingdao Zhongtian Capital Management Co., Ltd.

Tianzhou DENG

Bo HUANG

Fang CHEN

Xiaoyan NING

March 2017

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Article I Definitions

1.1 Definitions

The following terms shall be defined as follows unless otherwise specified in this Agreement:

“Beijing Inshine Investment” means Beijing Inshine Innovation Investment Consulting Co., Ltd.;

“This Transaction” means the Industry Fund’s proposed indirect investment in all the assets held by TB, including the rights of petroleum and natural gas, tangible assets and other interests.

“Industry Fund” means *Wuhan Changxin Hecheng Industry Investment Fund Partnership* (Limited Partnership).

“Chang Tou Ping An Fund Management Company/One of the General Partners” means Hubei Chang Tou Ping An Fund Management Company, one of the General Partners of the Industry Fund.

“HENENGHAIXIN” means *HENENGHAIXIN Operating Corporation* (Corporate Access Number: 176736), a corporation duly incorporated in the Province of Alberta, Canada, the main scope of business includes oil exploration, mining, and sales, the Purchaser of TB’s all assets. As of the date of the execution of this Agreement, its shareholder is *HENENGHAIXIN Corporation*.

“Overseas HENENGHAIXIN Holding Company” means *HENENGHAIXIN Corporation* (Corporate Access Number: 2020067431), a corporation duly incorporated in the Province of Alberta, Canada.

“**Partnership Agreement**” means the document that governs the relationships among the various partners of the Industry Fund, including “*Wuhan Changxin Hecheng Industry Investment Fund Partnership* (Limited Partnership) Investment Partnership Agreement” executed in ____ Month ____ Day, 2017, and any amendments or supplementary to this agreement.

“**Heping Energy**” means Jinzhou City Heping Energy Co., Ltd.

“**General Partners**” means the General Partners of the Industry Fund.

“**Tian Ji Li Zhen/GP2**” means Jiaxing Tian Ji Li Zhen Equity Investment Fund Management Co., Ltd., one of the General Partners of the Industry Fund.

“**Qingdao Yuheng**” means Qingdao Zhongtian Yuheng Energy Co., Ltd.

“**TB**” means Twin Butte Energy Ltd., a public company listed in Toronto Stock Exchange in Canada (Stock symbol: TBE).

“**Zhongtian Capital**” means Qingdao Zhongtian Capital Management Co., Ltd.

“**York City**” means *York City Enterprises Limited* (BVI Company number: 1763736), a company duly incorporated in the British Virgin Island (BVI) for the specific purpose of applying for overseas loans which is to be used to invest in oilfields in Canada. As of the date of the execution of this Agreement, its shareholder is Qingdao Zhongtian Yuheng Energy Co., Ltd.

“**LP1**” means Shenzhen Jincheng Shuoheng Venture Capital Investment Centre (Limited partner)

“**LP2**” means Jinyuan Securities Corporation (representing Jinyuan Ping An Bank Directional Asset Management Plan).

“**LP3**” means Jinzhou City Heneng Equity Investment Centre (Limited partner)

“**Four-year period**” means within the four-year period from the date this Agreement is executed.

“**Business Day**” means a day when commercial banks in China, Hong Kong, and Cayman Island are open for the transaction of normal banking business, other than a Saturday, Sunday or public holidays in China and Hong Kong.

“**Year**” means a calendar year.

“**Related Party**” means, with respect to any person, a person that is controlled by such person, a person who has control over such person, or a person that is controlled together with such person by another person. The aforementioned “**control**” or “**controlled**” means, through voting rights, agreements, or other means, directly or indirectly have the right to significantly influence the management and decision-making of an entity, or other relationships that constitute the de facto control of the entity.

“**Transaction Documents**” mean this Agreement, “*Wuhan Changxin Hecheng Industry Investment Fund Partnership (Limited Partnership) Investment Partnership Agreement*” (see Appendix II for the format and content) and any effective amendments and supplementary of such documents, “Letters of Guarantee” issued by Zhongtian Capital, Tian Zhou DENG, Bo HUANG (See Appendix III for the format and content), Loan Agreement (See Appendix IV for the format and content), The Letters of Guarantee issued by all the shareholders of Beijing Inshine (See Appendix V for the format and content), and the Share Transfer Agreement where the Industry Fund requires Beijing Inshine Investment to transfer its 52.7778% of Heping Energy’s shares to Industry Fund, Share Purchase Agreement where Beijing Inshine increases capital investment to Heping Energy, Share Purchase Agreement where Heping Energy increases capital investment to

Qingdao Yuheng, Share Purchase Agreement where Qingdao Yuheng accepts shares of York City, Share Purchase Agreement where York City accepts shares of Overseas HENENGHAIXIN Holding Company, Share Purchase Agreement where Overseas HENENGHAIXIN Holding Company accepts shares of HENENGHAIXIN, and other relevant legal documents and documents relating to onshore guarantees for offshore loans, relevant agreements of mortgage or pledge of assets (if available), Articles of Incorporation or similar corporate documents of the various entities under this Agreement, or such documents to be drafted or executed.

“**Partnership Agreement**” means “Wuhan Changxin Hecheng Industry Investment Fund Partnership (Limited Partnership) Investment Partnership Agreement” and/or amendments made through appropriate procedures.

“**Encumbrance**” means any security interest, mortgage, pledge, lien, charge, burden, adverse claims, priority, option, preference, seizure, freeze, trust, and other restrictions of any nature (including but not limited to any conditional sales or other agreement to retain ownership, any lease containing the aforementioned nature, any agreement granting any guarantee of interest, or documents designating third parties to be the indemnitee).

“**A Person**” or “**Persons**” shall include a natural person, a legal person, corporate, or a consortium of corporates, or a combination of such persons.

“**A Day**” means a calendar day, excluding the Business Day specified in this Agreement.

“**Law**” means, with respect to any person, any law, treaty, regulations, inter-governmental convention, decision, order, judgment, ruling, injunction, decree, local rules and regulations, autonomous rules and regulations, singular rules and regulations and local government’s bylaws, listing rules and regulations of the security commission,

the rules and regulations of any competent authorities, and other binding regulatory documents, whether formulated inside or outside of China.

“**Tax**” means any compulsory tax, levy, duty, fee, or taxation (including any fine, penalty, additional payment, or interest) of any form or nature levied by the central, local, municipal, or other organizations or agencies in China or anywhere in this world; and it shall include income tax, business tax, resource tax, value-added tax, any stamp duty, customs duty, or other tax.

“**Yuan**” means the Chinese currency RMB in this Agreement unless otherwise specified.

“**Government agencies**” mean government supervisory or administrative bodies governing legislation, administration, justice, and government agencies, commissions, and securities supervisory body (including stock exchanges) in any relevant countries.

“**Development and Reform Commission**” means the National Development and Reform Commission of the People’s Republic of China.

“**Ministry of Commerce**” means the Ministry of Commerce of the People’s Republic of China.

“**Securities Supervision Bodies**” mean China Securities Regulatory Commission, Shanghai Stock Exchange, Shenzhen Stock Exchange, medium to small sized share transfer systems in the country, and some newly established stock exchange venues.

“**China**” means the People’s Republic of China (but for the purpose of this Agreement, special administrative regions like Hong Kong, Macau, and Taiwan region are excluded.)

1.2 **Interpretations**

Unless otherwise specified, the Agreement shall be interpreted as follows:

- 1.2.1 The laws and regulations under this Agreement refer to all applicable, issued, publicly available laws and regulations and any amendments or new revisions to such laws and regulations, or changes to such laws and regulations made according to other Chinese laws and regulations (either before or after the date of the execution of this Agreement.)
- 1.2.2 The chapter, article, item, point, attachment or appendix under this Agreement refer to the corresponding chapter, article, item, point, attachment or appendix in this Agreement.
- 1.2.3 The titles in this Agreement are added only for the purpose of convenience and cannot affect the interpretation of this Agreement.
- 1.2.4 Any appendices quoted or attached to this Agreement constitute an inseparable part of this Agreement and have the same legal effect as this Agreement.
- 1.2.5 “**In writing**” means any communications sent through letters, emails, or faxes.
- 1.2.6 “**Including**” in this Agreement shall be interpreted as “**Including but not limited to.**”
- 1.2.7 Any party to this Agreement include the party’s successors or authorised assignees.
- 1.2.8 Under this Agreement, if the date any action, work or items are to be implemented falls on a non-Business Day, the date when such action, work or items are supposed to be implemented shall be the first Business Day after that non-Business Day.

Article II Structure of the Transaction

2.1 Structure of the Transaction

2.1.1 Summary of the Overall Plan

The Industry Fund proposes to invest in all the assets held by TB.

Given the current regulatory environment in China regarding overseas investment and foreign currency control, it is proposed that the Industry Fund will provide 950,000,000 Yuan (in words: nine hundred and fifty million Yuan) loan to Beijing Inshine Investment, Beijing Inshine Investment will use the total loan mentioned above to invest capital into its wholly owned subsidiary, Heping Energy, then Heping Energy will invest capital of 1,800,000,000 Yuan to Qingdao Yuheng (in words: one point eight billion Yuan). After Qingdao Yuheng completes the filing procedures with the Development and Reform Commission, Ministry of Commerce for overseas investment, Qingdao Yuheng will complete the process of onshore guarantees for offshore loans process, a domestic bank being the onshore guarantor and York City being the debtor, and ensure that York City receives such loan.

As a condition for the Industry Fund provides the aforementioned 950 million Yuan loan to Beijing Inshine, Beijing Inshine undertakes that at any time after Beijing Inshine completes the investment in Heping Energy, if Beijing Inshine receives a notice from the Industry Fund for share transfer, Beijing Inshine agrees to transfer the 52.7778% of Heping Energy's shares to the Industry Fund, as the consideration for the principal of the aforementioned 950 million Yuan loan. After Beijing Inshine receives the aforementioned notice, it shall complete the execution of the relevant share transfer agreements (including but not limited to the Share Transfer Agreement), shareholders' decision on share transfer in the time period specified in the notice of the Industry Fund,

and shall complete the registration of the shareholding change with the Industry and Trade authority, and file with the relevant government authorities for record or approval. After the share transfer is completed, the Industry Fund will directly own 52.7778% of Heping Energy's shares.

Within three (3) Business Days after Qingdao Yuheng completes the procedures with the Development and Reform Commission, Ministry of Commerce for overseas investment, and after the onshore guarantees for offshore loans process is completed but before the overseas bank issues funding to York City, Zhongtian Capital, Tianzhou DENG and spouse Fang CHEN, Bo Huang and spouse Xiaoyan NING have the obligation to bring about Qingdao Yuheng's acceptance of York City's shares, meaning that Qingdao Yuheng will hold 100% of York City's shares and will enjoy all the benefits as a shareholder. Five Business Days after York City receives the funding through the onshore guarantees for offshore loans process, Zhongtian Capital, Tianzhou DENG and spouse Fang CHEN, Bo Huang and spouse Xiaoyan NING have the obligation to urge and ensure that York City, the overseas HENENGHAIXIN Holding Company, and HENENGHAIXIN will complete the share transfer, payment of considerations as per the structure of this Transaction under this Agreement, so Qingdao Yuheng is able to own the TB interests fully through holding shares indirectly.

The structure of this Transaction is illustrated in the Appendix I, the Transaction Structure Diagram.

Zhongtian Capital, Tianzhou DENG and spouse Fang CHEN, Bo Huang and spouse Xiaoyan NING shall urge and ensure the following: 1) While Qingdao Yuheng implements the effective measures to complete the funding process, it appoints the person appointed by the Industry Fund to be the legal representative of Qingdao Yuheng, and to issue effective decisions/resolutions to the Industry Fund, and to submit the official seal of Qingdao Yuheng to the Industry Fund for safekeeping; 2) Within three (3) Business Days after Beijing Inshine receives the loan, it shall pay the capital into Heping Energy; 3) Within three (3) Business Days after Heping Energy receives the 950 million (in words: nine hundred and fifty million Yuan) investment fund from Beijing Inshine, it shall pay the 950 million (in words: nine hundred and fifty million Yuan) investment into Qingdao Yuheng.

2.1.2 Withdrawal arrangement

- 1) Within the Four-Year Period, Zhongtian Capital/Tianzhou DENG/Bo HUANG shall appoint a related third party to purchase Heping Energy shares held by the Industry Fund.
- 2) Notwithstanding the provisions of the preceding paragraph, within the Four-Year Period, the Industry Fund has the right to demand Zhongtian Capital, Tianzhou DENG and spouse, Fang CHEN, Bo HUANG and spouse severally or jointly purchase all the Heping Energy shares held by the Industry Fund within ten (10) days should the following occur:
 - a) The closing date specified under the *PURCHASE AND SALE AGREEMENT* executed between *FTI CONSULTING CANADA INC.* and *HENENGHALXIN* is not realized within 10 Business Days after the

registration of the change with Industry and Trade authority for the Industry Fund's acceptance of the 52.7778% of Heping Energy's shares, or when the Industry Fund has reasonable reasons to believe that the closing date specified under the *PURCHASE AND SALE AGREEMENT* cannot be realized, or within 10 Business Days after the registration of the change with Industry and Trade authority for the Industry Fund's acceptance of the 52.7778% of Heping Energy's shares, the transaction structure arrangement specified under 2.1.1 of this Agreement is not fully completed, any of the parties in the Transaction - Qingdao Yuheng, *York City*, Overseas HENENGHAIXIN Holding Company, *HENENGHAIXIN* - have not completed the respective share transfers, payments of considerations, or closing procedures, as a result, Qingdao Yuheng fails to fully own TB's interest through indirectly holding shares;

- b) Significant issues are identified by the Industry Fund for any of the companies – Heping Energy, Qingdao Yuheng, *York City*, HENENGHAIXIN - and such issues were not identified before the execution of the Agreement (including but not limited to significant legal flaws that hinder such company to participate in this Transaction; such company being subject to any litigations, arbitration, or administrative penalties and such litigations, arbitration, or administrative penalties may cause significant adverse impact to such company; such company has a debt in excess of 50,000,000 Yuan; significant flaws in compliance in the operation of such company; there is false, misleading information or

material omission in the disclosure made by Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING, which will impact the Industry Fund's decision to participate in this Transaction), and the issues cannot be resolved by the parties;

- c) When something happens that results in the significant adverse impact on the performance capability, ability to pay, or the effectiveness and enforceability of the payment of Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING, including but not limited to share reduction actions that result in their loss of the third party controlling shareholder position/actual controlling party position, or they are investigated by the Securities Supervision Bodies, or subject to significant litigations;
- d) After the Industry Fund becomes Heping Energy's shareholder, if any of the net profit projections of HENENGHAIXIN (net profit is calculated as the lower of the two before and after deducting extraordinary items, prepared and calculated as per the Chinese Business Accounting Standards) is not met, i.e., from the year 2017, the net profit of any year (net profit is calculated as the lower of the two before and after deducting extraordinary items) is lower than RMB four hundred million Yuan;
- e) When Heping Energy, Qingdao Yuheng, York City, Overseas HENENGHAIXIN Holding Company, HENENGHAIXIN cannot normally operate continuously for 6 months, caused by reasons including but not limited to Board of Directors disputes, government's order to cease

operation due to labour, environmental, or safety concerns, or order to cease operation for rectification, or broken cash flow chain, etc.

- f) After the Industry Fund accepts the 52.7778% of Heping Energy's shares and completes the registration of the shareholding change with the Industry and Trade authority, *HENENGHAIXIN*'s average daily output is less than 10,000 barrels (or equivalent) for 60 days consecutively;
- g) When the Industry Fund deems necessary.

- 3) After the Four-Year Period expires, the Industry Fund will withdraw as specified in 2.1.2, 1), or if the Industry Fund does not withdraw as specified in 2.1.2, 2), the Industry Fund has the right to choose to transfer all the Heping Energy shares it holds to Zhongtian Capital/Tianzhou DENG and spouse/Bo HUANG and spouse, or to a third party. If the Industry Fund Zhongtian demands Zhongtian Capital/Tianzhou DENG and spouse/Bo HUANG and spouse to purchase all the Heping Energy shares it holds, Zhongtian Capital/Tianzhou DENG and spouse/Bo HUANG and spouse shall complete the purchase within one (1) year from the date the Four-Year Period expires.

- 4) Price and payment for transfer

The total price of the transfer of shares specified in Article 2.1.2, 1), 2), 3) under this Agreement shall not be lower than the result of the formula below:

The lowest transfer price = Fund Size * (1+15%*Fund Closing Period ÷365)

“Fund size” means the total actual amount paid to the Industry Fund by all partners according to the Partnership Agreement.

“Fund closing period” means the period from the date when the Industry Fund partners make initial successful investment (inclusive) confirmed by the Executive Partner (Chang Tou Ping An Fund Management Company) to the date when Zhongtian Capital/Tianzhou DENG and spouse/Bo HUANG and spouse or the related third party they appointed pay the full price for the share transfer under this Agreement (exclusive).

To avoid disputes, all the interest and dividend received by the Industry Fund from Heping Energy before the transfer of shares will not constitute part of the share transfer price to be deducted.

2.1.3 Prepayments

The Industry Fund has the right to terminate this Agreement if, within 60 Business Days after Beijing Inshine receives the loan of 950,000,000 Yuan (in words: nine hundred and fifty million Yuan) from the Industry Fund, Qingdao Yuheng fails to complete the filing procedures with the Development and Reform Commission, Ministry of Commerce for overseas investment, or Qingdao Yuheng fails to complete the process of onshore guarantees for offshore loans to have a domestic bank being the onshore guarantor and York City being the debtor, and York City fails to receive such loan; and the Industry Fund will demand Beijing Inshine to pay back the loan of 950,000,000 Yuan (in words:

nine hundred and fifty million Yuan) and interests, and default damages (if any) to the Industry Fund as specified in the Loan Agreement.

2.1.4 Credit enhancement arrangement

- 1) Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING severally and jointly undertake that should the scenario described in 2.1.3 occurs, or when the term of the Loan Agreement expires and the Industry Fund does not demand Beijing Inshine to transfer the 52.7778% of Heping Energy shares to the Industry Fund, they should assume the joint and several liability guarantee for Beijing Inshine's obligation to pay the Industry Fund the loan principal and interest and default damages (if any).
- 2) Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING severally and jointly undertake that if, within the Four-Year Period, the Industry Fund fails to withdraw as specified in 2.1.2, a, and 2.2.2, 2), the Industry Fund has the right to transfer all the Heping Energy shares held by the Industry Fund to Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING severally and jointly, and Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING shall purchase the aforementioned shares at a price no lower than the lowest transfer price specified in 2.1.2, 4) within one (1) year upon the expiry of the Four-Year Period as required by the Industry Fund.
- 3) Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING severally and jointly undertake that, if the Industry Fund chooses to transfer all the Heping Energy shares held by the Industry Fund to a

third party under 2.1.2, 4) of this Agreement, and the transfer price is lower than the lowest transfer price specified in 2.1.2, 4) under this Agreement, Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING (the five parties are jointly responsible) will pay the Industry Fund the difference.

- 4) Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING severally and jointly undertake that they will be jointly obliged to pay the difference between the amount to be received by all the partners of the Fund in terms of their investment principals and the return calculated based on the annual rate of return of 6% and 15% for LP2 and LP1 under the Agreement and the actual amount they receive (the five parties have joint responsibilities).
- 5) Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING shall urge and ensure that all the shareholders of Beijing Inshine Investment will pledge all their shares in Beijing Inshine within ten (10) days after the Loan Agreement is executed as a guarantee that Beijing Inshine Investment will pay back the investment loan and interest (when the scenario described in 2.1.3 in this Agreement occurs, or upon the term of the Loan Agreement expires, the Industry Fund does not demand Beijing Inshine Investment to transfer the 52.7778% of the Heping Energy Shares to the Industry Fund) and the obligation to pay default damage (if any), and also guarantee the performance of Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING under this Agreement;

- 6) Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING shall urge and ensure that Beijing Inshine Investment will pledge all the 52.7778% of Heping Energy Shares within ten (10) days after the Loan Agreement is executed as a guarantee that Beijing Inshine Investment will pay back the investment loan and interest (when the scenario described in 2.1.3 in this Agreement occurs, or upon the term of the Loan Agreement expires, the Industry Fund does not demand Beijing Inshine Investment to transfer the 52.7778% of the Heping Energy Shares to the Industry Fund) and the obligation to pay default damage (if any), if the Industry Fund demands Beijing Inshine Investment to transfer the 52.7778% of the Heping Energy Shares to the Industry Fund as specified in 2.1.1 of this Agreement, the Industry Fund and Beijing Inshine will process the registration of the cancellation of the aforementioned share pledge together;
- 7) Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING shall urge and ensure that Heping Energy will pledge the 52.49% of Qingdao Yuheng's shares within ten (10) days after the Loan Agreement is executed as a guarantee that Beijing Inshine Investment will pay back the investment loan and interest (when the scenario described in 2.1.3 in this Agreement occurs, or upon the term of the Loan Agreement expires, the Industry Fund does not demand Beijing Inshine Investment to transfer the 52.7778% of the Heping Energy Shares to the Industry Fund) and the obligation to pay default damage (if any), and also guarantee the performance of Zhongtian

Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING under this Agreement;

- 8) The Industry Fund has the right to appoint a director to sit on the Boards or similar bodies of *York City*, Overseas HENENGHAIXIN Holding Company, and *HENENGHAIXIN* as per the laws where *York City* is located and this director has the veto power by casting one vote, *York City*, Overseas HENENGHAIXIN Holding Company, *HENENGHAIXIN* shall incorporate the above-mentioned rights of the Industry Fund into the Articles of Incorporation or similar legal documents;
- 9) Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING severally and jointly undertake that they will not impair the overseas interest indirectly owned by the Industry Fund through the multi-layer structure, and will not increase the encumbrance to such interest, including but not limited to such as that without the written consent of the Industry Fund, they shall not transfer the Qingdao Yuheng shares owned by Heping Energy, *York City* shares or similar interest owned by Qingdao Yuheng, the Overseas HENENGHAIXIN Holding Company shares or similar interest owned by *York City*, HENENGHAIXIN shares or similar interest owned by the Overseas HENENGHAIXIN Holding Company, and shall not add any encumbrance on the above mentioned interests.

2.1.5 The method to transfer funds overseas

Various parties agree that the funds will be transferred overseas through the process of onshore guarantees for offshore loans. Qingdao Yuheng will deposit security into a

domestic commercial bank as counter-guarantee, the domestic commercial bank will provide an overseas bank with a Bank Guarantee, the overseas bank will then issue a foreign currency loan to York City, the debtor.

2.1.5 Account supervision

Various parties agree that the following bank accounts of Beijing Inshine Investment, Heping Energy, Qingdao Yuheng, will be jointly monitored accounts, any funds related to the funding, payments, increase of funding under this Agreement shall go through such accounts, the seals of the Industry Fund and the account holder shall be kept with the bank, any ins and outs of funds of such accounts shall be approved in writing by both the Industry Fund and the account holder.

Beijing Inshine Investment account information:

Account name: Beijing Inshine Innovation Investment Consulting Co., Ltd.;

Account number: 15000074663256

Bank: Ping An Bank Wuhan Branch

Heping Energy account information:

Account name: Jinzhou City Heping Energy Co., Ltd.

Account number: 15000074660471

Bank: Ping An Bank Wuhan Branch

Qingdao Yuheng account information:

Account name: Qingdao Zhongtian Yuheng Energy Co., Ltd.

Account number: 15000074655057

Bank: Ping An Bank Wuhan Branch

Relevant parties will execute an account supervision agreement or conduct account management business with the relevant bank.

2.2 The Industry Fund's structure

- 1) Target subscription: Total 1.2 billion Yuan (¥1,200,000,000 Yuan), the 950 million (¥950,000,000) is to be used in this Agreement, paid in by all the partners as per the Partnership Agreement. Please see Appendix VI, "List of Partners and Their Respective Contributions in Investment".
- 2) Duration: Four (4) years from the date of inception of the Fund, it can be extended for one (1) year if approved by partners via a meeting.
- 3) General Partners: GP1 is Chang Tou Ping An Fund Management Company; GP2 is Tian Ji Li Zhen.
- 4) Executive Partner: Chang Tou Ping An Fund Management Company.
- 5) LP1, LP2, LP3: See Appendix VI, "List of Partners and Their Respective Contributions in Investment" for details.
- 6) Investment Strategies: 5 members will form the Investment Strategy Committee of the Industry Fund, GP1 will appoint 2, GP 2 will appoint 3; there will be a director member in the committee, appointed by GP1, who will call and hold the Investment Strategy Committee meetings. Any investment decisions can only be approved with more than two thirds of the members' votes. Any investment

decisions will not be effective unless the member appointed by Chang Tou Ping

An Fund Management Company approves them.

- 7) Scope of investment: All assets held by TB, including the rights of petroleum and natural gas, tangible assets and other interests.

Other specific terms regarding the Industry Fund will be determined by the Partnership agreement.

Article IV Undertakings

4.1 Zhongtian Capital, Tianzhou DENG and spouse Fang CHEN, Bo Huang and spouse Xiaoyan NING shall urge and ensure that Qingdao Yuheng, York City, Overseas HENENGHAIXIN Holding Company, and HENENGHAIXIN to regularly disclose their respective financial information as specified below:

- 1) Within ninety (90) days after each fiscal year end, audited consolidated financial statement of the fiscal year prepared as per applicable accounting standards;
- 2) Within sixty (60) days after each half of the fiscal year, unaudited consolidated financial statement of the half fiscal year prepared as per applicable accounting standards;
- 3) Within sixty (60) days after each accounting quarter in the first three quarters, unaudited consolidated financial statement (if available) prepared as per applicable accounting standards;

4.2 Information update. Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING undertake that during the performance of this Agreement, they will notify the Industry Fund in writing, in a timely fashion, any incidents, facts, conditions, changes, or other scenarios that have caused or may cause significant adverse impact to the Industry Fund. Zhongtian Capital/Tianzhou DENG and spouse Fang CHEN/Bo Huang and spouse Xiaoyan NING have the obligation to notify or disclose to the Industry Fund in a timely fashion the complete and accurate information about any serious violations of the presentations, undertakings, obligations, or promises made under this Agreement, such violations committed or may be committed by any related party.

Article V Transaction Costs

- 5.1 Except otherwise specified by this Agreement or other Transaction Documents, the parties to this Agreement shall be responsible for any tax incurred in the Transaction contemplated in this Agreement.

Article IX Applicable Laws and Dispute Resolutions

- 9.1 The formulation, effectiveness, interpretation, performance, and dispute resolution shall be governed by the laws of China, and interpreted by the same.
- 9.2 Any disputes arising from the performance of this Agreement or related to the Agreement shall be resolved through friendly negotiations along various parties. If a dispute cannot be resolved through friendly negotiations after 15 days from the date the dispute arises, any party has the right to submit such dispute to Chinese International Economic and Trade Arbitration Commission (the “Arbitration Commission”) for arbitration, which will be conducted in Beijing in accordance with the effective arbitration rules at the time. The arbitration panel is consisted of three (3) members appointed in accordance with the arbitration rules, the applicant will appoint one (1) arbitrator, the respondent will appoint one (1) arbitrator, the leading arbitrator will be appointed by the Arbitration Commission. The language for arbitration is the Chinese language. The arbitration decision is final and binding to both parties. Unless otherwise ordered by the arbitration panel, the arbitration cost shall be paid by the losing party.
- 9.3 During the dispute resolution period, the various parties shall be entitled to the other rights under this Agreement and shall continue to perform their respective obligations under this Agreement.

Article XI Information Disclosure

- 11.1 Terms and conditions of this Agreement and its Appendices (including all the terms and the conditions, even the existence of this Agreement and all related documents) shall be kept confidential, the various parties to this Agreement shall not disclose any such information to any third party unless otherwise specified.
- 11.2 After the execution of this Agreement, if any one party proposes to disclose this Transaction publicly through news release, industry or professional media, marketing material or any other means, such party shall confirm with the other parties about a uniform publicity plan in advance (including but not limited to the scope of information permitted to be disclosed, the content of news release and so on.) Prior to obtaining the approval from other parties, any party it is prohibited from disclosing information beyond the content of the confirmed uniform publicity plan.
- 11.3 Each party shall keep confidential any proprietary or confidential information or confidential data belonging to other parties about their companies and business that is disclosed to such party by other parties for the purpose of the negotiations of this Agreement or for the purpose of establishing or operating their companies, and keep confidential any information related to this Agreement (“Confidential Information”), and is prohibited from disclosing such information to any third parties or persons other than the various parties to this Agreement, companies, professional consultants, and relevant government agencies.
- 11.4 The parties agree and undertake to urge the directors they have appointed not to use any Confidential Information for any purposes other than exercising their rights as directors or implementing the business of the Company, except that such directors report their

work to the appointing party, provided that the appointing party will abide by the confidentiality obligation under this Agreement.

- 11.5 Bound by other terms of this Agreement, notwithstanding the foregoing provision, the parties have the right to disclose this information about this Transaction to their respective investors, fund management company, investment banks, creditors, accountants, legal counsels, potential investors with goodwill, employees and business partners, provided that the persons or organizations receiving such information have agreed to fulfill the confidentiality obligation.
- 11.6 Disclosure of information is not restricted by the terms of the foregoing Article XI should the following occur:
 - 11.6.1 Disclosure is required by law or any regulatory authorities;
 - 11.6.2 Any legal proceedings arising from this Agreement or any other agreements formulated for the purpose of this Agreement require disclosure, or taxation authorities require reasonable disclosure;
 - 11.6.3 Disclosures made to the professional consultants of the parties, however, the parties shall require such professional consultants to abide by the confidentiality obligations under Article XI in the same way as if they were the parties to this Agreement;
 - 11.6.4 The information has been leaked to the public not due to the reasons of the parties;
 - 11.6.5 Other information that has been approved for disclosure in writing by all the parties.

For the information disclosure under 11.6.1 and 11.6.2, the disclosing party shall discuss the disclosure and submission within a reasonable time period before the disclosure is made, and make effort to keep the submitted information confidential.

Appendix I Transaction Structure Diagram

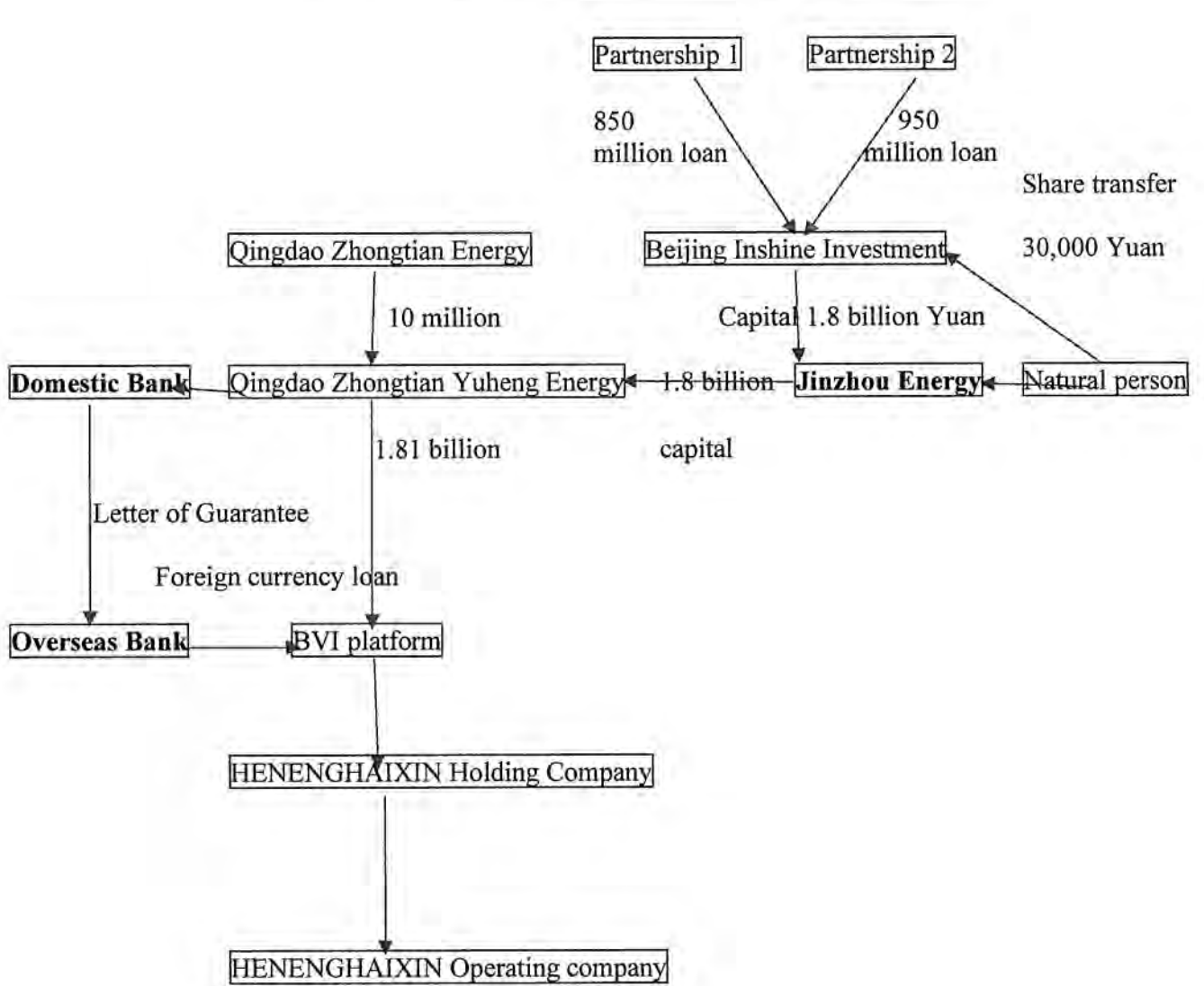


Exhibit "7"

False Financial Statements, Dec-31-17

23 pages

THIS IS EXHIBIT " 7 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 2026



Annual Report for the Period ended December 31, 2017



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of West Lake Energy Corp.

We have audited the accompanying financial statements of West Lake Energy Corp., which comprise the balance sheet as at December 31, 2017, and the statement of income (loss) and comprehensive income (loss), statement of changes in shareholders' equity and statement of cash flows for the period from incorporation on December 13, 2016 to December 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the balance sheet of West Lake Energy Corp. as at December 31, 2017, and its financial performance and its cash flows for the period from incorporation on December 13, 2016 to December 31, 2017, in accordance with International Financial Reporting Standards.

Deloitte LLP

Chartered Professional Accountants
Calgary, Alberta
April 18, 2018

West Lake Energy Corp.
Balance Sheet

(Cdn\$ thousands)

Note December 31, 2017

ASSETS

Current Assets

Cash and cash equivalents	5, 9	\$	31,491
Accounts receivable	16		20,786
Deposits and prepaid expenses			1,411
Derivative assets	5		680
Assets held for sale	8		6,468
			<u>60,836</u>

Non-current assets

Exploration and evaluation	7		44,231
Property and equipment	8		407,282
Deferred taxes	15		34,000
		\$	<u>546,349</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities

Accounts payable and accrued liabilities	17	\$	38,285
Derivative liabilities	5		5,873
Liabilities held for sale	8, 10		6,463
			<u>50,621</u>

Non-current liabilities

Derivative liabilities	5		1,389
Decommissioning provision	10		177,243
			<u>229,253</u>

Shareholders' Equity

Share capital	11		344,765
Deficit			(27,669)
			<u>317,096</u>
		\$	<u>546,349</u>

Commitments and contingencies (note 21)

Subsequent events (note 22)

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors



David Middleton
Director
West Lake Energy Corp.



Steven Neu
Director
West Lake Energy Corp.

West Lake Energy Corp.
Statement of Income (Loss) and Comprehensive Income (Loss)

<i>(Cdn,\$ thousands except per share amounts)</i>	<i>Note</i>	Period ended December 31, 2017
Petroleum and natural gas sales	12	\$ 133,023
Royalties		(14,579)
Revenues		\$ 118,444
Expenses		
Operating		62,713
Transportation		3,314
General and administrative	13	6,993
Transaction costs		153
Finance expense	14	2,917
Loss on derivatives	5	8,377
Exploration and evaluation expense	7	398
Gain on disposition of property and equipment	8	(423)
Depletion and depreciation	8	46,071
Impairment of property and equipment	8	15,600
		146,113
Income (loss) before income taxes		(27,669)
Deferred tax expense (recovery)	15	-
		\$ (27,669)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)		\$ (27,669)
Net income (loss) per share \$		
Basic	11	(0.13)
Diluted	11	(0.13)

The accompanying notes are an integral part of these financial statements.

West Lake Energy Corp.
Statement of Cash Flows
(Cdn\$ thousands)

	Note	Period ended December 31, 2017
Cash provided by (used in):		
OPERATING ACTIVITIES:		
Net Income (loss)		\$ (27,669)
Adjustments for items not involving cash:		
Depletion and depreciation	8	46,071
Impairment of property and equipment	8	15,600
Unrealized loss on derivatives	5	6,582
Finance expense	14	2,917
Exploration and evaluation expense	7	398
Gain on disposition of property and equipment	8	(423)
Interest paid	14	(46)
Expenditures on decommissioning provision	10	(4,159)
Changes in non-cash working capital	18	266
		39,537
FINANCING ACTIVITIES		
Issuance of share capital	11	344,765
		344,765
INVESTING ACTIVITIES		
Expenditures on Twin Butte Energy Assets	6	(262,765)
Expenditures on property and equipment	6	(83,452)
Expenditures on exploration and evaluation assets		(22,346)
Proceeds on disposition of property and equipment	8	27
Changes in non-cash working capital	18	15,725
		(352,811)
Change in cash and cash equivalents		\$ 31,491
Cash and cash equivalents, beginning of the period		\$ -
Cash and cash equivalents, end of period		\$ 31,491

The accompanying notes are an integral part of these financial statements.

West Lake Energy Corp.
Statement of Changes in Shareholders' Equity

<i>(Cdn\$ thousands)</i>	Note	Share capital	Deficit	Total Shareholders' Equity
Balance, December 13, 2016		\$ -	\$ -	\$ -
Common shares issued	11	344,765	-	344,765
Net income (loss) and comprehensive income (loss)		-	(27,669)	(27,669)
Balance, December 31, 2017		\$ 344,765	\$ (27,669)	\$ 317,096

Notes to Financial Statements

For the period from incorporation on December 13, 2016 to December 31, 2017

All tabular amounts are in thousands of Canadian dollars except as otherwise indicated.

1. BUSINESS AND STRUCTURE OF WEST LAKE

West Lake Energy Corp. ("West Lake" or "the Company") is an oil and natural gas exploration, development and production company with properties located in Western Canada. West Lake is domiciled in Canada and was incorporated on December 13, 2016 under the Business Corporations Act (Alberta). West Lake's head office address is 700, 600 – 3rd Avenue SW, Calgary, Alberta, Canada.

2. BASIS OF PRESENTATION AND GOING CONCERN

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"). These financial statements cover the period from incorporation on December 13, 2016 to December 31, 2017. The Company has applied the same accounting policies throughout the entire period presented. These financial statements have been prepared on the historical cost basis, except as identified in Note 3, Significant Accounting Policies. They are presented in Canadian dollars, which is the Company's functional currency.

These financial statements were approved and authorized for issue by the Board of Directors on April 18, 2018.

Going Concern

These financial statements are prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are as follows:

(a) Cash and cash equivalents

Cash and cash equivalents consists of balances held with banks, and other short-term highly liquid investments with original maturities of three months or less from inception.

(b) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates in effect at the balance sheet date. Gains and or losses on these items are included in the statement of income (loss).

(c) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have been expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

All financial instruments are initially recognized at fair value on the balance sheet. Measurement of financial instruments subsequent to the initial recognition, as well as resulting gains and losses, are based on how each financial instrument was initially classified. The Company has classified each identified financial instrument into the following categories: fair value through profit or loss, loans and receivables, held-to-maturity investments, available for sale financial assets, and financial liabilities at amortized cost. Fair value through profit or loss financial instruments are measured at fair value with gains and losses recognized in income immediately. Available for sale financial assets are measured at fair value with gains and losses, other than impairment losses, recognized in other comprehensive income and transferred to income when the asset is derecognized. Loans and receivables, held-to-maturity investments and financial liabilities at amortized cost are recognized at amortized cost using the effective interest method and impairment losses are recorded in income when incurred.

Derivative instruments executed by the Company to manage market risk associated with volatile commodity prices are classified as held for trading within fair value through profit or loss and recorded on the balance sheet at fair value as derivative assets and liabilities. Gains and losses on these derivative instruments are recorded as gains and losses in the statement of income (loss) in the period they occur.

Gains and losses on derivative instruments are comprised of cash receipts and payments associated with periodic settlement that occurs over the life of the instrument (realized gains/losses), and non-cash gains and losses associated with changes in the fair values of the instruments which are remeasured at each reporting date and recorded on the balance sheet (unrealized gains/losses). Transaction costs attributed to the acquisition or issue of a derivative instrument are expensed immediately. For other financial instruments, transaction costs are added to the fair value initially recognized for a financial asset or liability.

(d) Share capital

Equity instruments issued by the Company are recorded at the proceeds received, with direct issue costs as a deduction there from, net of any associated tax benefit.

(e) Joint arrangements

A portion of the Company's oil and natural gas activities involve joint arrangements classified as joint operations. The Company's share of these joint operations and a proportionate share of the relevant revenue and costs are reflected in the financial statements. Joint control exists for contractual arrangements governing West Lake's assets where all partners collectively control the arrangement and share the associated risks, West Lake has less than 100 percent working interest, all of the partners have control of the arrangement collectively and spending on the project requires unanimous consent of all parties. West Lake does not have any joint arrangements that are material to the Company or that are structured through joint venture arrangements.

(f) Property and equipment and exploration and evaluation assets

i) Exploration and evaluation (E&E) expenditures

Pre-license costs are recognized in the statement of income (loss) as incurred. All exploratory costs incurred subsequent to acquiring the right to explore for oil and natural gas and before technical feasibility and commercial viability of the area have been established are capitalized as E&E assets. Such costs can typically include costs to acquire land rights in areas with no proved or probable reserves assigned, geological and geophysical costs, and exploration wells.

Exploration and evaluation costs initially are capitalized as either tangible or intangible according to the nature of the assets acquired. The costs are accumulated in areas by well, field or exploration area pending determination of technical feasibility and commercial viability.

Exploration and evaluation assets are not depreciated and are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. If an impairment indicator for E&E assets is noted, for purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units.

The technical feasibility and commercial viability of extracting a mineral resource from exploration and evaluation assets is considered when proved and probable reserves are determined to exist. A review of each exploration license or field is carried out, at least annually, to ascertain whether proved and probable reserves have been discovered. Upon determination of proved and probable reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to development and production assets within property and equipment. If the well or exploration project did not encounter potentially economic oil and gas quantities, the unrecoverable costs are expensed and reported in exploration and evaluation expense in the period incurred.

ii) Development and production expenditures

Items of property and equipment, which include petroleum and natural gas development and production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Costs include E&E expenditures incurred in finding commercial reserves transferred from E&E assets, drilling and completion, production facilities, decommissioning costs, geological and geophysical costs and directly attributable costs related to development and production activities, net of any government incentive programs, and for qualifying assets, borrowing costs. The

purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

When significant parts of an item of property and equipment, including oil and natural gas properties, have different useful lives, they are accounted for as separate items (major components). Gains and losses on disposal of an item of property and equipment, including oil and natural gas properties and E&E assets, are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized within the statement of income (loss).

(iii) Subsequent costs

Costs incurred subsequent to commencement of production that are significant are recognized as oil and gas assets only when they increase the future economic benefits embodied in the specific asset to which they relate. Such capitalized oil and natural gas interests generally represent costs incurred in developing proved and probable reserves and bringing in or enhancing production from such reserves and are accumulated on a field or area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property and equipment are recognized against income as incurred.

(iv) Depletion and depreciation

The net carrying value of oil and gas properties is depleted using the unit of production method by reference to the ratio of production in the period to the related proved and probable reserves, taking into account estimated future development costs necessary to bring those reserves into production. Future development costs are estimated taking into account the level of development required to produce the reserves. These estimates are reviewed by independent reserve engineers at least annually. Major development projects are not depleted until production commences.

The Company records furniture and equipment at cost and provides depreciation on the declining balance method at a rate of 20% per annum which is designed to amortize the cost of the assets over their estimated useful lives. The Company records leasehold improvements at cost and provides depreciation on the straight-line method over the term of the lease. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation methods, useful lives and residual values are reviewed at each financial year end, and, if necessary, changes in useful lives are accounted for prospectively.

(g) Asset swaps

Exchanges of development and production assets are measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. The cost of the acquired asset is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. Where fair value is not used, the cost of the acquired asset is measured at the carrying amount of the amount given up. Any gain or loss on derecognition of the asset given up is recognized in statement of income (loss). For exchanges or parts of exchanges that involve only exploration and evaluation assets, the exchange is accounted for at carrying value.

(h) Leased assets

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under the operating leases are charged to income on a straight-line basis over the period of the lease.

(i) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in income in the period incurred. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in the statement of income (loss).

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Exploration and evaluation assets are assessed for impairment when they are reclassified to property and equipment, as oil and natural gas interests, and also if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less cost of disposal.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proved and probable reserves. Fair value less cost of disposal is assessed utilizing market valuation based on an arm's length transaction between active participants. In the absence of any such transactions, fair value less costs of disposal is estimated by discounting the expected after-tax cash flows of the cash generating unit at an after-tax discount rate that reflects the risk of the properties in the cash generating unit. The discounted cash flow calculation is then increased by a tax-shield calculation, which is an estimate of the amount that a prospective buyer of the cash generating unit would be entitled. The carrying value of the cash generating unit is reduced by the deferred tax liability associated with its property and equipment.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been objective change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or depletion, if no impairment loss had been recognized.

(j) Decommissioning provision

A decommissioning liability is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Decommissioning liabilities are determined by discounting the expected future cash flows at a risk-free rate. A corresponding asset equal to the initial estimated liability is capitalized as part of the long-lived asset. The increase in the provision due to the passage of time is recognized as a finance cost in the statement of income (loss). Actual expenditures incurred are charged against the accumulated liability. Revisions to the estimated amount and timing of the obligations are reflected as increases or decreases to the decommissioning liability with corresponding asset retirement costs capitalized as part of the long-lived asset.

(k) Revenue

Revenue from the sale of oil and natural gas is recorded when the significant risks and rewards of ownership of the product is transferred to the buyer, which is usually when legal title passes to the external party, sales prices and costs can be reasonably measured, and it is probable that future economic benefits will flow to the entity. For natural gas, this is generally at the time product enters the pipeline. For crude oil, this is generally at the time the product reaches a trucking terminal or pipeline. For natural gas liquids, this is generally at the time the product is processed through a gas plant. Revenue is measured net of discounts and customs duties.

Royalty income is recognized as it accrues in accordance with the terms of the overriding royalty agreements.

(l) Finance expense

Finance expense comprises interest expense on borrowings, interest on convertible debentures, accretion of the discount on convertible debentures and accretion of the discount on the decommissioning provision.

(m) Borrowing costs

Borrowing costs incurred for the construction of qualifying assets are capitalized during the period of time that is required to complete and prepare the assets for their intended use or sale. The Company considers a qualifying asset to

be any significant construction project expected to take more than twelve months to complete. The capitalization rate used to determine the amount of borrowing costs to be capitalized is the weighted average interest rate applicable to the Company's outstanding general and specific borrowings during the period.

(n) Income tax

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the statement of income (loss) except to the extent that it relates to items recognized directly in shareholders' equity.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to income tax payable in respect of previous years. Deferred income tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting income nor taxable income. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are only offset when they arise within the same tax jurisdiction. Deferred income tax assets and liabilities are presented as non-current.

(o) Dividends

Dividends are accrued when declared by the Board of Directors.

(p) Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method of accounting in which the identifiable assets acquired, liabilities assumed and any non-controlling interest are recognized and measured at their fair value at the date of acquisition. Any excess of the purchase price plus any non-controlling interest over the fair value of the net assets acquired is recognized as goodwill. Any deficiency of the purchase price over the fair value of the net assets acquired is credited to net income as negative goodwill. At acquisition, goodwill is allocated to each of the CGUs to which it relates. Subsequent measurement of goodwill is at cost less any accumulated impairment losses.

(q) New standards and interpretations not yet adopted

During the period ended December 31, 2017, the Company did not adopt any new or revised standards. New accounting standards, amendments to accounting standards and interpretations effective for annual periods beginning on or after January 1, 2018 are as follows:

Leases

On January 13, 2016, the IASB issued IFRS 16 - *Leases*, which requires entities to recognize lease assets and lease obligations on the balance sheet. For lessees, IFRS 16 removes the classification of leases as either operating leases or finance leases, effectively treating all leases as finance leases. Certain short-term leases (less than 12 months) and leases of low-value assets are exempt from the requirements and may continue to be treated as operating leases. IFRS 16 is effective for years beginning on or after January 1, 2019. The standard may be applied retrospectively or using a modified retrospective approach. The Company has identified a number of contracts that may be classified as leases and is evaluating the impact of the standard on the financial statements.

Revenue Recognition

On September 11, 2015 the IASB published an amendment to IFRS 15 - *Revenue from Contracts with Customers*, deferring the effective date of the standard by one year to annual periods beginning on or after January 1, 2018. IFRS 15, replaces IAS 11 - *Construction Contracts*, IAS 18 - *Revenue* and several revenue-related interpretations, establishing a single revenue recognition framework that applies to contracts with customers. The standard requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive, when control is transferred to the purchaser. Disclosure requirements have also been expanded. The Company continues to evaluate the impact of this standard on the financial statements.

Financial Instruments

IFRS 9 - *Financial Instruments* was issued in 2014 and is effective for years beginning on or after January 1, 2018 with earlier adoption permitted. The standard introduces multiple changes from IAS 39 – *Financial Instruments: Recognition and Measurement*, including introducing a principle-based approach for classification and measurement of financial assets, a single expected loss impairment model and a substantially-reformed approach to hedge accounting. The Company continues to evaluate the impact of this standard on the financial statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates, and differences could be material. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Estimates and assumptions

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Note 5 – valuation of financial instruments;
- Note 6 – valuation of assets acquired through a business combination;
- Note 8 – valuation of property and equipment;
- Note 10 – measurement of decommissioning provision; and
- Note 15 – Income tax expense.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimates, which may have the most significant effect on the amounts recognized in the financial statements.

(a) Exploration and evaluation assets

The decision to transfer assets from exploration and evaluation to property and equipment is based on the estimated proved and probable reserves used in the determination of an area's technical feasibility and commercial viability (Note 7).

(b) Reserves base

The oil and gas development and production properties are depreciated on a unit of production ("UOP") basis at a rate calculated by reference to proved and probable reserves determined in accordance with National Instrument 51-101 "Standards of Disclosure for Oil and Gas Activities" and incorporate the estimated future cost of developing and extracting those reserves. Proved plus probable reserves are determined using estimates of oil and natural gas in place, recovery factors and future prices. Future development costs are estimated using assumptions as to number of wells required to produce the reserves, the cost of such wells and associated production facilities and other capital costs (Note 8).

Proved and probable reserves are estimated using independent reserve engineer reports and represent the estimated quantities of oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible. Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is highly likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved and probable reserves.

(c) Depletion of oil and gas assets

Oil and gas properties are depleted using the UOP method over proved plus probable reserves. The calculation of the UOP rate of depletion could be impacted to the extent that actual production in the future is different from current

forecast production based on proved plus probable reserves. This would generally result from significant changes in any of the factors or assumptions used in estimating reserves (Note 8).

(d) Determination of cash generating units

Oil and gas properties are grouped into cash generating units for purposes of impairment testing. Management has evaluated the oil and gas properties of the Company and grouped the properties into cash generating units on the basis of their ability to generate independent cash inflows, similar reserve characteristics, geographical location, and shared infrastructure (Note 8).

(e) Impairment indicators and calculation of impairment

At each reporting date, West Lake assesses whether or not there are circumstances that indicate a possibility that the carrying values of exploration and evaluation assets and property and equipment are not recoverable, or impaired. Such circumstances include incidents of deterioration of commodity prices, changes in the regulatory environment, or a reduction in estimates of proved and probable reserves. At December 31, 2017, Management exercised judgement and determined that there were impairment indicators present for the Non-Core CGU (Note 8). When management judges that circumstances clearly indicate impairment, property and equipment and exploration and evaluation assets are tested for impairment by comparing the carrying values to their recoverable amounts. The recoverable amounts of cash generating units are determined based on the higher of value in use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions that are subject to changes as new information becomes available including information on future commodity prices, expected production volumes, quantity of reserves, discount rates, decommissioning liabilities as well as future development and operating costs.

(f) Going concern

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business within the foreseeable future. Management uses judgment to assess the Company's ability to continue as a going concern and the conditions that cast doubt upon the going concern assumption (Note 2).

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments of the Company include cash and cash equivalents, accounts receivable, deposits, accounts payable and accrued liabilities, and derivative assets and liabilities.

(\$000's)	Level in fair value hierarchy	As At December 31, 2017 Carrying Amount	Estimated Fair Value
Financial Assets			
Cash and cash equivalents	Level 1	31,491	31,491
Held For trading			
Derivative assets - oil and gas	Level 2	680	680
Loans and receivables			
Accounts receivable	Level 2	20,786	20,786
Deposits	Level 1	1,411	1,411
Financial Liabilities			
Held for trading			
Derivative liabilities - oil and gas	Level 2	7,262	7,262
Financial liabilities at amortized cost			
Accounts payable and accrued liabilities	Level 2	38,285	38,285

As at December 31, 2017, the carrying amounts reported on the Balance Sheet approximated the estimated fair values of financial instruments due to the short terms to maturity or are carried at fair value.

Fair value is determined following a three-level hierarchy:

Level 1: Quoted prices in active markets for identical assets and liabilities. The Company includes cash under this category.

Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly. Such inputs can be corroborated with other observable inputs for substantially the complete term of the contract. West Lake uses Level 2 inputs in the determination of the fair value of oil and gas derivative assets and liabilities, accounts receivable, deposits and accounts payable.

Level 3: Fair value is determined using inputs that are not observable. West Lake uses Level 3 inputs in the determination of the fair value less costs of disposal used in determining the recoverable amount of a Cash Generating Unit (CGU) for the purpose of impairment testing for PP&E and E&E assets.

Derivative assets and liabilities are carried at fair value and are measured on a recurring basis. The fair values of oil and gas commodity derivatives are determined using a Level 2 valuation model and inputs include quoted forward prices for commodities, foreign exchange rates, volatility and discounting, all of which can be observed or corroborated in the marketplace. In testing for impairment of property and equipment, a Level 3 valuation model is used to determine the recoverable amount of a CGU. The fair value less costs of disposal model used contains inputs that are not readily observable or corroborated, such as forecasted cash flows over the estimated life of reserves.

The Company's policy is to recognize transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. During the period ended December 31, 2017, there were no transfers between levels 1, 2 or 3.

(a) Risk Management Assets and Liabilities

The table below summarizes the realized and unrealized gain (loss) on derivatives:

(\$000s)	Period ended December 31, 2017
Realized gain (loss)	(1,795)
Unrealized gain (loss)	(6,582)
Loss on derivatives	(8,377)

Derivative Position

As at	December 31, 2017
Current asset	680
Non-current asset	-
Current liability	(5,873)
Non-current liability	(1,389)
Net derivative asset (liability) position	(6,582)

Crude Oil Sales Price Derivatives

Daily barrel (bbl)	Term of contract	WCS ⁽²⁾ price per bbl	Fixed written call price per bbl WTI ⁽¹⁾	Fair market
				value \$ 000's (\$CAD)
2,000	January 1, 2018 to March 31, 2018	\$CAD \$ 48.23		680
1,000	April 1, 2018 to June 30, 2018	\$CAD \$ 48.50		(318)
2,000	January 1, 2018 to March 31, 2019	\$USD	\$ 55.00	(6,944)
Crude oil fair value position at December 31, 2017				(6,582)

⁽¹⁾ WTI represents posting price of West Texas Intermediate oil

⁽²⁾ WCS represents the posting price of Western Canadian Select oil

(b) Risks Associated with Financial Assets and Liabilities

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production, and financing activities such as: credit risk; liquidity risk; and price and currency risk.

Price and currency risk

Commodity price risk arises from the effect that fluctuations of future commodity prices may have on the fair value or future cash flows of financial assets and liabilities. West Lake monitors and, when appropriate, utilizes financial derivative contracts or physical delivery contracts to manage the risk associated with changes in commodity prices and foreign exchange rates. The use of derivative instruments is governed under formal policies and is subject to limits established by the Board of Directors of West Lake. Under the Company's risk management policy, financial derivatives are not to be used for speculative purposes.

Crude Oil – The Company has used fixed price swaps to partially mitigate its exposure to the commodity price risk on its heavy and medium crude oil sales. This includes swaps to help protect against widening light/heavy crude oil price differentials. When assessing the potential impact of oil price changes on the financial derivative contracts outstanding as at December 31, 2017, a 10% increase in pricing would decrease net income for the period ended December 31, 2017 by \$8.2 million, excluding the corresponding impact on sales revenues, while a 10% decrease would increase net income for the period ended December 31, 2017 by \$8.2 million.

Natural Gas – To partially mitigate the natural gas commodity price risk, the Company may from time to time utilize swaps, which fix the AECO price. As at December 31, 2017, the Company does not have natural gas hedges outstanding.

Currency – North American oil and natural gas prices are based upon US dollar denominated commodity prices. As a result, although receivables are denominated in Canadian dollars, the price received by Canadian producers is affected by the Cdn\$/US\$ foreign exchange rate that may fluctuate over time. To minimize this risk, fixed price swaps for crude oil and natural gas are contracted in Canadian dollars, where available.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from joint venture partners and oil and natural gas marketers. The maximum exposure to credit risk is as follows:

\$000's	December 31, 2017
Cash and cash equivalents	31,491
Accounts receivable	20,788
Deposits	53
Derivative assets	680
	53,010

Cash and cash equivalents, accounts receivable, deposits, and derivative assets are subject to credit risk exposure and the carrying values reflect management's assessment of the associated maximum exposure to such credit risk. The Company's cash and cash equivalents are held within a top tier national bank. Substantially all of the Company's accounts receivables are due from customers and partners concentrated in the Canadian oil and gas industry. The Company generally extends unsecured credit to these customers and therefore the collection of accounts receivable may be affected by changes in economic conditions. Management aims to mitigate this risk by dealing with a broad selection of reputable partners within the sector, by reviewing credit ratings of counterparties and partners, and through closely monitoring significant balances. When necessary, the Company requires cash calls from its partners on capital projects before they commence, and with certain counterparties, has the ability to withhold production or offset payables.

Receivables related to the sale of the Company's petroleum and natural gas production are normally collected on the 25th day of the month following delivery. As at December 31, 2017, \$6.7 million or 32% of accounts receivable are outstanding for 90 days or more. Of the total over 90 days, \$6.2 million is related to one vendor that has since been collected. The Company has provided an allowance for doubtful accounts of \$0.1 million at December 31, 2017 and believes that the remaining accounts receivable balance, net of this allowance, is collectible.

The Company's deposit is due from the Alberta Provincial governments and is viewed by Management as having minimal credit risk. To the extent that West Lake enters into derivatives to manage commodity price risk, the Company is exposed to credit risk associated with counterparties. The Company enters into derivative contracts with major national banks to mitigate this credit risk.

Liquidity risk

The timing of cash outflows relating to financial liabilities as at December 31, 2017 are as follows:

December 31, 2017	Less than one year	One to three years	Total
Trade and accrued liabilities	38,285	-	38,285
Derivative liability	5,873	1,389	7,262
Total	44,158	1,389	45,547

Liquidity risk is the risk that West Lake will not be able to meet all of its financial obligations when they become due. The Company does not have debt obligations outside of trade and accrued liabilities, and the derivative liability.

To the extent that West Lake enters derivatives to manage commodity price risk, it may be subject to liquidity risk as derivative liabilities become due. Derivative instruments are not entered for speculative purposes and management closely monitors commodity risk exposure in comparison to forecasted sales volumes. Liquidity risk is partially mitigated as losses realized on derivative contracts due to high commodity prices are generally matched by increased cash flows from sales in a high commodity price environment. Conversely, when commodity prices are low, gains realized on derivative contracts can partially offset reduced cash flow.

6. ACQUISITION OF TWIN BUTTE ENERGY LTD. ASSETS

On March 31 2017, West Lake completed the acquisition of Twin Butte Energy Ltd.'s ("Twin Butte") assets for cash consideration of \$262.8 million. This property acquisition was recognized as a business combination in accordance with IFRS 3 Business Combinations, as the assets and liabilities acquired met the definition of a business. The acquisition has been accounted for using the acquisition method, and the recognized amounts of identifiable asset acquired and liabilities assumed at fair value are as follows:

	Total
Petroleum and natural gas properties	279,895
Exploration and evaluation assets	23,817
Net working capital	(97)
Deferred income tax asset	34,000
Decommissioning obligation	(74,850)
Total net assets acquired	\$ 262,765

The net working capital asset consists of the following:	Total
Accounts receivable	41
Deposits and prepaid expenses	2,603
Accounts payable and accrued liabilities	(2,741)
Net working capital	\$ (97)

Consideration	Total
Cash	\$ 262,765

The purpose of the acquisition was to gain a presence in the business of oil and gas production. Management estimates that West Lake's revenue would have increased by \$39.7 million and the net loss would have decreased by \$1.7 million, had this transaction been completed on January 1, 2017. This pro-forma information would not necessarily be indicative of results had the acquisition occurred on January 1, 2017.

The recognized identifiable assets and liabilities assumed were based on best estimates by West Lake's management and were based on valuations prepared by external engineers. The consideration paid is equal to the fair value of net assets acquired. The decommissioning obligation was fair valued using the credit-adjusted rate of 12%.

7. EXPLORATION AND EVALUATION ASSETS

Balance at December 13, 2016	\$	-
Twin Butte asset acquisition	\$	23,817
Acquisitions and purchases		22,408
Transferred to property, plant and equipment (note 8)		(1,593)
Dispositions (note 8)		(3)
Exploration and evaluation expense		(398)
Balance at December 31, 2017	\$	44,231

Exploration and evaluation ("E&E") assets consist of the Company's land and seismic exploration projects which are pending the determination of technical feasibility and commercial viability. In the period ended December 31, 2017, expense of \$0.4 million was recognized for current and future land expiries for which management has neither budgeted nor planned further exploration.

There were no impairment indicators for E&E assets as at December 31, 2017.

8. PROPERTY AND EQUIPMENT

Cost:

Balance at December 13, 2016	\$	-
Twin Butte asset acquisition		279,895
Additions		83,452
Changes in decommissioning provision		110,482
Transfers from E&E assets (note 7)		1,593
Balance at December 31, 2017	\$	475,422

Accumulated depletion, depreciation and impairment losses:

Balance at December 13, 2016	\$	-
Depletion and depreciation expense		46,072
Impairment expense		15,600
Balance at December 31, 2017	\$	61,672

Net Carrying Value:

Current assets held for sale		6,468
Long-term assets		407,282
December 31, 2017	\$	413,750

The Company capitalized \$3.1 million of general and administrative expenses directly related to development and production activities for the period ended December 31, 2017. Future development costs on proved plus probable undeveloped reserves of \$186 million as at December 31, 2017 are included in the calculation of depletion.

Dispositions & Acquisitions

During the period ended December 31, 2017, West Lake completed several minor PP&E asset dispositions for net proceeds of \$0.03 million. The assets included in these transactions were \$nil value PP&E assets with decommissioning liabilities attached. A \$0.4 million gain was recognized on these transactions.

Assets held for sale

During the third quarter of 2017, the Company signed an agreement to sell properties in the Pincher Creek area with a fair value of approximately \$nil. The agreement has closed, and payments received for interim operating losses are non-refundable, but the agreement contains a clause that would allow the purchaser to revert the properties back to West Lake until operatorship has transferred with AER approval. At December 31, 2017, West Lake retained operatorship, and as such they continue to be classified as held for sale. Management concludes it is highly probable that within one year

from when the sales process commenced that the carrying value will be received through a sales transaction rather than through continued use.

Assets classified as held for sale are measured at the lower of the carrying amount and fair value less costs of disposal. The fair value less costs of disposal of the assets held for sale was determined using third party information including potential estimated future cash flows and bids received from the purchaser and is equivalent to the carrying value. The carrying value of \$6.5 million associated with these properties was reclassified from property and equipment to assets held for sale and the associated decommissioning obligation of \$6.5 million was reclassified from decommissioning provision to liabilities held for sale on the Balance Sheet.

Impairment test of property and equipment

At December 31, 2017, the Company assessed for indicators of impairment for all of its CGUs. Significant revisions to the estimates to abandon 17 wells in Birch area of the Non-Core CGU were noted. For the purposes of determining whether impairment of assets has occurred, and the extent of any impairment or its reversal, management exercises their judgment in estimating future cash flows for the recoverable amount, being the higher of fair value less costs of disposal and value in use. These key judgments include estimates about recoverable reserves, forecast benchmark commodity prices, royalties, operating costs, decommissioning liabilities and discount rates.

West Lake estimated the recoverable amount for the Non-Core CGU based on the fair value less costs of disposal, determined with an after-tax discount rate of 10 percent, forecasted cash flows over the estimated life of reserves, an independent industry reserve engineer price forecast, and forecasted decommissioning liabilities. The discount rate represents the rate of return that a market participant would require for assets with similar composition and risk. The forecasted cash flows and decommissioning liabilities are prepared over the estimated life of the reserves in the CGU, which range from 0 to 27 years. The primary source of cash flow information was derived from the Company's oil and gas reserves, as prepared by an independent qualified reserve evaluator as at December 31, 2017.

Based on the assessment, the after-tax recoverable amount of negative \$15.3 million did not exceed the carrying value of the Non-Core CGU and the impairment charged at December 31, 2017 was \$15.6 million.

The forecasted commodity prices used in the impairment test at December 31, 2017 were as follows:

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
WTI Crude oil (US\$/bbl)	58.50	58.70	62.40	69.00	73.10	74.50	76.00	77.50	79.10	80.70

The following table indicates the sensitivity of the December 31, 2017 impairment to changes in the discount rate and forecasted commodity prices:

(\$000s)	Increase in rate or price	Decrease in rate or price
Discount rate, 1% change	852	(869)
WTI, \$5 US change	(5,586)	5,242

9. BANK FACILITY

As at December 31, 2017, the Company has a \$10 million demand bank facility. This facility is revolving, with a semi-annual borrowing base review, and the bank retains the right to demand payment in full at any time without notice. The facility is utilized for \$4.3 million of Letters of Credit and the remaining \$5.7 million was not drawn as of December 31, 2017.

Interest rates are based on the Bank of Canada prime rate, plus 1% to 2.5% as determined by a pricing grid using the Company's net debt to earnings before interest, taxes, depreciation, and amortization (EBITDA) ratio for the preceding four quarters. Interest paid during the year was in relation to outstanding Letters of Credit.

The Company's demand facility contains standard commercial covenants for facilities of this nature, including a requirement for West Lake to maintain an adjusted working capital ratio of not less than 1.0:1.0, which includes the undrawn portion of the credit facility as a current asset. The facility also contains a covenant that limits financial commodity agreements to less than 75% of the average daily production of the prior quarter at the time the commodity agreement is signed. As commodity agreements extend beyond 12 months, the maximum percentage decreases to 60%,

and then to 50% for those agreements with terms greater than 24 months. At December 31, 2017, the Company is in compliance with all debt covenants.

10. DECOMMISSIONING PROVISION

Decommissioning obligations are based on the Company's net ownership in wells and facilities, and management's best estimate of future costs to abandon and reclaim those wells and facilities as well as an estimate of the future timing of the costs to be incurred.

The Company has estimated the present value of its total decommissioning provision to be \$183.7 million at December 31, 2017; based on a total future liability of \$239.8 million. Payments to settle the obligations occur over the operating lives of the underlying assets and are estimated to be from 1 to 32 years, with the majority of costs to be incurred after 2030. As at December 31, 2017, the estimated risk-free discount rate is set at 2.25%, and the estimated inflation rate is 2.0%.

Changes to the decommissioning provision are as follows:

(000's)	
Decommissioning provision, December 13, 2016	-
Liabilities incurred	2,789
Liabilities settled	(4,159)
Liabilities acquired in Twin Butte acquisition	74,850
Liabilities acquired from other acquisitions	61
Liabilities reduced from dispositions	(399)
Effect of change in risk free rate ⁽¹⁾	(5,142)
Effect of change in risk free rate ⁽²⁾	119,165
Revisions in estimated cash outflows	(6,330)
Accretion of decommissioning provision	2,871
Decommissioning provision, end of period	183,706
Current liability held for sale	6,463
Long-term portion	177,243

(1) At December 31, 2017, the risk-free rate was changed from 2% to 2.25%.

(2) Decommissioning liabilities acquired with the Twin Butte assets were valued at a risk-adjusted rate of 12% upon acquisition. Following acquisition, the assets were revalued at a risk-free rate of 2%.

11. SHAREHOLDERS' EQUITY

Authorized

	Number of common shares (000's)	Share Capital (\$000's)
Balance at December 13, 2016	0	0
Common shares issued	344,765	344,765
Balance at December 31, 2017	344,765	344,765

On March 30, 2017, 262.8 million shares were issued to West Lake's parent company in exchange for cash funding of \$262.8 million to completed the Twin Butte asset acquisition on March 30, 2017. The Remainder of the 344.8 million shares were issued to West Lake's parent company in exchange for of cash throughout the period.

Net Income (loss) Per Share

The following table sets forth the details of the computation of basic and diluted net income per share:

(\$000's)	Period ended	
	December 31, 2017	
Net income (loss) for the period	\$	(27,669)
Weighted average number of basic shares (000's)		219,383
Effect of dilutive securities:		-
Weighted average number of diluted shares (000's)		219,383
Net income (loss) per share basic (\$/share)		(0.13)
Net income (loss) per share diluted (\$/share)		(0.13)

In the period ended December 31, 2017 there were no potentially dilutive instruments outstanding.

12. SALES PER PRODUCT

(\$000's)	Period ended	
	December 31, 2017	
Light & Medium oil	\$	77,940
Heavy oil		51,164
Natural gas		3,008
Natural gas liquids		911
Total petroleum and natural gas sales	\$	133,023

13. GENERAL & ADMINISTRATION ("G&A") EXPENSE

(\$000's)	Period ended	
	December 31, 2017	
Staff salaries and benefits	\$	8,839
Rent and insurance		307
Office and other costs		2,534
Capitalized G&A		(3,073)
Overhead recoveries		(1,614)
	\$	6,993

14. FINANCE EXPENSE

(\$000's)	Period ended	
	December 31, 2017	
Interest and bank charges	\$	46
Accretion on decommissioning provision		2,871
Total	\$	2,917

15. INCOME TAX EXPENSE

a) Deferred income tax expense (recovery):

The provision for income taxes reflects an effective tax rate which differs from Federal and Provincial statutory tax rates. The main differences are as follows:

For the period ended (\$000s)	2017
Income (loss) before taxes	(27,669)
Statutory income tax rate	27.0%
Expected income taxes	(7,471)
Deferred tax asset not recognized	7,471
Deferred income tax expense / (recovery)	\$ -
Effective Tax rate	0.0%

The Canadian statutory tax rate per the reconciliation above represents the combined federal and provincial corporate tax rate. The federal corporate tax rate is 15% and the average provincial tax rate is 12% for the period ended December 31, 2017.

b) Deferred income tax asset (liability):

At December 31, 2017, the calculated deferred tax asset has been recognized at \$34 million.

(\$000s)	Period ended December 31, 2017
Property & equipment	23,591
Decommissioning liabilities	49,601
Commodity derivatives	1,777
Derecognized deferred tax assets ⁽¹⁾	(40,969)
Deferred income tax asset	34,000

(1) The derecognition is due to resource tax pools where there is uncertainty as to whether a taxable benefit will be available in the future.

c) Components of the net deferred income tax asset (liability):

As at (\$000s)	December 31, 2017
Deferred tax assets	
Deferred tax assets to be recovered after more than 12 months	32,596
Deferred tax assets to be recovered within 12 months	1,404
	34,000
Deferred tax liabilities	
Deferred tax liabilities to be recovered after more than 12 months	-
Deferred tax liabilities to be recovered within 12 months	-
	-

The deferred income tax assets and liabilities to be settled (recovered) within 12 months represents Management's estimate of the timing of the reversal of temporary differences and does not relate to the current income tax expense (if any) in the subsequent year.

d) Movement in Deferred Tax Assets & Liabilities:

Net Deferred Income Tax Asset	Total
As at December 31, 2016	-
Twin Butte Acquisition	34,000
Charged/(credited) to earnings	-
As at December 31, 2017	34,000

16. ACCOUNTS RECEIVABLE

As At (\$000s)	December 31, 2017
Trade	17,013
Joint Operations with Partners	2,756
Other	1,017
	<u>20,786</u>

17. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As At (\$000s)	December 31, 2017
Trade	23,643
Royalties	2,017
Joint Operations with Partners	1,455
Accruals	11,170
	<u>38,285</u>

18. SUPPLEMENTAL CASH FLOW INFORMATION

(\$000's)	Period ended December 31, 2017
Changes in non-cash working capital:	
Accounts receivable	(20,786)
Deposits and prepaid expenses	(1,411)
Accounts payable and accrued liabilities	38,285
Twin Butte Acquisition	(97)
	<u>\$ 15,991</u>
Changes in non-cash working capital relating to:	
Operating activities	\$ 266
Financing activities	-
Investing activities	15,725
	<u>\$ 15,991</u>

19. CAPITAL STRUCTURE

West Lake's capital structure as at December 31, 2017 is as follows:

(\$000's)	December 31, 2017
Working capital surplus ⁽¹⁾	15,403
Net cash (debt) ⁽²⁾	15,403
Shareholders' Equity	267,325

1) Working capital deficit (surplus) includes cash, accounts receivables, deposits and prepaid expenses, accounts payable and accrued liabilities.

2) Net cash (debt) is defined as the total of bank indebtedness, accounts payable and accrued liabilities, less cash, accounts receivable, deposits and prepaids.

As at December 31, 2017, the Company had not drawn on the demand credit facility. Net cash consists of the working capital surplus of \$15.4 million.

20. RELATED PARTY TRANSACTIONS

During the period ended December 31, 2017, the Company incurred related party costs totaling \$0.1 million for asset operational services rendered and office rent to one company under common control. These costs were incurred in the normal course of business and were recorded at the amount exchanged between the parties. As at December 31, 2017, the Company had \$nil included in accounts payable and accrued liabilities related to these transactions.

During the period, the Company also signed an office lease with this related party, for a term of 10 years with a penalty-free termination after 3 years. The cost of the office lease is equivalent to the cost to the related party.

Executive Compensation

(\$000's)	Period ended December 31, 2017
Salaries and Benefits	1,761
	1,761

Executive compensation relates to amounts paid in salary and bonus expense for 4 officers of the Company. The Company's Board of Directors is not compensated.

21. COMMITMENTS AND CONTINGENCIES

Contractual obligations and commitments for base office rent and equipment are as follows:

(\$000's)	2018	2019	2020	thereafter
	1,465	1,953	489	-

22. SUBSEQUENT EVENTS

Following the period ended December 31, 2017, the Company entered into the following crude oil sales price derivatives:

Daily barrel (bbl) quantity	Term of contract	WCS ⁽¹⁾ Fixed price per bbl
4,500	May 1, 2018 to June 30, 2018	\$CAD \$ 59.72
4,500	July 1, 2018 to September 30, 2018	\$CAD \$ 57.72

⁽¹⁾ WCS represents the posting price of Western Canadian Select oil

Exhibit "8"

WeChat Translation and Westlake Account

28 pages

THIS IS EXHIBIT " 8 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024

A handwritten signature in blue ink that reads "Joyce Staroszik". The signature is written in a cursive style and is positioned above a horizontal line.

A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 2026

RUI XUE - CERTIFIED TRANSLATOR
CHINESE to ENGLISH

117 Somerset Drive S.W.
Calgary, AB T2Y 3C8 CANADA

Tel: 587-966-3699; Email: xuerui0417@hotmail.com

Member of *Association of Translators and Interpreters of Alberta-Canada*
Member No: 001/2019

TRANSLATOR'S STATEMENT

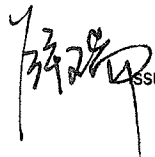
I, Rui Xue Certified Translator Chinese to English, member **in good standing** of the Association of Translators and Interpreters of Alberta (which is a member association of the Canadian Translators, Terminologists, Interpreters Council – CTTIC), certificate no: 001/2019, hereby declare that I did translate into ENGLISH the attached CHINESE document(s) and that, to the best of my knowledge, the translation accurately reflects the contents and meaning of the CHINESE original.

List of translated document(s):

- 1- Screenshot of WeChat Group Chat Contacts¹ (One page, one-sided)
- 2- Group Chat History of "Heping energy + Zhongtian West Lake Communication Unit" on WeChat² (Eleven pages, one-sided)
- 3- File Requirement List (2018.10.15)³ (One page, one-sided)
- 4- Record of CAD\$81 million credit payment⁴ (Two pages, one-sided)

This translation package comprises twenty-eight (28) pages including the statement page.

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September 15th, 2020

Rui Xue

Certified Translator ZH-EN (ATIA)

¹ Documents translated from screenshot jpg received via WeChat – copy attached.

² Documents translated from chat history received via WeChat – copy attached.

³ Documents translated from word document received via WeChat – copy attached.

⁴ Documents translated from excel received via WeChat – copy attached.

2018-07-05

11,500,000.00

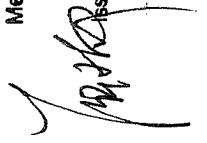
81,000,291.72

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	Credit Payment	Payer	balance
2018-03-31			4,500,291.72
2018-04-12	18,000,000.00		
2018-04-20	2,673.50		
2018-04-20	15,000,000.00		
2018-04-30			34,785,126.59
2018-05-05	4,258.87		
2018-05-12	10,621.07		
2018-05-25	857,048.31		
2018-05-25	36,762.65		
2018-05-25	23,655.17		
2018-05-25	400,561.12		
2018-05-25	5,862,004.56		
2018-05-25	629,294.71		
2018-05-25	279,357.87		
2018-05-25	35,122.03		
2018-05-25	6,381.93		
2018-05-25	2,603,775.56		
2018-05-25	708,022.56		
2018-05-25	884,161.13		
2018-05-25	114,984.32		
2018-05-30			
2018-05-31			32,187,170.80
2018-06-02	32,000,000.00		
2018-06-05	2,739.71		
2018-06-14	2,408.92		
2018-06-16	67,917.28		
2018-06-20	5,546.63		
2018-06-22	46,060.68		

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2018-07-05

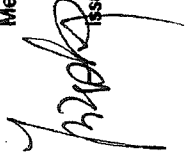
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81,000,291.72

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	入账	付款单位	
2018-03-31			balance 4,500,291.72
2018-04-12	18,000,000.00		
2018-04-20	2,673.50		
2018-04-20	15,000,000.00		
2018-04-30			34,785,126.59
2018-05-05	4,258.87		
2018-05-12	10,621.07		
2018-05-25	857,048.31		
2018-05-25	36,762.65		
2018-05-25	23,655.17		
2018-05-25	400,561.12		
2018-05-25	5,862,004.56		
2018-05-25	629,294.71		
2018-05-25	279,357.87		
2018-05-25	35,122.03		
2018-05-25	6,381.93		
2018-05-25	2,603,775.56		
2018-05-25	708,022.56		
2018-05-25	884,161.13		
2018-05-25	114,984.32		
2018-05-30			
2018-05-31			32,187,170.80
2018-06-02	32,000,000.00		
2018-06-05	2,739.71		
2018-06-14	2,408.92		
2018-06-16	67,917.28		
2018-06-20	5,546.63		
2018-06-22	46,060.68		


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- 1) West Lake's latest 2P reserves report
- 2) West Lake and Henenghaixin Corp's Account Statement from establishment to 2018.10.15
- 3) Henenghaixin Holding's Account Statement from establishment to 2018.10.15
- 4) West Lake and Henenghaixin Corp's Account Receivable and Account Payable from establishment to 2018.9.30
- 5) West Lake's major sales contracts (Top 10 clients)
- 6) Username and password for the West Lake's accounting system
- 7) West Lake's full set of industrial and commercial documents, board resolutions, management resolutions, company's articles of incorporation (shareholder meeting/board of directors/decision-making mechanism of the management)
- 8) West Lake's management team roster and employee roster
- 9) Proof of sole substitution between West Lake and Henenghaixin
- 10) York City and Henenghaixin Holding's full set of industrial and commercial documents, articles of incorporation and board documents

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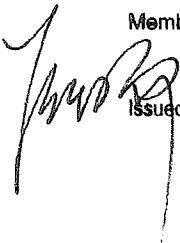
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- 1) West lake 最新 2P 储量报告
- 2) West lake 和 Henenghaixin Corp 从新设成立到 2018.10.15 Account Statement
- 3) Henenghaixin Holding 从新设成立到 2018.10.15 Account Statement
- 4) West lake 和 Henenghaixin Corp 从成立到 2018.9.30 Account Receivable / Account Payable
- 5) West lake 主要销售合同 (前十大客户)
- 6) West lake 会计系统登录帐户名和密码
- 7) Westlake 全套工商文件、董事会决议、管理层决议、公司章程 (股东会/董事会/管理层决策机制)
- 8) Westlake 管理层名单、员工名册
- 9) West lake 和 Henenghaixin Corp 之间唯一替代性的证明文件
- 10) York City 、Henenghaixin Holding 全套工商文件, 公司章程、董事会文件

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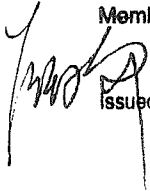
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Qi Guo: 2017 Reserves Report 2018-10-22 16:49:43

Qi Guo: @Michael Lam The PPT version of the first two documents and the PDF version of the 2017 Reserves Report. 2018-10-22 16:52:02

Qi Guo: Record of CAD\$81 million credit payment 2018-10-22 16:59:52

Qi Guo: [2018.10.18.xlsx] 2018-10-22 16:59:53

Qi Guo: WLFC Statement of Operation from April to June 2017 2018-10-22 17:01:42

Qi Guo: [Picture] 2018-10-22 19:41:00

Lake Deng: Wait a minute. We are talking to the Canada Revenue Agency. 2018-10-23 08:21:14

Kelvin Kang Liu: Okay. 2018-10-23 08:23:37

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Lake Deng: During the meeting this afternoon? Or later? 2018-10-22 12:16:52

Kelvin Kang Liu: Either way. 2018-10-22 12:16:46

Lake Deng: Just to remind everyone, don't mention the account statements during the meeting this afternoon. [Emoticon] 2018-10-22 12:17:57

Kelvin Kang Liu: Okay. 2018-10-22 12:18:20

Kelvin Kang Liu: We'd like you or them to make a table and count the estimates for 18 month. Working capital of CAD\$81 million invested by the fund + 18 months of operation cash flow – capital expenditures (well drilling, land purchases, abandonment fees, maintenance, other one-time expenditures, etc.) to see if the current cash balance matches. @lake @Michael Lam 2018-10-22 12:23:46

Lake Deng: I was working on it with Mr. Guo. No problem. 2018-10-22 12:24:55

Kelvin Kang Liu: Thank you. [Emoticon] 2018-10-22 12:25:10

Lake Deng: This requires checking the quarterly op cash flow to calculate the details. AP and AR can be discussed during the meeting, since the management team should know more details. 2018-10-22 12:31:44

Kelvin Kang Liu: [Emoticon] 2018-10-22 12:31:58

Kelvin Kang Liu: Print out the table or project it onto the screen this afternoon then. 2018-10-22 12:32:27

Lake Deng: [Picture] 2018-10-22 13:10:20

Lake Deng: Monthly net cash flow and production forecast for the next three months. 2018-10-22 13:10:40

Lake Deng: This is operating cash flow, not including net cash flow. 2018-10-22 13:11:54

Lake Deng: We are meeting on the 7th floor? 2018-10-22 13:28:47

Lake Deng: 1:30 2018-10-22 13:29:59

Cherie Duan: Coming. 2018-10-22 13:30:22

Michael Lam: Okay, we'd also like to join. 2018-10-22 13:30:33

Michael Lam: Going upstairs. 2018-10-22 13:30:39

Qi Guo: [Picture] 2018-10-22 16:48:33

Qi Guo: [Picture] 2018-10-22 16:49:22

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Gaoyong Zhang: Okay. 2018-10-19 13:43:29

Lake Deng: I have a meeting at 2:30. And I've already received part of the materials. But the management team has consulted with the lawyer who has made some requests. Michael will communicate with you later. 2018-10-19 14:17:34

Lake Deng: [Picture] 2018-10-19 14:18:04

Lake Deng: This is the email sent to us by the CFO. 2018-10-19 14:18:19

Michael Lam: [Picture] 2018-10-19 19:05:11

Lake Deng: Directors who are going into the mountains tomorrow may consider having lunch at Lake Louise and then walk around. And then take the Bow Valley Parkway (1A Highway) to go back to the Banff Town for shopping. If interested, you can schedule a gondola tour, plus dinner at the top of the mountain. After the dinner, enjoy the hot spring to complete your perfect day. 2018-10-19 21:51:16

Qi Guo: Thank you Ms. Deng! It's been a lot of hard work from everyone in past couple of days. Have a good rest on the weekend! @lake @Michael Lam @Cherie 2018-10-19 21:54:11

Kelvin Kang Liu: We are here, but didn't see you. We moved the documents from Michael's desk. @Michael Lam 2018-10-22 09:19:39

Lake Deng: [Emoticon]@Cherie Are you there? Go help. 2018-10-22 09:20:25

Cherie Duan: Okay. 2018-10-22 09:20:54

Michael Lam: I'm in the meeting room next door. [Emoticons] 2018-10-22 09:22:17

Kelvin Kang Liu: Already moved to the meeting room. 2018-10-22 09:22:41

Gaoyong Zhang: Are the people from the geological assessment company still coming? 2018-10-22 09:38:35

Lake Deng: Didn't receive a confirmation. The appointment is probably not scheduled successfully. 2018-10-22 10:08:47

Qi Guo: Question: for example, when the payment is received on August 25, which month or due date would the receivable payment be made in general? 2018-10-22 10:32:10

Kelvin Kang Liu: [AP&AR-20180831.xlsx] 2018-10-22 12:05:32

Kelvin Kang Liu: Michael, please ask the management team to explain the AR and AP sections marked yellow. @Michael Lam 2018-10-22 12:06:41

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Michael Lam: It's arranged. See you all in the meeting room at 1:30 pm. 2018-10-18 11:52:47

Kelvin Kang Liu: Thank you. 2018-10-18 11:52:48

Michael Lam: [Emoticons] 2018-10-18 11:55:32

Lake Deng: Will you attend the operation meeting this afternoon? 2018-10-18 11:57:02

Kelvin Kang Liu: Let us discuss and we'll let you know later. 2018-10-18 12:04:21

Lake Deng: The operation meeting happens every quarter. People from the site will join this time. It's a quite important meeting. 2018-10-18 12:08:37

Qi Guo: Okay, I'll go. 2018-10-18 12:15:20

Michael Lam: Hello everyone. I just want to ask, what time will you come here today? Shall we talk again? 2018-10-19 08:07:06

Michael Lam: Part of the materials has been prepared, so I'd like to schedule an appointment with you to discuss. [Emoticon] 2018-10-19 08:07:33

Gaoyong Zhang: How about 3:30 pm? 2018-10-19 08:08:26

Lake Deng: @Michael Lam Did you find your classmate after all? [Emoticon] 2018-10-19 08:08:46

Michael Lam: I have no problem. Ms. Deng? [Emoticon] 2018-10-19 08:09:08

Lake Deng: It works for me. 2018-10-19 08:09:23

Gaoyong Zhang: Okay, thank you both. 2018-10-19 08:09:51

Michael Lam: [Emoticons] 2018-10-19 08:10:02

Kelvin Kang Liu: Thank you. [Emoticon] 2018-10-19 08:10:42

Qi Guo: [Emoticons] Thank you. 2018-10-19 08:18:24

Lake Deng: Also, if you are interested in other oil and gas assets in Canada, there's a Chinese M&A banker with engineering background at the largest investment bank here, GMP. If necessary, I can introduce him to everyone. 2018-10-19 08:32:37

Gaoyong Zhang: Okay, let's make an appointment after our discussion this afternoon. Thank you, Ms. Deng. 2018-10-19 08:33:50

Gaoyong Zhang: Ms. Deng and Mr. Lam, we'll arrive at the company at around 4:15. Thank you. 2018-10-19 13:00:13

Michael Lam: Okay. We may need to adjust the meeting time. How about 4:30? 2018-10-19 13:05:25

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please try to provide the bank statements, major sales contracts, receivable and prepayment statements, etc. by noon, as much as possible, thank you. @lake @Michael Lam

- Lake Deng:** 1. Michael, please follow up. 2. The final amount of sale has not been approved yet, still negotiating. 3. Internal LOA will be provided by the management team. 2018-10-18 11:43:26
- Michael Lam:** Okay. 2018-10-18 11:45:38
- Lake Deng:** 4. Had a meeting with the West Lake management team until 6 o'clock yesterday. Please find the following progress: (1) Since the sales contracts contain confidentially clauses and the buyers are all large companies, the management team did not agree to provide the contracts. After we insisted, the team agreed to provide us with hard copies, but we can't take them away. (2) AP and AR are updated at any time. Since the information is dynamic, only the latest record can be provided. The past records have been erased, so they are no longer available. (3) The account statement contains a lot of content; there are 100 pages to be printed out for each month, so the team is still working on it. 2018-10-18 11:45:57
- Lake Deng:** @Michael Lam Can you provide the bank statements for just a few months first? 2018-10-18 11:46:20
- Michael Lam:** The colleagues are working on it, because we have the operation conference all day today as well, you can also participate if interested; therefore, they will probably handle the matter as soon as they finish the operation work. 2018-10-18 11:47:53
- Lake Deng:** Also, West Lake requires anyone other than its board members to sign a confidentiality agreement before they can view the documents (both Michael and I have signed it). They indeed have very strict requirements in this area. I'd like to ask whether your companies have signed similar agreements before? Then, you won't need to sign personally. 2018-10-18 11:48:17
- Kelvin Kang Liu:** Can we sign personally? 2018-10-18 11:48:56
- Lake Deng:** Let us talk to them. 2018-10-18 11:51:43
- Lake Deng:** @Michael Lam Did you arrange a meeting with Ellien this afternoon? 2018-10-18 11:51:56
- Lake Deng:** Long Run has a Chinese reservoir engineer who can help you understand the reserves report. She assisted the reserve company with Long Run's reserves reports. 2018-10-18 11:52:35

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from establishment to 2018.10.15

2) Henenghaixin Holding's Account Statement from establishment to 2018.10.15

3) West Lake and Henenghaixin Corp's Account Receivable and Account Payable from establishment to 2018.9.30

These three documents can be printed out from the computer right away!

Lake Deng: Yesterday at noon, West Lake was packaging and disposing of all the old wells in Saskatchewan with bid closings. We are going through the bidding documents, so the entire company is extremely busy, especially the finance department. 2018-10-17 17:10:48

Qi Guo: I understand, thank you Ms. Deng! [Emoticons] 2018-10-17 17:12:30

Kelvin Kang Liu: It should be completed at noon tomorrow, right? 2018-10-17 17:12:34

Lake Deng: Sorry, I forgot about the bid was closing yesterday myself. [Emoticon] 2018-10-17 17:13:40

Lake Deng: We are asking them right now. 2018-10-17 17:13:54

Qi Guo: @lake @Michael Lam @Cherie Sorry for the troubles, everyone! [Emoticons] 2018-10-17 17:14:28

Lake Deng: The good news is that the bidding price is much higher than we expected. [Emoticon] 2018-10-17 17:16:40

Michael Lam: [Org Chart October 2018.pdf] 2018-10-18 10:47:22

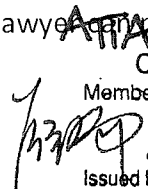
Cherie Duan⁶: http://www.qp.alberta.ca/1266.cfm?page=B09.cfm&leg_type=A&cts&isbncn=9780779760664&display=html 2018-10-18 11:35:51

Cherie Duan: This is the official Alberta Business Corporation Act. 2018-10-18 11:36:32

Kelvin Kang Liu: Ms. Deng and Mr. Lam, just came back from the lawyer's office. There are several questions and materials that require more information: 1. I did not see the board of director's resolution document on the sale of gas field assets in 2017, please provide the resolution document and sales-related agreements; 2. I did not see the resolution document on the sales of the Saskatchewan heavy oil assets, please provide the resolution document and agreements related to the asset sales; 3. Please provide the authority basis for each decision-making level in the company's governance system; 4. As discussed yesterday,

⁶ WeChat username: Cherie

Michael Lam:	As well as the articles of incorporation, etc.; are the three of you also going? Cherie can go with you.	2018-10-17 09:49:01
Michael Lam:	BD&P office is at 2400, 525-8th Ave SW Attn: Syd Abougoush	2018-10-17 09:49:14
Kelvin Kang Liu:	Yes.	2018-10-17 09:49:27
Michael Lam:	Okay, I will provide your names to the lawyer then, for identification purposes. [Emoticon]	2018-10-17 09:50:19
Kelvin Kang Liu:	[Emoticon]	2018-10-17 09:51:27
Michael Lam:	[GMPFE Presentation to Long Run Market Update & Liquidity Analysis.pdf]	2018-10-17 10:24:26
Michael Lam:	[Presentation to Long Run - M&A Markets.pdf]	2018-10-17 10:25:17
Michael Lam:	This is a prospect assessment report made by a local investment bank for the Canadian oil and gas industry. For your reference. [Emoticon]	2018-10-17 10:25:28
Lake Deng:	I met with GMP yesterday at Long Run, so the title they made was for Long Run. This is a market analysis (including oil and gas IPOs and asset/company sales this year).	2018-10-17 10:42:20
Qi Guo:	File Requirement List (2018.10.15).docx	2018-10-17 15:04:34
Qi Guo:	@lake @Michael Lam It's been two full days, but we haven't received any materials on the list, please cooperate!!! [Emoticon]	2018-10-17 15:06:20
Lake Deng:	[Westlake's response to main questions (by LD2018.10.17).docx]	2018-10-17 15:24:57
Lake Deng:	This is my response to the questions. West Lake was asked to prepare the rest of the materials yesterday.	2018-10-17 15:28:38
Lake Deng:	The lawyer has #7, 9, and 10, right @Michael Lam?	2018-10-17 15:32:39
Michael Lam:	Yes	2018-10-17 15:32:56
Lake Deng:	Has it been confirmed that the lawyer can provide the materials?	2018-10-17 15:33:18
Lake Deng:	When can it be provided*	2018-10-17 15:33:30
Michael Lam:	Yes, you will be able to see these documents when you go to the lawyer's office tomorrow at 9:30.	2018-10-17 15:33:48
Qi Guo:	1) West Lake and Henenghaixin Corp's Account Statement	2018-10-17 15:34:07


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here referring to output or EBITDA? @Michael Lam

Lake Deng: Should be output. 2018-10-16 15:27

Kelvin Kang Liu: Thank you. 2018-10-16 16:48:39

Lake Deng: I asked the management team about the reserves. They published an internal report to compare the reserves in 2017 and 2015, which can answer the question with regard to reserves. Michael will send the report to you all later. 2018-10-16 16:57:56

Lake Deng: [Picture] 2018-10-16 16:58:56

Lake Deng: These are the main reasons for the decrease in reserves. 2018-10-16 16:59:18

Kelvin Kang Liu: Thank you. 2018-10-16 16:59:25

Lake Deng: This was an internal report to the Reserve Committee. It should have been reported to Steven before. Michael and I are not on the Reserve Committee, so we didn't have access to the report. Just got it now. 2018-10-16 17:00:51

Gaoyong Zhang⁵: Is there any introduction on PINCHER GREEK? What does it mean by power costs? 2018-10-16 17:03:40

Gaoyong Zhang: Thanks a lot. 2018-10-16 17:03:44

Lake Deng: Yes, there is. Let me find it. 2018-10-16 17:05:17

Gaoyong Zhang: Okay. 2018-10-16 17:06:09

Lake Deng: [Pincher Ck Disposition Summary Final.pptx] 2018-10-16 17:07:10

Kelvin Kang Liu: Can you send the reserves comparison report that Ms. Deng mentioned first?@ Michael Lam 2018-10-17 09:30:14

Michael Lam: [2017YE Reserves Board Report (20180301)] 2018-10-17 09:43:27

Michael Lam: Hello everyone, here's the reserves comparison report that Ms. Deng mentioned. [Emoticon] 2018-10-17 09:43:48

Kelvin Kang Liu: Thank you! Please also request for the other materials as soon as possible. 2018-10-17 09:45:51

Michael Lam: I have an appointment with the lawyer at 9:30 tomorrow morning. I can go there to view the board resolution. 2018-10-17 09:47:52

Kelvin Kang Liu: Okay. 2018-10-17 09:48:14

⁵ WeChat username: Zhanggaoyong

Michael Lam¹: [Chat History between Michael Lam and Kelvin Kang Liu] 2018-10-16 14:10:07

Kelvin Kang Liu: Michael, please help arrange an appointment with the reserve evaluation agency. 2018-10-16 2:06 PM

Kelvin Kang Liu: Also, let Deloitte know that we'll probably meet with them this week. Tell them to be prepared. 2018-10-16 2:07 PM

Michael Lam: Okay, let me try to arrange that. [Emoticon] 2018-10-16 14:10:23

Qi Guo²: @Michael Lam Mr. Lam, will the materials be available by this afternoon? [Emoticon] 2018-10-16 14:51:51

Lake Deng³: I sent the questions to the management team in the morning and asked them to briefly explain, along with attachments for reference. I'll prepare the Chinese report by myself. 2018-10-16 14:53:35

Qi Guo: Appreciate your work, Ms. Deng and Mr. Lam [Emoticon]! 2018-10-16 14:54:09

Lake Deng: Because the due diligence team from Xiangtou is still here, and they have been scheduling interviews with us and there are also some banking matters to be dealt with, so I did not have time to prepare the materials neither yesterday afternoon nor this morning. 2018-10-16 14:54:47

Lake Deng: Not at all. The due diligence team happens to come at the same time, so we are a little busy. We are short-handed. Thank you for understanding! 2018-10-16 14:55:29

Lake Deng: I also contacted the investment bank to provide information on the assets sales this year to see how the market is doing. 2018-10-16 14:56:16

Kelvin Kang Liu⁴: Ms. Deng and Mr. Lam, if possible, I'd like to have some materials available by today. It doesn't matter how late. Otherwise, we won't have anything to work on tomorrow. [Emoticon] @lake @Michael Lam 2018-10-16 15:16:13

Kelvin Kang Liu: [Picture] 2018-10-16 16:09:29

Kelvin Kang Liu: Mr. Lam, I would like to ask a question. Is the 10-15% increase 2018-10-16 16:10:37

¹ WeChat username: Michael Lam

² WeChat username: Yingchuan

³ WeChat username: lake

⁴ WeChat username: Liukang Kelvin

上去了

8100万入账证明材料

ort (201803

2018.10.18.xlsx
11.7K



2017.4-6月运营表 WLF



2017年储量报告



@Michae: Lam 前面两个文件ppt版和2017储量报告pdf版

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稍等一下 我们在跟税务局沟通



好的

2018.10.18.xlsx

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我们请让他们帮我们做个表，算个大概，18个月，算会投入的流动资金8100万-18个月operation cash flow-资本性支出（打井、买地、产量费、维护、其他一次性支出等等），看能否把符合目前的账上现金@lake @Michael Lam



刚才在跟郭总做 没问题



多谢

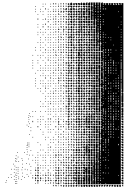
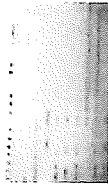


这个要核一下每季度op cash flow来算细一点。ap ar可以在会上过 管理层应该要了解



👍

那下午直接把这个表打印出来或投影也行



未来三个月每月净现金流和产量预测

这个是operating cashflow 不算净现金流

大家七楼开会?

1:30

来了



好的，我们也想去了

上去了

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我们到了，看你们不在，从micnae的办公桌底下把资料搬过来了@Micnae Lam

@Cherie 在吗？去帮一下

好的

我在旁提会议室

已经搬到会议室了

地质评估公司的人还能过来吗

没有时间确认，应该是在没约上

请问：打比方8月25号回款，一般是前面哪个月或截止日的应收货款？

请问：打比方8月25号回款，一般是前面哪个月或截止日的应收货款？

AP&AR-20180831.xlsx
14.5K

micnae, AR和AP核算的那些，帮忙让管理层解释@Micnae Lam

今天下午的会上解释吗？还是之后

都可以

提醒大家 下午的会千万别提流水的事情

好的

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郑总，就是，我们大概周四十五到公司，出发。

☺

好的，我们可能需要调整一下开会时间，要不4:30？

☺

好的

这是cfo发给我们的邮件

A

接2:30开会，资料已经拿到了一部分，但管理层已经跟律师咨询过了公司律师提了一些要求，待会michae跟大家沟通

☺

☺

☺

A

明天进山的领导们可以考虑先去lake Louise吃个午饭湖边走走，然后开bow valley park way (1A高速) 回banff town逛逛购物，有兴趣可以定个晚餐加山顶晚餐的套餐，吃完去泡个温泉，就是完美的一天了

这是cfo发给我们的邮件

☺

☺

谢谢小沛总！这几天也辛苦大家了，周末好好休息休息！@lake @Michae Lam @Cherie

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A 运营会一结束一次这次现场的人都过来是比较重要的会议

C 好，我去

A 大家好，想问一下，大家今天约几点过来？我们再聊一下？

部份资料已经准备好了，所以想和大家约个时间一起研究研究

C 下午三点半如何

A @Michaee Lam 最后还是找了你同学吗

A 我这边没有问题；小泊呢？

A 我可以的

A 我可以的

C 好的，多谢两位。

A 多谢

C 感谢

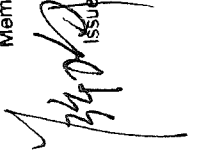
A 感谢

A 另各位如果对加拿大其他油气资产有兴趣 这边最大的投行 gmp 有一位中文的井阿banker 工程师背景 有需要我可以介绍他 见一下各位

A 好的，下午我们讨论后再约吧，谢谢小泊息。

APP 群内 群二维码 15555555555555555555

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@Michael Lam 下午安排eulien了吧?

有一位中国的油藏工程师 可以帮大家了解储量报告 的储量报告 都是她协助储量公司做的

安排了, 下午1:30到会议室见各位

谢谢

等等

那下午的运营会各位参加吗?

我们商量下, 一会儿回复哈

运营会一季度一次 这次现场的人都过来 是比较重要的会议

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4 昨天找w管理开会到六点 进展如下 (1) 由于销售合同有保密条款 买方都是大公司 管理层不同意提供 后来我们一直坚持 他们同意可以提供纸质版给我们看 但不能带走 (2) ap和ar随时更新 是动态的 可以提供最新的 但过去的已经清掉了无法提供 (3) 流次的本套很多 打印出来每个月都是百页 正在准备

@Michael Lam 流次是否可以先提供几个月的?

同事正在准备, 因为今天一整天都在开营运大会, 大家有兴趣可以上去参加, 所以要估计把营运工作做好之后他们会上办

还有 w公司要求w运营会成员之外的人都签保密协议才可以看资料 (我和michael都签过) 这边确实这方面的要求很严 想问一下 各位的公司是否之前签过类似协议? 这样就不用个人签了

个人签行不行?

我们再找他们一下

@Michael Lam 下午安排eulien了吧?



了解了，谢谢小油总！ 羊 翠



明天中午的时间与地点应该能完成吧



不好意思 我自己也忘记了昨天截图 😊

正在跟他们需求



@wake @Micnae: Lam @Cherie 给大家添麻烦了！ 羊 翠



好消息是标书的价格远高于我们预计的 😊



Org Chart October 2018.pdf



226.2K



小油总就是，刚刚从律师楼回来，有几个问题和材料可能需要补充下：1、看到董事会议关于2017年油气资产的出售决策文件，请补充提供决策文件和出售相关协议；2、看到到出售本次SK管重注资产的决策文件，也请补充提供决策文件及资产出售相关材料3、请提供一下公司治理各个决策层级的权限梳理；4、按昨天讨论的目标，银行流水、主要销售合同、应收账款明细等还请尽量在中午前提供，有多少可以先给多少，谢谢@wake @Micnae: Lam



1请m落实 2出售还审批准最后金额 谈判中 3内控,oa请管理层提供



好的



4 昨天跟WY管理层开会到六点 进展如下 (1) 由于销售合同有保密条款 买方都是本公司 管理层不同意提供 后来我们一直坚持 他们同意可以提供纸质版给我们看 但不能带走 (2) ao和lar随时

ATIA

Rui Xue

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我昨天见到gmp的时候是在ong run 所以他们做的标题是给的，这个是竞标分析（包括今年运气ipo和资产/公司出售的情况）

File Requirement List (2018.10.15) .docx
74.4K

@lake @Michae: Lam 已经过去两天了，我们还未拿到清单上任何一份资料，请配合！！！！

Westlake主要问题回复 (by LD2018.10.17) .d...
153.0K

这是我写的对于问题的回复 其他资料昨天已交west lake准备

7、9、10律师那是有吧@Michae: Lam ?

是的

是的

律师确认了能提供吗

能什么时候提供

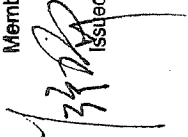
能，各位明天9:30 去律师楼就能拿到这些文件

- 1) West lake 和 Henengnaixin Corp 从新设成立到2018.10.15 Account Statement
 - 2) Henengnaixin Holding 从新设成立到2018.10.15 Account Statement
 - 3) West lake 和 Henengnaixin Corp从成立到2018.9.30 Account Receivable / Account Payable
- 这三样，通过电脑可以马上打印出来的呀！

昨天中午west lake打包处置所有sk省旧井截标 我们正在过标书 所以整个公司尤其财务特别忙

了解了 谢谢小沛！！

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大家好，這是小沛說的儲量報告對比

謝謝！其他資料也請幫忙儘快提示

明天早上9:30約了律師，可以到時候看一下重慶會議。

好的

以及公司重慶等等：是三位也去嗎？小段可以陪你們一起去

BD&P office is at 2400, 525-8th Ave SW Attn: Syd About:goush

是的

是的

好的，那我就提供幾位的名字給律師，方便到時候建立身份

GMPFE Presentation to Long Run Market U...

1.01M

Presentation to Long Run - M&A Markets.pdf

4.01M

這是本地投資銀行為加拿大注氣行業做的一個前景評估，大家
可以參考一下

我昨天見到gmpf的時候是在long run，所以他們做的標題是給行的
。这个是市场分析（包括今年注气ipo和资产/公司出售的情况）

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海哥



关于reserve 我找管理问了一下 他们内部出过一个17年和15年
储量报告对比 可以解答关于储量的问题。micnae 一会发给你



这几条是储量降低的主要原因



海哥



这是不部给储量委员会的报告 之前应该是报给steven了。我和
m不在储量委员会上 没有这个报告 刚拿到



PINCHER GREEK 是什么情况有介绍吗? power cost s怎么理解?

多哥



有的 我找找



好的



Pincher Ck Disposition Summary Final.pptx
692.7K



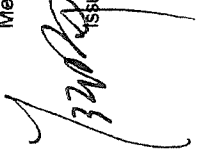
小泊总说的储量报告的对比可以先发来看看吗? @Michael Laim



2017YE Reserves Board Report (20180301) - ...
1.5M

大家好, 这是小泊总说的储量报告对比

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Chat History for Michael Lam and 刘露 Kevin

好的，我去尝试安排一下



@Michael Lam 祝总，资料下午能出来吗？



我上午把几个问题发给管理層了让他们文字简要解释一下附上材料。我自己先整理中文报告



辛苦小柏总和祝总



因为湘投尽调团队还在这些 一直约我们访谈 还有一些银行的需要处理 所以昨天下午今天上午都没有来得及处理材料

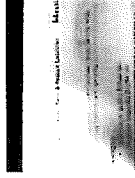
辛苦 这次赶上尽调在 所以有些忙不开 人手太少，感谢理解！

辛苦 这次赶上尽调在 所以有些忙不开 人手太少，感谢理解！

我也联系了投行 提供一下今年交割的资产当后情况 看看市场如何



小柏总、祝总，如果可以，希望尽量今天能给到些材料，多感谢可以，不然明天我们就没事情做了 @ake @Michael Lam




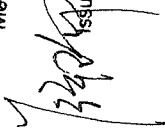
祝总，请教个问题，这些10-15%增加的是产量还是EBITDA? @Michael Lam



应该是产量



感谢

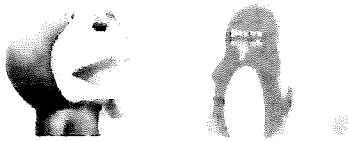

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 Interpreters of Alberta

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< 聊天信息(6)

Michael Lam

Qi Guo

Gaoyong Zhang



Lake Deng

Kelvin Kang Liu

Cherie Duan

群聊名称

和平能源+中天的Westlake沟通群

群二维码

Heping Energy+Zhongtian Westlake
Communication Unit

群公告

备注

查找聊天记录

消息免打扰

置顶聊天

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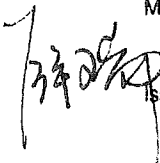


Exhibit "9"

Real Financial Statements of Westlake Energy, Dec-31-17

40 pages

THIS IS EXHIBIT " 9 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024

A handwritten signature in blue ink that reads "Joyce Staroszik". The signature is written in a cursive style and is positioned above a horizontal line.

A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 2026



Annual Report for the Period ended December 31, 2017

HIGHLIGHTS

	Three months ended			Nine months ended
	December 31, 2017	September 30, 2017	% Change	December 31, 2017
Financial (\$000's)				
Petroleum and natural gas sales	50,075	44,839	12%	133,023
Funds flow ⁽¹⁾	17,925	16,126	11%	43,430
Net income (loss)	(19,075)	(2,872)	-564%	(27,669)
Capital expenditures ⁽¹⁾	17,292	32,593	-47%	78,771
Net (cash) or debt ⁽¹⁾	(2,403)	(3,417)	-30%	(2,403)
Operating				
Average daily production				
Medium & light crude oil (bbl per day)	5,992	5,906	1%	5,704
Heavy crude oil (bbl per day)	4,576	4,559	0%	4,160
Natural gas (Mcf per day)	5,553	6,013	-8%	6,047
Natural gas liquids (bbl per day)	64	80	-20%	78
Barrels of oil equivalent (boe per day, 6:1)	11,558	11,547	0%	10,950
% Oil and NGLs	92%	91%	1%	91%
Average sales price				
Medium & light crude oil (\$ per bbl)	53.30	47.24	13%	49.74
Heavy crude oil (\$ per bbl)	46.75	43.29	8%	44.65
Natural gas (\$ per Mcf)	1.42	1.31	8%	1.81
Natural gas liquids (\$ per bbl)	49.57	38.57	29%	42.70
Barrels of oil equivalent (\$ per boe, 6:1)	47.10	42.21	12%	44.18
Field netback (\$ per boe) ⁽¹⁾				
Petroleum and natural gas sales	47.10	42.21	12%	44.18
Royalties	(4.92)	(4.54)	8%	(4.84)
Operating expenses	(20.65)	(19.70)	5%	(20.83)
Transportation expenses	(1.25)	(1.10)	14%	(1.10)
Field netback ⁽¹⁾	20.28	16.87	20%	17.41
Cash gain (loss) on financial derivatives	(1.86)	0.17	-1194%	(0.60)
Operating netback ⁽¹⁾	18.42	17.04	8%	16.81
Wells drilled				
Gross	13.0	20.0	-35%	50.0
Net	11.2	19.6	-43%	47.3
Success (%)	100	95	5%	98

⁽¹⁾ Funds flow, Capital expenditures, Net debt, Field netback and Operating netback are non-GAAP measures. Refer to "Non-GAAP Measures" in this MD&A for further discussion and reconciliation to GAAP measures if applicable.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Dated as of April 18, 2018.

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") is management's assessment of West Lake Energy Corp.'s ("West Lake" or the "Company") financial and operating results and should be read in conjunction with the audited financial statements of the Company for the period ended December 31, 2017. This MD&A is presented in Canadian dollars (except where otherwise noted).

The Company's principal activity is the acquisition of, exploration for and the development and production of petroleum and natural gas properties in Western Canada.

Basis of Presentation – The reporting and measurement currency is the Canadian dollar.

boe Presentation – Barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion rate of 6 Mcf to 1 boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All boe conversions in the report are derived by converting gas to oil equivalent barrels at the ratio of six thousand cubic feet of gas to one barrel of oil.

Non-GAAP Financial Measures – Certain measures in this document do not have a standardized meaning as prescribed by IFRS and therefore are considered non-GAAP measures. These measures may not be comparable to similar measures presented by other issuers. These measures have been described and presented in this document in order to provide shareholders and potential investors with additional information regarding the Company's liquidity and its ability to generate funds to finance its operations. Management's reasoning to use the measures, as well as reconciliation to the closest comparable GAAP measure, is detailed in the section entitled, "Non-GAAP Financial Measures".

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to our future outlook and anticipated events or results and may include statements regarding the future financial position, business strategy, budgets, projected costs, capital expenditures, financial results, taxes and plans and objectives of or involving West Lake. Particularly, statements regarding our future operating results and economic performance are forward-looking statements. In some cases, forward-looking information can be identified by terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts.

These statements are based on certain factors and assumptions regarding expected growth, results of operations, performance and business prospects and opportunities. While we consider these assumptions to be reasonable based on information currently available to us, they may prove to be incorrect.

Forward looking-information is also subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what we currently expect. These factors include risk associated with oil and gas exploration, production, marketing, and transportation such as loss of market, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risk, and competition from other producers and ability to access sufficient capital from internal and external resources. Other than as required under securities laws, we do not undertake to update this information at any particular time.

All statements, other than statements of historical fact, which address activities, events, or developments that West Lake expects or anticipates will or may occur in the future, are forward-looking statements within the meaning of applicable securities laws. These statements are subject to certain risks and uncertainties and may be based on estimates or assumptions that could cause actual results to differ materially from those anticipated or implied.

Further, the forward-looking statements contained in this MD&A are made as of the date hereof, and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, as a result of new information, future events or otherwise, except as may be required by applicable securities laws. The Company's

forward-looking statements are expressly qualified in their entirety by this cautionary statement. Certain risk factors associated with these forward-looking statements include, but are not limited to, the following:

- Fluctuations in natural gas, condensate, NGL's, and crude oil production levels;
- West Lake's inability to successfully market its natural gas, condensate, NGL's, and crude oil;
- Lower than expected market prices for natural gas, condensate, NGL's, and crude oil;
- Adverse changes in foreign currency exchange rates and/or interest rates;
- Uncertainties associated with estimating reserves;
- Competition for capital, asset acquisitions, undeveloped lands, and skilled personnel;
- Operational hazards characteristic of the oil and gas industry such as: geological and drilling problems; and well production, pipeline, and mechanical difficulties;
- Lower than envisaged success in the finding and development of reserves and/or higher than expected costs;
- Changes to dividend payment policy or amounts;
- Adverse changes in general economic conditions in Western Canada, Canada more generally, North America or globally;
- Adverse weather conditions;
- The inability of West Lake to obtain financing on favorable terms, or at all;
- Adverse impacts from the actions of competitors;
- Adverse impacts of actions taken and/or policies established by governments or regulatory authorities including changes to tax laws, incentive programs, royalty calculations, and environmental laws and regulations; and
- Reliance on natural gas and NGL processing, pipeline, and storage infrastructure not operated by West Lake, the availability of which is essential to West Lake's sales and marketing activities.

PERIODS PRESENTED IN THIS MD&A

While the Company was incorporated on December 13, 2016, the Company acquired its properties through the acquisition of Twin Butte's assets on March 30, 2017. Prior to this date, the Company had no assets, liabilities, income or expenses, and has not previously prepared annual financial statements. As such, there are no prior year comparative periods for this MD&A, or the Financial Statements for the period ended December 31, 2017. Within this MD&A, The Company has chosen to compare the three months ended December 31, 2017 to the three months ended September 30, 2017, as well as to present the nine months ended December 31, 2017, as this is the period that the Company was operational.

PETROLEUM AND NATURAL GAS SALES

West Lake realized the following sales, production volumes, and commodity prices:

	Three months ended		Nine months ended
	December 31, 2017	September 30, 2017	December 31, 2017
Sales (\$000's)			
Medium & light oil	29,381	25,670	78,021
Heavy oil	19,680	18,160	51,082
Natural gas	723	726	3,008
Natural gas liquids	291	283	912
Total petroleum and natural gas sales	50,075	44,839	133,023
Average Daily Sales Volumes			
Medium & light oil (bbl/day)	5,992	5,906	5,704
Heavy oil (bbl/day)	4,576	4,559	4,160
Natural gas (Mcf/day)	5,553	6,013	6,047
Natural gas liquids (bbl/day)	64	80	78
Total (boe/d)	11,558	11,547	10,950
% oil and liquids sales volumes	92%	91%	91%
Average West Lake Realized Commodity Prices ⁽¹⁾			
Medium & light oil (\$ per bbl)	53.30	47.24	49.74
Heavy oil (\$ per bbl)	46.75	43.29	44.65
Natural gas (\$ per Mcf)	1.42	1.31	1.81
Natural gas liquids (\$ per bbl)	49.57	38.57	42.70
Barrels of oil equivalent (\$ per boe, 6:1)	47.10	42.21	44.18

⁽¹⁾The average selling prices reported are before realized derivative instrument gains/losses and transportation charges.

Benchmark Pricing			
WTI crude oil (US\$ per bbl)	55.40	48.21	50.63
Edmonton crude oil (Cdn\$ per bbl)	69.02	56.74	62.56
WCS crude oil (Cdn\$ per bbl)	54.87	47.90	50.92
AECO natural gas (Cdn\$ per Mcf) ⁽²⁾	1.53	1.37	1.84
Exchange rate (US\$/Cdn\$)	1.27	1.25	1.29

⁽²⁾The AECO natural gas price reported is the average daily spot price.

Sales for the three months ended December 31, 2017 were \$50.1 million, as compared to \$44.8 million for the three months ended September 30, 2017 representing an increase of \$5.3 million or 12%. Both sales volumes and the average realized commodity price increased from the prior quarter, resulting in increased sales. Excluding the impact of derivative instruments, the average realized commodity price increased from \$42.21 in the third quarter of 2017 to \$47.10 during the fourth quarter of 2017. The WCS benchmark increased 15% from the prior quarter, due to an increase in the WTI benchmark (US\$) and a weaker Canadian Dollar but was partially offset by wider WTI to WCS differentials, which widened 25%.

Sales volumes increased from 11,547 boe/d in the third quarter of 2017 to 11,558 boe/d in fourth quarter of 2017. This increase of 11 boe/d is due to a 103 bbl/d increase in oil sales volumes, which exceeded the decrease in natural gas sales volumes. Expected declines and successful drilling resulted in the increased oil sales, while natural gas sales volumes declined due to economically driven shut-ins.

Revenues for the period ended December 31, 2017 were \$133.0 million, as sales volumes of 10,950 bbl/d were realized at an average corporate price of \$44.18/boe.

Cash Gain (Loss) and Proceeds on Derivatives

(000's except per boe amounts)	Three months ended		Nine months ended
	December 31, 2017	September 30, 2017	December 31, 2017
Realized gain (loss) on derivatives	(1,979)	184	(1,795)
Realized gain (loss) on derivatives per boe	(1.86)	0.17	(0.60)

The Company realized a cash loss on financial derivatives of \$2.0 million (\$1.86 per boe) for the three months ended December 31, 2017, compared to a cash gain of \$0.2 million (\$0.17 per boe) for the prior quarter. During the quarter, the cash loss was due to fixed price oil swaps, which settled at losses in the increased price environment.

The Company realized a cash loss on financial derivatives of \$1.8 million (\$0.60 per boe) for the period ended December 31, 2017. The cash loss was due to fixed price oil swaps, which were entered into in Q3 2017 as part of the risk management program.

Royalties

(\$ 000's except per boe amounts)	Three months ended		Nine months ended
	December 31, 2017	September 30, 2017	December 31, 2017
Medium & light oil	2,930	2,472	7,926
Heavy Oil	2,231	2,289	6,243
Natural Gas	(50)	(78)	22
NGLs	119	137	388
Total Royalties	5,230	4,820	14,579
Total royalties per boe	4.92	4.54	4.84
% of P&NG Sales	10%	11%	11%

Royalties for the three months ended December 31, 2017 were \$5.2 million, as compared to \$4.8 million for the three months ended September 30, 2017. As a percentage of sales, the average royalty rate for the fourth quarter of 2017 decreased to 10%, compared to 11% in the prior quarter. Royalty rates decreased from the prior quarter due to provincial royalty calculation input prices and lower rates on new drills. In Q4 2017, medium & light oil royalty rates averaged 10%, and heavy oil averaged 11%.

Royalties for the period ended December 31, 2017 were \$14.6 million. As a percentage of revenues, the average royalty rate was 11%, with medium & light oil royalties averaging 10% and heavy oil royalties averaging 12%.

Operating & Transportation Expense

(\$ 000's except per boe amounts)	Three months ended		Nine months ended
	December 31, 2017	September 30, 2017	December 31, 2017
Operating expense	21,955	20,927	62,713
Transportation expense	1,325	1,169	3,314
Total operating & transportation expense	23,280	22,096	66,027
Operating expense per boe	20.65	19.70	20.83
Transportation expense per boe	1.25	1.10	1.10
Total per boe	21.90	20.80	21.93

Operating expenses were \$22.0 million or \$20.65 per boe for the three months ended December 31, 2017 as compared to \$20.9 million or \$19.70 per boe for the three months ended September 30, 2017. The increase on an absolute dollar basis is attributable to higher per boe operating costs in such areas as well servicing, maintenance and environmental spills and cleanups during the quarter. These increases in costs from the prior quarter translated to an increase on a per

boe basis of \$0.95. Although the Company continues to focus on cost reductions, quarterly savings were offset by the challenges mentioned above.

Operating expenses were \$62.7 million or \$20.83 per boe for the period ended December 31, 2017.

Transportation expenses for the three months ended December 31, 2017 were \$1.3 million or \$1.25 per boe, up from \$1.2 million or \$1.10 per boe in the third quarter of 2017. Transportation expenses for the period ended December 31, 2017 were \$3.3 million or \$1.10 per boe.

The Company has combined operating and transportation costs of \$21.90 per boe for the quarter, an increase from \$20.80 per boe in the third quarter of 2017.

General and Administrative (“G&A”) Expenses

(\$ 000's except per boe amounts)	Three months ended		Nine months ended
	December 31, 2017	September 30, 2017	December 31, 2017
G&A expense	3,208	3,595	11,680
Capitalized G&A expense	(1,024)	(1,024)	(3,073)
Recoveries	(464)	(689)	(1,614)
Total net G&A expense	1,720	1,882	6,993
Total net G&A expense per boe	1.62	1.77	2.32
Transaction expense	-	-	153
Transaction expense per boe	-	-	0.02

General and administrative expenses, net of recoveries and capitalized G&A, were \$1.7 million or \$1.62 per boe for the three months ended December 31, 2017 as compared to \$1.9 million or \$1.77 per boe in the prior comparative quarter. G&A expense was reduced in the fourth quarter due to a lower bonus expectation.

Net G&A expense for the period ended December 31, 2017 was \$7.0 million or \$2.32 per boe. Transaction expense relates to costs associated with the acquisition of the Twin Butte assets.

Finance Expense

(\$ 000's except per boe amounts)	Three months ended		Nine months ended
	December 31, 2017	September 30, 2017	December 31, 2017
Interest and bank charges	-	73	105
Marketing 3rd party finance revenue	(59)	-	(59)
Accretion on decommissioning provision	927	977	2,871
Total finance expense	868	1,050	2,917
Total interest per boe	(0.06)	0.07	0.02
Total accretion per boe	0.88	0.92	0.95
Total finance expense per boe	0.82	0.99	0.97

For the three months ended December 31, 2017, finance charges were \$0.9 million as compared to \$1.1 million in the three months ended September 30, 2017. This decrease is due to Marketing 3rd party financing revenues which only occurred in the fourth quarter, and non-recurring Letter of Credit expenses primarily occurring in the third quarter.

For the year ended December 31, 2017, finance charges totaled \$2.9 million primarily related to accretion on the decommissioning liability. The company did not have any debt outstanding during the period ended December 31, 2017.

Netbacks ⁽¹⁾

The following table summarizes netbacks for the past operational quarters on a barrel of oil equivalent basis:

(\$ per boe)	Q4 2017	Q3 2017	Q2 2017
Petroleum and natural gas sales ⁽²⁾	47.10	42.21	43.03
Cash gain (loss) on financial derivatives	(1.86)	0.17	-
Royalties	(4.92)	(4.54)	(5.11)
Operating expense	(20.65)	(19.70)	(22.26)
Transportation expense ⁽²⁾	(1.25)	(1.10)	(0.93)
Operating netback ⁽¹⁾	18.42	17.04	14.73
General and administrative expense	(1.62)	(1.77)	(2.72)
Transaction costs	-	-	-
Interest and bank charges	0.06	(0.07)	(0.04)
Funds flow netback ⁽¹⁾	16.86	15.20	11.97

(1) Operating netback and Funds flow netback are non-GAAP measures. Refer to "Non-GAAP Measures" in this MD&A for further discussion and reconciliation to GAAP measures if applicable.

Higher sales prices in the fourth quarter drove an increase in both the operating netback and the funds flow netback over the previous two operational quarters.

Unrealized Derivative Activities

(000's except per boe amounts)	Three months ended		Nine months ended
	December 31, 2017	September 30, 2017	December 31, 2017
Unrealized gain (loss) on derivatives	(2,939)	(3,642)	(6,582)
Unrealized gain (loss) on derivatives per boe	(2.76)	(3.43)	(2.19)

As part of the financial management strategy to protect cash flows to plan capital expenditures, the Company has adopted a commodity price risk management program. The purpose of the program is to stabilize and hedge future cash flow against the unpredictable commodity price environment, with an emphasis on protecting downside risk.

With derivative instruments there is a risk that the counterparty could become illiquid or that West Lake may not have the actual sales volumes to offset the hedge position. To manage risk, the Company's counterparties on derivative instruments are major Canadian banks and the Company limits the maximum volumes hedged in relation to expected production.

Unrealized derivative assets and liabilities

As at December 31, 2017, the Company has a net unrealized financial derivative liability in the amount of \$6.6 million. This net unrealized liability position reflects a strengthened WTI (\$USD) forward pricing for 2018. If WTI and WCS prices meet the current forecasted benchmarks, this loss position would be realized alongside partially increased sales due to the strong WTI (\$USD) commodity pricing.

During the quarter, the net unrealized liability increased, resulting in a loss of \$2.9 million for the three months ended December 31, 2017 as compared to a \$3.6 million unrealized loss for the prior quarter. As the net unrealized financial derivative liability has also increased throughout the period, the Company has recognized an unrealized loss for the period ended December 31, 2017 of \$6.6 million.

The following is a summary of derivatives as at December 31, 2017 and their related fair market values (unrealized gain (loss) positions):

Crude Oil Sales Price Derivatives

Daily barrel (bbl) quantity	Term of contract		WCS ⁽²⁾ price per bbl	Fixed written call price per bbl WTI ⁽¹⁾	Fair market value \$ 000's (\$CAD)
2,000	January 1, 2018 to March 31, 2018	\$CAD	\$ 48.23		680
1,000	April 1, 2018 to June 30, 2018	\$CAD	\$ 48.50		(318)
2,000	January 1, 2018 to March 31, 2019	\$USD		\$ 55.00	(6,944)
Crude oil fair value position at December 31, 2017					(6,582)

⁽¹⁾ WTI represents posting price of West Texas Intermediate oil

⁽²⁾ WCS represents the posting price of Western Canadian Select oil

Depletion, Depreciation & Impairment

	Nine months ended
(\$ 000's except per boe amounts)	December 31, 2017
Depletion & Depreciation	46,071
Depletion & Depreciation per boe	15.30

For the period ended December 31, 2017, depletion and depreciation of capital assets was \$46.0 million, or \$15.30 per boe.

At December 31, 2017, the Company assessed for indicators of impairment for all of its CGUs. Significant revisions to the estimates to abandon 17 wells in the Non-Core CGU were noted. For the purposes of determining whether impairment of assets has occurred, and the extent of any impairment or its reversal, management exercises their judgment in estimating future cash flows for the recoverable amount, being the higher of fair value less costs of disposal and value in use. These key judgments include estimates about recoverable reserves, forecast benchmark commodity prices, royalties, operating costs, decommissioning liabilities and discount rates.

West Lake estimated the recoverable amount for the Non-Core CGU based on the fair value less costs of disposal, determined with an after-tax discount rate of 10 percent, forecasted cash flows over the estimated life of reserves, an independent industry reserve engineer price forecast, and forecasted decommissioning liabilities. The discount rate represents the rate of return that a market participant would require for assets with similar composition and risk. The forecasted cash flows and decommissioning liabilities are prepared over the estimated life of the reserves in the CGU, which ranged from 0 to 27 years. The primary source of cash flow information was derived from the Company's oil and gas reserves, as prepared by an independent qualified reserve evaluator as at December 31, 2017.

Based on the assessment, the after-tax recoverable amount of negative \$15.3 million did not exceed the carrying value of the Non-Core CGU and the impairment charged at December 31, 2017 was \$15.6 million.

Gain on Dispositions and Assets Held for Sale

During the period ended December 31, 2017, West Lake completed several minor swaps and dispositions. The transacted assets were primarily non-producing \$nil value P&E assets with decommissioning liabilities attached. The Company received total cash proceeds of \$0.03 million, resulting in a gain of \$0.4 million.

Assets held for sale

During the third quarter of 2017, the Company signed an agreement to sell gas properties in the Pincher Creek area with a fair value of approximately \$nil. The agreement has closed, and payments received for interim operating losses are non-refundable, but the agreement contains a clause that would allow the purchaser to revert the properties back to West Lake until operatorship has transferred with Alberta Energy Regulator (AER) approval. At December 31, 2017, West Lake retained operatorship, and as such they continue to be classified as held for sale. Management concludes it is highly probable that within one year from when the sales process commenced that the carrying value will be received through a sales transaction rather than through continued use.

Assets classified as held for sale are measured at the lower of the carrying amount and fair value less costs of disposal. The fair value less costs of disposal of the assets held for sale was determined using third party information including potential estimated future cash flows and bids received from the purchaser and is equivalent to the carrying value. The carrying value of \$6.5 million associated with these properties was reclassified from property and equipment to assets held for sale and the associated decommissioning obligation of \$6.5 million was reclassified from decommissioning provision to liabilities held for sale on the Balance Sheet.

Income Taxes

Deferred tax amounted to \$nil for the period ended December 31, 2017. Due to uncertainty as to whether the total taxable benefit will be utilized in the future, the Company maintains an allowance on the net deferred tax asset, reducing the carrying value to \$34 million.

Net Income (Loss) and Comprehensive Income (Loss)

(\$000's except per share amounts)	Three months ended		Nine months ended
	December 31, 2017	September 30, 2017	December 31, 2017
Net Income (loss)	(19,075)	(2,872)	(27,669)

Net and comprehensive income for the three months ended December 31, 2017 was a loss of \$19.1 million, compared to net and comprehensive loss of \$2.9 million in the three months ended September 30, 2017. The increase in net loss for the current quarter is due to an impairment loss on the non-core CGU.

Net and comprehensive income for the period ended December 31, 2017 was a loss of \$27.7 million. The net loss in the current year related to the impairment and unrealized mark to market losses on derivatives.

Quarterly Financial Summary

The following table highlights West Lake's performance for each of the three operational quarters:

	Q4 2017	Q3 2017	Q2 2017
(\$ 000, except per share amounts)			
Average production (boe/d)	11,556	11,547	9,731
Petroleum and natural gas sales	50,075	44,839	38,109
Operating netback (per boe) ⁽¹⁾	18.42	17.04	14.73
Funds flow ⁽¹⁾	17,925	16,126	9,379
Net income (loss)	(19,075)	(2,872)	(5,722)
Capital expenditures ⁽¹⁾	17,292	32,592	28,887
Total assets	506,349	541,468	517,649
Net (cash) or debt ⁽¹⁾	(2,403)	(3,417)	0

(1) Operating netback, Funds flow, Capital expenditures and Net (cash) or debt are non-GAAP measures. Refer to "Non-GAAP Measures" in this MD&A for further discussion and reconciliation to GAAP measures if applicable.

Quarterly variances in sales are connected to changes in production volumes and prices. Both pricing and the average production increased from Q2 2017 to Q4 2017, resulting in the 31% increase in petroleum and natural gas sales from Q2 2017 to Q4 2017. Funds flow increased over this time period due to the same factors.

Quarterly variances in net income, however, are largely driven by non-cash items, such as impairments, unrealized gains or losses on derivatives, and gains or losses on asset acquisitions and dispositions. Minimal non-cash items occurred in Q2 2017 and Q3 2017, but the impairment of \$13 million reduced net income in Q4 2017.

Funds Flow from Operations and Free Funds flow⁽¹⁾

Funds flow from operations ("Funds Flow") and Free funds flow are non-GAAP measures. Refer to "Non-GAAP Measures" in this MD&A for further discussion and reconciliation to GAAP measures. West Lake considers these to be key measures of performance as they demonstrate the Company's ability to generate the cash flow necessary to fund capital investment and ultimately, satisfy corporate strategy.

(000's except per share amounts)	Three months ended		Nine months ended
	December 31, 2017	September 30, 2017	December 31, 2017
Funds flow ⁽¹⁾	17,925	16,126	43,430
Parent equity investment	-	21,500	304,765
Total cash inflow	17,925	37,626	348,195
Capital Expenditures ⁽¹⁾	(17,292)	(32,593)	(78,771)
Twin Butte Energy Asset Acquisition	-	-	(262,765)
Expenditures on decommissioning provision	(1,647)	(1,647)	(4,159)
Free funds flow⁽¹⁾	(1,014)	3,386	2,500

(1) Funds flow, Capital expenditures, and Free funds flow are non-GAAP measures. Refer to "Non-GAAP Measures" in this MD&A for further discussion and reconciliation to GAAP measures if applicable.

The Company uses the Free Funds Flow calculation to monitor performance and adjusts capital expenditures to ensure that the total annual cash outflows do not exceed cash inflow, unless additional debt or capital funding is planned. For the period ended December 31, 2017, Free Funds Flow was \$2.5 Million, as Funds Flow and the parent equity investment exceeded total expenditures.

Funds flow from operations for the three months ended December 31, 2017 was \$17.9 million, an increase from the third quarter 2017 funds flow of \$16.1 million, due to an improving commodity price environment and consistent sales volumes.

Funds flow from operations for the period ended December 31, 2017 were \$43.4 million, as results from Q2 2017 and Q3 2017 were lower than Q4 2017, which had the highest pricing and sales volumes of the period.

Capital Expenditures and PP&E Additions

(\$ 000's)	Three months ended		Nine months ended
	December 31, 2017	September 30, 2017	December 31, 2017
Land acquisition	813	979	4,405
Geological and geophysical	233	3,434	10,058
Drilling, completions, equipping & tie-in	13,239	24,325	53,224
Recompletions	496	1,078	2,255
Other	2,533	2,782	8,857
Development capital⁽¹⁾	17,314	32,598	78,799
Property dispositions - Cash received	(22)	(5)	(28)
Capital expenditures⁽¹⁾	17,292	32,593	78,771

(1) Development capital and Capital expenditures are non-GAAP measures. Refer to "Non-GAAP Measures" in this MD&A for further discussion and reconciliation to GAAP measures if applicable.

During the fourth quarter of 2017, the Company invested \$17.3 million on development capital, a decrease from \$32.6 million in development capital invested in the third quarter of 2017. The Company's development capital expenditures for the quarter consisted of successful drilling of 13 (11.2 net) oil wells in the Provost and Heavy Oil regions.

For the period ended December 31, 2017, the Company invested \$78.8 million on development capital, with \$53.2 million directly attributable to drilling, completions, equipping and tie-in of the 50 (47.3 net) new wells drilled during the period.

Drilling Results

December 31, 2017	Three months ended		Nine months ended	
	Gross	Net	Gross	Net
Medium Oil - Horizontal	1	1.0	11	10.5
Heavy Oil - Horizontal	10	9.0	25	24.0
Medium Oil - Frac or Perf	1	1.0	12	11.6
Dry and Abandoned	-	-	1	1.0
Non-Operated Wells	1	0.2	1	0.2
Total	13	11.2	50	47.3
Success rate (%)		100%		98%

Liquidity and Capital Resources

Net Working Capital Surplus

At December 31, 2017, the Company's had a net working capital surplus of \$2.4 million.

Credit Facility

As at December 31, 2017, the Company has a \$10 million demand bank facility. This facility is revolving, with a semi-annual borrowing base review, and the bank retains the right to demand payment in full at any time without notice. The facility is utilized for \$4.3 million of Letters of Credit and the remaining \$5.7 million was not drawn as of December 31, 2017.

Interest rates are based on the Bank of Canada prime rate, plus 1% to 2.5% as determined by a pricing grid using the Company's net debt to earnings before interest, taxes, depreciation, and amortization (EBITDA) ratio for the preceding four quarters. Interest paid during the year was in relation to outstanding Letters of Credit.

The Company's demand facility contains standard commercial covenants for facilities of this nature, including a requirement for West Lake to maintain an adjusted working capital ratio of not less than 1.0:1.0, which includes the undrawn portion of the credit facility as a current asset. The facility also contains a covenant that limits financial commodity agreements to less than 75% of the average daily production of the prior quarter at the time the commodity

agreement is signed. As commodity agreements extend beyond 12 months, the maximum percentage decreases to 60%, and then to 50% for those agreements with terms greater than 24 months. At December 31, 2017, the Company is in compliance with all debt covenants.

Share Capital

In 2017, 305 million shares were issued for cash proceeds of \$305 million. The Company currently has 304,765,000 shares outstanding.

Contractual Obligations and Contingencies

The Company enters into short term contractual obligations in the normal course of business, including purchase of assets and services, operating agreements, transportation commitments, sales commitments, royalty obligations, lease rental obligations and employee agreements. These obligations are of a recurring, consistent nature and impact cash flows in an ongoing manner.

Contractual obligations and commitments are as follows:

As at December 31, 2017	Less than one year	One to three years	Total
Derivative liability	5,873	1,389	7,262
Other ⁽¹⁾	1,465	2,442	3,907
	7,338	3,831	11,169

(1) Other includes contractual obligations and commitments for office rent and equipment.

West Lake also has long-term contractual obligations and commitments. The Company is responsible for the retirement of long-lived assets related to its oil and gas properties at the end of their useful lives. West Lake has recognized a liability of \$177.2 million based on current legislation and estimated costs. Actual costs may differ from those estimated due to changes in legislation or actual costs.

Related Party Transactions

During the period ended December 31, 2017, the Company incurred related party costs totaling \$0.1 million for asset operational services rendered and office rent to one company under common control. These costs were incurred in the normal course of business and were recorded at the amount exchanged between the parties. As at December 31, 2017, the Company had \$nil included in accounts payable and accrued liabilities related to these transactions.

During the period, the Company also signed an office lease with this related party, for a term of 10 years with a penalty-free termination after 3 years. The cost of the office lease is equivalent to the cost to the related party.

Subsequent Events

Following the period ended December 31, 2017, the Company entered into the following crude oil sales price derivatives:

Daily barrel (bbl) quantity	Term of contract	WCS ⁽¹⁾ Fixed price per bbl
4,500	May 1, 2018 to June 30, 2018	\$CAD \$ 59.72
4,500	July 1, 2018 to September 30, 2018	\$CAD \$ 57.72

⁽¹⁾ WCS represents the posting price of Western Canadian Select oil

Non-GAAP Financial Measures

Certain measures in this document do not have a standardized meaning as prescribed by IFRS and therefore are considered non-GAAP measures. These measures may not be comparable to similar measures presented by other issuers. These measures have been described and presented in this document in order to provide shareholders and potential investors with additional information regarding the Company's liquidity and its ability to generate funds to

finance its operations. Management's reasoning to use the measures, as well as reconciliation to the closest comparable GAAP measure, is detailed below.

Funds Flow, Funds Flow Netback and Funds Flow - Annualized

West Lake uses the term "Funds Flow" and its derivatives, "Funds Flow Netback" and "Funds flow – Annualized" as indicators of financial performance, but the terms should not be considered an alternative to, or more meaningful than the closest comparable GAAP measure, "Cash provided by (used in) Operating Activities" as disclosed on the Statement of Cash Flows in the attached financial statements. Funds flow is presented in the Company's MD&A to assist management and investors in analyzing operating performance in the stated period. A reconciliation of Funds Flow to the Cash provided by (used in) Operating Activities is as follows:

(000's except per boe amounts)	Three months ended		Nine months ended
	December 31, 2017	September 30, 2017	December 31, 2017
Cash provided by (used in) Operating Activities	15,233	15,185	39,537
Expenditures on decommissioning provision	1,647	1,647	4,159
Change in non-cash operating working capital	1,045	(706)	(266)
Funds flow	17,925	16,126	43,430
Total boe in the period (000's)	1,063	1,062	3,011
Funds flow netback (\$/boe)	16.86	15.18	14.42
Annualizing factor	4.0	4.0	1.3
Funds flow - Annualized	71,700	64,504	57,907

Free funds flow

Management uses the Non-GAAP measure "Free funds flow" as an indicator of financial performance and sustainability. A positive free funds flow value indicates that the company has generated the cash flow necessary, when combined with debt undertaken or shares issued to fund capital investment. Free funds flow is defined as the non-GAAP measure, Funds flow, plus cash received for shares issued, minus non-GAAP measure Capital expenditures.

Net Cash or Debt

West Lake uses the term "Net Cash or Net Debt" as an indicator of financial performance and it is presented in the Company's MD&A and Financial Statements to assist management and investors in analyzing total cash-based obligations in the stated period. A reconciliation of Net Debt to the Balance Sheet is as follows:

(000's except per share amounts)	December 31, 2017
Bank Indebtedness	-
Working Capital Surplus	(2,403)
Net Debt or (Cash)	(2,403)

Working Capital Surplus

West Lake uses the term "Working Capital Surplus" as an indicator of financial performance. This term is presented in the Company's MD&A and Financial Statements to assist management and investors in analyzing net working capital amounts in the stated period. A reconciliation of Working Capital Deficit to the Balance Sheet is as follows:

(000's except per share amounts)	December 31, 2017
Cash	(18,491)
Accounts receivable	(20,786)
Deposits and prepaid expenses	(1,411)
Accounts payable and accrued liabilities	38,285
Working capital deficit (surplus)	(2,403)

Operating netback, Field netback and Funds flow netback

“Operating netback”, “Field netback” and “Funds flow netback” are common metrics used in the oil and gas industry and are presented in the Company’s MD&A to assist management and investors to evaluate oil and gas operating performance in the stated period. As they are industry specific terms, there is no comparable GAAP measure.

Operating Netback is determined as the sum of Petroleum and natural gas sales, Royalties, Operating Expense, and Transportation Expense as defined on the Statement of Income (Loss) and Comprehensive Income (Loss), and the Realized Gain (Loss) on financial instruments per note 5 to the financial statements, all on a per unit basis. Field netback is the operating netback, excluding the realized gain (loss) on financial instruments on a per-unit basis. Funds flow netback is the operating netback, plus general and administrative expense and transaction costs per the Statement of Income (Loss) and Comprehensive Income (Loss), and interest paid per the Statement of Cash Flows on a per-unit basis. Total units (boe) and each of the per-unit line items referenced above are also defined in the related sections of this MD&A.

Capital Expenditures and Development Capital

Management uses the Non-GAAP measures “Capital expenditures” and “Development Capital” in its analysis of cash used in investing activities. Capital expenditures and Development Capital are reconciled to GAAP measures, as defined on the Statement of Cash flows in the attached financial statements, below:

(000's)	Three months ended		Nine months ended
	December 31, 2017	September 30, 2017	December 31, 2017
Expenditures on property and equipment	(16,318)	(28,224)	(64,452)
Expenditures on exploration and evaluation assets	(996)	(4,374)	(14,346)
Development capital	(17,314)	(32,598)	(78,798)
Expenditures on Twin Butte Energy Assets	-	-	(262,765)
Proceeds on disposition of property and equipment	22	5	27
Proceeds on disposition of exploration and evaluation assets	-	-	-
Capital expenditures	(17,292)	(32,593)	(341,536)

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates, and differences could be material. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Estimates and assumptions

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Note 5 – valuation of financial instruments;
- Note 6 – valuation of assets acquired through a business combination;
- Note 8 – valuation of property and equipment;
- Note 10 – measurement of decommissioning provision; and
- Note 15 – income tax expense.

Judgements

In the process of applying the Company’s accounting policies, management has made the following judgements, apart from those involving estimates, which may have the most significant effect on the amounts recognized in the financial statements.

(a) Exploration and evaluation assets

The decision to transfer assets from exploration and evaluation to property and equipment is based on the estimated proved and probable reserves used in the determination of an area's technical feasibility and commercial viability (Note 7).

(b) Reserves base

The oil and gas development and production properties are depreciated on a unit of production ("UOP") basis at a rate calculated by reference to proved and probable reserves determined in accordance with National Instrument 51-101 "Standards of Disclosure for Oil and Gas Activities" and incorporate the estimated future cost of developing and extracting those reserves. Proved plus probable reserves are determined using estimates of oil and natural gas in place, recovery factors and future prices. Future development costs are estimated using assumptions as to number of wells required to produce the reserves, the cost of such wells and associated production facilities and other capital costs (Note 8).

Proved and probable reserves are estimated using independent reserve engineer reports and represent the estimated quantities of oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible. Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is highly likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved and probable reserves.

(c) Depletion of oil and gas assets

Oil and gas properties are depleted using the UOP method over proved plus probable reserves. The calculation of the UOP rate of depletion could be impacted to the extent that actual production in the future is different from current forecast production based on proved plus probable reserves. This would generally result from significant changes in any of the factors or assumptions used in estimating reserves (Note 8).

(d) Determination of cash generating units

Oil and gas properties are grouped into cash generating units for purposes of impairment testing. Management has evaluated the oil and gas properties of the Company and grouped the properties into cash generating units on the basis of their ability to generate independent cash inflows, similar reserve characteristics, geographical location, and shared infrastructure (Note 8).

(e) Impairment indicators and calculation of impairment

At each reporting date, West Lake assesses whether or not there are circumstances that indicate a possibility that the carrying values of exploration and evaluation assets and property and equipment are not recoverable, or impaired. Such circumstances include incidents of deterioration of commodity prices, changes in the regulatory environment, or a reduction in estimates of proved and probable reserves. At December 31, 2017, Management exercised judgement and determined that there were impairment indicators present for the Non-Core CGU (Note 8). When management judges that circumstances clearly indicate impairment, property and equipment and exploration and evaluation assets are tested for impairment by comparing the carrying values to their recoverable amounts. The recoverable amounts of cash generating units are determined based on the higher of value in use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions that are subject to changes as new information becomes available including information on future commodity prices, expected production volumes, quantity of reserves, discount rates, decommissioning liabilities as well as future development and operating costs.

(f) Going concern

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business within the foreseeable future. Management uses judgment to assess the Company's ability to continue as a going concern and the conditions that cast doubt upon the going concern assumption (Note 2).

Significant Accounting Policies

During the period ended December 31, 2017, the Company did not adopt any new or revised standards. New accounting standards, amendments to accounting standards and interpretations effective for annual periods beginning on or after January 1, 2018 are as follows:

Leases

On January 13, 2016, the IASB issued IFRS 16 - *Leases*, which requires entities to recognize lease assets and lease obligations on the balance sheet. For lessees, IFRS 16 removes the classification of leases as either operating leases or finance leases, effectively treating all leases as finance leases. Certain short-term leases (less than 12 months) and leases of low-value assets are exempt from the requirements and may continue to be treated as operating leases. IFRS 16 is effective for years beginning on or after January 1, 2019. The standard may be applied retrospectively or using a modified retrospective approach. The Company has identified a number of contracts that may be classified as leases and is evaluating the impact of the standard on the financial statements.

Revenue Recognition

On September 11, 2015 the IASB published an amendment to IFRS 15 - *Revenue from Contracts with Customers*, deferring the effective date of the standard by one year to annual periods beginning on or after January 1, 2018. IFRS 15, replaces IAS 11 - *Construction Contracts*, IAS 18 - *Revenue* and several revenue-related interpretations, establishing a single revenue recognition framework that applies to contracts with customers. The standard requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive, when control is transferred to the purchaser. Disclosure requirements have also been expanded. The Company continues to evaluate the impact of this standard on the financial statements.

Financial Instruments

IFRS 9 - *Financial Instruments* was issued in 2014 and is effective for years beginning on or after January 1, 2018 with earlier adoption permitted. The standard introduces multiple changes from IAS 39 - *Financial Instruments: Recognition and Measurement*, including introducing a principle-based approach for classification and measurement of financial assets, a single expected loss impairment model and a substantially-reformed approach to hedge accounting. The Company continues to evaluate the impact of this standard on the financial statements.

Assessment of Business Risks

The following are the primary risks associated with the business of West Lake. These risks are similar to those affecting other companies competing in the conventional oil and natural gas sector. West Lake's financial position and results of operations are directly impacted by these factors and include:

Operational risk associated with the production of oil and natural gas:

- Reserve risk in respect to the quantity and quality of recoverable reserves;
- Exploration and development risk of being able to add new reserves economically;
- Market risk relating to the availability of transportation systems to move the product to market;
- Commodity risk as crude oil and natural gas prices fluctuate due to market forces;
- Financial risk such as volatility of the Canadian/US dollar exchange rate, interest rates and debt service obligations;
- Environmental and safety risk associated with well operations and production facilities;
- Changing government regulations relating to royalty legislation, income tax laws, incentive programs, operating practices and environmental protection relating to the oil and natural gas industry; and
- Continued participation of West Lake's lenders.

West Lake seeks to mitigate these risks where possible by:

- Acquiring properties with established production trends to reduce technical uncertainty as well as undeveloped land with development potential;
- Maintaining a low-cost structure to maximize product netbacks and reduce impact of commodity price cycles;
- Diversifying properties to mitigate individual property and well risk;
- Maintaining product mix to balance exposure to commodity prices;
- Conducting rigorous reviews of all property acquisitions;

- Monitoring pricing trends and developing a mix of contractual arrangements for the marketing of products with creditworthy counterparties;
- Maintaining a hedging program to hedge commodity prices with creditworthy counterparties;
- Adhering to the Company's safety program and adhering to current operating best practices;
- Keeping informed of proposed changes in regulations and laws to properly respond to and plan for the effects that these changes may have on our operations;
- Carrying industry standard insurance;
- Establishing and maintaining adequate resources to fund future abandonment and site restoration costs; and
- Monitoring our joint venture partners' obligations to us and cash calling for capital projects to limit the Company's credit risk.



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of West Lake Energy Corp.

We have audited the accompanying financial statements of West Lake Energy Corp., which comprise the balance sheet as at December 31, 2017, and the statement of income (loss) and comprehensive income (loss), statement of changes in shareholders' equity and statement of cash flows for the period from incorporation on December 13, 2016 to December 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the balance sheet of West Lake Energy Corp. as at December 31, 2017, and its financial performance and its cash flows for the period from incorporation on December 13, 2016 to December 31, 2017, in accordance with International Financial Reporting Standards.

Deloitte LLP

Chartered Professional Accountants
Calgary, Alberta
April 18, 2018

West Lake Energy Corp.
Balance Sheet

(Cdn\$ thousands)

Note

December 31, 2017

ASSETS

Current Assets

Cash and cash equivalents	5, 9	\$	18,491
Accounts receivable	16		20,786
Deposits and prepaid expenses			1,411
Derivative assets	5		680
Assets held for sale	8		6,468

47,836

Non-current assets

Exploration and evaluation	7		36,231
Property and equipment	8		388,282
Deferred taxes	15		34,000

\$ 506,349

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities

Accounts payable and accrued liabilities	17	\$	38,285
Derivative liabilities	5		5,873
Liabilities held for sale	8, 10		6,463

50,621

Non-current liabilities

Derivative liabilities	5		1,389
Decommissioning provision	10		177,243

229,253

Shareholders' Equity

Share capital	11		304,765
Deficit			(27,669)

277,096

\$ 506,349

Commitments and contingencies (note 21)

Subsequent events (note 22)

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors



David Middleton
 Director
 West Lake Energy Corp.



Steven Neu
 Director
 West Lake Energy Corp.

West Lake Energy Corp.
Statement of Income (Loss) and Comprehensive Income (Loss)

<i>(Cdn\$ thousands except per share amounts)</i>	<i>Note</i>	Period ended December 31, 2017
Petroleum and natural gas sales	12	\$ 133,023
Royalties		(14,579)
Revenues		\$ 118,444
Expenses		
Operating		62,713
Transportation		3,314
General and administrative	13	6,993
Transaction costs		153
Finance expense	14	2,917
Loss on derivatives	5	8,377
Exploration and evaluation expense	7	398
Gain on disposition of property and equipment	8	(423)
Depletion and depreciation	8	46,071
Impairment of property and equipment	8	15,600
		146,113
Income (loss) before income taxes		(27,669)
Deferred tax expense (recovery)	15	-
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)		\$ (27,669)
Net Income (Loss) per share \$		
Basic	11	(0.13)
Diluted	11	(0.13)

The accompanying notes are an integral part of these financial statements.

West Lake Energy Corp.
Statement of Cash Flows
(Cdn\$ thousands)

	Note	Period ended December 31, 2017
Cash provided by (used in):		
OPERATING ACTIVITIES:		
Net income (loss)		\$ (27,669)
Adjustments for items not involving cash:		
Depletion and depreciation	8	46,071
Impairment of property and equipment	8	15,600
Unrealized loss on derivatives	5	6,582
Finance expense	14	2,917
Exploration and evaluation expense	7	398
Gain on disposition of property and equipment	8	(423)
Interest paid	14	(46)
Expenditures on decommissioning provision	10	(4,159)
Changes in non-cash working capital	18	266
		39,537
FINANCING ACTIVITIES		
Issuance of share capital	11	304,765
		304,765
INVESTING ACTIVITIES		
Expenditures on Twin Butte Energy Assets	6	(262,765)
Expenditures on property and equipment	6	(64,452)
Expenditures on exploration and evaluation assets		(14,346)
Proceeds on disposition of property and equipment	8	27
Changes in non-cash working capital	18	15,725
		(325,811)
Change in cash and cash equivalents		\$ 18,491
Cash and cash equivalents, beginning of the period		\$ -
Cash and cash equivalents, end of period		\$ 18,491

The accompanying notes are an integral part of these financial statements.

West Lake Energy Corp.
Statement of Changes in Shareholders' Equity

(Cdn\$ thousands)	Note	Share capital	Deficit	Total Shareholders' Equity
Balance, December 13, 2016		\$ -	\$ -	\$ -
Common shares issued	11	304,765	-	304,765
Net income (loss) and comprehensive income (loss)		-	(27,669)	(27,669)
Balance, December 31, 2017		\$ 304,765	\$ (27,669)	\$ 277,096

Notes to Financial Statements

For the period from incorporation on December 13, 2016 to December 31, 2017

All tabular amounts are in thousands of Canadian dollars except as otherwise indicated.

1. BUSINESS AND STRUCTURE OF WEST LAKE

West Lake Energy Corp. (“West Lake” or “the Company”) is an oil and natural gas exploration, development and production company with properties located in Western Canada. West Lake is domiciled in Canada and was incorporated on December 13, 2016 under the Business Corporations Act (Alberta). West Lake’s head office address is 700, 600 – 3rd Avenue SW, Calgary, Alberta, Canada.

2. BASIS OF PRESENTATION AND GOING CONCERN

The Company prepares its financial statements in accordance with International Financial Reporting Standards (“IFRS”). These financial statements cover the period from incorporation on December 13, 2016 to December 31, 2017. The Company has applied the same accounting policies throughout the entire period presented. These financial statements have been prepared on the historical cost basis, except as identified in Note 3, Significant Accounting Policies. They are presented in Canadian dollars, which is the Company’s functional currency.

These financial statements were approved and authorized for issue by the Board of Directors on April 18, 2018.

Going Concern

These financial statements are prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these financial statements are as follows:

(a) Cash and cash equivalents

Cash and cash equivalents consists of balances held with banks, and other short-term highly liquid investments with original maturities of three months or less from inception.

(b) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates in effect at the balance sheet date. Gains and or losses on these items are included in the statement of income (loss).

(c) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have been expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

All financial instruments are initially recognized at fair value on the balance sheet. Measurement of financial instruments subsequent to the initial recognition, as well as resulting gains and losses, are based on how each financial instrument was initially classified. The Company has classified each identified financial instrument into the following categories: fair value through profit or loss, loans and receivables, held-to-maturity investments, available for sale financial assets, and financial liabilities at amortized cost. Fair value through profit or loss financial instruments are measured at fair value with gains and losses recognized in income immediately. Available for sale financial assets are measured at fair value with gains and losses, other than impairment losses, recognized in other comprehensive income and transferred to income when the asset is derecognized. Loans and receivables, held-to-maturity investments and financial liabilities at amortized cost are recognized at amortized cost using the effective interest method and impairment losses are recorded in income when incurred.

Derivative instruments executed by the Company to manage market risk associated with volatile commodity prices are classified as held for trading within fair value through profit or loss and recorded on the balance sheet at fair value as derivative assets and liabilities. Gains and losses on these derivative instruments are recorded as gains and losses in the statement of income (loss) in the period they occur.

Gains and losses on derivative instruments are comprised of cash receipts and payments associated with periodic settlement that occurs over the life of the instrument (realized gains/losses), and non-cash gains and losses associated with changes in the fair values of the instruments which are remeasured at each reporting date and recorded on the balance sheet (unrealized gains/losses). Transaction costs attributed to the acquisition or issue of a derivative instrument are expensed immediately. For other financial instruments, transaction costs are added to the fair value initially recognized for a financial asset or liability.

(d) Share capital

Equity instruments issued by the Company are recorded at the proceeds received, with direct issue costs as a deduction there from, net of any associated tax benefit.

(e) Joint arrangements

A portion of the Company's oil and natural gas activities involve joint arrangements classified as joint operations. The Company's share of these joint operations and a proportionate share of the relevant revenue and costs are reflected in the financial statements. Joint control exists for contractual arrangements governing West Lake's assets where all partners collectively control the arrangement and share the associated risks, West Lake has less than 100 percent working interest, all of the partners have control of the arrangement collectively and spending on the project requires unanimous consent of all parties. West Lake does not have any joint arrangements that are material to the Company or that are structured through joint venture arrangements.

(f) Property and equipment and exploration and evaluation assets

i) Exploration and evaluation (E&E) expenditures

Pre-license costs are recognized in the statement of income (loss) as incurred. All exploratory costs incurred subsequent to acquiring the right to explore for oil and natural gas and before technical feasibility and commercial viability of the area have been established are capitalized as E&E assets. Such costs can typically include costs to acquire land rights in areas with no proved or probable reserves assigned, geological and geophysical costs, and exploration wells.

Exploration and evaluation costs initially are capitalized as either tangible or intangible according to the nature of the assets acquired. The costs are accumulated in areas by well, field or exploration area pending determination of technical feasibility and commercial viability.

Exploration and evaluation assets are not depreciated and are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. If an impairment indicator for E&E assets is noted, for purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units.

The technical feasibility and commercial viability of extracting a mineral resource from exploration and evaluation assets is considered when proved and probable reserves are determined to exist. A review of each exploration license or field is carried out, at least annually, to ascertain whether proved and probable reserves have been discovered. Upon determination of proved and probable reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to development and production assets within property and equipment. If the well or exploration project did not encounter potentially economic oil and gas quantities, the unrecoverable costs are expensed and reported in exploration and evaluation expense in the period incurred.

ii) Development and production expenditures

Items of property and equipment, which include petroleum and natural gas development and production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Costs include E&E expenditures incurred in finding commercial reserves transferred from E&E assets, drilling and completion, production facilities, decommissioning costs, geological and geophysical costs and directly attributable costs related to development and production activities, net of any government incentive programs, and for qualifying assets, borrowing costs. The

purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

When significant parts of an item of property and equipment, including oil and natural gas properties, have different useful lives, they are accounted for as separate items (major components). Gains and losses on disposal of an item of property and equipment, including oil and natural gas properties and E&E assets, are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized within the statement of income (loss).

(iii) Subsequent costs

Costs incurred subsequent to commencement of production that are significant are recognized as oil and gas assets only when they increase the future economic benefits embodied in the specific asset to which they relate. Such capitalized oil and natural gas interests generally represent costs incurred in developing proved and probable reserves and bringing in or enhancing production from such reserves and are accumulated on a field or area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property and equipment are recognized against income as incurred.

(iv) Depletion and depreciation

The net carrying value of oil and gas properties is depleted using the unit of production method by reference to the ratio of production in the period to the related proved and probable reserves, taking into account estimated future development costs necessary to bring those reserves into production. Future development costs are estimated taking into account the level of development required to produce the reserves. These estimates are reviewed by independent reserve engineers at least annually. Major development projects are not depleted until production commences.

The Company records furniture and equipment at cost and provides depreciation on the declining balance method at a rate of 20% per annum which is designed to amortize the cost of the assets over their estimated useful lives. The Company records leasehold improvements at cost and provides depreciation on the straight-line method over the term of the lease. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation methods, useful lives and residual values are reviewed at each financial year end, and, if necessary, changes in useful lives are accounted for prospectively.

(g) Asset swaps

Exchanges of development and production assets are measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. The cost of the acquired asset is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. Where fair value is not used, the cost of the acquired asset is measured at the carrying amount of the amount given up. Any gain or loss on derecognition of the asset given up is recognized in statement of income (loss). For exchanges or parts of exchanges that involve only exploration and evaluation assets, the exchange is accounted for at carrying value.

(h) Leased assets

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under the operating leases are charged to income on a straight-line basis over the period of the lease.

(i) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in income in the period incurred. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in the statement of income (loss).

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Exploration and evaluation assets are assessed for impairment when they are reclassified to property and equipment, as oil and natural gas interests, and also if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less cost of disposal.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proved and probable reserves. Fair value less cost of disposal is assessed utilizing market valuation based on an arm's length transaction between active participants. In the absence of any such transactions, fair value less costs of disposal is estimated by discounting the expected after-tax cash flows of the cash generating unit at an after-tax discount rate that reflects the risk of the properties in the cash generating unit. The discounted cash flow calculation is then increased by a tax-shield calculation, which is an estimate of the amount that a prospective buyer of the cash generating unit would be entitled. The carrying value of the cash generating unit is reduced by the deferred tax liability associated with its property and equipment.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been objective change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or depletion, if no impairment loss had been recognized.

(j) Decommissioning provision

A decommissioning liability is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Decommissioning liabilities are determined by discounting the expected future cash flows at a risk-free rate. A corresponding asset equal to the initial estimated liability is capitalized as part of the long-lived asset. The increase in the provision due to the passage of time is recognized as a finance cost in the statement of income (loss). Actual expenditures incurred are charged against the accumulated liability. Revisions to the estimated amount and timing of the obligations are reflected as increases or decreases to the decommissioning liability with corresponding asset retirement costs capitalized as part of the long-lived asset.

(k) Revenue

Revenue from the sale of oil and natural gas is recorded when the significant risks and rewards of ownership of the product is transferred to the buyer, which is usually when legal title passes to the external party, sales prices and costs can be reasonably measured, and it is probable that future economic benefits will flow to the entity. For natural gas, this is generally at the time product enters the pipeline. For crude oil, this is generally at the time the product reaches a trucking terminal or pipeline. For natural gas liquids, this is generally at the time the product is processed through a gas plant. Revenue is measured net of discounts and customs duties.

Royalty income is recognized as it accrues in accordance with the terms of the overriding royalty agreements.

(l) Finance expense

Finance expense comprises interest expense on borrowings, interest on convertible debentures, accretion of the discount on convertible debentures and accretion of the discount on the decommissioning provision.

(m) Borrowing costs

Borrowing costs incurred for the construction of qualifying assets are capitalized during the period of time that is required to complete and prepare the assets for their intended use or sale. The Company considers a qualifying asset to

be any significant construction project expected to take more than twelve months to complete. The capitalization rate used to determine the amount of borrowing costs to be capitalized is the weighted average interest rate applicable to the Company's outstanding general and specific borrowings during the period.

(n) Income tax

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the statement of income (loss) except to the extent that it relates to items recognized directly in shareholders' equity.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to income tax payable in respect of previous years. Deferred income tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting income nor taxable income. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are only offset when they arise within the same tax jurisdiction. Deferred income tax assets and liabilities are presented as non-current.

(o) Dividends

Dividends are accrued when declared by the Board of Directors.

(p) Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method of accounting in which the identifiable assets acquired, liabilities assumed and any non-controlling interest are recognized and measured at their fair value at the date of acquisition. Any excess of the purchase price plus any non-controlling interest over the fair value of the net assets acquired is recognized as goodwill. Any deficiency of the purchase price over the fair value of the net assets acquired is credited to net income as negative goodwill. At acquisition, goodwill is allocated to each of the CGUs to which it relates. Subsequent measurement of goodwill is at cost less any accumulated impairment losses.

(q) New standards and interpretations not yet adopted

During the period ended December 31, 2017, the Company did not adopt any new or revised standards. New accounting standards, amendments to accounting standards and interpretations effective for annual periods beginning on or after January 1, 2018 are as follows:

Leases

On January 13, 2016, the IASB issued IFRS 16 - *Leases*, which requires entities to recognize lease assets and lease obligations on the balance sheet. For lessees, IFRS 16 removes the classification of leases as either operating leases or finance leases, effectively treating all leases as finance leases. Certain short-term leases (less than 12 months) and leases of low-value assets are exempt from the requirements and may continue to be treated as operating leases. IFRS 16 is effective for years beginning on or after January 1, 2019. The standard may be applied retrospectively or using a modified retrospective approach. The Company has identified a number of contracts that may be classified as leases and is evaluating the impact of the standard on the financial statements.

Revenue Recognition

On September 11, 2015 the IASB published an amendment to IFRS 15 - *Revenue from Contracts with Customers*, deferring the effective date of the standard by one year to annual periods beginning on or after January 1, 2018. IFRS 15, replaces IAS 11 - *Construction Contracts*, IAS 18 - *Revenue* and several revenue-related interpretations, establishing a single revenue recognition framework that applies to contracts with customers. The standard requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive, when control is transferred to the purchaser. Disclosure requirements have also been expanded. The Company continues to evaluate the impact of this standard on the financial statements.

Financial Instruments

IFRS 9 - *Financial Instruments* was issued in 2014 and is effective for years beginning on or after January 1, 2018 with earlier adoption permitted. The standard introduces multiple changes from IAS 39 – *Financial Instruments: Recognition and Measurement*, including introducing a principle-based approach for classification and measurement of financial assets, a single expected loss impairment model and a substantially-reformed approach to hedge accounting. The Company continues to evaluate the impact of this standard on the financial statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates, and differences could be material. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Estimates and assumptions

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Note 5 – valuation of financial instruments;
- Note 6 – valuation of assets acquired through a business combination;
- Note 8 – valuation of property and equipment;
- Note 10 – measurement of decommissioning provision; and
- Note 15 – income tax expense.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimates, which may have the most significant effect on the amounts recognized in the financial statements.

(a) Exploration and evaluation assets

The decision to transfer assets from exploration and evaluation to property and equipment is based on the estimated proved and probable reserves used in the determination of an area's technical feasibility and commercial viability (Note 7).

(b) Reserves base

The oil and gas development and production properties are depreciated on a unit of production ("UOP") basis at a rate calculated by reference to proved and probable reserves determined in accordance with National Instrument 51-101 "Standards of Disclosure for Oil and Gas Activities" and incorporate the estimated future cost of developing and extracting those reserves. Proved plus probable reserves are determined using estimates of oil and natural gas in place, recovery factors and future prices. Future development costs are estimated using assumptions as to number of wells required to produce the reserves, the cost of such wells and associated production facilities and other capital costs (Note 8).

Proved and probable reserves are estimated using independent reserve engineer reports and represent the estimated quantities of oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible. Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is highly likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved and probable reserves.

(c) Depletion of oil and gas assets

Oil and gas properties are depleted using the UOP method over proved plus probable reserves. The calculation of the UOP rate of depletion could be impacted to the extent that actual production in the future is different from current

forecast production based on proved plus probable reserves. This would generally result from significant changes in any of the factors or assumptions used in estimating reserves (Note 8).

(d) Determination of cash generating units

Oil and gas properties are grouped into cash generating units for purposes of impairment testing. Management has evaluated the oil and gas properties of the Company and grouped the properties into cash generating units on the basis of their ability to generate independent cash inflows, similar reserve characteristics, geographical location, and shared infrastructure (Note 8).

(e) Impairment indicators and calculation of impairment

At each reporting date, West Lake assesses whether or not there are circumstances that indicate a possibility that the carrying values of exploration and evaluation assets and property and equipment are not recoverable, or impaired. Such circumstances include incidents of deterioration of commodity prices, changes in the regulatory environment, or a reduction in estimates of proved and probable reserves. At December 31, 2017, Management exercised judgement and determined that there were impairment indicators present for the Non-Core CGU (Note 8). When management judges that circumstances clearly indicate impairment, property and equipment and exploration and evaluation assets are tested for impairment by comparing the carrying values to their recoverable amounts. The recoverable amounts of cash generating units are determined based on the higher of value in use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions that are subject to changes as new information becomes available including information on future commodity prices, expected production volumes, quantity of reserves, discount rates, decommissioning liabilities as well as future development and operating costs.

(f) Going concern

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business within the foreseeable future. Management uses judgment to assess the Company's ability to continue as a going concern and the conditions that cast doubt upon the going concern assumption (Note 2).

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments of the Company include cash and cash equivalents, accounts receivable, deposits, accounts payable and accrued liabilities, and derivative assets and liabilities.

(\$000's)	Level in fair value hierarchy	As At December 31, 2017 Carrying Amount	Estimated Fair Value
Financial Assets			
Cash and cash equivalents	Level 1	18,491	18,491
Held For trading			
Derivative assets - oil and gas	Level 2	680	680
Loans and receivables			
Accounts receivable	Level 2	20,786	20,786
Deposits	Level 1	1,411	1,411
Financial Liabilities			
Held for trading			
Derivative liabilities - oil and gas	Level 2	7,262	7,262
Financial liabilities at amortized cost			
Accounts payable and accrued liabilities	Level 2	38,285	38,285

As at December 31, 2017, the carrying amounts reported on the Balance Sheet approximated the estimated fair values of financial instruments due to the short terms to maturity or are carried at fair value.

Fair value is determined following a three-level hierarchy:

Level 1: Quoted prices in active markets for identical assets and liabilities. The Company includes cash under this category.

Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly. Such inputs can be corroborated with other observable inputs for substantially the complete term of the contract. West Lake uses Level 2 inputs in the determination of the fair value of oil and gas derivative assets and liabilities, accounts receivable, deposits and accounts payable.

Level 3: Fair value is determined using inputs that are not observable. West Lake uses Level 3 inputs in the determination of the fair value less costs of disposal used in determining the recoverable amount of a Cash Generating Unit (CGU) for the purpose of impairment testing for PP&E and E&E assets.

Derivative assets and liabilities are carried at fair value and are measured on a recurring basis. The fair values of oil and gas commodity derivatives are determined using a Level 2 valuation model and inputs include quoted forward prices for commodities, foreign exchange rates, volatility and discounting, all of which can be observed or corroborated in the marketplace. In testing for impairment of property and equipment, a Level 3 valuation model is used to determine the recoverable amount of a CGU. The fair value less costs of disposal model used contains inputs that are not readily observable or corroborated, such as forecasted cash flows over the estimated life of reserves.

The Company's policy is to recognize transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. During the period ended December 31, 2017, there were no transfers between levels 1, 2 or 3.

(a) Risk Management Assets and Liabilities

The table below summarizes the realized and unrealized gain (loss) on derivatives:

(\$000s)	Period ended
	December 31, 2017
Realized gain (loss)	(1,795)
Unrealized gain (loss)	(6,582)
Loss on derivatives	(8,377)

Derivative Position

As at	December 31, 2017
Current asset	680
Non-current asset	-
Current liability	(5,873)
Non-current liability	(1,389)
Net derivative asset (liability) position	(6,582)

Crude Oil Sales Price Derivatives

Daily barrel (bb)	Term of contract	WCS ⁽²⁾ price per bb	Fixed	Fair market
			written call price per bb WTI ⁽¹⁾	value \$ 000's (\$CAD)
2,000	January 1, 2018 to March 31, 2018	\$CAD \$ 48.23		680
1,000	April 1, 2018 to June 30, 2018	\$CAD \$ 48.50		(318)
2,000	January 1, 2018 to March 31, 2019	\$USD	\$ 55.00	(6,944)
Crude oil fair value position at December 31, 2017				(6,582)

⁽¹⁾ WTI represents posting price of West Texas Intermediate oil

⁽²⁾ WCS represents the posting price of Western Canadian Select oil

(b) Risks Associated with Financial Assets and Liabilities

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production, and financing activities such as: credit risk; liquidity risk; and price and currency risk.

Price and currency risk

Commodity price risk arises from the effect that fluctuations of future commodity prices may have on the fair value or future cash flows of financial assets and liabilities. West Lake monitors and, when appropriate, utilizes financial derivative contracts or physical delivery contracts to manage the risk associated with changes in commodity prices and foreign exchange rates. The use of derivative instruments is governed under formal policies and is subject to limits established by the Board of Directors of West Lake. Under the Company's risk management policy, financial derivatives are not to be used for speculative purposes.

Crude Oil – The Company has used fixed price swaps to partially mitigate its exposure to the commodity price risk on its heavy and medium crude oil sales. This includes swaps to help protect against widening light/heavy crude oil price differentials. When assessing the potential impact of oil price changes on the financial derivative contracts outstanding as at December 31, 2017, a 10% increase in pricing would decrease net income for the period ended December 31, 2017 by \$8.2 million, excluding the corresponding impact on sales revenues, while a 10% decrease would increase net income for the period ended December 31, 2017 by \$8.2 million.

Natural Gas – To partially mitigate the natural gas commodity price risk, the Company may from time to time utilize swaps, which fix the AECO price. As at December 31, 2017, the Company does not have natural gas hedges outstanding.

Currency – North American oil and natural gas prices are based upon US dollar denominated commodity prices. As a result, although receivables are denominated in Canadian dollars, the price received by Canadian producers is affected by the Cdn\$/US\$ foreign exchange rate that may fluctuate over time. To minimize this risk, fixed price swaps for crude oil and natural gas are contracted in Canadian dollars, where available.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from joint venture partners and oil and natural gas marketers. The maximum exposure to credit risk is as follows:

\$000's	December 31, 2017
Cash and cash equivalents	18,491
Accounts receivable	20,786
Deposits	53
Derivative assets	680
	40,010

Cash and cash equivalents, accounts receivable, deposits, and derivative assets are subject to credit risk exposure and the carrying values reflect management's assessment of the associated maximum exposure to such credit risk. The Company's cash and cash equivalents are held within a top tier national bank. Substantially all of the Company's accounts receivables are due from customers and partners concentrated in the Canadian oil and gas industry. The Company generally extends unsecured credit to these customers and therefore the collection of accounts receivable may be affected by changes in economic conditions. Management aims to mitigate this risk by dealing with a broad selection of reputable partners within the sector, by reviewing credit ratings of counterparties and partners, and through closely monitoring significant balances. When necessary, the Company requires cash calls from its partners on capital projects before they commence, and with certain counterparties, has the ability to withhold production or offset payables.

Receivables related to the sale of the Company's petroleum and natural gas production are normally collected on the 25th day of the month following delivery. As at December 31, 2017, \$6.7 million or 32% of accounts receivable are outstanding for 90 days or more. Of the total over 90 days, \$6.2 million is related to one vendor that has since been collected. The Company has provided an allowance for doubtful accounts of \$0.1 million at December 31, 2017 and believes that the remaining accounts receivable balance, net of this allowance, is collectible.

The Company's deposit is due from the Alberta Provincial governments and is viewed by Management as having minimal credit risk. To the extent that West Lake enters into derivatives to manage commodity price risk, the Company is exposed to credit risk associated with counterparties. The Company enters into derivative contracts with major national banks to mitigate this credit risk.

Liquidity risk

The timing of cash outflows relating to financial liabilities as at December 31, 2017 are as follows:

December 31, 2017	Less than one year	One to three years	Total
Trade and accrued liabilities	38,285	-	38,285
Derivative liability	5,873	1,389	7,262
Total	44,158	1,389	45,547

Liquidity risk is the risk that West Lake will not be able to meet all of its financial obligations when they become due. The Company does not have debt obligations outside of trade and accrued liabilities, and the derivative liability.

To the extent that West Lake enters derivatives to manage commodity price risk, it may be subject to liquidity risk as derivative liabilities become due. Derivative instruments are not entered for speculative purposes and management closely monitors commodity risk exposure in comparison to forecasted sales volumes. Liquidity risk is partially mitigated as losses realized on derivative contracts due to high commodity prices are generally matched by increased cash flows from sales in a high commodity price environment. Conversely, when commodity prices are low, gains realized on derivative contracts can partially offset reduced cash flow.

6. ACQUISITION OF TWIN BUTTE ENERGY LTD. ASSETS

On March 31 2017, West Lake completed the acquisition of Twin Butte Energy Ltd.'s ("Twin Butte") assets for cash consideration of \$262.8 million. This property acquisition was recognized as a business combination in accordance with IFRS 3 Business Combinations, as the assets and liabilities acquired met the definition of a business. The acquisition has been accounted for using the acquisition method, and the recognized amounts of identifiable asset acquired and liabilities assumed at fair value are as follows:

	Total
Petroleum and natural gas properties	279,895
Exploration and evaluation assets	23,817
Net working capital	(97)
Deferred income tax asset	34,000
Decommissioning obligation	(74,850)
Total net assets acquired	\$ 262,765

The net working capital asset consists of the following:	Total
Accounts receivable	41
Deposits and prepaid expenses	2,603
Accounts payable and accrued liabilities	(2,741)
Net working capital	\$ (97)

Consideration	Total
Cash	\$ 262,765

The purpose of the acquisition was to gain a presence in the business of oil and gas production. Management estimates that West Lake's revenue would have increased by \$39.7 million and the net loss would have decreased by \$1.7 million, had this transaction been completed on January 1, 2017. This pro-forma information would not necessarily be indicative of results had the acquisition occurred on January 1, 2017.

The recognized identifiable assets and liabilities assumed were based on best estimates by West Lake's management and were based on valuations prepared by external engineers. The consideration paid is equal to the fair value of net assets acquired. The decommissioning obligation was fair valued using the credit-adjusted rate of 12%.

7. EXPLORATION AND EVALUATION ASSETS

Balance at December 13, 2016	\$	-
Twin Butte asset acquisition	\$	23,817
Acquisitions and purchases		14,408
Transferred to property, plant and equipment (note 8)		(1,593)
Dispositions (note 8)		(3)
Exploration and evaluation expense		(398)
Balance at December 31, 2017	\$	36,231

Exploration and evaluation ("E&E") assets consist of the Company's land and seismic exploration projects which are pending the determination of technical feasibility and commercial viability. In the period ended December 31, 2017, expense of \$0.4 million was recognized for current and future land expiries for which management has neither budgeted nor planned further exploration.

There were no impairment indicators for E&E assets as at December 31, 2017.

8. PROPERTY AND EQUIPMENT

Cost:

Balance at December 13, 2016	\$	-
Twin Butte asset acquisition		279,895
Additions		64,452
Changes in decommissioning provision		110,482
Transfers from E&E assets (note 7)		1,593
Balance at December 31, 2017	\$	456,422

Accumulated depletion, depreciation and impairment losses:

Balance at December 13, 2016	\$	-
Depletion and depreciation expense		46,072
Impairment expense		15,600
Balance at December 31, 2017	\$	61,672

Net Carrying Value:

Current assets held for sale		6,468
Long-term assets		388,282
December 31, 2017	\$	394,750

The Company capitalized \$3.1 million of general and administrative expenses directly related to development and production activities for the period ended December 31, 2017. Future development costs on proved plus probable undeveloped reserves of \$186 million as at December 31, 2017 are included in the calculation of depletion.

Dispositions & Acquisitions

During the period ended December 31, 2017, West Lake completed several minor PP&E asset dispositions for net proceeds of \$0.03 million. The assets included in these transactions were \$nil value PP&E assets with decommissioning liabilities attached. A \$0.4 million gain was recognized on these transactions.

Assets held for sale

During the third quarter of 2017, the Company signed an agreement to sell properties in the Pincher Creek area with a fair value of approximately \$nil. The agreement has closed, and payments received for interim operating losses are non-refundable, but the agreement contains a clause that would allow the purchaser to revert the properties back to West Lake until operatorship has transferred with AER approval. At December 31, 2017, West Lake retained operatorship, and as such they continue to be classified as held for sale. Management concludes it is highly probable that within one year

from when the sales process commenced that the carrying value will be received through a sales transaction rather than through continued use.

Assets classified as held for sale are measured at the lower of the carrying amount and fair value less costs of disposal. The fair value less costs of disposal of the assets held for sale was determined using third party information including potential estimated future cash flows and bids received from the purchaser and is equivalent to the carrying value. The carrying value of \$6.5 million associated with these properties was reclassified from property and equipment to assets held for sale and the associated decommissioning obligation of \$6.5 million was reclassified from decommissioning provision to liabilities held for sale on the Balance Sheet.

Impairment test of property and equipment

At December 31, 2017, the Company assessed for indicators of impairment for all of its CGUs. Significant revisions to the estimates to abandon 17 wells in Birch area of the Non-Core CGU were noted. For the purposes of determining whether impairment of assets has occurred, and the extent of any impairment or its reversal, management exercises their judgment in estimating future cash flows for the recoverable amount, being the higher of fair value less costs of disposal and value in use. These key judgments include estimates about recoverable reserves, forecast benchmark commodity prices, royalties, operating costs, decommissioning liabilities and discount rates.

West Lake estimated the recoverable amount for the Non-Core CGU based on the fair value less costs of disposal, determined with an after-tax discount rate of 10 percent, forecasted cash flows over the estimated life of reserves, an independent industry reserve engineer price forecast, and forecasted decommissioning liabilities. The discount rate represents the rate of return that a market participant would require for assets with similar composition and risk. The forecasted cash flows and decommissioning liabilities are prepared over the estimated life of the reserves in the CGU, which range from 0 to 27 years. The primary source of cash flow information was derived from the Company's oil and gas reserves, as prepared by an independent qualified reserve evaluator as at December 31, 2017.

Based on the assessment, the after-tax recoverable amount of negative \$15.3 million did not exceed the carrying value of the Non-Core CGU and the impairment charged at December 31, 2017 was \$15.6 million.

The forecasted commodity prices used in the impairment test at December 31, 2017 were as follows:

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
WTI Crude oil (US\$/bbl)	58.50	58.70	62.40	69.00	73.10	74.50	76.00	77.50	79.10	80.70

The following table indicates the sensitivity of the December 31, 2017 impairment to changes in the discount rate and forecasted commodity prices:

(\$000s)	Increase in rate or price	Decrease in rate or price
Discount rate, 1% change	852	(869)
WTI, \$5 US change	(5,586)	5,242

9. BANK FACILITY

As at December 31, 2017, the Company has a \$10 million demand bank facility. This facility is revolving, with a semi-annual borrowing base review, and the bank retains the right to demand payment in full at any time without notice. The facility is utilized for \$4.3 million of Letters of Credit and the remaining \$5.7 million was not drawn as of December 31, 2017.

Interest rates are based on the Bank of Canada prime rate, plus 1% to 2.5% as determined by a pricing grid using the Company's net debt to earnings before interest, taxes, depreciation, and amortization (EBITDA) ratio for the preceding four quarters. Interest paid during the year was in relation to outstanding Letters of Credit.

The Company's demand facility contains standard commercial covenants for facilities of this nature, including a requirement for West Lake to maintain an adjusted working capital ratio of not less than 1.0:1.0, which includes the undrawn portion of the credit facility as a current asset. The facility also contains a covenant that limits financial commodity agreements to less than 75% of the average daily production of the prior quarter at the time the commodity agreement is signed. As commodity agreements extend beyond 12 months, the maximum percentage decreases to 60%.

and then to 50% for those agreements with terms greater than 24 months. At December 31, 2017, the Company is in compliance with all debt covenants.

10. DECOMMISSIONING PROVISION

Decommissioning obligations are based on the Company's net ownership in wells and facilities, and management's best estimate of future costs to abandon and reclaim those wells and facilities as well as an estimate of the future timing of the costs to be incurred.

The Company has estimated the present value of its total decommissioning provision to be \$183.7 million at December 31, 2017, based on a total future liability of \$239.8 million. Payments to settle the obligations occur over the operating lives of the underlying assets and are estimated to be from 1 to 32 years, with the majority of costs to be incurred after 2030. As at December 31, 2017, the estimated risk-free discount rate is set at 2.25%, and the estimated inflation rate is 2.0%.

Changes to the decommissioning provision are as follows:

(000's)	
Decommissioning provision, December 13, 2016	-
Liabilities incurred	2,789
Liabilities settled	(4,159)
Liabilities acquired in Twin Butte acquisition	74,850
Liabilities acquired from other acquisitions	61
Liabilities reduced from dispositions	(399)
Effect of change in risk free rate ⁽¹⁾	(5,142)
Effect of change in risk free rate ⁽²⁾	119,165
Revisions in estimated cash outflows	(6,330)
Accretion of decommissioning provision	2,871
Decommissioning provision, end of period	183,706
Current liability held for sale	6,463
Long-term portion	177,243

(1) At December 31, 2017, the risk-free rate was changed from 2% to 2.25%.

(2) Decommissioning Liabilities acquired with the Twin Butte assets were valued at a risk-adjusted rate of 12% upon acquisition. Following acquisition, the assets were revalued at a risk-free rate of 2%.

11. SHAREHOLDERS' EQUITY

Authorized

	Number of common shares (000's)	Share Capital (\$000's)
Balance at December 13, 2016	0	0
Common shares issued	304,765	304,765
Balance at December 31, 2017	304,765	304,765

On March 30, 2017, 262.8 million shares were issued to West Lake's parent company in exchange for cash funding of \$262.8 million to completed the Twin Butte asset acquisition on March 30, 2017. The Remainder of the 304.8 million shares were issued to West Lake's parent company in exchange for of cash throughout the period.

Net Income (loss) Per Share

The following table sets forth the details of the computation of basic and diluted net income per share:

(\$000's)	Period ended December 31, 2017
Net income (loss) for the period	\$ (27,669)
Weighted average number of basic shares (000's)	219,383
Effect of dilutive securities:	-
Weighted average number of diluted shares (000's)	219,383
Net income (loss) per share basic (\$/share)	(0.13)
Net income (loss) per share diluted (\$/share)	(0.13)

In the period ended December 31, 2017 there were no potentially dilutive instruments outstanding.

12. SALES PER PRODUCT

(\$000's)	Period ended December 31, 2017
Light & Medium oil	\$ 77,940
Heavy oil	51,164
Natural gas	3,008
Natural gas liquids	911
Total petroleum and natural gas sales	\$ 133,023

13. GENERAL & ADMINISTRATION ("G&A") EXPENSE

(\$000's)	Period ended December 31, 2017
Staff salaries and benefits	\$ 8,839
Rent and insurance	307
Office and other costs	2,534
Capitalized G&A	(3,073)
Overhead recoveries	(1,614)
	\$ 6,993

14. FINANCE EXPENSE

(\$000's)	Period ended December 31, 2017
Interest and bank charges	\$ 46
Accretion on decommissioning provision	2,871
Total	\$ 2,917

15. INCOME TAX EXPENSE

a) Deferred income tax expense (recovery):

The provision for income taxes reflects an effective tax rate which differs from Federal and Provincial statutory tax rates. The main differences are as follows:

For the period ended (\$000s)	2017
Income (loss) before taxes	(27,669)
Statutory income tax rate	27.0%
Expected income taxes	(7,471)
Deferred tax asset not recognized	7,471
Deferred income tax expense / (recovery)	\$ -
Effective Tax rate	0.0%

The Canadian statutory tax rate per the reconciliation above represents the combined federal and provincial corporate tax rate. The federal corporate tax rate is 15% and the average provincial tax rate is 12% for the period ended December 31, 2017.

b) Deferred income tax asset (liability):

At December 31, 2017, the calculated deferred tax asset has been recognized at \$34 million.

(\$000s)	Period ended December 31, 2017
Property & equipment	23,591
Decommissioning liabilities	49,601
Commodity derivatives	1,777
Derecognized deferred tax assets ⁽¹⁾	(40,969)
Deferred income tax asset	34,000

(1) The derecognition is due to resource tax pools where there is uncertainty as to whether a taxable benefit will be available in the future.

c) Components of the net deferred income tax asset (liability):

As at (\$000s)	December 31, 2017
Deferred tax assets	
Deferred tax assets to be recovered after more than 12 months	32,596
Deferred tax assets to be recovered within 12 months	1,404
	34,000
Deferred tax liabilities	
Deferred tax liabilities to be recovered after more than 12 months	-
Deferred tax liabilities to be recovered within 12 months	-
	-

The deferred income tax assets and liabilities to be settled (recovered) within 12 months represents Management's estimate of the timing of the reversal of temporary differences and does not relate to the current income tax expense (if any) in the subsequent year.

d) Movement in Deferred Tax Assets & Liabilities:

Net Deferred Income Tax Asset	Total
As at December 13, 2016	-
Twin Butte Acquisition	34,000
Charged/(credited) to earnings	-
As at December 31, 2017	34,000

16. ACCOUNTS RECEIVABLE

As At (\$000s)	December 31, 2017
Trade	17,013
Joint Operations with Partners	2,756
Other	1,017
	<u>20,786</u>

17. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As At (\$000s)	December 31, 2017
Trade	23,643
Royalties	2,017
Joint Operations with Partners	1,455
Accruals	11,170
	<u>38,285</u>

18. SUPPLEMENTAL CASH FLOW INFORMATION

(\$000's)	Period ended
	December 31, 2017
Changes in non-cash working capital:	
Accounts receivable	(20,786)
Deposits and prepaid expenses	(1,411)
Accounts payable and accrued liabilities	38,285
Twin Butte Acquisition	(97)
	<u>\$ 15,991</u>
Changes in non-cash working capital relating to:	
Operating activities	\$ 266
Financing activities	-
Investing activities	15,725
	<u>\$ 15,991</u>

19. CAPITAL STRUCTURE

West Lake's capital structure as at December 31, 2017 is as follows:

(\$000's)	December 31, 2017
Working capital surplus ⁽¹⁾	2,403
Net cash (debt) ⁽²⁾	2,403
Shareholders' Equity	<u>267,325</u>

1) Working capital deficit (surplus) includes cash, accounts receivables, deposits and prepaid expenses, accounts payable and accrued liabilities.

2) Net cash (debt) is defined as the total of bank indebtedness, accounts payable and accrued liabilities, less cash, accounts receivable, deposits and prepaids.

As at December 31, 2017, the Company had not drawn on the demand credit facility. Net cash consists of the working capital surplus of \$2.4 million.

20. RELATED PARTY TRANSACTIONS

During the period ended December 31, 2017, the Company incurred related party costs totaling \$0.1 million for asset operational services rendered and office rent to one company under common control. These costs were incurred in the normal course of business and were recorded at the amount exchanged between the parties. As at December 31, 2017, the Company had \$nil included in accounts payable and accrued liabilities related to these transactions.

During the period, the Company also signed an office lease with this related party, for a term of 10 years with a penalty-free termination after 3 years. The cost of the office lease is equivalent to the cost to the related party.

Executive Compensation

(\$000's)	Period ended December 31, 2017
Salaries and Benefits	1,761
	<u>1,761</u>

Executive compensation relates to amounts paid in salary and bonus expense for 4 officers of the Company. The Company's Board of Directors is not compensated.

21. COMMITMENTS AND CONTINGENCIES

Contractual obligations and commitments for base office rent and equipment are as follows:

(\$000's)	2018	2019	2020	thereafter
	1,465	1,953	489	-

22. SUBSEQUENT EVENTS

Following the period ended December 31, 2017, the Company entered into the following crude oil sales price derivatives:

Daily barrel (bbl) quantity	Term of contract	WCS ⁽¹⁾ Fixed price per bbl
4,500	May 1, 2018 to June 30, 2018	\$CAD \$ 59.72
4,500	July 1, 2018 to September 30, 2018	\$CAD \$ 57.72

⁽¹⁾ WCS represents the posting price of Western Canadian Select oil

Exhibit "10"

Affidavit of Steven Neu, sworn May-21-21, filed May-26-21

490 pages

THIS IS EXHIBIT " 10 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024

A handwritten signature in blue ink that reads "Joyce Staroszik". The signature is written in a cursive style and is positioned above a horizontal line.

A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 2026

Form 49
[Rule 13.19]



COURT FILE NUMBER 2001-03353

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF HENENGAIXIN CORP.

DEFENDANTS TIANZHOU DENG, XIAOBO DENG, aka Lake Deng, MICHAEL LAM, CALGARY SINOENERGY INVESTMENT CORP., LONG RUN EXPLORATION LTD., JOHN DOE and ABC CO

DOCUMENT **AFFIDAVIT**

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AFFIDAVIT OF: STEVEN NEU

SWORN ON: **The 21st day of May, 2021**

I, STEVEN NEU, of the City of Calgary, Alberta, AFFIRM AND SAY THAT:

1. I am a director of the Plaintiff, Henenghaixin Corp. ("**H Corp**"). As such, I have personal knowledge of the matters deposed to herein, excepted where stated to be based on information, in which case I believe such matters to be true.
2. I have read certain Affidavits that have been filed in this Action. In particular, I have read the affidavit of Gaoyong Zhang, affirmed November 20, 2019 ("**First Zhang Affidavit**") and the the affidavit of Gaoyong Zhang, affirmed on March 31, 2020 ("**Second Zhang Affidavit**"). This Affidavit contains specific comments in response to the matters he speaks to which involve me.

Summary

3. I was engaged by Calgary Sinoenergy Investment Corp. ("**Calgary Sino**") as an independent engineering consultant through my consulting company Eileen Corp between July 18, 2016 and September 1, 2018. Calgary Sino is the parent company of Long Run Exploration Ltd. ("**Long Run**").
4. My consulting contract with Calgary Sino was signed by Mr. Harold Wang ("**Harold**") and Ms. Xiao Bo ("Lake") Deng ("**Ms. Deng**"). During this period, my invoices to Calgary Sino were initially approved by Mr. Steven Sun ("**Mr. Sun**"), and then subsequently by Mr. Michael Lam ("**Mr. Lam**"). Mr. Lam was the CFO of Calgary Sino and of H Corp. My consulting cheques from Calgary Sino were signed by Mr. Sun at the beginning and then by Mr. Lam.
5. After I was hired by Calgary Sino as a consultant, I worked mostly in the field and spent some time in the offices for Long Run, New Star Energy ("**New Star**") and West Lake Energy Corp. ("**West Lake**", formerly "Henenghaixin Operating Corp.") which I understood to be a group of companies under the Sinoenergy umbrella. Through my consulting services I saved millions of dollars in engineering operating costs for Sinoenergy.
6. I sent my last invoice to Calgary Sino on August 31, 2018. That invoice was approved by Mr. Lam. I was paid by way of a New Star cheque signed by Mr. Lam as opposed to a Calgary Sino cheque. Mr. Lam told me Calgary Sino account was tight on capital. There was no consulting agreement between New Star and me. I believed they both were under the Sinoenergy umbrella. I now understand that New Star is a wholly owned subsidiary of Alberta Sinoenergy Petroleum Corporation ("**Alberta Sinoenergy**").
7. On September 1, 2018, Ms. Deng asked me to sign an independent engineering consultant contract with West Lake. Thereafter I was paid by West Lake, even though the majority of my work was for a Long Run project. During the month of September 2018, I was organizing and supervising an \$8 million engineering project for Long Run. This project started in December 2017 and was successfully finished at \$5 million in costs, saving around \$3 million through my efficient management. I continued to believe that both West Lake and Long Run were under the Sinoenergy umbrella in September 2018.
8. In summary, I worked for different companies under Sinoenergy either in the field or in offices and was paid as an engineering consultant by Calgary Sino from July 2016 to July 2018, by New Star in August 2018 and by West Lake from September 2018 to April 2019.
9. Calgary Sino, Alberta Sinoenergy, H Corp, Long Run, New Star, West Lake, and Canadian Advantage Petroleum Corporation ("**CAPC**") were regularly mentioned and discussed

by the Sinoenergy team in their working reports which were regularly sent to Mr. Tianzhou Deng (“**Mr. Deng**”). Mr. Deng would provide comments and give instructions to the team. I believed all the companies were affiliated, managed and controlled under the Sinoenergy umbrella by Mr. Deng while I worked with Mr. Lam, Ms. Deng and Mr. Deng.

10. From January to March 2017, Calgary Sino, CAPC and New Star transferred \$7.42 million in total to H Corp, as per Mr. Deng’s instructions.
11. Between April 13, 2017 and September 5, 2017 Mr. Lam instructed ATB through emails to transfer funds totalling CAD\$93,356,491 from H Corp to Calgary Sino. Mr. Lam set me up as a co-signer for H Corp’s bank account with ATB. He copied me on all the of emails he sent to ATB instructing them to transfer funds from H Corp to Calgary Sino. Mr. Lam instructed ATB to make the following transfers from H Corp to Calgary Sino:
 - (a) \$15,000,000.00 on April 13, 2017;
 - (b) \$10,000,000.00 on April 18, 2017;
 - (c) \$22,000,000.00 on June 2, 2017;
 - (d) \$500,000.00 on June 2, 2017;
 - (e) \$11,150,000.00 on July 5, 2017;
 - (f) \$31,000,000.00 on July 12, 2017;
 - (g) \$3,596,491.00 on July 13, 2017; and
 - (h) \$110,000.00 on September 5, 2017.
12. During this same period Mr. Lam instructed ATB through emails to transfer funds totalling CAD\$42,000,000 from H Corp to West Lake. Mr. Lam instructed ATB to make the following transfers from H Corp to West Lake:
 - (a) \$4,500,000.00 on April 1, 2017;
 - (b) \$3,000,000.00 on April 13, 2017;
 - (c) \$2,000,000.00 on April 21, 2017;
 - (d) \$1,000,000.00 on May 4, 2017;
 - (e) \$10,000,000.00 on June 2, 2017;
 - (f) \$5,000,000.00 on July 14, 2017;

- (g) \$1,500,000.00 on August 4, 2017; and
- (h) \$15,000,000.00 on September 7, 2017.
13. In January 2019, H Corp's Board of Directors requested that Mr. Lam be removed as a signing authority for H Corp's bank account with ATB. After this, ATB provided a fulsome bank statement for H Corp's account. I noticed I was not copied by Mr. Lam on two transfers from Calgary Sino to H Corp of CAD\$1,200,000.00 on August 3, 2017, and CAD\$15,000,000 on September 7, 2017.
14. Mr. Lam did not need my approval for any transfer, nor did he ever explain to me the reasons for any transfer of funds from H Corp to Calgary Sino or vice versa. When I saw Mr. Lam instructing ATB by emails to transfer funds from H Corp to Calgary Sino or West Lake, what was in my mind was that Mr. Lam was in charge of the financial matters of a group companies under the Sinoenergy umbrella controlled by Mr. Deng, and transfers of funds among H Corp, Calgary Sino and West Lake were not something that was alarming to me or that I should be concerned with.
15. Many of the times the above listed transfers took place, I was working in the field on various engineering projects for Long Run. Mr. Lam copied me and other people such as Ms. Deng, Dave Middleton, former President and a director of West Lake ("**Mr. Middleton**"), and Alan Steele, former CFO of West Lake ("**Mr. Steele**") on each of his email instructions to ATB depending upon where the funds were to go. Sometimes ATB asked for my confirmation, and sometimes they did not. I simply confirmed with Mr. Lam and then replied to the email from ATB if they asked me to confirm the transfer instructions from Mr. Lam. As I saw Mr. Lam from time to time also transfer funds from other companies of the Sinoenergy group (Calgary Sino, CAPC and New Star) to H Corp, I believed the funds transferred from H Corp to Calgary Sino or West Lake were intercompany transfers among companies that were affiliated, managed and controlled under the Sinoenergy umbrella by Mr. Deng.
16. Mr. Lam never asked for, nor did I believe, that he would need my approval before instructing ATB to transfer funds to or from H Corp. Whenever ATB requested my confirmation for Mr. Lam's instructions to transfer funds from H Corp to Calgary Sino, I simply provided my confirmation to ATB because the instructions originated from Mr. Lam who was the CFO of both H Corp and Calgary Sino at all relevant times.
17. When Mr. Lam instructed ATB to transfer funds from H Corp to Calgary Sino in 2017, he was the CFO of both H Corp and Calgary Sino, reviewed the invoices my consulting company issued to Calgary Sino, and signed the paychecks from Calgary Sino to my consulting company. All these facts made me believe that both H Corp and Calgary Sino were affiliated companies under Sinoenergy.

My Background

18. From 1991 to 2000, I worked as an engineer for China National Petroleum Corporation (CNPC) and Chevron overseas. In 2001, I moved to Canada and worked as an engineer for Chevron Canada, Encana, and CNRL under various consultant or employment contracts. My career consisted of engineering or technical roles and I had never been in any officer or director position before July 18, 2016 when I started working for a group of Chinese companies which I understood were under the control of Mr. Deng who was the Chairman of Changchun Sinoenergy Corp ("**Changchun Sinoenergy**") in China.
19. In April 2016 the Canadian oil and gas industry was in downturn. I started to look for engineering work opportunities. Changchun Sinoenergy was purchasing assets in Canada. I contacted Wen Tao Yang who worked for New Star and he made me a connection.
20. I was hired as an engineering consultant by Calgary Sino on July 18, 2016.
21. Attached as **Exhibit "1"** is a copy of the consulting agreement between Eileen Corp and Calgary Sino dated July 18, 2016 (the "**2016 Consulting Agreement**"). Ms. Deng signed the 2016 Consulting Agreement on behalf of Calgary Sino.
22. Ms. Deng was a director of Long Run, was a director of West Lake beginning on April 2, 2017, and is Mr. Deng's daughter and a close associate of Mr. Lam, as I explained to Mr. Zhang as reflected in the First Zhang Affidavit at paragraphs 54(f) and (h).
23. Harold also signed the same 2016 Consulting Agreement on behalf of Calgary Sino. Harold was a director of both Long Run and Calgary Sino. He is Ms. Deng's cousin, and I understood that he was assisting Calgary Sino with the Twin Butte acquisition and that he also helped to manage Long Run, as I advised Mr. Zhang as is reflected at paragraph 64(b)(i) of the First Zhang Affidavit. Attached as **Exhibit "2"** is a copy of the consulting agreement signed by Harold.
24. On September 1, 2018, Ms. Deng asked me to sign an Engineering Consulting Agreement with West Lake signed by President Mr. Middleton. Attached as **Exhibit "3"** is a copy of the consulting agreement with West Lake.
25. Under the 2016 Consulting Agreement, I held the title of manager, Drilling Operations and was to provide the consulting services as requested by the President, Chief Executive Officer, Chief Financial Officer, or the Board of Directors of Calgary Sino. Under the 2016 Consulting Agreement, it was necessary for me to follow instructions from Ms. Deng, Harold and Mr. Lam.

How did I become the sole shareholder of H Corp and a director & officer of H Corp and West Lake?

26. On March 3, 2017, Harold sent me an email attaching the following documents:
- (a) Declarations and Consents dated December 13, 2016 which were already signed by Mr. Deng, Deshuang Yu (“**Mr. Yu**”) and Jun Xiong (“**Mr. Xiong**”) to act as a director of Henenghaixin Operating Corp. (West Lake) and H Corp;
 - (b) Board resolutions of Henenghaixin Operating Corp (West Lake) dated December 13, 2016 which were already signed by Mr. Deng, Mr. Yu and Mr. Xiong;
 - (c) Board resolutions of H Corp dated November 23, 2016 which were already signed by Mr. Deng, Mr. Yu and Mr. Xiong.
27. In his email, Harold asked me to sign the documents that Mr. Deng had signed as follows:
- (a) the Declarations and Consent to act as director of H Corp and West Lake;
 - (b) the board resolutions of West Lake dated December 13, 2016 that the three other directors had already signed;
 - (c) the board resolutions of H Corp dated November 23, 2016 that the three other directors had already signed.
28. Attached as **Exhibit “4”** is a copy of the email of March 3, 2017 from Harold to me.
29. I signed the above documents as Harold requested.
30. Under the board resolutions of H Corp dated November 23, 2016, I was appointed as the President and CEO of H Corp and issued a certificate in respect of 100 class “A” common shares of H Corp upon payment of \$1.00 for subscription of the common shares of H Corp at the subscription price of \$0.01 per share.
31. There was no executive contract or agreement for my President and CEO position in H Corp and I have never been paid for holding this title.
32. Attached as **Exhibit “5”** is a copy of the board resolutions of H Corp dated November 23, 2016.
33. Under the board resolutions of West Lake dated December 13, 2016, I was appointed as the President and CEO of West Lake. Yingchun Wu (who was a director of Long Run, Calgary Sino, New Star and Alberta Sino) was appointed as Chief Operating Officer and Jason Ge (who was CFO of Long Run; “**Mr. Ge**”) as CFO of West Lake.

34. There was no executive contract or agreement for my President and CEO position in West Lake and I have never been paid for holding this title.
35. Attached as **Exhibit "6"** is a copy of the board resolutions of West Lake dated December 13, 2016.
36. I understood that Ms. Deng arranged for me to be appointed as President of West Lake, as I conveyed to Mr. Zhang as reflected at paragraph 54(d) of the First Zhang Affidavit.
37. Under the resolutions in writing of the sole shareholder of H Corp dated November 23, 2016, Mr. Yu, Mr. Xiong, Mr. Deng, and I were elected directors of H Corp. Mr. Xiaodi Jin ("**Mr. Jin**"), a lawyer at BLG hired by Mr. Deng as counsel to H Corp on the acquisition of Twin Butte assets, asked me to sign this documentation, which was one of many files he asked me to sign.
38. With reference to paragraph 54(c) of the First Zhang Affidavit, to clarify, as I mentioned in paragraphs 27 and 28, Harold, by way of his email of March 3, 2017, sent me and asked me to sign the board resolutions of H Corp dated November 23, 2016, whereby I was appointed as a director of H Corp.
39. Attached as **Exhibit "7"** is a copy of the resolutions in writing of the sole shareholder of H Corp dated November 23, 2016.
40. On March 10, 2017, Mr. Jin sent me an email with a copy to Harold suggesting that I would sign all the documents related to the purchase of the Twin Butte assets by using the title of President of West Lake. He explained that after the closing of the purchase, Sinoenergy would remove my title as a CEO of West Lake but continue to keep the President title until these transaction steps would be completed, and then remove my President title.
41. I sent an email to Mr. Deng on the same day and explained the proposal of Mr. Jin to him in Chinese that, after the closing of the acquisition of the Twin Butte assets, I would continue to use the title of the President of West Lake to sign all the documents that would need to be signed and then return the President title to someone in the Twin Butte management team. Mr. Deng replied by email of March 13, 2017 with a copy to Ms. Deng and approved the proposal of Mr. Jin that I would temporarily use the title of President of West Lake to sign the closing documents for the purchase of the Twin Butte assets.
42. When Harold sent me the email of March 3, 2017 and asked me to sign the board resolutions of West Lake dated December 13, 2016 appointing me as the President of West Lake, I believed that I was appointed to only serve the purpose of signing legal documents under the direction of management of Calgary Sino and my appointment was only a temporary and nominal one. To verify my understanding, I wrote to Mr. Deng on March 10, 2017 and told him the proposal of Mr. Jin regarding the

arrangement of having me sign the closing documents under the title of the president of West Lake.

43. Attached as **Exhibit "8"** is a copy of the email chain from Mr. Jin to me, me to Mr. Deng and Mr. Deng to me during the period of March 10, 2017 to March 13, 2017.
44. On March 23, 2017, Harold sent an email to Mr. Deng, and informed him that I would need to sign many documents on behalf of the board of H Corp. He estimated that the documents that I would need to sign would be more than 1000. He asked Mr. Deng to sign an indemnity agreement for and on behalf of the board in the form that the lawyer of H Corp prepared for me to do my job.
45. On the same day of March 23, 2017, Mr. Deng said "Okay" in his email to Harold with a copy to Mr. Zhuo Wang (Sinoenergy staff), Rui Chen, Ms. Deng, and me.
46. Attached as **Exhibit "9"** is a copy of the email chain between Harold and Mr. Deng on March 23, 2017 in Chinese.
47. On May 10, 2017, Mr. Jin bought a dinner for the celebration of the closing of the acquisition of the Twin Butte assets. After dinner Harold told me that his job in Canada was done and he would leave Canada very soon. He told me that Ms. Deng and Mr. Lam would oversee all Sinoenergy business on behalf of the Chairman (i.e. Mr. Deng) in Canada. He also told me that my President & CEO title was not for real, only for signature purpose. They would need me to use my Canadian citizenship and serve as the resident director of H Corp and West Lake to comply with Canadian Corporation regulations.
48. Attached as **Exhibit "10"** is a copy of the email of May 8, 2017 sent by Mr. Jin.
49. In my email of January 25, 2019 to Mr. Zhang, Mr. Yu and Mr. Xiong, I told them that Harold was a cousin of Ms. Deng and he was the agent of Mr. Deng on the purchase of Long Run and Twin Butte. After the closing of the purchase of Long Run and Twin Butte, Harold left Canada and Ms. Deng took over the role of Harold. I also told Mr. Zhang, Mr. Yu and Mr. Xiong that when I was working as an engineering consultant for the projects of Long Run, I was directed to serve as a director of Twin Butte (i.e. meaning West Lake, which purchased assets from Twin Butte) for the purpose of signing all the legal documents under the purchase agreement as a Canadian citizen to meet the legal requirement of closing the purchase.
50. Attached as **Exhibit "11"** is a copy of my email of January 25, 2019 to Mr. Zhang, Mr. Yu and Mr. Xiong in Chinese.

How did I cease to be the sole shareholder of H Corp?

51. On March 29, 2017, Mr. Jin sent an email to Harold, attached as **Exhibit "12"**. I was requested to cease to be a shareholder of H Corp effective on March 1, 2017. Mr. Jin

requested me to sign a share repurchase agreement (the "**Share Repurchase Agreement of January 1, 2017**") with H Corp dated January 1, 2017, an Acknowledgement and Authorization dated January 1, 2017 (the "**Acknowledgement of January 1, 2017**"), and an Instrument of Transfer effective March 1, 2017 (the "**Instrument of Transfer Effective March 1, 2017**"). I signed these documents as per the request of Mr. Jin. As a result, I transferred 100 class "A" common shares of H Corp back to H Corp at \$1.00 effective March 1, 2017.

52. Attached as **Exhibit "13"** is a copy of the Share Purchase Agreement of January 1, 2017.
53. Attached as **Exhibit "14"** is a copy of the Acknowledgement of January 1, 2017.
54. Attached as **Exhibit "15"** is a copy of the Instrument of Transfer Effective March 1, 2017.
55. As per request of Mr. Jin, I also signed the resolutions of the directors of H Corp (the "**Board Resolutions of H Corp of March 1, 2017**") to issue 100 Common Shares to York City effective March 1, 2017, which was signed by Mr. Deng, Mr. Yu and Mr. Xiong.
56. Attached as **Exhibit "16"** is a copy of the Board Resolutions of H Corp of March 1, 2017.

My understanding of the control and ownership of Twin Butte Assets

57. During my working as an engineering consultant of Calgary Sino, I got the impression that the companies including H Corp, West Lake, Calgary Sino, Long Run, New Star, Alberta Sino, and CAPC were a group of companies that Sinoenergy and Mr. Deng managed, controlled or owned. Ms. Deng and Mr. Lam had superior power in these Sinoenergy Canadian companies, and they directly talked to or reported to Mr. Deng.
58. I mainly worked in the Long Run field for the engineering projects after I was hired by Ms. Deng and Harold on behalf of Calgary Sino.
59. In response to paragraph 54(b) of the First Zhang Affidavit, to clarify, in early December 2016, Ms. Deng called me while I was in the field. She told me that Sinoenergy was purchasing Twin Butte and the Chairman (i.e. Mr. Deng) would visit Twin Butte field. The next day, Harold, Kevin Zhou, Mr. Deng, and some other people flew to the Provost field of Twin Butte. I drove from the Red Water field of Long Run to Provost. It was late night and dark. I only got the chance to talk to Mr. Deng briefly. In a facility plant, Mr. Deng confirmed to me that Sinoenergy was buying Twin Butte and he said I should spend more time in the office to help Ms. Deng for Twin Butte business instead of just working in the field. They left the same night. I drove back to Long Run field.
60. In January 2017 during the purchasing process, Ms. Deng modified and gave comments on the Twin Butte Executive Employment Agreement and she said she would send the Agreement to her father for approval. That left me with the impression that she could

make the decision about who to hire and how much to pay for these key positions like CEO, COO and CFO of Twin Butte.

61. Attached as **Exhibit "17"** is a copy of Twin Butte Executive Employment Agreement that was modified by Ms. Deng.
62. On February 10, 2017, Ms. Deng sent Mr. Ge an email with a copy to Mr. Deng, Mr. Lam and me. In the email, she summarized her target working plan of February 2017 including:
 - (a) for Long Run, the management team would be restructured;
 - (b) for Twin Butte, Mr. Ge would participate with the Twin Butte Board in charge of setting up internal policy and help to move the authority of human resource and finance from the management team to the Board;
 - (c) for the holding companies, Jason, Steven Sun and Mr. Lam would coordinate the audit from China.
63. Attached as **Exhibit "18"** is the copy of the email of Ms. Deng of February 10, 2017.
64. On March 2, 2017, Mr. Deng sent an email to Mr. Ge with a copy to people including Hunter Hu, Mr. Yingchun Wu, Ms. Deng, Mr. Lam and me. In his email, he said that to save Long Run costs, West Lake should share the office rental cost together with Long Run. He talked about this in a way that indicated that West Lake and Long Run were Sinoenergy companies.
65. Attached as **Exhibit "19"** is the copy of the email of Mr. Deng of March 2, 2017.
66. During the period of August 2016 to March 2017, like other team members of Sinoenergy in Canada, I wrote regular working reports and sent them to Ms. Deng. I understood that these reports were reviewed by her and then sent to Mr. Deng who would give his comments or instruction on the report in red and send it back. The topics of the reports would normally include various matters of the business of Sinoenergy in Canada including items related to Long Run, New Star, Twin Butte (West Lake), H Corp, Calgary Sino, Alberta Sino, and CAPC. These working reports that I prepared were mainly focused on my engineering works. Lots of my reports were written while I was working in the field.
67. In the working report on September 9, 2016, I reported that, in Red Water area, through my engineering bidding process and negotiations, around \$30k per well operating cost would be reduced comparing with the previous year. 120 wells were drilled in 2016 winter in the area, and about \$3.6 million in costs were saved. Mr. Deng gave his appreciation on my work. He wrote back in Chinese: "Good outcome!"; "Cost dropped!"; "This bidding work is remarkably effective, which would win Long Run management's respect for us."

68. Attached as **Exhibit "20"** is a copy of the working report of September 9, 2016 in Chinese.
69. Mr. Lam started to send his weekly reports on February 24, 2017, but as his second affidavit of September 11, 2020 ("**Second Lam Affidavit**") said, he joined Sinoenergy in June 2015 which was much earlier than the time that most of Sinoenergy Calgary team members joined Sinoenergy.
70. Attached as **Exhibit "21"** is a copy of working report of Mr. Lam dated February 24, 2017 in Chinese.
71. In the working report of February 24, 2017, Mr. Lam reported that:
- (a) he met with the responsible persons on the matters of finance of Long Run, Twin Butte and New Star, and relayed the expectations of the Sinoenergy headquarters on the finance management and report of each company;
 - (b) He temporarily took over the accounting works of Steven Sun;
 - (c) He suggested all holding companies (including CAPC holding company Green Energy) should set up two signers;
 - (d) He found out that the accounting books of both Calgary Sino and Alberta Sinoenergy were not very well taken care of over the past several months.
72. In his working report of March 24, 2017, Mr. Lam reported that:
- (a) For New Star, he would co-ordinate an audit from China and then study about how to reduce operating and G & A;
 - (b) For all Sino holding companies, he would co-ordinate an audit from China;
 - (c) For CAPC, he would help to finish a business plan and communicate with BP about crude oil trading plan;
 - (d) For Twin Butte (West Lake), he had several meetings with the management team to ensure a smooth transition.
73. In his comments on the working report of Mr. Lam of March 24, 2017, Mr. Deng requested Harold, Ms. Deng, Mr. Jason Ge, Mr. Yingchun Wu, Mr. Lam and me to prepare an outline of report on the works that each of us was assigned, and report to him the next week when he arrived in Calgary.
74. Attached as **Exhibit "22"** is a copy of the working report of the Sinoenergy team of March 24, 2017, annotated with comments of Mr. Deng in red in Chinese.

75. Attached as **Exhibit "23"** is a copy of the email of March 28, 2017 from Zhuo Wang (Sinoenergy staff) to the Sinoenergy team attaching the working report of March 24, 2017, that contained comments and instructions of Mr. Deng in Chinese.
76. On April 5, 2017, Mr. Middleton asked Ms. Deng for the approval of land sale posting bid. The same day, Ms. Deng replied: "Hello Dave, I appreciate your request on that. It seems to work with our plan in Rosenheim. Your request is approved." Ms. Deng had authority to control or manage West Lake after the Twin Butte deal was closed, and the management team reported to her for getting approvals. Attached as **Exhibit "24"** is a copy of the email chain between Mr. Middleton and Ms. Deng of April 5, 2017.
77. On May 23, 2017, I reported to Ms. Deng regarding the West Lake AFE. She instructed me to: "investigate if a land application from AER is complicated. Can a Chinese service company do this?" Attached **Exhibit "25"** is a copy of the email chain beginning May 23, 2017 between me and Ms. Deng.
78. March 13, 2017, Mr. Deng sent an email to Harold with a copy to the Sinoenergy team. In his email of March 13, 2017, Mr. Deng asked the Calgary Sinoenergy team to speed up and instructed that four companies - New Star, Long Run, Twin Butte and Shanghai Energy should conduct work simultaneously and each responsible person was to provide a timely update to him on the work situations.
79. Attached as **Exhibit "26"** is a copy of the email of March 13, 2017 from Mr. Deng to Harold in Chinese.
80. In the working reports of Sinoenergy, the project of Twin Butte was always discussed and treated like any project that Sinoenergy owned or controlled, the business of H Corp, West Lake (Twin Butte), Calgary Sino and Long Run were always discussed like the business of affiliate companies under the control and ownership of Sinoenergy. When Twin Butte needed capital, as per Mr. Deng's order, CAPC, Calgary Sino and New Star would transfer millions of funds into Twin Butte or H Corp account. As a result, I was made to believe Mr. Deng had the power to control Twin Butte business affairs like any other affiliated companies.
81. After the closing of the purchase of Twin Butte assets at the end of March 2017, no one within Calgary Sino or Sinoenergy informed me that Sinoenergy or Mr. Deng no longer controlled or managed H Corp or West Lake. On the contrary, just like before, I continually sent my working reports to Ms. Deng and Mr. Deng and mainly focused on technical topics. From time to time, they would give me comments and instructions for my work like they always did before.
82. On April 11, 2017, Ms. Deng told Mr. Jin that she did not think I would remain CEO for West Lake and I would be a director of the new board at West Lake. In response, Mr. Jin told Ms. Deng that West Lake would need me to sign some documents at closing, effective March 30, 2017, so they would prefer to make my resignation as CEO some

date in April instead. My resignation from the office of President was required on the 30th so that West Lake could appoint Mr. Middleton into that role as of the date. I was copied on all these correspondences.

83. On March 30, 2017, Ms. Deng informed Mr. Middleton by an email that he would be appointed as the president of West Lake and said in her email that "hello, Dave, it is confirmed we will get the board resolution for your appointment as President within a week."
84. Attached as **Exhibit "27"** is a copy of the email of Ms. Deng of March 30, 2017.
85. Attached as **Exhibit "28"** is a copy of the office resignation of letter that I signed to resign as the President of West Lake as per direction of Mr. Jin.
86. Attached as **Exhibit "29"** is a copy of the email chain between Ms. Deng and Mr. Jin on April 11, 2017.
87. On April 4, 2017, in West Lake board meeting room and in front of the management team and some Sinoenergy staff, Mr. Deng wrote on a white board requesting West Lake to achieve the target of \$70 million cash flow in 2017. He also requested West Lake to drill as many wells as possible.
88. Attached as **Exhibit "30"** is a copy of the photo of the operation target of West Lake for 2017 that Mr. Deng wrote in Chinese on a white board on April 4, 2017.
89. Ms. Deng asked me to keep on tracking West Lake AFE. Attached as **Exhibit "31"** is a copy of the email from Ms. Deng to me of April 20, 2017.
90. In an email respecting my West Lake working report on April 25, 2017, Mr. Deng made comments in Chinese: "Steven and Lake, I have reviewed Steven's work report. West Lake monthly cash flow was only \$3-4 million, far away from the target of \$8 million. More hard works should be done on hedging, drilling and operating cost reduction."
91. Attached as **Exhibit "32"** is a copy of the email of Mr. Deng of April 25, 2017.
92. After reviewing my working report of April 30, 2017, both Mr. Deng and Ms. Deng replied to me and asked me to watch the new drill production closely, and Mr. Deng said he would talk to the management further by himself regarding the oil price differential. He said my work in West Lake was "very meaningful" and "helpful".
93. Attached as **Exhibit "33"** is a copy of the email of Mr. Deng of May 1, 2017.
94. Attached as **Exhibit "34"** is a copy of the email of Ms. Deng of May 1, 2017.
95. Attached as **Exhibit "35"** is a copy of my working report of April 30, 2017.

96. In her email to Mr. Deng with a copy to Mr. Lam and me on May 10, 2017, Ms. Deng asked Mr. Lam to oversee the working reports of West Lake, prepare West Lake's incentive plan and study the capitalized cost of West Lake. Attached as **Exhibit "36"** is a copy of the email of Ms. Deng of May 10, 2017.
97. In his email of July 21, 2017, Mr. Deng told me that he came to Calgary several times while I was working in the field. He asked me to update him a new technology applied in West Lake. Attached as **Exhibit "37"** is a copy of the email of Mr. Deng of July 21, 2017.
98. In August 2017, CAPC had a plan to let West Lake process the crude oil so they could ship to China. In his email of September 2, 2017 to Mr. Lam with a copy to me and other people including Ms. Deng, Mr. Deng said he had instructed West Lake management team to expand their Lashburn facility capacity up to 20,000bbl/day. Attached as **Exhibit "38"** is a copy of the email of Mr. Deng of September 2, 2017.
99. On November 2, 2017, I reported to Mr. Deng and Ms. Deng about the production situation from the Lithic type reservoir, he asked to do an analysis report to him regarding how to improve the production. Attached as **Exhibit "39"** is a copy of the email from Mr. Deng to me on November 3, 2017.
100. On November 16, 2017, Ms. Deng and Mr. Lam asked me to guide a group from China to visit the fields of Long Run, New Star and West Lake. I planned a trip that was approved by Mr. Deng. Mr. Deng said: "you guys should visit the big wellsite with 12 wells in production...". Later, I guided the group to the field and introduced them the facilities and well locations of Long Run, New Star and West Lake. Attached as **Exhibit "40"** is a copy of the email of November 16, 2017 from Mr. Deng to me with a copy to other people including Mr. Lam and Ms. Deng.
101. Ms. Deng acted as the chairman of West Lake Reserves Committee. As the chairman, she made the decision to approve McDaniel's reserve report which is the most important evaluation report for an oil and gas company regarding the company market value. Attached as **Exhibit "41"** is a copy of the reserve committee meeting of March 1, 2018.
102. On January 7, 2018, almost a year after the Twin Butte acquisition, Ms. Deng asked me to be in charge of a Long Run abandonment program. She asked Mr. Ge to send out an email: "As LR has a large program this year and so the Board would like to start with LR as the first step, and then extend to all companies under Sino later on. Therefore, the Board has made the decision to have Steven Neu and one other staff from Sino to lead the 2018 D13 program. Steven will report to Lake Deng directly...". Attached as **Exhibit "42"** is a copy of the email of January 7, 2018 from Mr. Ge to me with a copy to Ms. Deng.

103. In her email of November 7, 2017 to Long Run Calgary, Ms. Deng announced on behalf of the Long Run Board that Mr. Ge would act president of Long Run. It appeared to me that Ms. Deng had authority and power to appoint a top management member in all the companies under Sinoenergy including West Lake, Long Run and New Star.
104. Attached as **Exhibit "43"** is a copy of the email of Ms. Deng of November 7, 2017.
105. In summary, I got the impression and understanding when I worked for Calgary Sino as an engineering consultant that: New Star, Alberta Sino, H Corp, West Lake, Calgary Sino, Long Run and CAPC were all under control of, or managed, or owned by the Sinoenergy group and Mr. Deng. I further understood that Ms. Deng acted on behalf her father for the Sinoenergy business in Canada as Ms. Deng made many decisions including about when I should quit the officer title. I conveyed this to Mr. Zhang, as reflected in paragraph 54(e) of the First Zhang Affidavit.

Certificate of Officer on the ownership organization diagram of West Lake dated April 4, 2017.

106. After Mr. Deng approved my acting as the temporary President and CEO of West Lake in his email of March 13, 2017, for the purpose of signing all the documents related to the closing and post closing matters of the purchase of the Twin Butte assets, I signed over a thousand documents that Mr. Jin asked me to sign, including various legal declarations, assignment of freehold and Crown leases on mineral rights, assignments of joint production, agreements on novation of various market contracts, and transfer of lands etc.
107. In the working report of the Sinoenergy team of March 28, 2017, I reported that I had started signing these documents. Mr. Deng commented on the working report related to my part of report by saying "This temporary President is very functional."
108. Attached as **Exhibit "44"** is a photo of part of the closing documents that Mr. Jin directed me to sign.
109. Attached as **Exhibit "45"** is an email of April 7, 2017 that Gord Howe, West Lake Vice President – Land, asked Mr. Jin to arrange for the "pile of documents" that "required Steven Neu's original signature."
110. Mr. Jin was the corporate counsel of H Corp hired by Mr. Deng. At the working report of the Sinoenergy team of March 3, 2017, Harold reported that Mr. Jin, the responsible lawyer for the project of Twin Butte recently joined BLG from McCarthy, and Sinoenergy had chosen to use both BLG and McCarthy on the closing of the project. Mr. Deng reviewed and provided comments and instructions.
111. Attached as **Exhibit "46"** is an email of March 9, 2017 from Zhuo Wang to the Sinoenergy Team.

112. Attached as **Exhibit "47"** is a copy of the working report of the Sinoenergy team dated March 3, 2017, annotated with Mr. Deng's comments and instruction in Chinese and attached to the email of Zhuo Wang of March 9, 2017 in Chinese.
113. Attached as **Exhibit "48"** is a copy of the BLG Engagement Agreement of February 28, 2017 with H Corp signed by Mr. Deng for and on behalf of H Corp.
114. In the BLG Engagement Agreement, my name was printed as the person who should sign for and on behalf of H Corp. However, Mr. Deng just signed the Engagement Agreement above my name for and on behalf of H Corp without telling me.
115. I relied on the professional advice and instructions of Mr. Jin, who was the corporate counsel of H Corp, and trusted that all the documents he directed me to sign were all duly drafted, reviewed and in good order. As such, I simply signed all the closing documents under my title as the President or director of West Lake that Mr. Jin directed me to sign. When I signed these documents, I did not take the time and effort to review, understand and remember in detail the contents of these documents, but simply signed my name at the place designated by Mr. Jin.
116. At paragraph 46 of the Second Lam Affidavit, Mr. Lam introduced a certificate of officer dated April 4, 2017 (the "**Certificate of Officer of April 4, 2017**") that has my signature and attached an organizational diagram of West Lake. I signed this certificate during the period when Mr. Jin directed me to sign more than thousand closing documents around the closing of Twin Butte occurred.
117. On April 3, 2017, Patricia Munro of West Lake (who used to work for Twin Butte) told Mr. Jin that Shell had requested corporate structure documentation for West Lake in a certified form. Mr. Jin told Mr. Lam that he could produce the documents and asked Mr. Lam who within the organization of West Lake would be able to certify the same as an officer of H Corp or West Lake. Mr. Lam told Mr. Jin that I would be the best candidate. On April 4, 2017, Mr. Jin sent Mr. Lam and me the certificate that Shell requested, and asked us to confirm it was correct, execute it and return it to him. On April 5, 2017, Mr. Lam told me that he believed the information was "factual" to his knowledge and instructed me to sign it and return to Mr. Jin. I trusted the advice and instructions from Mr. Lam and Mr. Jin. I signed the certificate as Mr. Lam confirmed and instructed.
118. However, after reviewing the organizational diagram produced from the Second Lam Affidavit, Mr. Zhang told me the information in the diagram was incorrect.
119. Attached as **Exhibit "49"** is a copy of the email chain from Patricia Munro to Mr. Jin, from Mr. Jin to Mr. Lam, and finally from Mr. Lam to me during the period April 3 to 5, 2017.

My knowledge of the authority and responsibilities of Mr. Lam within Sinoenergy

120. In his email of February 14, 2017 to Mr. Lam with a copy to others, Mr. Deng complained that he was waiting for the materials from Mr. Lam since the last meeting in Canada and said that he hoped to receive the statement of income and statement of cash flow of Long Run, New Star and Twin Butte for December 2016 and January 2017 by close of business Thursday Calgary time in the week of February 14, 2017. He indicated that the annual meeting of Sinoenergy for 2017 would be held in Qingdao City on Friday and he would need these materials for discussion of the operation situation of these three companies.
121. Attached as **Exhibit "50"** is a copy of the email from Mr. Deng to Mr. Lam of February 14, 2017 in Chinese.
122. On March 1, 2017, Mr. Lam sent an email to the Sinoenergy team including Harold, Yingchun Wu, Ms. Deng, Thomas Kim (Lake Deng's assistant), Kevin Zhou (Michael Lam's assistant), me, Ming Yin Duan (CAPC staff), Hunter Woo (CAPC President & CEO), Kris (CAPC staff) and Wade Chen (CAPC staff) and confirmed that he would assume the responsibility of Steven Sun and take care the finances for all holding corps of Sinoenergy and requested everyone to come and chat with him on finance related questions. I provided this email to Mr. Zhang, as reflected in paragraph 54(g) of the First Zhang Affidavit.
123. Attached as **Exhibit "51"** is a copy of the email from Mr. Lam to the Sinoenergy team of March 1, 2017.
124. In the Second Lam Affidavit, Mr. Lam stated in paragraph 9 that Mr. Sun's responsibilities and authority did not include Mr. Neu regarding H Corp's operation and he did not assume or gain this authority when he replaced Mr. Sun or any other time.
125. Mr. Lam used the title of Vice President and CFO of H Corp to set up the ATB bank account and give instructions to banks. He identified himself as the CFO of H Corp on the form of verification of identity, and the Vice President of H Corp on the form of the CFS Signature Card he sent to ATB for opening bank accounts of H Corp.
126. Attached as **Exhibit "52"** is an email of March 16, 2017 from Mr. Lam to Derek Zhao of ATB attaching the forms of ATB for opening bank accounts of H Corp.
127. Mr. Lam set himself as the administrator for H Corp ATB Online Business and set up the challenge questions and answers. I did not have the access for the online banking.
128. Attached as **Exhibit "53"** is a copy of the forms of ATB for opening bank accounts of H Corp attached to the email of Mr. Lam of March 17, 2017.

129. Attached as **Exhibit "54"** is the form of "CFS Administrator Challenge Question and Answer for Verification of Identity" whereby Mr. Lam set himself as the online bank administrator.
130. Mr. Lam signed a letter to ATB on May 26, 2017 as CFO of H Corp to confirm the intention of H Corp to inject capital to support the cash flow generating drilling program for West Lake in a total amount of \$75,000,000.00 during the period April 17 to November 2017 "on behalf of Henenghaixin Corp".
131. Attached as **Exhibit "55"** is a copy of the letter of H Corp of May 26, 2017 signed by Mr. Lam as CFO of H Corp regarding the capital injection for West Lake.
132. I acted on the instructions of the CFO of Calgary Sino under Section 2.1 of the 2016 Consulting Agreement. Mr. Lam acted as CFO of both Calgary Sino and H Corp. I never instructed Mr. Lam to transfer any funds from H Corp to Calgary Sino. He never sought my approval before sending any instructions to ATB to transfer any funds from H Corp to Calgary Sino or transfer funds to H Corp from somewhere else.
133. On April 1, 2017, Mr. Lam emailed to ATB to instruct them to set Mr. Steele, as a co-signer for all cheques of West Lake.
134. Attached as **Exhibit "56"** is a copy of the email of April 1, 2017 from Mr. Lam to ATB and me.
135. Within Sinoenergy, Mr. Lam never reported to me on any corporate finance related matters. Under the 2016 Consulting Agreement, I worked as an engineering consultant and was to report to him when he acted as the CFO of Calgary Sino. As indicated above, during the period July 31, 2016 to July 31, 2018, I issued invoices for consulting services to Calgary Sino under Eileen Corp as my consulting company and received pay cheques from Calgary Sino or New Star for the payment of the invoices from September 2016 to August 2018. These pay cheques from Calgary Sino and New Star were all approved and signed by Mr. Lam.
136. Attached as **Exhibit "57"** is a copy of a sample invoice for \$19,845.00 from Eileen Corp to Calgary Sino dated June 30, 2017.
137. Attached as **Exhibit "58"** is a copy of a sample pay cheque from Calgary Sino in \$19,845.00 signed by Mr. Lam dated July 1, 2017 for payment of the invoice of June 30, 2017.
138. Attached as **Exhibit "59"** is copy of my invoice to Calgary Sino of August 31, 2018.
139. Attached as **Exhibit "60"** is copy of a check from October 11, 2018 from New Star signed by Mr. Lam.

140. I advised Mr. Zhang of the fact that, despite being hired as a consultant for Sinoenergy, I received payment from various entities, as described in paragraph 54(a) of the First Zhang Affidavit.
141. In addition, during the period when I worked for Calgary Sino as an engineering consultant, from time to time Mr. Lam instructed me to do certain jobs related to finance matters.
142. For example, on March 23, 2017, Mr. Lam sent me an email instructing me to write a cheque of \$1,000.00 from H Corp's Bank of China account to H Corp's ATB account to meet the cash flow requirement of West Lake.
143. Attached as **Exhibit "61"** is a copy of the email of Mr. Lam to me of March 23, 2017.
144. On April 6, 2017, Mr. Lam instructed me to investigate the approval process for the expenses of West Lake.
145. Attached as **Exhibit "62"** is a copy of the email of Mr. Lam to me of April 6, 2017.
146. On May 17, 2017, Mr. Lam instructed me to provide training on cost control to a staff member who was sent to West Lake by him and Ms. Deng.
147. Attached as **Exhibit "63"** is a copy of the email of Mr. Lam to me of May 17, 2017.
148. I called ATB bank director Derek Zhao to make inquiries on the account of H Corp. Instead of talking to me, Derek forwarded my inquiry to Mr. Lam. On June 14, 2017, Mr. Lam told me that, if I wanted to know something about the bank account of both H Corp and West Lake, he could provide it to me.
149. Attached as **Exhibit "64"** is a copy of the email of Mr. Lam to me of June 14, 2017 in Chinese.
150. On July 18, 2017, Mr. Lam sent an email to West Lake accounting supervisor Federica Petraschuk about invoice approval and said: "Hello, I have approved most of it. Steven, would you mind taking a look at the drilling related one?"
151. Attached as **Exhibit "65"** is a copy of the email of Mr. Lam of July 18, 2017.
152. West Lake management received the instructions from Mr. Deng, Ms. Deng and Mr. Lam and followed these instructions. A translation agreement of May 1, 2018 was put in place after Ms. Deng resigned from the board of West Lake so that her directions were still deemed to be coming from Mr. Deng.
153. I got the impression and understanding that Mr. Lam was part of the professional accounting staff of the group companies responsible for all matters of finance and accounting of the Sinoenergy group in Canada, as well as other matters as requested

by Mr. Deng and Ms. Deng. From the working reports of the Sinoenergy team and what he did in H Corp and West Lake, Mr. Lam was involved in almost all of the business of New Star, Alberta Sino, H Corp, West Lake, Calgary Sino, Long Run, CAPC and its holding company Green Energy. He directly reported to or get orders from Ms. Deng and Mr. Deng.

154. I further understood that, despite the fact that neither Mr. Lam nor Ms. Deng had formal titles at H Corp, they nonetheless had full authority to act on behalf Mr. Deng, as I conveyed to Mr. Zhang as reflected in paragraph 54(i) of the First Zhang Affidavit.

Transfer of Funds to H Corp in 2017

155. In the email of January 5, 2017, Harold reported to Mr. Deng that Twin Butte (West Lake) project needed some capital. He suggested to transfer \$100,000 CAD either from Calgary Sino (Long Run holding company) or from Alberta Sino (New Star holding company) to H Corp. Mr. Deng Approved the suggestion.
156. Attached as **Exhibit "66"** is a copy of the email chain of January 5, 2017 from Harold to Mr. Deng.
157. In the working report of February 17, 2017, I mentioned that Harold asked for \$5 million for payment to the receiver of Twin Butte if the deal of Twin Butte could not be closed on time. Mr. Deng instructed in his comments on the working report of February 17, 2017 to borrow some funds from CAPC. In the working report of March 17, 2017, Mr. Deng made comments on Harold's work report: "Good idea. There will be \$50 million coming next week. Return to CAPC \$4 million USD once it arrives. The balance should be left in Twin Butte account."
158. Attached as **Exhibit "67"** is a copy of the working report of February 17, 2017 with instructions of Mr. Deng.
159. Attached as **Exhibit "68"** is a copy of the working report of March 17, 2017 with instructions of Mr. Deng.
160. On March 30, 2017 Mr. Lam sent an email to Mr. Jin: "Please find the confirmation for the executed payment, CAD \$2 million, from New Star to BLG, for acquisition of Twin Butte Assets on behalf Henenghaixin Corp (443818-1)"
161. Attached as **Exhibit "69"** is a copy of the email of Mr. Lam of March 30, 2017.
162. Attached as **Exhibit "70"** is a copy of the record of the Internet Banking Payments of CAD \$2 million made by Mr. Lam from New Star to the trust account of BLG for H Corp dated March 30, 2017.
163. I am aware that, on March 31, 2017, H Corp. received CAD \$100,000 from Alberta Sinoenergy, as referenced in the Report prepared by PricewaterhouseCoopers ("**PwC**

Final Report”), which is attached as Exhibit “A” to the Second Zhang Affidavit. I confirmed with the Bank of China Calgary branch that the receipt was from an account ending in 1869 which belonged to Alberta Sinoenergy, as set out in paragraph 64(b)(ii) of the First Zhang Affidavit and as referenced in the PwC Final Report.

164. I also confirmed with the Bank of China that an account ending in 7707 from which H Corp received deposits in early 2017 belonged to Calgary Sino, as reflected in paragraph 64(b)(iii) of the First Zhang Affidavit.

Transfer of Funds out of H Corp in 2017

165. In paragraph 12 of the Affidavit of Mr. Lam sworn on August 5, 2020 (“**First Lam Affidavit**”), Mr. Lam stated that I approved the transfers of funds out of H Corp with reference to a chart he created. This is false in the sense that Mr. Lam never requested me to approve any transfer of funds from H Corp to Calgary Sino before instructing ATB to execute the transfer of funds. I did give my confirmation to ATB on certain transfers of funds from H Corp to Calgary Sino if ATB asked for. However, I granted my confirmation because the request for transfer of funds originated from Mr. Lam who was the CFO of H Corp and Calgary Sino, and Mr. Lam set up me as one of the two signers for the account of H Corp at ATB. I granted my confirmation to ATB as well when Mr. Lam transferred funds from H Corp to West Lake and ATB asked for my confirmation.
166. I never received any request from Mr. Lam for approval of any transfer of funds from H Corp to Calgary Sino. As I mentioned earlier, in fact, Mr. Lam did not report to me on any matter of finance within H Corp, West Lake, Calgary Sino and Long Run when I worked as the engineering consultant of Calgary Sino during the period July 31, 2016 to September 1, 2018. Within the management organization at H Corp or West Lake, I was not responsible for approving any transfer of funds out of H Corp or West Lake. As a result, Mr. Lam never asked for nor did he need any approval from me for instructing ATB to transfer any of these funds out of H Corp.
167. In his email of March 16, 2017 to Derek Zhao of ATB, attached as **Exhibit “52”** above, Mr. Lam said, “Hello, Derek, please find the attached form for Henenghaixin Corp. Steven will send over his signature card later.”
168. Upon receiving the email from Mr. Lam on March 16, 2017, Derek Zhao of ATB emailed to Angela Seulean of ATB on the same day, as indicated in **Exhibit “52”** above, and said, “Hi Angela, Attached please find the forms corrected and initialed by Michael Lam. The original copies will be delivered to us later. There will be two signers. Before Steven Neu sends his signature form, we will add Michael as the signer for the time being.”
169. Subsequently on March 16, 2017, Angela Seulean of ATB emailed to Mr. Lam as indicated in **Exhibit “52”** above, and said, “Hi, Michael, we have opened the new accounts. Here is the information: CAD chequing account: Transit 07609 Account

00762433600. USD chequing account: Transit 07609 Account 00762514600. We will have Juan Carlos sending the forms for Online banking set up. I am also attaching the wire instructions. Please let me know if you have any questions or if you would need assistance with completing the wire instruction form.”

170. As I will explain in detail below, for each transfer of funds from H Corp to Calgary Sino, Mr. Lam’s practice was to send an instruction directly to ATB by email to instruct ATB to transfer certain funds from H Corp to Calgary Sino with a copy to me. In his instructions to ATB, Mr. Lam did not make any note on the purpose of the payment from H Corp to Calgary Sino; however, he gave specific explanations respecting the purpose of the payment when he transferred CAD \$2 million from New Star to the trust account of BLG on March 30, 2017, as indicated in **Exhibit “70”** above.
171. When I received any request from ATB to confirm the instruction for transfer of funds from H Corp to Calgary Sino that Mr. Lam sent to ATB (ATB did not do this every time. They did it once a while), I simply confirmed the instruction on the transfers of funds. Because the instructions on the transfer of funds originated from Mr. Lam who was the CFO of both H Corp and Calgary Sino.
172. I did not receive any compensation for being the officer and director of H Corp and West Lake when I worked as an engineering consultant of Calgary Sino during the period July 31, 2016 to September 1, 2018. Under the 2016 Consulting Agreement, I simply followed the instructions of Harold and Mr. Jin to sign various corporate documents or followed the request of Mr. Lam, the CFO of H Corp and Calgary Sino to confirm to ATB on the transfers of funds from H Corp to Calgary Sino.

Transfer of \$5,366,000 CAD (\$4,000,000 USD) from H Corp to CAPC

173. On March 24, 2017, Mr. Lam sent an email to Zeb Ammad of ATB with a copy to me and Hunter Hu of CAPC and instructed that H Corp would like to wire USD \$4,000,000 from H Corp to CAPC.
174. Attached as **Exhibit “71”** is a copy of the email of March 24, 2017 from Mr. Lam to Zeb Ammad of ATB.
175. Mr. Lam stated in paragraph 23 of the Second Lam Affidavit that the February 2017 portion of the Deposit of the purchase price of the Assets of Twin Butte was paid by H Corp but facilitated by a loan from CAPC to H Corp on January 26, 2017 in the amount of USD\$3,999,985.00. From the comments of Mr. Deng on the working report of February 17, 2017, as indicated in **Exhibit “67”** above, Mr. Deng approved the borrowing of funds from CAPC by H Corp.
176. In the working report on March 17, 2017, Harold reported that the balance of the bank account of West Lake was less than USD\$180,000.00 and asked if there would be an injection of \$1 million into the account of West Lake. In his comments on the report,

Mr. Deng wrote that "CAD\$50 million would hit the account of West Lake next week. This fund should be applied to repay USD\$4,000,000 to CAPC with the balance being used for Twin Butte."

177. In the working report on March 17, 2017, I mentioned West Lake needed \$2 millions of funds for the request of BC government line of credit. Mr. Deng's instruction was "After the new funds are coming in the next week, Mr. Lam will handle this."
178. Attached as **Exhibit "72"** is a copy of the working report of the Sinoenergy team of March 17, 2017 annotated with comments of Mr. Deng in red color in Chinese.
179. Attached as **Exhibit "73"** is a copy of the email of March 20, 2017 from Zhuo Wang to the Sinoenergy team attaching the working report of March 17, 2017 annotated with comments and instructions of Mr. Deng in Chinese.

Transfer of \$15,000,000 CAD from H Corp to Calgary Sino on April 12, 2017

180. On April 12, 2017, Mr. Lam sent an email to Andrew Wagstaff, Dereck Zhao and Vanessa Loh of ATB with a copy to me and said, "Can you please help me transfer CAD\$15,000,000 from Henenghaixin Corp (760-00762433600) to Calgary Sinoenergy Investment (760-00548654800). Both of them are ATB account."
181. On April 13, 2017, Andrew Wagstaff emailed to Mr. Lam and said, "Michael, this is done. Cheers." Mr. Lam copied my on his email to ATB but did not tell me where H Corp got the funds from and why H Corp would need to transfer the funds to Calgary Sino, nor did he ask for any approval from me on this transfer before sending the transfer instruction to ATB. No one from ATB asked for my confirmation on this transfer.
182. Attached as **Exhibit "74"** is a copy of the chain of emails between Mr. Lam and Andrew Wagstaff of ATB during April 12, 2017 and April 13, 2017.

Transfer of \$10,000,000 CAD from H Corp to Calgary Sino on April 18, 2017

183. On April 18, 2017, Mr. Lam sent an email to ATB team, and said, "Can you please help me transfer CAD\$10,000,000 from Henenghaixin Corp's chequing account to Calgary Sinoenergy Investment's chequing account?"
184. Subsequently on April 18, 2017, Zeb R. Ammad of ATB emailed back to Mr. Lam and said, "Hi Michael, this transfer has been completed." Mr. Lam copied me on the email but did not tell me where H Corp got the funds from and why H Corp would need to transfer the funds to Calgary Sino, nor did he ask for any approval from me on this transfer before sending the transfer instruction to ATB. No one from ATB asked for my confirmation on this transfer.

185. Attached as **Exhibit "75"** is a copy of the email of April 18, 2017 from Mr. Lam to the ATB Team.

Transfer of \$22,000,000 CAD from H Corp to Calgary Sino on June 2, 2017

186. On June 2, 2017, Mr. Lam sent an email to ATB, and said, "I would like to transfer CAD\$22,000,000 to Calgary Sinoenergy Investment Corporation from Henenghaixin's account." Subsequently on the same day, Mr. Lam sent another email to himself with a copy to Derek Zhao, Zeb Ammad, Stephanie Aiello, Rizwan Hassanaly all of ATB and me, and said, "I should be more specific, I would like to transfer to Calgary Sinoenergy's ATB CAD Chequing Dollar account."
187. On June 2, 2017, Rizwan Hassanaly of ATB emailed to Mr. Lam and said, "The transfer has been processed." Mr. Lam copied me on the email but did not tell me where H Corp got the funds from and why H Corp would need to transfer the funds to Calgary Sino, nor did he ask for any approval from me on this transfer before sending the transfer instruction to ATB. No one from ATB asked for my confirmation on this transfer.
188. Attached as **Exhibit "76"** is a copy of the email of June 2, 2017 from Mr. Lam to the ATB team on transfer of Twenty-two million dollars.

Transfer of \$500,000 CAD from H Corp to Calgary Sino on June 2, 2017

189. On the same day of June 2, 2017, Mr. Lam sent another email to Rizwan Hassanaly of ATB with a copy to Derek Zhao, Aeb Ammad, Stephanie Aiello, Brayden Eurich all of ATB and me, and said, "Thanks Riz, Can you also help us transfer another CAD\$500,000 to Calgary Sinoenergy's account please."
190. On June 2, 2017, Rizwan Hassanaly of ATB emailed to Mr. Lam and said, "Michael, this has been completed." Mr. Lam copied me on the email but did not tell me where H Corp got the funds from and why H Corp would need to transfer the funds to Calgary Sino, nor did he ask for any approval from me on this transfer before sending the transfer instruction to ATB. No one from ATB asked for my confirmation on this transfer.
191. Attached as **Exhibit "77"** is a copy of the emails of June 2, 2017 from Mr. Lam to the ATB team on the transfer of \$500,000.00.

Transfer of \$11,150,000 CAD from H Corp to Calgary Sino on July 5, 2017

192. On July 5, 2017, Mr. Lam told Brayden Eurich of ATB that he was expecting CAD\$11,150,000 incoming and instructed ATB to transfer CAD\$11,150,000.00 from H Corp to Calgary Sino and then from Calgary Sino to Long Run once ATB received the incoming funds. Mr. Lam copied me on the instruction email to ATB but did not tell me where H Corp got the funds from, how he knew the funds were coming, and why

H Corp would need to transfer the funds to Calgary Sino, nor did he ask for any approval from me on this transfer before instructing ATB.

193. On the same day of July 5, 2017, Brayden Eurich told Mr. Lam by email that “we have received the wire. Henenghaixin is currently a two to sign account. If Steven can respond to this email approving the transaction, then I can go ahead and transfer the money over to Calgary Sinoenergy and wire the money out.” Mr. Lam emailed back to Brayden Eurich with a copy to me on the same day and said, “To speed it up faster, would you mind giving him Steven Neu a call at 403 660 1211 to confirm?”
194. After receiving the email of Mr. Lam, I sent an email to Brayden Eurich on July 5, 2017, and said “please go ahead for the transfer.” Mr. Lam then sent an email to me with a copy to Brayden Eurich and said “Perfect! Thanks guys!”
195. On the same day of July 5, 2017, Brayden Eurich sent an email to Mr. Lam and confirmed that “the funds have been transferred to Calgary Sinoenergy and wired out as per your instructions. Confirmation number 59573559.”
196. I confirmed to ATB on this transfer because Mr. Lam set me up as the co-signer for the account of H Corp at ATB as I mentioned in previous paragraphs and the transfer instruction originated from him. My understanding at the time was that he was responsible for the finances of both H Corp and Calgary Sino.
197. Attached as **Exhibit “78”** is a copy of the email chain from Mr. Lam to Brayden Eurich, from Brayden Eurich to Mr. Lam, and from me to Brayden Eurich all of July 5, 2017.
198. I should also note that there was another payment that was sent from H Corp to Long Run on October 12, 2018, in the amount of CAD\$150,000, as addressed in the PwC Final Report attached as Exhibit “A” to the Second Zhang Affidavit. I confirmed with the Bank of China that the payment went to an account ending in 5611 which belonged to Long Run. I have no explanation for this payment. I conveyed this information to Mr. Zhang, as reflected in paragraph 64(b)(iv) of the First Zhang Affidavit and the PwC Final Report.

Transfer of \$31,000,000 CAD from H Corp to Calgary Sino on July 12, 2017

199. On July 12, 2017, Mr. Lam told Brayden Eurich of ATB that he was expecting a large capital coming into H Corp and instructed ATB to transfer CAD\$31,000,000.00 from H Corp to Calgary Sino once the “capital shows up”. Mr. Lam copied me on the instruction email to ATB but did not tell me where H Corp got the funds from, how he knew the funds were coming, and why H Corp would need to transfer the funds to Calgary Sino, nor did he ask for any approval from me on this transfer before sending the transfer instruction to ATB.

200. Subsequently on July 12, 2017, Brayden Eurich emailed back to Mr. Lam and me and said "Steven, if you could reply to this email confirming the wire, I will execute the wire once I have confirmation."
201. Subsequently on July 12, 2017, I emailed back to Brayden Eurich, and said "Talked to Michael. Please go ahead Brayden." Again, I relied upon and trusted what Mr. Lam told me.
202. Subsequently on July 12, 2017, Brayden Eurich emailed to me with a copy to Mr. Lam and said "Michael, we have just received the incoming wire, and I have transferred \$31,000,000 over to Calgary Sinoenergy account #00548654800. The confirmation number of the transfer is 654473327."
203. Attached as **Exhibit "79"** is a copy of the chain of emails of July 12, 2017 among, Mr. Lam, Brayden Eurich of ATB and me.

Transfer of \$3,596,491 CAD from H Corp to Calgary Sino on July 13, 2017

204. On July 13, 2017, Mr. Lam emailed to Brayden of ATB and said, "Morning Brayden, can you please transfer \$3,596,491 from Henenghaixin to Calgary SinoEnergy please?"
205. Upon receiving the copy of the email from Mr. Lam to Brayden of ATB, I emailed to Mr. Lam and Brayden and said, "Please do. Thanks Michael and Brayden."
206. Subsequently on July 13, 2017, Brayden Eurich of ATB emailed to me with a copy to Mr. Lam and said, "Hello Michael and Steven, I have completed the transfer to Calgary SinoEnergy. The confirmation number is 654692901." Mr. Lam copied me on the instruction email to ATB but did not tell me where H Corp got the funds from and why H Corp would need to transfer the funds to Calgary Sino, nor did he ask for any approval from me on this transfer before sending the transfer instruction to ATB. I confirmed to Brayden Eurich of ATB on the transfer because of the same reason as I explain on the transfer of CAD\$11,150,000.00 from H Corp to Calgary Sino on July 5, 2017.
207. Attached as **Exhibit "80"** is a copy of the emails of July 13, 2017 from Mr. Lam to Brayden Eurich of ATB.

Transfer of \$110,000 CAD from H Corp to Calgary Sino on September 5, 2017

208. On September 5, 2017, Mr. Lam emailed to Brayden of ATB, and said that, "I would like to transfer CAD\$100,000 from Henenghaixin to Calgary Sinoenergy. Can you please proceed with the transfer?"
209. Subsequently on the same day, Brayden Eurich of ATB emailed to me and said "Steven, if you can please confirm the transfer I can go ahead and move the funds over."

210. Subsequently on September 5, 2017, Mr. Lam sent another email to Brayden Eurich and said "Hello, Brayden, Actually, can you please make it to CAD\$110,000 please?"
211. After receiving my confirmation, Brayden Eurich emailed to Mr. Lam with a copy to me and Derek Zhao and said, "Thanks Steven. I have transferred the funds over." Mr. Lam did not tell me where H Corp got the funds from and why H Corp would need to transfer the funds to Calgary Sino, nor did he ask for any approval from me on this transfer before sending the transfer instruction to ATB. I confirmed to Brayden Eurich of ATB on the transfer because of the same reason as I explained on the transfer of CAD\$11,150,000.00 from H Corp to Calgary Sino on July 5, 2017.
212. Attached as **Exhibit "81"** is a copy of the emails of September 5, 2017 from Mr. Lam to Brayden Eurich of ATB.
213. The total amount of funds that Mr. Lam instructed ATB to transfer from H Corp to Calgary Sino during the period April 11, 2017 to September 5, 2017 was CAD\$93,356,491.
214. As I stated above, when Mr. Lam instructed ATB to transfer the total of CAD\$93,356,491 from H Corp to Calgary Sino during the period April 11, 2017 to September 5, 2017, he never asked for my approval before instructing ATB on the transfers. Likewise, when he transferred funds from Calgary Sino to H Corp or from H Corp to West Lake, he never asked for my prior approval before giving the instructions of transfer to ATB.
215. During the period of April 13, 2017 to September 5, 2017, in addition to acting as CFO of H Corp while instructing ATB to transfer a total amount of \$93,356,491 to Calgary Sino by 8 instalments as summarized, Mr. Lam continued to act as the CFO of Calgary Sino. As confirmed by the emails from ATB to Mr. Lam, ATB completed each of the 8 installments of transfer as Mr. Lam instructed.

Transfer of Funds out of H Corp to West Lake in 2017

216. For the transfers of funds either into or out of the bank account of West Lake, Mr. Lam would follow the same practice as for the account of H Corp, and directly sent out instruction emails to ATB to instruct them where to transfer and the amount of transfer.
217. Mr. Lam copied me and other people such Ms. Deng, Mr. Steele and Mr. Middleton on the instruction email to ATB. He did not tell me where H Corp got the funds from and nor did he ask for any approval from me on this transfer before sending the transfer instruction to ATB.
218. On March 31, 2017, Mr. Lam sent Zeb Ammad an email with a copy to Derek Zhao, Vanessa Loh, Mr. Middleton, Mr. Steele and me: "Hello Zeb, can you please transfer

CAD \$4,500,000 from Henenghaixin's deposit account 760-00762433600 to West Lake's deposit account 760-00756643300". On April 1, 2017, Zeb Ammad replied: "Hi Michael, this has been completed." Attached as **Exhibit "82"** is a copy of the email chain of March 31, 2017 between Mr. Lam and Zeb Ammad.

219. On April 12, 2017, Mr. Lam sent an email to Andrew Wagstaff, Derek Zhao, Vanessa Loh email with a copy to Mr. Steele and me: "Hello ATB team, can you please help me transfer CAD \$3,000,000 from Henenghaixin Corp (760-00762433600) to West Lake Energy?" On April 13, 2017, Andrew Wagstaff replied: "Hi Michael, this transfer is completed." Attached as **Exhibit "83"** is a copy of the email chain of April 12, 2017 to April 13, 2017.
220. On April 21, 2017, Mr. Lam sent an email to Andrew Wagstaff, Zeb Ammad, Vanessa Loh with a copy to Mr. Steele, Derek Zhao, Mr. Middleton, and me: "Hello ATB team, can you please help me transfer CAD \$2 million from Henenghaixin Corp's chequing account to West Lake's chequing account?" On April 21, 2017, Zeb Ammad replied: "Hi Michael, this transfer is completed." Attached to this my Affidavit as **Exhibit "84"** is a copy of the email chain of April 21, 2017.
221. On May 3, 2017, Mr. Lam sent an email to Zeb Ammad with a copy to Mr. Steele, Derek Zhao, Mr. Middleton, Ms. Deng and me: "Morning Zeb, we would like to transfer CAD \$1 million from Henenghaixin Corp's chequing account to West Lake's chequing account." On May 4, 2017, Zeb Ammad replied: "Hi Michael, this transfer has been processed as per your request." Attached as **Exhibit "85"** is a copy of the email chain of May 3, 2017 and May 4, 2017.
222. On June 2, 2017, Mr. Lam sent an email to Derek Zhao, Zeb Ammad with a copy to Mr. Steele, Mr. Middleton, Ms. Deng, Stephanie Aiello, Rizwan Hassanaly, and me: "Morning, I would like to transfer CAD \$10,000,000 to West Lake Energy's ATB chequing account from Henenghaixin Corp's account." On June 2, 2017, Rizwan Hassanaly replied: "Good morning Michael, this transfer has been processed." Attached as **Exhibit "86"** is a copy of the email chain of June 2, 2017.
223. On July 14, 2017, Mr. Lam sent an email to ATB: "Morning ATB team, I would like to transfer CAD \$5 million from Henenghaixin Corp's chequing account to West Lake Energy please?" On July 14, 2017, Brayden Eurich replied: "Michael, I have completed the transfer, with the confirmation number 655113153." Attached as **Exhibit "87"** is a copy of the email chain of July 14, 2017.
224. On August 3, 2017, Mr. Lam sent an email to Brayden Eurich with a copy to Derek Zhao, Mr. Middleton, and me: "Hello Brayden, I would like to move CAD \$1,500,000 from Henenghaixin Corp's account to West Lake Energy. Steven N: can you please confirm the transfer?" I replied: "Confirmed. Thanks. Steven." On August 4, 2017, Brayden Eurich replied: "Good morning Michael, I have completed the transfer into West Lake

Energy chequing account.” Attached as **Exhibit “88”** is a copy of the email chain of August 3, 2017 and August 14, 2017.

225. On September 7, 2017, Mr. Lam sent an email to Brayden Eurich and me with a copy to Derek Zhao and Mr. Steele: “Hello Brayden, When CAD \$15 mm is in, should be in matters of hours, can you transfer the full amount to Wet Lake Energy please. Steven: would you mind confirming the transfer?” I replied: “Confirmed. Thanks. Steven.” On September 7, 2017, Brayden Eurich replied: “Michael and Steven, I have completed the transfer to West Lake Energy’s account.” Attached as **Exhibit “89”** is a copy of the email chain of September 7, 2017.

H Corp and West Lake Chinese ownership structure

226. On November 25, 2018, Mr. Zhang got my contact info and asked me to meet him at a hotel in Calgary. He told me that Mr. Yu and Mr. Xiong had some concerns and worried about their West Lake property not being safe. He said Mr. Deng would not have the ability to pay back what the investors invested in West Lake basing upon the investing agreement they have signed with Mr. Deng.
227. I told Mr. Zhang that I did not quite understand what he said to me regarding the relationship of these investors and the agreements they have signed in China with Mr. Deng. But I would respect whoever would be the real owners of the West Lake or manage and control H Corp or West Lake on behalf the investors. Mr. Zhang then taught me how to find the investor ownership structure of H Corp and West Lake from a Chinese website. I checked it out and found the ownership structure extremely complicated. Except for Mr. Tu, Mr. Yu, Mr. Xiong, Mr. Deng and Mr. Huang Bo (Sinoenergy President), some other Sinoenergy staff working in the Calgary group, including CAPC president & CEO Hunter Hu, Harold, Ms. Cherie Duan (who worked for both Long Run and CAPC), Mr. Rui Chen (whose name appeared quite a lot among the emails between Calgary Sinoenergy team and Mr. Deng), they all had some more or less shares in the ownership structures.
228. I showed Mr. Zhang a chart of ownership structure of H Corp and West Lake that I drew based on my research from the Chinese website. Through his explanation, I began to understand about Mr. Deng's relationship with the investors including Wuhan LLP and Jiangyin LLP and in particular that as per agreements, Mr. Deng would manage the investment in the assets of Twin Butte in Canada on behalf of these investors from China.
229. Attached as **Exhibit “90”** is a copy of the ownership structure about the investment in H Corp and West Lake that I prepared.

Shareholder Declaration of Henenghaixin Corp.

230. I never saw a copy of any Shareholder Declaration of H Corp (**the “Alleged Shareholder Declaration”**) and the Loan Agreement (**the “Alleged Loan Agreement”**) between York City Enterprises Ltd (**the “York City”**) and Calgary Sino both of April 10, 2017 until Mr. Lam provided a copy of the Shareholder Declaration and the Loan Agreement in the First Lam Affidavit.
231. Before this Action, I had never seen a copy of nor was I aware the existence of the Alleged Shareholder Declaration and the Alleged Loan Agreement.
232. Mr. Lam never told me that any of the transfer of the funds from H Corp to Calgary Sino was made under the Alleged Loan Agreement or the Alleged Shareholder Declaration when he instructed ATB to transfer a total amount of CAD\$93,356,491 from H Corp to Calgary Sino during the period April 11, 2017 and September 5, 2017.
233. Under the Alleged Shareholder Declaration, York City appointed Mr. Lam as a special representative of H Corporation: “Mr. Shing Tak (Michael) Lam be appointed as a special representative of the H Corporation, authorized to handle banking matters and all actions taken by Mr. Lam in such capacity be approved and ratified, and Mr. Lam be specifically directed and authorized to carry out such actions as may be necessary or desirable in furtherance and pursuant of the performance of the transactions under the Loan Agreement.”
234. From the Alleged Shareholder Declaration, Mr. Lam would have full power and authority to do banking and transactions as the “special representative” of H Corp in connection with the performance of the transactions under the loan agreement between York City and Calgary Sino. He did not need any of my “approval” at all as he announced in the First Lam Affidavit.
235. From April 10, 2017 to September 5, 2017, the directors of H Corp were Mr. Deng, Mr. Yu, Mr. Xiong and me. Mr. Deng stepped down from the board after the fund transactions were done.
236. Attached as **Exhibit “91”** is a copy of the Register of Directors and Officers of the minute book of H Corp.

Henenghaixin Corp minute book

237. I had never seen the H Corp minute book until January 2019. On December 4, 2018, a few days after I met Mr. Zhang, I asked Mr. Jin that I would like to have “ALL Henenghaixin files you have in your hand”, I told him “please make me a copy of all Henenghaixin files you have.” Mr. Jin replied “will do. It is just the minute book and not much else since HNHX is just the holdco. West Lake materials are held by BDP.”

238. On January 4, 2019, Mr. Jin replied me that he “provided the physical minute book to Michael actually as he wanted to review a few items and he said that he would provide to you directly as the physical copy.”
239. Attached as **Exhibit “92”** is a copy of email chain between me and Mr. Jin of December 4, 2018 to January 4, 2019.
240. Mr. Lam stated in the First Lam Affidavit that at a meeting in or about April 2017, he advised me and other representatives of the Wuhan LP and Jiangyin LP of the Alleged Shareholder Declaration and the Alleged Loan Agreement, and he filed a copy in the H Corp minute book. Mr. Lam never advised me anything like that. I did not see the Alleged Shareholder Declaration and the Alleged Loan Agreement in the minute book after he passed it to me in January 2019.
241. On January 4, 2019, Mr. Lam sent me an email that he put the minute book of H Corp in my 5th floor office, which was my Long Run office. He said “Xiaodi wants me to remind you that only Director and officer of HNHX (not shareholder or aides of shareholder) have the privilege to the MB; and we all have the fiduciary duty to keep confidential to any third party.”
242. Attached as **Exhibit “93”** is a copy of the email of January 4, 2019 from Mr. Lam.
243. After I received the minute book of H Corp from Mr. Lam on January 4, 2019, I had kept the minute book in my office until October 6, 2020 when I transferred the minute book to Roger Song of Song & Howard Law Office. Neither the Alleged Shareholder Declaration nor the Alleged Loan Agreement was in the minute book of H Corp that Mr. Lam passed on to me on January 4, 2019.
244. Attached as **Exhibit “94”** is a copy of the list of the documents that both I and Roger Song verified as being kept in the minute book of H Corp which I received from Mr. Lam on January 4, 2019 and handed over to Mr. Roger Song on October 6, 2020.

Authorization letter and Indemnity Agreement with H Corp and York City requested for Mr. Lam, Ms. Deng and Mr. Deng in December 2018

245. On December 2, 2018, Mr. Lam came to my Long Run office (I was in charge of a \$8 million project in Long Run by then) and requested me to sign on behalf of H Corp the following indemnity agreements:
- (a) Representative Indemnity Agreement between H Corp, York City and Mr. Lam effective as of March 1, 2017 (the “**Indemnity Agreement for Mr. Lam**”).
 - (b) Representative Indemnity Agreement between H Corp, York City and Ms. Deng effective as of March 1, 2017 (the “**Indemnity Agreement for Ms. Deng**”).

- (c) Representative Indemnity Agreement between H Corp, York City and Mr. Deng effective as of September 21, 2017 (the “**Indemnity Agreement for Mr. Deng**”).
246. Attached as **Exhibit “95”** is a copy of the Indemnity Agreement for Mr. Lam.
247. Attached as **Exhibit “96”** is a copy of the Indemnity Agreement for Ms. Deng.
248. Attached as **Exhibit “97”** is a copy of the Indemnity Agreement for Mr. Deng.
249. Mr. Lam signed for himself the Indemnity Agreement for Mr. Lam, and signed as witness on the Indemnity Agreement for Ms. Deng and the Indemnity Agreement for Mr. Deng. Meng Tang signed the Indemnity Agreement for Mr. Lam, the Indemnity Agreement for Ms. Deng and the Indemnity Agreement for Mr. Deng as director of York City.
250. I noted that although the documents of indemnity agreements were sent to me for signature in December 2018, the Indemnity Agreement for Mr. Lam and the Indemnity Agreement for Ms. Deng were back dated to be effective from March 1, 2017, and the Indemnity Agreement for Mr. Deng was back dated to be effective from September 21, 2017.
251. I noticed that the signature of Meng Tang, signing as the sole director of York City, looked like a signature created by “copy & paste” instead of the original signature. I did not sign these indemnity agreements. Mr. Zhang had told me that the investors had concerns about their property safety in Canada, which caused my alert.
252. On the same day of December 2, 2018, together with the Indemnity Agreements, Mr. Lam also requested me to sign an authorization letter to confirm that Mr. Lam and Ms. Deng were authorized to give instructions to Mr. Jin for and on behalf of H Corp under the engagement letter between H Corp and BLG signed by Mr. Deng. I did not sign it because I had never authorized Mr. Lam and Ms. Deng to act on behalf of H Corp. I also never had such authority to do so. In fact, I worked under both Mr. Lam and Ms. Deng under the 2016 Consulting Agreement. Another major reason I did not sign it was the alert from Mr. Zhang in November 2018 which made me cautious about what Mr. Lam and Ms. Deng would ask me to sign.
253. Both Ms. Deng and Mr. Lam said I wrote this authorization letter. I did not write the authorization letter and nor did I ask anyone to write the letter for me. As per my request, Mr. Jin forwarded me a copy of his email to Mr. Lam of December 2, 2018. In his email, Mr. Jin wrote: “Hi Michael, per the engagement letter I am entitled to rely on instructions from Steven Neu and other members of the Henenghaixin team, which include yourself and Lake Deng. I would like to have this confirmed in writing by Mr. Neu in order to clarify my engagements files.” Basing upon this email, I assumed either Mr. Lam or Mr. Jin wrote the authorization letter and tried to have me sign it.

254. Attached as **Exhibit "98"** is the email chain from Mr. Jin to Mr. Lam of December 2, 2018 and from Mr. Jin to me of January 7, 2020.
255. Attached as **Exhibit "99"** is a copy of the form of letter dated December 3, 2018 on clarification of instructing individuals.
256. On January 4, 2019, Mr. Lam sent me an email and asked: "Steven, any updates on those indemnities" and indicated that Ms. Deng and himself "can't, won't, and not allowed to do anything without these standard indemnities."
257. Attached as **Exhibit "100"** is a copy of the email of January 4, 2019 from Mr. Lam to me.
258. On December 5, 2018, Mr. Lam again sent me a message to push me signing these files. I told him there were two workers injured and I was working in the field handling the issue. He asked me "sign the files ASAP, don't delay, they are pretty straightforward files, don't make things complicated."
259. Attached as **Exhibit "101"** is a copy of the text message of Mr. Lam of December 6, 2018 in Chinese.
260. On January 15, 2019, Ms. Deng sent me an email with two documents attached. One is a resignation of director of H Corp and the other one is a resignation of director of West Lake. She asked me to sign them right away and return the signed copy to her. She said I should listen to her and her father, not other investors. She told me this was also the order of Chairman (i.e. Mr. Deng). Mr. Deng later confirmed to me what Ms. Lake said to me. He said it was his order that I should quit director from both H Corp and West Lake.
261. At the time of giving the order to resign from the board of H Corp and West Lake, Ms. Deng was a director of neither H Corp nor West Lake and Mr. Deng was not a director of H Corp.
262. I talked to Mr. Xiong and Mr. Yu about this. They suggested I should stay in the board of H Corp and West Lake to help them. They said they trusted me. So I did not sign the resignation letters as Ms. Deng and Mr. Deng ordered.
263. Attached as **Exhibit "102"** is a copy of the email of Ms. Deng of January 15, 2019.
264. Attached as **Exhibit "103"** is a copy of the resignation from the board of H Corp attached to the email of Ms. Deng of January 15, 2019.
265. Attached as **Exhibit "104"** is a copy of the resignation from the board of West Lake attached to the email of Ms. Deng of January 15, 2019.

Meetings with Mr. Zhang of January 2019

- 266. In paragraphs 42-45 of the First Zhang Affidavit, Mr. Zhang describes events at a meeting on January 18, 2019. I was at that meeting, and the events occurred as Mr. Zhang described in the First Zhang Affidavit.
- 267. Mr. Zhang showed me, Mr. Middleton and Mr. Steele what Mr. Zhang described as the "Fake Financial Statements" in the First Zhang Affidavit (attached to his Affidavit as Exhibit 25). As far as I was aware, these were not the actual financial statements for West Lake. While the "Fake Financial Statements" appear to contain the signatures of Mr. Middleton and myself, I did not sign them. As best as I can tell, someone altered a document that Mr. Middleton and I did sign.
- 268. Mr. Middleton, Mr. Steele and I provided Mr. Zhang, Mr. Liu and Mr. Guo with the actual West Lake financial statements. Those are attached as Exhibit 27 to the First Zhang Affidavit).
- 269. In paragraph 53 of the First Zhang Affidavit, Mr. Zhang references a further meeting he attended that took place on January 22, 2019, involving me, Mr. Yu, Mr. Middleton, Mr. Xiong and Mr. Tu in Calgary. During the course of this meeting, as set out in the First Zhang Affidavit, I indicated that the transfers at issue took place. I further advised that Mr. Lam directed the transfers and that I did not deal directly with Mr. Deng, but instead Mr. Lam advised me that Mr. Deng wanted the transfers done.
- 270. In paragraphs 32, 57-60, 63 and 67 of the First Zhang Affidavit, Mr. Zhang references various documents, correspondence and emails that I provided to him. I confirm that I provided those materials to Mr. Zhang as he sets out.

SWORN BEFORE ME
on 21st day of May, 2021
at the Calgary, Alberta.

(A Commissioner for Oaths in and for Alberta)

Yue (Roger) Song
Barrister and Solicitor



Steven Neu

This is Exhibit "1" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



CONSULTING AGREEMENT

THIS AGREEMENT is made as of the 18 day of July, 2016

BETWEEN:

CALGARY SINOENERGY INVESTMENT CORP., a corporation
having its head office in Calgary, Alberta (the "**Corporation**")

- and -

Eileen Corp., a corporation in Calgary, Alberta (the "**Consultant**")

WHEREAS the Corporation is an oil and gas exploration and development company;

AND WHEREAS the Corporation wishes to retain the services of the Consultant and the Consultant agrees to provide such services, on the terms and conditions set out in this agreement;

AND WHEREAS this agreement (this "**Agreement**", "**herein**" or "**hereof**") outlines the mutual understanding of the parties and the expectations with regard to the parties' business relationship;

NOW THEREFORE in consideration of the mutual covenants set out in this Agreement, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

1. TERM

1.1 **Term.** This Agreement shall commence on the date first written above, and shall continue for a period of one year unless earlier terminated in accordance with this Agreement (the "**Term**").

2. SERVICES

2.1 **Appointment.** The Corporation hereby engages the Consultant, and the Consultant hereby agrees to provide to the Corporation such consulting services as may be requested from time to time by the President, or Chief Executive Officer, or Chief Financial Officer of the Corporation, and such other services as may be directed by the Board of Directors of the Corporation from time to time (the "**Services**").

2.2 **Title.** The Consultant shall hold the title of Manager, Drilling Operation.

2.3 **Independent Contractor.** The Consultant represents to the Corporation and the Corporation hereby confirms that the Consultant is and shall remain at all times an independent contractor and is not, and shall not represent that the Consultant is the agent, partner or employee of the Corporation or to be otherwise related to the Corporation other than as an independent contractor as a result of this Agreement. No representation shall be made nor act done by the Consultant which could establish any apparent relationship of agency, joint venture, partnership or employment.

2.4 Outside Activities. The Consultant may perform other services for third parties during the Term of this Agreement, provided that such activities do not interfere with the efficient and timely performance of the Services and is not inconsistent with the Consultant's obligations under this Agreement.

2.5 Days of Work. The Consultant, acting reasonably, may choose the Consultant's days of work subject to the agreement of the Corporation.

2.6 Provision of Services. The Consultant represents and warrants that he has the skills necessary to provide the Services and that such Services shall be performed in an efficient, prompt, economical, skilful and careful manner in accordance with professional standards and practices. In the performances of the Services, the Consultant shall observe and obey all applicable laws, regulations, rules and standards of any government or other duly constituted public authority having jurisdiction in the circumstances.

3. TAX INDEMNIFICATION

3.1 Tax Indemnification. The Consultant agrees to indemnify the Corporation for any and all liability arising from the characterization by any authority of the Consultant as an employee of the Corporation rather than an Independent Contractor.

4. REMUNERATION

4.1 Fees. The Consultant agrees to provide the Services to the Corporation. The Corporation shall pay the Consultant, in exchange for the Services provided, fees based on daily rate of \$900 per day in Calgary office, and \$1,200 per day on site. All fees shall not include applicable GST.

4.2 Invoices. When applicable, the Consultant shall provide the Corporation with monthly invoices for the Services provided.

4.3 Vacation. The Consultant shall not be entitled to vacation pay.

4.4 Benefits. The Consultant shall not be entitled to participate in any benefit plan, if any, of the Corporation.

5. EXTENSION AND TERMINATION

5.1 Termination. This Agreement may be terminated by the Corporation or the Consultant at any time, each in their sole discretion, with or without cause, upon the provision of fifteen days' written notice provided to the address set out in Section 6.2 herein. In the event of any such termination, the Corporation shall have no further obligations to the Consultant and the Consultant shall have no further obligations to the Corporation.

5.2 Termination for Cause. This Agreement may be terminated at any time effective immediately by the Corporation upon the Consultant's failure to perform the Services to the standard reasonably required by the Corporation.

6. GENERAL

6.1 Remedy. The Consultant acknowledges that each of the restrictions on the Consultant set forth in this Agreement, including any related time periods specified, are reasonably necessary in order to protect the Corporation's legitimate interests. Without limitation of other remedies that may be available, the

Consultant agrees that the Corporation shall be entitled to injunctive or other equitable relief to prevent or cure any breach of these provisions hereof, without posting of security or proof of irreparable harm.

6.2 Notices. Any notice required to be given under this Agreement shall be in writing and shall be delivered either in person, by a nationally recognized private courier or by certified or registered mail, return receipt requested. All notices shall be deemed to be received on the first business day following the date personally delivered or sent by courier, or on the third business day following mailing by certified or registered mail. Any notice shall be addressed as follows:

If to the Corporation, to:

Calgary Sinoenergy Investment Corp.
Suite 1500, 444 – 5th Avenue SW
Calgary, AB T2P 2T8
Attention: President of the Company

If to the Consultant:

Eileen Corp.,
#424 3130 66 AVE SW
Calgary AB T3E 5K8

6.3 Governing Law. This Agreement shall be deemed to have been made in and shall be construed in accordance with the laws of the Province of Alberta.

6.4 Entire Agreement. This Agreement contains the whole understanding of the parties and supersedes or replaces any and all oral and written agreements or representations and no amendment or other modification to this Agreement shall be valid or binding upon the parties unless it is in writing and consented to by both parties.

6.5 Assignment. The Consultant acknowledges that the Services rendered pursuant to this Agreement are unique and personal. Accordingly, the Consultant may not assign the Consultant's rights or delegate any duties or obligations under this Agreement. The Corporation may assign its rights, duties or obligations under this Agreement to a subsidiary or affiliated company of the Corporation.

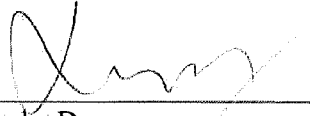
6.6 Severability. Whenever possible, each provision of this Agreement may be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

6.7 Independent Advice. The Consultant acknowledges that the Consultant has been given the opportunity to obtain and has obtained independent legal advice and has read, understands and agrees to be bound by the foregoing terms and conditions.

IN WITNESS WHEREOF, each of the parties has duly executed this Agreement effective the date first written above.

CALGARY SINOENERGY INVESTMENT CORP.

Per:



Xiaobo Deng



Steven Neu

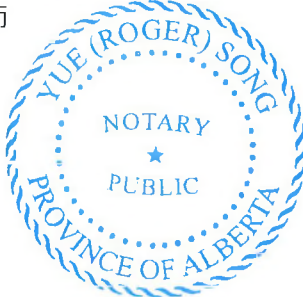
Witness

This is Exhibit "2" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



CONSULTING AGREEMENT

THIS AGREEMENT is made as of the 18 day of July, 2016

BETWEEN:

CALGARY SINOENERGY INVESTMENT CORP., a corporation
having its head office in Calgary, Alberta (the "**Corporation**")

- and -

Eileen Corp., a corporation in Calgary, Alberta (the "**Consultant**")

WHEREAS the Corporation is an oil and gas exploration and development company;

AND WHEREAS the Corporation wishes to retain the services of the Consultant and the Consultant agrees to provide such services, on the terms and conditions set out in this agreement;

AND WHEREAS this agreement (this "**Agreement**", "**herein**" or "**hereof**") outlines the mutual understanding of the parties and the expectations with regard to the parties' business relationship;

NOW THEREFORE in consideration of the mutual covenants set out in this Agreement, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

1. TERM

1.1 **Term.** This Agreement shall commence on the date first written above, and shall continue for a period of one year unless earlier terminated in accordance with this Agreement (the "**Term**").

2. SERVICES

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2.2 **Title.** The Consultant shall hold the title of Manager, Drilling Operation.

2.3 **Independent Contractor.** The Consultant represents to the Corporation and the Corporation hereby confirms that the Consultant is and shall remain at all times an independent contractor and is not, and shall not represent that the Consultant is the agent, partner or employee of the Corporation or to be otherwise related to the Corporation other than as an independent contractor as a result of this Agreement. No representation shall be made nor act done by the Consultant which could establish any apparent relationship of agency, joint venture, partnership or employment.

2.4 Outside Activities. The Consultant may perform other services for third parties during the Term of this Agreement, provided that such activities do not interfere with the efficient and timely performance of the Services and is not inconsistent with the Consultant's obligations under this Agreement.

2.5 Days of Work. The Consultant, acting reasonably, may choose the Consultant's days of work subject to the agreement of the Corporation.

2.6 Provision of Services. The Consultant represents and warrants that he has the skills necessary to provide the Services and that such Services shall be performed in an efficient, prompt, economical, skilful and careful manner in accordance with professional standards and practices. In the performances of the Services, the Consultant shall observe and obey all applicable laws, regulations, rules and standards of any government or other duly constituted public authority having jurisdiction in the circumstances.

3. TAX INDEMNIFICATION

3.1 Tax Indemnification. The Consultant agrees to indemnify the Corporation for any and all liability arising from the characterization by any authority of the Consultant as an employee of the Corporation rather than an Independent Contractor.

4. REMUNERATION

4.1 Fees. The Consultant agrees to provide the Services to the Corporation. The Corporation shall pay the Consultant, in exchange for the Services provided, fees based on daily rate of \$900 per day in Calgary office, and \$1,200 per day on site. All fees shall not include applicable GST.

4.2 Invoices. When applicable, the Consultant shall provide the Corporation with monthly invoices for the Services provided.

4.3 Vacation. The Consultant shall not be entitled to vacation pay.

4.4 Benefits. The Consultant shall not be entitled to participate in any benefit plan, if any, of the Corporation.

5. EXTENSION AND TERMINATION

5.1 Termination. This Agreement may be terminated by the Corporation or the Consultant at any time, each in their sole discretion, with or without cause, upon the provision of fifteen days' written notice provided to the address set out in Section 6.2 herein. In the event of any such termination, the Corporation shall have no further obligations to the Consultant and the Consultant shall have no further obligations to the Corporation.

5.2 Termination for Cause. This Agreement may be terminated at any time effective immediately by the Corporation upon the Consultant's failure to perform the Services to the standard reasonably required by the Corporation.

6. GENERAL

6.1 Remedy. The Consultant acknowledges that each of the restrictions on the Consultant set forth in this Agreement, including any related time periods specified, are reasonably necessary in order to protect the Corporation's legitimate interests. Without limitation of other remedies that may be available, the

Consultant agrees that the Corporation shall be entitled to injunctive or other equitable relief to prevent or cure any breach of these provisions hereof, without posting of security or proof of irreparable harm.

6.2 Notices. Any notice required to be given under this Agreement shall be in writing and shall be delivered either in person, by a nationally recognized private courier or by certified or registered mail, return receipt requested. All notices shall be deemed to be received on the first business day following the date personally delivered or sent by courier, or on the third business day following mailing by certified or registered mail. Any notice shall be addressed as follows:

If to the Corporation, to:

Calgary Sinoenergy Investment Corp.,
Suite 1500, 444 – 5th Avenue SW
Calgary, AB T2P 2T8
Attention: President of the Company

If to the Consultant:

Eileen Corp.,
#424 3130 66 AVE SW
Calgary AB T3E 5K8

6.3 Governing Law. This Agreement shall be deemed to have been made in and shall be construed in accordance with the laws of the Province of Alberta.

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6.5 Assignment. The Consultant acknowledges that the Services rendered pursuant to this Agreement are unique and personal. Accordingly, the Consultant may not assign the Consultant's rights or delegate any duties or obligations under this Agreement. The Corporation may assign its rights, duties or obligations under this Agreement to a subsidiary or affiliated company of the Corporation.

6.6 Severability. Whenever possible, each provision of this Agreement may be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

6.7 Independent Advice. The Consultant acknowledges that the Consultant has been given the opportunity to obtain and has obtained independent legal advice and has read, understands and agrees to be bound by the foregoing terms and conditions.

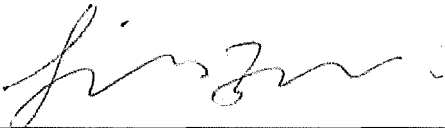
IN WITNESS WHEREOF, each of the parties has duly executed this Agreement effective the date first written above.

CALGARY SINOENERGY INVESTMENT CORP.


Per:



Handwritten signature of a representative of Calgary Sinoenergy Investment Corp.




Witness



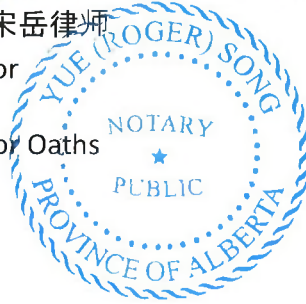
Steven Neu

This is Exhibit "3" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



SERVICES AGREEMENT FOR ENGINEERING CONSULTING SERVICES

THIS AGREEMENT made effective this 1ST day of September 2018,

BETWEEN:

WEST LAKE ENERGY CORP., a body corporate, with offices in the City of Calgary in the Province of Alberta, (the "**OWNER**")

and

EILEEN CORP, a body corporate with office at 424, 3130 66 Ave SW CALGARY, AB, (the "**CONTRACTOR**")

WHEREAS **OWNER** desires to enter into an Agreement with **CONTRACTOR** for the purposes of providing services as described in this Agreement and in accordance with the terms and conditions of this Agreement;

AND WHEREAS **CONTRACTOR** accepts the offer to enter into an Agreement with **OWNER** in accordance with the terms and conditions described in this Agreement;

AND WHEREAS **OWNER** and **CONTRACTOR** are separate entities and wish to identify their respective obligations and responsibilities;

NOW THEREFORE, THIS AGREEMENT WITNESSES THAT in consideration of the premises and provisions herein stated, **OWNER** and **CONTRACTOR** mutually covenant and agree as follows:

ARTICLE 1 INTERPRETATION

Index and Headings

The division of this Agreement into articles, paragraphs, clauses or other subdivisions, and the insertion of headings are for convenience of reference only.

1.1 Definitions

- (a) "**Affiliate**" and "**Affiliates**" mean any company, partnership or legal entity which (a) controls either directly or indirectly a party, or (b) which is controlled directly or indirectly by such party, or (c) is directly or indirectly controlled by a company, partnership or entity which directly or indirectly controls such party. For the purposes of this definition "control" means the right to exercise fifty (50%) percent or more of the voting rights in the appointment of the directors of such company or ownership rights in such other entity, and in the case of a partnership, "control" means the ownership of fifty (50%) percent or more of the partnership interest;

- (b) "Confidential Information" means all information (regardless of format) received or acquired by **CONTRACTOR** during the course of, or incidental to, the performance of **CONTRACTOR'S** Services and which in any way concerns or is related to the property, business, undertakings or affairs of **OWNER**, its Affiliates, or its successors, with the exception only of information which is public or becomes public information through no action of **CONTRACTOR** and information which is received or acquired from another entity lawfully in possession of the information and under no obligation to keep the information confidential;
- (c) "CONTRACTOR Responsibilities" means those responsibilities that the **CONTRACTOR** undertakes to comply with as specified in the attached Schedule "A";
- (d) "Policies" means the **OWNER'S** policies as listed in Schedule "C".
- (e) "Services" means those services that the **CONTRACTOR** is engaged to perform as specified in the attached Schedule "A";
- (f) "Term" means the period of time identified in Clause 3.1 during which the Services are to be performed by **CONTRACTOR**;

ARTICLE 2

CONTRACT FOR SERVICES

2.1 Requirements of Service

OWNER engages **CONTRACTOR** to perform the Services as stated in this Agreement and **CONTRACTOR** agrees to perform the Services in accordance with the terms and conditions stated in this Agreement.

2.2 Subcontracting

CONTRACTOR shall not subcontract all or any portion of the Services without the prior written approval of **OWNER**.

2.3 Independent CONTRACTOR

- (a) **Contractor** shall be an independent **CONTRACTOR** with respect to the performance of all Services hereunder and **OWNER** shall have no direction or control of **CONTRACTOR** or its employees, agents and approved subcontractors except as set out herein. Nothing herein shall be construed to create an employer-employee, principle and agent, partnership or master and servant relationship between the **OWNER** and the **CONTRACTOR**.
- (b) The **CONTRACTOR** shall, in the performance of the Services, be an independent contractor. The Services shall be performed by the **CONSULTANT** under its own superintendence and at its own risk.
- (c) The **CONTRACTOR'S** employees are not eligible for any of the benefits the **OWNER** provides to its own employees, including but not limited to, vacation and

general holiday pay, sick leave and employer Canada Pension Plan and employment insurance contributions.

ARTICLE 3 TERM

3.1 Defined

The Term of this Agreement shall commence on the 1st day of September, 2018 and ends in accordance with the termination provisions set forth herein.

3.2 Termination and Suspension

- (a) Either **OWNER** or **CONTRACTOR** can terminate the Agreement at any time by giving fourteen (14) days written notice in advance of the effective date of termination to the other party. Upon such termination notice being issued, **CONTRACTOR** shall only be entitled to invoice **OWNER** for the cost of Services performed and not paid for up to the date of termination;
- (b) **OWNER** can terminate the Agreement at any time with immediate effect if **CONTRACTOR**: acts in a manner that demonstrates wilful misconduct; is grossly negligent; fails to comply with any laws, rules and regulations prescribed by any government or body having jurisdiction over the Services; fails to comply with **OWNER'S** Policies; becomes insolvent; makes an assignment for the benefit of creditors; is adjudicated as bankrupt; admits in writing its inability to pay its debts generally as the same come due; institutes procedures under any law for relief of debtors or for the appointment of a receiver, monitor, trustee or liquidator of **CONTRACTOR**.

ARTICLE 4 COMPENSATION

4.1 Compensation Rate

OWNER shall pay **CONTRACTOR** on performance of the Services pursuant to Schedule "B" attached hereto.

4.2 Invoices

CONTRACTOR shall submit invoices pursuant to Schedule "B" attached hereto.

4.3 Expenses

OWNER shall pay the reasonable and pre-approved disbursements of **CONTRACTOR** for expenses within thirty (30) days of receipt of invoice from **CONTRACTOR** that are in accordance with the guidelines as outlined in Schedule "B".

ARTICLE 5

RESPONSIBILITIES OF CONTRACTOR

5.1 Services and Specific Responsibilities

CONTRACTOR shall complete the Services as set forth in Schedule "A" attached hereto, and at all times during the Term of this Agreement comply with the **CONTRACTOR** Responsibilities set forth in Schedule "A" attached hereto.

5.2 Performance Standard

In the performance of any Service hereunder, **CONTRACTOR**:

- a) shall, to the extent applicable to the Services being provided, abide by all laws, rules and regulations prescribed by any government or body having jurisdiction over the Services, including the obtaining and maintaining of all permits and licenses required to perform the Services; and
- b) shall read, understand and abide by all **OWNER'S** Policies.

5.3 Confidential Information

CONTRACTOR covenants and agrees that it shall not at any time during or after the termination of **CONTRACTOR's** engagement by **OWNER**, reveal, divulge, or otherwise make known to any person or use for its own account, any Confidential Information, unless such Confidential Information becomes part of the public domain through no breach of this Agreement by **CONTRACTOR**.

5.4 Property

Any and all inventions, developments and improvements upon or to the property of **OWNER** that **CONTRACTOR** may conceive of or make during the Term, and any entitlement to service marks, trade names, trademarks, or patents (whether domestic or foreign) arising during the Term related to such inventions, developments and improvements, shall be the sole and exclusive property of **OWNER**. Whenever requested by **OWNER**, **CONTRACTOR** shall execute any, and all, applications, assignments and other instruments which **OWNER** may require to apply for and obtain, assign or convey the sole and exclusive right, title and interest in and to any such inventions, developments, improvements, applications and/or patents.

5.5 Return of Property

Upon completion of the Term or termination of the Agreement, for any reason, **CONTRACTOR** shall immediately return all Confidential Information to **OWNER** and shall not copy and retain by any means or media any Confidential Information.

5.6 Responsibility for CONTRACTOR'S Income and Employees

CONTRACTOR'S relationship with **OWNER** is one of an independent **CONTRACTOR** and, consequently, no deductions shall be made from fees payable to **CONTRACTOR** or any employee of **CONTRACTOR** nor shall **OWNER** be in any way responsible hereunder for any applicable employment insurance contributions, workers' compensation contributions, pension plan contributions, income tax or any other responsibilities or payments required by applicable government authorities. All such amounts shall be the responsibility of **CONTRACTOR** and shall be forwarded, as appropriate, directly to the government authorities involved and proof of compliance by **CONTRACTOR** with these requirements shall be made available to **OWNER** upon request. This Agreement shall in no way restrict **CONTRACTOR'S** right to perform services or solicit contracts with other Companies. However, no such contract or employment shall conflict with the Services hereunder or the **CONTRACTOR'S** requirement to comply with the obligations and covenants contained in this Agreement.

5.7 Taxes and Holdback

- (a) Except for the Goods and Services Tax ("GST"), any applicable Provincial Sales Tax ("PST") or any harmonized sales tax ("HST"), the rates stated herein are inclusive of all taxes, fees, duties or charges imposed by any governmental authority upon or resulting from the Services. If, by reason of **CONTRACTOR'S** failure to pay any such taxes, fees, duties or charges imposed by any governmental authority upon or resulting from the Services, **OWNER** is obligated by virtue of legislation to make such payments on behalf of **CONTRACTOR**, then **CONTRACTOR** shall reimburse **OWNER** for such tax, fee, duty or charge; and
- (b) **OWNER** shall have the right to withhold any payments that are authorized to be withheld by any laws or regulations. Additionally, **OWNER** shall have the right to withhold any payments to **CONTRACTOR** if **OWNER** has notice of any unsatisfied claims or liabilities against **CONTRACTOR** with respect to any of the Services performed under this Agreement.

5.8 Workers' Compensation Coverage

- (a) During the Term of this Agreement, **CONTRACTOR** shall comply with all requirements of applicable workers' compensation legislation in any jurisdiction in which the Services shall be performed;
- (b) **CONTRACTOR** shall provide its employees with workers' compensation coverage and shall require that each of its **OWNER** approved subcontractors provide workers' compensation coverage for any person performing the Services. Additionally, if a partner, director, officer, or owner of **CONTRACTOR** is involved in the performance of any of the Services, such individual must have obtained workers' compensation coverage on an individual basis. If workers' compensation coverage is not available to the **CONTRACTOR** under the provincial workers' compensation scheme for the province in which the Services are being performed, then the **CONTRACTOR** must cooperate with the **OWNER** to provide all information required to ensure that the **CONTRACTOR** and the individuals performing the Services are covered under the **OWNER's** workers'

compensation registration in accordance with provincial legislation or as otherwise required by the **OWNER**;

- (c) Notwithstanding any of the foregoing, if for any reason **CONTRACTOR** does not have the workers' compensation coverage in place for any person providing the Services during the Term of this Agreement, **CONTRACTOR** shall indemnify **OWNER** and save **OWNER** harmless from and against any and all actions, causes of action, suits, proceedings, liabilities, claims, demands, losses, damages and expenses, of any kind and nature whatsoever which may be brought against, suffered, sustained, paid or incurred by **OWNER** and its Affiliates as a result of **CONTRACTOR** not having such workers' compensation coverage.

5.9 Indemnity

- (a) If **CONTRACTOR** breaches this Contract, or if **CONTRACTOR** or its officers, employees, agents or subcontractors commit an act of gross negligence or other wrongful act or error or omission, **CONTRACTOR** agrees to and shall:
- (i) Indemnify **OWNER** from all losses, costs, damages, fines, penalties, assessments and expenses whatsoever (whether statutory, criminal, quasi-criminal, regulatory, contractual, equitable or tortious) which **OWNER** may suffer, sustain, pay or incur; and
 - (ii) Be liable for all legal proceedings or losses of any nature whatsoever, which may be brought against, suffered, sustained, paid or incurred by **OWNER** and its affiliates and its or their directors, officers, employees, contractors or agents.

Notwithstanding the foregoing, the **CONTRACTOR** shall not be responsible for any losses, costs, damages and expenses suffered by **OWNER** and its affiliates and its or their directors, officers, employees, contractors or agents to the extent such losses, costs, damages or expenses are caused by the negligence of **OWNER**, its employees, agents or contractors.

In no event shall the maximum liability hereunder exceed the amount actually paid to the Contractor under this contract.

- (b) Neither **CONTRACTOR** nor **OWNER** shall be liable in an action initiated by one against the other for indirect or consequential damages resulting from or arising out of this Agreement.

ARTICLE 6 MISCELLANEOUS

6.1 Promotional Material

CONTRACTOR shall not use **OWNER'S** name or any of its Affiliates in any advertising or promotional material, written or otherwise unless authorized in writing by **OWNER**.

6.2 Force Majeure

- (a) Either party shall be excused from performance of this Agreement when and to the extent that performance is delayed or prevented by any cause, except lack of finances, beyond its reasonable control ("force majeure"). The party wishing to invoke this Article shall promptly notify the other in writing of the cause upon which it relies, including reasonably full particulars in respect thereof.
- (b) **CONTRACTOR** shall give **OWNER** written notice if the provision of any Services are, or will likely be, delayed for more than seven days due to force majeure, in which case **OWNER** may either cancel all or a portion of the Services or authorize any necessary delays and adjustments without incurring any liability for any direct or indirect resulting costs.

6.3 Notices

Notices and any other communications permitted or required under this Agreement shall be in writing and shall be delivered personally or by courier to:

OWNER WEST LAKE ENERGY CORP.
Suite 700, 600 3rd Avenue S.W.,
Calgary, Alberta T2P 0G5

CONTRACTOR EILEEN CORP
424, 3130 66 Ave SW
Calgary, AB

6.4 Amendment

This document constitutes the whole Agreement between the parties and can only be amended by written agreement executed by both parties.

6.5 Severance

If any part of this Agreement is held by a Court of competent jurisdiction to be invalid or unenforceable, then such ruling shall in no way affect the validity or enforceability of the balance of the Agreement, it being the intent of the parties that the invalid or unenforceable portions are severable.

6.6 Waiver

No previous waiver or course of dealing shall affect either party's right to restrict performance of other future obligations.

6.7 Assignment

CONTRACTOR may not assign this Agreement, or any part thereof, without the written consent of **OWNER**, which consent may be unreasonably withheld. The assignment of this Agreement, or the subcontracting of any work to be performed hereunder if so approved by **OWNER** pursuant to Clause 2.2, shall not relieve **CONTRACTOR** of its obligations hereunder. **OWNER** may assign this Agreement to a third party upon giving the **CONTRACTOR** written notice of such assignment.

6.8 Conflict

In the event of a conflict between the terms of this Agreement and the Schedules attached hereto, the Agreement shall prevail over the Schedules.

6.9 Proper Law

This Agreement shall be interpreted and construed in accordance with the laws of Alberta, Canada, and the parties hereby attorn to the exclusive jurisdiction of the courts in Alberta and the applicable courts of appeal.

6.10 Audits

OWNER shall have the right, upon reasonable notice, to audit the books, accounts and records of **CONTRACTOR** relating to all Services provided hereunder to **OWNER**, in addition to the right to audit the books, accounts and records relating to the provision of any gifts or gratuities furnished by **CONTRACTOR** to any employees, agents or other contractors of **OWNER**. This audit right shall extend from the date hereof until twenty-four (24) months following the completion of the Services.

6.11 Prior Agreements

This Agreement supersedes and replaces any and all prior representations, proposals, negotiations, letters of understanding, agreements, contracts, or amendments thereto or any other communications, verbal or written between the parties hereto relating to the subject matter of this Agreement.

6.12 Survivorship

Upon termination of this Agreement, neither party shall be relieved of its respective obligations and liabilities arising hereunder prior to termination, and Clauses 6.3, 6.4, 6.5, 6.6, 6.7, 7.10 and 7.11 shall survive termination, suspension or expiry of this Agreement.

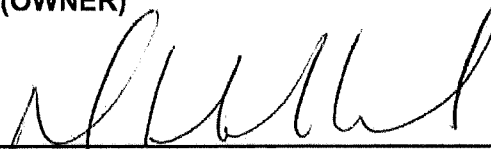
6.13 Counterpart Execution

This Agreement may be executed in counterpart with the same effect as if both parties had signed the same document. Both counterparts shall be construed together and shall constitute one and the same original Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date and year first above written.

WEST LAKE ENERGY CORP.
(OWNER)

(CONTRACTOR)



Signature



Signature

Dave Middleton
President & COO

Name and Title

Steven Neu

Name

826536245 RT0001

GST No./Business Registration Number

SCHEDULE "A"

**Attached to and made part of
ENGINEERING CONSULTING**

Dated 1ST day of September, 2018, between

WEST LAKE ENERGY CORP.

and

EILEEN CORP

SERVICES AND SPECIFIC RESPONSIBILITIES

1. **CONTRACTOR** shall provide on an "as required" basis when requested by **OWNER** authorized representatives, all technical and professional services, including any materials, supplies, equipment, transportation, supervision and shall perform all operations necessary and required to satisfactorily provide such services.
2. **Services** means the provision of engineering consulting services and written or oral translation services.

SCHEDULE "B"

**Attached to and made part of
ENGINEERING CONSULTING**

Dated 1ST day of September 2018, between

WEST LAKE ENERGY CORP.

and

EILEEN CORP

RATES

1. General

- (a) **CONTRACTOR** shall submit invoices to **OWNER** no more than twice per month. Submitted invoices shall be in a manner satisfactory to **OWNER**. Reference items (d) and (e) below for correct invoice format and submission;
- (b) **OWNER** shall compensate **CONTRACTOR** for the Services in accordance with the fixed rates (hereinafter called the "Contract Rates") listed in Clause 2 below;
- (c) Payment of invoices shall be net thirty (30) calendar days from receipt of invoice by **OWNER**;
- (d) A recommended invoice format should itemize separately the following information:
 - (i) **CONTRACTOR'S** GST Registration Number;
 - (ii) fees for Services;
 - (iii) amount for per diem, per kilometre or other per unit allowances;
 - (iv) reimbursable expenses (excluding GST paid);
 - (v) GST on the total of (ii), (iii) and (iv);
 - (vi) grand total of invoice;
 - (vii) description of Services provided;
 - (viii) contact name and department for invoice approval; and
 - (ix) **OWNER** AFE(s) or cost centers with cost break down to each.

In the event the requirements of Clause 1 are not met, the invoice may be returned unpaid.

- (e) All invoices must be sent, together with time sheets, receipts and other supporting documents directly to:

WEST LAKE ENERGY CORP.
Suite 700, 600 3RD Avenue S.W.
Calgary, Alberta T2P 0G5
Attention: Accounts Payable

Note: Failure to submit invoices to the above location and department may result in a delay of payment.

2. **Contract Rates and Other Rates**

- Rate is \$1,100 per day.
- Billable days will not exceed 23 days per month without prior approval.

SCHEDULE "C"

**Attached to and made part of
ENGINEERING CONSULTING**

Dated 1ST day of September 2018, between

WEST LAKE ENERGY CORP.

and

EILEEN CORP

OWNER POLICIES

CONTRACTOR shall comply with the following **OWNER'S** Corporate policies and procedures in carrying out the duties of this Agreement (as amended and replaced from time to time, including but not limited to):

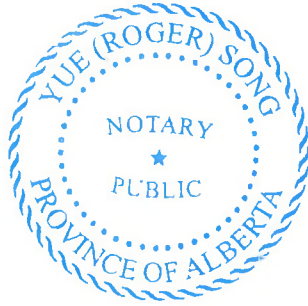
- **OWNER'S** Corporate Policies, including:
 - Code of Business Conduct and Ethics
 - Corporate Disclosure and Confidentiality
 - Whistleblower
 - Corporate Drug and Alcohol Policy

This is Exhibit "4" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



签字

"Harold Wang" <haro.wang@gmail.com>

收件人: "steven neu" <steven.n@snencn.cn>

抄 送: "陈锐" <chen.r@skywidepe.com>

时 间: 2017-3-3 1:10:25

附 件: 于总签署文件.pdf

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熊总签字文件.pdf

[下载附件](#)

合能海欣文件-邓总签字.pdf


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牛总,

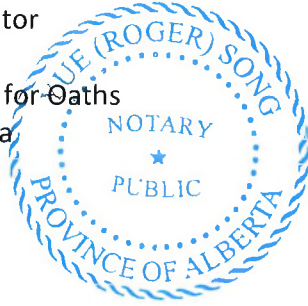
其他董事都已经签名,麻烦您也签一下,在董事长的版本即可,之后我们就可以去ATB开户了,多谢!

This is Exhibit "5" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



5

RESOLUTIONS IN WRITING OF THE SOLE
SHAREHOLDER OF HENENGHAIXIN CORP.
(THE "CORPORATION") PASSED EFFECTIVE
THE 23rd DAY OF NOVEMBER, 2016 PURSUANT
TO THE *BUSINESS CORPORATIONS ACT*
(ALBERTA) (THE "ACT")

WHEREAS the Corporation was duly incorporated on November 23, 2016 under the *Business Corporations Act* (Alberta) and it is necessary and advisable to attend to certain organizational matters with respect to the Corporation:

NOW THEREFORE BE IT RESOLVED THAT:

By-Law No. 1

1. By-Law No. 1 relating generally to the transaction of the business and affairs of the Corporation, made by the directors on November 23, 2016 is confirmed as a by-law of the Corporation.

Dispensing with Appointment of Auditor

2. The Corporation not appoint an auditor.

Election of Directors

3. The following persons are elected directors of the Corporation to hold office until the next annual meeting of shareholders or until their successors are elected or appointed:

Steven Y. Neu
Deshuang Yu
Jun Xiong
Tianzhou Deng

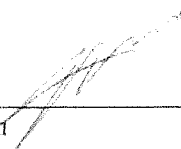
General

4. Any director or officer of the Corporation (each an "Authorized Signatory") is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver all such instruments and documents and to do all such acts or things as such Authorized Signatory may, in their discretion, determine to be necessary or advisable in giving full force and effect to this resolution, the execution and delivery by such Authorized Signatory of any such instruments and documents or the doing of any such acts or things being conclusive evidence of such determination.
5. Receipt by the Corporation by electronic transmission of a signed counterpart to these resolutions from the shareholder will be as effective as receipt of an original signed copy of these resolutions by the Corporation.

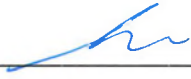
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DATED as of the date first written above.

Steven Y. Neff

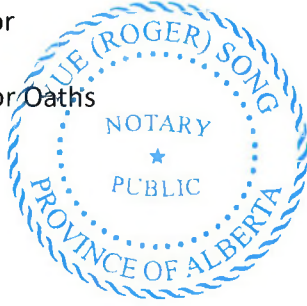
A handwritten signature in dark ink, appearing to read "Steven Y. Neff", is written over a horizontal line. The signature is slanted upwards to the right and consists of several overlapping strokes.

This is Exhibit "6" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



**RESOLUTIONS OF THE BOARD OF
DIRECTORS OF HENENGAIXIN
OPERATING CORP. (THE "CORPORATION")
PURSUANT TO SECTION 117(1) OF THE
BUSINESS CORPORATIONS ACT (ALBERTA)
(THE "ACT") EFFECTIVE AS OF THE 13TH
DAY OF DECEMBER, 2016**

WHEREAS the Corporation was duly incorporated on December 13, 2016 under the Act and it is necessary and advisable to attend to certain organizational matters with respect to the Corporation;

NOW THEREFORE BE IT RESOLVED THAT:

By-Law No. 1

1. By-Law No. 1 relating generally to the transaction of the business and affairs of the Corporation, in the form attached hereto, is made a by-law of the Corporation.

Appointment of Officers

2. Each of the following persons are appointed officers of the Corporation, each to hold the office set opposite such person's name:

Steven Y. Neu	President and Chief Executive Officer
Yingchun Wu	Chief Operating Officer
Jason Ge	Chief Financial Officer

Share Certificates

3. Each share certificate issued by the Corporation representing shares of the Corporation shall be in such form as any director or officer of the Corporation may approve, such approval being evidenced by the director's or officer's signature thereon, and the share certificate so executed will be deemed to be the form of share certificate authorized by these resolutions.

Share Issuance

4. The Corporation has received subscriptions (the "Subscriptions") from the person named below for common shares of the Corporation as described below (the "Shares"), and the Corporation wishes to accept the Subscriptions:

<u>Subscriber</u>	<u>Number and Class of Shares</u>	<u>Consideration per Share</u>
Henenghaixin Corp.	100 Common	\$0.01

5. The consideration for which the Shares is to be issued is fixed at \$0.01 per share.
6. The Subscription are accepted and the Corporation having received the sum of \$1.00 in full payment of the subscription price for the Shares, the Shares are issued as fully paid shares as set out above.

7. Certificate representing the Shares be issued as follows:

<u>Shareholder</u>	<u>Number and Class of Shares</u>	<u>Certificate Number</u>
Henenghaixin Corp.	100 Common	C-1

8. The issuance of the Shares be registered in the securities register of the Corporation.

Financial Year End

9. The financial year of the Corporation will end on December 31 of each year.

Indemnity Agreements

10. The Corporation be and is hereby authorized to enter into an indemnity agreement with each of the directors and officers of the Corporation (the "Indemnity Agreements") substantially in the form attached hereto.
11. The execution and delivery of the Indemnity Agreements by any one director or officer for and on behalf of the Corporation is hereby authorized and approved, such execution and delivery to be conclusive evidence that the Indemnity Agreements so executed and delivered are the Indemnity Agreements authorized by this resolution.

General

12. Any one officer or director of the Corporation is hereby authorized and directed to do all such acts and things and execute or cause to be executed under the corporate seal of the Corporation or otherwise, all such instruments, agreements and documents as in the opinion of such officer or director may be necessary or desirable to complete the transactions contemplated by, and to give full force and effect to, these resolutions and these resolutions, the execution and delivery thereof and the doing of all such acts and things being conclusive evidence of such determination.
13. These resolutions may be signed by the directors of the Corporation in two or more counterparts, no one of which must be signed by all of the directors but all of which together shall have the same force and effect as if the directors had signed the same document, and an electronic copy of this document shall constitute sufficient evidence of the execution of these resolutions.

The undersigned, being all of the directors of the Corporation entitled to attend and vote at a meeting of the directors with respect to the matters contemplated in these resolutions, do hereby consent to and approve of the foregoing resolutions as evidenced by the execution hereof.

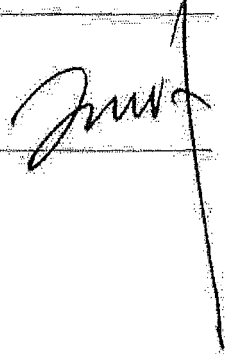
DATED effective as of the date first written above.

Deshaung Yu


Steven Y. Neu

Jun Xiong

Tianzhou Deng

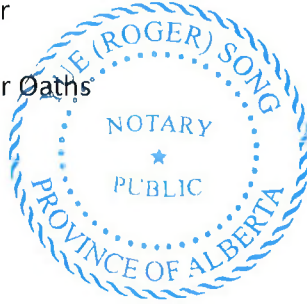
A handwritten signature in black ink, appearing to read 'Tianzhou', is written over a horizontal line. A long, thin vertical line extends downwards from the right side of the signature.

This is Exhibit "7" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



RESOLUTIONS IN WRITING OF THE SOLE SHAREHOLDER OF HENENGHAIXIN CORP. (THE "CORPORATION") PASSED EFFECTIVE THE 23rd DAY OF NOVEMBER, 2016 PURSUANT TO THE *BUSINESS CORPORATIONS ACT* (ALBERTA) (THE "ACT")

WHEREAS the Corporation was duly incorporated on November 23, 2016 under the *Business Corporations Act* (Alberta) and it is necessary and advisable to attend to certain organizational matters with respect to the Corporation;

NOW THEREFORE BE IT RESOLVED THAT:

By-Law No. 1

- 1. By-Law No. 1 relating generally to the transaction of the business and affairs of the Corporation, made by the directors on November 23, 2016 is confirmed as a by-law of the Corporation.

Dispensing with Appointment of Auditor

- 2. The Corporation not appoint an auditor.

Election of Directors

- 3. The following persons are elected directors of the Corporation to hold office until the next annual meeting of shareholders or until their successors are elected or appointed:

Steven Y. Neu
Deshuang Yu
Jun Xiong
Tianzhou Deng

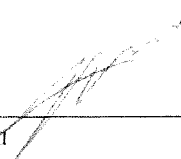
General

- 4. Any director or officer of the Corporation (each an "Authorized Signatory") is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver all such instruments and documents and to do all such acts or things as such Authorized Signatory may, in their discretion, determine to be necessary or advisable in giving full force and effect to this resolution, the execution and delivery by such Authorized Signatory of any such instruments and documents or the doing of any such acts or things being conclusive evidence of such determination.
- 5. Receipt by the Corporation by electronic transmission of a signed counterpart to these resolutions from the shareholder will be as effective as receipt of an original signed copy of these resolutions by the Corporation.


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- **DATED** as of the date first written above.

Steven Y. Neff

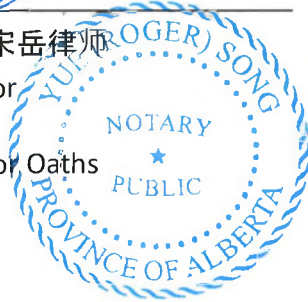


This is Exhibit "8" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



Re:Fw:FW: Re:FW: Quote for registrations with Roy Northern Land

"邓董事长" <deng.tz@snencn.cn>

收件人: "steven neu" <steven.n@snencn.cn>

抄 送: "邓小泊" <deng.xb@snencn.cn>

时 间: 2017-3-13 9:29:37

附 件: image001.png

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image002.png

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打包下载全部附件

可以。就这么办。

邓天洲

在 2017-03-10 05:34:02, "steven neu" <steven.n@snencn.cn> 写道:

我虽然是董事会成员, 但公司交割前后有大量法律文件需要west Lake Officer签署。由于目前T B 高层雇佣合同没有敲定, 律师建议我暂时用西湖公司p r e s i d e n t 这个名义签署, 这样公司完成交割后, 不会影响立即对最高层C E O的直接任命。而我将继续用p r e s i d e n t 这个头衔签署完所有需要签署的法律文件, 然后再把这个称呼退还给被正式任命的T B 的人。(这就是下面一连串邮件的大意)

请总部指示这样做是否可以。

谢谢

S t e v e n

----- 转发邮件信息 -----

发件人: "Jin, Xiaodi" <XJin@blg.com>

发送日期: 2017-03-10 02:32:36

收件人: "steven neu" <steven.n@snencn.cn>

抄送人: "Harold Wang" <haro.wang@gmail.com>, "Sun, Elaine" <ESUN@mccarthy.ca>

主题: FW: Re:FW: Quote for registrations with Roy Northern Land

Hi Steven,

So, again this would depend on how comfortable we are with the employment negotiations.

These would be on thousands of documents so I don't think we want to change these after we've made a decision.

I think the best proposal is to have you, Steven, sign as President.

We would move the CEO title on closing but keep President title on you until these transaction steps are completed, then move the President title.

If this works, I'll communicate the same to Alan.

Thanks,

Xiaodi Jin | Borden Ladner Gervais LLP

T 403.232.9523 | C 403.796.4652

From: Alan Steele [mailto:asteele@twinbutteenergy.com]
Sent: March-09-17 10:55 AM
To: steven neu
Cc: Jin, Xiaodi; Gord Howe
Subject: RE: Re:FW: Quote for registrations with Roy Northern Land

Steven

Gord is wondering whose name to put on the bottom of all the assignment documents. Normally this would be an officer of West Lake and as this will happen right after close can we assume that Rob, myself, Dave, Gord and Jackson will be made officers of West Lake at closing and we can have Gord as signing officer on the assignment documents or will you be signing them all?

Lots of moving parts to get our hands around that will be coming quickly once we get to closing

Thanks,

Alan

R. Alan Steele

Twin Butte Energy Ltd

T: (403) 215-2692

C: (403) 863-2124

From: steven neu [<mailto:steven.n@snencn.cn>]

Sent: March-09-17 10:20 AM

To: Alan Steele; David Middleton

Cc: lam.m@snencn.cn

Subject: Re:FW: Quote for registrations with Roy Northern Land

West Lake Director list

Steven Neu, Canadian passport, 424 3130 66Ave SW Calgary AB T3E 5K8

Tianzhou Deng, Chinese passport, 40 Discovery Ridge Court SW Calgary AB T3H 4P8

Jun Xiong, Chinese passport, 218-2-29 79 Xibianmen Inner St Xicheng District, Beijing, China, 100053

Deshuang Yu, Chinese passport, 1803-12 88 Lane, Huichuan Rd. Changning District, Shanghai, China, 200050

As for the bank account, I have got all legal documents signed by Beijing and have sent them to ATB. They are processing it now. Will let you know once it's done.

Thanks,

Steven

在 2017-03-09 05:12:23, "Alan Steele" <asteel@twinbutteenergy.com> 写道:

Steven,

Not sure if you are making any progress on the West Lake directors names and addresses as we need them for BC property transfers at closing as well as the D&O insurance. See below from our surface land group.

As well any update on the bank account as we will have many accounts for land such as BC, Alberta and Saskatchewan crown that all require we have auto debit set up along with Alberta and Saskatchewan land titles and registry. As well we will need to get our banking info to all product purchasers so that payments will come to West Lake (instead of FTI). As well we will need all of our contract operators set up for electronic transfer for their monthly payment and we had electronic transfers set up with many of our other vendors such as Enmax, Ceridian, Telus etc. that we need to set up.

Please let me know if there is anything you would like me to take care of to move this ahead.

Alan

R. Alan Steele

Twin Butte Energy Ltd

T: (403) 215-2692

C: (403) 863-2124

From: Glenda Da Costa-Jones
Sent: March-08-17 1:55 PM
To: Gord Howe; Alan Steele
Cc: Glenda Da Costa-Jones
Subject: RE: Quote for registrations with Roy Northern Land

Hi Alan,

Just wondering if you were able to track down the list of directors for West Lake?

I need to know how many are Canadian and the name and addresses of each director.

Thanks,

Glenda Dacosta-Jones Interim License #2426

Sr. Surface Land - Area Coordinator

d: (403) 718-6175 c: (403) 519-8124 f: (403) 215.2055



Twin Butte Energy Ltd.

410, 396-11th Avenue SW, Calgary AB T2R 0C5

From: Gord Howe

Sent: Wednesday, February 15, 2017 8:58 AM

To: Alan Steele <asteel@twinbutteenergy.com>; Glenda Da Costa-Jones <gdacosta@twinbutteenergy.com>

Subject: FW: Quote for registrations with Roy Northern Land

Alan,

Can you please have West Lake provide when available?

G

From: Glenda Da Costa-Jones

Sent: Wednesday, February 15, 2017 8:53 AM

To: Gord Howe

Cc: Glenda Da Costa-Jones

Subject: RE: Quote for registrations with Roy Northern Land

Also we need West Lakes GST #

Glenda Dacosta-Jones Interim License #2426

Sr. Surface Land - Area Coordinator

d: (403) 718-6175 c: (403) 519-8124 f: (403) 215.2055



Twin Butte Energy Ltd.

410, 396-11th Avenue SW, Calgary AB T2R 0C5

From: Glenda Da Costa-Jones

Sent: Wednesday, February 15, 2017 8:47 AM

To: Gord Howe (ghowe@twinbutteenergy.com) <ghowe@twinbutteenergy.com>

Cc: Glenda Da Costa-Jones <gdacosta@twinbutteenergy.com>

Subject: FW: Quote for registrations with Roy Northern Land

Hi,

In order for us to transfer our BC registered interests I need to know the names and addresses of the directors. As well how many are Canadian and how many are offshore.

Can you get this information from West Lake's lawyer or should I ask FTI?

Thanks,

Glenda Dacosta-Jones Interim License #2426

Sr. Surface Land - Area Coordinator

d: (403) 718-6175 c: (403) 519-8124 f: (403) 215.2055



Twin Butte Energy Ltd.

410, 396-11th Avenue SW, Calgary AB T2R 0C5

From: janette jennings [<mailto:janette@roynorthernbc.com>]
Sent: Tuesday, February 14, 2017 8:00 AM
To: Glenda Da Costa-Jones <gdacosta@twinbutteenergy.com>
Subject: RE: Quote for registrations with Roy Northern Land

Hi Glenda

I need to know about the directors for the Property Transfer Tax form, how many Canadian, how many offshore?

If offshore I will need names and addresses.

Thanks

Janette Jennings, Registrations

Telephone: 204-346-9965

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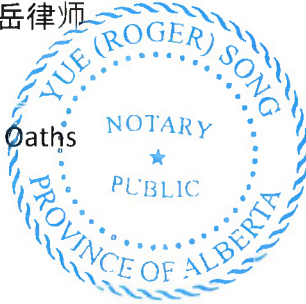
邓天洲
中天能源股份有限公司
Sinoenergy Corporation
Mobile: 13910000578
Tel: 86-10-84931428
Email: deng.tz@snencn.cn
地址: 北京市朝阳区望京SOHO塔2-B座29层
邮编: 100102

This is Exhibit "9" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



回复：牛总免责文件

"邓董事长" <deng.tz@snencn.cn>

收件人: "Harold Wang" <wang.h@snencn.cn>

抄 送: "王卓" <wang.z@snencn.cn>, "chen.r@skywidepe.com" <chen.r@skywidepe.com>, "邓小泊" <deng.xb@snencn.cn>, "steven neu" <steven.n@snencn.cn>

时 间: 2017-3-23 12:11:16

附 件:

好的。

发自网易邮箱大师

在2017年03月23日 12:06, Harold Wang 写道:

董事长,

牛总作为henenghaixin的加拿大董事, 在现在至交割期间会需要代表董事会有许多签名 (估计上千个, 涉及到诸多土地的转交等等)。牛总现在还没有公司董事保险, 我们也在积极办理中。希望您能够代表董事会签署一个我方律师起草的免责协议, 以便牛总展开工作。

谢谢

This is Exhibit "10" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



West Lake - Closing Dinner May 10

"Jin, Xiaodi" <XJin@blg.com>

收件人:

抄 送: "Pasioka, James" <JPASIEKA@mccarthy.ca>, "邓小泊" <deng.xb@snencn.cn>, "Michael Lam" <lam.m@snencn.cn>, "steven neu" <steven.n@snencn.cn>, "Harold Wang" <haro.wang@gmail.com>

时 间: 2017-5-8 22:25:44

附 件:

Rob, Dave, Al, Gord,

Hope you are all well.

Jim and I were hoping to take the group, including Lake, Michael and Steve out for dinner this Wednesday at Bonterra Trattoria (6:30 p.m.).


I know this is a little short notice but please let us know if you are able to make it.

Best,

Xiaodi Jin | Borden Ladner Gervais LLP

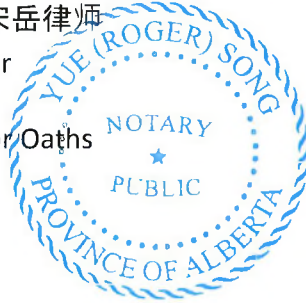
T 403.232.9523 | C 403.796.4652

This is Exhibit "11" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



Steven Neu

From: Steven Neu
Sent: Friday, January 25, 2019 10:36 AM
To: gaoyongzhang@wr-capital.com; yudeshuang@sourcecapital.cn; xiongjun@wr-capital.com
Subject: 一些事项
Attachments: New Star - BLG for HNHX - \$2 mil 20170330.pdf

- 1, 下面这封邮件表明为了买 TB, 中天还从 NEW STAR 帐户借过 200 万。中天内部公司转帐比较随意, 根据当时的需要操作, 既有挪出, 也有借入。
- 2, 那笔打给胡总 CAPC 优势石油的 400 百万美金找到了出处, 是当初中天为了支付给 TB 破产托管公司从胡总那儿支出的钱, 通过中国银行卡尔加里分行转的帐, 我已经把所有来往流水账都打印出来, 如果诉讼律师需要, 会把这些帐目直接通过银行转给律师。所有 ATB 帐户也将会这样做, 由银行直接转律所, 不经手任何中间人。
- 3, 打给金小迪律师的那笔 231, 200 加币, 我重新看了原始单据, 是给他律所的, 不是给其本人, 在这件事上还他一个清白。
- 4, 下面的提到王好是 Lake 的表哥, 他是购买 LONG RUN 和 TB 的经纪人 (MICHAEL 是购买 CONNACHER 的经纪人), 购买完成后, L A K E 过来交接, 王好离开加拿大。我当时在 LONG RUN 当工程技术顾问, 后来被调到 TB 当董事, 是为了在所有购买协议的法律文书上有我作为加拿大公民的合法签字, 以便合法完成交割。
- 5, 我已经跟 DAVE 和 ALAN 作了充分的沟通和交流, 表明了新投资人对他们的信任, 他们允诺配合接下来的法律调查。
- 6, 我本人也愿意积极配合, 借这次机会从法律层面上证明自己。

谢谢!

S t e v e n

----- 转发邮件信息 -----

发件人: "Michael Lam" <lam.m@snencn.cn>

发送日期: 2017-03-30 20:32:35

收件人: "Jin, Xiaodi" <XJin@blg.com>

抄送人: "wang.h@snencn.cn" <wang.h@snencn.cn>,"邓小泊" <deng.xb@snencn.cn>,"steven neu" <steven.n@snencn.cn>,"Jones, Michelle" <MJones@blg.com>,"Haggard, Karen" <KHaggard@blg.com>

主题: \$2 mil executed - Henenghaixin Corp's wiring instruction to BLG

Morning all,

Please find the confirmation for the executed payment, CAD \$2 mil, from New Star to BLG, for acquisition of Twin Butte Assets on behalf of Henenghaixin Corp (443818-1)

Please let me know once you have received it.

Thanks

Michael

在 2017-03-30 11:52:38, "Jin, Xiaodi" <XJin@blg.com> 写道:

Thank you Michael,

The receiving information looks good on my end.

Xiaodi Jin | Borden Ladner Gervais LLP

T 403.232.9523 | C 403.796.4652

From: Michael Lam [mailto:lam.m@snencn.cn]
Sent: March-29-17 9:38 PM
To: 王好; Jin, Xiaodi; 邓小泊; steven neu
Subject: Henenghaixin Corp's wiring instruction to BLG

Good Evening all,

Please find the attached wiring instruction from Henenghaixin to BLG; I left to wiring amount blank simply because I want to leave enough money for Dave and Alan's special payment and I need to check the balance with the bank to avoid bouncing or any delay.

Our intent is to wire out CAD \$231 mil first thing in the morning.

Also please find this screen shot from New Star's bank account; I added BLG as a biller; and I have queued a transfer of CAD \$2million to BLG's account to go out first thing in the morning.

Please help me double check all account details!

Cheers and thanks!

Michael



INTERNET BANKING SOLUTIONS - BUSINESSES

Summaries

- ▶ Accounts
- ▶ Reconciliation of cheques

Transactions

- ▶ Transactions to sign
- ▶ Payments
- ▶ Government remittances
- ▶ Fund transfers
- ▶ Wire transfers
- ▶ Foreign exchange
- ▶ Digital deposits
- ▶ Salary deposits

- ▶ Transaction update

- ▶ **Manage billers / beneficiaries**

Account statement / cheque

- ▶ View / Download
- ▶ Retrieve

Other services

- ▶ Cheque images
- ▶ Stop payment
- ▶ PAD-Refusal
- ▶ Credit reference
- ▶ Letter of credit
- ▶ Investment
- ▶ More

- ▶ Add a user

Questions ?

(514) 394-4494 (options 2-3)
1-844-394-4494 (options 2-3)

View a biller

▶ Another transaction | ? Help | Print

Biller identification

Name : Borden Ladner Gervais LLP

Identification number : BLG ?

Bank account

Transit no.: 00009 Institution: 0003 Account no.: 1642529

? Where to find this information on a cheque

Address

Number, Street, Suite : 520, 3rd Ave SW, 1900

Post office box , Station :

City : Calgary

Province, Country : Alberta, Canada

Postal code : T2P0R3

Contact

Title : Trust Clerk

Name : Karen Haggard

Language : English

Phone number : (403) 232-9462

Fax number :

Email address: khaggard@blg.com

Payment notice


Notice type : No notice Email notice Fax notice

History

- Added on: 2017-03-29 at 10:59 PM ET by SHING TAK MICHAEL LAM
- Modified on: 2017-03-29 at 11:03 PM ET by Shing Tak Lam

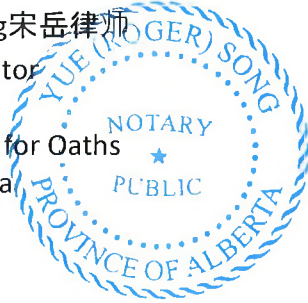
▶ Another transaction | ? Help | Print

This is Exhibit "12" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



HNHX - China Side Signatures

"Jin, Xiaodi" <XJin@blg.com>

收件人: "Harold Wang" <haro.wang@gmail.com>, "steven neu" <steven.n@snencn.cn>, "林成德" <lam.m@snencn.cn>, "邓小白" <deng.xb@snencn.cn>

抄 送: "Bodi, Steven" <SBodi@blg.com>, "Sun, Elaine" <ESUN@mccarthy.ca>, "Colborne, Melissa" <MCOLBORNE@mccarthy.ca>

时 间: 2017-3-29 14:21:09

附 件: [Henenghaixin - Board Resolution - Organizational Matters.D...](#) 下载附件

[Henenghaixin Corp. - Share Re-Purchase Agreement \(Neu\)...](#) 下载附件

[Henenghaixin Corp. - Board Resolution - New Share Issuanc...](#) 下载附件

[Henenghaixin Corp. Appointment of new directors and officer...](#) 下载附件

[Henenghaixin Corp. - Subscription for Shares.DOCX](#) 下载附件

[打包下载全部附件](#)

Harold,

We have a few outstanding documents which require signatures from China (some of which were from a while back but we just didn't receive the final signatures):

1. Organizational matters resolution
2. Share repurchase agreement (which was signed by Steven but should also be signed by Mr. Deng for HNHX)
3. Resolution to issue new shares to York City and to return and cancel the shares issued to Steven
4. Resolutions to appoint the new officers at closing

Also, we need a signatory for York City to sign the subscription for shares.

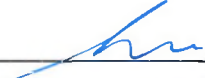
The rest of the documents are Canadian and can be signed by Steven.

Let me know if you have any questions.

Xiaodi Jin | Borden Ladner Gervais LLP

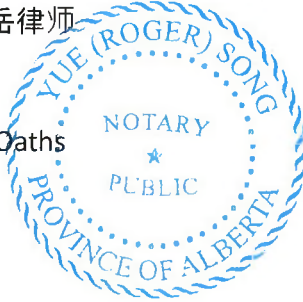
T 403.232.9523 | C 403.796.4652

This is Exhibit "13" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



SHARE REPURCHASE AGREEMENT

THIS AGREEMENT made as of January 1, 2017 (the "**Agreement**")

BETWEEN:

STEVEN Y. NEU, an individual residing in the City of Calgary
in the Province of Alberta

(the "**Shareholder**")

- and -

HENENGHAIXIN CORP. a corporation incorporated under the laws of
the Province of Alberta

(the "**Corporation**")

RECITALS:

- A. The Shareholder is the registered owner of 100 class "A" common shares of the Corporation ("**Repurchasable Shares**");
- B. The Corporation desires to repurchase the Repurchasable Shares for cancellation upon and subject to the terms and conditions hereinafter set forth.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties hereto agree as follows:

**ARTICLE 1
REPURCHASE AND SALE**

1.1 Share Certificate in Trust and Instruments of Transfer

- (a) The Corporation will hold in trust the share certificate evidencing the Repurchasable Shares.
- (b) The Shareholder will execute and deliver the Acknowledgement and Authorization and Instrument of Transfer in substantially the form set out in Schedule "A" of this Agreement.

1.2 Repurchase and Sale and Purchase Price

- (a) The Corporation has the right, but not the obligation, to purchase from the Shareholder, and the Shareholder shall, where and when the Corporation exercises such right, sell to the Corporation, the Repurchasable Shares at a price of \$0.01 per Repurchasable Share.
- (b) The Corporation may, in its sole and absolute discretion, determine the date on which the purchase will take place (the "**Closing Date**").

- (c) On the Closing Date, the Corporation, on behalf of the Shareholder, will effect delivery to the Corporation of all share certificates for the Repurchasable Shares to be purchased against delivery, mail or personal delivery to the Shareholder (at the last known address of the Shareholder) of cash or a cheque in the amount of the purchase price for the Repurchasable Shares.
- (d) In the event of a repurchase of Repurchasable Shares pursuant to this Agreement, the Shareholder releases the Corporation and each of its shareholders, directors, officers and partners, as the case may be, (collectively, the “**Releasees**”) from all actions, causes of action, liabilities (whether accrued, actual, contingent or otherwise), claims, obligations, covenants and demands that the Shareholder now has or at any time had for or by reason of or in any way arising out of any cause, matter or thing whatsoever in relation to this Agreement and the Repurchasable Shares. The Shareholder covenants and agrees not to make any claim or take any proceedings with respect to any such matter that may result in any claim arising against any of the Releasees for contribution, indemnity or other relief.

1.3 Adjustments

If the Corporation subdivides, redivides, reduces, combines, consolidates or otherwise changes the outstanding common shares into a greater or lesser number or different kind of shares (collectively, an “**Adjustment**”), all references to “Repurchasable Shares” in this Agreement will account for such Adjustment and the rights and obligations of the parties under this Agreement will account for the Adjustment such that the parties are treated as being in the same position they would otherwise have been in had an Adjustment not occurred.

1.4 No Fractional Shares

No fractional common shares may be repurchased pursuant to this Agreement.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Shareholder’s Representations and Warranties

The Shareholder represents and warrants to the Corporation that the Shareholder is the beneficial owner of the Repurchasable Shares and has good and sufficient power, authority and right to enter into and deliver this Agreement and to transfer the legal and beneficial title and ownership of the Repurchasable Shares to the Corporation free and clear of all liens, charges, hypothecs, encumbrances and any other rights of others.

2.2 Corporation’s Representations and Warranties

The Corporation represents and warrants to the Shareholder that the Corporation has good and sufficient power, authority and right to enter into and deliver this Agreement and to complete the transactions to be completed by the Corporation contemplated hereby.

ARTICLE 3 GENERAL

3.1 Further Assurances

Each of the Shareholder and the Corporation will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

3.2 Entire Agreement

This Agreement contains the entire understanding between the parties as to the subject matter contained in it and all previous agreements, representations, warranties, explanations and commitments, expressed or implied, affecting this subject matter are superseded by this Agreement and have no effect.

3.3 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the respective successors of the Shareholder and of the Corporation, but cannot be assigned by either party.

3.4 Amendment

This Agreement may only be amended, varied or replaced by a document duly executed by all the parties to this Agreement.

3.5 Currency

All references to currency herein are to lawful money of Canada.

3.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

3.7 Survival

Sections 1.2(d) of this Agreement will survive the termination or expiry of this Agreement and may be enforced at any time.

3.8 Counterparts

This Agreement may be executed in counterparts, each of which will be deemed to be an original and both of which taken together will be deemed to constitute one and the same instrument.

3.9 Electronic Transmission

Delivery of an executed signature page to this Agreement by either party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

3.10 Independent Legal Advice

The Shareholder confirms that the Shareholder has executed this Agreement voluntarily after having had the opportunity to seek independent legal advice and that the Shareholder fully appreciates the nature, extent and consequences of this Agreement. If the Shareholder did not seek independent legal advice before signing this Agreement, the Shareholder did so voluntarily without any undue pressure and agrees that such failure to obtain independent legal advice will not be used by the Shareholder as a defence to the enforcement of the Shareholder's obligations under this Agreement.

[Balance of the page left intentionally blank.]

IN WITNESS WHEREOF the parties have executed this Agreement on the date first written above.

HENENGHAIXIN CORP.

Per: _____

Name:

Title:



STEVEN X. NEU

SCHEDULE "A"

ACKNOWLEDGEMENT AND AUTHORIZATION


Steven Y. Neu (the "Shareholder") hereby acknowledges that pursuant to the Share Repurchase Agreement made as of January 1, 2017 (the "Agreement") between the Shareholder and Henenghaixin Corp. (the "Corporation"), the share certificate evidencing 100 class "A" common shares of the Corporation subscribed for by the Shareholder from the Corporation effective November 23, 2016 (the "Share Certificates") will be held in trust by the Corporation. The Shareholder understands that the Shareholder's common shares may be repurchased by the Corporation at a price of \$0.01 per share in accordance with the Agreement.

Attached to this Acknowledgement and Authorization is an instrument of transfer (the "Transfer") signed by the Shareholder. The Shareholder hereby authorizes the Corporation or the Corporation's solicitors to:

1. date the Transfer the effective date of the Closing Date;
2. fill in on the Transfer the number of Repurchasable Shares (as defined in the Agreement); and
3. release to the Corporation the Transfer and the applicable Share Certificate on the Closing Date (as defined in the Agreement).

All capitalized terms not otherwise defined in this Acknowledgement and Authorization have the meaning given to those terms in the Agreement.

DATED as of Jan 1, 2017.

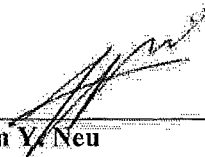


Steven Y. Neu

INSTRUMENT OF TRANSFER

Steven Y. Neu (the "Shareholder") hereby transfers to Henenghaixin Corp. (the "Corporation") pursuant to the Share Repurchase Agreement between the Shareholder and the Corporation made as of January 1, 2017, 100 Class "A" common shares in the capital of the Corporation.

DATED effective March 1, 2017.



Steven Y. Neu

RESOLUTIONS OF THE BOARD OF DIRECTORS OF HENENGHAIXIN CORP. (THE "CORPORATION") PURSUANT TO THE BUSINESS CORPORATIONS ACT (ALBERTA) EFFECTIVE AS OF THE 1 DAY OF MARCH, 2017

WHEREAS Steven Neu is the registered owner of 100 common shares ("Common Shares") of the Corporation (the "**Repurchasable Shares**");

AND WHEREAS the Corporation previously entered into the share repurchase agreement between the Corporation and Steven Y. Neu (the "**Share Repurchase Agreement**"), pursuant to which the Corporation has the option to purchase the Repurchasable Shares at any time;

AND WHEREAS the Corporation has received a subscription (the "**Subscription**") from the person named below for shares of the Corporation as described below (the "**Shares**"), and the Corporation wishes to accept the Subscription:

<u>Subscriber</u>	<u>Number, Class and Kind of Shares</u>	<u>Consideration Per Share</u>
York City Enterprises Ltd.	100 Common Shares	\$0.01

NOW THEREFORE BE IT RESOLVED THAT:

Share Repurchase

1. Pursuant to the Share Repurchase Agreement, the purchase of the Repurchasable Shares by the Corporation for the aggregate purchase price of \$1.00 be authorized and approved.
2. The Repurchasable Shares and share certificate number A-1 representing 100 class "A" common shares of the Corporation be cancelled.
3. The securities register of the Corporation be altered to reflect that the Repurchasable Shares are no longer issued and outstanding.

Share Issuance

4. The consideration for which each of the Shares is to be issued is fixed at \$0.01.
5. The Subscription is accepted and the Corporation having received the sum of \$1.00 in full payment of the subscription price for the Shares, the Shares are issued as fully paid shares as set out above.
6. A certificate in respect of the Shares be issued as set out below:

<u>Shareholder</u>	<u>Number and Class of Shares</u>	<u>Certificate Number</u>
York City Enterprises Ltd.	100 Common Shares	A-2

7. The issuance of the Shares be registered in the securities register of the Corporation.

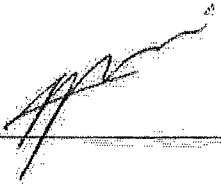
General

8. Any one director or officer of the Corporation be and is hereby authorized and directed to do and perform all such acts and things, sign such documents and take all such other steps on behalf of the Corporation as may be necessary or advisable or which in the opinion of such director or officer may be considered necessary or advisable in order to consummate the transactions, matters or actions contemplated by the foregoing resolutions and all agreements, documents and instruments required to give effect thereto.
9. Receipt by the Corporation by electronic transmission of a signed counterpart to these resolutions from the shareholders will be as effective as receipt of an original signed copy of these resolutions by the Corporation.

[Remainder of page intentionally left blank.]

DATED as of the date first written above.

Steven Y. Neu



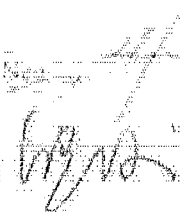
Deshuang Yu

Jun Xiong

Tianzhou Deng

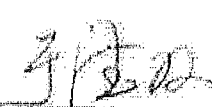
DATED at the date first written above

Wang Xiang

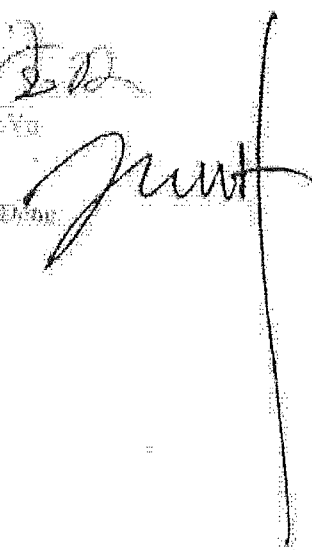


Wang Xiang

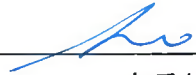
Li Shuang



Li Shuang

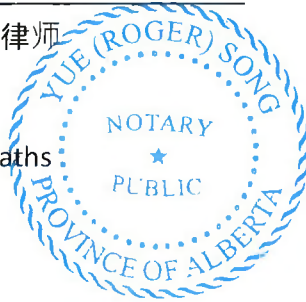


This is Exhibit "14" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



SHARE REPURCHASE AGREEMENT

THIS AGREEMENT made as of January 1, 2017 (the "**Agreement**")

BETWEEN:

STEVEN Y. NEU, an individual residing in the City of Calgary
in the Province of Alberta

(the "**Shareholder**")

- and -

HENENGHAIXIN CORP. a corporation incorporated under the laws of
the Province of Alberta

(the "**Corporation**")

RECITALS:

- A. The Shareholder is the registered owner of 100 class "A" common shares of the Corporation ("**Repurchasable Shares**");
- B. The Corporation desires to repurchase the Repurchasable Shares for cancellation upon and subject to the terms and conditions hereinafter set forth.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties hereto agree as follows:

**ARTICLE 1
REPURCHASE AND SALE**

1.1 Share Certificate in Trust and Instruments of Transfer

- (a) The Corporation will hold in trust the share certificate evidencing the Repurchasable Shares.
- (b) The Shareholder will execute and deliver the Acknowledgement and Authorization and Instrument of Transfer in substantially the form set out in Schedule "A" of this Agreement.

1.2 Repurchase and Sale and Purchase Price

- (a) The Corporation has the right, but not the obligation, to purchase from the Shareholder, and the Shareholder shall, where and when the Corporation exercises such right, sell to the Corporation, the Repurchasable Shares at a price of \$0.01 per Repurchasable Share.
- (b) The Corporation may, in its sole and absolute discretion, determine the date on which the purchase will take place (the "**Closing Date**").

- (c) On the Closing Date, the Corporation, on behalf of the Shareholder, will effect delivery to the Corporation of all share certificates for the Repurchasable Shares to be purchased against delivery, mail or personal delivery to the Shareholder (at the last known address of the Shareholder) of cash or a cheque in the amount of the purchase price for the Repurchasable Shares.
- (d) In the event of a repurchase of Repurchasable Shares pursuant to this Agreement, the Shareholder releases the Corporation and each of its shareholders, directors, officers and partners, as the case may be, (collectively, the “**Releasees**”) from all actions, causes of action, liabilities (whether accrued, actual, contingent or otherwise), claims, obligations, covenants and demands that the Shareholder now has or at any time had for or by reason of or in any way arising out of any cause, matter or thing whatsoever in relation to this Agreement and the Repurchasable Shares. The Shareholder covenants and agrees not to make any claim or take any proceedings with respect to any such matter that may result in any claim arising against any of the Releasees for contribution, indemnity or other relief.

1.3 Adjustments

If the Corporation subdivides, redivides, reduces, combines, consolidates or otherwise changes the outstanding common shares into a greater or lesser number or different kind of shares (collectively, an “**Adjustment**”), all references to “Repurchasable Shares” in this Agreement will account for such Adjustment and the rights and obligations of the parties under this Agreement will account for the Adjustment such that the parties are treated as being in the same position they would otherwise have been in had an Adjustment not occurred.

1.4 No Fractional Shares

No fractional common shares may be repurchased pursuant to this Agreement.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Shareholder’s Representations and Warranties

The Shareholder represents and warrants to the Corporation that the Shareholder is the beneficial owner of the Repurchasable Shares and has good and sufficient power, authority and right to enter into and deliver this Agreement and to transfer the legal and beneficial title and ownership of the Repurchasable Shares to the Corporation free and clear of all liens, charges, hypothecs, encumbrances and any other rights of others.

2.2 Corporation’s Representations and Warranties

The Corporation represents and warrants to the Shareholder that the Corporation has good and sufficient power, authority and right to enter into and deliver this Agreement and to complete the transactions to be completed by the Corporation contemplated hereby.

ARTICLE 3 GENERAL

3.1 Further Assurances

Each of the Shareholder and the Corporation will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

3.2 Entire Agreement

This Agreement contains the entire understanding between the parties as to the subject matter contained in it and all previous agreements, representations, warranties, explanations and commitments, expressed or implied, affecting this subject matter are superseded by this Agreement and have no effect.

3.3 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the respective successors of the Shareholder and of the Corporation, but cannot be assigned by either party.

3.4 Amendment

This Agreement may only be amended, varied or replaced by a document duly executed by all the parties to this Agreement.

3.5 Currency

All references to currency herein are to lawful money of Canada.

3.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

3.7 Survival

Sections 1.2(d) of this Agreement will survive the termination or expiry of this Agreement and may be enforced at any time.

3.8 Counterparts

This Agreement may be executed in counterparts, each of which will be deemed to be an original and both of which taken together will be deemed to constitute one and the same instrument.

3.9 Electronic Transmission

Delivery of an executed signature page to this Agreement by either party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

3.10 Independent Legal Advice

The Shareholder confirms that the Shareholder has executed this Agreement voluntarily after having had the opportunity to seek independent legal advice and that the Shareholder fully appreciates the nature, extent and consequences of this Agreement. If the Shareholder did not seek independent legal advice before signing this Agreement, the Shareholder did so voluntarily without any undue pressure and agrees that such failure to obtain independent legal advice will not be used by the Shareholder as a defence to the enforcement of the Shareholder's obligations under this Agreement.

[Balance of the page left intentionally blank.]

IN WITNESS WHEREOF the parties have executed this Agreement on the date first written above.

HENENGHAIXIN CORP.

Per: _____
Name:
Title:



STEVEN Y. NEU

SCHEDULE "A"

ACKNOWLEDGEMENT AND AUTHORIZATION


Steven Y. Neu (the "Shareholder") hereby acknowledges that pursuant to the Share Repurchase Agreement made as of January 1, 2017 (the "Agreement") between the Shareholder and Henenghaixin Corp. (the "Corporation"), the share certificate evidencing 100 class "A" common shares of the Corporation subscribed for by the Shareholder from the Corporation effective November 23, 2016 (the "Share Certificates") will be held in trust by the Corporation. The Shareholder understands that the Shareholder's common shares may be repurchased by the Corporation at a price of \$0.01 per share in accordance with the Agreement.

Attached to this Acknowledgement and Authorization is an instrument of transfer (the "Transfer") signed by the Shareholder. The Shareholder hereby authorizes the Corporation or the Corporation's solicitors to:

- 1. date the Transfer the effective date of the Closing Date;
- 2. fill in on the Transfer the number of Repurchasable Shares (as defined in the Agreement); and
- 3. release to the Corporation the Transfer and the applicable Share Certificate on the Closing Date (as defined in the Agreement).

All capitalized terms not otherwise defined in this Acknowledgement and Authorization have the meaning given to those terms in the Agreement.

DATED as of Jan 1, 2017.




Steven Y. Neu

INSTRUMENT OF TRANSFER

Steven Y. Neu (the "**Shareholder**") hereby transfers to Henenghaixin Corp. (the "**Corporation**") pursuant to the Share Repurchase Agreement between the Shareholder and the Corporation made as of January 1, 2017, 100 Class "A" common shares in the capital of the Corporation.

DATED effective March 1, 2017.



Steven Y. Neu

RESOLUTIONS OF THE BOARD OF DIRECTORS OF HENENGHAIXIN CORP. (THE "CORPORATION") PURSUANT TO THE BUSINESS CORPORATIONS ACT (ALBERTA) EFFECTIVE AS OF THE 1 DAY OF MARCH, 2017

WHEREAS Steven Neu is the registered owner of 100 common shares ("Common Shares") of the Corporation (the "Repurchasable Shares");

AND WHEREAS the Corporation previously entered into the share repurchase agreement between the Corporation and Steven Y. Neu (the "Share Repurchase Agreement"), pursuant to which the Corporation has the option to purchase the Repurchasable Shares at any time;

AND WHEREAS the Corporation has received a subscription (the "Subscription") from the person named below for shares of the Corporation as described below (the "Shares"), and the Corporation wishes to accept the Subscription:

<u>Subscriber</u>	<u>Number, Class and Kind of Shares</u>	<u>Consideration Per Share</u>
York City Enterprises Ltd.	100 Common Shares	\$0.01

NOW THEREFORE BE IT RESOLVED THAT:

Share Repurchase

- Pursuant to the Share Repurchase Agreement, the purchase of the Repurchasable Shares by the Corporation for the aggregate purchase price of \$1.00 be authorized and approved.
- The Repurchasable Shares and share certificate number A-1 representing 100 class "A" common shares of the Corporation be cancelled.
- The securities register of the Corporation be altered to reflect that the Repurchasable Shares are no longer issued and outstanding.

Share Issuance

- The consideration for which each of the Shares is to be issued is fixed at \$0.01.
- The Subscription is accepted and the Corporation having received the sum of \$1.00 in full payment of the subscription price for the Shares, the Shares are issued as fully paid shares as set out above.
- A certificate in respect of the Shares be issued as set out below:

<u>Shareholder</u>	<u>Number and Class of Shares</u>	<u>Certificate Number</u>
York City Enterprises Ltd.	100 Common Shares	A-2

7. The issuance of the Shares be registered in the securities register of the Corporation.

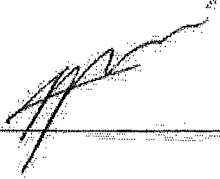
General

8. Any one director or officer of the Corporation be and is hereby authorized and directed to do and perform all such acts and things, sign such documents and take all such other steps on behalf of the Corporation as may be necessary or advisable or which in the opinion of such director or officer may be considered necessary or advisable in order to consummate the transactions, matters or actions contemplated by the foregoing resolutions and all agreements, documents and instruments required to give effect thereto.
9. Receipt by the Corporation by electronic transmission of a signed counterpart to these resolutions from the shareholders will be as effective as receipt of an original signed copy of these resolutions by the Corporation.

[Remainder of page intentionally left blank.]

DATED as of the date first written above.

Steven Y. Neu



Deshuang Yu

Jun Xiong

Tianzhou Deng

STATE OF MISSISSIPPI


Notary Public

Sanctuary

Notary Public

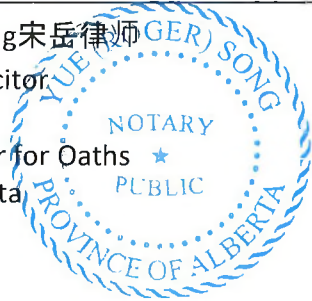
Sanctuary

This is Exhibit "15" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor

A Commissioner for Oaths ★
in and for Alberta



SHARE REPURCHASE AGREEMENT

THIS AGREEMENT made as of January 1 , 2017 (the "**Agreement**")

BETWEEN:

STEVEN Y. NEU, an individual residing in the City of Calgary
in the Province of Alberta

(the "**Shareholder**")

- and -

HENENGHAIXIN CORP. a corporation incorporated under the laws of
the Province of Alberta

(the "**Corporation**")

RECITALS:

- A. The Shareholder is the registered owner of 100 class "A" common shares of the Corporation ("**Repurchasable Shares**");
- B. The Corporation desires to repurchase the Repurchasable Shares for cancellation upon and subject to the terms and conditions hereinafter set forth.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties hereto agree as follows:

**ARTICLE 1
REPURCHASE AND SALE**

1.1 Share Certificate in Trust and Instruments of Transfer

- (a) The Corporation will hold in trust the share certificate evidencing the Repurchasable Shares.
- (b) The Shareholder will execute and deliver the Acknowledgement and Authorization and Instrument of Transfer in substantially the form set out in Schedule "A" of this Agreement.

1.2 Repurchase and Sale and Purchase Price

- (a) The Corporation has the right, but not the obligation, to purchase from the Shareholder, and the Shareholder shall, where and when the Corporation exercises such right, sell to the Corporation, the Repurchasable Shares at a price of \$0.01 per Repurchasable Share.
- (b) The Corporation may, in its sole and absolute discretion, determine the date on which the purchase will take place (the "**Closing Date**").

- (c) On the Closing Date, the Corporation, on behalf of the Shareholder, will effect delivery to the Corporation of all share certificates for the Repurchasable Shares to be purchased against delivery, mail or personal delivery to the Shareholder (at the last known address of the Shareholder) of cash or a cheque in the amount of the purchase price for the Repurchasable Shares.
- (d) In the event of a repurchase of Repurchasable Shares pursuant to this Agreement, the Shareholder releases the Corporation and each of its shareholders, directors, officers and partners, as the case may be, (collectively, the “**Releasees**”) from all actions, causes of action, liabilities (whether accrued, actual, contingent or otherwise), claims, obligations, covenants and demands that the Shareholder now has or at any time had for or by reason of or in any way arising out of any cause, matter or thing whatsoever in relation to this Agreement and the Repurchasable Shares. The Shareholder covenants and agrees not to make any claim or take any proceedings with respect to any such matter that may result in any claim arising against any of the Releasees for contribution, indemnity or other relief.

1.3 Adjustments

If the Corporation subdivides, redivides, reduces, combines, consolidates or otherwise changes the outstanding common shares into a greater or lesser number or different kind of shares (collectively, an “**Adjustment**”), all references to “Repurchasable Shares” in this Agreement will account for such Adjustment and the rights and obligations of the parties under this Agreement will account for the Adjustment such that the parties are treated as being in the same position they would otherwise have been in had an Adjustment not occurred.

1.4 No Fractional Shares

No fractional common shares may be repurchased pursuant to this Agreement.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Shareholder’s Representations and Warranties

The Shareholder represents and warrants to the Corporation that the Shareholder is the beneficial owner of the Repurchasable Shares and has good and sufficient power, authority and right to enter into and deliver this Agreement and to transfer the legal and beneficial title and ownership of the Repurchasable Shares to the Corporation free and clear of all liens, charges, hypothecs, encumbrances and any other rights of others.

2.2 Corporation’s Representations and Warranties

The Corporation represents and warrants to the Shareholder that the Corporation has good and sufficient power, authority and right to enter into and deliver this Agreement and to complete the transactions to be completed by the Corporation contemplated hereby.

**ARTICLE 3
GENERAL**

3.1 Further Assurances

Each of the Shareholder and the Corporation will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

3.2 Entire Agreement

This Agreement contains the entire understanding between the parties as to the subject matter contained in it and all previous agreements, representations, warranties, explanations and commitments, expressed or implied, affecting this subject matter are superseded by this Agreement and have no effect.

3.3 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the respective successors of the Shareholder and of the Corporation, but cannot be assigned by either party.

3.4 Amendment

This Agreement may only be amended, varied or replaced by a document duly executed by all the parties to this Agreement.

3.5 Currency

All references to currency herein are to lawful money of Canada.

3.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

3.7 Survival

Sections 1.2(d) of this Agreement will survive the termination or expiry of this Agreement and may be enforced at any time.

3.8 Counterparts

This Agreement may be executed in counterparts, each of which will be deemed to be an original and both of which taken together will be deemed to constitute one and the same instrument.

3.9 Electronic Transmission

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3.10 Independent Legal Advice

The Shareholder confirms that the Shareholder has executed this Agreement voluntarily after having had the opportunity to seek independent legal advice and that the Shareholder fully appreciates the nature, extent and consequences of this Agreement. If the Shareholder did not seek independent legal advice before signing this Agreement, the Shareholder did so voluntarily without any undue pressure and agrees that such failure to obtain independent legal advice will not be used by the Shareholder as a defence to the enforcement of the Shareholder's obligations under this Agreement.

[Balance of the page left intentionally blank.]

IN WITNESS WHEREOF the parties have executed this Agreement on the date first written above.

HENENGHAIXIN CORP.

Per: _____
Name:
Title:



STEVEN Y. NEU

SCHEDULE "A"

ACKNOWLEDGEMENT AND AUTHORIZATION

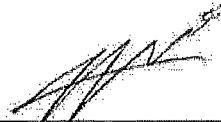
Steven Y. Neu (the "Shareholder") hereby acknowledges that pursuant to the Share Repurchase Agreement made as of January 1, 2017 (the "Agreement") between the Shareholder and Henenghaixin Corp. (the "Corporation"), the share certificate evidencing 100 class "A" common shares of the Corporation subscribed for by the Shareholder from the Corporation effective November 23, 2016 (the "Share Certificates") will be held in trust by the Corporation. The Shareholder understands that the Shareholder's common shares may be repurchased by the Corporation at a price of \$0.01 per share in accordance with the Agreement.

Attached to this Acknowledgement and Authorization is an instrument of transfer (the "Transfer") signed by the Shareholder. The Shareholder hereby authorizes the Corporation or the Corporation's solicitors to:

- 1. date the Transfer the effective date of the Closing Date;
- 2. fill in on the Transfer the number of Repurchasable Shares (as defined in the Agreement); and
- 3. release to the Corporation the Transfer and the applicable Share Certificate on the Closing Date (as defined in the Agreement).

All capitalized terms not otherwise defined in this Acknowledgement and Authorization have the meaning given to those terms in the Agreement.

DATED as of Jan 1, 2017.




Steven Y. Neu

INSTRUMENT OF TRANSFER

Steven Y. Neu (the "Shareholder") hereby transfers to Henenghaixin Corp. (the "Corporation") pursuant to the Share Repurchase Agreement between the Shareholder and the Corporation made as of January 1, 2017, 100 Class "A" common shares in the capital of the Corporation.

DATED effective March 1, 2017.



Steven Y. Neu

RESOLUTIONS OF THE BOARD OF DIRECTORS OF HENENGAIXIN CORP. (THE "CORPORATION") PURSUANT TO THE BUSINESS CORPORATIONS ACT (ALBERTA) EFFECTIVE AS OF THE 1 DAY OF MARCH, 2017

WHEREAS Steven Neu is the registered owner of 100 common shares ("**Common Shares**") of the Corporation (the "**Repurchasable Shares**");

AND WHEREAS the Corporation previously entered into the share repurchase agreement between the Corporation and Steven Y. Neu (the "**Share Repurchase Agreement**"), pursuant to which the Corporation has the option to purchase the Repurchasable Shares at any time;

AND WHEREAS the Corporation has received a subscription (the "**Subscription**") from the person named below for shares of the Corporation as described below (the "**Shares**"), and the Corporation wishes to accept the Subscription:

<u>Subscriber</u>	<u>Number, Class and Kind of Shares</u>	<u>Consideration Per Share</u>
York City Enterprises Ltd.	100 Common Shares	\$0.01

NOW THEREFORE BE IT RESOLVED THAT:

Share Repurchase

- Pursuant to the Share Repurchase Agreement, the purchase of the Repurchasable Shares by the Corporation for the aggregate purchase price of \$1.00 be authorized and approved.
- The Repurchasable Shares and share certificate number A-1 representing 100 class "A" common shares of the Corporation be cancelled.
- The securities register of the Corporation be altered to reflect that the Repurchasable Shares are no longer issued and outstanding.

Share Issuance

- The consideration for which each of the Shares is to be issued is fixed at \$0.01.
- The Subscription is accepted and the Corporation having received the sum of \$1.00 in full payment of the subscription price for the Shares, the Shares are issued as fully paid shares as set out above.
- A certificate in respect of the Shares be issued as set out below:

<u>Shareholder</u>	<u>Number and Class of Shares</u>	<u>Certificate Number</u>
York City Enterprises Ltd.	100 Common Shares	A-2

7. The issuance of the Shares be registered in the securities register of the Corporation.

General

8. Any one director or officer of the Corporation be and is hereby authorized and directed to do and perform all such acts and things, sign such documents and take all such other steps on behalf of the Corporation as may be necessary or advisable or which in the opinion of such director or officer may be considered necessary or advisable in order to consummate the transactions, matters or actions contemplated by the foregoing resolutions and all agreements, documents and instruments required to give effect thereto.
9. Receipt by the Corporation by electronic transmission of a signed counterpart to these resolutions from the shareholders will be as effective as receipt of an original signed copy of these resolutions by the Corporation.

[Remainder of page intentionally left blank.]

DATED as of the date first written above.

Steven Y. Neu



Deshuang Yu

Jun Xiong

Tianzhou Deng

LETTERS of the state first written above

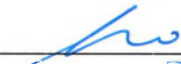
1844

San Xiang

Li Shuang

Tan Shou

This is Exhibit "16" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



SHARE REPURCHASE AGREEMENT

THIS AGREEMENT made as of January 1, 2017 (the "**Agreement**")

BETWEEN:

STEVEN Y. NEU, an individual residing in the City of Calgary
in the Province of Alberta

(the "**Shareholder**")

- and -

HENENGHAIXIN CORP. a corporation incorporated under the laws of
the Province of Alberta

(the "**Corporation**")

RECITALS:

- A. The Shareholder is the registered owner of 100 class "A" common shares of the Corporation ("**Repurchasable Shares**");
- B. The Corporation desires to repurchase the Repurchasable Shares for cancellation upon and subject to the terms and conditions hereinafter set forth.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties hereto agree as follows:

**ARTICLE 1
REPURCHASE AND SALE**

1.1 Share Certificate in Trust and Instruments of Transfer

- (a) The Corporation will hold in trust the share certificate evidencing the Repurchasable Shares.
- (b) The Shareholder will execute and deliver the Acknowledgement and Authorization and Instrument of Transfer in substantially the form set out in Schedule "A" of this Agreement.

1.2 Repurchase and Sale and Purchase Price

- (a) The Corporation has the right, but not the obligation, to purchase from the Shareholder, and the Shareholder shall, where and when the Corporation exercises such right, sell to the Corporation, the Repurchasable Shares at a price of \$0.01 per Repurchasable Share.
- (b) The Corporation may, in its sole and absolute discretion, determine the date on which the purchase will take place (the "**Closing Date**").

- (c) On the Closing Date, the Corporation, on behalf of the Shareholder, will effect delivery to the Corporation of all share certificates for the Repurchasable Shares to be purchased against delivery, mail or personal delivery to the Shareholder (at the last known address of the Shareholder) of cash or a cheque in the amount of the purchase price for the Repurchasable Shares.
- (d) In the event of a repurchase of Repurchasable Shares pursuant to this Agreement, the Shareholder releases the Corporation and each of its shareholders, directors, officers and partners, as the case may be, (collectively, the “**Releasees**”) from all actions, causes of action, liabilities (whether accrued, actual, contingent or otherwise), claims, obligations, covenants and demands that the Shareholder now has or at any time had for or by reason of or in any way arising out of any cause, matter or thing whatsoever in relation to this Agreement and the Repurchasable Shares. The Shareholder covenants and agrees not to make any claim or take any proceedings with respect to any such matter that may result in any claim arising against any of the Releasees for contribution, indemnity or other relief.

1.3 Adjustments

If the Corporation subdivides, redivides, reduces, combines, consolidates or otherwise changes the outstanding common shares into a greater or lesser number or different kind of shares (collectively, an “**Adjustment**”), all references to “Repurchasable Shares” in this Agreement will account for such Adjustment and the rights and obligations of the parties under this Agreement will account for the Adjustment such that the parties are treated as being in the same position they would otherwise have been in had an Adjustment not occurred.

1.4 No Fractional Shares

No fractional common shares may be repurchased pursuant to this Agreement.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Shareholder’s Representations and Warranties

The Shareholder represents and warrants to the Corporation that the Shareholder is the beneficial owner of the Repurchasable Shares and has good and sufficient power, authority and right to enter into and deliver this Agreement and to transfer the legal and beneficial title and ownership of the Repurchasable Shares to the Corporation free and clear of all liens, charges, hypothecs, encumbrances and any other rights of others.

2.2 Corporation’s Representations and Warranties

The Corporation represents and warrants to the Shareholder that the Corporation has good and sufficient power, authority and right to enter into and deliver this Agreement and to complete the transactions to be completed by the Corporation contemplated hereby.

**ARTICLE 3
GENERAL**

3.1 Further Assurances

Each of the Shareholder and the Corporation will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

3.2 Entire Agreement

This Agreement contains the entire understanding between the parties as to the subject matter contained in it and all previous agreements, representations, warranties, explanations and commitments, expressed or implied, affecting this subject matter are superseded by this Agreement and have no effect.

3.3 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the respective successors of the Shareholder and of the Corporation, but cannot be assigned by either party.

3.4 Amendment

This Agreement may only be amended, varied or replaced by a document duly executed by all the parties to this Agreement.

3.5 Currency

All references to currency herein are to lawful money of Canada.

3.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

3.7 Survival

Sections 1.2(d) of this Agreement will survive the termination or expiry of this Agreement and may be enforced at any time.

3.8 Counterparts

This Agreement may be executed in counterparts, each of which will be deemed to be an original and both of which taken together will be deemed to constitute one and the same instrument.

3.9 Electronic Transmission

Delivery of an executed signature page to this Agreement by either party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

3.10 Independent Legal Advice

The Shareholder confirms that the Shareholder has executed this Agreement voluntarily after having had the opportunity to seek independent legal advice and that the Shareholder fully appreciates the nature, extent and consequences of this Agreement. If the Shareholder did not seek independent legal advice before signing this Agreement, the Shareholder did so voluntarily without any undue pressure and agrees that such failure to obtain independent legal advice will not be used by the Shareholder as a defence to the enforcement of the Shareholder's obligations under this Agreement.

[Balance of the page left intentionally blank.]

IN WITNESS WHEREOF the parties have executed this Agreement on the date first written above.

HENENGHAIXIN CORP.

Per: _____

Name:

Title:



STEVEN Y. NEU

SCHEDULE "A"

ACKNOWLEDGEMENT AND AUTHORIZATION


Steven Y. Neu (the "Shareholder") hereby acknowledges that pursuant to the Share Repurchase Agreement made as of January 1, 2017 (the "Agreement") between the Shareholder and Henenghaixin Corp. (the "Corporation"), the share certificate evidencing 100 class "A" common shares of the Corporation subscribed for by the Shareholder from the Corporation effective November 23, 2016 (the "Share Certificates") will be held in trust by the Corporation. The Shareholder understands that the Shareholder's common shares may be repurchased by the Corporation at a price of \$0.01 per share in accordance with the Agreement.

Attached to this Acknowledgement and Authorization is an instrument of transfer (the "Transfer") signed by the Shareholder. The Shareholder hereby authorizes the Corporation or the Corporation's solicitors to:

- 1. date the Transfer the effective date of the Closing Date;
- 2. fill in on the Transfer the number of Repurchasable Shares (as defined in the Agreement); and
- 3. release to the Corporation the Transfer and the applicable Share Certificate on the Closing Date (as defined in the Agreement).

All capitalized terms not otherwise defined in this Acknowledgement and Authorization have the meaning given to those terms in the Agreement.

DATED as of Jan 1, 2017.




Steven Y. Neu

INSTRUMENT OF TRANSFER

Steven Y. Neu (the "**Shareholder**") hereby transfers to Henenghaixin Corp. (the "**Corporation**") pursuant to the Share Repurchase Agreement between the Shareholder and the Corporation made as of January 1, 2017, 100 Class "A" common shares in the capital of the Corporation.

DATED effective March 1, 2017.



Steven Y. Neu

RESOLUTIONS OF THE BOARD OF DIRECTORS OF HENENGHAIXIN CORP. (THE "CORPORATION") PURSUANT TO THE BUSINESS CORPORATIONS ACT (ALBERTA) EFFECTIVE AS OF THE 1 DAY OF MARCH, 2017

WHEREAS Steven Neu is the registered owner of 100 common shares ("Common Shares") of the Corporation (the "Repurchasable Shares");

AND WHEREAS the Corporation previously entered into the share repurchase agreement between the Corporation and Steven Y. Neu (the "Share Repurchase Agreement"), pursuant to which the Corporation has the option to purchase the Repurchasable Shares at any time;

AND WHEREAS the Corporation has received a subscription (the "Subscription") from the person named below for shares of the Corporation as described below (the "Shares"), and the Corporation wishes to accept the Subscription:

<u>Subscriber</u>	<u>Number, Class and Kind of Shares</u>	<u>Consideration Per Share</u>
York City Enterprises Ltd.	100 Common Shares	\$0.01

NOW THEREFORE BE IT RESOLVED THAT:

Share Repurchase

- Pursuant to the Share Repurchase Agreement, the purchase of the Repurchasable Shares by the Corporation for the aggregate purchase price of \$1.00 be authorized and approved.
- The Repurchasable Shares and share certificate number A-1 representing 100 class "A" common shares of the Corporation be cancelled.
- The securities register of the Corporation be altered to reflect that the Repurchasable Shares are no longer issued and outstanding.

Share Issuance

- The consideration for which each of the Shares is to be issued is fixed at \$0.01.
- The Subscription is accepted and the Corporation having received the sum of \$1.00 in full payment of the subscription price for the Shares, the Shares are issued as fully paid shares as set out above.
- A certificate in respect of the Shares be issued as set out below:

<u>Shareholder</u>	<u>Number and Class of Shares</u>	<u>Certificate Number</u>
York City Enterprises Ltd.	100 Common Shares	A-2

7. The issuance of the Shares be registered in the securities register of the Corporation.

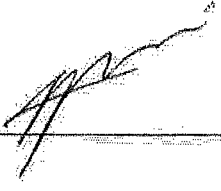
General

8. Any one director or officer of the Corporation be and is hereby authorized and directed to do and perform all such acts and things, sign such documents and take all such other steps on behalf of the Corporation as may be necessary or advisable or which in the opinion of such director or officer may be considered necessary or advisable in order to consummate the transactions, matters or actions contemplated by the foregoing resolutions and all agreements, documents and instruments required to give effect thereto.
9. Receipt by the Corporation by electronic transmission of a signed counterpart to these resolutions from the shareholders will be as effective as receipt of an original signed copy of these resolutions by the Corporation.

[Remainder of page intentionally left blank.]

DATED as of the date first written above.

Steven Y. Neu



Deshuang Yu

Jun Xiong

Tianzhou Deng

LETTER of the above mentioned persons

Mr. Xiong

Mr. Xiong

Mr. Xiong

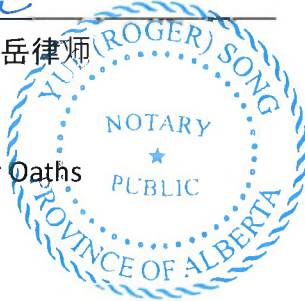
Mr. Xiong

This is Exhibit "17" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



EXECUTIVE EMPLOYMENT AGREEMENT

管理层雇佣协议

THIS AGREEMENT made as of the • day of •, 2017.

BETWEEN:

Newco., a body corporate registered in the Province of Alberta (the "**Corporation**")

OF THE FIRST PART

AND

Rob Wollmann/ Dave Middleton/ Alan Steele, of the City of Calgary, in the Province of Alberta (the "**Executive**")

OF THE SECOND PART

WHEREAS the Executive wishes to be employed with the Corporation, and the Corporation wishes the Executive to be a full time employee of the Corporation;

AND WHEREAS the parties wish to outline and confirm the terms and conditions of their employment relationship in this Executive Employment Agreement (this "**Agreement**");

AND WHEREAS the Corporation believes that it is reasonable and fair to induce and encourage the Executive to remain in the employ of the Corporation by providing the Executive with certain protections in the event of a Constructive Dismissal or Change of Control;

AND WHEREAS the Corporation believes it is in the best interests of the Corporation's shareholders to have the Executive agree to certain confidentiality and non-solicitation obligations;

NOW THEREFORE in consideration of the mutual covenants and agreements hereinafter contained and other good and valuable consideration (the receipt and sufficiency which is hereby acknowledged) the parties have agreed and this Agreement witnesses as follows:

**ARTICLE 1
DEFINITIONS**

1.1 In this Agreement the following words shall have the following meanings:

- (a) "**Affiliate**" has the meaning ascribed thereto in the *Securities Act* (Alberta);
- (b) "**Annual Base Salary**" shall mean the annual base salary as stated in sub-Article 4.1 of this Agreement, and as amended from time to time;
- (c) "**Board of Directors**" shall mean the board of directors of the Corporation;
- (d) "**Change of Control**" shall, after the Effective Date, mean the following:
 - (i) the sale by the Corporation of all the assets of the Corporation or substantially all the assets of the Corporation; or
 - (ii) the acquisition (otherwise than pursuant to a formal bid referred to below) by any person of Voting Shares (or other securities of the Corporation having rights of purchase, conversion or exchange into Voting Shares) which together with securities of the Corporation held by such person, together with persons acting in concert with such person, exceeds 50% of the issued and outstanding Voting Shares (assuming the purchase, conversion or exchange of such other securities, whether then purchasable, convertible or exchangeable or not, into the highest number of Voting Shares, such person or persons would be entitled to); or
 - (iii) the amalgamation, arrangement, merger or other consolidation of the Corporation with or into any one or more other companies,
- (A) pursuant to which a person or company or combination of persons and/or companies thereafter hold a greater number of Voting Shares or other securities of the successor or continuing company having rights of purchase, conversion or exchange into Voting Shares of the successor or continuing company (assuming the purchase, conversion or exchange of such other securities whether then purchasable, convertible or exchangeable or not into the highest number of Voting Shares of the successor or continuing company such persons and/or companies would be entitled to) than the number of Voting Shares of the

Commented [a1]: 超过 50%同一股东之间的公司合并和并购不能作为触发赔偿的条件

successor or continuing company held directly and indirectly by former shareholders of the Corporation, except where the current Board of Directors and executives of the Corporation constitute the majority of the successor or continuing Company (i.e. a reverse takeover); or;

- (B) such other amalgamation, arrangement, merger or other consolidation which, in the opinion of the Board of Directors, should be considered a Change of Control in order to carry out and facilitate the goals of this Agreement and the intended scope of this Change of Control definition;
- (e) "**Constructive Dismissal**" means, unless consented to by the Executive, any action which constitutes constructive dismissal of the Executive including, without limiting the generality of the foregoing:
- (i) a decrease in the title, position, responsibility or powers of the Executive;
 - (ii) a requirement to relocate to another city, province, or country; or
 - (iii) any material reduction in the value of the Executive's benefits, salary, plans and programs;
- (f) "**Effective Date**" means the effective date of this Agreement, which is • •, 2016; (closing)
- (g) "**Good Reason**" shall mean: (i) any adverse change by the Corporation and without the agreement of the Executive in any of the duties, powers, rights, title, lines of reporting or remuneration (including salary, benefits, bonus and other compensation), such that immediately after such change or series of changes, the responsibilities, status, or remuneration of the Executive, taken as a whole, are not at least substantially equivalent to those immediately prior to such change or series of changes; (ii) the requirement that the Executive be based anywhere other than the Corporation's Calgary executive office on a normal and regular basis; or (iii) any reason which would constitute Constructive Dismissal;
- (h) "**Just Cause**" means anything which constitutes just cause for termination of employment including, without limiting the generality of the foregoing, the wilful failure of the Executive to carry out his duties properly, improper conduct of the Executive which is materially detrimental to the Corporation, the conviction of the Executive for fraud, embezzlement or theft, or the intentional disclosure by the Executive of confidential information of the Corporation without the

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Corporation's consent;

- (i) "**Termination Date**" shall mean the Executive's last day actively at work for the Corporation, regardless of the reason for cessation of employment and whether or not advance notice was given; and

ARTICLE 2
TERM OF EMPLOYMENT

条款 2
雇佣条款

2.1 As of the Effective Date, the Corporation agrees to employ the Executive in the capacity of President and CEO, Chief Operating Officer, Chief Financial Officer, and the Executive agrees to perform the duties required of the Executive in accordance with this Agreement.

自有效期之日起，公司同意雇佣中高级管理人员作为公司董事长兼 CEO、首席运营官及财务总监，且管理层同意根据本协议的规定执行相应的义务及责任。

2.2 The Company will, at minimum, maintain current level of Directors and Officers insurance.

公司将维持董事及高级职员目前的保险等级。

2.3 The Executive's employment with the Corporation and this Agreement shall continue indefinitely after the Effective Date until terminated in accordance with this Agreement.

在本协议所规定有效期之日起，管理层与公司的雇佣关系及本协议应一直持续，直到根据本协议的规定进行终止。

ARTICLE 3
DUTIES

条款 3
义务

3.1 The Executive shall serve the Corporation in the full-time capacity of President and CEO, Chief Operating Officer, Chief Financial Officer and shall perform the duties on a full-time basis as determined from time to time by the Board of Directors and the duties that are customarily done by an executive in the same position in a corporation of similar size and business to the Corporation, to the best of the Executive's ability. The Executive hereby covenants to use the Executive's best efforts to promote

the interests of the Corporation. The Executive agrees to follow the directions of the Board of Directors, and for no additional compensation, agrees to assume such titles and responsibilities as directed with respect to the entities in the Corporation.

管理层作为公司的董事长兼 CEO、首席运营官及财务总监全职为公司效力并履行董事会所决定事项的义务。该义务在类似规模及业务的公司中，通常亦由管理层人员尽全力履行。管理层人员在此承诺尽管理层之所能提升公司利益。管理层同意紧跟董事会指导方向；同意接受这些职位及承担责任，且不要求任何额外补偿。

3.2 The Executive agrees to devote the Executive's full working time and attention to the business and affairs of the Corporation and shall not, without the consent of the Board of Directors, undertake during the course of the Executive's employment any other business or occupation or become a director, officer, employee, consultant or agent of another company, firm, proprietorship, society or non-profit organization.

管理层同意将全部的工作时间精力用于公司业务和事务之中；且在其任职过程中，在没有经过董事会同意的情况下，不会担任另一家公司、企业、独资企业、社会或非盈利组织的任何业务/工作,或是成为其董事、职员、雇员、顾问或代理人。

3.3 The Executive agrees to abide by all of the Corporation's codes, policies and procedures, as amended from time to time by the Corporation.

管理层同意遵守公司所有规定、政策及程序。

ARTICLE 4 REMUNERATION AND BENEFITS

条款 4 薪酬及福利

4.1 As of the Effective Date, the Executive's Annual Base Salary with the Corporation shall be \$350,000, \$325,000, \$300,000 (Cdn.), less required statutory deductions. The Annual Base Salary will be paid in accordance with the Corporation's usual payroll practices.

自有效期之日起，管理层年度基本工资应为\$350,000, \$325,000, \$300,000（加元），去除法定扣除项目。年度基本工资将根据公司薪资支付惯例支付。

4.2 [The Executive's performance will be reviewed annually by the Board of Directors and the Executive's Annual Base Salary may be adjusted based on such performance review.]

Commented [a3]: 可调整工资? 跟 good reason 和 constructive dismissal 有矛盾

管理层的绩效考评将由董事会进行年度审核。根据年度业绩审核情况，管理层的年度基本工资可能会相应作出调整。

4.3 In addition to the Annual Base Salary provided for above, the Executive shall be entitled to receive, as of the Effective Date, the following perquisites:

除上述所提的年度基本工资外，自有效期之日起，管理层有资格获得如下额外津贴：

(a) participation in all benefit plans adopted by the Corporation for employees generally, and executives specifically, and as such plans are amended from time to time in the discretion of the Corporation;

参与公司为员工特别是管理人员所提供的福利计划；该计划会不时地作出调整；

(b) the Executive shall be entitled to paid vacation of five (5) weeks per year, as adjusted in the future in accordance with the policy and practices of the Corporation. In scheduling such vacation, the Executive shall have regard to the operations of the Corporation and the reasonable direction of the Board of Directors; and

管理层应享有每年 5 天带薪休假的权利，该带薪福利根据公司政策和规范会做出相应调整。管理层在规划和安排假期时，应考虑到公司的运营情况及董事会的经营方针；

Commented [a4]: 翻译错

(c) such further and other benefits and perquisites as may be provided to the executive of the Corporation from time to time upon board approval.

Commented [a5]: 需董事会批准

公司会不时地向管理层提供其他福利和额外津贴。

4.4 The Executive understands and agrees that all benefits of employment, including short and long-term disability coverage, shall cease as of the Termination Date, and the Corporation has no liability for any damages caused by the cessation of such benefits regardless of the reason for termination or resignation. The Corporation has no obligation to extend benefit coverage past the Termination Date.

管理层理解并同意员工的所有福利，包括短期及长期伤残保险，该等福利应在合约终止日时停止。不论出于协议终止或辞职等何种原因，公司均不对因该福利停止而产生的任何损害负责。公司没有义务在合约终止期后延长福利期限。

4.5 The Executive shall receive guaranteed bonuses upon closing of \$250,000, \$250,000, \$200,000, 12 months after closing of \$250,000, \$250,000, \$200,000 and 24 months after closing of \$250,000, \$250,000, \$200,000 and subsequently be eligible for an annual cash bonus, and the amount shall be based on the achievement by the Corporation of its targets, the contribution made by the Executive, the total cash compensation of executives in peer companies, and such other factors as considered from time to time by the Board of Directors. The Executive's target amount cash bonus shall be \bullet % of Annual Base Salary.

管理层应在交割时第 0 年收到一笔 \$250,000, \$250,000, \$200,000 加元的奖金（~~分~~），在 12 个月之后收到 \$250,000, \$250,000, \$200,000 加元，在 24 个月之后收到 \$250,000, \$250,000, \$200,000 加元，且其后有资格获得年度现金分红。该红利总额应以公司目标业绩、管理层贡献、同行公司中管理层的现金薪酬总额及董事考量的其他因素作为衡量基础。管理层目标现金分红总额应为年度基本工资 \bullet %。

Commented [a6]: 奖金过高且要连续发 3 年且不包括长期奖金? 与 4.3 (a) 全体员工福利计划矛盾

4.6 The Executive shall be reimbursed for all reasonable out-of-pocket expenses actually and properly incurred by the Executive in connection with the Executive's duties hereunder. For all such expenses the Executive shall furnish to the Corporation statements and vouchers as and when required by it, and in accordance with any policy adopted by the Corporation from time to time concerning expenses.

公司报销管理层因执行义务而产生的所有合理的付现费用。管理层应根据公司有关支出的政策，向公司提交发票及收据。

4.7 The Executive will participate in the Company's Long Term Incentive plan (**needs finalization**).

管理层将参与公司长期奖励计划（需最终确认）。

ARTICLE 5 TERMINATION OF THIS AGREEMENT

条款 5 本协议的终止

5.1 The Corporation shall terminate the Executive's employment and this Agreement for Just

Cause at any time without notice and without any payment to the Executive whatsoever, save and except only for payment of the pro-rata Annual Base Salary earned but unpaid for services rendered up to and including the Termination Date, plus any accrued and unused vacation pay, and reimbursable expenses.

出于正当理由，公司可在任何时候终止管理层的雇佣关系及终止本协议，且无需预先通知并向管理层支付任何费用，支付管理层应得但并未向其付的年度基本工资除外（包括终止日，加上任何应计的且未使用的假日工资及报销费用。）

5.2 The employment of the Executive, this Agreement, and the Corporation's obligation to compensate the Executive with respect to employment, will terminate:

在本协议中，若发生以下情况，管理层的雇佣及公司补偿管理层的责任将终止：

(i) upon mutual written agreement of the parties; or

一旦经双方书面同意；或

(ii) upon the death of the Executive.

一旦管理层人员死亡。

5.3 The Executive may resign from his employment with the Corporation by providing the Corporation with one (1) month's advance written notice of the resignation date. The Corporation's obligation to compensate the Executive shall cease upon the Termination Date, save and except for payment of the pro-rata Annual Base Salary earned but unpaid for services rendered up to and including the Termination Date, plus any accrued and unused vacation pay, and reimbursable expenses.

管理层可向公司辞职，辞职应提前一（1）个月向公司提出书面申请。一旦终止，公司应停止对该管理层人员的补偿义务。

5.4 The Corporation may immediately terminate (including Constructive Dismissal) the Executive's employment and this Agreement at any time, for any reason other than the reasons in sub-Articles 5.1 and 5.2, and the Corporation shall pay the Executive, within five (5) business days of the Termination Date, the following:

除了副条款 5.1 及 5.2 外，公司可出于任何原因，在任何时候立即终止（包括推定解雇）管理层雇佣及本协议，且在终止日后五（5）个工作日内，公司应支付该管理人员，如下：

- (a) the pro-rata Annual Base Salary earned but unpaid for services rendered up to and including the Termination Date;

已得但未付的按比例计算的年度基本工资，包括终止日；

- (b) all accrued and unused vacation pay, and reimbursable expenses;

所有应计且未使用的假日工资及补偿费用；

- (c) a retiring allowance capped at the higher of 1 times the Executive's then Annual Base Salary plus 20% in lieu of lost benefits and unvested LTIP;

离职津贴的支付：12个月基本工资加20%未得到的福利，或是未兑现的长期激励计划。

If the employee is terminated, other than for just cause, within the first 12 months of service the Company agrees to pay the prorated share of the guaranteed 12 month after closing bonus.

如果雇员解雇，除非出于正当理由，在任职第一个12月内，公司同意在停止支付奖金之后，支付固定12月的分摊份额。

Commented [a7]: 如果是第14个月呢？

The above payments shall be subject to required withholdings. In exchange for the retiring allowance amounts the Executive agrees to sign and provide to the Corporation a full and final Release in a form satisfactory to the Corporation, acting reasonably.

5.5 The parties agree that because there can be no exact measure of the damages that the Executive would incur as a result of the termination of this Agreement and employment, the retiring allowance payments contemplated in sub-Article 5.4 would be deemed to constitute liquidated damages and not a penalty, and the Corporation agrees that the Executive will not be required to mitigate the Executive's damages.

双方同意，因公司无法对管理层雇佣合同的终止及雇佣关系的结束而对其造成的损失进行明确衡量，副条款5.4中离职津贴支付将被视为违约赔偿金，而非罚金。公司同意将不会要求管理层减轻其损失。

5.6 Notwithstanding the cessation of the Executive's employment, or the manner of or reason for cessation, the provisions of Articles 7, 8, 9 and 11 of this Agreement and the Executive's fiduciary obligations survive such cessation.

不论管理层人员因何辞职，本协议中条款 7、8、9 及 11 及管理层人员的诚信义务仍然有效。

**ARTICLE 6
CHANGE OF CONTROL AND GOOD REASON**

条款 6
控制权变更

Should there be a Change of Control and an event or events that constitute Good Reason within one (1) year of the Change of Control, the Executive shall have the right, for a period of ninety (90) days following the Change of Control and event constituting Good Reason to elect to terminate this Agreement and employment with the Corporation upon providing the Corporation with two (2) weeks advance written notice.

若存在控制权变更的情况及在变更后的一（1）年内构成其充分理由的事件，管理层应在控制权变更后的九十（90）天内，在提交书面申请之前的两（2）周内，有权选举终止本协议及与公司的雇佣关系。

6.1 If the Executive elects pursuant to sub-Article 6.1 to terminate this Agreement and employment with the Corporation, the Corporation shall pay the Executive within five (5) business days of the Termination Date the payments and retiring allowances provided for in sub-Article 5.4, in exchange for the Executive signing and providing to the Corporation a full and final Release in a form satisfactory to the Corporation, acting reasonably.

若管理层根据副条款 6.1 选举终止本协议及与公司的雇佣关系，公司应在终止后的五（5）个工作日内，向管理层人员支付副条款 5.4 中所提到的离职津贴作为管理层人员签署并向公司提供完整离职满意表格文件的交换。

**ARTICLE 7
RESIGNATION AS A DIRECTOR OR OFFICER**

条款 7
董事或高级职员의 辞任

7.1 If, upon or after termination of this Agreement and the Executive's employment, and regardless of the reason for cessation of employment or termination of this Agreement, the Executive is a director or officer of the Corporation, the Executive agrees to immediately resign as a director and officer if requested to do so by the Board of Directors.

一旦或在本协议及雇佣关系终止后，不论出于何种原因提出终止本协议，辞职的管理层人员作为公司董事或高级职员，若收到董事会要求，则该管理层人员应同意立即辞任。

ARTICLE 8
PERSONAL COVENANTS AND POST-TERMINATION OBLIGATIONS

条款 8

个人条款及辞任后的义务

8.1 The Executive has carefully read and considered the provisions of this Article 8 and, having done so, agrees that the restrictions set forth in this Article are fair and reasonable, and are reasonably required for the protection of the interests of the Corporation. The Executive recognizes and agrees that as an employee of the Corporation, the Executive has and will become knowledgeable, aware and possessed of confidential and proprietary information of the Corporation and its Affiliates (collectively, the "**Confidential Information**"). The Executive acknowledges and agrees that the Corporation is the sole and exclusive owner and proprietor of all Confidential Information, and that the Executive owes a duty of fidelity to the Corporation that includes, without limitation, a duty to ensure that Confidential Information is and remains at all times, including after cessation of employment, confidential. The duty of fidelity that the Executive owes to the Corporation survives the cessation of employment and the Executive's fiduciary duties are not limited by the terms of this Agreement.

管理层认真研读并考虑本条款 8 中的规定并履行其规定，管理层人员同意本条款中的限制规定是公平合理的，且其合理地保护了公司的利益。管理层确认并同意作为公司的一员，其已经并将意识到公司及其子公司信息的机密性及专有性（统称，“机密信息”）。管理层人员承认并同意公司为所有机密信息的独有者和专有者，管理层人员应尽对公司的忠诚义务，包括且不限于，不论何时确保机密信息保密性的义务，即使辞任。管理层人员对公司应尽的忠诚义务不受辞任或本协议条款的制约。

8.2 The Executive will have access to the Confidential Information including, without limitation, information and data of or relating to financial matters, personnel matters, exploration and exploitation plans and activities, and transactional plans and activities. The Executive agrees to accept and retain the Confidential Information in confidence and, at all times during or after the cessation of employment, not to disclose or reveal such information and data to others and to refrain from using such information and data for purposes other than those authorized by the Corporation. On the Termination Date, or earlier if so requested, the Executive will promptly turn over to the Corporation all written or

descriptive matter containing Confidential Information.

管理层将有权参与机密信息，包括但不限于与财务事项、个人事项、钻探和开采计划及活动和交易计划和活动相关的信息和数据。管理层人员同意接受并保证机密信息的机密性，无论在职还是辞任，不论出于何种目的都不会向其他方披露或泄露信息和数据，经过公司授权的信息及数据除外。在终止期或按要求更早期内，管理层将立即向公司移交所有书面或包含机密信息的描述性问题。

8.3 The Executive agrees that as a result of the Executive's position the Executive has confidential information with respect to other employees and consultants of the Corporation. The Executive agrees that for a period of one (1) year after the Termination Date, regardless of the reason for cessation of employment, that the Executive shall not, directly or indirectly solicit, induce, encourage or facilitate employees or consultants of the Corporation to leave the employment of, or consulting relationship with the Corporation.

管理层同意由于管理层职位所需，管理层拥有有关其他雇员及公司顾问的机密信息。管理层同意在终止期后的一（1）年内，不论出于何种原因辞职，都不会直接或间接招揽、引导、鼓励或帮助公司雇员或顾问离开公司或与其他公司建立咨询关系。

8.4 All reports, computer programs, manuals, tapes, card decks, listings, and any other documentation or data furnished to or prepared by the Executive in connection with the Executive's employment shall be the property of the Corporation.

所有提供给或由管理层准备的有关管理层雇佣的报告、电脑程序、手册、磁带、清单及任何文件或数据皆为公司财产。

ARTICLE 9 PERSONAL DATA AND PRIVACY

条款 9 个人数据及隐私

9.1 The Executive consents that the personal data relating to the Executive may be maintained and stored by the Corporation electronically or in any other form.

管理层同意与管理层相关的个人数据由公司保存电子版或其他版本。

9.2 The Executive acknowledges and agrees that the Corporation has the right to collect, use

and disclose the Executive's personal information for purposes relating to the Executive's employment with the Corporation, including:

管理层人员承认并同意公司有权出于某种目收集、使用并披露管理层人员的个人信息，包括：

- (a) ensuring that the Executive is paid for the services performed for the Corporation;
确保管理层人员执行的工作得到相应报酬；
- (b) administering any benefits to which the Executive is or may become entitled to, including medical, dental, disability and life insurance benefits and/or share awards. This shall include the disclosure of the Executive's personal information to any insurance company and/or broker or to any entity that manages or administers the Corporation's benefits on behalf of the Corporation;
管理任何管理层被赋予的或可能被赋予的福利，包括医疗保险、牙医保险、残障保险及人寿保险及或/份额奖励。此应包括向任何保险公司和/或经纪人或任何管理或代表公司管理公司福利的主体披露管理层的个人信息；
- (c) compliance with any regulatory reporting and withholding requirements relating to the Executive's employment, including required disclosure to shareholders;
遵守任何管理层雇佣相关的规则和要求，包括向股东的必要披露；
- (d) maintaining and monitoring the employment relationship, and reviewing the performance of the Executive;
维护并监管雇佣关系，并审核管理层业绩；
- (e) enforcing the Corporation's policies including those relating to the proper use of the electronic communications network and to comply with applicable laws; and
执行公司政策，包括与电子通讯网络的适当使用相关的政策并遵守使用法律；且
- (f) in the event of a potential sale or transfer of all or part of the Shares or assets of the Corporation, disclosing to any potential acquiring organization the Executive's personal information solely for the purpose of determining the value of the Corporation and its assets and liabilities and to

evaluate the Executive's position in the Corporation. If the Executive's personal information is disclosed to any potential acquiring organization, the Corporation will require the potential acquiring organization to agree to protect the privacy of the Executive's personal information in a manner that is consistent with any policy of the Corporation dealing with privacy that may be in effect from time to time and/or any applicable law that may be in effect from time to time.

若出现公司股票或资产的潜在出售或转移情况，出于对公司价值、资产及债务进行评估的目的并出于对公司管理层评估的目的，向潜在收购机构披露管理层个人信息。若管理层人员的个人信息需向任何潜在收购机构披露，公司将要求潜在收购机构同意保护管理层人员个人信息的隐私。

**ARTICLE 10
NOTICE**

10.1 Any notice required to be given hereunder shall be in writing and sufficiently made if delivered personally, sent by facsimile, or mailed by prepaid registered mail to the parties at their respective addresses herein.

(a) The Executive:

•
•
Calgary, Alberta •

Fax: (403) •

(b) The Corporation:

Twin Butte Energy Ltd.
#410, 396 – 11th Avenue SW
Calgary, Alberta T2R 0C5

Fax: (403) 215–2055

Attention: Chair of the Board

Any such notice shall be deemed to have been given on the date it is delivered if personally delivered or, if mailed or sent by facsimile on the third business day following the mailing thereof. Either party may change its address for service by giving written notice in accordance with this Agreement.

**ARTICLE 11
GENERAL PROVISIONS**

11.1 Independent Legal Advice

The Executive acknowledges the Executive has had the opportunity to obtain independent legal advice with respect to the execution of this Agreement, or has waived that opportunity, and that the Executive has read, understands and agrees with all of the terms and conditions contained in this Agreement.

11.2 Waiver or Amendment

Any waiver by a party of any breach of any provision of this Agreement by the other party shall not be binding unless in writing, and shall not operate or be construed as a waiver of any other or subsequent breach by the Executive. Any amendment of this Agreement shall not be valid and enforceable unless recorded in writing and executed by the parties to this Agreement.

11.3 Headings

The headings used in this Agreement are for convenience only and are not to be construed in any way as additions to or limitations of the covenants and agreements contained in it.

11.4 Enurement

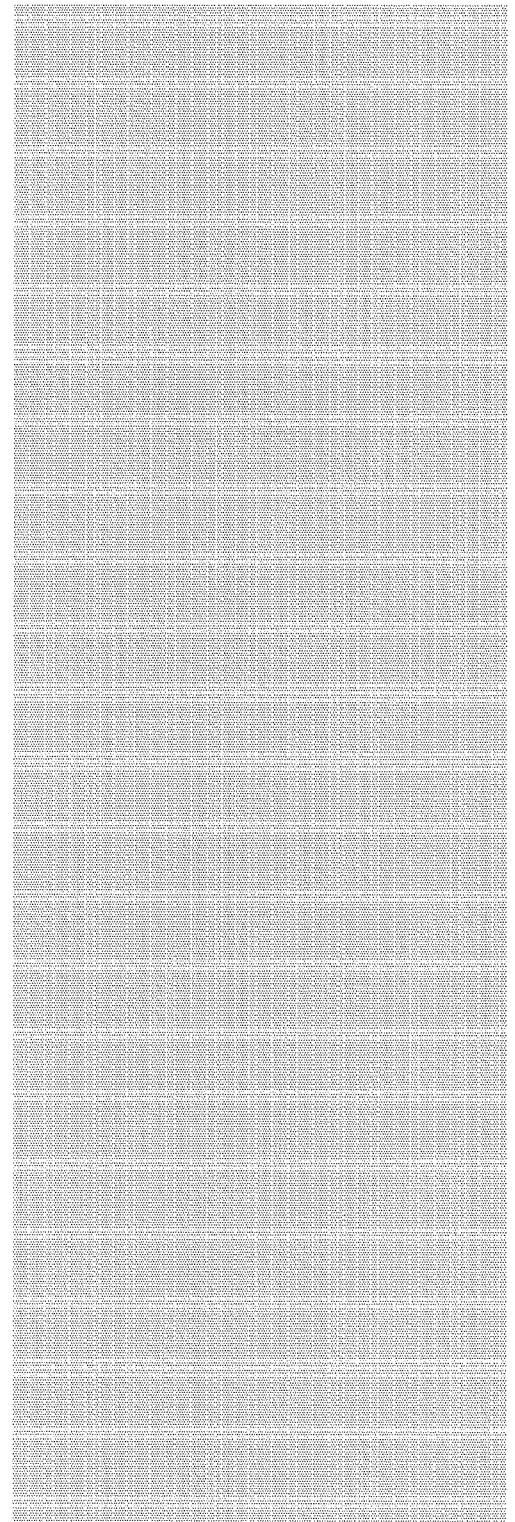
The provisions of this Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective heirs, executors, administrators, other legal personal representatives, successors and permitted assigns.

11.5 Assignment

This Agreement may not be assigned by either party hereto, without the express written consent of the other party.

11.6 Governing Law and Attornment

This Agreement shall be governed by and construed in accordance with the laws in force in the Province of Alberta. The parties hereby attorn to the jurisdiction of the courts of the Province of Alberta.



11.7 **Time of the Essence**

Time shall be of the essence of this Agreement.

11.8 **Enforceability and Severability**

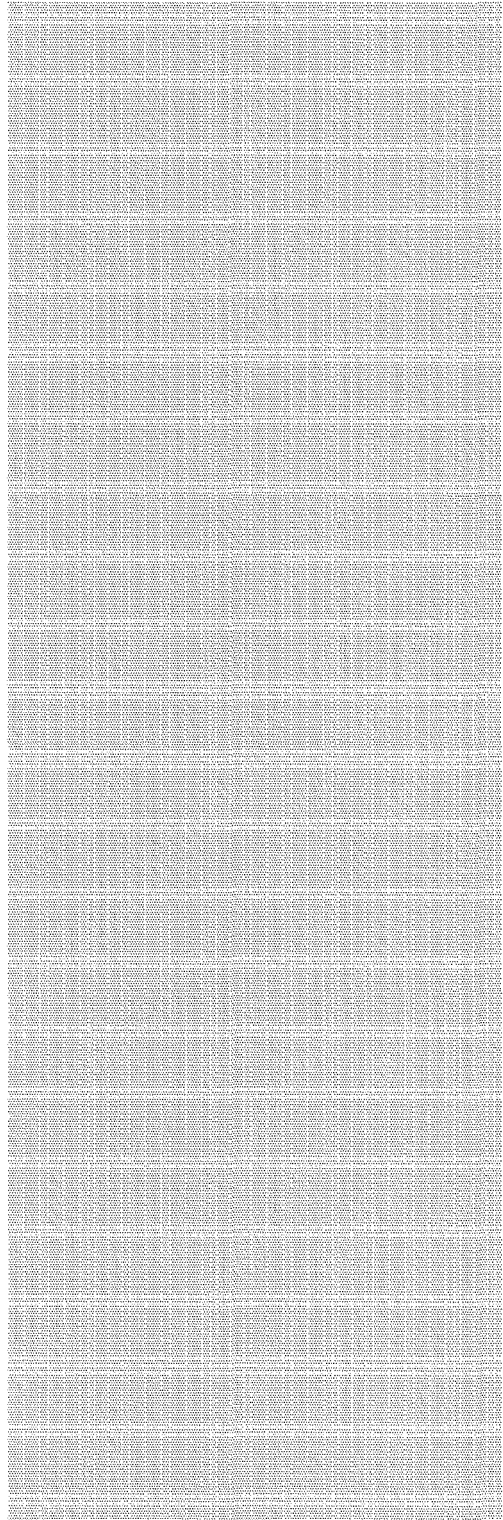
If any paragraph, subparagraph or provision of this Agreement is determined to be unenforceable by a Court of competent jurisdiction then such provision shall be severable from the remainder of this Agreement and the remainder of this Agreement shall be unaffected thereby and shall remain in full force and effect.

IN WITNESS WHEREOF the parties hereto have executed these presents as of the day and year first above written.


TWIN BUTTE ENERGY LTD.

Per: _____

Witness •

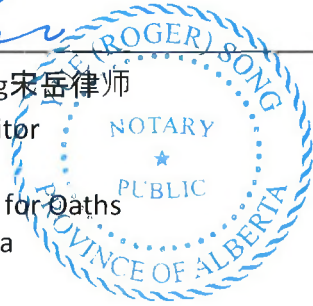


This is Exhibit "18" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



会议内容小结

"邓小泊" <deng.xb@snencn.cn>

收件人: Jason <jasonge@snencn.cn>

抄 送: "邓总" <deng.tz@snencn.cn>, "林先生" <lam.m@snencn.cn>, "steven.n" <steven.n@snencn.cn>

时 间: 2017-2-10 23:59:00

附 件:

Jason将于明天回到Calgary开始工作。2月的核心工作计划如下, 如有遗漏请补充:

Long Run:

目前LR的主要工作有一是保证redwater打井和平稳生产同时对现有资产可能的产油区进行研究, 二是尽快开展小的土地收购和剥离非核心资产。土地收购和研究现有资产产油可能性的核心都在于地质师, 目前LR最资深的地质师刚跳槽去了Peyto, 地质队伍十分薄弱, 急需增强相关力量, 建议尽快聘请一个地质经理(已有人选)。

1. 督促HR尽快就年终奖和长期激励机制向董事会做出提案, 为裁员后吸引优秀人才加入LR, 但此举可能导致裁员时公司要付更多的遣散费
2. 明确在裁员完成前不发放留任奖金
3. 处理大D和LR的内部结构调整: 鉴于需要尽快聘请地质师确定34季度的井位, 而miller很可能会全力反对(撤掉地质经理是他的主意), 可以借机告知miller, 董事会决定不设COO, 由CEO直接领导运营vp (miller)、生产vp (wes)、CFO (jason)、勘探开发vp (待定), miller如果接受可以继续留任, 他的权力会被分散许多, 如果不接受就走人, 由alex过来接替, 这样也可以控制alex避免他的权力过大
4. Jason尽快确认和建行的合同并且抓hedge (可以考虑指定lr的alex), 保证我们能够尽快做financial hedge, 锁定更多现金流

TB:

我们目前在TB没有管理层, tb的铁三角一旦形成并与我们对抗, 董事会管理公司日常事务有相当的难度, 因此要严格限制tb管理层的权力

1. Jason参与董事会, 主抓TB的内部制度设定
2. 财务和人事权力(经理级)交由董事会
3. TB目前人员太多, 管理层态度强硬, 将来的裁员问题会比较麻烦, 需要做好准备
4. TB管理层缺乏大局意识, 在办公室IT这些事情上不愿让步, 董事会在交割初期的态度需要更强硬

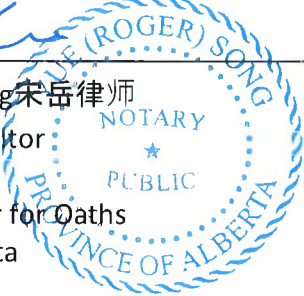
控股公司:

Jason Steven Sun和Michael要尽快就协调国内on site审计进行沟通

This is Exhibit "19" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta



Re:Re:Re:Re:Fw:卡尔加里新办公室

"邓董事长" <deng.tz@snencn.cn>

收件人: Jason <jasonge@snencn.cn>

抄送: "hunter.woo" <hunter.woo@advantagepetroleum.ca>, "吴迎春" <wu.yc@snencn.cn>, "邓小泊" <deng.xb@snencn.cn>, "steven.n" <steven.n@snencn.cn>, "林先生" <lam.m@snencn.cn>

时间: 2017-3-2 14:38:45

附件:

各位领导:

感谢胡总做工作!

如果汪总决定用8楼(我之前觉得他不会同意用的),一旦确认,就定下来给他。

我的建议是7楼已有设计并有装修许可,马上开工可否?同时马上抓紧6楼的设计方案和办理许可,或许7楼没有施工完,6楼什么都解决了,可以接着施工?LR不能再增加成本了,这次硬塞给TB和汪总了,就为一层楼的设计和许可,再租老办公室2个月。一定不可以。

CAPC我当初是想放在老楼的14层的,这个再说。只要把这天价的4层楼解决掉,就算去掉一块心病了。

谢谢大家!

邓天洲

在 2017-03-02 07:04:14, "Jason" <jasonge@snencn.cn> 写道:

董事长:

指示收悉!我会尽量协调LR去满足汪总需要8楼的要求。由于这个改变,LR这边需要尽快和现在的楼主商量看能否延期几个月搬离现在的办公室,如果现在楼主不同意,我们再想其它的应急方案。同时要聘请的工程公司协商改变装修计划。至于TB和LR使用办公室分配问题,应该没有什么大问题,因为这两个公司装修风格相似,都是上游公司。到时根据各自公司的人数情况做调整是完全可行的。原则就是LR和TB合计使用5、6、7层。

在 2017-03-01 10:01:14, "邓董事长" <deng.tz@snencn.cn> 写道:

葛总、吴总:

汪总原来是中联油加拿大公司的总经理，他们的办公室在20层上下，出于心理上的原因，我想他不会愿意用8层以下这么低的层位。

我在卡尔加里时和大D谈过办公室的事，我的要求是LR用一个整层和另一层的70%，TB用一个整层和LR另一层的30%。请不要把两层都安排给LR。大D当场是答应了的。无论大D留不留，办公室的安排就这个思路，这么高的租金，本身就是LR的错，我们把别的公司拉进来分担，就要尽可能满足别人的诉求。

请胡总帮我问下汪总，8层他愿不愿意用？如果他很勉强就算了。胡总再了解一下Altex有多少总部人员，现在的办公室租约到什么时候？一层够不够他们用？暂别提让他们搬过来的事。

葛总，如果汪总真不愿意用低层，就按原计划装修6、7、8层；如果汪总能接受8层，我们就应该把8层给人家，没办法，我们是在替LR擦屁股。那么装修计划就得改了。一年上千万加元的费用，弄的我很头疼。老办公室还有一层半呢。

请葛总、牛总、胡总、吴总分别做一下工作，谢谢！

邓天洲

在 2017-03-01 08:08:41, "Jason" <jasonge@snencn.cn> 写道:

董事长:

我就吴总的邮件做一下澄清:

1. LR目前的3、4楼租约在今年6月底到期，LR必须在6月底前搬到新办公室。今天我和公司行政团队及我们聘请的建设公司一起到新办公楼查看了各楼层情况，签署了接收文件。此文件签署就意味着我们可以进场施工了。考虑到时间紧，已经要求工程公司在3月中开始进场施工。本周完成所有小施工合同及材料供应商的选择。施工顺序将是先7、8楼（LR和中天员工），确保LR6月底前搬入；下来是6楼（TB），最后是5楼（贸易公司）。
2. 考虑到汪总的贸易公司的特殊要求，我建议汪总尽快和此项目管理团队见面协商其具体要求，这样项目经理就可以做出一个成本估算和可能的搬入时间。这件事越早定下来，就越节约成本和时间。
3. 现在没法在将汪总的楼层从5楼调整到8楼，因为施工许可由于之前的TB对楼面设计要求的变动，现在拿到的是7、8楼的许可，TB的6楼许可正在办理中。一旦汪总的楼面设计定下来，我们就要开始申请5楼的施工许可。如果现在把汪总换到8楼，施工许可要重新申请，6月底前肯定LR搬不过去。
4. 施工成本最终我们是可以由楼主返还给我们的。（目前预算施工成本4层楼合计近800万，完工后楼主会全部返还给我们），汪总公司租金由董事长确定是否按目前市场价还是按LR签署的价格。

如有问题，请来电。

葛

在 2017-03-01 07:45:20, "吴迎春" <wu.yc@snencn.cn> 写道:

----- 转发邮件信息 -----

发件人: "吴迎春" <wu.yc@snencn.cn>

发送日期: 2017-03-01 00:52:06

收件人: "邓董事长" <deng.tz@snencn.cn>

抄送人: "邓小泊" <deng.xb@snencn.cn>

主题: 卡尔加里新办公室

邓总,

新办公室在5,6,7,8层. 5层要出租. 这层楼7月中安装办公室. 其他层在6月初安装.

5层和8层没大不同. 但汪总喜欢高点的. 汪总清楚卡尔加里办公室空置率是25%. 我向汪总说这应该是双赢.

定价应有北京定. 整个租金一年4百5十万, 还有些回扣.

吴迎春

--

邓天洲

中天能源股份有限公司

Sinoenergy Corporation

Mobile: 13910000578

Tel: 86-10-84931428

Email: deng.tz@snencn.cn

地址: 北京市朝阳区望京SOHO塔2-B座29层

邮编: 100102

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邓天洲

中天能源股份有限公司

Sinoenergy Corporation

Mobile: 13910000578

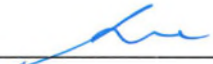
Tel: 86-10-84931428

Email: deng.tz@snencn.cn

地址: 北京市朝阳区望京SOHO塔2-B座29层

邮编: 100102

This is Exhibit "20" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta





SINOENERGY CORPORATION

中天能源股份有限公司

会议纪要

页数：5

机密程度：机密

会议名称：加拿大团队每周例会	会议时间：2016年9月9日
会议主题：深化团队建设，增强团队协作能力，制定未来发展战略，实时监管工作进度，安排下周工作计划	会议地点：New Star & Long Run 现场会议
会议主持：邓小泊	记录人：邹骏昊，段玥怡
参会人员：邓小泊，杨文涛，王好，孙毅，吴迎春，Steven Neu，陆蓉，邹骏昊，段玥怡	修改人：Lake

杨文涛和陆蓉:

一. 完成事项

- 见附件

二. 下周展望事项

- 见附件

(杨总发来的本周情况和下周工作安排计划我读过了。看来 NS 是基本控制住了，管理层和各部门都在按计划按指令工作。也希望 LR 能尽快做到这一步，能让 LR 高管、各部门主动、正常配合工作。)

王好:

一. 完成事项

- 套保事项

1. 由于银行限制我们 2016 年不能将产量套期保值 75%以上，我们就此和交易商 Mercuria 就套保问题进行了接洽，看看能不能让 Long Run 把剩下 25%的产量转给 Calgary Sinoenergy 然后通过母公司 Calgary Sinoenergy 套期保值。
2. Long Run 内部的意见是卡尔加里中天被视作承运商，需要向泛加拿大管道公司将支付一定份额的押金，经过内部及 Mercuria 的沟通，这笔押金可以不用支付。
3. 所有的文件手续需要三天，将在下周完成
4. 目前市场上的天然气价格偏低，比我们 2 周前进行套保的价格低了 6-7 分。我们可以先把文件都拟好，等到一个好的时机再进行套保项目。

(工作做的很到位，我希望尽早实现天然气的 100%套保。)

- 安全生产及环境工作预算回顾

1. 2016 年上半年由于 Long Run 公司缺乏资金，并没有多少的投入，下半年安全管理费用初期预算大约在 600 万加元。通过和管理层和安全部门的沟通，部分费用可以推迟到明年及后年，这样今年的费用将会减少至 500 万加元左右。需要总部进行审批（请参照附件）
2. Kaybob 区块由于硫化氢高达 17%，环境风险高，2018 年需要投入 500-600 万加元参与当地天然气处理厂的维修才能维持正常生产。否则将必须在 2017 年底把所有高硫井全部关掉，并在 1-5 年内把这些井全部废弃处理，HSE 的花费将达到几千万加元，成本巨大，每口井的废弃还原费用从 25 万到 2 百万不等，根据井管腐蚀程度。
3. 我们现在也正在寻求买家，可以将 Kaybob 区块转卖出去，但具有难度。该区块唯一的优势在于 Long Run 具有该区域天然气处理厂 5%的权益。
4. 我们正在制作一个关于 Kaybob 的报告，下周会更详细的呈现给总部。

（一旦井管腐蚀穿孔，会不会造成天然气外泄，将是重大事故，我个人倾向于关闭该区块所有井。如果能找到买家，可以降价出售，是最好方案。）

- 和管理层就新楼的方案进行沟通（年租金七百万）
 1. 原定 2017 年 7 月 1 号将搬入新楼
 2. 按照合约，Long Run 在新楼拥有 4 层楼的租约，共 10 年，近期将展开对其中两个楼面的规划和设计，施工长度约为半年。其余的 2 个楼面我们正在考虑转租给其他公司
 3. 为了优化 2017 年的现金流以及财务数据，Long Run 团队积极的和地产公司进行了接洽。由于新楼的租约比市场价格要高，为了降低明年租金，我们计划和地产公司友好协商，把现有的租约从 10 年延长到 12 年，但是免掉前半年租金，预计在 2017 年可以减少 350 万的费用支出。下周将就这个方案和地产公司进行进一步的谈判
 4. 我们也正在积极的寻找租户
（很好的措施。是不是把 NS、上海能源、Petrox、CAPC 迁到一块？一是方便管理，二是节约成本）
- 财务模型已经根据招标的钻井成本进行了更新，下周将和海玲总还有崔总进行沟通。

二. 下周展望事项

- 与管理层敲定薪酬计划
（抓紧）
- 完成套保所需的文件
（抓紧）
- 完成下半年安全生产预算的确定
（可否与中石油工程公司聂总合作？）
- 详细研究 Peace River 的注水增产计划
（期待）
- 与管理层讨论能否用其他储量评估师，以及 2016 年年末储量评估的预期制定
（期待）
- 与国内中天确认 2016 年下半年的现金流和盈利预测
（我也希望早点看到这个预测，并将其与管理层薪酬对接）

邓小泊:

一. 完成事项

- 和管理层进行了薪酬谈判
 1. Dale Miller 表示基本愿意接受，配合度有所提高。然而对于我们自己派人参与招标和注水评估私下向我表示很不满

（下周一告诉他，公司就得有创新，做为总裁他应该为此感到高兴。）

2. 另外两个 D 问题较多，并且表示薪酬谈下来之前不运动手裁员，这一点计划董事会下裁员的决议强制执行
 3. 我们计划逐个击破，预计 2 周内确定管理层人员和薪酬
（有担当！我就希望这样。九月底！）
- 董事会章程
 1. 重新拟定了董事会章程。董事会收回所有权力，包括打井计划，管理层的任免，薪酬方案和年终奖的方法（有其他细节请指示）
（先就这样，保留修改董事会章程的余地。）
 - 裁员方案
 1. 财务部和行政部的裁员名单已经全部敲定，人力预计在 9 月 20 号开始施行
（太好了！）
 2. 下周一将和 Dale Miller 进行一次沟通，让他逼 2D 拟出裁员名单，不合作就用董事会决议执行。9 月底将完成所有的裁员
（同意！有时需要铁腕！）
 - 关于 Peaceriver bluesky 的两口井，今年可能来不及申请 license，希望能够在 12 月准备好
（可以的，一月份钻也可以。）

二. 下周展望事项

- 就裁员事宜和 Corine 还有第三方人员进行一次确认
（好。）
- 和王好总一起研究 Kaybob 区块，并向总部提交总结
（我对 Kaybob 有担忧，请加强关注）
- 审阅 HSE 费用详细报告并上报总部
（能不能就废井处理与中石油工程公司合作？）
- 完成注水增产总结
（期待）
- 协助王好总完成套保项目事宜
（抓紧，以卡尔加里中天做余下 25%套保要抓紧。）
- 请 Steven Neu 帮助和设备部一起完成 LR 之前采购的所有库存设备清点
（好，牛总工作很有条理。）

孙毅:

一. 完成事项

- New Star Energy Ltd.
 1. 本周经过新星团队的努力对部分旧井进行了修复，产量上升了几十桶，目前新星的产量在 3000 桶以上。
（NS 产量今年一直较稳定，请总结一下供 LR 参考。）

2. 任命了新来的负责生产的副总裁 Shawn， 但有一个现任副总裁对此感到不满， 我们正在与其进行沟通
(为什么? 招聘高管是必要的啊?)
 3. 就漏油事件， 和保险公司进行了进一步的沟通。 保险公司要求我们出具一些相关文件以便于他们进行审核， 我们正在积极的准备， 预计在第四季度可以申请到保费。 目前预计的费用在 200 万加元， 但我们只需要付 50 万， 剩余部分都由保险公司承担。 50 万的费用会被资本化
(上周我有批阅， 关井的利弊?)
 4. 就 2016 下半年至 2017 年上半年的现金流预测和财务部分进行了沟通。 Long Run 的在周末发给崔总和海玲总， 新星的预计下周可以完成
(对今年的情况早做预测， 以便采取措施。)
- Alberta Sinoenergy Petroleum Corp. & Calgary Sinoenergy Investment Corp.
 1. 审查发票、费用报销和一些会计工作， 以保证能够符合国税局的要求
 - Long Run Exploration Ltd.
 1. 和 Long Run 财务部门进行了接洽， 预计在未来的 2-3 周内， 拟出月末结账
(好。)
 2. 跟由 Scotia 银行进行了沟通， 及时的更新了我们的信息， 并向他们解释了签约仪式推迟的原因， 以及下一步的安排
(好。)
 3. 跟律师和银行就 Long Run 签字权的事宜进行了沟通， 下周将完成签字权的变更。 前任财务总监 Corine 在 9 月 15 号离职的时候， 她的签字权将被移除
(好。)
 4. 和 Deloitte 会计事务所进行了会面， 向他们阐明了我们招标审计的目的和 Long Run 以及新星的基本情况。 我们预计在 9 月 31 号拿到各大会计事务所的投标文件， 并在 10 月初做出我们的决定。 对两家公司的审计事宜将在 11 月中旬进行。
(很好)
 5. 和 IT 部门的负责人 Bonnie 就结构方式进行了沟通。 目前拟定两个结构方式， 第一为成立一家服务公司对新星和 Long Run 提供管理服务， 第二为维持现有的 Long Run IT 部门， 由 Long Run 的 IT 部门对新星进行服务。 我们就这两个方案还在进一步的商榷中。 需要从一些供应商处获得反馈， 以知道哪种结构可以为其接受和更有效益
(从未融资看， 以第一方案为好。 我们最近正在策划从香港金融机构融资， 需要一个统一平台。)

二. 下周展望事项

- 完成新星的月结帐;

- 完成两家控股公司的月结帐；
- 和 LR 现任财务总监明确 9 月财务部的裁员行动的细节。裁员工作的展开将有助于节省管理费用和重新恢复 LR 员工的工作节奏和落实新的任务。
- 配合我方全面展开各项采购的竞标工作，以进一步节省费用。
(掌握节奏，尽快实施)

吴迎春:

一. 完成工作

- 第一次参加钻井周会
 1. 20 分钟的会议，每人对钻井项目都很高兴，Dale Miller 更是笑话不断。与成本控制会议形成了对比
(有人投资给他钻井，他自然高兴，不过我要求的是 100%的钻井成功率)
- 已经让 Jeff 在市场上寻找二手的压缩机用于替代租赁的。我们内部也有一些，还得考虑是否和我们现有的设备能够匹配
(尽快落实)
- 好消息
 1. 周末 Cherhill 开始了第三方气加工，周三达 1.8 百万方尺/天，对方即将支付 80 万的投资费，每月底将付加工费
(很好!)
 2. 压缩机和其他设备均是内部调配的
- 成本综合报告已经提交
- 参加了 HSE 的会议，封井实在 HSE 之下(?)，感觉不管从安全管理还是从封井施工上，我们都应该慎重考虑
(我在前面已有两处意见)

二. 下周展望事项

- 就新星化学助剂高的问题展开一次会议，新的生产副总裁 Shawn 也会参加，会议将讨论 2 个内容，第一为化学助剂的优化，第二为漏油管线分析及化学助剂的使用。他们已经提供了报告，算出的流速为 0.2m/s，腐蚀速度为 15.8mpy. 他们建议正常 pigging, 这与管线化验者的观点不同，管线化验者认为 pigging 加速了腐蚀速度
- 计划周末提交 Kaybob 气田的现状 & 可能出路报告，其一就是卖给 Semcons (目前为 Long Run 加工气体)
(吴总现在已在生产运营方面发挥积极作用，还望继续深入进去)

Steven Neu:

一. 完成工作

- 参与红水、静河和 Kakwa 区域的招、评标工作，125 家不同类型的服务公司对井场建设、钻井、完井和地面设施各个工艺环节的不同施工作业和工具设备租赁项目进行了

竞标，根据目前整理的投标情况来看，与 2015 年相比，各个服务项目费用均有不同程度下降，比如，3 个区域的定向井施工费用平均降低约 2 千加币每天，红水和 Kakwa 地区固井费用降低约 1-1.5 万加币每口井，压裂作业红水区域预计可降低 3 万加币每口井。

（也就是说红水地区平均每井降低超过 5 万加元，效果不错！）

- 钻机日费，尽管依据合同我们必须使用 Bonanza 公司钻机，但是通过谈判，每台钻机平均作业日费降低近 4 千元每天。

（相当于十几，二十几万加元/井，降下来了！）

- Trinidad 钻机承包商推荐了一部钻机，据调查已经闲置两年，重新启动并募集新钻工，需要磨合期，磨合期内一般作业效率会比较低下，目前正在与对方协商，要求提供一部已经开始运转的钻机为我们服务，这样可以进一步降低实际作业费用。我们对该钻机承包商尚有 166 天的承诺工作量没有完成。

（希望尽快谈定！）

- 红水区域由于竞标引进新的压裂服务公司，其压裂液体系需要送往化验室进行技术验证，在化验结果出来之前，不能完成最后的评标程序。
- 钻机搬迁服务竞标将在钻机型号和数目确定后开始进行，计划安排每个区域 3 家运输公司参与竞标。
- 红水区域井场建设已经开始启动，静河和 KAKWA 视当地天气情况，预计下星期早些时候可以开始动工。

（此次招标活动很有成效，也会影响 DM 等高管对我方的关注，甚至敬意，各分管领导都应采取相应方式。比如财务孙总在选择审计师方面也用了招标、竞标方式。很好啊！）

二. 下周展望事项

- 继续完成评标工作。
- 计划现场考察红水井场建设的进展情况。
- 完成多分支水平井调研报告。

（期待结果）

邹骏昊：

一. 完成事项

- 协助孙总完成 Mercuria 提供的基本信息调查表格
- 参与了和 Deloitte 会计事务所的会议
- 参与了 Long Run 新楼方案设计的会议
- 协助王好总和 Lake 总完成安全管理预算分析，并给予了翻译
- 和孙总一起去了中国银行，未来将负责存取两家控股公司的支票

二. 下周展望事项

- 协助王总还有 Lake 总完成并翻译 Kaybob 区块的分析报告
- 协助孙总完成新星的月结账
- 努力配合各位老总的工作，并有效完成各位老总所分配的任务
(希望更进一步的配合各位领导工作，总结规律性的东西，提高自我能力和素质)

段玥怡:

一. 完成工作

- 参与了和 Deloitte 会计事务所的会议
- 参与了 Long Run 新楼方案设计的会议
- 协助王好总和 Lake 总完成安全管理预算分析，并给予了翻译

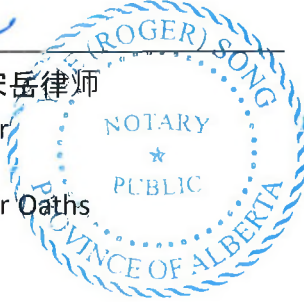
二. 下周展望事项

- 协助王总还有 Lake 总完成并翻译 Kaybob 区块的分析报告
- 努力完成各位老总所分配的任务
(感觉在迅速提高的过程中)

This is Exhibit "21" referred to in the Affidavit of Steven Neu, sworn before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta



王好:

一. Long Run

- 资产买卖
 1. Kaybob 交割预计在买方获得阿尔伯塔能源局的经营资质批复后 2 日之内完成或者 2 月 28 日
- 生产
 1. 现产量为 24,584 日桶当量, 产量较上周增加了 1234 桶当量, 主要来自于 Boyer 天然气产量增加等。红水则增加了 260 日桶
(红水的产量一直上升缓慢, 应该分析一下原因。我总觉得花了 2 亿加元打井, 不应该是这个结果!)
 2. 下周预计日产量到达 24,635 桶
- 天然气套期
 1. 天然气现价近一两周暴跌, 与美国天气逐渐变暖和做空行为导致, 现在现货价格在 2.3-2.5/mcf 之间, 夏天的远期价格则更低。我们会加强对期货市场的关注, 争取在 2.7/mcf 以上继续套期保值行为
(天然气套期是我们保证收益的最重要手段(我们的天然气产量占 65%以上), 去年冬天的犹豫使我们现在很被动。)
- 后续融资
 1. 希望总部在确定另外 7 亿融资后, 能够尽早通知加拿大团队, 以便展开和加拿大建行的贷款合同修正工作
(国内方面的融资最近有些拖延, 还请黄总就此与银行沟通再强推一下。)
- 储量报告
 1. 现在开来预计 2P 储量在 1.5 亿至 1.6 亿桶当量之间, 比原来计划的要多出 20-25%
(LR 2014 年的 2P 储量报告就是 1.7 亿桶(我的记忆), 我是希望 2017 年在打了那么多井后能达到 2 亿桶上下的。)
- 钻井
 1. 16 年 4 季度和 17 年 1 季度已批准原计划钻井 115 口, 现在由于减少了 Northpine 的钻井和两口静河的钻井, 但是加上了 13 口红水钻井, 总钻井数达到 121 口, 成本还是控制在 2.06 亿加元
(花了这么多钱, 产量增加缓慢(尤其是红水)、含油量也无明显提升, 我的压力很大呀。)

二. Twin Butte

- 交割时间

1. 在总部确认了交割时间的延误后，我们与托管人确认了在2月28日前交付382万美元（约500万加元）额外保证金，使得交割时间延迟到3月底
2. TB团队则修改钻井计划，在春休后开工
(我们刚拿到发改委批文，在等商务局的批准证书。这两周我们争取把相关程序走完，尽早安排TB的交割。)

葛总 (Jason) :

1. 听取了生产部门对第四季度生产情况的汇报。产量和三季度相比，下降了1691桶当量每天，其中主要原因是老井递减和新大部分新井未投产所致。12月份的严寒天气造成产量下降了400桶当量每天。和同期预算产量相比，基本持平。四季度实际平均产量为每天21456桶当量，预算产量为每天21350桶当量。但整个2016年产量中油液含量过低(38%)，预计红水新井全部投产后，全年的油液产量能接近50%。生产操作费用居高不下，同三季度相比，第四季度生产作业费用增加了240万，详细真实原因需要进一步分析。下步已经安排和生产部门有关负责人专题讨论如何降低操作费用。

(要高度关注运营费用的增加！按说新井投产其每桶运营成本只是老井的三分之一。另外不要把固定资产投资费用计入到运营费用中。)

2. 由于钻井账单积压严重，给我们做压裂的公司Canyon给我们提出了威胁撤出压裂队伍的邮件，大D将此事移交处理。我及时和对方公司的CFO等人紧急开会见面沟通了两次，有理有据的解除了此次危机。也建立了双方高层互动的渠道，以防止未来类似危机发生。同时已安排财务梳理逾期账单，按优先顺序一旦后续资金到位逐步安排付款。

(好的！我们加快融资进度，力争尽早解决问题。)

3. 安排公司人力资源经理重新对公司目前的薪酬体系做评估，参考专业人力咨询公司的最新数据，做出测算。结论是：我们将要择机推出的薪酬长短期激励机制是有一定竞争力的，大部分员工薪酬能达到当地油气市场50%(P50)的公司标准，而非以前他们讲的只能达到25%(25%)的公司标准。但我们目前的体系只有高级管理层相比市场薪酬明显偏低(只有市场同等岗位平均薪酬的45%左右)，可能对下一步引进其他高管难度较大。经过这次仔细的测算，给我们增加了很大的信心，员工未来的流动性和不稳定性不会像以前想象的那么大。这对中天未来完全掌控公司决策帮助很大。

(我与潜在COO应聘者谈过，进入LR他的基薪会增加30%左右，按说LR的薪酬还是有竞争力的。)

4. 希望总部能及时在月底前到位2000万资金。在3月中以前建行后续资金到位以支付庞大的积压账单。

(黄总、陈总一直在安排办理外汇贷款，今天应该解决。)

林总 (Michael) :

1) 和三家公司的财务负责人进行了面谈，传达了总部对各公司在财务管理和报告的期望。在每月结算日（25号）十天内把财务报告合并后发给总部，并关注各公司的套保，生产，收入以及开支。

这是三家公司提供及整理过后的 2016 年 12 月營運報表，三家公司在營運的角度上也是盈利的。

	US:CAD = 1:1.33	单位:加元	十二月
1) 营业收入	Long Run	TB	New Star
Oil - Light Sweet (bbl/d)	4,762,678.80	8,198,736.47	1,217,824.96
Oil - Light Sour (bbl/d)	3,577,703.80		
Oil - Heavy (bbl/d)	375,531.52	5,023,293.94	
Natural Gas (mcf/d)	8,291,718.18	721,394.49	1,185,402.03
NGL (bbl/d)	2,689,625.72	137,523.75	253,689.28
金融衍生品	625,000.00		
总收入	20,322,258.02	14,080,948.65	2,656,916.26
2) 营业成本	Long Run	TB	New Star
生產成本	9,624,000.00	6,908,658.00	856,673.26
运输费用	1,005,000.00	380,331.00	194,463.73
资源稅	1,499,000.00	1,497,232.00	325,188.95
其他	1,079,000.00	1,401,206.97	94,307.60
运营成本	13,207,000.00	10,187,427.97	1,470,633.54
营业盈利	7,115,258.02	3,893,520.68	1,186,282.72

（这比你上次发给我的资料缺了产量、单价，反而无法进行比较了。你还是多给我们一些数据。）

2) 新星内部:

- 暂时接手了 Steven Sun 的会计工作，开始准备下月从中国来的审计师以及四月份加拿大的审计; 也开始物色适合的会计人员，初步定为有会计执照并有三年左右会计经验。
- 加强内部开销审批程序，从以往的单签改变成为现在 CAD \$ 1 万以上的支出需要双签（我和 Bill Andrew）
- 为了弥补人员流失以及配合打井计划，Bill 新请了一位工程经理，一位地质技术员以及一位 land man。
- 为了更有效的管理新星，杨总召开一个会议;讨论并确认总部的指令应由现有董事（吴总）传递，并由牛总和我在新星内部配合执行。

（就按杨总的安排执行吧。）

3) 各控股公司

- 各控股公司也达到双签（绿能下周办手续）;发现卡尔加里 sinoenergy 和 Alberta Sinoenergy 的会计账目近几个月欠缺打理（但银行现金没有发现问题）因为 Steven Sun 走得比较急，没有太多时间交接，所需要一点时间理顺帐目

（抓紧理顺。）

4) 优士石油

- 协和胡总（和 PwC）策划原油贸易以及码头建设的商业计划书
- 协助胡总向银行申请 LC
- 协助胡总与 MEG Energy 谈判，成功推掉 4 月份的那一艘船以及讨论以后的合作

Steven Neu（牛总）：

- TB：马蹄湖区块土地资源权限即将到期，这是一块被较为看好的中质油区域，TB 不想失去它，由托管人同意以及阿尔伯塔能源局特批，他们决定抓紧时间春季休整期来临之前完成一口评价井（最低工作量）以保住这个区块不被政府收回。

（这个安排很好。）

- NS：初步预计第一批钻井需要套管总长度约 56 千米，考虑到目前套管供应紧张，价格上涨，计划把这批套管和 Long Run 下一步打井所需套管捆绑在一起向供应商询价，以期得到相对较低的优惠价格。

（好主意！我们手里的几家公司就应该选择联合采购，工程施工（钻井、压裂、地面设施）也应是统一安排，既可提高效率，又能降低成本。）

- NS：为了把钻井计划往前赶，在等待 NS 地质人员（bill 跟我说他们已经物色到了合适的地质师）具体落实井位的过程中，提前提供给长城钻井公司大致的钻井区域，让他们事先熟悉该地区的钻井情况以及地质资料，以便准备初步的钻井设计和投标文件。这样一旦井位确定，气候允许，就可以很快组织钻井施工。

- LR： 钻井和投产井数据

区域	计划井数	已钻井数	投产井数
红水	119	101	59
Kakwa	8	8	4
静河Nville	9	9	6
静河Gville	14	14	7
合计	150	132	76

14 号，9 号，24 号以及 8 号钻机已经全部撤离，目前只剩下 4 号和 5 号钻机在红水地区。4 号钻机还有最后一个井场 3 口井，预计 10 天可以完成，然后撤离。5 号钻机钻完目前 2 口井后，将搬迁至 11-11 井场继续钻进（13 口井）。

吴迎春:

一. 完成工作

- 优势: 油样已到 Edmonton 化验室. (不知为何 Lloydminster 的 6 个区油样是分批分人送到 Edmonton 的, 耗时)
- NS: 一周生产均值 2,765 boe/d. 稍高于上周的.

杨总周四召开会议, 牛总, 小林总参加. 杨总说他现在只是个顾问 (Consultant), 不再主导, 而我应起 Director 的作用. 请总部明示.
(按杨总安排办。)

- 向汪总提供了新办公室 5-6 楼布局图(暂不让进去看, 里面也是全空的). 汪总表示他更喜欢高层点的. 再一个, 他要 open, 敞开式, 不是每个人一个办公室. 因此要尽快定下来. 不然改造成本在增加.
(LR 租的层位有比较高的吗? 汪总要用的肯定是敞开式的. 吴总马上告我 LR 订的是哪些层。)
- LR: 63 口新井共生产 4,770 boe/d(一周均产. 井数统计: 无产量不算投产, 以计算单井均产).

在 Redwater 地区, Redwater 北部油田, 33 口井投产. 单井均产 55 boe/d, 接近预估值. 有一井场 8 个井, 刚投产, 暂无产量数据.

Redwater 中部油田, 仍是 4 口井投产. 单井均产 61 boe/d, 达预估值.

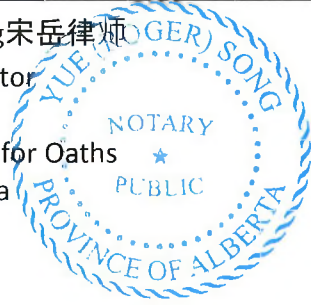
Brudheim 北部油田, 8 口井投产. 单井均产 40 boe/d, 暂低于预估值. 仍有背压高而限产问题.

(红水已打井 101 口, 只有 45 口井投产, 这是目前最大的问题! 请你们认真研究一次, 把原因和措施告我。)

This is Exhibit "22" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta



王好:

一. Twin Butte:

- 与托管人确认交割时的金额调整数额。
- 与国内确认汇款的时间和金额。
- 与管理层确认交割时需要支付的款项和交割后 2 周至 1 个月的资金需求。TB 在交割后资金需求比较大，需要总部进一步支持。
- 与律所敲定管理层合同、员工合同及零时工合同，并在周一把合同定稿发出。
- 与管理层确认员工的薪水调整已经 10 月份奖金的分发情况。经比较，除管理层外，TB 员工的底薪比 Long Run 的底 20-30% 左右。
- 起草三月底四月初打井的相关文件。
- 商议了让 Rob 来代替大 D 管 Long Run 的方案，并在周五约谈，初步沟通效果还行。

（如果能说服 Rob 到 LR 任 CEO，留 COO 和 CFO 在 TB，是一个很好的安排。）

牛总 (Steven):

一. Twin Butte:

- 开始以西湖公司临时 president 和董事身份陆续签署上千份交割文件，包括各项法律声明、国有以及私有土地矿产资源权和作业权移交、联合作业项目转换、更新各种市场合同、土地继承权交割等等。

（这个临时总裁很起作用啊。）

- 托管人将在交割之日宣布解除和 TB 的托管关系，为保证公司平稳过渡（尤其现场生产），我们需要提前签署雇佣合同将 TB 员工转为西湖公司员工。TB 管理层提出的工资方案，基本原则是除了个别技术骨干需要增加 2-5% 之外，其余维持现有工资水平。出于全局和长远考量（下一步 TB 和 LR 的合并），我把两个公司所有员工从级别、职能以及业务等几个方面做了详细分析和对比，以下是结果。注意，TB 工程及地质物探技术人员平均行业经验要比 LR 高出 39%。

1. 高管工资：LR 比 TB 平均高出 13%
2. VP 工资：LR 比 TB 平均高出 34%
3. 经理工资：LR 比 TB 平均高出 23%
4. 财务人员：LR 比 TB 平均高出 46%
5. 工程技术人员：LR 低于 TB 12%
6. 地质物探师：LR 低于 TB 4%
7. 土地、安保、市场人员：LR 比 TB 平均高出 11%

- 8. 采油生产人员：LR 低于 TB 15%
- 9. 另外，TB 没有 IT 部门，LR 专职 IT 人员年工资总计 62 万加币。

从工资布局结构可以看出，LR 薪酬体系倾向“后勤”人员，TB 倾向“前线”生产技术人员。另外，LR 部门结构相对队臃肿，在 LR 专门设置的一些部门经理职位，在 TB 由经验丰富的 lead 员工担任。

（同意对 TB 员工薪酬调整方案。如果 Rob 能到 LR 就职，对其人员调整、内部管理是很有价值的。）

二. New Star:

- 对新星过去所有生产井以及 2015 年新钻井进行了产量分析（不是很乐观）以便预测 2017 年钻井结果，争取下周出一份报告。

三. Long Run:

- 已钻井和完成生产管线连接井数量:

区域	计划井数	已钻井数	已连接井数
红水	119	115	83
Kakwa	8	8	8
静河Nville	9	9	8
静河Gville	14	14	11
合计	150	146	110

- 红水 5 号钻机在钻进最后一个井场，还有 4 口井，两个星期内完成后释放钻机。请总部指示 LR 下半年是否继续在红水地区钻井。如果继续，建议就尽在 LR 厂区内找一个地方安置该钻机，这样可以节约一笔搬迁以及复员费。

（红水下半年肯定要继续钻井，钻机可就地安置。）

小林总 (Michael) :

一. New Star:

- 继续配合中国的审计以及资产评估。
- 着手研究能够降低生产成本以及办公室内的人力成本。

二. 控股公司:

- 继续配合中国对各控股公司的审计。

三. CAPC

- 协助胡总完善商业计划书。
- 协助与 BP 沟通原油出口贸易计划。

四. Twin Butte

- 与管理层开了几个会，计划顺利过渡。

（请小林总配合 Lake 总、葛总对 LR2016 年 11 月至 2017 年 1 月的运营成本细目（包括每一张凭证）核查一遍，看看支出迅速增加的原因是什么？）

吴总:

一. New Star:

- 一周生产均值 2,717 boe/d. 平稳。
- 一压缩机 K-1000, 因振动停运几个月了。(只好租压缩机代替), 现已修复。
- 就纳米试验, 提出中天是参与者. 如果成功并申请专利, 中天至少有免费使用权。

二. Long Run:

新井生产总结

油区/油田	投产井数	单井均产, boe/d	评论
LR 总计	100	7,185	总产
Redwater 油区			
Redwater北部油田	52	50.5	接近预估值, 问题:砂堵,背压高等, 在处理中
Redwater中部油田	12	46.5	近期投产的两个井场不好, 待察
Brudheim北部油田	10	47.3	暂低于预估值. 新管线已接好,本周3井投产, 还有3个准投产
Peace River油区			
Girouxville油田	11	144.1	接近预估值
Normandville油田	8	77.3	远低于预估值, 多水
Kakwa油田	7	277.6	低于预估值

(统计说明:一周均产,无产量数据的不算投产,或叫准投产)
(各单井状况,详见附件)

Redwater 井数统计

	已钻井数	已接好数	已投产数	准投产数
上周	113	77	63	14
本周	115	83	79	3
说明	(牛总)钻井数据		生产数据	

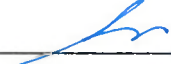
上周14个准投产的,6个是地面受限,8个是尚未测流量.

三. 下周展望事项:

- NS: 打井计划
- LR: 跟进 新井产量
- 优势: 跟进化验, 研究 ARC 设施

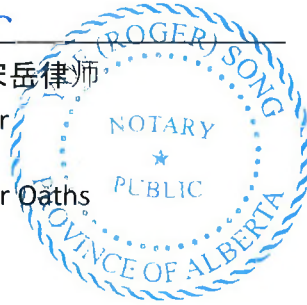
(王好总、小泊总、葛总、牛总、吴总、小林总, 我本周四到卡尔加里, 马上转去美国波特兰谈项目, 周日返回卡城. 请你们各自就分管工作准备一个提纲, 我下周将听取你们的汇报, 确定后几个月的工作安排. 邓天洲)

This is Exhibit "23" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



3月24号周会议纪要 (修改)

"王卓" <wang.z@snencn.cn>

收件人: "邓董事长" <deng.tz@snencn.cn>, "黄总裁" <huang.b@snencn.cn>, "陈爱国" <chen.ag@snencn.cn>, "王海玲" <wang.hl@snencn.cn>, "孟兰" <meng.l@snencn.cn>, "崔怡彬" <cai.yb@snencn.cn>, "邓小泊" <deng.xb@snencn.cn>, Jason <jasonge@snencn.cn>, "王好" <wang.h@snencn.cn>, "steven neu" <steven.n@snencn.cn>, "杨文涛" <yang.wt@snencn.cn>, "吴迎春" <wu.yc@snencn.cn>, "林成德" <lam.m@snencn.cn>, "陆蓉" <lu.r@snencn.cn>, "邹骏昊" <zou.jh@snencn.cn>, "段玥怡" <duan.yy@snencn.cn>

时 间: 2017-3-28 11:42:50

附 件: 3月24一周纪要 (修改) .docx

[下载附件](#)

各位领导, 您们好:

附件为已添加邓董事长审阅意见的3月24日周会议纪要, 烦请各位查收。

This is Exhibit "24" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



Re:Alberta Crown Land Sale for Wednesday, April 5th

"邓小泊" <deng.xb@snencn.cn>

收件人 : "David Middleton" <dmiddleton@westlakeenergy.ca>

抄 送 : "steven.n" <steven.n@snencn.cn>, "林先生" <lam.m@snencn.cn>

时 间 : 2017-4-5 23:22:08

附 件 :

Hello Dave,

I appreciate your request on that. It seems to work with our plan in Rosenheim. Your request is approved.

Best,

Lake

在 2017-04-05 05:19:47 , "David Middleton" <dmiddleton@westlakeenergy.ca> 写道 :

Hi Lake,

There is a Alberta crown land sale posting in the Rosenheim area (the Rosenheim area was included in the presentation – 2nd last page). It's for 64 ha the NE-26-38-2W4 and is within an area we are consolidating through the land acquisition with Heritage Lands. The play is the Sparky zone. The remainder of the section is owned by Apache and we have talked with them already and they would be willing to do a deal such that we could acquire the whole section. This would fall into a 2018 drilling program.


We were planning on submitting a bid of \$13,400 or ~ \$190/ha for the 64 ha.

I am asking for approval for this bid.

Thank you,

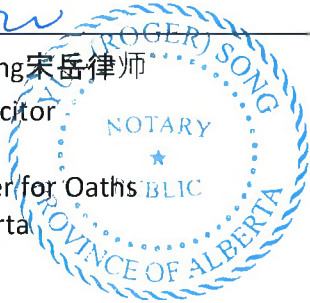
Dave

This is Exhibit "25" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



Re: 本星期AFE待批项目

"邓小泊" <deng.xb@snencn.cn>

收件人: "steven neu" <steven.n@snencn.cn>

抄 送: "林先生" <lam.m@snencn.cn>

时 间: 2017-5-24 3:32:22

附 件:

了解一下土地恢复这种工作是否需要复杂的aer申请? 能不能找中石油乙方做了?

在 2017-05-23 05:01:12, "steven neu" <steven.n@snencn.cn> 写道:

1) 待批23个钻井前期土地测量费用, 计\$406,850, 平均\$17,689, reasonable.

2) 待批2笔land费用\$1,128,168。注意: AFE系统显示目前approved的land费用只有两笔, 共\$31,460。与我们实际已经批准的数百万费用相比, 数据录入滞后。 GORD给出的理由如下: Federica raises the AFE's for acquisitions once the deal is closed and normally has them out within a week. I'll follow up with her on the few deals that have closed. I talked to her on the subject matter a couple days ago so she should be on it. As an FYI, Lora raises landsale AFE's after the if we have success. For regular freehold land acquisitions aside from HRP and Prairiesky lands we raise an AFE's at the end of each quarter to catch all of these as they are not material. The HRP and Prairiesky acquisitions will have AFE's raised for them separately as they are material. 考虑是否给管理层一个建议, 只要是我们已经批准的LAND费用, 不要等到DEAL CLOSE再录入, 能不能像其他program一样, 批准后立即进入AFE系统? 这样便于我们keep on tracking 究竟已经批准多少LAND费用了, 至于最后结果land没有买下来, 可以另外记录。

3) 待批2笔地震费用, 计\$731,967. 目前已经批准 \$6,255,054, 2017年总预计是11 million, 已经过半。

4) 待批3笔Maintenance Capital费用, 计\$57,328. 2017年该项总计7million, 目前只批准了\$167,599。

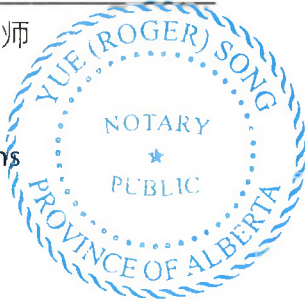
5) 待批7笔弃井费用, 计\$185,014, 平均\$26,430每口井, ok. 待批19笔土地恢复费用, 计\$169,471, 平均每口井\$8,920, ok. 弃井费用目前已经批准\$2,980,213. 全年预算加土地恢复费用6 million, 已经近半。

This is Exhibit "26" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



Re:Re:3月3号会议纪要 (修改)

"邓董事长" <deng.tz@snencn.cn>

收件人: "Harold Wang" <wang.h@snencn.cn>

抄 送: "王卓" <wang.z@snencn.cn>, "黄总裁" <huang.b@snencn.cn>, "陈爱国" <chen.ag@snencn.cn>, "王海玲" <wang.hl@snencn.cn>, "孟兰" <meng.l@snencn.cn>, "崔怡彬" <cui.yb@snencn.cn>, "邓小泊" <deng.xb@snencn.cn>, Jason <jasonge@snencn.cn>, "Steven neu" <steven.n@snencn.cn>, "杨文涛" <yang.wt@snencn.cn>, "吴迎春" <wu.yc@snencn.cn>, "林成德" <lam.m@snencn.cn>, "陆蓉" <lu.r@snencn.cn>, "邹骏昊" <zou.jh@snencn.cn>, "段玥怡" <duan.yy@snencn.cn>

时 间: 2017-3-13 9:28:40

附 件:

王好总:

此事最为重要! 我同意马上套保且大比例套保。

油价暴跌, 我们一下子陷入到困境了。天然气套保则关乎全年, 一定要放在目前工作的第一位!

你在周报里说的2018年3月可到2.86加元/mcf, 能做到则最好。

抓紧! 4个公司包括NS、LR、TB、上海能源都同时展开工作。并请各位负责人及时给我通报情况!

谢谢!

邓天洲

在 2017-03-10 11:51:35, "Harold Wang" <wang.h@snencn.cn> 写道:

董事长,

北美的冬天已经接近尾声了, 很可能今年锁定天然气价格的时间可能就这几天了。这几天卡尔加里天气特别冷(下周就暖了)天然气价格稍微在往上走, 建议能够在未来五天增加套期保值。如果对冲至年底或明年三月可以到2.65至2.7/mcf左右。

王好

在 2017-03-09 15:41:04, "王卓" <wang.z@snencn.cn> 写道:

各位领导, 您们好:

附件为已添加邓董事长审阅意见3月3日会议纪要, 烦请各位查收。

--

邓天洲

中天能源股份有限公司

Sinoenergy Corporation

Mobile: 13910000578

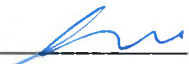
Tel: 86-10-84931428

Email: deng.tz@snencn.cn

地址: 北京市朝阳区望京SOHO塔2-B座29层

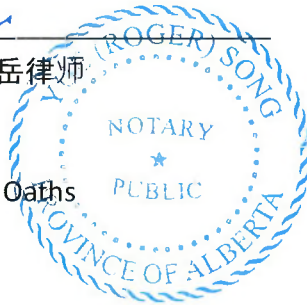
邮编: 100102

This is Exhibit "27" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



Appointment as President and COO of West Lake

"邓小泊" <deng.xb@snencn.cn>

收件人: dmiddleton <dmiddleton@twinbutteenergy.com>

抄 送: "Alan Steele" <astelee@twinbutteenergy.com>, "Rob Wollmann" <robwollmann@gmail.com>, "Harold Wang" <wang.h@snencn.cn>, "林先生" <lam.m@snencn.cn>, "steven.n" <steven.n@snencn.cn>, "Jin; Xiaodi" <xjin@blg.com>


时 间: 2017-3-30 2:47:12

附 件:

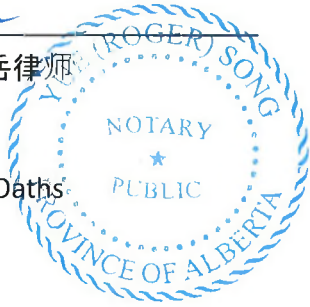
Hello Dave, it is confirmed we will get the board resolution for your appointment as President within a week.

Best,
Lake

This is Exhibit "28" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021


Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



RESIGNATION OF OFFICER

TO: WEST LAKE ENERGY CORP. (the "Corporation")

I hereby resign from my role as President of the Corporation effective March 30, 2017 and hereby confirm my intent to continue in the role of Chief Executive Officer of the Corporation.

DATED as of _____, 2017.

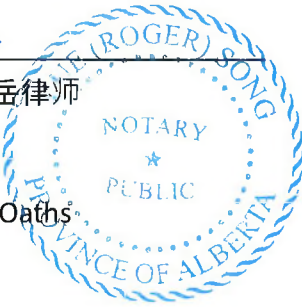
Steven Neu

This is Exhibit "29" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



Steven Neu

To: Steven Neu
Subject: RE: Fw:Re:Re:Fw:WLEC - Signatures re resignation as President and change of Directors

From: Jin, Xiaodi <XJin@blg.com>
Sent: Tuesday, April 11, 2017 11:07 AM
To: 邓小泊 <deng.xb@snencn.cn>
Cc: Steven Neu <sneu@westlakeenergy.ca>; 林先生 <lam.m@snencn.cn>
Subject: RE: Fw:Re:Re:Fw:WLEC - Signatures re resignation as President and change of Directors

Hi Lake,

Understood, however we do need Steven to sign some documents effective March 30, 2017 (at closing) so we would preferably make his resignation as CEO some date in April instead.
His resignation from the office of President is required on the 30th so that we can appoint Dave Middleton into that role as of that date.


Let me know if you think this proposal works. I'll put together a 1 page resignation for Steven from office of CEO effective April 3, 2017.

Xiaodi Jin | Borden Ladner Gervais LLP
T 403.232.9523 | C 403.796.4652

From: 邓小泊 [<mailto:deng.xb@snencn.cn>]
Sent: April-11-17 11:04 AM
To: Jin, Xiaodi
Cc: Steven Neu; 林先生
Subject: Fw:Re:Re:Fw:WLEC - Signatures re resignation as President and change of Directors

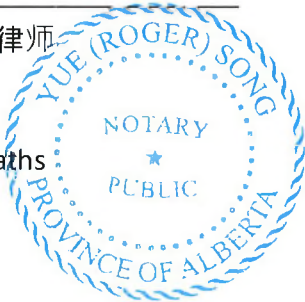
Xiaodi, I don't think Steven will remain as CEO for West Lake. He will be a director of new board at WL.

This is Exhibit "30" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



2017年目标行情

计划	52 mm	Dave
实际	20 mm	Alan
成本	10 mm	Dave
增长	5 mm	Dave

计划 85 mm

实际 — 15 mm

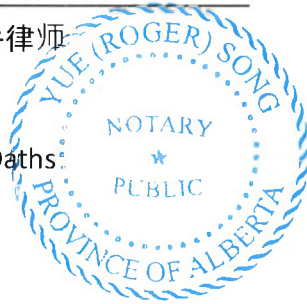
净利润 70 mm

This is Exhibit "31" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths:
in and for Alberta



Re:west lake budget control

"邓小泊" <deng.xb@snencn.cn>

收件人: "steven neu" <steven.n@snencn.cn>

抄 送: "sneu@westlakeenergy.ca" <sneu@westlakeenergy.ca>, "林先生" <lam.m@snencn.cn>

时 间: 2017-4-20 4:26:34

附 件:

我正要安排做一个每周会上的通过的AFE (比如clean up, recompletion这些), 方便以后追踪完成情况。每周往里面添加, 两个月review一次。这个就由steven来完成。你们觉得如何?

Steven, 你列出的是AFE吧? Budget是全年的总预算, budget的每口井cost会低于AFE一点。

在 2017-04-20 01:52:40, "steven neu" <steven.n@snencn.cn> 写道:

Lake, 目前WL 等待批准的BUDGET近1500万, 我梳理了一下组成内容, 如下:

abandonment	\$748,285
2 initial complation	\$661,235
12 new drill pipeline for gathering	\$6,848,570
clean out	\$538,149
production equipment	\$319,788
recompletion	\$3,179,453
Seismic	\$473,665
total	\$1,934,995
	\$14,704,140

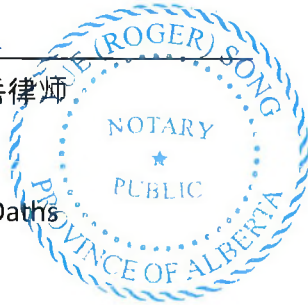
以后随着工作进展, 这个数值以及各个BUDGET项目内容是不停变化的。每周一次管理会, 各个部门负责人简单介绍一下项目, 我们批准了, 以后再来一些新项目, 再批准, 如此一年累积下来, 比较难追踪, 执行到最后, 还是难以控制成本花销。针对这个情况, 我设计了一个可以随时更新的成本追踪表格。在这个表格里, 每个项目总budget多少, 我们已经批了多少, 还有多少余额, 清清楚楚, 一目了然。这是一个动态控制过程, 一旦批准项目的BUDGET已经接近总预算额, 但还有相关项目陆续等待批准, 我们可以提前警觉亮红灯。有什么想法, 请让我知道。

This is Exhibit "32" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



Re:WL一周简报

"邓董事长" <deng.tz@snencn.cn>

收件人: "steven neu" <steven.n@snencn.cn>

抄 送: "邓小泊" <deng.xb@snencn.cn>

时 间: 2017-4-25 11:54:40

附 件:

泊总、牛总:

牛总报告已阅。

西湖公司1、2月份远未踏上8000万加元现金流的步子, 每月仅300-400万加元。还得在套期、钻井、降低运营成本上下功夫。

邓天洲

在 2017-04-25 08:07:56, "steven neu" <steven.n@snencn.cn> 写道:

请见附件, 谢谢。

--

邓天洲

中天能源股份有限公司

Sinoenergy Corporation

Mobile: 13910000578


Tel: 86-10-84931428

Email: deng.tz@snencn.cn

地址: 北京市朝阳区望京SOHO塔2-B座29层

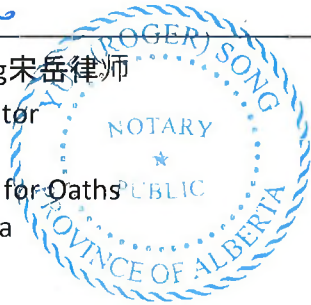
邮编: 100102

This is Exhibit "33" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



回复：西湖公司4月30日工作简报

"邓董事长" <deng.tz@snencn.cn>

收件人: "steven neu" <steven.n@snencn.cn>

抄 送: "邓小泊" <deng.xb@snencn.cn>

时 间: 2017-5-1 22:09:32

附 件:

牛总:

您做的工作很有意义。

我对WL的产量一直有担心，您帮我解决了这个问题。也请您届时紧盯钻井效果，及时调整。

对于每桶成本，您也仔细想想有什么办法可以控制并有效降低。

油价问题，我一直以为WL的重质油卖价是WTI美元价减17美元，实际上是WTI美元价减20.8美元，这有点出乎我的意料。为什么差距这么大 我还要进一步和WL管理层讨论。

请小泊总也关注上述问题。

邓天洲

发自网易邮箱大师

在2017年05月01日 07:15, steven neu 写道:

董事长、泊总:

西湖公司管理层先后提交了两次2017年产量计划，总的来说变化不大，预计年底可以达到15,000桶日产量。我根据现有资料，把2017年17个地区的75口井，每口井都过了一遍，整理出9条不同类型的生产曲线，又自己算了一遍，结果相似，详细计算过程和结果请见附件。

2017年生产产量目标能否顺利实现，主要取决于两个因素，钻井计划的执行情况和新投产井产量预估的准确度。关于钻井计划的实施，由于人为可控因素要多些，通过有效的组织和技术上的管理，具体操作起来，把握性相对大些。产量预估这部分，西湖公司从来没有大规模在不同区域、不同生产层位尝试过多分支水平井，其标准生产曲线数据不是来源于周围井实际生产数据，模拟计算的比例成分比较重些，关于钻井类型和具体油藏类型能否匹配，产生多好的效果，有待实际结果验证，所以地下不可控因素相对要大一些。针对这个情况，我们提出要有备用计划，盯紧每一口新投产井的生产情况，并据此来调整下一步钻井计划，发现苗头不对，及时调头，要有灵活性，避免出现年底总结，无法补救的被动局面。

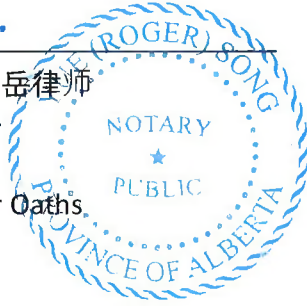
祝好

Steven

This is Exhibit "34" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta



Re:西湖公司4月30日工作简报

"邓小泊" <deng.xb@snencn.cn>

收件人: "steven neu" <steven.n@snencn.cn>

抄 送: "邓董事长" <deng.tz@snencn.cn>

时 间: 2017-5-1 23:52:08

附 件:

同意。LR最近开始冬季钻井回顾，我也在peaceriver的会上问了同样的问题：为什么发现油层比预计的薄还要一直打下去？为什么14口井都是infill（两口现有在产井之间的井）？发现前几口压力不够就应该停下来更改钻井计划打redwater了，为什么还闭着眼睛往下打？为什么没有其他方案？Rob也批评了他们这种做法。为了避免这种情况的发生，请Steven密切关注WL每一口井的投产情况。

目前WL的评价井（35%）产量是按照53%、60%的标准曲线产量计算的，在定位是评价井还是开发井的判断上，他们是给自己留了一些空间的。负责开发的VP是个偏于谨慎的人，我认为他们提的产量要求是非常可行的（年平均11900桶，年终15000桶），并且已经同意他们把这个作为目标向员工公布了。因为地下因素的不可控，还是要适当的给他们团队一些信任，观察一旦有情况不如预期的井，他们的反应速度和处理方式，我们再决定要怎么参与他们的工作。

在 2017-05-01 07:15:47, "steven neu" <steven.n@snencn.cn> 写道:

董事长、泊总:

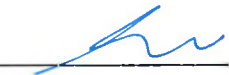
西湖公司管理层先后提交了两次2017年产量计划，总的来说变化不大，预计年底可以达到15,000桶日产量。我根据现有资料，把2017年17个地区的75口井，每口井都过了一遍，整理出9条不同类型的生产曲线，又自己算了一遍，结果相似，详细计算过程和结果请见附件。

2017年生产产量目标能否顺利实现，主要取决于两个因素，钻井计划的执行情况和新投产井产量预估的准确度。关于钻井计划的实施，由于人为可控因素要多些，通过有效的组织和技术上的管理，具体操作起来，把握性相对大些。产量预估这部分，西湖公司从来没有大规模在不同区域、不同生产层位尝试过多分支水平井，其标准生产曲线数据不是来源于周围井实际生产数据，模拟计算的比例成分比较重些，关于钻井类型和具体油藏类型能否匹配，产生多好的效果，有待实际结果验证，所以地下不可控因素相对要大一些。针对这个情况，我们提出要有备用计划，盯紧每一口新投产井的生产情况，并据此来调整下一步钻井计划，发现苗头不对，及时调头，要有灵活性，避免出现年底总结，无法补救的被动局面。

祝好

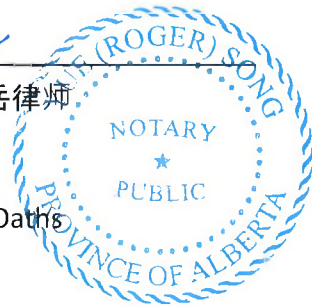
Steven

This is Exhibit "35" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



区域产量

生产区域	油(桶/天)	气(千立方尺/天)	凝析(桶/天)	当量桶/天
重质油 (AB & SK)	3,126	848	0	3,267
中质油 (AB Provost)	4,994	2,667	61	5,500
东部油气 (AB Plains)	185	360	5	250
西部油气 (AB Central & BC)	24	2,441	15	446
南部气区 (AB Foothills)	0	581	15	111
本周总计产量	8,329	6,897	96	9,574
上周总计产量	8,425	6,864	87	9,655
一周递减	-96	33	9	-81

钻井动态

由于政府春季封路，第一台钻机原地等待搬迁，一旦天气好转，立即移动。目前正在讨论第二台钻机迁入计划。

2017 年产量预算

WL 管理层前后提供了两次数据，第一次是年底达 14947 桶/天，平均年产 11311 桶/天。第二次是年底达 15404 桶/天，平均年产 11912 桶/天，差别不大。我根据目前掌握的数据自己测算了一下（见附件），年底可达 15459 桶每天，平均年产 11695 桶每天。这个产量预算能否实现，主要取决于下面两个条件：1，目前的钻井计划能否顺利实施。2，目前产量标准曲线的准确程度。具体应对措施是：1，如果春季由于天气不配合而导致钻井施工延误，那么以后要动员更多钻机加大钻井力度，这样做不利的一面就是会提高钻井成本。2，地质、油藏部门要有备用方案，盯紧每一口新投产井的产量结果，一旦有偏差，及时调整现有钻井方案，不能等到一批井打完，发现效果不理想，但资金已经投入，为时已晚，无法补救。

2017 年现金流预算

如果上述的产量预算能够实现，财务方面提供了三种可能出现的情况，按 6 月到 12 月，若以 WCS 46.55 加币预计，年底现金流总计约 6300 万。WCS 50.57 加币预计，年底现金流总计约 7100 万。WCS 54.42 加币预计，年底现金流总计约 8000 万。

增加产量和提高现金流具体措施

钻完井：

1，取消春季整修，钻井计划往前推移。5 月初迁入第二部钻机。5 月底或 6 月初搬迁第三部钻机。具体实施能否顺利，主要取决于天气情况。2，动员一部小型钻机为所有大型钻机预设一开井口，从整体上提高钻井作业施工效率和进度，并平均使每口井提前 1 到 2 天进入投产。按初期投产平均 120 桶每天每口井，72 口井，平均 25 元每桶现金回流，每早投产一天，每天可多获现金流逾 22 万加币。3，把两口单水平段压裂井设计成一口多分枝无压裂井（前期资金投入相当），这样

钻完井后不需要等待压裂，可以较快投产。4，由于多分枝井平均日产量高出单井 60%左右，在钻井计划排列中，条件允许，尽可能把多分枝井往前排，早打早产早获现金流。

二次完井：

在不同地区筛选一批老井进行重新完井，包括洗井、再次射孔、换泵等作业，其中一部分费用可以转入资本性支出。

弃井：

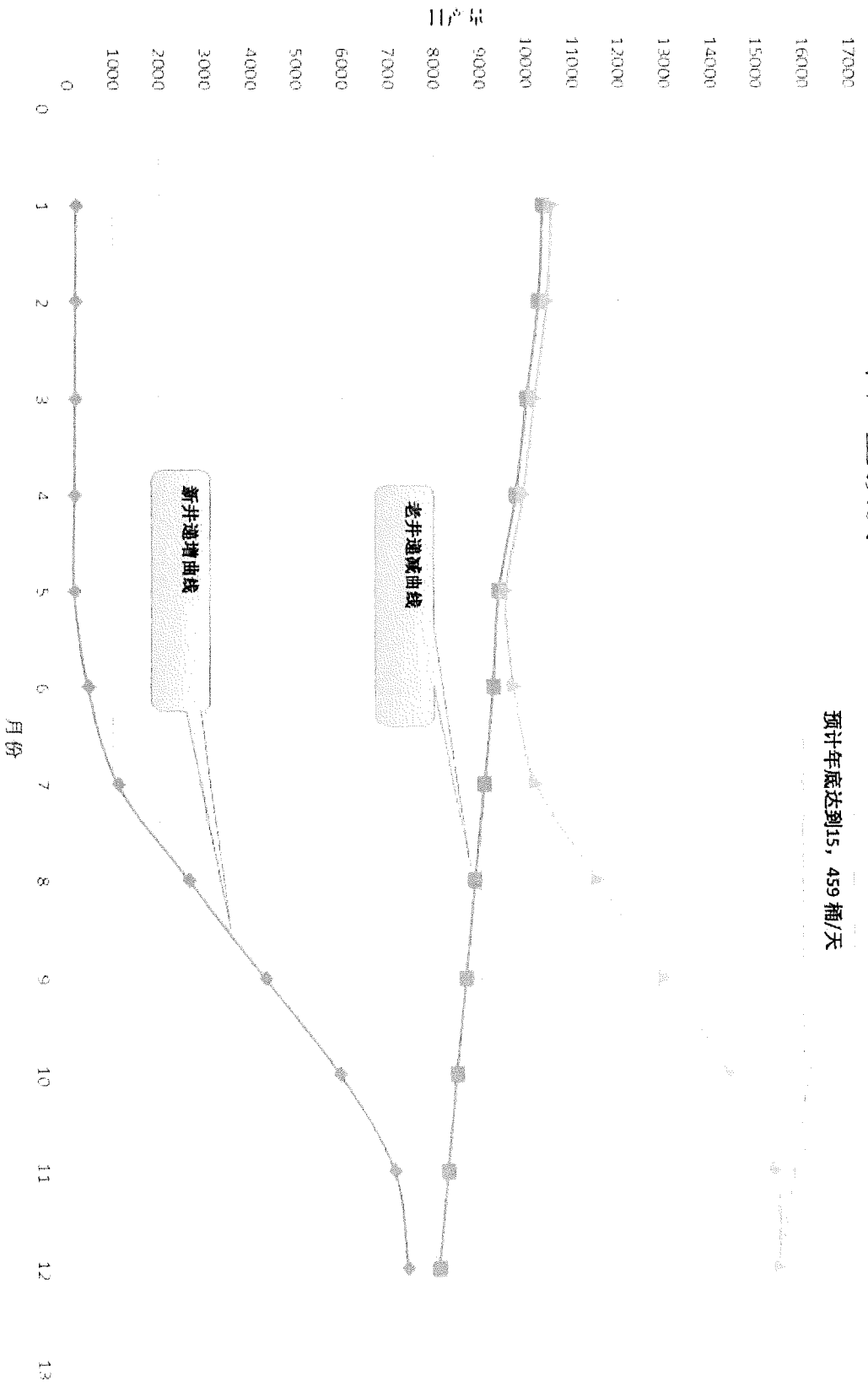
三个主要弃井区域，Provost、Frog Lake 和 Neerlandia，估算费用约 5 百万加币，其中 Neerlandia 区域与 Long Run 重油区域邻近，两家可以商量共同使用当地施工队伍以降低作业费用。

采油：

通过对不同生产区域的生产用工、现场服务商、化学药剂使用、防腐维护、油水处理和原油运输等成本构成项目的梳理，在目前操作成本上，争取每桶再降低 1 加币。

2017年产量预测

预计年底达到15, 459 桶/天



类型	1	2	3	4	5	6	7	8	9
perf	1 90	1 128	1 171	1 114	1 156	1 86	1 195	1 108	
	2 90	2 128	2 68	2 109	2 148	2 78	2 185	2 98	
	3 85	3 127	3 65	3 104	3 141	3 71	3 174	3 90	
标	4 76	4 107	4 63	4 99	4 135	4 65	4 168	4 81	
准	5 66	5 95	5 60	5 94	5 128	5 58	5 160	5 73	
进	6 59	6 85	6 58	6 90	6 123	6 53	6 153	6 66	
线	7 53	7 76	7 55	7 86	7 117	7 47	7 146	7 59	
	8 49	8 68	8 53	8 82	8 112	8 42	8 140	8 53	
	9 44	9 62	9 51	9 79	9 107	9 37	9 133	9 46	
	10 44	10 55	10 49	10 76	10 102	10 32	10 128	10 41	
	11 42	11 50	11 47	11 73	11 98	11 28	11 122	11 35	
	12 40	12 37	12 46	12 70	12 94	12 24	12 117	12 30	
反	72 72	70 70	92 92	109 101	149 139	149 79	186 173	186 99	
总	48.05%	58.89%	64.06%	35.21%	38.60%	39.74%	72.09%	40.00%	72.22%

钻井计划详细投产月份

Month	8	5	Aug-17	10	3	Apr-17	6	7	Jul-17	9	4	Sep-17	11	2	May-17	7	6	Apr-17	6	7	swim	1	12	May-17	7	6
Jun-17	8	5	Aug-17	10	3	Apr-17	6	7	Jul-17	9	4	Sep-17	11	2	May-17	7	6	Apr-17	6	7	swim	1	12	May-17	7	6
Jun-17	8	5				Jun-17	8	5	Aug-17	10	3	Oct-17	12	1	Jun-17	8	5	Apr-17	6	7	May-17	7	6	May-17	7	6
Jun-17	8	5				Jun-17	8	5	Oct-17	12	1	Nov-17	0	0	Jun-17	8	5	May-17	7	5	Jun-17	8	5	May-17	7	6
Jul-17	9	4				Jul-17	9	4							Jul-17	9	4	Sep-17	11	2	Jun-17	8	5	Jun-17	8	5
Aug-17	10	3				Jul-17	9	4							Aug-17	10	3				Jul-17	9	4	Jun-17	8	5
Aug-17	10	3				Jul-17	9	4							Sep-17	11	2				Jul-17	9	4	Jun-17	8	5
Sep-17	11	2				Jul-17	9	4							Oct-17	12	1				Jul-17	9	4	Jul-17	9	4
						Nov-17	0	0							Nov-17	0	0				Aug-17	10	3	Jul-17	9	4
						Dec-17	0	0							Dec-17	0	0				Aug-17	10	3	Jul-17	9	4
																					Aug-17	10	3	Aug-17	10	3
																					Aug-17	10	3	Aug-17	10	3
																					Sep-17	11	2	Aug-17	10	3
																					Sep-17	11	2	Aug-17	10	3
																					Sep-17	11	2	Sep-17	11	2
																					Oct-17	12		Sep-17	11	2
																					Dec-17	0		Sep-17	11	2
																					Dec-17	0		Sep-17	11	2
																					Dec-17	0		Sep-17	11	2
																					Dec-17	0		Oct-17	12	1
																								Oct-17	12	1
																								Oct-17	12	1
																								Nov-17	0	0
																								Nov-17	0	0

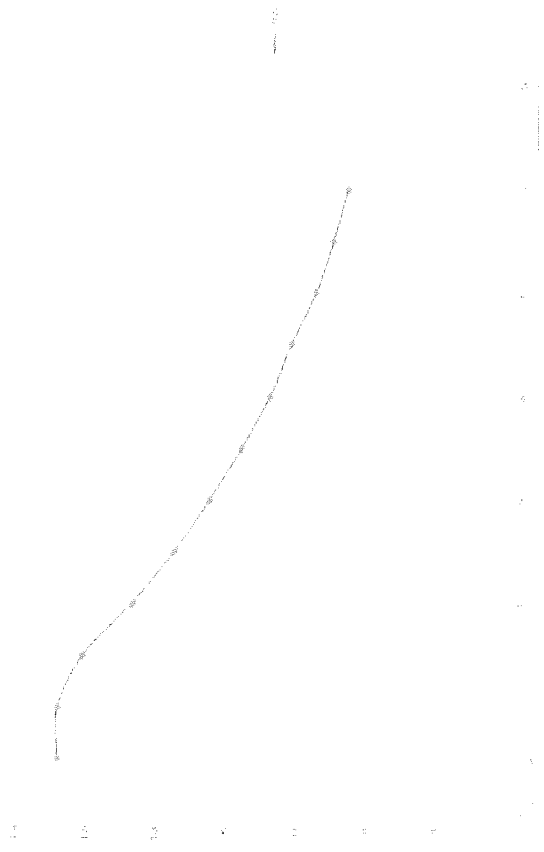
2017年每口单井投产预计产量

井号	1	2	3	4	5	6	7	1	2	3	1	2	1	2	3	4	5	6	7	1	2	3	4	1	2	3	4	5	6	7	8	9			
1																								195											
2																								185											
3																								177											
4																								168											
5																								160											
6																								86.86											
7																								153											
8	77	77	77																					146	195										
9	71	71	71	77																				140	185	195	195								
10	62	62	62	71	77	77																		133	185	185	185	195	195	195					
11	62	62	62	71	71	77	77	90	95															128	168	168	168	168	168	168	168	168	185	185	
12	59	59	59	62	62	62	62	68	68	114														122	160	168	168	168	168	168	168	168	168	185	185
13	59	59	59	62	62	62	62	68	68	71	109	114	123	128	128	135	148	156	156	156	156	156	156	117	153	160	160	168	168	168	168	168	168	168	
14	11	12	13	14	15	16	17	18	19	20	21	22	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	
15																								195	10,367	10,562									
16																								185	10,275	10,460									
17																								177	10,016	10,193									
18																								168	9,776	9,944									
19																								160	9,405	9,565									
20																								453	9,277	9,730									
21																								1,105	9,088	10,193									
22																								2,629	8,872	11,901									
23																								4,298	8,671	12,969									
24	195	195	195																					5,929	8,461	14,390									
25	185	185	185	195	195	195	195	195	195	195	195	195	195	195	195	195	195	195	195	195	195	195	7,106	8,265	15,371										
26	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	7,392	8,067	15,459										
27	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	7,392	8,067	15,459										

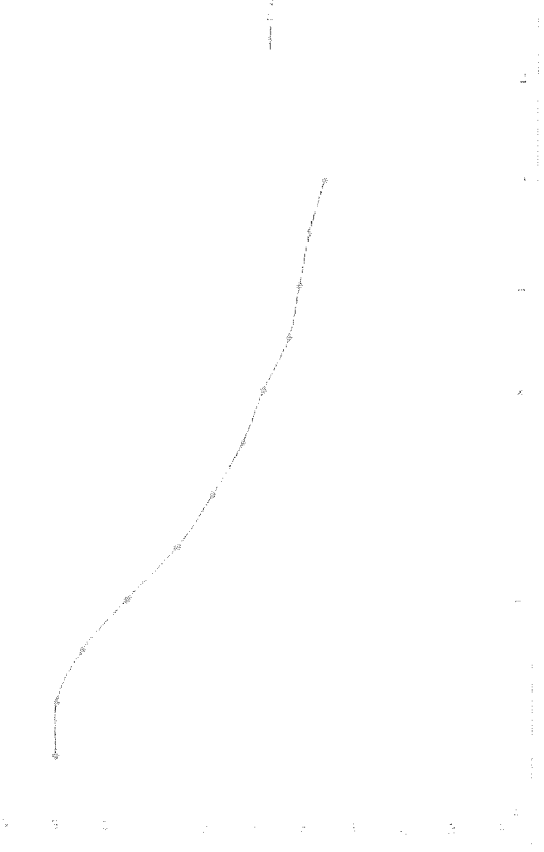
perf

9类标准生产曲线

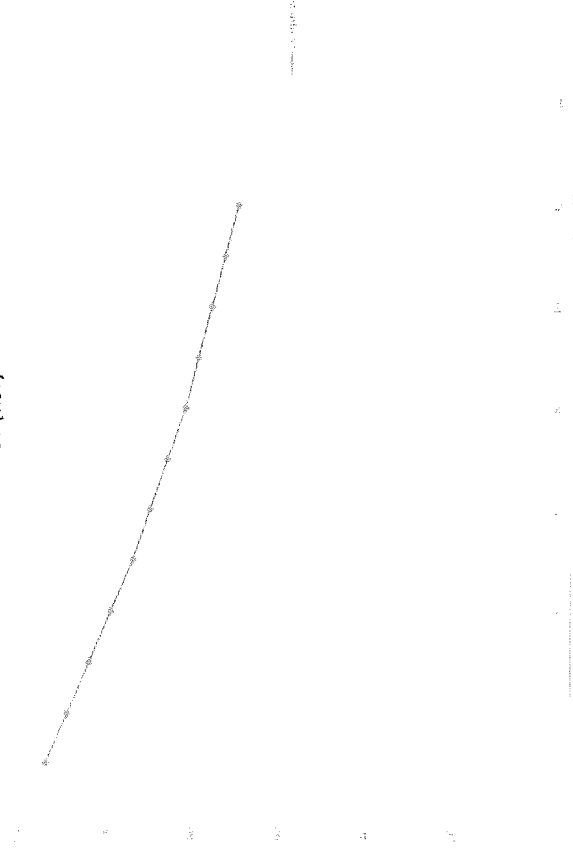
2frac



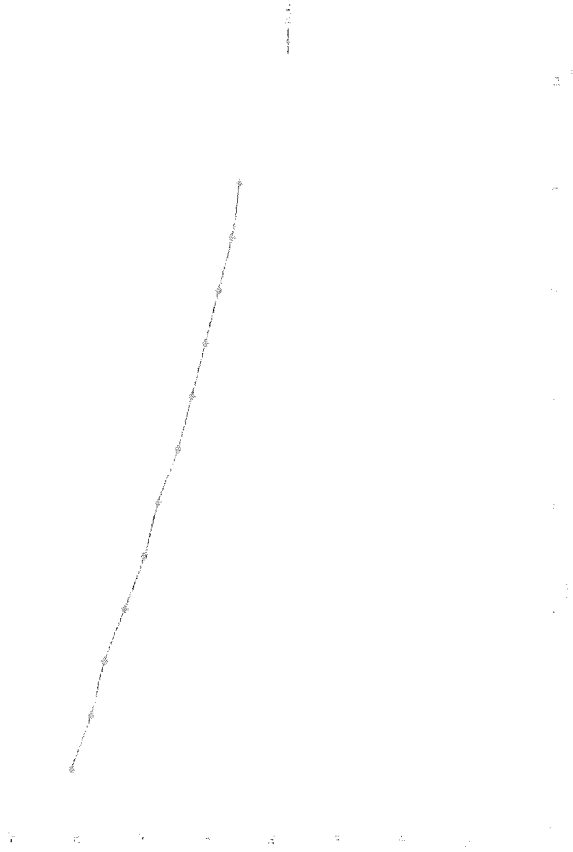
1frac



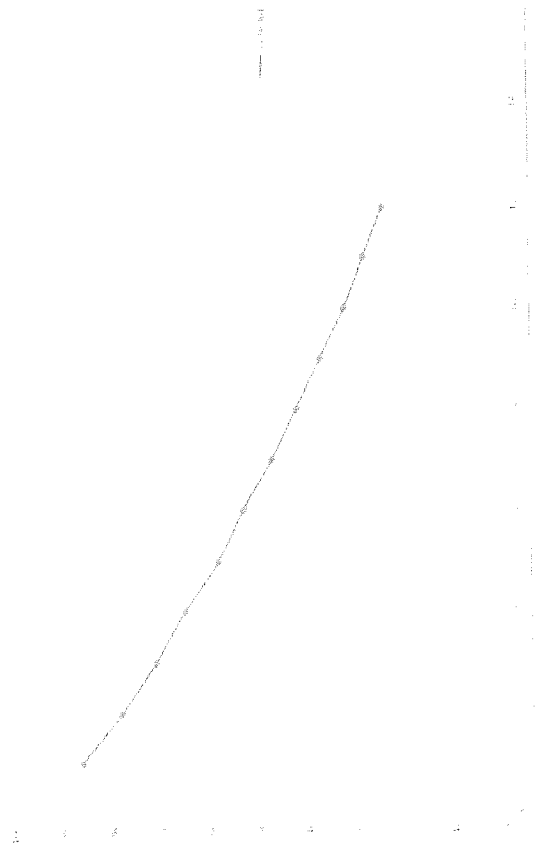
2OH(dev)



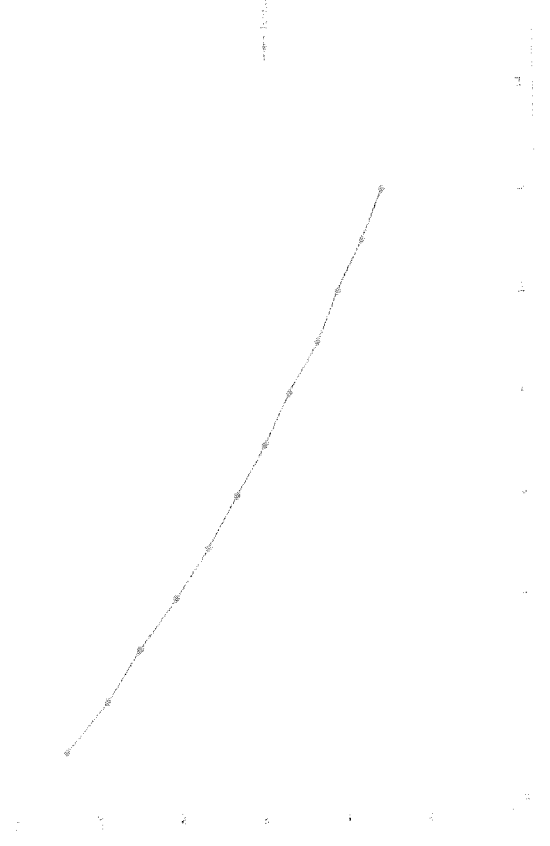
1OH



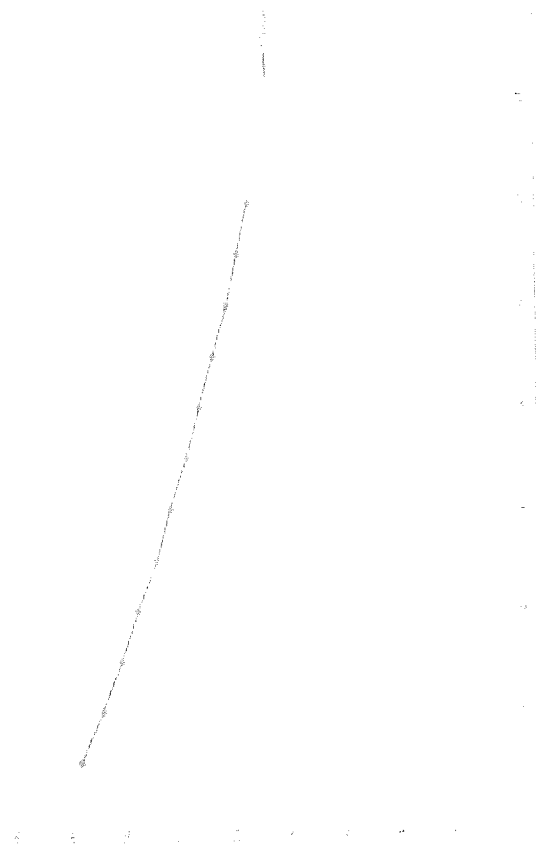
3OH(app)



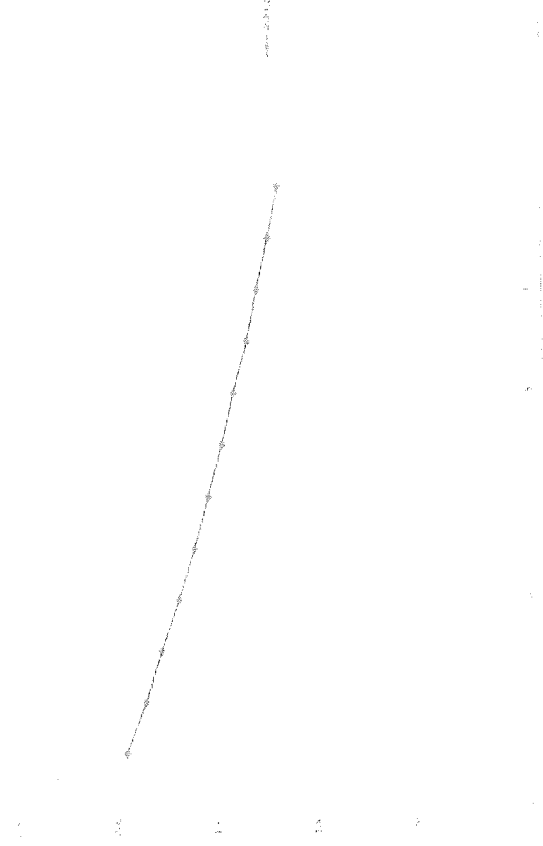
4OH(app)



3OH(dev)



4OH(dev)

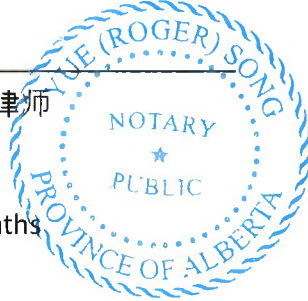


This is Exhibit "36" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



Re:Re: Steven 5月6日工作简报

"邓董事长" <deng.tz@snencn.cn>

收件人: "Steven Neu" <steven.n@snencn.cn>

抄 送: "邓小泊" <deng.xb@snencn.cn>, "林先生" <lam.m@snencn.cn>

时 间: 2017-5-10 16:22:01

附 件:

你们几位都在说周报，但我一直没看到啊。

在 2017-05-09 10:41:32, "Steven Neu" <steven.n@snencn.cn> 写道:

好的泊总，以后的报告我会递交林总。

On May 8, 2017, at 6:04 PM, 邓小泊 <deng.xb@snencn.cn> wrote:

谢谢牛总。Longrun的一周生产情况报告也在整理，预计今晚可以发出。往后三个公司会形成固定的周报生产汇报模式，LR由我发出，NS由michael发出，TB由Michael发出。其他人补充。

Steven请注意TB的AER要求的9月前废弃的150口井执行计划，确保按照最经济的模式运行。去年12月打的上周压裂开始生产的那口井请关注产量。

Michael继续和国内研究可资本化的费用，定稿TB的奖金机制细节。

在 2017-05-07 02:55:50, "steven neu" <steven.n@snencn.cn> 写道:

董事长、泊总:

请看附件我的一周工作汇报。有任何问题，请让我知道。

谢谢

Steven

--

邓天洲

中天能源股份有限公司

Sinoenergy Corporation

Mobile: 13910000578

Tel: 86-10-84931428

Email: deng.tz@snencn.cn

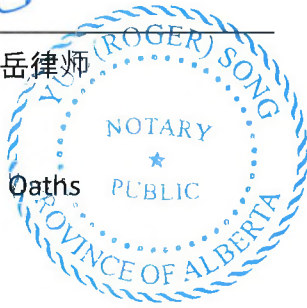
地址: 北京市朝阳区望京SOHO塔2-B座29层

邮编: 100102

This is Exhibit "37" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta



回复: AICD堵水技术简介

"邓总" <deng.tz@snencn.cn>

收件人: "Steven Neu" <sneu@westlakeenergy.ca>

抄 送: "邓小泊" <deng.xb@snencn.cn>, "Michael Lam" <lam.m@snencn.cn>, "steven.n@snencn.cn" <steven.n@snencn.cn>

时 间: 2017-7-21 2:00:53

附 件:	image002.jpg	下载附件
	image007.jpg	下载附件
	image011.jpg	下载附件
	image012.jpg	下载附件
	image014.jpg	下载附件
	image018.jpg	下载附件

打包下载全部附件

牛总, 来卡尔加里几趟也没见到你, 你一直在现场工作。希望这个堵水技术能在我们公司成功应用, 请及时告知进展情况。

邓天洲

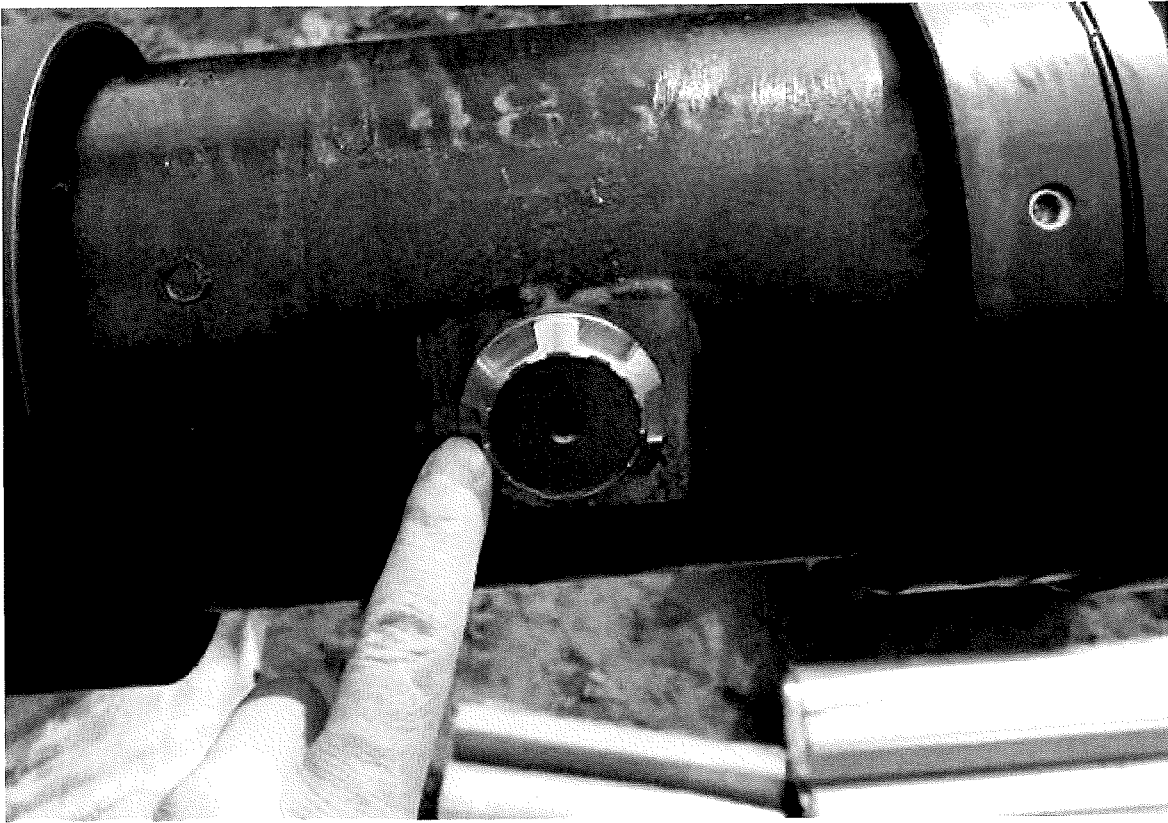
发自网易邮箱大师

在2017年07月19日 13:35, Steven Neu 写道:

这次在油田工作一个星期, 参与了整个施工过程。

AICD堵水技术主要适用于中质油DINA和CUMMING底水驱油藏。这类油藏, 以ROSENHEIM NORTH区域为例, 投产后平均两个月出水达50%, 100天后可以高达80%, 半年后可以上90%。另外一个区域CADOGAN出水情况更为严重些。每天几千方的产水不得不回注, 花费颇大。如果测试成功, 西湖公司目前在这些地区约有100多口井有潜在的可能性应用这项新技术。该技术在挪威北海油田应用比较成功。在中海油渤海湾油田也测试过, 后来发现专利被拷贝, 项目暂停。

AICD技术的核心是下图这个5mm 专利限流孔阀, 油和水同时流向这个孔阀时, 由于黏度的不同, 稠油更容易流进孔阀而将水阻挡在外。



限流孔阀上方是防纱筛管，用来阻挡颗粒比较大的沙子以防止堵塞孔阀。



下图是安装完毕的准备入井的套管。限流孔阀已经被短箍保护住。



下图是膨胀式封隔器，遇油水后自动膨胀，将油水一段一段分割开，避免相互串通影响。

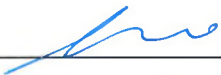




管柱入井。

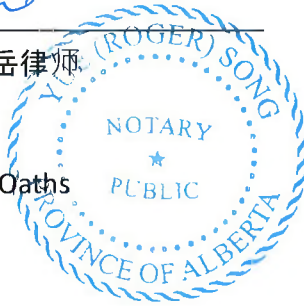


This is Exhibit "38" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



回复: Lashburn Expansion List

"deng.tz" <deng.tz@snencn.cn>

收件人: "林成德" <lam.m@snencn.cn>

抄 送: "hunter.woo@advantagepetroleum.ca" <hunter.woo@advantagepetroleum.ca>, "steven.neu" <steven.n@snencn.cn>, "wu.yc" <wu.yc@snencn.cn>, "peter.shi@advantagepetroleum.ca" <peter.shi@advantagepetroleum.ca>, "邓小泊" <deng.xb@snencn.cn>

时 间: 2017-9-2 12:09:29

附 件: 2390_image001(05-09-0(08-08-15-16-20).jpg

[下载附件](#)

各位:

我已和West Lake管理层开会做了安排, 原油处理设施由WL公司组织施工, 处理能力最好能达到2万桶/日, CAPC由吴迎春总负责跟踪协调。建议吴总经与小林总一起与WL高管商议再到现场指导, 免得造成WL方面的误解。

邓天洲

发自网易邮箱大师

在2017年09月01日 08:31, 林成德 写道:

大家好,

其实星期三在会议上董事长已经安排了West Lake 的同事开始研究Lashburn扩展的工作; 由于他们对当地能够购买的油品种, 处理厂的具体扩展潜力, 现有的装备, 未来能兼容的装备以及施工也会是最清楚的; 所以我认为现阶段先等他们做一个可行性报告, 然后再组织我方技术人员一起参与讨论。

大家觉得如何?

Thanks
Michael

在2017年08月31日 17:01, hunter.woo@advantagepetroleum.ca 写道:

关于在Lashburn的West Lake处理厂基础上进行扩建一事, 建议由邓总召集相关人员召开一个项目专题会进行立项和分工!



Hai (Hunter) Hu
Executive Director & CEO
Canadian Advantage Petroleum Corporation
Calgary | Hongkong | Beijing | Vancouver
Tel: 001.403.261.6012
Cell: 001.403.619.1991
Fax: 001.403.262.5561
Add: Livingston Place West Tower, 19F,
250-2 Street SW Calgary, Alberta, T2P 0C1
Email: hunter.woo@advantagepetroleum.ca
www.advantagepetroleum.ca

Confidentiality Notice: This email is confidential and is intended for the above-named recipient(s) only. If you are not the intended recipient, please notify Canadian Advantage Petroleum Corporation by telephone or return email immediately and delete this email from your system without making a copy. Any unauthorized use or disclosure of this email is prohibited.

发件人: [Michael Lam](#)
发送时间: 2017-08-31 16:08
收件人: [Steven neu](#)
抄送: [吴迎春](#); [胡总](#); [peter.shi](#); [邓小泪](#)
主题: 回复: Lashburn Expansion List

Yes, Wu, would you mind giving me a call when you have a chance; just left you a msg about an hour ago.

Thanks!!
Michael

Sent from Mail Master

在2017年08月31日 15:30, [Steven neu](#) 写道:

刚和林总吴总通了电话,算是理清了一下头绪。我建议这个扩建项目请胡总和林总统筹协调,具体到技术方面的事情,我、吴总和石总介入,分工明确,这样可以避免出现同一件事不同的人与外方接触造成不必要的困惑。

在 2017-09-01 04:37:36, "吴迎春" <wu.yc@snencn.cn> 写道:

Steven,

As urgency, need quickly produce a simplified feasibility report, or a list.

Inputs: Target capacity: 20,000 bbl/day heavy oil,

Feedstock: emulsion from various producers. API: 10-16, assume other properties are similar to WL's

Product: BS&W<0.5 wt% (if not 2wt%)

To generate:

major equipment list, and \$\$\$ required. Equipment modification, or new equipment

Identify long lead items. Is a micro motion meter a long lead item?

Plot plan mark-up

Block drawing

Total project costs \$\$\$+-25%

Project licensing and schedule

If difficult to achieve 20,000bbl/d in one step, provide phrase step. For example, phrase 1, one added treator to increase capacity by x,000bbl/d,

Consider used treators from Long Run. So it may/may not be long lead item.

Regards,

Wu

Steven Neu

From: 邓董事长 <deng.tz@shencn.cn>
Sent: Monday, August 21, 2017 9:19 PM
To: hunter.woo@advantagepetroleum.ca
Cc: peter.shi@advantagepetroleum.ca; 邓小泊; Steven Neu; wu.yc; 林先生; 黄总
Subject: Re:回复: 关于原油贸易与物流板块近期工作的安排

胡总:

Lake 回国办理签证, 要到 9 月中旬才能返回。我 27 日到卡, Michael 29 日返卡。我们 30 日左右开个专题会。除了原油贸易团队外, TB 的小林总、牛总一起参加。必要时可请 Dave 一起参会。

邓天洲

在 2017-08-22 05:57:52, "hunter.woo@advantagepetroleum.ca" <hunter.woo@advantagepetroleum.ca> 写道:

Lake,

我们这边 Portland 项目已经正式开始运营了。可否请你安排一个时间, 与我们的团队对接一下, 我们想通过 TB, 在 Lashburn 附近, 直接收集一些未经处理的重油 (约 5000-10000bbld) 由 TB 分离加工后再卖给 CAPC。这样一方面能降低我们的采购成本, 另一方面, 也能使 TB 的设备产能得到进一步的发挥。我们这边 Peter 和小陈, Kevin 和老吴(邓总指派参与我们这边一些工作) 可以一起过来。时间你定。

Hai (Hunter) Hu

Executive Director & CEO

Canadian Advantage Petroleum Corporation

Calgary | Hongkong | Beijing | Vancouver

Tel: 001.403.261.6012

Cell: 001.403.619.1991

Fax: 001.403.262.5561

Add: Livingston Place West Tower, 19F,

250-2 Street SW Calgary, Alberta T2P 0C1

Email: hunter.woo@advantagepetroleum.ca

www.advantagepetroleum.ca



Confidentiality Notice: This email is confidential and is intended for the above named recipient(s) only. If you are not the intended recipient, please notify Canadian Advantage Petroleum Corporation by telephone or return email immediately and delete this email from your system without making a copy. Any unauthorized use or disclosure of this email is prohibited.

发件人: peter.shi@advantagepetroleum.ca

发送时间: 2017-08-21 15:41

收件人: '邓小泊'; 'Steven Neu'; wu.yc@shencn.cn

抄送: hunter.woo@advantagepetroleum.ca

主题: 关于原油贸易与物流板块近期工作的安排

Hello, Lake/Steve/Wuzong

Could we have a quick meeting or conference call about water treatment plant at Lashburn area, as well as price information for heavy oil?

Thanks

Peter

--

邓天洲

中天能源股份有限公司

Sinoenergy Corporation

Mobile: 13910000578


Tel: 86-10-84931428

Email: tdong@sinoenergy.com

地址: 北京市朝阳区望京 SOHO 塔 2-B 座 29 层

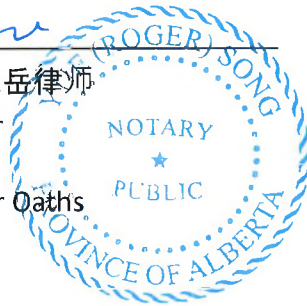
邮编: 100102

This is Exhibit "39" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



Steven Neu

From: 邓董事长 <deng.tz@snencn.cn>
Sent: Friday, November 3, 2017 4:01 PM
To: Steven Neu
Cc: 邓小泊; steven.n@snencn.cn
Subject: 回复：西湖公司LITHIC 变异沙河道型油藏平均产量示意图

牛总：

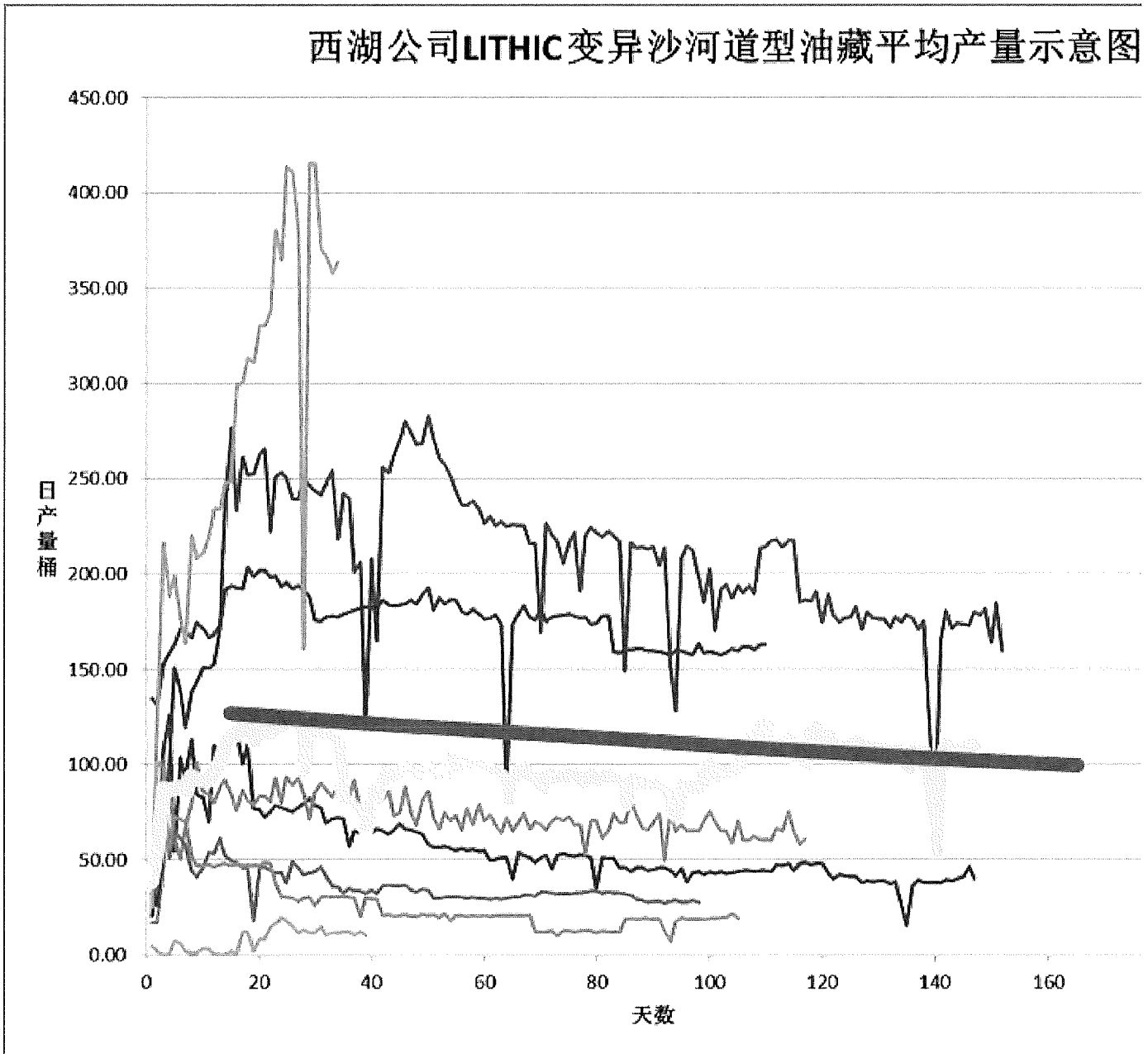
能否研究分析一下高产井（200-400桶/日）和低产井（10桶/日）的形成原因，找出办法来？我觉得其中肯定有值得探讨的内在因素。找到原因、想出办法，争取以后能尽可能实现多出现中高产井。

邓天洲

发自网易邮箱大师

在2017年11月02日 17:50, Steven Neu 写道：

西湖公司LITHIC变异沙河道型油藏平均产量示意图



From: Steven Neu
Sent: Wednesday, October 25, 2017 12:05 PM
To: '邓小泊'
Cc: 邓总; steven.n@snencn.cn
Subject: RE: Re:去油田工作几天

这9口L I T H I C井中：
一口是3腿井，产量最高时只有30桶左右，目前只有11桶，远远低于90桶的预期值。
一口6腿井效果也很差，目前产量只有10左右桶。
4腿井中，有四口井平均产量也比预期值低50桶左右。
不过，有一口5腿井16-28，其产量过200桶，一口4腿井10-22产量过250桶，再加上这口400桶的10腿“功勋井”，其总的平均值还是会稍高于平均曲线的，具体数值我会在下一步的专题报告中详细给出。

实际上，统计井的腿数多少其意义并不很大，关键看井眼通过油藏的进尺数以及相关优质油藏的比例高低。

From: 邓小泊 [<mailto:deng.xb@snencn.cn>]
Sent: Wednesday, October 25, 2017 9:28 AM
To: Steven Neu
Cc: 邓总; steven.n@snencn.cn
Subject: Re: 去油田工作几天

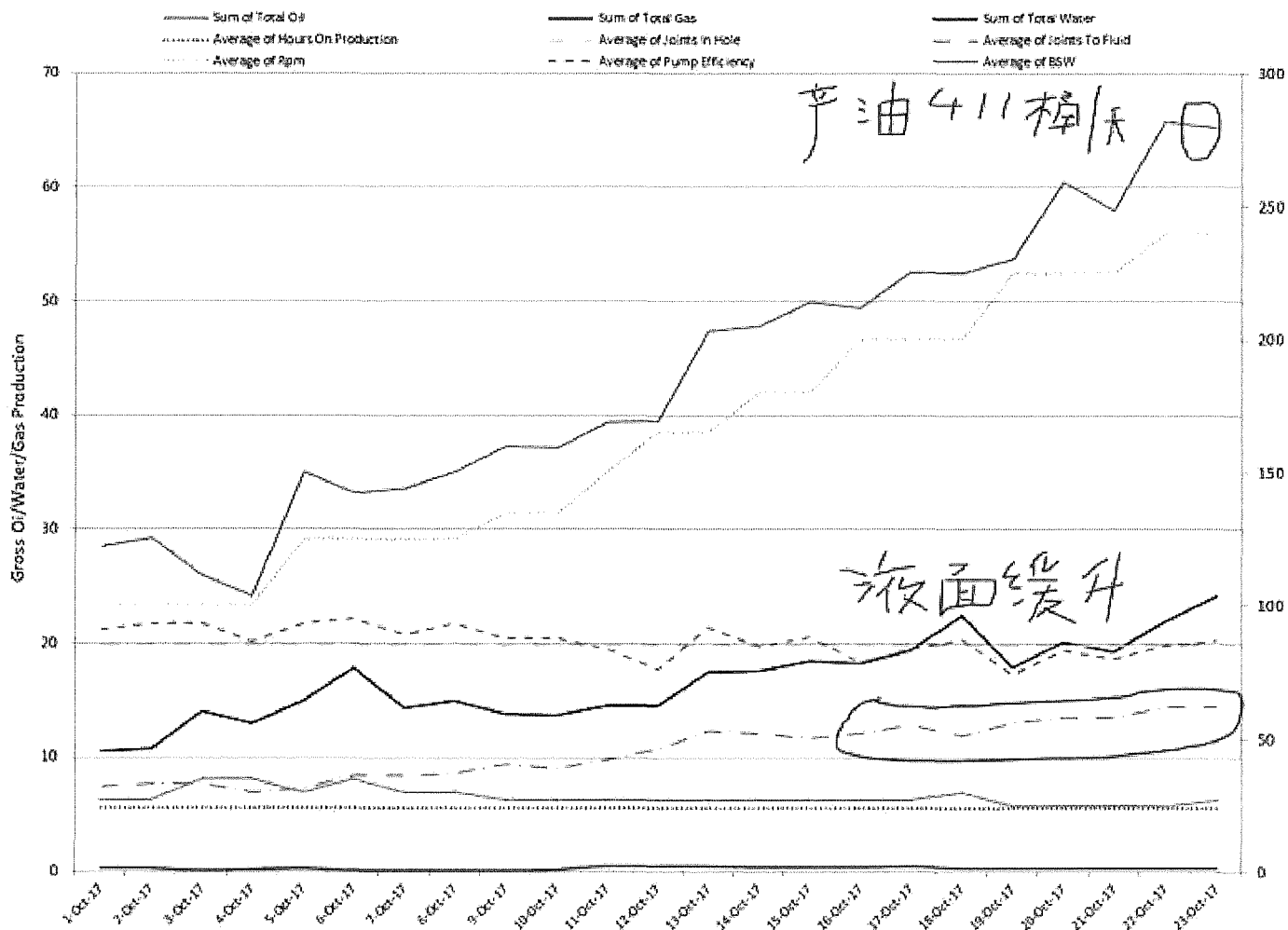
这9口井平均产量能够达到标准曲线吗？

昨天去了红水现场 今年年初完钻一直未能压裂的16口井压裂进行到了第8口 跟现场压裂队伍交流是情况不乐观 有可能是井放了太久过了冬 水泥发生了变化 也可能是真的打到红水油藏的西北边缘了。请关注一下压裂的情况。

第一口四腿井（红水中部）已经投产，第二口四腿井（红水西北）目前还在swobbing，泥非常大。相关钻井事故分析报告预计本月完成。

在 2017-10-25 06:47:15, "Steven Neu" <sneu@westlakeenergy.ca> 写道：

我们上次所钻的10腿井，投产3个星期以来，日产量已上窜到411桶每天，与此同时液面并没有呈下降趋势，表明尚有潜能。这是TB有史以来所钻最高产量的油井。这口井所在油田ROSENHEIM NORTH目前总产量830桶，这一口井的产量就占了一半以上，奉献蛮高，可谓名副其实的“功勋井”。



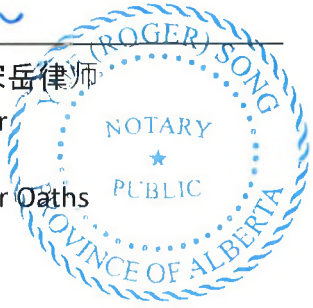
不过，这里也泼点儿凉水。该井打在G P L I T H I C沙河道油藏上，这种L I T H I C油藏一个重要特点是岩性变质，产层变化多端，很难有复制性，也就是说，同一个地区，周围再布置一口井，结果就很有可能迥然不同。我们今年完成的38口井中，有9口井是被布置在这样的油藏中的，大部分没有达到预计生产曲线，所以这口井虽然让人皆大欢喜，但也确实出乎意料。我计划稍后专门做一个这方面专题的产量分析报告。

明天我将去油田工作几天，先去看看我们有可能改造的L A S H B U R N处理厂（最终目标是提升原油处理能力到2万桶每天）和附近的A L T E X的原油装卸站。然后从生产操作成本角度考察几个中质油田的油气处理厂和污水回注厂。最后去我们新开钻的P D 1 4 8钻机。

This is Exhibit "40" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta



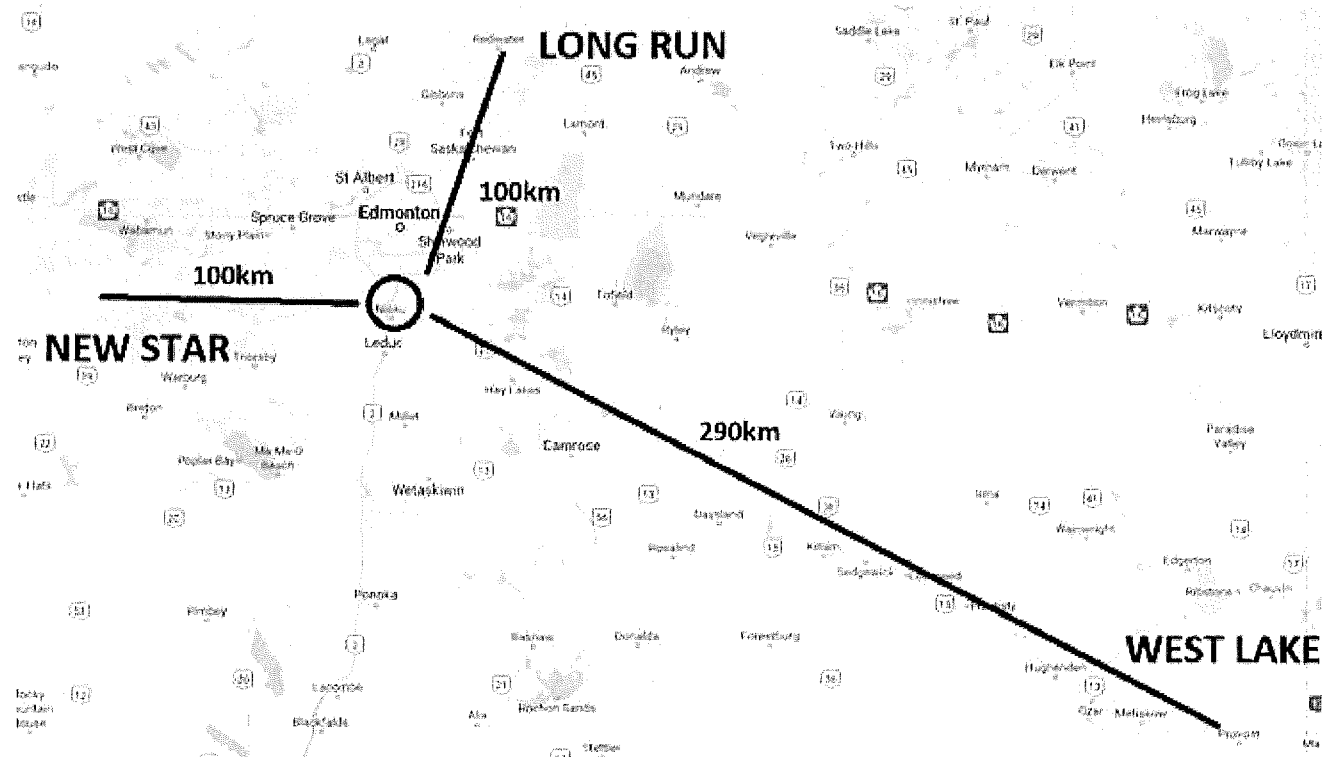
Steven Neu

From: 邓董事长 <deng.tz@snencn.cn>
Sent: Thursday, November 16, 2017 6:45 PM
To: Steven Neu
Cc: 林成德; Jason Ge; 邓小泊; yang@kailas-capital.com; zou.jh@snencn.cn; steven.n@snencn.cn
Subject: Re:考察团乘直升机参观油田方案

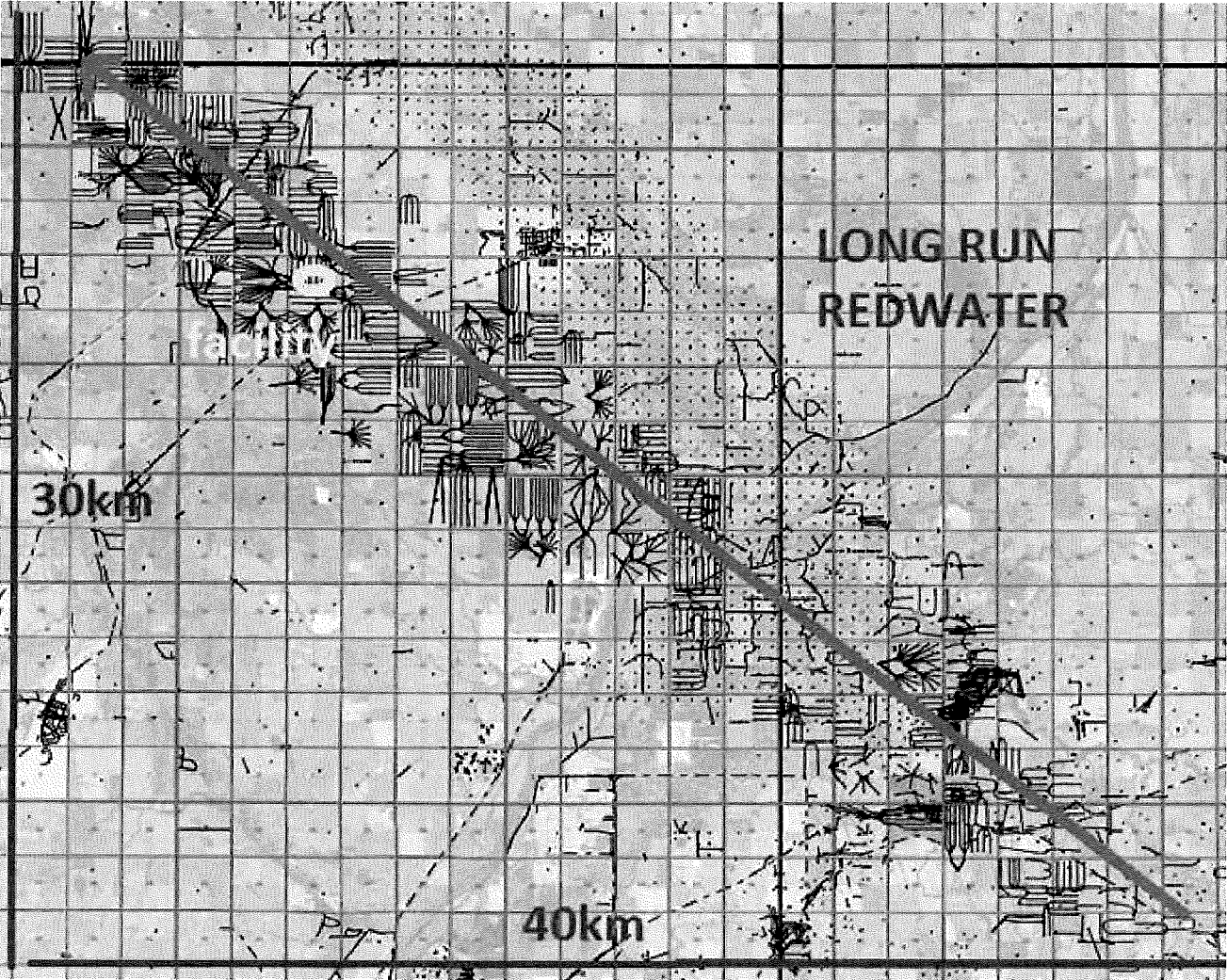
应该可以。但那种 12 口井的大井场，最好也能下去看看。一天 600-800 桶油（按初始高产量说），很激动人心的。

在 2017-11-17 09:26:58, "Steven Neu" <sneu@westlakeenergy.ca> 写道：

初步方案，烦请各位提出具体意见。直升机起飞基地为 NISKU 机场。要参观的三个公司的油田分布在三个方向。直升机到达各个油田后，从空中俯视油田，并在每个油田选择一个油气处理厂环绕观看。红色为油田大小尺寸，绿色为飞行路线，黄色是要环绕俯视的油气处理厂。新星处理厂 10-4-51-4W5，红水油田有 6 个处理厂，我挑选了最大的 7-21-57-22W4，日处理原油能力达 5000 桶，天然气 3500 千立方英尺，注水能力 3000 桶每天。西湖公司我选择了其核心资产中质油区域的 PROVOST 油田，这也是目前为止西湖公司产量最大的油田。这个油田有三个处理厂，我选择了最大的 8-9-40-3W4，原油处理能力 6000 余桶每天，日处理水能力高达三万三千立方米，合二十一万桶每天（可惜不是 21 万桶油）。届时我会通过耳机麦克风向客人简单介绍各个油田以及油气厂处理设备。

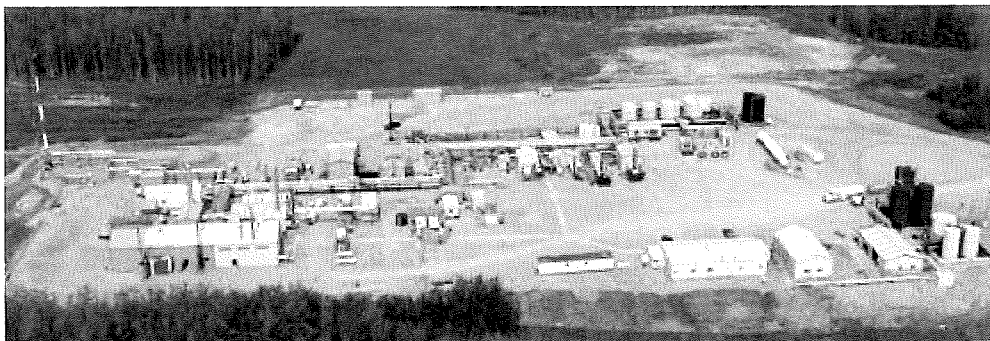
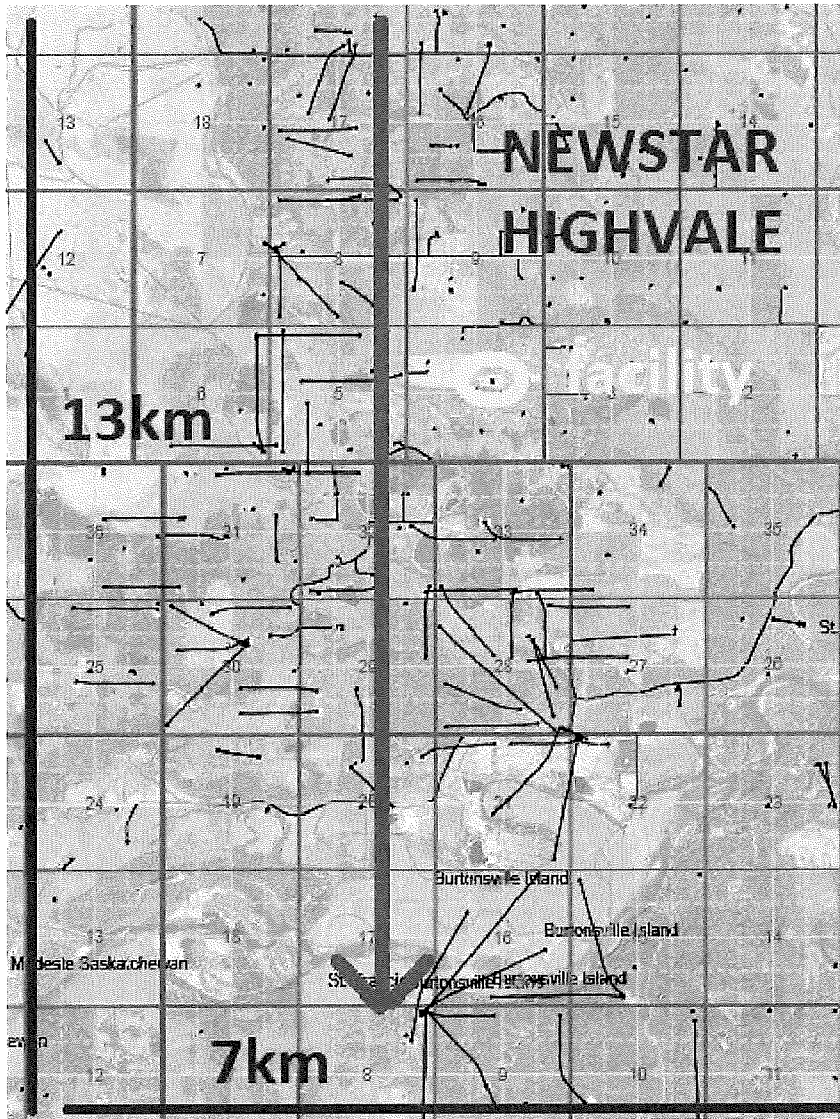


红水油田

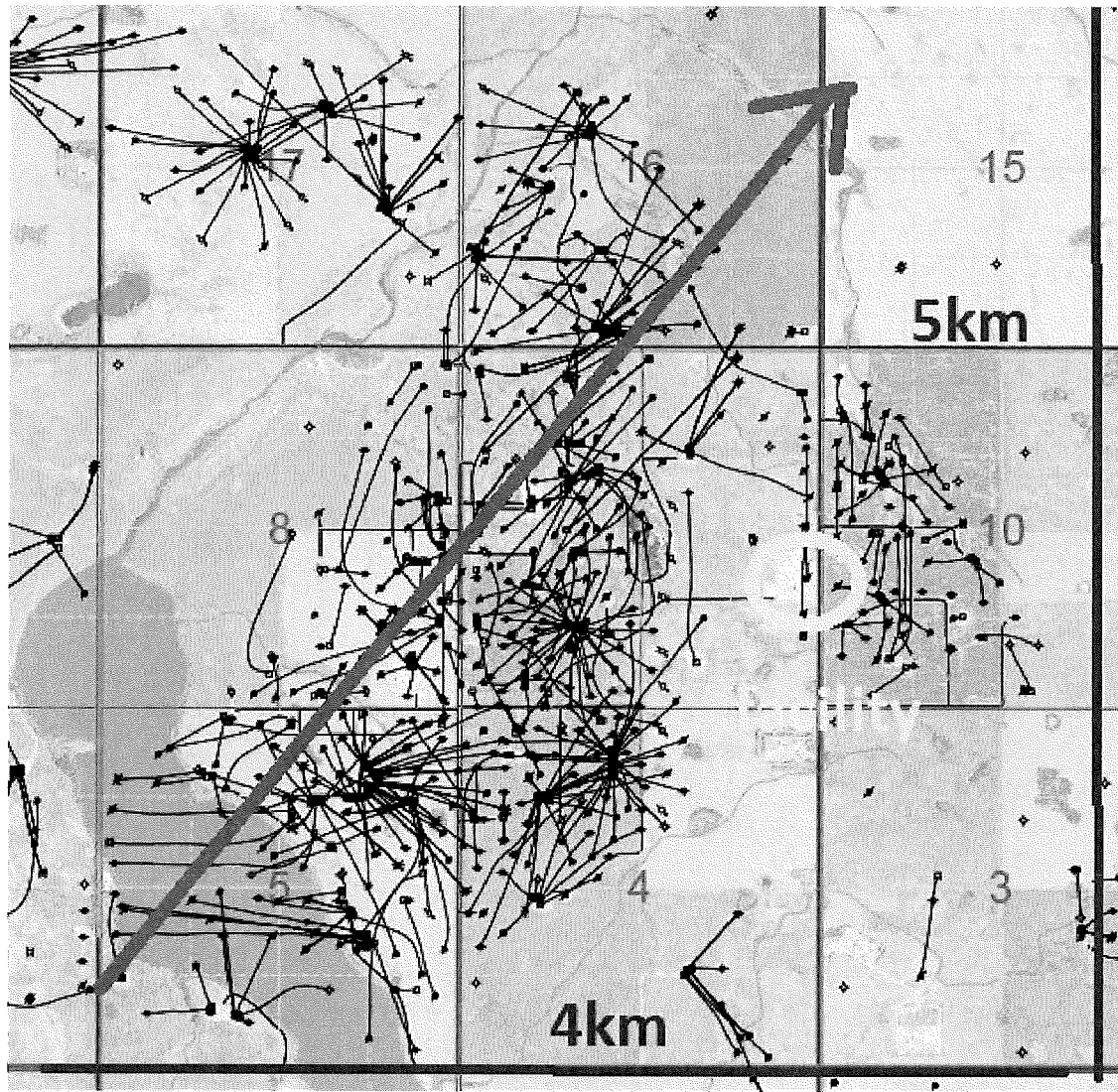




新星 **HIGHVALE** 油田



西湖 **PROVOST** 油田





--

邓天洲

中天能源股份有限公司

Sinoenergy Corporation

Mobile: 13910000578

Tel: 86-10-84931428

Email: deng.tz@snencn.cn

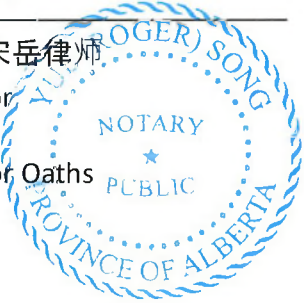
地址: 北京市朝阳区望京 SOHO 塔 2-B 座 29 层

邮编: 100102

This is Exhibit "41" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta



To: **Reserves Committee**
Xiaobo (Lake) Deng, Chairman
Steven Neu, Committee Member
David Middleton, Committee Member

Cc: **West Lake Energy Corp.**
Michael Lam, Observer
Ben Stoodley, Manager, Exploitation
Alan Steele, CFO
Jackson Ford, VP Development
Gord Howe, VP Land

McDaniel & Associates Consultants Ltd.
Bryan Wurster, Vice President
Ron Ott, Vice President

RESERVES COMMITTEE MEETING AGENDA

Please be advised that a meeting of the reserves committee of west Lake Energy Corp. will be held at the head office of West Lake Energy Corp. at 1:30 p.m. (Calgary time) on March 1st, 2018. Those persons who are unable to attend in person may be connected to the meeting by telephone. Matters to be addressed at the meeting include:

1:30 – 2:00 pm. Discussion of Reserve Reports with McDaniel's representatives and discussion of answers to Committee's questions forwarded to McDaniel in advance of the meeting in connection with the reserve report of McDaniel dated effective December 31, 2017.

Private meeting with representative of McDaniel with no management present.

2:00- 3:00 PM - Management's review of reserve information included in the reserve report prepared by McDaniel & Associates Consultants Ltd. ("McDaniel") dated effective December 31, 2017.

Review of Mandate and Terms of Reference of Reserves Committee.

Approval of summary reserves information presented to the Committee, and recommendation to the Board of Directors.

DATED the 23rd day of February, 2018.

This is Exhibit "42" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta



team change of the D13 program

"Jason Ge" <jge@longrunexploration.com>

收件人:

抄 送: "Lake Deng" <ldeng@longrunexploration.com>

时 间: 2018-1-7 5:09:35

附 件:

Hello All,

Please be advised that the Sino Board has decided to carry out abandonment program among all affiliate companies to optimize the schedule and costs which is targeted for. As LR has a large program this year and so the Board would like to start with LR as the first step, and then extend to all companies under Sino later on. Therefore, the Board has made the decision to have Steven Neu and one other staff (Rick) from Sino to lead the 2018 D13 program. Steven will report to Lake Deng directly regarding the progress of the program and he will be working with Michael Scott, D&C team members and still get support from Surface team and other functions as needed. Steven and Rick will seat in the office 551 and 553.

Thanks for your support and let me know if you have any concern.

Jason Ge

Sr. Vice President & CFO


Direct: 587-233-5601

Email: jge@longrunexploration.com

Eau Clair Tower

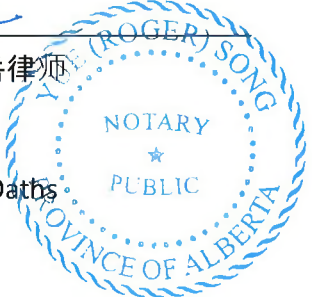
600, 600-3rd Avenue SW, Calgary, AB, Canada T2P 0G5

This is Exhibit "43" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



Steven Neu

From: Lake Deng
Sent: Tuesday, November 7, 2017 8:55 AM
To: Long Run Calgary
Cc: Long Run Field
Subject: Announcement from the Board

Quick Look

Good morning,

We are writing to inform you that Rob Wollmann will be leaving the company effective today.

We'd like to thank Rob for his contribution and wish him well in future endeavors.

We acknowledge that changes in leadership prove challenging and would ask for your patience and continued hard work as we close out the year.

The Board is actively engaged in a search for Rob's replacement and we hope to fill the position quickly.

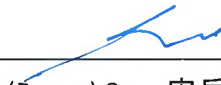
In the interim, Jason Ge will assume the role of President.

If you have any questions, please reach out to your supervisor or HR.

Lake Deng

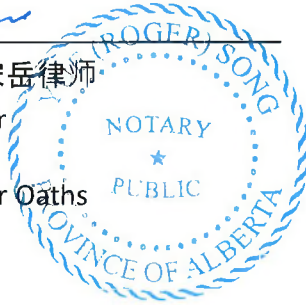
On behalf of the Long Run Board of Directors

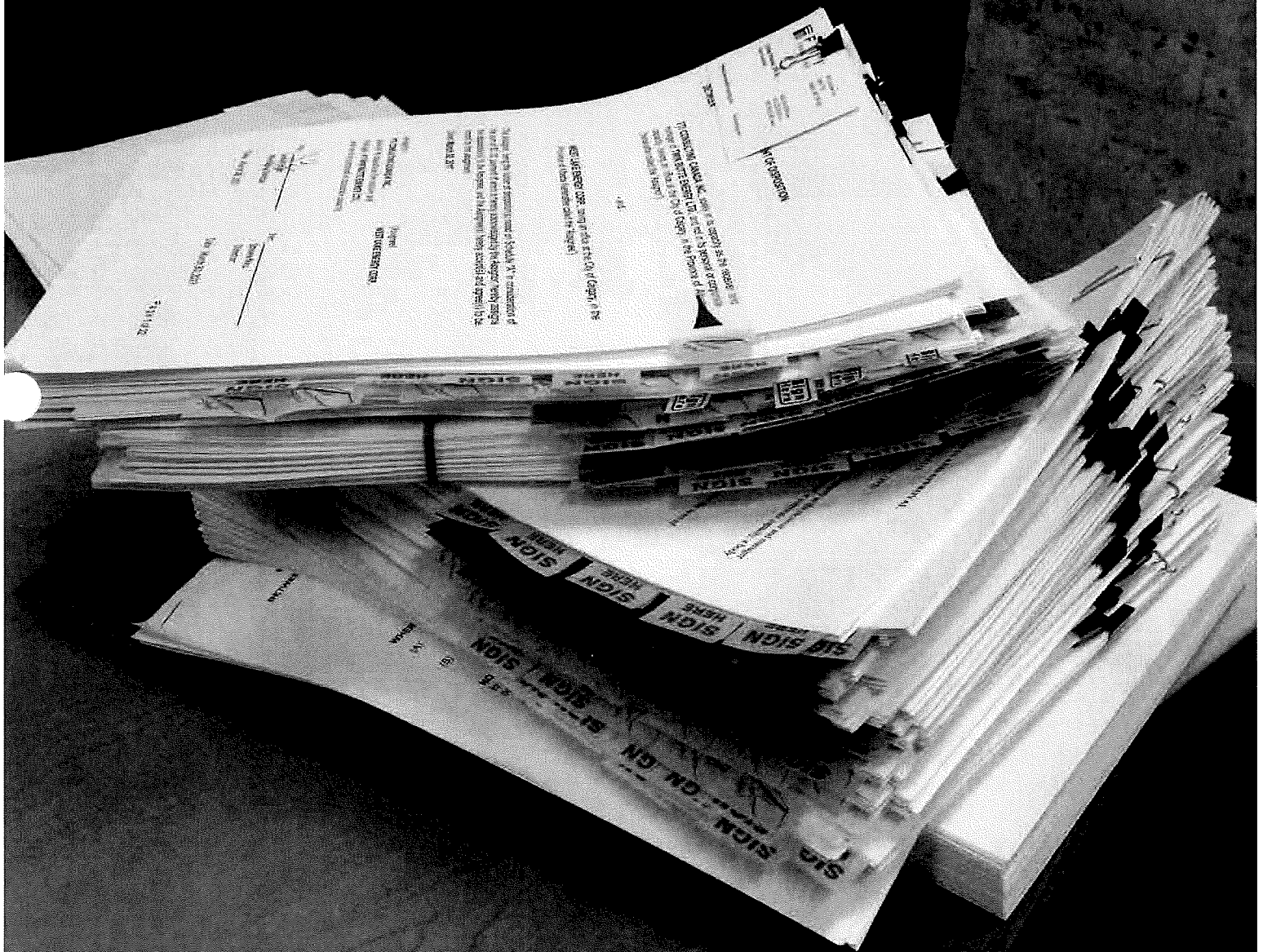
This is Exhibit "44" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta

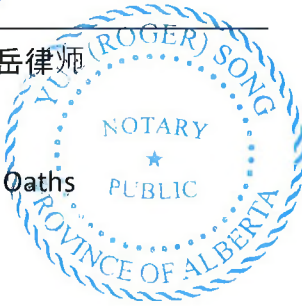




This is Exhibit "45" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta



Signing Documents for Steven Neu

"Gord Howe" <ghowe@westlakeenergy.ca>

收件人: "Jin, Xiaodi" <XJin@blg.com>, "steven neu (steven.n@snencn.cn)" <steven.n@snencn.cn>

时 间: 2017-4-7 1:09:36

附 件:

Xiaodi,

I talked to Steven today regarding the pile of documents that were provided at Closing that required Steven Neu's original signature.

He indicated the documents were currently with yourself

Is it possible for you to arrange with Steven to have these documents back to me on Monday?

I have a large filing project commencing on Tuesday and it would save the expense of going into all of the applicable files twice to file applicable documents

Please advise if this is possible.

West Lake Energy Corp.

Gordon Howe

Vice President Land

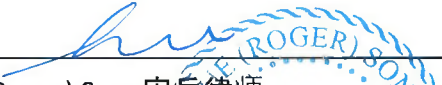
(403) 215-2059 (work)

(403) 608-9941 (cell)

(403) 215-2055 (fax)

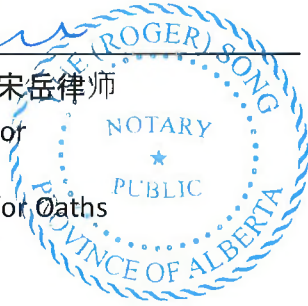
ghowe@westlakeenergycorp.ca

This is Exhibit "46" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021.



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



3月3号会议纪要（修改）

"王卓" <wang.z@snencn.cn>

收件人: "邓董事长" <deng.tz@snencn.cn>, "黄总裁" <huang.b@snencn.cn>, "陈爱国" <chen.ag@snencn.cn>, "王海玲" <wang.hl@snencn.cn>, "孟兰" <meng.l@snencn.cn>, "崔怡彬" <cui.yb@snencn.cn>, "邓小泊" <deng.xb@snencn.cn>, Jason <jasonge@snencn.cn>, "王好" <wang.h@snencn.cn>, "steven neu" <steven.n@snencn.cn>, "杨文涛" <yang.wt@snencn.cn>, "吴迎春" <wu.yc@snencn.cn>, "林成德" <lam.m@snencn.cn>, "陆蓉" <lu.r@snencn.cn>, "邹骏昊" <zou.jh@snencn.cn>, "段玥怡" <duan.yy@snencn.cn>

时 间: 2017-3-9 15:41:04

附 件: 3月3号一周纪要（总汇）修改.docx

[下载附件](#)

各位领导，您们好：

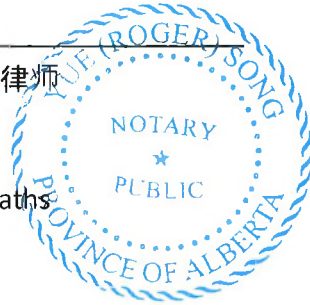
附件为已添加邓董事长审阅意见3月3日会议纪要，烦请各位查收。

This is Exhibit "47" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



王好:

一. Long Run

- 资产买卖
 1. Kaybob 交割继续因为买方还未获得阿尔伯塔能源局的经营资质而继续延迟。买方的申请已经有一个多月之久，久久未能获得还是相当担心
 2. 除了 Kaybob 之外，不建议今年再卖出任何资产。我们的储量报告相对市场而言是较高的，尤其今年的储量增量有很大一部分是 Boyer 贡献的，如果出售不但卖不到任何价钱，反而会造成当年财报亏损
(我主要是担心 Boyer 的存量低产井的废弃计提是个天文数字，请葛总和 Lake 及有关部门研究一下这事，给我一个邮件。)
- 天然气套期
 1. 天然气这周尾声稍微回暖，对冲今年的气价可以锁定在 2.47/mcf 左右，我们会继续加强对期货市场的关注。油价则相对稳定
(气价实在偏低。往年冬季还没这么冷，什么原因？对全年的气价走势杨总、葛总、王好总怎么看？)
- 后续融资
 1. 跟葛总沟通后，我们觉得另外 7 亿融资非常紧急，希望国内能够尽早通知加拿大团队最新进度，以便展开和加拿大建行的贷款合同修正工作
(这件事还是请黄总召开一个电话会，向国内外团队通报一下进度并确定基本时间表。)
- 储量报告
 1. 2P 储量最后锁定为 1.61 亿桶当量，最终的报告则还需要 2 周完成
(不理想。按当初预计值增加 20% 折旧计提。)

二. Twin Butte

- 交割
 1. 由于 TB 的 Alberta LMR (计算方式包含过去 12 个月的平均产量) 在二月跌至 1.95。根据 AER 的最新规定，凡是在 2.0 以下的交易都需要向 AER 额外申请审批，否则必须要向 AER 交保证金。所以我们还要向 AER 申请豁免方能完成交割。这个工作已经和 TB 管理层沟通，预计周一递上豁免申请，预计问题不大
(一季度未能打井的后果开始呈现。)
 2. TB 的管理层在和董事长沟通之后，理解了我想多购买周围的土地增加井位，并采取了一下措施：i) 管理层与周边的数家公司签署了土地购买协议，在 TB 最后交割的时候生效，总共花费约 110 万加元，预计能增加等同 11 口四条腿的水平井。ii) 管理层已经向省里申请购买一些土地，按照程序省里相关部门应要求将在 6 月对该土地展开拍卖。为了迷惑其他竞争对手，

TB 管理层建议把我们最好的四条腿井（现日产 170 桶）给减产至 35 桶，好让其他竞标者困惑。代价是在此期间销售收入会减少 50-60 万加元，对全年的财报有小小影响。希望总部对这两件事发表看法。

（同意购买小区块，比青蛙湖原住民手里拿权益合算。如果短期减少点产量是可以接受的。）

3. 在 ATB 银行开户一事牛总正在推进

4. 由于之前负责 TB 的律师 Xiaodi 从 McCarthy 跳槽到 BLG，为了节省成本和保持持续性（如果换新律师接手熟悉所有的进度则成本更高），我们选择了由 BLG 和 McCarthy 共同管理直到项目交割结束。BLG 提出了在购买完所有 TB 资产后再以 1 加元购买 TB 的公司壳的想法，这样可能可以节省三维地震资料的转让费用，并增加 5000 万至 8000 万加元的税池（加拿大税池分 5 大种不同的性质，原交易能够保留大部分税池，还有一些是跟着公司壳走的）。由于购买公司壳的索赔程序也需要有一定的程序成本（约 20-30 万），我们和 TB 管理层也在计算到底此举是否划算。以上这一想法丝毫不影响 TB 的交割进度，如果进行也在 TB 资产交割后进行。

（该思路可行。壳公司买回后还是把资产注回去，留下 TB 让她焕发青春，把 West Lake 名给母公司作为控股公司？）

5. 托管人告知由于托管人和 TB 现办公室的房东有些法律程序上的纠纷，建议我们去和现房东洽谈，以成本价把租约延期到 7 月 1 日。下周我们会让 TB 团队开始此工作

（就按这个建议谈吧。）

6. 青蛙湖的 Joe 在知道了我们在加拿大的其他业务后忽然推翻我们之前的方案开始纠缠不清，通过胡总了解到他们是想从我们这边索取更多的钱。他们的无理取闹完全不符合法律程序，托管人和律师建议我们置之不理，说一切等到交割完之后再去搭理他们。青蛙湖的行为丝毫不会影响我们交割的进度

（我也是这个想法，不理他们。甚至交割完后也不去搭理他们，我们下半年打新井不必在那 30 平方公里上下功夫。让他们泄气了再说。）

葛总（Jason）：

1. 本周我和大 D 及生产副总裁去了红水的油田现场，去看了剩余两台钻机的钻井现场、压裂现场及一些新投产的油井生产现场。总的觉得现场钻井及压裂工作组织有序，安全生产隐患较少。我们也去看了一下北部新建成的油气处理厂和 Opal 的气体处理厂，这些新老处理厂都运行正常。并和现场服务公司和 LR 的员工进行了交流，稳定现场员工，让现场员工理解公司的变化对他们没有什么影响。建议以后高级管理层要时常去现场看看，多掌握一手资料。从财务经济角度看，红水地区的地面设施及井口设施多（井数多），过去的

投资都比较大，导致现在固定资产折旧大，未来的弃置及恢复地表成本也不会小。

(对 CFO 主动去油田现场表示赞赏。但红水区块新井投产进度过慢的原因是什么？葛总在现场有无交流？)

2. 人事情况：本周有 3 名员工辞职，包括勘探开发经理。建议解决完大 D 问题后，尽快公布新的薪酬体系和公司的未来中期计划，以稳定队伍。公司未来的不确定性是导致员工辞职的主要原因。

(赞同。)

3. 财务方面：作为加强财务管理的一个举措，从本周起，支票的双人签署金额由 10 万加元调整为 5 万加元，加强资金支付安全。积极准备国内审计资料。本周末完成大部分审计资料的上传至共享文件库。

(同意。)

4. 按董事长指示，我们紧急和新办公室装修公司 and 设计公司开会讨论了装修计划变更所带来的对项目进度和成本的影响，以及在不增加很大成本下的应对措施。下步重新申请施工许可、争取将时间抢回来，确保 LR 6 月底能搬过去；另外，要尽快和贸易公司签署合约，讨论 8 楼的装修计划，以便尽早提供施工许可。

(贸易公司注册可能还需要时间，其国内母公司还有些程序。可通过胡总请汪总提出其装修要求或者留待后面装修？)

5. 资金需求：请总部加快剩余 7 亿建行贷款到位事情。将到账的 2000 万付出后，本月底还有 4200 万到期账单需要支付，因此希望 7 亿的贷款能在 20 日左右到位。

(同上，黄总正在推进中。尽快开一个会沟通一下吧。)

Steven Neu (牛总)：

1. TB: West Lake Energy Crop 公司徽标最后定稿。TB 开始着手准备印刷公司招牌、文件、信封等办公用品。

(在前面王好总那个信息基础上，我的新建议是，实体仍叫 TB，控股公司用 West Lake，麻烦不麻烦？)

2. TB: 青蛙湖 50% 权益购买协议搁浅，我和 COO Dave 商讨此事，认为如果一时解决不了，可以考虑延迟今年该地区打井计划，转而在其他区域安排井位弥补相应损失产量。我们越急于打井，对方要挟我们的价码就会越高。

(和我前面思路一致。)

3. NS: 已经和 bill 商量好，给我安排一间办公室，以后每周我会过去工作一到两天，全面开始准备 2017 下半年钻井计划和安排。

(很好。)

4. LR: 已钻井和投产井数

区域	计划井数	已钻井数	投产井数
红水	119	106	67
Kakwa	8	8	6
静河Nville	9	9	8
静河Gville	14	14	9
合计	150	137	90

5. LR: 作业施工成本报表 (见附件)

林总 (Michael):

1) 和 Jason, Dale 以及 Wes 去了 Red Water 现场, 考察了施工进度; 确认 4 号钻机正在打最后一口井, Caynon 压力公司正在加压, 以及其余已打的油井正在为投产作出最后准备。因为现场的员工受到外判施工队不同程度的压力, 所以我们也代表总公司为现场的员工打气, 给他们一点精神支持。

2) 这是三家公司生产部门提供的生产数据; 成本还在结算中, 预计能在下周出来。

Long Run		US:CAD = 1:1.33		单位:加元		US:CAD = 1:1.33		单位:加元	
1) 营业收入	日产量	售出价钱	市场价	2016 十二月	日产量	升/跌	售出价钱	市场价	2017 一月
石油 (bbl/d)	5,045.16	\$ 54.60	\$ 64.26	\$ 8,539,440	5,612.61		\$ 53.89	\$ 71.27	\$ 9,376,375
天然气 (mcf/d)	77,538.90	\$ 3.38	\$ 3.06	\$ 8,124,526	81,689.84		\$ 3.36	\$ 3.22	\$ 8,508,814
天然气凝液 (NGL+Condensate) (bbl/d)	3,236.77	\$ 41.04		\$ 4,117,954	3,087.16		\$ 39.47		\$ 3,777,358
总计 (BOE)	21,205.09			\$ 20,781,920	22,314.75	5%			\$ 21,662,547

TB		US:CAD = 1:1.33		单位:加元		US:CAD = 1:1.33		单位:加元	
1) 营业收入	日产量	售出价钱	市场价	2016 十二月	日产量	升/跌	售出价钱	市场价	2017 一月
石油 (bbl/d)	9,237.00	\$ 45.15	\$ 64.26	\$ 13,214,914	9,131.88		\$ 46.00	\$ 71.27	\$ 13,022,066
天然气 (mcf/d)	7,531.00	\$ 3.09	\$ 3.06	\$ 721,394	7,299.22		\$ 3.12	\$ 3.22	\$ 705,980
天然气凝液 (NGL+Condensate) (bbl/d)	105.00	\$ 42.25		\$ 137,524	88.13		\$ 38.42		\$ 104,960
总计 (BOE)	10,597.17			\$ 14,073,832	10,436.55	-2%			\$ 13,833,006

New Star		US:CAD = 1:1.33		单位:加元		US:CAD = 1:1.33		单位:加元	
1) 营业收入	日产量	售出价钱	市场价	2016 十二月	日产量	升/跌	售出价钱	市场价	2017 一月
石油 (bbl/d)	783.20	\$ 42.29	\$ 64.26	\$ 1,026,767	697.00		\$ 46.32	\$ 71.27	\$ 1,000,836
天然气 (mcf/d)	10,996.30	\$ 2.43	\$ 3.06	\$ 828,351	10,681.60		\$ 2.84	\$ 3.22	\$ 940,408
天然气凝液 (NGL+Condensate) (bbl/d)	218.30	\$ 30.35		\$ 205,388	212.90		\$ 39.53		\$ 260,894
总计 (BOE)	2,834.22			\$ 2,060,506	2,690.17	-5%			\$ 2,202,138

(从原油售价看, 1 月份平均市场价按 71.27 加元/桶 (如果正确无误) 每桶增加了约 7 加元, 但各公司原油售价没有变化, 能不能了解一下, 告知原因? 十二月 NS 天然气均价 2.43 加元/mcf, 是何原因?)

3) 新星:

- 为了弥补人员流失以及配合打井计划, Bill 新请了一位生产经理, 一位初级地质师以及一位勘探经理。经过这一轮的聘请后, 所有人员也就位; 把以前副总裁的职位完全由经理级别代替。

(好。)

- 暂定了大概十个井位, 开始准备招标打井, 施工。

(好。)

- 开始为国内的审计准备文件。

(好。)

4) LR

- 发现员工士气低落, 所以花了一点时间, 做了 Miller 以及 Wes 的思想工作; 希望他们两位能把内部以及现场员工士气提高。

5) 优势石油

- 协助胡总和银行谈判, 希望把资金 (LC) 成本降低

吴迎春:

- 优势: 化验室在分析油样. 最早这个周五, 或下周出结果
- NS: 一周生产均值 2,674 boe/d. 平稳.

经杨总及 Bill 的招聘. 技术人员基本到位. 为打井做好了人员配置. 下一步是拿出一个打口计划.

- LR:

新井生产总结			
油区/油田	投产井数	单井均产, boe/d	评论
LR 总计	67	5,098	
Redwater 油区			
Redwater北部油田	37	51.3	接近预估值, 问题:砂堵,背压高,数据不准等, 在处理中 达预估值
Redwater中部油田	4	69.0	
Brudheim北部油田	8	38.9	暂低于预估值. 有背压高而限产. 估计下周五接好新管线
Peace River油区			
Girouxville油田	7	112.9	接近预估值
Normandville油田	6	46.0	远低于预估值, 多水
Kakwa油田	5	348.7	低于预估值

(统计说明: 一周均产, 无产量数据不算投产)

（红水大约还有 40 口井未能投产，何时能全投？）

一. 下周展望事项

- **NS:** 打井计划
- **LR:** 跟进 新井产量
- **优势:** 跟进油样化验

（看来各位并没仔细阅读上周审阅意见。我提出了一些具体要求，大家似乎都没反应。尤其是红水地区新井投运缓慢的原因分析和措施方案。还有我反复提到天然气套期问题，我也多次希望就此整理一个研究报告，也是没有什么反应。请 Lake 就上述两问题组织研究。）

This is Exhibit "48" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta



Xiaodi Jin
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blg.com



February 28, 2017

Delivered by E-mail

Henenghaixin Corp.
1500, 444-5 Ave SW
Calgary, AB
T2P 2T8

Attention: Mr. Steven Neu, CEO

Dear Mr. Neu:

Re: BLG Engagement Agreement

We thank you for retaining the services of Borden Ladner Gervais LLP ("BLG", or "we") to represent and advise Henenghaixin Corp. ("you") in connection with the matter described below. We can now confirm that our conflicts clearing process has not disclosed any conflict of interest in our doing so.

We appreciate the opportunity to be of service to you. By choosing BLG, you will benefit from the dedication of a team focused on your success, determined to handle the assignment promptly and effectively, and strongly committed to offering you personalized service. We look forward to working with you.

Xiaodi Jin, who can be reached at (403) 232-9523 or xjin@blg.com will have primary responsibility for our relationship with you. If at any time you have questions, concerns, suggestions or criticisms, please contact Xiaodi Jin immediately.

We believe that a strong and lasting business relationship is based on clarity. In order to ensure this clarity in our relationship with you, we have prepared this engagement letter, which defines your and our respective roles and responsibilities.

The agreement resulting from your acceptance of this engagement letter will be subject to the terms set out in this letter, including the general terms and conditions (the "Terms and Conditions") set out in the attached schedule, which forms an integral part of the letter.

If this letter meets with your approval and reflects your understanding of your and our respective roles and responsibilities, please sign and return it to the undersigned.

1. Description of Mandate

You have retained us to provide you with legal advisory services on matters including, but not necessarily limited to, corporate and commercial work related to the acquisition by Henenghaixin Corp. of Twin Butte Energy Ltd. assets out of receivership from FTI Consulting Canada Ltd., potential negotiations with Frog Lake Energy Corp., and employment matters relating to West Lake Energy Corp. executives. We will provide you with legal services which in our professional judgment are reasonably necessary and appropriate to carry out this mandate. We confirm that we are not providing legal advice or services except as described herein.

Of course you may limit or expand the scope of our engagement from time to time, provided that we agree to any such expansion. If at your request we represent you on related or additional matters and do not ask you to enter into a separate engagement agreement, the terms of this engagement will apply to such other matters.

2. Description of Client

Our representation of you does not include the representation of related persons or entities, such as the individuals or entities that are shareholders, directors or officers of a corporation, its parent, subsidiaries or affiliates; partners of a partnership or joint venture; or members of a trade association or other organization. In acting for you, we are not acting for or taking on any responsibilities, obligations or duties to any such related persons or entities and no lawyer-client or other fiduciary relationship exists between us and any such related persons or entities.

3. Instructions

We will accept instructions for this engagement from Steven Neu and other members of the Henenghaixin team.

4. Undertaking to Preserve Confidentiality

We will at all times preserve the confidentiality of information you disclose to us, subject only to applicable law and our professional and ethical obligations. This duty of confidentiality includes, under applicable professional rules, that we must not disclose having been consulted or retained by you about this matter unless you consent to our doing so. Our acceptance of this matter is on the basis that you consent to our disclosing to third parties from time to time that we represented you in this matter and to our disclosing to third parties a general description of the matter. Such disclosure would not in any way extend to any sensitive information or to any details beyond a general description of the transaction.

Because we owe this duty of confidentiality to all of our clients, we will not disclose to you information we hold in confidence for others (even where such confidential information would be relevant to our representation of you) or disclose to others information we hold in confidence for you (even where such confidential information may be relevant to our representation of those others).

5. Identification of Potential Conflicts

- (a) We have conducted a review of our records and we confirm that we have not identified a legal conflict of interest in representing you in this matter. We searched the following names:

Henenghaixin Corp.
West Lake Energy Corp.
Twin Butte Energy Ltd.
Frog Lake Energy Resources Corp.
Rob Wollmann
David Middleton
Alan Steele

- (b) Please let us know immediately if there are any other names that we should search in connection with this matter or if there are any changes or additions to these names in the future. We are relying on you to let us know of any other parties who become involved in this matter, including any parties whose interests may be adverse to yours.
- (c) Please note that we do not normally consider ourselves to have a legal conflict of interest because we represent another client who is a business competitor, customer or supplier of yours; or is asserting through us legal positions or arguments that may be inconsistent with those you are asserting or may wish to assert; or is adverse in interest in another matter to an entity with which you have a relationship through ownership, contract or otherwise. Unless you have asked us to perform a search against particular entities described in one of the above categories, our conflict search will not identify any issues arising from our representation of them.

6. Representation of Other Clients

We wish to avoid circumstances in which our representation of another client would be inconsistent with our duties to you.

- (a) While you are our client, under applicable professional rules we are not permitted to act for another client in any matter that is directly adverse to your legal interests unless you consent. Our acceptance of this matter is on the basis that you now consent to our representation of other clients in other unrelated matters that may be directly adverse to your legal interests and to our representation in other matters of the party that is adverse to you in this matter provided that (i) the other matter is not the same as or related to any matter in which we have represented you and (ii) we protect your confidential information.

- (b) Your consent means that while we are representing you in this matter, we could represent another client in an unrelated matter that is directly adverse to your legal interests including a lawsuit, negotiation, financing transaction, auction or other acquisition transaction, regulatory proceeding, insolvency/restructuring or other matter.
- (c) Our acceptance of this matter is on the basis that when you are no longer our client, under applicable professional rules, we may represent another client in any matter that is directly adverse to your legal interests provided that (i) the other matter is not the same as (or related to) the matter in which we previously represented you and (ii) we continue to protect your relevant confidential information, and in this regard you acknowledge that the establishment of an appropriate ethical screen will be sufficient protection of the confidentiality of such information.
- (d) This retainer does not preclude BLG from acting for other entities which may be existing clients or you identify as potential clients of Henenghaixin Corp. or its related companies.
- (e) For the avoidance of doubt, BLG's provision of general bankruptcy, insolvency and/or regulatory advice to Henenghaixin Corp. will not preclude BLG from acting for a third party on a bankruptcy or insolvency matter in which Henenghaixin Corp. or its related companies are advising on or otherwise involved.

We are relying on the consents described above in agreeing to represent you in this matter and we will not be seeking any further consent from you or consulting with you before advising, acting for or representing another client in an unrelated matter with legal interests adverse to yours. We therefore recommend that you seek advice from independent legal counsel (which may include your in-house counsel) if you have any questions concerning the implications of providing this consent.

7. Termination

You may terminate your engagement of us for any reason prior to the completion of this engagement by giving us written notice to that effect. On such termination, all unpaid legal fees and disbursements will become due and payable. We may terminate our legal representation of you prior to the completion of this engagement for any reason subject to our professional and ethical obligations, including as a result of conflicts of interest that arise or unpaid legal fees or disbursements.

Unless our engagement has been previously terminated, our representation of you will cease upon receipt by you of our final account for services rendered. If, upon termination or completion of this engagement, you wish to have any documentation returned to you, please advise us. Otherwise, any documentation that you have provided to us and the work product completed for you will be dealt with in accordance with our records retention policies and practices. Please note that our records retention policies and practices may not be

synchronized with yours. If you have any concerns about what we retain in our records or dispose of, you must alert us to your concern. Absent written agreement with you to the contrary, we are free to retain or destroy the records we possess with respect to this engagement as we determine to be appropriate.

8. Progress and Reporting

We will keep you informed from time to time and report to you in a timely fashion regarding the status of the matter. It is also our practice to provide copies to you of all significant documents and to inform you of all significant communications and other developments in the matter. The file is open for your inspection at any reasonable time.

We ask that you remain in close contact with us and that you be available to consult with us as developments occur and to instruct us as necessary. If you have any questions or concerns about the matter, we ask that you raise them with us immediately so that they can be promptly and effectively addressed and resolved. We ask that you keep us informed of any changes in your mailing address, phone number or other contact particulars.

9. Billing

Information on our billing procedures, including how our fees will be determined and what other charges may be billed to you, is set out in the Terms and Conditions.

Any future estimate of anticipated fees and disbursements that we provide at your request, whether for budgeting purposes or otherwise, is, in view of the uncertainties involved, necessarily only an approximation. Under no circumstances is such an estimate a maximum or minimum quotation. Our actual charges will be determined in accordance with the policies described in the Terms and Conditions and in accordance with the current hourly rates of the initial members of the BLG team assigned to work on this matter.

10. Governing Law and Language

Our engagement with you is governed by the laws of the province of Alberta and the federal laws of Canada. Any dispute between us will be dealt with exclusively in the courts of that province.

You and BLG agree that the agreement resulting from your acceptance of this engagement letter and all documents relating thereto shall be drafted in the English language.

Yours truly,

BORDEN LADNER GERVAIS LLP

By: 
_____ **Xiaodi Jin**

I confirm my agreement to retain Borden Ladner Gervais LLP on the terms described in this letter (including the attached Terms and Conditions).

Name of Client: Henenghaixin Corp.

Signed by: 

Please print name: Steven Neu

Date: _____

TERMS AND CONDITIONS

This document sets out our standard terms and conditions, any of which may be varied or excluded by an express provision in the accompanying letter of engagement. By signing and returning that letter, you agree to be bound by these terms and conditions except to the extent so varied or excluded.

1. Nature of Services

We are a full service firm with regional offices in Calgary, Montréal, Ottawa, Toronto and Vancouver Region. Except to the extent specifically described under "Description of Mandate" in the attached letter, the services we provide are limited to legal advice and representation (including, as applicable, acting as patent and trade-mark agents). To the extent that any of the services we provide in the course of an engagement are of a kind that may also be provided by non-lawyers, the purpose of our doing so is to give the client the benefit of our knowledge, skills and experience in the law, not to serve as a substitute for the advice and services of qualified persons in respect of non-legal matters. A client should not expect us to advise on issues or matters that lie beyond the scope of legal knowledge, skills or experience, or beyond the defined scope of our engagement; in particular, we do not practise as accountants, valuers, actuaries, investment bankers, financial advisors, management consultants, insurance brokers, private investigators, credit analysts, or tax filers, and a client should not expect that we will provide advice or render services on any matters within the expertise of such practitioners. Obviously, we can give no assurance of success in contentious matters for which we are retained. A client should not expect us, unless we are expressly engaged to do so, to remind the client of any renewal right contained in any lease, mortgage or other contract, to exercise any

such right, or to renew any permits, licences or registrations.

2. Resources

We may make use of the services of appropriate BLG lawyers, intellectual property agents, paralegals, articling students and support personnel. We endeavour to distribute work assignments in a way that maximizes legal effectiveness and time efficiency, and minimizes the client's legal expenses.

3. Client Information

Upon reasonable request by us, the client must provide us with all required information and otherwise assist us in verifying identity and existence. Under the rules governing our profession, we are required to obtain information from the client regarding the client's identity, the identity of any third parties or beneficiaries for whom the client is acting and, if the client is an organization, any individuals authorized to give instructions on behalf of the client. If we do not receive this information, we cannot represent the client. In addition, under these rules, in order to engage in or give instructions in respect of receiving, paying or transferring of money and other instruments on behalf of a client, we must in certain circumstances (a) collect additional information with respect to the client and, if it is an organization, its directors and shareholders and (b) verify the identity and existence of the client, the identity of any third parties or beneficiaries for whom the client is acting and, if the client is an

organization, any individuals authorized to give instructions on behalf of the client. If we do not receive this additional information and verify the identity and existence as required by these rules, we cannot engage in or give instructions in respect of receiving, paying or transferring of money and other instruments on behalf of a client.

4. Fees

All professionals, articling students and paralegals of the firm are assigned standard hourly rates that are recorded in tenths of an hour, and reflected on monthly time records. We reassess and may change our hourly rate schedules from time to time, generally on an annual basis. Before a fee is determined, the professional representing the client, or another professional familiar with the matter, reviews the records of time spent and also considers:

- (a) the size and scope of the work, the type and level of skill, experience, knowledge, and the responsibility required to provide the services;
- (b) the complexity of the issues, the client's potential emotional and monetary exposure, and the difficulty of the issues involved; and
- (c) the result accomplished, the value of that result to the client, and the circumstances under which we render services.

5. Other Charges

We will charge for certain support services that we may provide in connection with this engagement, as well as for our out-of-pocket costs.

These charges for support services will be billed at rates determined by us for our clients

from time to time and in addition to our fees for legal services. These charges include long distance telephone, fax, court runner and other communications, word processing services, staff overtime when required by the client or the exigencies of the matter, computerized research facilities, photocopying, document scanning and other charges.

Out-of-pocket costs incurred by us, such as charges from external agents, suppliers or vendors on the client's behalf which can include filing fees, registration fees, courier charges, court reporter fees, and travel expenses, will be passed along to the client.

All of these charges, whether for internal support services or for out-of-pocket costs, are itemized as "disbursements" on the statements of account rendered to clients.

6. Payment

Our statements of account ordinarily will be rendered on a monthly basis, except for certain transactions, for which, upon mutual agreement, statements of account may be rendered upon completion of the matter. On matters that are not billed monthly, we may request that interim or "on account" payments be made in advance of the final billing.

Our accounts are due and payable upon receipt. Interest will be charged on accounts not paid within 30 days and at the rates charged to all our clients from time to time. Consequently we require clients to report any errors or corrections to us within 15 days of receiving a statement of account.

In instances where our professional fees and disbursements are or might be subject to payment by a third party (e.g., pursuant to an insurance policy or under an agreement with a third party), we regard our client as primarily

responsible for the timely payment of these charges and, absent our specific written agreement to the contrary, will not rely on the third party for payment.

We may forward invoices for disbursements of a large amount to the client for direct payment to the agent, supplier or vendor, in which case it will be the client's responsibility to pay such items promptly, in accordance with the agent's, supplier's or vendor's terms.

We make every effort to include disbursements in the statement of account for the month or other period in which the disbursements are incurred. However, particulars of some disbursements, such as telephone charges and certain courier charges, may not be available to us in time to be so included, in which case they will be included in a later monthly billing, or we may render a supplemental statement of account for disbursements.

7. Trust Accounts

We maintain separate bank accounts for money we hold in trust for our clients. Under the rules of the various provincial Law Societies and the Barreau du Québec (which govern lawyers' professional conduct), trust funds do not earn interest for a client unless the client has given us written instructions to set up an interest bearing account and the trust funds are sufficient for a financial institution to accept them as such. The Law Societies and Barreau have established very strict standards for these trust accounts. A professional accountant reviews them annually and reports the results. The Law Societies and Barreau also may conduct spot audits on these accounts.

8. Retainers

It is our policy to obtain a retainer from new clients, and from existing clients under certain circumstances, to cover a portion of the fees and disbursements expected to be earned and incurred in the course of our engagement.

On occasion, it may be appropriate to require a retainer after the commencement of the engagement, or to require an increase of an earlier retainer, depending on the client's payment history or on the scope of the work. (For example, prior to a protracted trial, we may require a retainer that is sufficient to cover expected fees.) We may also request a retainer for the purposes of paying substantial disbursements we incur on a client's behalf.

We deposit all such retainers into one of our trust accounts. The retainer will be applied to any charges not paid within 30 days, applied to our final account or returned to the client when we have completed all work and our accounts are paid.

9. Taxes

For clients based in Canada and some non-resident clients, federal and some provincial sales taxes are applicable to all fees and to most disbursements. Such taxes are indicated on our statements of account.

10. Electronic Communications

During the course of our engagement, we may exchange electronic versions of documents and e-mails with you using commercially available software. Unfortunately, the available technology is vulnerable to attack by viruses and other destructive electronic programs. As a result, while we have sought to take countermeasures, our system may occasionally reject a communication you send to us, or we may send you something that is


rejected by your system. Accordingly, we cannot guarantee that all communications and documents will always be received, or that such communications and documents will always be virus free, and we make no warranty with respect to any electronic communications between us. In addition, we make no warranty with respect to the security of any electronic communication (including, without limitation, faxes and cell phones) between us and you consent to our exchange of electronic communications, including confidential documents, unencrypted.

11. Privacy

In the course of acting for you, you may provide to us (and we may collect) personal information that is subject to applicable privacy protection laws. By signing this

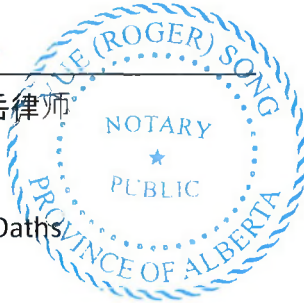
engagement letter, you consent to the collection, use and disclosure of such personal information by us for the sole purpose of providing our services to you, including for administrative or management purposes, all in accordance with our Privacy Policy in effect from time to time.

This is Exhibit "49" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



Re:RE: Documentation Required West Lake Energy

"Michael Lam" <lam.m@snencn.cn>

收件人: "Jin, Xiaodi" <XJin@blg.com>

抄 送: "steven neu" <steven.n@snencn.cn>

时 间: 2017-4-5 5:01:40

附 件: image002.jpg

下载附件

Steven,

I believe the information is factual to my knowledge; please sign and return to Xiaodi when you can.

Thanks,

Michael

在 2017-04-05 00:16:50, "Jin, Xiaodi" <XJin@blg.com> 写道:

Michael, Steven,

I have still not received the name from Shell/Patricia. Attached is the certificate they requested. Please confirm it is correct, execute and return to me.

Thanks,

Xiaodi Jin | Borden Ladner Gervais LLP

T 403.232.9523 | C 403.796.4652

From: 林成德 [<mailto:lam.m@snencn.cn>]

Sent: April-03-17 5:20 PM

To: Jin, Xiaodi

Cc: steven neu

Subject: Re: Documentation Required West Lake Energy

Thanks Xiaodi;
Steven will be the best candidate.

Thanks
Michael

Thanks,
Michael Lam

On 04/03/2017 16:59, Jin, Xiaodi wrote:

Hi Michael,

Please see the request below from Patricia re Shell.

I can produce the documents, but could you tell me who within the organization (should be an officer of HNHX Corp. or West Lake) would be able to certify same? Would this be you or Steven?

Thanks,

Xiaodi Jin | Borden Ladner Gervais LLP

T 403.232.9523 | C 403.796.4652

From: Patricia Munro [<mailto:pmunro@westlakeenergy.ca>]

Sent: April-03-17 4:56 PM

To: Jin, Xiaodi

Subject: FW: Documentation Required West Lake Energy

Good afternoon Xiaodi,

Shell has requested corporate structure documentation for West Lake. I have explained that this is sensitive and confidential information which will only be provided, by you, directly to an authorized person within their organization. I have requested they provide the contact information for the appropriate person, and will forward the details to you upon receipt.

Please have the required documentation certified as indicated on the attachment.

Thank you,

Patricia

From: Patricia Munro
Sent: Tuesday, March 28, 2017 5:14 PM
To: 'xjin@blg.com'
Subject: Documentation Required West Lake Energy

Good afternoon,

Alan Steele recommended I contact you with respect to documentation required to set up West Lake Energy Corp. as a vendor with Shell Trading Canada. Shell's documentation requirements are outlined on the attachment. Kindly provide this information to facilitate the smooth transition of marketing contracts from Twin Butte To West Lake.

Your assistance in this matter is greatly appreciated.

Regards,

Patricia Munro



Patricia Munro


Manager, Marketing & Production Accounting

D: 403-215-2694

C: 403-875-3078

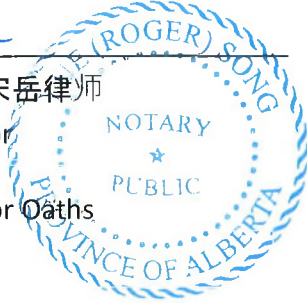
pmunro@twinbutteenergy.com

This is Exhibit "50" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



来自邓董事长的邮件

"邓董事长" <deng.tz@snencn.cn>

收件人: "林先生" <lam.m@snencn.cn>

抄 送: "邓小泊" <deng.xb@snencn.cn>, Jason <jasonge@snencn.cn>, Kailas <yang@kailas-capital.com>, "吴迎春" <wu.yc@snencn.cn>, "steven neu" <steven.n@snencn.cn>

时 间: 2017-2-14 16:13:17

附 件:

Michael:

在加拿大开会之后, 我就开始等你的资料了。你得尽快进入角色。

我希望在北京时间周五早上(你那边周四下班前)拿到Long Run、New Star、TB的12月、1月两个月的收支报告并知晓现金流情况。我们周五在青岛召开公司17年度工作会议, 我要有这些资料, 在会上要分析3个公司2017年的经营情况。

谢谢!

--

邓天洲

中天能源股份有限公司

Sinoenergy Corporation

Mobile: 13910000578

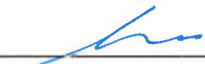
Tel: 86-10-84931428

Email: deng.tz@snencn.cn

地址: 北京市朝阳区望京SOHO塔2-B座29层

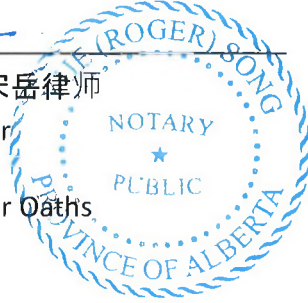
邮编: 100102

This is Exhibit "51" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



Invoice and expense claim

"Michael Lam" <lam.m@snencn.cn>

收件人: "吴迎春" <wu.yc@snencn.cn>, "王好" <wang.h@snencn.cn>, "steven neu" <steven.n@snencn.cn>, "T K" <thomas.cgy@gmail.com>, "邹骏昊" <zou.jh@snencn.cn>

抄 送: "邓小泊" <deng.xb@snencn.cn>, "段玥怡" <duan.yy@snencn.cn>, "hunter.woo" <hunter.woo@advantagepetroleum.ca>, kris <kris@advantagepetroleum.ca>, "wade.chen" <wade.chen@advantagepetroleum.ca>

时 间: 2017-3-1 3:31:49

附 件:

Hello all,

As you know Steven Sun is no longer with SinoEnergy and I have resumed his responsibility to take care the finances for all holding corps.

Please send in all invoices and expense claims to Kevin by the last working day of the month; after approval from management, we will aim to make a cheque run in five business days.

If you have any other finance related questions, please feel free to come chat with me.

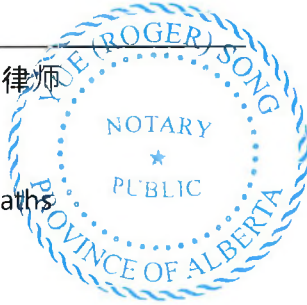
Thanks,
Michael

This is Exhibit "52" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



Fw: Henenghaixin Corp

"林成德" <lam.m@snencn.cn>

收件人: "steven neu" <steven.n@snencn.cn>, "Harold Wang" <haro.wang@gmail.com>, "陈锐"
<chen.r@skywidepe.com>

时 间: 2017-3-17 8:56:46

附 件: image001.jpg

[下载附件](#)

454FormInstructionsToReceiveAWire.docx

[下载附件](#)

[打包下载全部附件](#)

Fyi

Thanks,
Michael Lam

----- Forwarded Message -----

From: Seulean, Angela
Date: 03/16/2017 16:08
To: Michael 林成?? Lam (lam.m@snencn.cn)
Cc: Zhao, Derek
Subject: RE: Henenghaixin Corp

Hi Michael,

We have opened the new accounts. Here is the information:

CAD chequing account:

Transit 07609

Account 00762433600

USD chequing account:

Transit 07609

Account 00762514600

We will have Juan Carlos sending the forms for Online banking set up.

I am also attaching the wire instructions.

Please let me know if you have any questions or if you would need assistance with completing the wire instruction form.

Thank you,

Angela

Angela Seulean

Client Service Officer, Special Loans | Banking Operations

CFO Portfolio

Office 403-974-5774 | Mobile 587-226-9295

Eighth Avenue Place, 600, 585 8th Ave S.W., Calgary, AB T2P 1G1

atb.com



From: Zhao, Derek

Sent: Thursday, March 16, 2017 3:35 PM

To: Seulean, Angela <ASeulean@atb.com>

Cc: Michael 林成?? Lam (lam.m@snencn.cn) <lam.m@snencn.cn>

Subject: FW: Henenghaixin Corp

Hi Angela,

Attached please find the forms corrected and initialed by Michael Lam. The original copies will be delivered to us later.

There will be two signers. Before Steven Neu sends his signature form, we will add Michael as the signer for the time being.

Please open the Cdn chequing, Cdn savings and USD savings accounts for the company.

Once completed, please advise Michael of the account numbers.

Please also advise Juan Carlos Brahim to arrange the online banking services, in the same way as West Lake Energy Corp.

Please email Michael the Cdn and USD wire transfer form and instruction.

Thank you for stepping in and helping out in a short notice.

Derek

From: Michael Lam [<mailto:lam.m@snencn.cn>]

Sent: Thursday, March 16, 2017 3:23 PM

To: Zhao, Derek <DZhao@atb.com>; steven neu <steven.n@snencn.cn>

Subject: Henenghaixin Corp

Hello Derek,

Please find the attached form for Henenghaixin Corp; Steven will send over his signature card later on.

thanks,

Michael

----- Forwarding messages -----

From: C5051r1948@longrunexploration.com

Date: 2017-03-17 03:16:56

To: "michael snencn" <lam.m@snencn.cn>


Subject: Attached Image

If you have received this email in error, please let me know by return email so I can make sure it doesn't happen again. Because emails can contain confidential and privileged material, I'd ask for your help by deleting it and any attachments. Thanks!

We like to keep people up to date with information about new products and services at ATB or changes that could affect you. You can check out more about ATB and CASL [here](#).

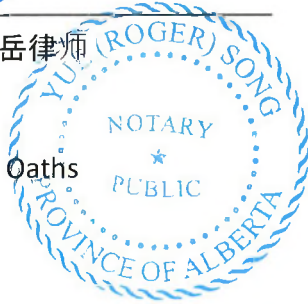
If you would like to unsubscribe from our updates, please click [here](#).

This is Exhibit "53" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

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in and for Alberta



Henenghaixin Corp

"Michael Lam" <lam.m@snencn.cn>

收件人: "Zhao, Derek" <dzhao@atb.com>, "steven neu" <steven.n@snencn.cn>

时 间: 2017-3-17 5:22:56

附 件: 1091_001.pdf

下载附件

Hello Derek,

Please find the attached form for Henenghaixin Corp; Steven will send over his signature card later on.

thanks,

Michael

----- Forwarding messages -----

From: C5051r1948@longrunexploration.com

Date: 2017-03-17 03:16:56

To: "michael snencn" <lam.m@snencn.cn>

Subject: Attached Image

Michael set up 合#海欣
the signature system.

Authorized Contact Certificate

Legal Name of Customer: Herenghain Corporation

Please change the Authorized Contacts on the following Accounts/or see attached schedule:*

Business Partner Name	Transit Number	Account Number

Name	Title	Phone Number	Action
Shing Tak Lam	CFO	780 616 4866	<input checked="" type="checkbox"/> Add <input type="checkbox"/> Delete
Steven Neu	Director	403 660 1211	<input checked="" type="checkbox"/> Add <input type="checkbox"/> Delete
			<input type="checkbox"/> Add <input type="checkbox"/> Delete
			<input type="checkbox"/> Add <input type="checkbox"/> Delete
			<input type="checkbox"/> Add <input type="checkbox"/> Delete
			<input type="checkbox"/> Add <input type="checkbox"/> Delete
			<input type="checkbox"/> Add <input type="checkbox"/> Delete
			<input type="checkbox"/> Add <input type="checkbox"/> Delete
			<input type="checkbox"/> Add <input type="checkbox"/> Delete

*If information is not provided it is deemed to be all Accounts

Signature (Signing Officer)

Name

Signature (Signing Officer)

Name

ATB Financial™

Verification of Identity

Legal Name of Signing Officer

Shiva Taklan

Date of Birth

10/13/1987

Detailed Occupation/Place of Business

Sino Energy Corp.

ATB USE ONLY

Business Partner Number of Signing Officer _____

Business Partner Number of Customer _____

Piece 1

ID Type

Alberta Driver License

ID Number

155288-081

Place of Issue

Edmonton, Alberta

Expiry Date

13/Oct/2020

Piece 2

ID Type

Scotiabank Credit Card

ID Number

4538 2703 1736 0040

Place of Issue

Canada

Expiry Date

08/19

Complete for BOA USD Accounts only

USD Accounts require proof of citizenship. One of the following pieces of ID must be used.

Country of Citizenship: Canada Other _____

Type Identification provided:

Birth Certificate

Passport

Number _____

Number and Expiry Date _____

ATB USE ONLY

I have personally met with the above applicant and examined an original and valid copy of acceptable ID.

ATB Associate or Agent Signature

Print Name

_____, 20
Date

Entered into Business Partner by:

ATB Associate

Print Name

_____, 20
Date

ATB Financial™

Opt In/Opt Out Form Commercial Electronic Message (CEM)

*This form must be completed for every individual or business. This cannot be used for multiple customers.

Personal

Business

BP#:

First Name:

Last Name:

Legal Business Name (if applicable):

Trade Name (optional):

Telephone Number (optional):

Postal Code (optional):

Email Address #1:

Email Address #2 (optional):

Email Address #3 (optional):

Email Address #4 (optional):

Email Address #5 (optional):

Standard

Standard

Standard

Standard

Standard

*Select the standard box for one email address only. Standard is used to identify the primary email address.

I consent to receive Commercial Electronic Messages, including but not limited to emails, texts, direct messages and other communications related to products, services, promotions, events, special offers, community initiatives and other matters from ATB Financial and its officers, directors, employees, agents and subcontractors. I understand I can unsubscribe at any time.

I wish to Opt-Out and to no longer or not receive Commercial Electronic Messages

ATB Financial relies on the accuracy of the information you have provided to process your request. The personal information you have provided to us is protected under Alberta's Personal Information Protection Act. This request is for ATB Financial updates only. If you wish to receive updates from ATB Investor Services, please send an e-mail to "ATBIS-CASL-Consent@atb.com"

Customer Signature

Date

Information collected by:

Team Member Name

E-Number or A-Number

ATB Financial
Suite 2100, 10020 100 Street NW
Edmonton, AB T5J 0N3
1-800-332-8383

ATB Financial[™]

CFS Signature Card – Add Name/Change Name/New Account/Update Signature

CFS Signature Card – Add Name Change Name New Account Update Signature

Date: 3/16/2017

Legal Name of Customer: Heronghai Kin Corp BP# of Customer: _____

Legal Name of Signing Officer: Shing Tak Lam BP# of Signing Officer: _____

Government regulations require that you provide us:

Date of Birth: 10/13/1987 Occupation: Vice President

Home Address: #6, 4825 Terwilliger Common Edmonton Phone Number: 780-616-4866

Change Name (Obtain documents supporting legal name change to): _____

The Signing Officer is authorized to act on the following accounts/or see attached schedule.*

Business Partner Name	Title	Transit Number	Account Number

*If information is not provided it is deemed to be all accounts

Personal Information, collection use and disclosure:

If applicable, ATB Financial will use and disclose your personal information in accordance with ATB's Collection, Use and Disclosure Statement ("Privacy Statement") and in the Privacy Code. You may obtain both documents at atb.com, a branch or by calling 1-877-541-4563. By signing below, you consent to ATB's collection, use and disclosure of personal information, and such consent until that information destroyed or as soon as it is no longer necessary for the purposes for which it was collected.

Any personal information in the custody or control of a third party or agent on behalf of ATB outside of Alberta is subject to the laws of that jurisdiction and may be collected, used or disclosed without your knowledge, or consent where required or permitted by law. For more information, or if you have any questions regarding ATB's policies and practices with respect to service providers outside of Canada, you may contact ATB at the number referenced above.

Certain products and services require ATB to collect, use and disclose your personal information for the purpose of credit scoring. Do you consent to ATB obtaining credit bureau information about you from time-to-time for the purpose of acquiring this product or service for determining your on-going eligibility for this product or service?

Yes No

Signature Code for Accounts:


Both/All

Either/Any

Multiple/Any

Other _____

Sign in Box



ATB Financial

**Know Your Customer
(Corporation)**

Date:

3/16, 2017

Business Partner Number:

Customer's Legal Name:

Hemenghatkin Corp

A. Intended use:

1. What is the intended use of the Account/Services (check all that apply)?

Operating expenses

Payroll

Deposits of daily receipts

Payments to Suppliers

Other: _____

B. Confirm the existence of the Corporation:

To confirm the existence of the Corporation, either:

1. Conduct a corporate search; or

2. Obtain a copy of one of the following from Customer (check document provided)

Certificate of Status

Certificate of Incorporation

Canada Revenue Agency Notice of Assessment

Corporation Trust/Property Management

Other: _____

C. Confirm the Power to Bind of the Corporation:

Obtain either of the following to confirm the power to bind of the Corporation:

Completed Form 129 - Account Resolution - Corporation; or

Banking Resolution of the Customer (CFS ONLY)

D. Third Parties:

1. Will this Account, "any subsequent accounts", the Services, or any loans be used by or on behalf of a third party?

Yes No

If yes, then please provide details regarding the third/instructing party:

Name: _____

Address: _____

If individual, date of birth: _____

If incorporated, incorporation number and place of registration: _____

Nature of principal business/occupation: _____

Relation to Customer (agent, shareholder, lawyer, accountant): _____

ATB Financial

E. Beneficial Ownership Attestation:

Please provide documentary evidence of beneficial ownership and director information for our record (eg. Notice of Directors and Organizational Chart).

1. Does any individual own or control, directly or indirectly, 25% or more of the shares of the Corporation?

Yes No If yes, please provide documentary evidence for our records.
 Could not obtain information Reason: _____

If yes, please record below the names and residential addresses of all individuals that own or control 25% or more of the entity.

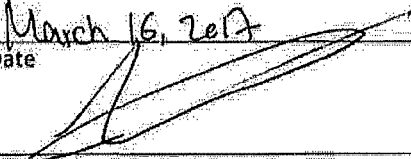
Name: <u>Steven Nam</u>	Name: _____
Residential Address: <u># 424 3130 66 Ave SW #305K</u>	Residential Address: _____
% Owned or Controlled: <u>100%</u>	% Owned or Controlled: _____
Name: _____	Name: _____
Residential Address: _____	Residential Address: _____
% Owned or Controlled: _____	% Owned or Controlled: _____


F. Directors Information:

Full Legal Name

- 1. Steven Nam
- 2. Deshuang Yu
- 3. Jun Xiang
- 4. Tianzhou Deng
- 5. _____

You certify that the Beneficial Ownership and the Director information provided is complete and correct, and that we may continue to rely on this information until we receive written notification

March 16, 2017
Date

Signature (Appointing Officer or Signing Officer)

Shing Tak Lam

Name

3/16/17
Title

Signature (Appointing Officer or Signing Officer)

Name

Title



FATCA Self Certification for an Entity

Name of Business: Hongshixin Corp. Client Number (BP Number): _____

A. Specified U.S. person

For Corporation or Partnerships

Is the entity incorporated or organized in Canada? yes → go to section B no → go to next question
 Is the entity a *specified U.S. person*? yes no → go to section B
 If "yes" provide U.S. TIN _____

For Trusts

Is the trust a *specified U.S. person*? yes no → go to section B
 If "yes" provide U.S. TIN _____

B. Financial institution

Is the entity a *financial institution*? yes no → go to section C

If "yes", indicate its status

- Financial Institution with valid GIIN _____ Check if waiting for GIIN
 Non-Participating Financial Institution (NPFI)
 Other – provide status (e.g., deemed compliant financial institution) _____

C. Entity type/character

1. Check any that apply to the entity:

- Active trade or business – Less than 50% of the entity's gross income is passive income and less than 50% of its assets produce passive income
 Registered charity, or a club, association or arrangement in Canada operated exclusively for cultural, athletic or educational purposes
 Corporation with shares that regularly trade on an established securities market. Indicate Stock Market _____
 Government or international organization (or agency thereof)

*if one of the above four apply to the entity, set the FATCA status to Active NFFE

2. If no category applies, indicate whether the entity is:

- Active Non Financial Foreign Entity (NFFE) Passive Non Financial Foreign Entity (NFFE)

3. If the entity is a passive NFFE, does any individual directly or indirectly owns/controls 25% or more of the entity?

yes no

If "yes", provide the name, address and U.S. TIN of each individual who directly or indirectly owns/controls 25% or more of the entity and who is a U.S. person.

Name	Address	US TIN	% Control

I declare that the information provided on this form is, to the best of my knowledge and belief, correct and complete.

This FATCA Self Certification for an Entity can be executed by you electronically, and you may deliver it to ATB by facsimile, email or other functionally-equivalent means of transmission.

Name: Shing Tak Lam Title: CFO
 Signature: [Signature] Date: 3/16/2017
 Effective: _____

ATB Financial

Date:

ATB Financial[™]

Account Resolution (Corporation)

RESOLUTION OF THE BOARD OF DIRECTORS
OF

Henanhai Xin Corp. (the "Corporation")

RESOLVED THAT:

1. The Corporation open and operate (or continue to operate if already open) one or more accounts with ATB Financial ("ATB"), obtain other services from ATB, and that ATB's Commercial Account Agreement and other documents relating to the operation of such account(s) or services offered by ATB be entered into by the Corporation.
2. The Corporation borrow money from ATB and grant security to ATB to secure repayment of its obligations.
3. That any ~~insert number of officers or positions~~ ^{2 People (ATB)} ~~insert position~~ of the Corporation shall from time-to-time as required by ATB, provide ATB with a signing certificate appointing the designated "Signing Officers" of the Corporation (the "Certificate"). The Certificate shall serve as conclusive evidence of the listed person's authority to act for and on behalf of the Corporation and shall be binding upon the Corporation until notice in writing to the contrary is provided to and acknowledged by ATB.
4. *Signing Officers (in the combination specified in the Certificate) have, as they determine from time-to-time, the power for and on behalf of the Corporation:*
 - (a) to agree to the terms of, sign or authorize any and all documents relating to operation of the account(s) or services as may be required by ATB; including without limitation, the appointment or delegation of authorized contacts and account administrators;
 - (b) to negotiate any instruments or give any instructions, approvals, or verifications on behalf of the Corporation in respect of the accounts or services provided by ATB for the purpose of binding or obligating the Corporation to ATB;
 - (c) to borrow money upon the credit of the Corporation, to grant security in favor of ATB, and to arrange with ATB the amount, terms and conditions of such loans as well as the security or securities to be given to ATB. This includes without limitation, signing promissory notes, credit agreements, negotiable instruments, evidences of debt and renewals of all such instruments; as well as security agreements, mortgages, debentures, charges, transfers, or other contracts necessary to evidence such indebtedness or grant security to ATB; and
 - (d) to do all other acts and things necessary or desirable and to execute all other documents in connection with the opening or operating of the accounts and the obtaining of services as they shall deem necessary or desirable, the execution and delivery of the other documents by such Signing Officers to be conclusive evidence of such approval.
5. All agreements, securities, documents and instruments purporting to be signed, made, drawn, accepted, executed or endorsed as provided for in this resolution shall be valid and binding upon the Corporation.

CERTIFIED RESOLUTION:


I/We, the undersigned being a Director/Officer of the Corporation certify to ATB that:

- (a) there are no provisions in the Articles or By-Laws of the Corporation or in any unanimous shareholder agreement relating to the Corporation which restrict, limit or regulate in any way the powers of the directors of the Corporation to borrow monies upon the credit of the Corporation and to issue, re-issue, sell or pledge debt obligations of the Corporation, and to create security interests by way of mortgage, hypothecation, pledge or otherwise covering all or any of the property of the Corporation, present and future, as security for all or any monies borrowed by the Corporation from ATB or any other liability of the Corporation to ATB,

ATB Financial

- (b) ATB may continue to rely on this resolution until written notification of any change is given and acknowledged in writing by ATB; and
- (c) the above resolution is a true copy of a resolution properly passed by the directors of the Corporation and remains in full force and effect as of this date.

Dated March 16, 20 17



Signature

Steven Wong

Name

Director

Title

Signature

Name

Title

Signing Certificate (Corporation)

To: Alberta Treasury Branches (ATB)

The undersigned, and each of them if more than one, being the CEO
 [insert position appointed in resolution] and Director
 [insert position appointed in resolution] (the "Appointing Officers") of Monaghan Corp.
 (the "Corporation") certify to ATB that:

A. The following individuals are the Appointing Officers:

Name	Title (as it appears on resolution)
<u>Shing Tak Lam</u>	<u>CEO</u>
<u>Steven New</u>	<u>Director</u>

B. The following individuals are designated as "Signing Officers": [please check box]

<input checked="" type="checkbox"/>	Name	Title	Phone Number	Email Address
<input checked="" type="checkbox"/>	<u>Shing Tak Lam</u>	<u>CEO</u>	<u>780 616 4866</u>	<u>lamn@smen.ch</u>
<input checked="" type="checkbox"/>	<u>Steven New</u>	<u>Director</u>	<u>403 660 1211</u>	<u>stn@s@smen.ch</u>
<input type="checkbox"/>				
<input type="checkbox"/>				

See attached Schedule

C. Any 2 [insert number] of the Signing Officers have authority:

1. to agree to the terms of, sign or authorize any and all documents relating to operation of the account(s) or services as may be required by ATB; including without limitation, the appointment or delegation of authorized contacts and account administrators;
2. to negotiate any instruments or give any instructions, approvals, or verifications on behalf of the Corporation in respect of the accounts or services provided by ATB for the purpose of binding or obligating the Corporation to ATB;
3. to borrow money upon the credit of the Corporation, to grant security in favour of ATB, and to arrange with ATB the amount, terms and conditions of such loans as well as the security or securities to be given to ATB. This includes without limitation, signing promissory notes, credit agreements, negotiable instruments, evidences of debt and renewals of all such instruments; as well as security agreements, mortgages, debentures, charges, transfers, or other contracts necessary to evidence such indebtedness or grant security to ATB; and
4. to do all other acts and things necessary or desirable and to execute all other documents in connection with the opening or operating of the accounts and the obtaining of services as they shall deem necessary or desirable, the execution and delivery of the other documents by such Signing Officers to be conclusive evidence of such approval.

ATB Financial™

The undersigned, and each of them if more than one, undertake to notify ATB of any change to this Certificate. ATB may continue to rely upon this Certificate until written notification of any change is given and acknowledged in writing by ATB.

Dated: 3/16, 20 17

Signature (Appointing Officer)

Shing Tak Lam
Name

Signature (Appointing Officer)

Name

Steven Neu

ATB Financial™

Commercial Account Application

Please tell us about your business:

Legal Name of Customer: Henenghatim Corp
Trade/Operating Name: _____
Nature of Business: Holding Corp (Energy)

ATB USE ONLY

NAICS Code: _____

Physical/Primary Address (Use legal address or street address, P.O. Box is not acceptable):

Address: 1500, 444 5th Ave SW
City/Town: Calgary Province: AB
Postal Code: 2TP 2T8 Country: Canada
Telephone No.: (403) 616 4966 Fax No: ()

Mailing Address: Same as above, or:
Address: _____
City/Town: _____ Province: _____
Postal Code: _____ Country: _____

Type of Account (check all that apply):

CAD Savings Account CAD Chequing Account USD Savings Account
 USD Chequing Account Other: _____

Type of Business:

Corporation Partnership Limited Partnership/Limited Liability Partnership
 Co-operative Trust Municipal/Public Body
 Incorporated Society First Nation Band Council Unincorporated Association
 Joint Venture Non-Profit Company Corporation Trust/Property Management
 Sole Proprietorship: SIN (interest bearing accounts only) (optional): _____
Corporate Registration Number: _____ Place of Issuance: _____
Business Number: _____



In this application and other account application forms, "you", "your", "yours" and "Business" refers to the Customer identified above. "ATB" or "ATB Financial" refers to Alberta Treasury Branches. You agree: (i) that you have received a copy of the ATB Commercial Account Agreement (the "Account Agreement"), (ii) to the terms and conditions of, and to be bound by the Account Agreement and such other documents and agreements in relation to specific accounts and services ("Additional Agreements") which ATB provides to you; (iii) any additional accounts and services for which you apply in the future shall be governed by the terms and conditions of the Account Agreement and any other applicable Additional Agreements; and (iv) the use of any account or service will be deemed to be your acceptance of the terms and conditions set out in the Account Agreement and any other applicable Additional Agreements.

By completing and signing this application you certify that the information provided to ATB is complete and correct.

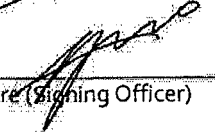
Subject to the terms and conditions outlined in the Account Agreement, you consent to the delivery of E-Statements (as defined in the Account Agreement) rather than in paper form. Yes No

3/16, 2017
Date


Signature (Signing Officer)

Shing Tak Lam
Name

CFO.
Title


Signature (Signing Officer)

Steven Neu
Name

Director
Title

ATB USE ONLY:

Is the Customer an exempt entity for AML purposes? (see Operating Guide)

Yes No – Complete "Know Your Customer" forms (952, 953, 954, 955, 956, 957)

I have provided the Commercial Account Agreement (Form 2853) to the Customer.

E _____ Initial: _____

ATB Financial

This is Exhibit "54" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor



A Commissioner for Oaths
in and for Alberta

CFS Administrator Challenge Question and Answer For Verification of Identity

Date: March 20, 2017

BP: 2181373

Company Name: Henenghaixin Corp

As the Administrator for your company's ATB Online Business access, you may, from time to time, require assistance from our Cash Management Support Line (1-877-363-4855). Your challenge question and answer will allow us to verify your identity and ensure that your company remains safe and secure. This sequence will be kept confidential for your security and should not be shared with anyone else.

You may choose a question from the list provided below or create your own. The answer you provide should be a singular response, unique, and not easily guessed by others.

- Where do you want to retire?
- Who is your favourite author?
- What was the color of your first car?
- Who was your first grade teacher?
- What is your favourite board game?
- Where was your favourite family holiday vacation?
- Who is your favourite musician?
- What was your grandfather's occupation?
- What was your first job?
- What is your favourite dessert?

Challenge Question: _____

Challenge Answer: _____

Name: Michael Lam

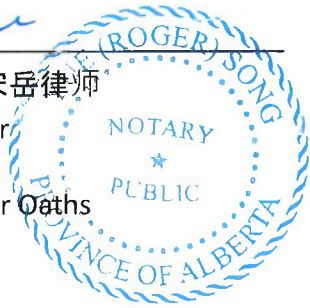
Signature: _____

ATB Financial[®]

This is Exhibit "55" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta



SCHEDULE I

Henenghaixin Corp
 1500, 444 5th Ave SW
 Calgary, Alberta T2P2T8

To whom it may concern

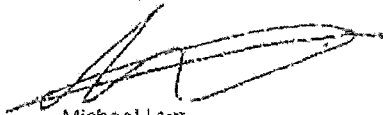
RE: Capital injection for West Lake Energy

On behalf of Henenghaixin Corp, we confirm our intention to inject capital to support the cash flow generating drilling program for West Lake Energy according to the following timeline.

	Capital injection (CAD)	Note:
Apr-17	\$ 10,000,000	Injected
May-17	\$ 10,000,000	
Jun-17	\$ 15,000,000	
Jul-17	\$ 15,000,000	
Aug-17	\$ 10,000,000	
Sep-17	\$ 5,000,000	
Oct-17	\$ 5,000,000	
Nov-17	\$ 5,000,000	
Dec-17	As requested	
Jan-18	As requested	
Feb-18	As requested	
Mar-18	As requested	
Apr-18	As requested	
Total	\$ 75,000,000	

We appreciate your bank is considering providing an operating line to our wholly owned subsidiary – West Lake Energy. Please feel free to reach out to me at 1-780-616-4966 or lam.m@snericn.ca if you have any questions.

Best Regards,

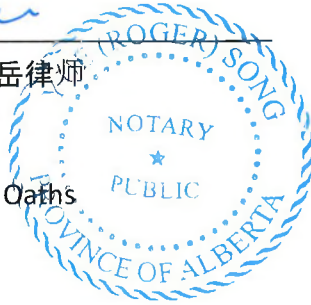


Michael Lam
 CFO
 Henenghaixin Corp

This is Exhibit "56" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta



回复: ATB Master Card application - West Lake

"林成德" <lam.m@snencn.cn>

收件人: "steven neu" <steven.n@snencn.cn>, "Ammad, Zeb" <zammad@atb.com>, "Loh, Vanessa" <vloh@atb.com>

抄 送: "Alan Steele" <asteele@westlakeenergy.ca>, "David Middleton" <dmiddleton@westlakeenergy.ca>

时 间: 2017-4-1 6:51:52

附 件: image001.jpg

下载附件

image002.jpg

下载附件

打包下载全部附件

Hi ATB team,

Can you please set Alan Steele up as a signer as well?

For the time being let's put it West Lake would require dual signatures for all cheques; as soon as we figure out the signing authorities, we will implement another signing level changes.

Thanks all and have a good weekend!

Michael Lam

在2017年03月31日 16:44, steven neu 写道:

Alan, please see the attached.

Michael will set you as a signer ASAP.

Have a good weekend.

Steven

在 2017-04-01 05:21:47, "Alan Steele" <asteele@westlakeenergy.ca> 写道:

Steven

Please sign and return to ATB and copy myself when you can.

Need to sign 2 places on application on page 4. This is a partial list of cards requested as they have the rest but only these names show here.

One place to sign on the deposit certificate

When will I be able to sign?

Alan

R. Alan Steele

West Lake Energy Corp.

T: (403) 215-2692

C: (403) 863-2124

From: Loh, Vanessa [mailto:vloh@atb.com]

Sent: March-31-17 3:07 PM

To: Alan Steele

Cc: steven neu; Zhao, Derek

Subject: RE: Re:RE: ATB Master Card application - West Lake

Hi Alan,

As I noticed that you are not the signing officer for West Lake yet, we would require Steven to sign the attached documents. I apologize for this inconvenience.

I have amended all the information in the MC application form.

If you have any questions, please feel free to contact me.

Thanks,

Guan Yit (Vanessa) Loh

Credit Specialist, Energy

Corporate Financial Services Operations

CFO Portfolio

Office 403-974-5099 | **Mobile** 403-815-2258 | **Fax** 403.974.5784

Suite 600, 585 – 8th Avenue SW, Calgary, Alberta T2P 1G1

atb.com



From: Michael Lam [<mailto:lam.m@snencn.cn>]

Sent: Friday, March 31, 2017 1:49 PM

To: Zhao, Derek <DZhao@atb.com>; Loh, Vanessa <vloh@atb.com>; Ammad, Zeb <ZAmmad@atb.com>

Cc: steven neu <steven.n@snencn.cn>; David Middleton <dmiddleton@westlakeenergy.ca>; Alan Steele <asteel@westlakeenergy.ca>

Subject: Re:RE: ATB Master Card application - West Lake

Hello ATB team,

Steven and I would like to instruct a transfer of CAD \$2.7 million from Henenghaixin Corp's account to West Lake Energy's account.

Can you please let us know what is the proper procedure to do so?

Thanks!

Michael

From: Loh, Vanessa [<mailto:vloh@atb.com>]

Sent: March-31-17 11:50 AM

To: Alan Steele
Cc: Zhao, Derek
Subject: RE: ATB Master Card application - West Lake

Hi Alan,

Thank you. Please note that we also need \$125,000 to be booked as a GIC. Currently there is insufficient fund in West Lake' s deposit account to do so.

The MasterCard is to be backed by \$125,000 cash security.

If you have any questions, please feel free to reach out to me.

Thanks,

Guan Yit (Vanessa) Loh

Credit Specialist, Energy

Corporate Financial Services Operations

CFO Portfolio

Office 403-974-5099 | Mobile 403-815-2258 | Fax 403.974.5784

Suite 600, 585 – 8th Avenue SW, Calgary, Alberta T2P 1G1

atb.com



From: Alan Steele [<mailto:asteel@westlakeenergy.ca>]
Sent: Friday, March 31, 2017 11:36 AM
To: Loh, Vanessa <vloh@atb.com>
Subject: ATB Master Card application - West Lake

Vanessa

Here is the master card application as required.

Please let me know if anything else you need.

The Assignment of deposit certificate is on its way by courier

Alan



R. Alan Steele

CFO

West Lake Energy Corp

410, 396-11th Ave S.W.

Calgary, Alberta T2R 0C5

D: (403) 215-2692 C: (403) 863-2124


From: Copier
Sent: March-31-17 11:21 AM
To: Alan Steele
Subject: Attached Image

If you have received this email in error, please let me know by return email so I can make sure it doesn't happen again. Because emails can contain confidential and privileged material, I'd ask for your help by deleting it and any attachments. Thanks!

We like to keep people up to date with information about new products and services at ATB or changes that could affect you. You can check out more about ATB and CASL [here](#).

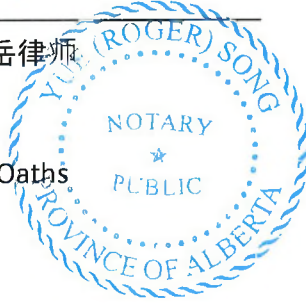
If you would like to unsubscribe from our updates, please click [here](#).

This is Exhibit "57" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



9

exhibit 29

DATE: 30-Jun-17

Bill to: Calgary SinoEnergy Investment Corp
1500, 444-5th Ave SW Calgary AB Canada T2P 2T8

Bill from: Eileen Corp
#424 3130 66 Ave SW Calgary AB Canada T3E 5K8
Tel: (403) 660-1211

BN(GST) #: 826536245 RT0001

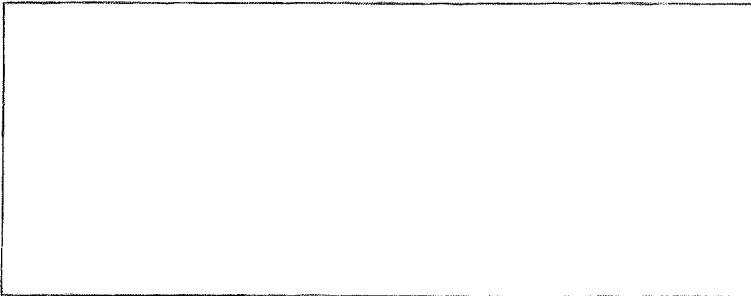
OPERATIONS INVOICE

DATES	WORK INFO	NOTE	DAYS	RATE	AMOUNT	
Thursday, June 01, 2017		consulting	1	\$ 900.00	\$900.00	
Friday, June 02, 2017		consulting	1	\$ 900.00	\$900.00	
Saturday, June 03, 2017						
Sunday, June 04, 2017						
Monday, June 05, 2017		consulting	1	\$ 900.00	\$900.00	
Tuesday, June 06, 2017		consulting	1	\$ 900.00	\$900.00	
Wednesday, June 07, 2017		consulting	1	\$ 900.00	\$900.00	
Thursday, June 08, 2017		consulting	1	\$ 900.00	\$900.00	
Friday, June 09, 2017		consulting	1	\$ 900.00	\$900.00	
Saturday, June 10, 2017						
Sunday, June 11, 2017						
Monday, June 12, 2017		consulting	1	\$ 900.00	\$900.00	
Tuesday, June 13, 2017		consulting	1	\$ 900.00	\$900.00	
Wednesday, June 14, 2017		consulting	1	\$ 900.00	\$900.00	
Thursday, June 15, 2017		consulting	1	\$ 900.00	\$900.00	
Friday, June 16, 2017		consulting	1	\$ 900.00	\$900.00	
Saturday, June 17, 2017						
Sunday, June 18, 2017						
Monday, June 19, 2017		consulting	1	\$ 900.00	\$900.00	
Tuesday, June 20, 2017		consulting	1	\$ 900.00	\$900.00	
Wednesday, June 21, 2017		consulting	1	\$ 900.00	\$900.00	
Thursday, June 22, 2017		consulting	1	\$ 900.00	\$900.00	
Friday, June 23, 2017		consulting	1	\$ 900.00	\$900.00	
Saturday, June 24, 2017						
Sunday, June 25, 2017						
Monday, June 26, 2017		consulting	1	\$ 900.00	\$900.00	
Tuesday, June 27, 2017		consulting	1	\$ 900.00	\$900.00	
Wednesday, June 28, 2017		consulting	1	\$ 900.00	\$900.00	
Thursday, June 29, 2017		consulting	1	\$ 900.00	\$900.00	
Friday, June 30, 2017						
			CONSULTING SUB	21	\$ 900.00	\$18,900.00

OPERATING EXPENSE

LODGING	TRAVEL	MEALS	FLIGHT	OFFICE	OTHER
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

EXPENSES TOTAL \$0.00



CONSULTING SUB	\$18,900.00
PLUS GST (5%)	\$945.00
CONSULTING TOTAL	\$19,845.00
INVOICE TOTAL	\$19,845.00

20

exhibit 30-1

DATE: 31-Aug-18

Bill to: Calgary SinoEnergy Investment Corp
1500, 444-5th Ave SW Calgary AB Canada T2P 2T8

Bill from: Eileen Corp
#424 3130 86 Ave SW Calgary AB Canada T3E 5K8
Tel: (403) 660-1211

BN(GST) #: 826536245 RT0001

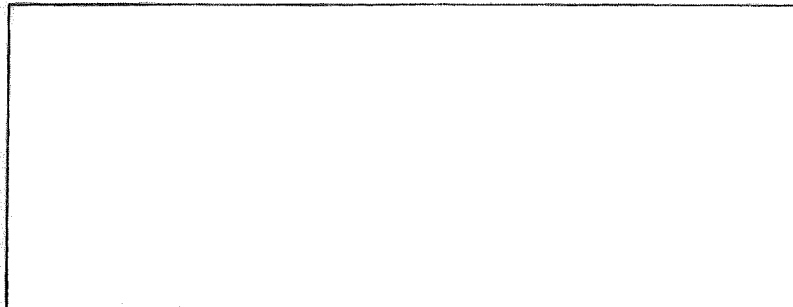
OPERATIONS INVOICE

DATES	WORK INFO	NOTE	DAYS	RATE	AMOUNT	
Wednesday, August 1, 2018		field	1	\$ 900.00	\$900.00	
Thursday, August 2, 2018		field	1	\$ 900.00	\$900.00	
Friday, August 3, 2018		field	1	\$ 900.00	\$900.00	
Saturday, August 4, 2018		field	1	\$ 900.00	\$900.00	
Sunday, August 5, 2018		consulting	1	\$ 900.00	\$900.00	
Monday, August 6, 2018		consulting	1	\$ 900.00	\$900.00	
Tuesday, August 7, 2018		consulting	1	\$ 900.00	\$900.00	
Wednesday, August 8, 2018		consulting	1	\$ 900.00	\$900.00	
Thursday, August 9, 2018		consulting	1	\$ 900.00	\$900.00	
Friday, August 10, 2018		consulting	1	\$ 900.00	\$900.00	
Saturday, August 11, 2018		consulting	1	\$ 900.00	\$900.00	
Sunday, August 12, 2018						
Monday, August 13, 2018		consulting	1	\$ 900.00	\$900.00	
Tuesday, August 14, 2018		consulting	1	\$ 900.00	\$900.00	
Wednesday, August 15, 2018		consulting	1	\$ 900.00	\$900.00	
Thursday, August 16, 2018		consulting	1	\$ 900.00	\$900.00	
Friday, August 17, 2018		consulting	1	\$ 900.00	\$900.00	
Saturday, August 18, 2018		consulting	1	\$ 900.00	\$900.00	
Sunday, August 19, 2018		field	1	\$ 900.00	\$900.00	
Monday, August 20, 2018		field	1	\$ 900.00	\$900.00	
Tuesday, August 21, 2018		field	1	\$ 900.00	\$900.00	
Wednesday, August 22, 2018		field	1	\$ 900.00	\$900.00	
Thursday, August 23, 2018		field	1	\$ 900.00	\$900.00	
Friday, August 24, 2018		consulting	1	\$ 900.00	\$900.00	
Saturday, August 25, 2018		consulting	1	\$ 900.00	\$900.00	
Sunday, August 26, 2018						
Monday, August 27, 2018		consulting	1	\$ 900.00	\$900.00	
Tuesday, August 28, 2018		field	1	\$ 900.00	\$900.00	
Wednesday, August 29, 2018		field	1	\$ 900.00	\$900.00	
Thursday, August 30, 2018		field	1	\$ 900.00	\$900.00	
Friday, August 31, 2018		consulting	1	\$ 900.00	\$900.00	
			CONSULTING SUB	29	\$ 900.00	\$26,100.00

OPERATING EXPENSE


LODGING	TRAVEL	MEALS	FLIGHT	OFFICE	OTHER
\$950.75	\$2,676.36	\$282.44			

EXPENSES TOTAL **\$3,909.55**



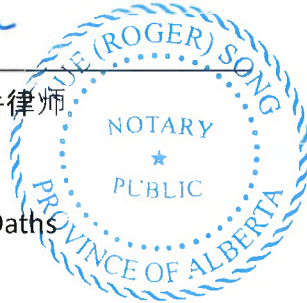
CONSULTING SUB	\$26,100.00
PLUS GST (5%)	\$1,305.00
CONSULTING TOTAL	\$27,405.00
INVOICE TOTAL	\$31,314.55

This is Exhibit "58" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



9

exhibit 29

DATE: 30-Jun-17

Bill to: Calgary SinoEnergy Investment Corp
1500, 444-5th Ave SW Calgary AB Canada T2P 2T8

Bill from: Eileen Corp
#424 3130 66 Ave SW Calgary AB Canada T3E 5K8
Tel: (403) 660-1211

BN(GST) #: 826536245 RT0001

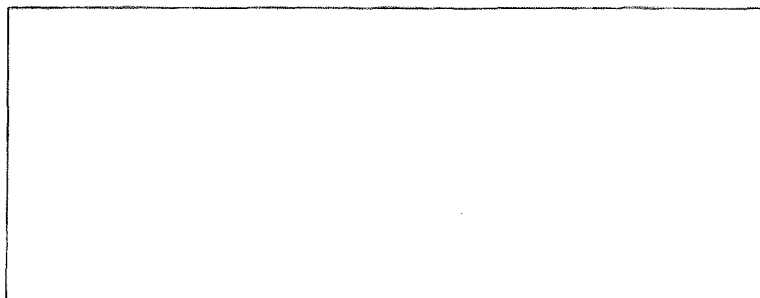
OPERATIONS INVOICE

DATES	WORK INFO	NOTE	DAYS	RATE	AMOUNT
Thursday, June 01, 2017		consulting	1	\$ 900.00	\$900.00
Friday, June 02, 2017		consulting	1	\$ 900.00	\$900.00
Saturday, June 03, 2017					
Sunday, June 04, 2017					
Monday, June 05, 2017		consulting	1	\$ 900.00	\$900.00
Tuesday, June 06, 2017		consulting	1	\$ 900.00	\$900.00
Wednesday, June 07, 2017		consulting	1	\$ 900.00	\$900.00
Thursday, June 08, 2017		consulting	1	\$ 900.00	\$900.00
Friday, June 09, 2017		consulting	1	\$ 900.00	\$900.00
Saturday, June 10, 2017					
Sunday, June 11, 2017					
Monday, June 12, 2017		consulting	1	\$ 900.00	\$900.00
Tuesday, June 13, 2017		consulting	1	\$ 900.00	\$900.00
Wednesday, June 14, 2017		consulting	1	\$ 900.00	\$900.00
Thursday, June 15, 2017		consulting	1	\$ 900.00	\$900.00
Friday, June 16, 2017		consulting	1	\$ 900.00	\$900.00
Saturday, June 17, 2017					
Sunday, June 18, 2017					
Monday, June 19, 2017		consulting	1	\$ 900.00	\$900.00
Tuesday, June 20, 2017		consulting	1	\$ 900.00	\$900.00
Wednesday, June 21, 2017		consulting	1	\$ 900.00	\$900.00
Thursday, June 22, 2017		consulting	1	\$ 900.00	\$900.00
Friday, June 23, 2017		consulting	1	\$ 900.00	\$900.00
Saturday, June 24, 2017					
Sunday, June 25, 2017					
Monday, June 26, 2017		consulting	1	\$ 900.00	\$900.00
Tuesday, June 27, 2017		consulting	1	\$ 900.00	\$900.00
Wednesday, June 28, 2017		consulting	1	\$ 900.00	\$900.00
Thursday, June 29, 2017		consulting	1	\$ 900.00	\$900.00
Friday, June 30, 2017					
CONSULTING SUB			21	\$ 900.00	\$18,900.00

OPERATING EXPENSE

LODGING	TRAVEL	MEALS	FLIGHT	OFFICE	OTHER
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

EXPENSES TOTAL \$0.00

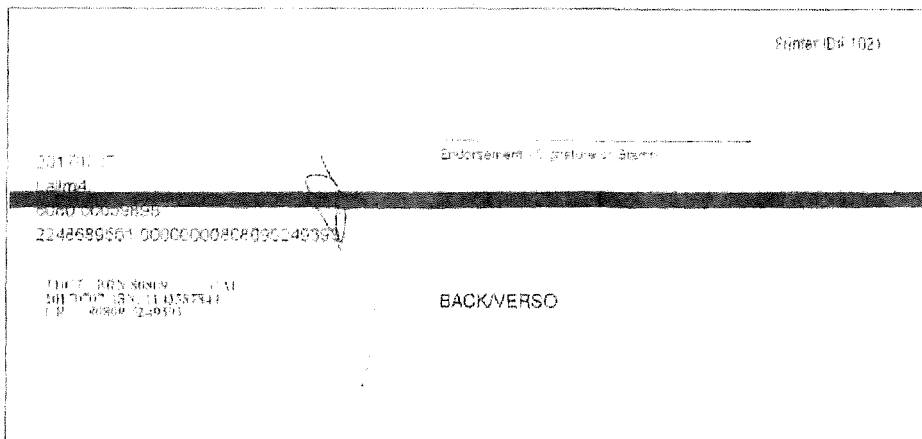
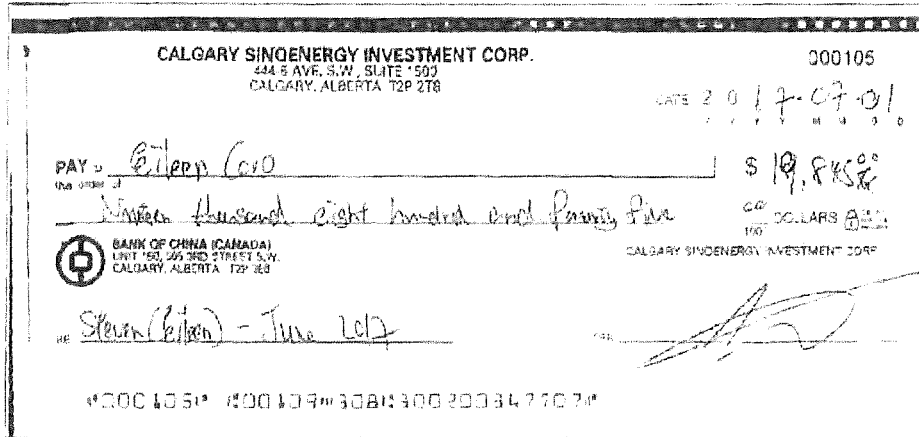


CONSULTING SUB	\$18,900.00
PLUS GST (5%)	\$945.00
CONSULTING TOTAL	\$19,845.00
INVOICE TOTAL	20 \$19,845.00

Cheque Item Image

User: Navin Mishra

Request #:		Request Desc:	
Transit - FI #:	00109-308	Account #:	300200247737
Sequence #:	1143587844	Amount:	\$19,850.00 CAD
Date:	07/07/2017		



Print Close

exhibit 30-1

Bill to: Calgary SinoEnergy Investment Corp
1500, 444-5th Ave SW Calgary AB Canada T2P 2T8

DATE: 31-Aug-18

Bill from: Eileen Corp
#424 3130 86 Ave SW Calgary AB Canada T3E 5K8
Tel: (403) 680-1211

BN(GST) #: 826536245 RT0001

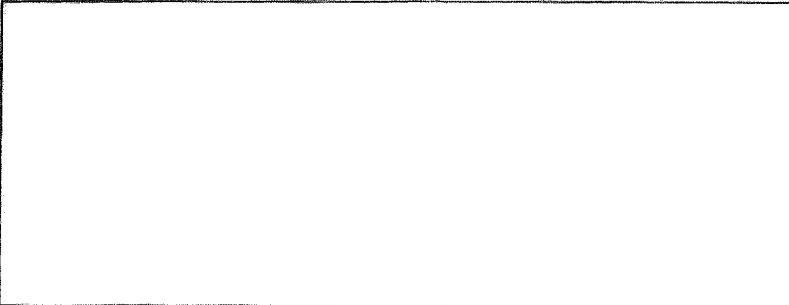
OPERATIONS INVOICE

DATES	WORK INFO	NOTE	DAYS	RATE	AMOUNT	
Wednesday, August 1, 2018		field	1	\$ 900.00	\$900.00	
Thursday, August 2, 2018		field	1	\$ 900.00	\$900.00	
Friday, August 3, 2018		field	1	\$ 900.00	\$900.00	
Saturday, August 4, 2018		field	1	\$ 900.00	\$900.00	
Sunday, August 5, 2018		consulting	1	\$ 900.00	\$900.00	
Monday, August 6, 2018		consulting	1	\$ 900.00	\$900.00	
Tuesday, August 7, 2018		consulting	1	\$ 900.00	\$900.00	
Wednesday, August 8, 2018		consulting	1	\$ 900.00	\$900.00	
Thursday, August 9, 2018		consulting	1	\$ 900.00	\$900.00	
Friday, August 10, 2018		consulting	1	\$ 900.00	\$900.00	
Saturday, August 11, 2018		consulting	1	\$ 900.00	\$900.00	
Sunday, August 12, 2018						
Monday, August 13, 2018		consulting	1	\$ 900.00	\$900.00	
Tuesday, August 14, 2018		consulting	1	\$ 900.00	\$900.00	
Wednesday, August 15, 2018		consulting	1	\$ 900.00	\$900.00	
Thursday, August 16, 2018		consulting	1	\$ 900.00	\$900.00	
Friday, August 17, 2018		consulting	1	\$ 900.00	\$900.00	
Saturday, August 18, 2018		consulting	1	\$ 900.00	\$900.00	
Sunday, August 19, 2018		field	1	\$ 900.00	\$900.00	
Monday, August 20, 2018		field	1	\$ 900.00	\$900.00	
Tuesday, August 21, 2018		field	1	\$ 900.00	\$900.00	
Wednesday, August 22, 2018		field	1	\$ 900.00	\$900.00	
Thursday, August 23, 2018		field	1	\$ 900.00	\$900.00	
Friday, August 24, 2018		consulting	1	\$ 900.00	\$900.00	
Saturday, August 25, 2018		consulting	1	\$ 900.00	\$900.00	
Sunday, August 26, 2018						
Monday, August 27, 2018		consulting	1	\$ 900.00	\$900.00	
Tuesday, August 28, 2018		field	1	\$ 900.00	\$900.00	
Wednesday, August 29, 2018		field	1	\$ 900.00	\$900.00	
Thursday, August 30, 2018		field	1	\$ 900.00	\$900.00	
Friday, August 31, 2018		consulting	1	\$ 900.00	\$900.00	
			CONSULTING SUB	29	\$ 900.00	\$26,100.00

OPERATING EXPENSE

LODGING	TRAVEL	MEALS	FLIGHT	OFFICE	OTHER
\$950.75	\$2,676.36	\$282.44			

EXPENSES TOTAL **\$3,909.55**





CONSULTING SUB **\$26,100.00**
PLUS GST (5%) **\$1,305.00**
CONSULTING TOTAL **\$27,405.00**
INVOICE TOTAL **\$31,314.55**


Cheque Item Image

User: Navin Mishra

Request #: 14051-006
Transit - FI #: 14051-006
Sequence #: 1145248722
Date: 10/12/2018

Request Desc:
Account #: 1452121
Amount: \$31,314.55 CAD

New Star Energy Ltd. c/o Long Run Exploration Ltd 600, 600 3rd Avenue SW Calgary, AB, T2P 0G5		National Bank of Canada 301 - 6th Avenue SW Calgary, Alberta T2P 5M9	24683
		2018-10-11 DATE YYYY MM DD	
PAY ***\$31,314 DOLLARS 55 CENTS***		\$ 31,314.55 New Star Energy Ltd.	
TO THE ORDER OF	EILEEN CORP. 424 - 3130, 66TH AVENUE SW CALGARY AB T3E 5K8	PER 	
		PER 	
⑆024683⑆ 12340510006⑆ 14051012⑆			

20181012	Endorsement - Signature or Stamp	545315
Total		
6200 0000 3053		
4245342225 0000000808095249393		
FDCT BRN 89689 CAL		
20181012 ISN: 1145248722		
CR 80800-5149393		
	BACK/ENDOS	

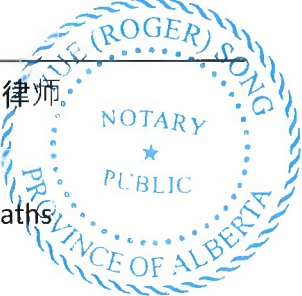
Print Close

This is Exhibit "59" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



9

exhibit 29

DATE: 30-Jun-17

Bill to: Calgary SinoEnergy Investment Corp
1500, 444-5th Ave SW Calgary AB Canada T2P 2T8

Bill from: Eileen Corp
#424 3130 66 Ave SW Calgary AB Canada T3E 5K8
Tel: (403) 660-1211

BN(GST) #: 826536245 RT0001

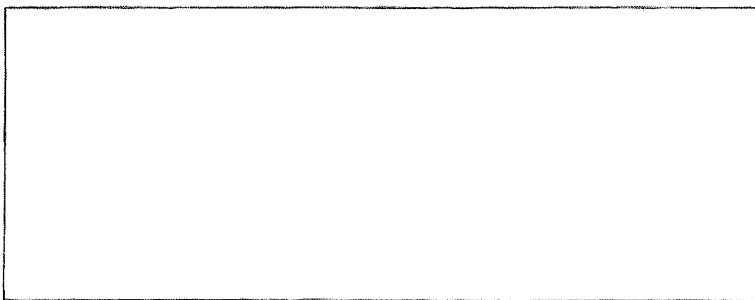
OPERATIONS INVOICE

DATES	WORK INFO	NOTE	DAYS	RATE	AMOUNT	
Thursday, June 01, 2017		consulting	1	\$ 900.00	\$900.00	
Friday, June 02, 2017		consulting	1	\$ 900.00	\$900.00	
Saturday, June 03, 2017						
Sunday, June 04, 2017						
Monday, June 05, 2017		consulting	1	\$ 900.00	\$900.00	
Tuesday, June 06, 2017		consulting	1	\$ 900.00	\$900.00	
Wednesday, June 07, 2017		consulting	1	\$ 900.00	\$900.00	
Thursday, June 08, 2017		consulting	1	\$ 900.00	\$900.00	
Friday, June 09, 2017		consulting	1	\$ 900.00	\$900.00	
Saturday, June 10, 2017						
Sunday, June 11, 2017						
Monday, June 12, 2017		consulting	1	\$ 900.00	\$900.00	
Tuesday, June 13, 2017		consulting	1	\$ 900.00	\$900.00	
Wednesday, June 14, 2017		consulting	1	\$ 900.00	\$900.00	
Thursday, June 15, 2017		consulting	1	\$ 900.00	\$900.00	
Friday, June 16, 2017		consulting	1	\$ 900.00	\$900.00	
Saturday, June 17, 2017						
Sunday, June 18, 2017						
Monday, June 19, 2017		consulting	1	\$ 900.00	\$900.00	
Tuesday, June 20, 2017		consulting	1	\$ 900.00	\$900.00	
Wednesday, June 21, 2017		consulting	1	\$ 900.00	\$900.00	
Thursday, June 22, 2017		consulting	1	\$ 900.00	\$900.00	
Friday, June 23, 2017		consulting	1	\$ 900.00	\$900.00	
Saturday, June 24, 2017						
Sunday, June 25, 2017						
Monday, June 26, 2017		consulting	1	\$ 900.00	\$900.00	
Tuesday, June 27, 2017		consulting	1	\$ 900.00	\$900.00	
Wednesday, June 28, 2017		consulting	1	\$ 900.00	\$900.00	
Thursday, June 29, 2017		consulting	1	\$ 900.00	\$900.00	
Friday, June 30, 2017						
			CONSULTING SUB	21	\$ 900.00	\$18,900.00

OPERATING EXPENSE

LODGING	TRAVEL	MEALS	FLIGHT	OFFICE	OTHER
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

EXPENSES TOTAL **\$0.00**



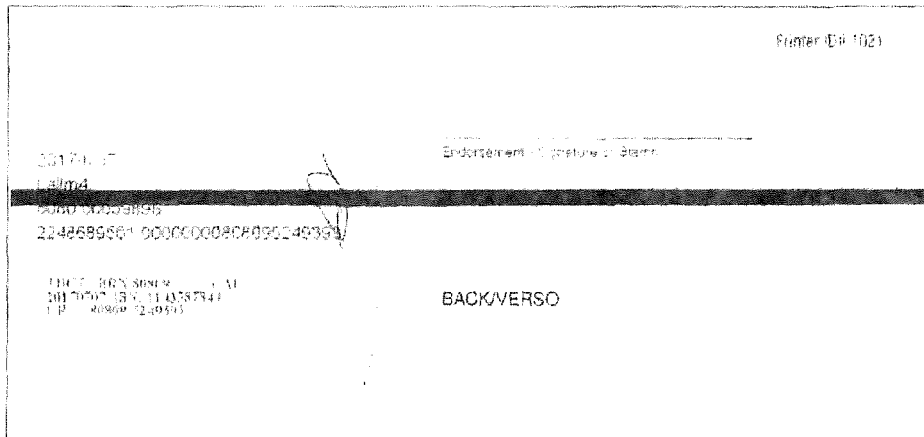
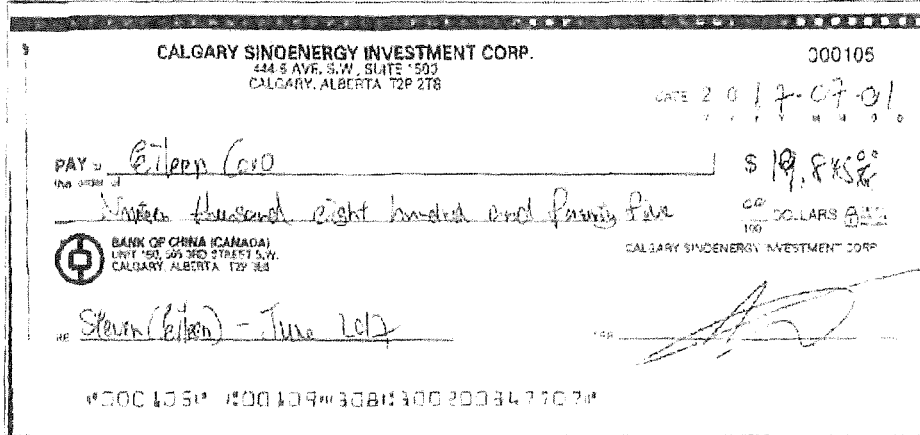
CONSULTING SUB	\$18,900.00
PLUS GST (5%)	\$945.00
CONSULTING TOTAL	\$19,845.00
INVOICE TOTAL	\$19,845.00

20

Cheque Item Image

User: Navin Misra

Request #:		Request Desc:	
Transit - FI #:	00109-308	Account #:	300200347737
Sequence #	1143587844	Amount:	319 845 00 CAD
Date:	07/07/2017		



Print Close

exhibit 30-1

Bill to: Calgary SinoEnergy Investment Corp
1500, 444-5th Ave SW Calgary AB Canada T2P 2T8

DATE: 31-Aug-18

Bill from: Eileen Corp
#424 3130 66 Ave SW Calgary AB Canada T3E 5K8
Tel: (403) 660-1211

BN(GST) #: 826536245 RT0001

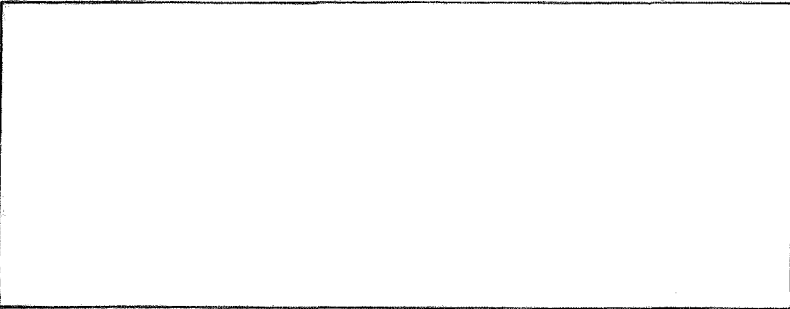
OPERATIONS INVOICE

DATES	WORK INFO	NOTE	DAYS	RATE	AMOUNT
Wednesday, August 1, 2018		field	1	\$ 900.00	\$900.00
Thursday, August 2, 2018		field	1	\$ 900.00	\$900.00
Friday, August 3, 2018		field	1	\$ 900.00	\$900.00
Saturday, August 4, 2018		field	1	\$ 900.00	\$900.00
Sunday, August 5, 2018		consulting	1	\$ 900.00	\$900.00
Monday, August 6, 2018		consulting	1	\$ 900.00	\$900.00
Tuesday, August 7, 2018		consulting	1	\$ 900.00	\$900.00
Wednesday, August 8, 2018		consulting	1	\$ 900.00	\$900.00
Thursday, August 9, 2018		consulting	1	\$ 900.00	\$900.00
Friday, August 10, 2018		consulting	1	\$ 900.00	\$900.00
Saturday, August 11, 2018		consulting	1	\$ 900.00	\$900.00
Sunday, August 12, 2018					
Monday, August 13, 2018		consulting	1	\$ 900.00	\$900.00
Tuesday, August 14, 2018		consulting	1	\$ 900.00	\$900.00
Wednesday, August 15, 2018		consulting	1	\$ 900.00	\$900.00
Thursday, August 16, 2018		consulting	1	\$ 900.00	\$900.00
Friday, August 17, 2018		consulting	1	\$ 900.00	\$900.00
Saturday, August 18, 2018		consulting	1	\$ 900.00	\$900.00
Sunday, August 19, 2018		field	1	\$ 900.00	\$900.00
Monday, August 20, 2018		field	1	\$ 900.00	\$900.00
Tuesday, August 21, 2018		field	1	\$ 900.00	\$900.00
Wednesday, August 22, 2018		field	1	\$ 900.00	\$900.00
Thursday, August 23, 2018		field	1	\$ 900.00	\$900.00
Friday, August 24, 2018		consulting	1	\$ 900.00	\$900.00
Saturday, August 25, 2018		consulting	1	\$ 900.00	\$900.00
Sunday, August 26, 2018					
Monday, August 27, 2018		consulting	1	\$ 900.00	\$900.00
Tuesday, August 28, 2018		field	1	\$ 900.00	\$900.00
Wednesday, August 29, 2018		field	1	\$ 900.00	\$900.00
Thursday, August 30, 2018		field	1	\$ 900.00	\$900.00
Friday, August 31, 2018		consulting	1	\$ 900.00	\$900.00
CONSULTING SUB			29	\$ 900.00	\$26,100.00

OPERATING EXPENSE

LODGING	TRAVEL	MEALS	FLIGHT	OFFICE	OTHER
\$950.75	\$2,676.36	\$282.44			

EXPENSES TOTAL \$3,909.55





CONSULTING SUB	\$26,100.00
PLUS GST (5%)	\$1,305.00
CONSULTING TOTAL	\$27,405.00
INVOICE TOTAL	\$31,314.55


Cheque Item Image

User: Navin Mishra

Request #: 14051-006
Transit - FI #: 14051-006
Sequence #: 1145248722
Date: 10/12/2018

Request Desc:
Account #: 1452121
Amount: \$31,314.55 CAD

New Star Energy Ltd. c/o Long Run Exploration Ltd. 600, 600 3rd Avenue SW Calgary, AB, T2P 0G5	Royal Bank of Canada 391 - 6th Avenue S.W Calgary, Alberta T2P 4M9	14683
DATE 2018-10-11 Y Y Y Y M M D D		
PAY ***\$31,314 DOLLARS 55 CENTS ***		\$ 31,314.55 New Star Energy Ltd.
TO THE ORDER OF EILEEN CORP. 424 - 3130, 66TH AVENUE SW CALGARY AB T3E 5K8	PER 	
		PER 
⑆024683⑆ ⑆⑆4051⑆006⑆ ⑆⑆52⑆12⑆1⑆		

20181012 Total	Endorsement - Signature or Stamp	545315
4245342225 0000000808095249393 FDCT BRN 89689 CAL 20181012 TSN: 1145248722 CR 80809-5149393		
BACK/ENDOS		

Print

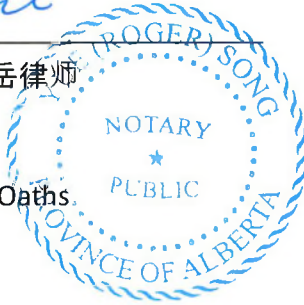
Close

This is Exhibit "60" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



9

exhibit 29

DATE: 30-Jun-17

Bill to: Calgary SinoEnergy Investment Corp
1500, 444-5th Ave SW Calgary AB Canada T2P 2T8

Bill from: Eileen Corp
#424 3130 66 Ave SW Calgary AB Canada T3E 5K8
Tel: (403) 660-1211

BN(GST) #: 826536245 RT0001

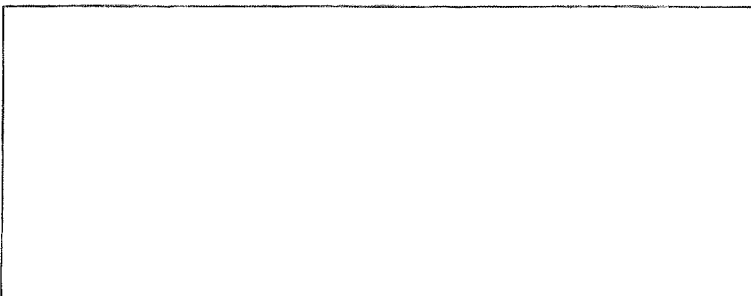
OPERATIONS INVOICE

DATES	WORK INFO	NOTE	DAYS	RATE	AMOUNT	
Thursday, June 01, 2017		consulting	1	\$ 900.00	\$900.00	
Friday, June 02, 2017		consulting	1	\$ 900.00	\$900.00	
Saturday, June 03, 2017						
Sunday, June 04, 2017						
Monday, June 05, 2017		consulting	1	\$ 900.00	\$900.00	
Tuesday, June 06, 2017		consulting	1	\$ 900.00	\$900.00	
Wednesday, June 07, 2017		consulting	1	\$ 900.00	\$900.00	
Thursday, June 08, 2017		consulting	1	\$ 900.00	\$900.00	
Friday, June 09, 2017		consulting	1	\$ 900.00	\$900.00	
Saturday, June 10, 2017						
Sunday, June 11, 2017						
Monday, June 12, 2017		consulting	1	\$ 900.00	\$900.00	
Tuesday, June 13, 2017		consulting	1	\$ 900.00	\$900.00	
Wednesday, June 14, 2017		consulting	1	\$ 900.00	\$900.00	
Thursday, June 15, 2017		consulting	1	\$ 900.00	\$900.00	
Friday, June 16, 2017		consulting	1	\$ 900.00	\$900.00	
Saturday, June 17, 2017						
Sunday, June 18, 2017						
Monday, June 19, 2017		consulting	1	\$ 900.00	\$900.00	
Tuesday, June 20, 2017		consulting	1	\$ 900.00	\$900.00	
Wednesday, June 21, 2017		consulting	1	\$ 900.00	\$900.00	
Thursday, June 22, 2017		consulting	1	\$ 900.00	\$900.00	
Friday, June 23, 2017		consulting	1	\$ 900.00	\$900.00	
Saturday, June 24, 2017						
Sunday, June 25, 2017						
Monday, June 26, 2017		consulting	1	\$ 900.00	\$900.00	
Tuesday, June 27, 2017		consulting	1	\$ 900.00	\$900.00	
Wednesday, June 28, 2017		consulting	1	\$ 900.00	\$900.00	
Thursday, June 29, 2017		consulting	1	\$ 900.00	\$900.00	
Friday, June 30, 2017						
			CONSULTING SUB	21	\$ 900.00	\$18,900.00

OPERATING EXPENSE

LODGING	TRAVEL	MEALS	FLIGHT	OFFICE	OTHER
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

EXPENSES TOTAL **\$0.00**



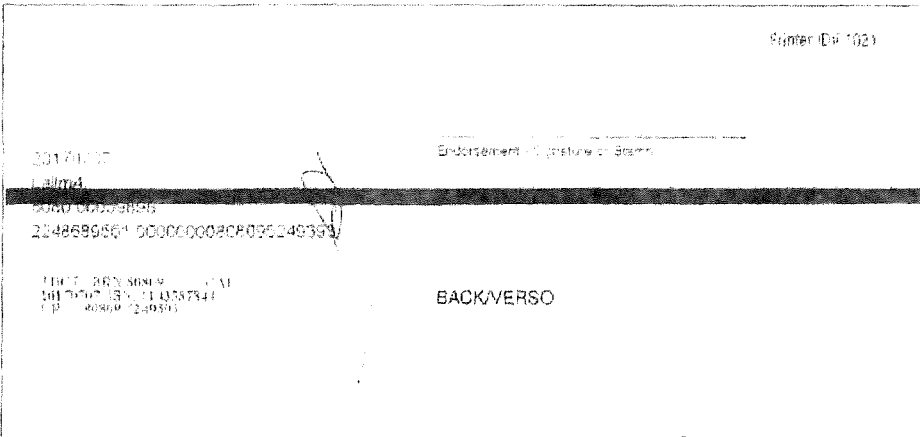
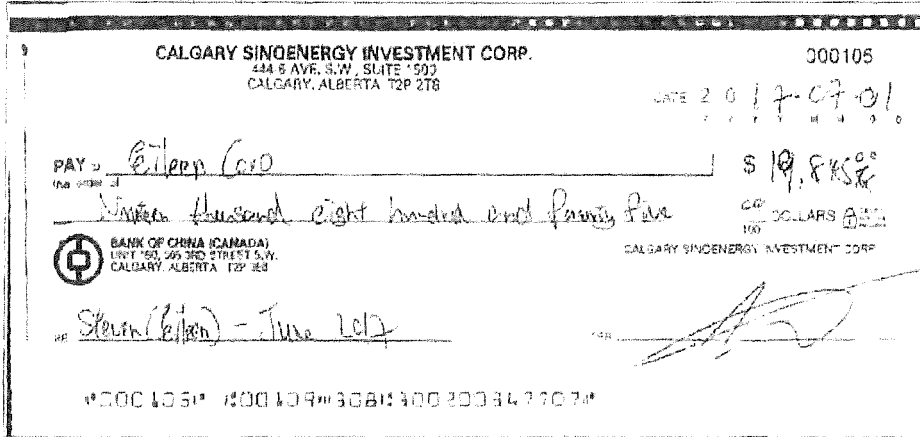
CONSULTING SUB	\$18,900.00
PLUS GST (5%)	\$945.00
CONSULTING TOTAL	\$19,845.00
INVOICE TOTAL	\$19,845.00

20

Cheque Item Image

User: Navin Mishra

Request #:		Request Desc:	
Transit - FI #:	00109-308	Account #:	100200247707
Sequence #:	1143587844	Amount:	519,845.00 CAD
Date:	07/07/2017		



Print Close

exhibit 30-1

Bill to: Calgary SinoEnergy Investment Corp
1500, 444-5th Ave SW Calgary AB Canada T2P 2T8

DATE: 31-Aug-18

Bill from: Eileen Corp
#424 3130 86 Ave SW Calgary AB Canada T3E 5K8
Tel: (403) 680-1211

BN(GST) #: 826536245 RT0001

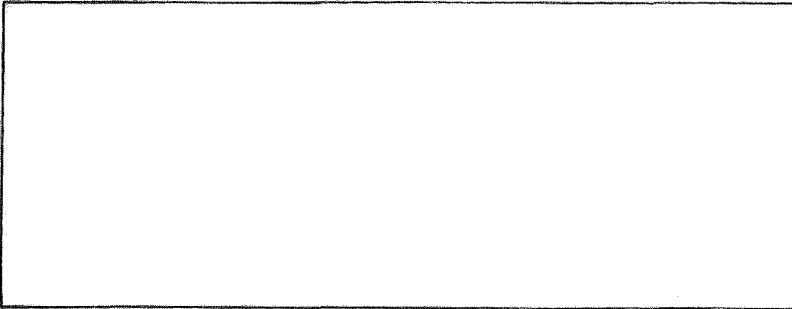
OPERATIONS INVOICE

DATES	WORK INFO	NOTE	DAYS	RATE	AMOUNT	
Wednesday, August 1, 2018		field	1	\$ 900.00	\$900.00	
Thursday, August 2, 2018		field	1	\$ 900.00	\$900.00	
Friday, August 3, 2018		field	1	\$ 900.00	\$900.00	
Saturday, August 4, 2018		field	1	\$ 900.00	\$900.00	
Sunday, August 5, 2018		consulting	1	\$ 900.00	\$900.00	
Monday, August 6, 2018		consulting	1	\$ 900.00	\$900.00	
Tuesday, August 7, 2018		consulting	1	\$ 900.00	\$900.00	
Wednesday, August 8, 2018		consulting	1	\$ 900.00	\$900.00	
Thursday, August 9, 2018		consulting	1	\$ 900.00	\$900.00	
Friday, August 10, 2018		consulting	1	\$ 900.00	\$900.00	
Saturday, August 11, 2018		consulting	1	\$ 900.00	\$900.00	
Sunday, August 12, 2018						
Monday, August 13, 2018		consulting	1	\$ 900.00	\$900.00	
Tuesday, August 14, 2018		consulting	1	\$ 900.00	\$900.00	
Wednesday, August 15, 2018		consulting	1	\$ 900.00	\$900.00	
Thursday, August 16, 2018		consulting	1	\$ 900.00	\$900.00	
Friday, August 17, 2018		consulting	1	\$ 900.00	\$900.00	
Saturday, August 18, 2018		consulting	1	\$ 900.00	\$900.00	
Sunday, August 19, 2018		field	1	\$ 900.00	\$900.00	
Monday, August 20, 2018		field	1	\$ 900.00	\$900.00	
Tuesday, August 21, 2018		field	1	\$ 900.00	\$900.00	
Wednesday, August 22, 2018		field	1	\$ 900.00	\$900.00	
Thursday, August 23, 2018		field	1	\$ 900.00	\$900.00	
Friday, August 24, 2018		consulting	1	\$ 900.00	\$900.00	
Saturday, August 25, 2018		consulting	1	\$ 900.00	\$900.00	
Sunday, August 26, 2018						
Monday, August 27, 2018		consulting	1	\$ 900.00	\$900.00	
Tuesday, August 28, 2018		field	1	\$ 900.00	\$900.00	
Wednesday, August 29, 2018		field	1	\$ 900.00	\$900.00	
Thursday, August 30, 2018		field	1	\$ 900.00	\$900.00	
Friday, August 31, 2018		consulting	1	\$ 900.00	\$900.00	
			CONSULTING SUB	29	\$ 900.00	\$26,100.00

OPERATING EXPENSE

LODGING	TRAVEL	MEALS	FLIGHT	OFFICE	OTHER
\$950.75	\$2,676.36	\$282.44			

EXPENSES TOTAL **\$3,909.55**





CONSULTING SUB	\$26,100.00
PLUS GST (5%)	\$1,305.00
CONSULTING TOTAL	\$27,405.00
INVOICE TOTAL	\$31,314.55


Cheque Item Image

User: Navin Mishra

Request #: 14051-006
Transit - FI #: 14051-006
Sequence #: 1145248722
Date: 10/12/2018

Request Desc:
Account #: 1452121
Amount: \$31,314.55 CAD


New Star Energy Ltd. c/o Long Run Exploration Ltd. 600, 600 3rd Avenue SW Calgary, AB, T2P 0G5		National Bank of Canada 391 - 6th Avenue S.W Calgary, Alberta T2P 4M9	24683
		2018-10-11 DATE YYYY MM DD	
PAY ***\$31,314 DOLLARS 55 CENTS***		\$ 31,314.55 New Star Energy Ltd.	
TO THE ORDER OF	EILEEN CORP. 424 - 3130, 66TH AVENUE SW CALGARY AB T3E 5K8	PER 	
		PER 	
⑆024683⑆ ⑆⑆⑆4051006⑆ ⑆⑆⑆52121⑆			

20181012	Endorsement - Signature or Stamp	545315
TOTAL		
4245342225 0000000808096249393		
TDCT BRN 80649 CAL 20181012 TSN: 1145248722 CR 80809-5149393	BACK/ENDOS	

Print

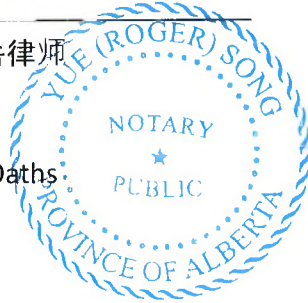
Close

This is Exhibit "61" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

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Deposit in Henenghaixin Corp and West Lake Account

"Michael Lam" <lam.m@snencn.cn>

收件人: "steven neu" <steven.n@snencn.cn>

抄 送: "Zhao, Derek" <dzhao@atb.com>

时 间: 2017-3-23 22:43:41

附 件:

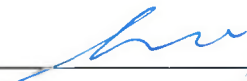
Hey Steven,

Derek called me yesterday saying Alan wants to order some cheques from West Lake's account, but because we don't have any money in West Lake's account, so Derek couldn't process it.

Can you please write a cheque from Henenghaixin's Bank of China account to Henenghaixin's ATB account? It can be just \$1000 to keep it going.

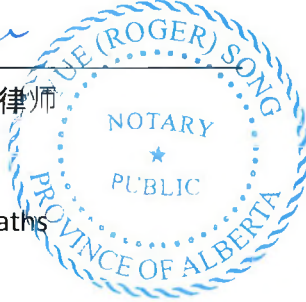
Thanks,
Michael

This is Exhibit "62" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor

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Steven Neu

To: steven neu
Subject: 回复：西湖银行支票签发

----- 转发邮件信息 -----

发件人: "林先生" <lam.m@snencn.cn>

发送日期: 2017-04-06 02:48:36

收件人: "steven neu" <steven.n@snencn.cn>

抄送人: "邓小泊" <deng.xb@snencn.cn>

主题: 回复: 西湖银行支票签发

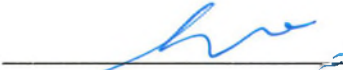
Steven, we should also look into approval process; I have told Alan that all expenditure need at least one of us for approval.

It will be a lot of work; but I believe it is necessary to gain control and it has no different than when they were in receivership.

Michael

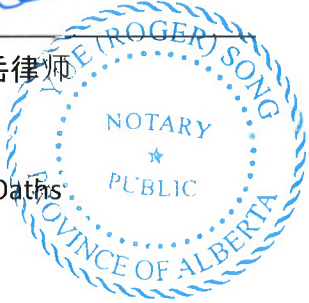
Thanks,
Michael Lam

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Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

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Steven Neu

To: Michael Lam
Subject: Hayter North Abandonment Cost Over Run

From: Michael Lam <lam.m@snencn.cn>
Sent: Wednesday, May 17, 2017 11:59 AM
To: Steven Neu <sneu@westlakeenergy.ca>
Cc: 邓小泊 <deng.xb@snencn.cn>
Subject: Re:RE: Hayter North Abandonment Cost Over Run

Steven,

Since Shuyi is in West Lake office now; feel free to run her through this sample case, explaining to her the importance of keep track of all costs and the reason of such cost overrun?

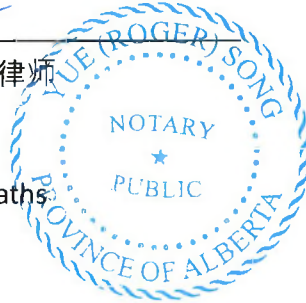
Thanks!
Michael

This is Exhibit "64" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

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Steven Neu

From: Steven Neu
Sent: Sunday, October 18, 2020 5:50 PM
To: Steven Neu
Subject: Henenghaixin 以及 West Lake銀行狀況

From: Michael Lam [mailto:lam.m@snencn.cn]
Sent: Wednesday, June 14, 2017 10:56 AM
To: Steven Neu; 鄧小泊
Subject: Henenghaixin 以及 West Lake銀行狀況

Steven,

ATB 的 Derek 剛剛打電話給我，說你想了解多一點 Henenghaixin 以及 West Lake 的銀行狀況以及cash balance.

你有沒有某些資料是特別想知道的？

我可以提供給你。

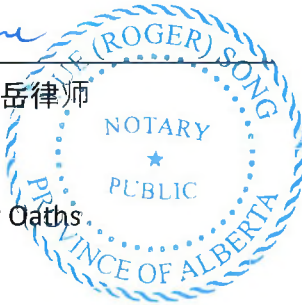
Thanks!

Michael

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before me on May 21, 2021



Yue (Roger) Song 宋岳律师
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1/30/2019

Re:Needs approval in AP Nexus

Re:Needs approval in AP Nexus

"Michael Lam" <lam.m@snencn.cn>

收件人: "Federica Petraschuk" <fpetraschuk@westlakeenergy.ca>

抄送: "steven neu" <steven.n@snencn.cn>

时间: 2017-7-18 3:49:24

附件: [image.png](#)
[image001.jpg](#)
[image002.jpg](#)
[打包下载全部附件](#)

[下载附件](#)
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Hello, I have approved most of it;

Steven, would you mind taking a look at the drilling related one?

Also I was trying to approve the northwell oilfield invoice but the system were saying wrong coding??
Let me know if i have clicked the wrong button!

Thanks!
Michael



在 2017-07-18 03:17:29 , "Federica Petraschuk" <fpetraschuk@westlakeenergy.ca> 写道 :

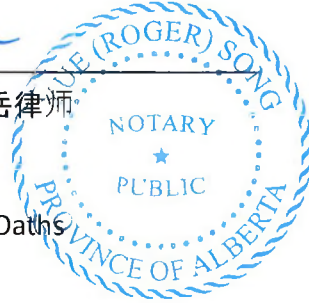
<https://mail.qiye.163.com/js6/read/viewmail.jsp?mid=96:1tbiYAUYOVi2jyDEFQAAs8&type=1&t=1500371364000>

This is Exhibit "66" referred to in the
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before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
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Fw:Re:TB 进展

"Harold Wang" <wang.h@snencn.cn>

收件人: "steven neu" <steven.n@snencn.cn>, "斯蒂文" <sun.s@snencn.cn>

抄 送: Jason <jasonge@snencn.cn>, "王海玲" <wang.hl@snencn.cn>

时 间: 2017-1-12 4:59:23

附 件:

孙总,

请转10万加元至henenghaixin的中银账号作为短期借款? 以下为董事长批准的文件。

谢谢,

王好

----- 转发邮件信息 -----

发件人: "邓董事长" <deng.lz@snencn.cn>

发送日期: 2017-01-08 15:46:47

收件人: "Harold Wang" <wang.h@snencn.cn>

抄送人: "steven neu" <steven.n@snencn.cn>, "杨文涛" <yang.wt@snencn.cn>, "邓小泊"

<deng.xb@snencn.cn>, "chen.r@skywidepe.com" <chen.r@skywidepe.com>, "黄总" <huang.b@snencn.cn>

主题: Re:TB 进展

王好总:

关于TB的相关安排, 我都赞成。其中管理层雇佣合同可尽快谈定, 办公室就用LR的19层, 临时需要资金可在卡尔加里中天借一点。

请TB管理层就以下事项做些工作: 1、制订1季度钻井方案, 2月份开钻? 4月就是雨季了, 不抓紧钻井业务, 17年业绩会受影响。2、你能否和施工方谈谈条件, 按此前LR做法, 钻井施工给60-90天账期? 3、以TB条件, 能做原油套期吗? 比例能到多少?

另外为保证对TB的付款, 根据国内的资金到账时间, 我在考虑分期支付的做法: 即在1月先付1亿加元, 加上此前2600万加元保证金, 差不多一半; 2月份再付全部余款。我们1月份付过去1.5亿加元, 除付1亿加元给债权人外, 账上有几千万加元, 钻井公司就愿意施工了。你觉得如何? 如果可行, 你和债权人(托管人)商量商量, 安排一个补充协议? 我想这比2月份再付款应该来得好吧。

等你的意见。

邓天洲

在 2017-01-05 09:09:32, "Harold Wang" <wang.h@snencn.cn> 写道:

董事长,

在未来的一两周内, 我们会着手以下几件事情:

1. TB有一块优质资产 (API22以上) 叫Frog Lake, 当地的土著人也拥有一部分股份, 在TB的控制人发生变化时可以有跟随出售权。我方会和管理层制定一个价格, 看看能不能把他们的权益一起买走, 当然太贵了就算了
2. TB的竞争法审批上报 (预计两周可以获批)
3. TB在Alberta省、萨省和BC省都有资产, 要分别申请运营许可
4. 与TB管理层敲定雇佣合同
5. TB搬家至Long Run现有的办公室。由于TB在交割后就没有办公室了, 但Longrun的新楼还没有好, 建议TB员工搬到Longrun的19楼或其他楼层

项目2和3都需要一些费用或者定金, 建议从卡尔加里中天或者阿尔伯塔中天借款10万加元作为其费用。

另外, 附件为合能海星董事会决议, 同意签署买卖协议收购TB, 请各位董事补签。

请给出宝贵建议。

谢谢,

--

邓天洲

中天能源股份有限公司

Sinoenergy Corporation

Mobile: 13910000578


Tel: 86-10-84931428

Email: deng.tz@snencn.cn

地址: 北京市朝阳区望京SOHO塔2-B座29层

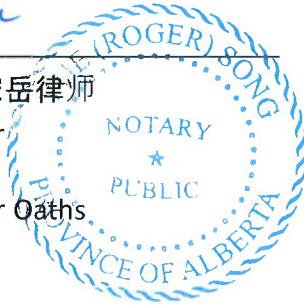
邮编: 100102

This is Exhibit "67" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
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王好:

一. Long Run

- 资产买卖

1. Kaybob 出售青岛建行已经批复，交割预计在购买方获得阿尔伯塔能源局的经营资质批复后 2 日之内完成

(在 Kaybob 出售后，请加拿大团队考虑并安排 Boyer 区块资产的出售。)

- 生产

1. 现产量为 23,350 日桶当量，产量较上周减少了 546 日桶当量，主要来自于寒冬 Boyer 天然气产量减少和 Kakwa 的处理厂小故障，红水则增加了 230 日桶
2. 下周预计日产量到达 24,150 桶

(红水产量增加太慢，请吴总、牛总了解一下红水现场地面工程的施工情况，给我一个邮件。不能让地面工程进度拖后腿！)(吴总应尤其关注)

二. Twin Butte

- 二月打井计划

1. 青蛙湖的土族想把他们 50%的份额卖给我们，但是对我们的出价感到不满，以至于对我们交割完提前打井比较不配合。我方正在与部落沟通

(从目前情况看，一季度打井是有困难了。请牛总安排把青蛙湖土族区块的情况如资源控制面积、储量、日产量以及我方出价告我，我会和你们商量如何办理。)

葛总 (Jason) :

1. 财务部内部反复讨论目前累计的冬季作业账单和现金流，分析哪些账单还可以再推迟，哪些账单推迟可能会带来的极大影响。并召开和总部海玲总的专题电话会议，希望在月底前收到 2000 万加元来应急。同时也希望建行剩余的 1.2 亿加元贷款今早到位，后面几个月将是冬季作业账单的集中付款期。

(总部黄总已安排 2000 万加元月底前到位，另外约 1.4 亿加元在安排中，不会影响付账。)

2. 大 D 的问题：和律师交流了大 D 的合同情况及潜在风险。基本可以确定赔偿金额在合同中是非常明确的，没有大的其它法律风险。只是会有一些运营方面的风险，即对未来几个月钻井作业的影响。如果 2016/2017 冬季作业完成后 (3.15) ,暂时没有安排作业任务，这种风险会大大降低。但这种风险个人认为是可控的。当然另一种选择是继续留用大 D，直到我们找到合适的替换人选或者留用他到明年，利用这段时间，在日常工作中我可以逐步影响他，辅导他学会尊重董事会，学会和新董事会成员的交流沟通。请总部尽快决定如何处理此事？

(大 D 的处事方式是不可能改变的，而只要他在，总部 100 个员工，现场 150 个员工的状态也不会改变，请小泊总加快新的 COO 的物色和沟通，争取 3 月中旬到位。)

3. 讨论和确定了公司几个离职骨干员工的工作缺口安排。在不新增人员的情况下，重新安排了有关工作，节约了人员成本。
(很好。)
4. 董事会明确了我的工作职责后，我已经着手对公司人事、IT 等部门的管理控制流程的梳理，预计在下月前完成对人事、财务、IT 等关键控制流程点的掌控，替总部把好 LR 的财务资金关，加强财务管理、人事招聘及合同工使用的成本控制。(目前控制点非常薄弱和不合理)
(我希望葛总完全控制住财务、人力资源环节，尤其是财务。您加盟 LR 对我方极其重要。控制住财务系统才算是我方基本控制了公司，历史上我方对 NS 等平台过了很久才有效控制的，因为葛总的到任对 LR 的时间缩短了。)

Steven Neu (牛总) :

- TB: 我方提出的一百三十五万购买青蛙湖原居民的资产权益被他们拒绝。目前看来，比较大的可能性是西湖公司接管 TB 后和他们维持原状。三月份我们将会与原居民的代表会面商谈此事。
(见我前面的意见，我等牛总的报告。)
- TB: 如果月底不能完成交割，将按王好总的要求从账户上转出 500 万加币进托管人账户。
(看来月底交割有困难，主要是政府批文一直出不来，资金也未全到账。实在不行就再从 CPAC 胡海处借点资金补充。)
- NS: 与新任 CEO Bill 及其技术人员讨论了近期的钻井计划。Bill 介绍说由于地质师和生产 VP 的相继辞职，他们的工作进展受到影响，另外，他们也需要对该地区整个钻井计划以及注水计划做一个全面的评估。Bill 明确表示，无法在春季休整之前提供井位进行钻井作业。我提出让 Bill 尽可能提供给我一些钻井和地质方面的资料，我可以帮助他们进行一些准备工作。
(执行力不够啊！这个事让我很失望，既然大家（杨总、牛总、Bill）都认可的事，包括给大 D 也做了工作，现在说三月份打不了井…)
- PetroX: 与杨总和 PetroX 的两位负责人 Ed Tam 和 Alan Chan 见面，他们介绍了目前的资产状况。下一步计划是杨总雇佣一名熟悉 VIKING 产层的地质师做进一步的资料整合和评估，看是否能找到合适的有商业价值的井位。这名地质师将会暂时借用上海能源办公室工作。TB 的钻井计划将在 6 月份开始实施，地质研究结果应在这之前提交。
(按这个计划去做吧。)
- LR 钻井和投产井数据

区域	计划井数	已钻井数	投产井数	取得典型产量数据井数	取得典型数据井最新日期产量 (桶)	
					地区BOE日总产量	平均单井BOE日产量
红水	112	91	53	47	2,305	49
Kakwa	8	8	4	4	1,779	445
静河Nville	9	9	6	6	223	37
静河Gville	14	13	7	7	816	117
合计	143	121	70	64	5,123	80

(以后加两列, 油产量、气产量)

吴迎春:

一. 完成工作

- **优势:** 组织了与 LR 销售部门的会议. 一是了解 Redwater 原油如何定价, 及 Gibson 终端费用. 二是了解原油合同: 1,000 bbl/d 已套期保值, 至 17 年底. 剩余的是 90 天滚动合同 (即: 提前 90 天通知, 可终止合同).
提供了 17 年底 Redwater 预估产量. 牛总也提供了 WL 现在产量.
还在协调取样分析
- **NS:** 一周生产均值 2,750 boe/d. 稍高于上周的.
- **LR:** 63 口新井共生产 4,670 boe/d (一周均产).
(与牛总表格中的 5123boe/d 不一致?)

在 Redwater 地区, Redwater 北部油田, 32 口井投产. 单井均产 52 boe/d, 接近预估值. 刚投产的, 还有上升的趋势.

Redwater 中部油田, 仍是 4 口井投产. 单井均产 61 boe/d, 达预估值.

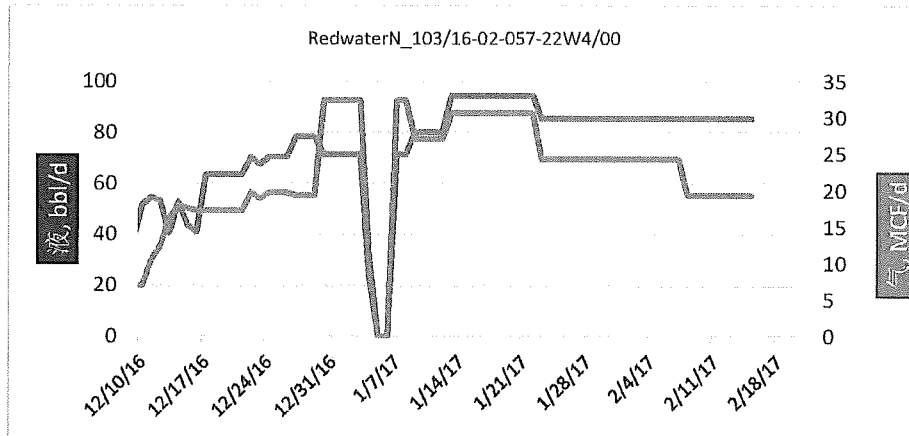
Brudheim 北部油田, 10 口井投产. 单井均产 38 boe/d, 暂低于预估值. 仍有背压高而限产问题.

(如我前边所说, 调查红水地区钻完井后的地面工程慢的原因, 采取措施. 我要油产量!)

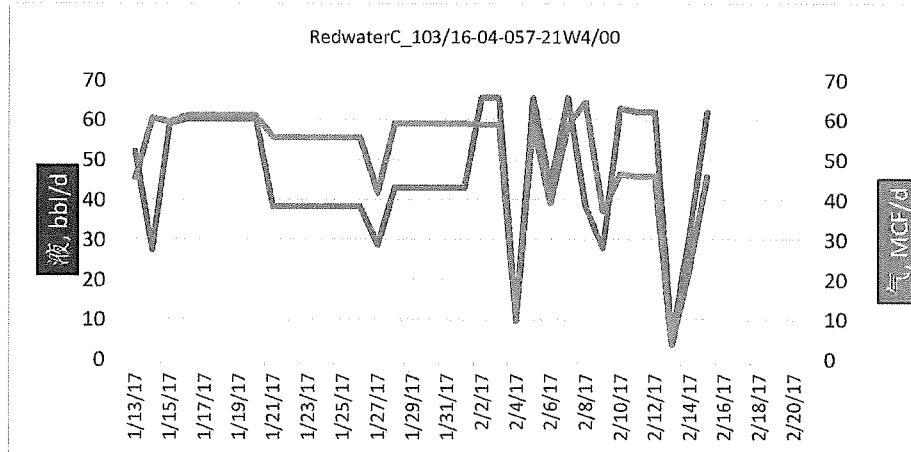
油区	油田	Pad井场	井号	总产 boe/d	液产 bbl/d	气产 mcf/d	液收率 %	(预)投产日期	投产井数	注释
合计				4,671.6	2,555.5	12,696.5	54.7		63	
Peace River	Girouxville		102/04-11-6	121.0	66.4	327.5	54.9	12-Oct-2016	7	已逐步递减,符合预估
			102/05-31-7	40.6	26.7	83.7	65.6	19-Dec-2016		远低于预估,多水
		12P-12-76-21W5	100/13-11	275.0	157.4	705.6	57.2	9-Jan-2017		好
			100/12-11	216.8	132.5	505.9	61.1	9-Jan-2017		好
			103/4-1-76	5.0	2.8	13.5	55.1	14-Jan-2017		远低于预估,多水
		9P-36-75-21W5	103/5-36	63.0	32.3	184.4	51.3	3-Feb-2017		在上升,待察
			103/12-36	65.1	36.7	170.4	56.4	3-Feb-2017		在上升,待察
		均产/井		112.4	65.0	284.4	57.8			接近预估
Peace River	Normandville	4P-23-78-21W5	105/04-22	27.6	16.1	69.3	58.2	12-Jan-2017	6	远低于预估,多水
			103/5-22-78	37.7	29.8	47.4	79.1	12-Jan-2017		远低于预估,多水
			102/12-15	32.9	24.7	49.5	74.9	17-Jan-2017		远低于预估,多水
			102/13-15	56.5	40.3	97.3	71.3	14-Jan-2017		远低于预估,多水
		12P-13-78-21W5	102/12-14	40.9	25.2	94.2	61.6	8-Feb-2017		低于预估,多水
			102/13-14	32.8	19.4	80.2	59.2	8-Feb-2017		低于预估,多水
		均产/井		38.1	25.9	73.0	68.1			低于预估
Redwater	Brudheim North	4P-13-56-21W4	100/12-12	83.0	77.0	36.2	92.7	12-Dec-2016	10	达预估
			102/12-12	64.1	58.2	35.5	90.8	12-Dec-2016		达预估
			103/11-12	66.1	60.1	35.7	91.0	12-Dec-2016		达预估
		13P-12-56-21	100/03-12	26.0	24.5	8.8	94.3	3-Feb-2017		
			102/03-12	-	-	-	#DIV/0!	2-Feb-2017		
			102/04-12	1.0	0.8	1.2	80.6	21-Jan-2017		
			103/04-12							
			103/10-11	50.0	48.2	10.5	96.5	21-Jan-2017		
			104/10-11	32.3	30.4	11.4	94.1			
			104/15-11							
			105/15-11	45.7	43.8	11.9	95.7	16-Jan-2017		
			102/16-12-5	12.7	11.1	9.9	87.1	16-Jan-2017		
		均产/井		38.1	35.4	16.1	93.0			接近预估
Redwater	Redwater North	11P-2-57-22W4	100/03-02	67.0	61.5	32.9	91.8	8-Dec-2016	32	更换了抽油机,达预估
			100/04-02	38.8	36.9	11.2	95.2	8-Dec-2016		低于预估
			102/03-02	86.2	77.6	51.6	90.0	8-Dec-2016		达到预估
			102/04-02	45.9	41.8	25.1	90.9	8-Dec-2016		低于预估
			103/09-02	72.3	67.5	28.7	93.4	8-Dec-2016		达到预估
			103/16-02	88.8	85.5	19.4	96.4	8-Dec-2016		达到预估
			104/09-02	118.8	113.1	34.3	95.2	8-Dec-2016		维修好,达预估
			104/16-02	111.5	107.4	24.7	96.3	8-Dec-2016		好
		4P-11-57-22	100/11-2	39.2	36.4	16.6	92.9	20-Jan-2017		低于预估,待察
			100/12-2	49.3	47.1	13.0	95.6	20-Jan-2017		低于预估,待察
			102/11-2	61.9	51.8	60.6	83.7	20-Jan-2017		达到预估
			102/12-2	42.6	40.5	12.7	95.0	20-Jan-2017		低于预估,待察
		5P-6-58-22	100/13-6	44.3	40.9	20.6	92.3	18-Jan-2017		波动
			102/13-6	50.4	47.2	19.0	93.7	18-Jan-2017		波动
		6P-6-58-22	100/14-16	70.5	62.2	50.0	88.2	28-Jan-2017		达到预估
			100/15-6	39.2	30.4	53.2	77.4	28-Jan-2017		低于预估
			102/14-6	66.7	58.5	49.1	87.7	28-Jan-2017		达到预估
			102/15-6	77.4	69.5	47.4	89.8	28-Jan-2017		达到预估
		4P-5-58-22	100/16-6	52.9	51.1	11.1	96.5	24-Jan-2017		近预估
			102/16-6	-	-	-	#DIV/0!	24-Jan-2017		在清沙
		4P-1-57-22W4	100/02-02	69.5	68.4	6.7	98.4	28-Jan-2017		达到预估
			100/07-02	27.7	26.8	5.7	96.6	28-Jan-2017		低于预估,背压高
			102/02-02	38.5	37.2	7.8	96.6	28-Jan-2017		低于预估,背压高
			102/07-02	31.6	29.8	10.8	94.3	28-Jan-2017		低于预估,背压高
		7P-12-58-23W4	103/4-12	24.7	13.4	67.6	54.4	6-Feb-2017		刚投产,低产,待察
			103/5-12	40.3	33.4	41.4	82.9	6-Feb-2017		刚投产,低产,待察
			103/16-12	57.4	47.2	61.0	82.3	6-Feb-2017		刚投产,低产,待察
			104/4-12	33.9	25.7	49.0	75.9	6-Feb-2017		刚投产,低产,待察
			104/5-12	31.4	25.2	37.2	80.3	6-Feb-2017		刚投产,低产,待察
			104/15-12	46.0	38.8	43.1	84.4	6-Feb-2017		刚投产,低产,待察
			104/16-12	36.4	33.5	17.7	91.9	6-Feb-2017		刚投产,低产,待察
			105/15-12	10.8	4.8	35.8	44.6	6-Feb-2017		刚投产,低产,待察
		均产/井		52.2	47.2	30.2	90.4			近预估
Redwater	Redwater Cemtr	14P-4-57-21	102/09-4	57.3	47.7	57.5	83.3	13-Jan-2017	4	近预估
			102/16-4	70.1	60.3	58.4	86.1	13-Jan-2017		达到预估,在上升
			103/09-4	66.7	57.0	57.7	85.6	13-Jan-2017		达到预估,在上升
			103/16-4	50.8	44.9	35.5	88.4	13-Jan-2017		近预估
		均产/井		61.2	52.5	52.3	85.8			达到预估
Wapiti	Kakwa	13P-24-64-6W6	102/01-25	239.6	3.9	1,415	1.6	16-Dec-2016	4	低于预估
		5P-24-64-6W6	100/09-24	336.6	5.4	1,987	1.6	9-Jan-2017		低于预估
			100/12-23	598.8	9.7	3,535	1.6	10-Jan-2017		达预估

单井生产曲线举例：

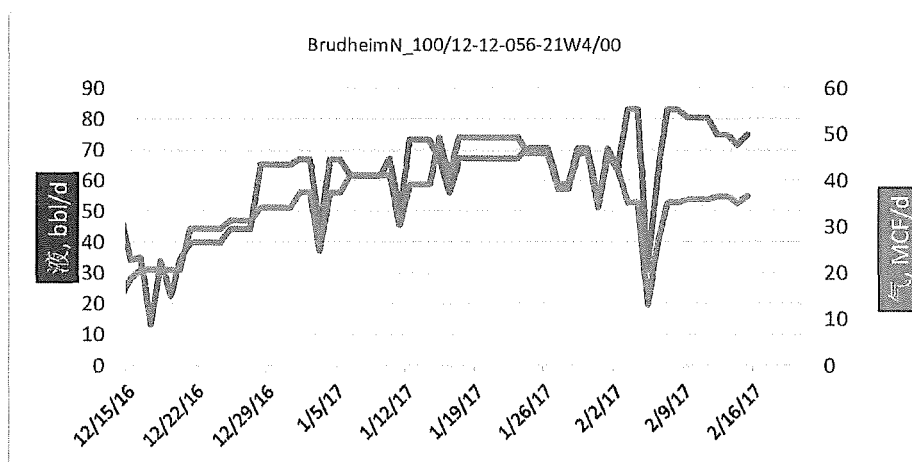
Redwater 北部：达预估值，平稳



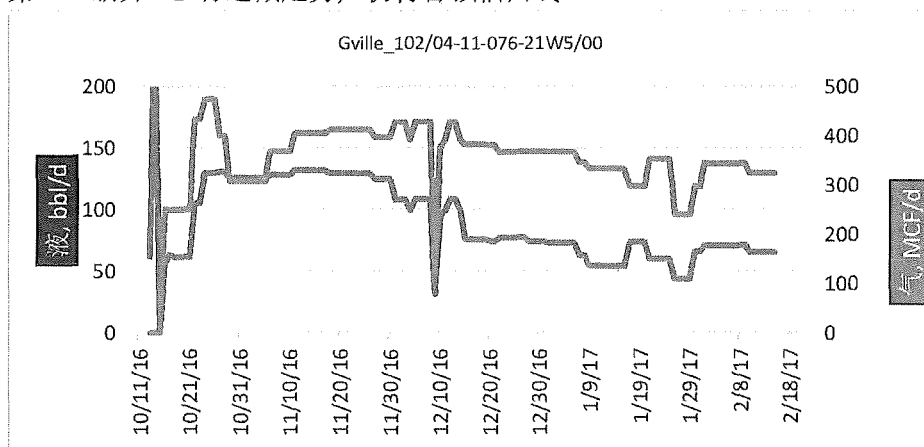
Redwater 中部：近预估值



Brudheim 北部：达预估值，平稳



第一口新井：已有递减趋势，仍符合预估曲线



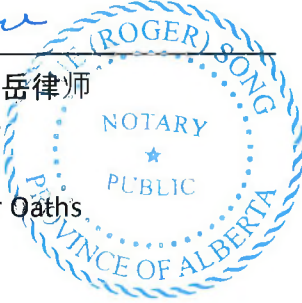
二. 下周展望事项

- LR: 跟进 新井产量
- 优势: 协调采样化验, 了解 Portland 设施能力, 研究增运方案

This is Exhibit "68" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta



王好:

一. Twin Butte:

- 进一步与托管人落实交易后买壳的步骤
- 三月钻井事项
 1. TB 管理层建议我们能在未来两周内在 Horseshoe Lake 打一口 3 条腿的探井。这口井之前已经获得了能源局的批准，但我们必须在 5 月 19 日之前钻井，否则将会失去矿权。如果这口探井成功，我们会增加 2 口双腿，3 口三腿，8 口 4 腿的井位，总价值在 3000 万加元以上。另外，我们还可以购买周边的土地增加另外 5 口 4 条腿的井位。这口探井的费用为 107 万加元。现在唯一阻挠的是托管人，托管人一直坚持要打井可以，必须要放相应的保证金才能打，否则必须等到交割后。而现在西湖的账上只有不到 18 万美元。管理层觉得等到 5 月份很有可能因为封路打不了井而失去矿权。假设交割日期为 3 月 24 号，我们也来不及了，因为建设井场还要 4-5 天时间。请指示是否在下周有一百万加元到账。
(这个主意好! 下周二安排大约 5000 万加元到账，除了马上还 CAPC400 万美元外，其余在 TB。)
- 办公室续租至 6 月底谈判：没有最新的进展。

葛总 (Jason):

一. 办公室问题:

- 将 19 楼出租给了第三方公司，今天签署了租赁合同。租金为 \$6 每平方米。
- 签署了公司新办公楼装修合同，下周一工程公司进驻开始施工。力争在 6 月底前最少完成 5、6 楼的工程，确保 LRE 按时搬进去。8 楼还在讨论楼面设计阶段，预计 9 月份可以达到搬入要求。
- 12 楼正在和 NS 谈租赁合同，希望尽早完成。
(我已多次与葛总邮件讨论，我们要努力把前 LR 管理层给我们弄的办公室这个心病解决掉。)

二. 财务管理:

- 当地年末财务审计工作已近尾声，预计下周末完成最终的财务审计工作；
- 积极配合国内审计，提供大量审计资料。
- 根据新的产量预测，完成了 2017 年全年的财务预测（没有考虑下半年钻井计划）。计划将 1 季度的预测发回总部供参考。
(为了确保以 2017 年 12 月 31 日为基准日的 LR 资产全部装入上市公司，2017 年的经营业绩至关重要，所以预测一定要有下半年钻井计划。先把 1 季度预测发回总部，我们研究后再订其后计划。)

三. 天然气套保:

- 根据生产部门预测的产量，套保了 5000 GJ 每天的实物交易量，价格为\$2.5/GJ。
- 财务套保策略批准后，准备逐步完成 15000 GJ 的对冲交易量，但近两天天然气价格都没有达到我们的目标值\$2.6/GJ，因此仍为锁定。等下周天然气价格再看。
(天然气套保葛总提出的财务套保很有意义。请 Lake、王好总和葛总专题研究一次，就 LR 情况拿出套保方案，而后推广到 NS、TB、上海能源。)

四. Kaybob 资产处置完成后的财务影响:

- 全年产量平均减少 575 boed，对收入的影响约为 7 百万左右，但由于操作成本高，没有处置前，是负现金流。
- 由于此地区的操作成本高，处置后，整个公司生产操作成本可以下降\$0.72/boe。
- 处置后减少了今年的弃置成本支出约\$2.8 百万。
- 减少了此地区的井场维护等费用支出\$2.0 百万。
- 收入\$1.0 百万的交易对价。
(kaybob 的处理是很成功的，可以对贡献者适当奖励。明年初还有 Boyer 的处置，要有好思路。)

五. 人事及公司管理方面:

- 已经完成年度公司员工工资更新，正在准备给董事会的有关报告，提交批准年度薪酬调整。建议此项可一并和新的薪酬体系同时实施。
- 希望尽快展开公司组织机构重组和成本削减计划，包括人员削减、费用成本重新梳理削减。要严控成本，否则以 LR 的资产性质本身，盈利是比较困难的。
- 完成目前手头紧急工作后，希望尽快能给董事会提交新的分级有限授权书，批准后实施。否则担心内控出现大的风险。
- 建议如果没有下半年钻井计划，内部技术部门尽快对公司资产本身展开深入研究，做出公司 3-5 年油气资产开发计划。这同时是我们团队对资产的再认识的过程，有利于提升未来井的经济性和资产的盈利能力。此事可以由地质油藏部门牵头，财务预算部门配合完成。
(我近期会去一趟加拿大，届时与各位领导一起研究上述问题。)

牛总 (Steven) :

一. Twin Butte:

- 为了不耽搁公司交割后很快转入正常运作，通过律师签署一份临时雇佣协议，象征性付费 250 元加币，授权 TB 原数据管理员帮助 West Lake 设置用于向政府汇报的 DDS 数据传输系统。
(好。)
- TB 在进入托管之前已经签署 PROVOST 周边以及其它区域六千多公顷土地购买协议，有比较大的潜力，可能井位总计 96 条腿（部分已经列入 2017、2018 钻井计划），价格两百余万，为完成未来两

年打井任务，管理层建议我们购买下来。这笔 200 万款项，交割完成后需要立即支付。

（同意！资金会安排好，实际上 TB 净现金流也够的。）

- BC 省能源管理局需要 West Lake 出示 200 万信用证，另外 G&A 管理需要办理额度不超过 13 万的信用卡。完成交割后，我们需要打入 ATB 帐户两百余万现金办理相关帐户。

（下周新的资金到位后小林总协助办理。）

- 青蛙湖地区原居民 5 月份将进行重新选举。原居民自治区一般是家族式管理，但要经过民众选举，一个家族落败后，新上任家族实施新政时各方面会有较大变动。选举结束后我们将接触胜出者，逐步建立合作关系。

（可以等待。即便选举完成也不必急于谈判。这个 Joe 不好谈，只有拖他的耐性。有王好总上面说的探井区和牛总说的 6 千公顷地，打新井的井位就 TB 而言似乎没压力。）

二. New Star:

- 开始准备 2017 年第一阶段 6 口井具体钻井计划。目前接到两家套管公司报价，管材价格较 2016 年 8 月 LR 竞标时，涨幅高达 50%。（最近油价暴跌，看看套管公司的态度？）

三. Long Run:

- 已钻井和完成生产管线连接井数量:

区域	计划井数	已钻井数	已连接井数
红水	119	113	77
Kakwa	8	8	6
静河Nville	9	9	8
静河Gville	14	14	11
合计	150	144	102

红水 5 号钻机在钻进最后一个井场，13 口井已经完钻 7 口。

- 作业成本估算见附件。

（钻井确实很顺利。我上次在卡尔加里时曾要求把静河的几口井停下不打了，看来还是打完了？）

小林总 (Michael) :

一. New Star:

- 配合中國進出口銀行為新星作出資產評估；中國進出口銀行聘請了 Calgary 德勤對新星作出資產評估，同時 Calgary 德勤也是新星和 LR 現有的核數師，所以提供資料的時候增加了複雜性。
（如果找境外机构评估，NS 评到 1 亿加元都难。为什么这么做？比进出口银行总行要求还多？事先也没人跟我提过，这是个败笔！）
- 配合海玲總以及房經理為中國 BDO 審計提供資料。

- 開始加拿大報稅工作。
- 著手研究長城提供的打井報價。

二. 控股公司:

- 按加拿大統計局要求為各 LongRun 和 NewStar 填寫了統計數據以及電話會談。

吳總:

一. 優勢:

- 周五收到 ARC 的一些資料, 進一步研究。
- 等待美國 Bakken 的油樣. 然後與 TB Lloydminster 混對, 做全面分析 (Crude Assay 級)。
(要抓緊!)

二. New Star:

- 一周生產均值 2,769 boe/d. 平穩。
- 打井計劃將於 4 月初出來, 報總部。
(打井計劃還沒出來?)

三. Long Run:

新井生產總結			
油區/油田	投產井數	單井均產, boe/d	評論
LR 總計	85	6,142	總產
Redwater 油區			
Redwater 北部油田	44	56.6	接近預估值, 問題:砂堵,背壓高等, 在處理中
Redwater 中部油田	12	41.6	近期投產的兩個井場不好, 待察
Brudheim 北部油田	7	45.5	暫低於預估值, 一井場有背壓高而限產, 新管線已接好, 本週六將全投產
Peace River 油區			
Girouxville 油田	9	140.1	接近預估值
Normandville 油田	8	69.5	遠低於預估值, 多水
Kakwa 油田	5	314.8	低於預估值

(統計說明: 一周均產, 無產量數據的不算投產)

(各單井狀況, 詳見附件)。

(紅水已打井 113 口, 只有 63 口投產, 能不能把地面工程做快點? Lake 到後和團隊研究一下, 如果馬上調整 COO, 這也是最緊要的事情!)

- 在 Redwater 油區, 共有 64 口新井在生產. 另有 14 口井, “准投產”, 沒有產量數據. 其中 13-12 井場的 6 口井, 新管線已接好, 本週六將正常生產. 這週剛投產的 4-12 井場的 8 口井及 4-30 井場的 2 口井, 尚無產量數據。
(什麼原因? 你們要問啊!)
- 投產不久的 7-15 和 16-22 井場共 8 口井, 生產仍不太理想. 待察。

(请牛总和吴总马上去趟现场，了解原因，提出方案。)

- 成本控制:

1. 去年第 4 季度成本高, 近\$15/boe. 从绝对数(\$)上看, 第 4 季度比前三季度均值高 2 百万\$. 与葛总讨论后, 决定与 Wes 召开专门会. 第一, 还是肯定 LR 16 年成本控制的努力. 去年全年单位成本 12.46\$/boe 还是接近目标. 第二, 讨论如何进一步控制减少成本。

(不可能有这么高的成本! 我写了这么多邮件, 吴总你还是要肯定 16 年成本控制的努力? 你的敏感性在哪里?)

四. 下周展望事项:

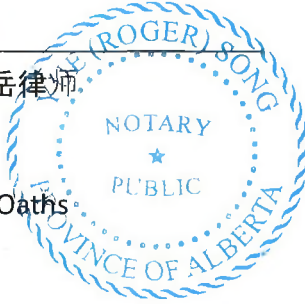
- NS: 打井计划
- LR: 跟进 新井产量
- 优势: 跟进化验, 研究 ARC 设施

This is Exhibit "69" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



\$2 mil executed - Henenghaixin Corp's wiring instruction to BLG

"Michael Lam" <lam.m@snencn.cn>

收件人: "Jin, Xiaodi" <XJin@blg.com>

抄 送: "wang.h@snencn.cn" <wang.h@snencn.cn>, "邓小泊" <deng.xb@snencn.cn>, "steven neu" <steven.n@snencn.cn>, "Jones, Michelle" <MJones@blg.com>, "Haggard, Karen" <KHaggard@blg.com>

时 间: 2017-3-30 20:32:35

附 件: image001.png

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New Star - BLG for HNHX - \$2 mil 20170330.pdf

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Morning all,

Please find the confirmation for the executed payment, CAD \$2 mil, from New Star to BLG, for acquisition of Twin Butte Assets on behalf of Henenghaixin Corp (443818-1)

Please let me know once you have received it.

Thanks

Michael

在 2017-03-30 11:52:38, "Jin, Xiaodi" <XJin@blg.com> 写道:

Thank you Michael,

The receiving information looks good on my end.

Xiaodi Jin | Borden Ladner Gervais LLP

T 403.232.9523 | C 403.796.4652

From: Michael Lam [mailto:lam.m@snencn.cn]

Sent: March-29-17 9:38 PM

To: 王好; Jin, Xiaodi; 邓小泊; steven neu

Subject: Henenghaixin Corp's wiring instruction to BLG

Good Evening all,

Please find the attached wiring instruction from Henenghaixin to BLG; I left to wiring amount blank simply because I want to leave enough money for Dave and Alan's special payment and I need to check the balance with the bank to avoid bouncing or any delay.

Our intent is to wire out CAD \$231 mil first thing in the morning.

Also please find this screen shot from New Star's bank account; I added BLG as a biller; and I have queued a transfer of CAD \$2million to BLG's account to go out first thing in the morning.

Please help me double check all account details!

Cheers and thanks!

Michael



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Questions ?
 (814) 394-4494 (options 2-3)
 1-844-394-4494 (options 2-3)

View a biller

Another transaction | ? Help | Print

Billers identification

Name : Borden Ladner Gervais LLP
 Identification number : BLG (?)

Bank account

Transit no.: 00009 Institution: 0003 Account no.: 1642529

(?) Where to find this information on a cheque

Address

Number, Street, Suite : 520, 3rd Ave SW, 1900
 Post office box , Station :
 City : Calgary
 Province, Country : Alberta, Canada
 Postal code : T2P0R3

Contact

Title : Trust Clerk
 Name : Karen Haggard
 Language : English
 Phone number : (403) 232-9462
 Fax number :
 Email address: khaggard@blg.com

Payment notice

Notice type : No notice () Email notice () Fax notice

History

- Added on: 2017-03-29 at 10:59 PM ET by SHING TAK MICHAEL LAM
- Modified on: 2017-03-29 at 11:03 PM ET by Shing Tak Lam

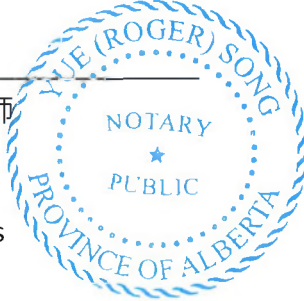
Another transaction | ? Help | Print

This is Exhibit "70" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

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Payments

1st payment

Transaction carried out.
Please keep the payment number in your files.

Payment N° : 796

From : 0006-14051-1452121

Account name : NEW STAR ENERGY

Payable to : Borden Ladner Gervais LLP [BLG]

To account: 0003-00009-1642529

Payment date: 2017-03-30

Notice : Without notice

Reference number	Invoiced on (YYYY-MM-DD)	Amount	Discount (\$ ou %)	Amount to be paid	Description	
1	443818 1	2017-03-29	2,000,000.00	0.00	2,000,000.00	Xiaodi Deposit for HNHX
Totals:		2,000,000.00	0.00	2,000,000.00		

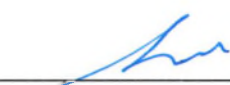
Status: In process

History

- Added on: 2017-03-30 at 8:27 AM ET by SHING TAK MICHAEL LAM
- Signed on: 2017-03-30 at 8:27 AM ET by SHING TAK MICHAEL LAM
- Extracted for processing on: 2017-03-30 at 8:27 AM ET by the system

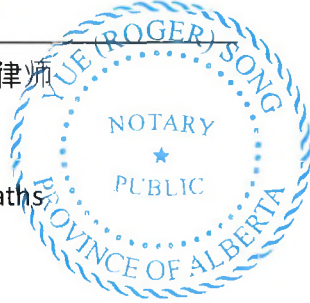
Valid on 2017-03-30 at 8:27 AM ET

This is Exhibit "71" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



Re: Henenghaixin Corp - Outgoing Wire to Canadian Advantage Petroleum Corporation

"Michael Lam" <lam.m@snencn.cn>

收件人: "Ammad, Zeb" <zammad@atb.com>

抄 送: "steven neu" <steven.n@snencn.cn>, "Zhao, Derek" <dzhao@atb.com>, "Hilling, Corey J." <chilling@atb.com>

时 间: 2017-3-25 5:32:25

附 件: image004.jpg

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image005.jpg

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image001.jpg

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Thank you!

Thanks,
Michael Lam

On 03/24/2017 15:04, Ammad, Zeb wrote:

Hi,

This wire has been processed as per your request. Confirmation number is (PO#: 000055799881).

Thankyou.

Regards,

Zeb R.Ammad MBA

Client Service Officer | Energy & Commercial | Banking Operations

CFO Portfolio

Office 403-731-3825 | **Fax** 587-597-3760

Suite 600, West Tower, Eighth Avenue Place, 585 8th Ave S.W, Calgary, AB T2P 1G1

atb.com



From: Michael Lam [mailto:lam.m@snencn.cn]

Sent: Friday, March 24, 2017 3:03 PM

To: Hilling, Corey J. <CHilling@atb.com>

Cc: Ammad, Zeb <ZAmmad@atb.com>; Chan, Cynthia <CChan@atb.com>; Guminski, Janek <JGuminski@atb.com>; Zhao, Derek <DZhao@atb.com>; steven neu <steven.n@snencn.cn>

Subject: Re: Henenghaixin Corp - Outgoing Wire to Canadian Advantage Petroleum Corporation

Thanks please go ahead.

Michael

Thanks,

Michael Lam

On 03/24/2017 14:54, [Hilling, Corey J.](mailto:CHilling@atb.com) wrote:

I confirm Heneghaixin Corp buys \$4,000,000 USD at the rate of 1.3415. ref 243

Corey (C.J.) Hilling, MBA

Associate Director Financial Markets

Commodities, Foreign Exchange and Interest Rates

Office 403 974-3580 | **Mobile** 403 804-9519

600-West Tower, Eight Avenue Place

585 8th Ave SW, Calgary, AB T2P 1G1

atb.com



From: Ammad, Zeb

Sent: Friday, March 24, 2017 2:41 PM

To: Chan, Cynthia <CChan@atb.com>; Guminski, Janek <JGuminski@atb.com>; Hilling, Corey J. <CHilling@atb.com>

Cc: Zhao, Derek <DZhao@atb.com>; steven neu <steven.n@snencn.cn>; Michael Lam <lam.m@snencn.cn>

Subject: FW: Henenghaixin Corp - Outgoing Wire to Canadian Advantage Petroleum Corporation

Hi,

Henenghai Xin would like to purchase 4M USD to send out to the attached wire.

Please provide rate and ref.

Thankyou.

Regards,

Zeb R.Ammad MBA

Client Service Officer | Energy & Commercial | Banking Operations

CFO Portfolio

Office 403-731-3825 | **Fax** 587-597-3760

Suite 600, West Tower, Eighth Avenue Place, 585 8th Ave S.W, Calgary, AB T2P 1G1

atb.com



From: 林成德 [mailto:lam.m@snencn.cn]
Sent: Friday, March 24, 2017 2:18 PM
To: Ammad, Zeb <ZAmmad@atb.com>; Zhao, Derek <DZhao@atb.com>
Cc: steven neu <steven.n@snencn.cn>
Subject: Fw: Henenghaixin Corp - Outgoing Wire to Canadian Advantage Petroleum Corporation

Thanks!

Thanks,
Michael Lam

----- Forwarded Message -----

From: Michael Lam
Date: 03/24/2017 12:05
To: Ammad, Zeb, Derek Nielsen, steven neu
Cc: hunter.woo
Subject: Henenghaixin Corp - Outgoing Wire to Canadian Advantage Petroleum Corporation

Hello Zeb,

We would like to wire USD \$ 4,000,000 from Henenghaixin Corp to Canadian Advantage Petroleum Corporation, authorised by Steven Neu and myself.

Please find the attached authorisation form as well as CAPC's bank info as attached.

IF we don't have enough USD in the account; please transfer USD \$4,000,000 equivalent into our USD account.

Thanks a lot,

Michael

If you have received this email in error, please let me know by return email so I can make sure it doesn't happen again. Because emails can contain confidential and privileged material, I'd ask for your help by deleting it and any attachments. Thanks!

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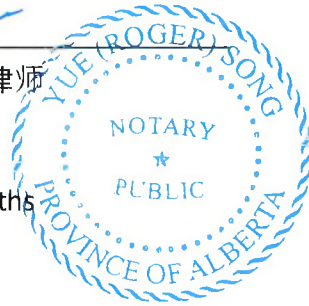
If you would like to unsubscribe from our updates, please click [here](#).

This is Exhibit "72" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



王好:

一. Twin Butte:

- 进一步与托管人落实交易后买壳的步骤
- 三月钻井事项
 1. TB 管理层建议我们能在未来两周内在 Horseshoe Lake 打一口 3 条腿的探井。这口井之前已经获得了能源局的批准，但我们必须在 5 月 19 日之前钻井，否则将会失去矿权。如果这口探井成功，我们会增加 2 口双腿，3 口三腿，8 口 4 腿的井位，总价值在 3000 万加元以上。另外，我们还可以购买周边的土地增加另外 5 口 4 条腿的井位。这口探井的费用为 107 万加元。现在唯一阻挠的是托管人，托管人一直坚持要打井可以，必须要放相应的保证金才能打，否则必须等到交割后。而现在西湖的账上只有不到 18 万美元。管理层觉得等到 5 月份很有可能因为封路打不了井而失去矿权。假设交割日期为 3 月 24 号，我们也来不及了，因为建设井场还要 4-5 天时间。请指示是否在下周有一百万加元到账。
(这个主意好! 下周会安排大约 5000 万加元到账，除了马上还 CAPC400 万美元外，其余在 TB。)
- 办公室续租至 6 月底谈判：没有最新的进展。

葛总 (Jason) :

一. 办公室问题:

- 将 19 楼出租给了第三方公司，今天签署了租赁合同。租金为 \$6 每平方米。
- 签署了公司新办公楼装修合同，下周一工程公司进驻开始施工。力争在 6 月底前最少完成 5、6 楼的工程，确保 LRE 按时搬进去。8 楼还在讨论楼面设计阶段，预计 9 月份可以达到搬入要求。
- 12 楼正在和 NS 谈租赁合同，希望尽早完成。
(我已多次与葛总邮件讨论，我们要努力把前 LR 管理层给我们弄的办公室这个心病解决掉。)

二. 财务管理:

- 当地年末财务审计工作已近尾声，预计下周末完成最终的财务审计工作；
- 积极配合国内审计，提供大量审计资料。
- 根据新的产量预测，完成了 2017 年全年的财务预测（没有考虑下半年钻井计划）。计划将 1 季度的预测发回总部供参考。
(为了确保以 2017 年 12 月 31 日为基准日的 LR 资产全部装入上市公司，2017 年的经营业绩至关重要，所以预测一定要有下半年钻井计划。先把 1 季度预测发回总部，我们研究后再订其后计划。)

三. 天然气套保:

- 根据生产部门预测的产量，套保了 5000 GJ 每天的实物交易量，价格为\$2.5/GJ。
- 财务套保策略批准后，准备逐步完成 15000 GJ 的对冲交易量，但近两天天然气价格都没有达到我们的目标值\$2.6/GJ，因此仍为锁定。等下周天然气价格再看。
(天然气套保葛总提出的财务套保很有意义。请 Lake、王好总和葛总专题研究一次，就 LR 情况拿出套保方案，而后推广到 NS、TB、上海能源。)

四. Kaybob 资产处置完成后的财务影响:

- 全年产量平均减少 575 boed，对收入的影响约为 7 百万左右，但由于操作成本高，没有处置前，是负现金流。
- 由于此地区的操作成本高，处置后，整个公司生产操作成本可以下降\$0.72/boe。
- 处置后减少了今年的弃置成本支出约\$2.8 百万。
- 减少了此地区的井场维护等费用支出\$2.0 百万。
- 收入\$1.0 百万的交易对价。
(kaybob 的处理是很成功的，可以对贡献者适当奖励。明年初还有 Boyer 的处置，要有好思路。)

五. 人事及公司管理方面:

- 已经完成年度公司员工工资更新，正在准备给董事会的有关报告，提交批准年度薪酬调整。建议此项可一并和新的薪酬体系同时实施。
- 希望尽快展开公司组织机构重组和成本削减计划，包括人员削减、费用成本重新梳理削减。要严控成本，否则以 LR 的资产性质本身，盈利是比较困难的。
- 完成目前手头紧急工作后，希望尽快能给董事会提交新的分级有限授权书，批准后实施。否则担心内控出现大的风险。
- 建议如果没有下半年钻井计划，内部技术部门尽快对公司资产本身展开深入研究，做出公司 3-5 年油气资产开发计划。这同时是我们团队对资产的再认识的过程，有利于提升未来井的经济性和资产的盈利能力。此事可以由地质油藏部门牵头，财务预算部门配合完成。
(我近期会去一趟加拿大，届时与各位领导一起研究上述问题。)

牛总 (Steven) :

一. Twin Butte:

- 为了不耽搁公司交割后很快转入正常运作，通过律师签署一份临时雇佣协议，象征性付费 250 元加币，授权 TB 原数据管理员帮助 West Lake 设置用于向政府汇报的 DDS 数据传输系统。
(好。)
- TB 在进入托管之前已经签署 PROVOST 周边以及其它区域六千多公顷土地购买协议，有比较大的潜力，可能井位总计 96 条腿（部分已经列入 2017、2018 钻井计划），价格两百余万，为完成未来两

年打井任务，管理层建议我们购买下来。这笔 200 万款项，交割完成后需要立即支付。

（同意！资金会安排好，实际上 TB 净现金流也够的。）

- BC 省能源管理局需要 West Lake 出示 200 万信用证，另外 G&A 管理需要办理额度不超过 13 万的信用卡。完成交割后，我们需要打入 ATB 帐户两百余万现金办理相关帐户。

（下周新的资金到位后小林总协助办理。）

- 青蛙湖地区原居民 5 月份将进行重新选举。原居民自治区一般是家族式管理，但要经过民众选举，一个家族落败后，新上任家族实施新政时各方面会有较大变动。选举结束后我们将接触胜出者，逐步建立合作关系。

（可以等待。即便选举完成也不必急于谈判。这个 Joe 不好谈，只有拖他的耐性。有王好总上面说的探井区和牛总说的 6 千公顷地，打新井的井位就 TB 而言似乎没压力。）

二. New Star:

- 开始准备 2017 年第一阶段 6 口井具体钻井计划。目前接到两家套管公司报价，管材价格较 2016 年 8 月 LR 竞标时，涨幅高达 50%。（最近油价暴跌，看看套管公司的态度？）

三. Long Run:

- 已钻井和完成生产管线连接井数量:

区域	计划井数	已钻井数	已连接井数
红水	119	113	77
Kakwa	8	8	6
静河Nville	9	9	8
静河Gville	14	14	11
合计	150	144	102

红水 5 号钻机在钻进最后一个井场，13 口井已经完钻 7 口。

- 作业成本估算见附件。

（钻井确实很顺利。我上次在卡尔加里时曾要求把静河的几口井停下不打了，看来还是打完了？）

小林总 (Michael) :

一. New Star:

- 配合中國進出口銀行為新星作出資產評估；中國進出口銀行聘請了 Calgary 德勤對新星作出資產評估，同時 Calgary 德勤也是新星和 LR 現有的核數師，所以提供資料的時候增加了複雜性。（如果找境外机构评估，NS 评到 1 亿加元都难。为什么这么做？比进出口银行总行要求还多？事先也没人跟我提过，这是个败笔！）
- 配合海玲總以及房經理為中國 BDO 審計提供資料。

- 開始加拿大報稅工作。
- 著手研究長城提供的打井報價。

二. 控股公司:

- 按加拿大統計局要求為各 LongRun 和 NewStar 填寫了統計數據以及電話會談。

吳總:

一. 優勢:

- 周五收到 ARC 的一些資料, 進一步研究。
- 等待美國 Bakken 的油樣. 然後與 TB Lloydminster 混對, 做全面分析 (Crude Assay 級)。
(要抓緊!)

二. New Star:

- 一周生產均值 2,769 boe/d. 平穩。
- 打井計劃將於 4 月初出來, 報總部。
(打井計劃還沒出來?)

三. Long Run:

新井生產總結			
油區/油田	投產井數	單井均產, boe/d	評論
LR 總計	85	6,142	總產
Redwater 油區			
Redwater 北部油田	44	56.6	接近預估值, 問題: 砂堵, 背壓高等, 在處理中 近期投產的兩個井場不好, 待察
Redwater 中部油田	12	41.6	
Brudheim 北部油田	7	45.5	暫低於預估值. 一井場有背壓高而限產. 新管線已接好, 本週六將全投產
Peace River 油區			
Girouville 油田	9	140.1	接近預估值
Normandville 油田	8	69.5	遠低於預估值, 多水
Kakwa 油田	5	314.8	低於預估值

(統計說明: 一周均產, 無產量數據的不算投產)

(各單井狀況, 詳見附件)。

(紅水已打井 113 口, 只有 63 口投產, 能不能把地面工程做快點? Lake 到後和團隊研究一下, 如果馬上調整 COO, 這也是最緊要的事情!)

- 在 Redwater 油區, 共有 64 口新井在生產. 另有 14 口井, “准投產”, 沒有產量數據. 其中 13-12 井場的 6 口井, 新管線已接好, 本週六將正常生產. 這週剛投產的 4-12 井場的 8 口井及 4-30 井場的 2 口井, 尚無產量數據。
(什麼原因? 你們要問啊!)
- 投產不久的 7-15 和 16-22 井場共 8 口井, 生產仍不太理想. 待察。

(请牛总和吴总马上去趟现场，了解原因，提出方案。)

- 成本控制:

1. 去年第 4 季度成本高，近\$15/boe。从绝对数(\$)上看，第 4 季度比前三季度均值高 2 百万\$。与葛总讨论后，决定与 Wes 召开专门会。第一，还是肯定 LR 16 年成本控制的努力。去年全年单位成本 12.46\$/boe 还是接近目标。第二，讨论如何进一步控制减少成本。

(不可能有这么高的成本！我写了这么多邮件，吴总你还是要肯定 16 年成本控制的努力？你的敏感性在哪里？)

四. 下周展望事项:

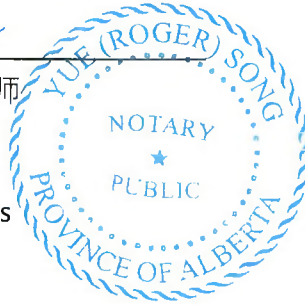
- NS: 打井计划
- LR: 跟进 新井产量
- 优势: 跟进化验, 研究 ARC 设施

This is Exhibit "73" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



3月17号会议纪要 (修改)

"王卓" <wang.z@snencn.cn>

收件人: "邓董事长" <deng.tz@snencn.cn>, "黄总裁" <huang.b@snencn.cn>, "陈爱国" <chen.ag@snencn.cn>, "王海玲" <wang.hl@snencn.cn>, "孟兰" <meng.l@snencn.cn>, "崔怡彬" <cui.yb@snencn.cn>, "邓小泊" <deng.xb@snencn.cn>, Jason <jasonge@snencn.cn>, "王好" <wang.h@snencn.cn>, "steven neu" <steven.n@snencn.cn>, "杨文涛" <yang.wt@snencn.cn>, "吴迎春" <wu.yc@snencn.cn>, "林成德" <lam.m@snencn.cn>, "陆蓉" <lu.r@snencn.cn>, "邹骏昊" <zou.jh@snencn.cn>, "段玥怡" <duan.yy@snencn.cn>

时 间: 2017-3-20 10:26:52

附 件: 3月17一周纪要 (修改) .docx

[下载附件](#)

各位领导, 您们好:

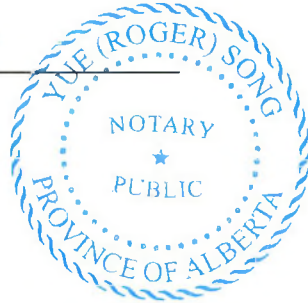
附件为已添加邓董事长审阅意见3月17日会议纪要, 烦请各位查收。

This is Exhibit "74" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



RE: Transfer from Henenghaixin to Calgary Sinoenergy

"Wagstaff, Andrew" <AWagstaff@atb.com>

收件人:

抄 送: "steven neu" <steven.n@snencn.cn>, "Ammad, Zeb" <ZAmmad@atb.com>

时 间: 2017-4-13 4:41:12

附 件: image001.jpg

下载附件

Hi Michael,

This is done.

Cheers

Andrew Wagstaff

Client Service Officer

Banking Operations

CFO Portfolio

Office 780-392-2815 | **Fax** 780-422-4998

ATB Place, 25th Floor, 10020 100 Street NW, Edmonton, AB T5J 0N3

atb.com



From: Michael Lam [mailto:lam.m@snencn.cn]

Sent: Wednesday, April 12, 2017 2:31 PM

To: Wagstaff, Andrew <AWagstaff@atb.com>; Zhao, Derek <DZhao@atb.com>; Loh, Vanessa <vloh@atb.com>

Cc: steven neu <steven.n@snencn.cn>

Subject: Transfer from Henenghaixin to Calgary Sinoenergy

Hello ATB team,

Can you please help me transfer CAD\$15,000,000 from Henenghaixin Corp (760-00762433600) to Calgary Sinoenergy Investment (760-00548654800)

Both of them are ATB account.

Thanks,

Michael

If you have received this email in error, please let me know by return email so I can make sure it doesn't happen again. Because emails can contain confidential and privileged material, I'd ask for your help by deleting it and any attachments. Thanks!

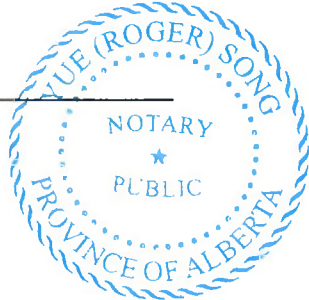
We like to keep people up to date with information about new products and services at ATB or changes that could affect you. You can check out more about ATB and CASL [here](#).

If you would like to unsubscribe from our updates, please click [here](#).

This is Exhibit "75" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor



A Commissioner for Oaths
in and for Alberta

RE: Re:Transfer: From Henenghaixin Corp to Calgary Sinoenergy Investment

"Ammad, Zeb" <ZAmmad@atb.com>

收件人: "Michael Lam" <lam.m@snencn.cn>

抄 送: "Loh, Vanessa" <vloh@atb.com>, "Zhao, Derek" <DZhao@atb.com>, "steven neu" <steven.n@snencn.cn>

时 间: 2017-4-18 23:29:35

附 件: image002.jpg

[下载附件](#)

Hi Michael,

This transfer has been completed.

Thankyou.

Regards,

Zeb R.Ammad

Client Service Officer | Energy & Commercial | Banking Operations

CFO Portfolio

Office 403-731-3825 | Fax 587-597-3760

Suite 600, West Tower, Eighth Avenue Place, 585 8th Ave S.W, Calgary, AB T2P 1G1

atb.com



From: Michael Lam [mailto:lam.m@snencn.cn]

Sent: Tuesday, April 18, 2017 8:53 AM

To: 我 <lam.m@snencn.cn>

Cc: Ammad, Zeb <ZAmmad@atb.com>; Wagstaff, Andrew <AWagstaff@atb.com>; Loh, Vanessa <vloh@atb.com>; Zhao, Derek <DZhao@atb.com>; steven neu <steven.n@snencn.cn>

Subject: Re:Transfer: From Henenghaixin Corp to Calgary Sinoenergy Investment

Hello all,

Please let me know when this is completed.

Thanks,

Michael

At 2017-04-18 08:23:46, "Michael Lam" <lam.m@snencn.cn> wrote:

Hello ATB Team,

Can you please help me transfer CAD \$10,000,000 from Henenghaixin Corp's chequing account to Calgary Sinoenergy Investment's chequing account?

Thanks,

Michael


If you have received this email in error, please let me know by return email so I can make sure it doesn't happen again. Because emails can contain confidential and privileged material, I'd ask for your help by deleting it and any attachments. Thanks!

We like to keep people up to date with information about new products and services at ATB or changes that could

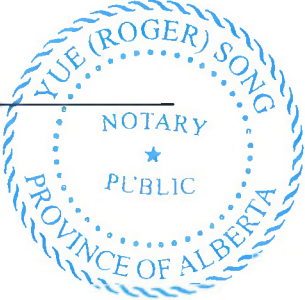
affect you. You can check out more about ATB and CASL [here](#).

If you would like to unsubscribe from our updates, please click [here](#).

This is Exhibit "76" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor



A Commissioner for Oaths
in and for Alberta

**RE: Re:RE: Re:Transfer from Henenghaixin Corp - Calgary Sinoenergy Investm
ent**

"Hassanaly, Rizwan" <RHassanaly@atb.com>

收件人: "Michael Lam" <lam.m@snencn.cn>

抄 送:

时 间: 2017-6-2 23:51:04

附 件: image002.jpg

下载附件

image003.jpg

下载附件

打包下载全部附件

Hi Michael,

This has been completed.

Thank you and have a great weekend,

Riz

Rizwan Hassanaly, B.Comm

Client Service Officer | Banking Operations

CFO Portfolio

Office 403-974-7985 | Fax 403-663-3160

Suite 600, West Tower, Eighth Avenue Place, 585 8th Ave S.W., Calgary, AB, T2P 1G1

atb.com



From: Michael Lam [mailto:lam.m@snencn.cn]

Sent: Friday, June 02, 2017 9:11 AM

To: Hassanaly, Rizwan <RHassanally@atb.com>

Cc: Zhao, Derek <DZhao@atb.com>; Ammad, Zeb <ZAmmad@atb.com>; Aiello, Stephanie <SAiello@atb.com>; steven neu <steven.n@snencn.cn>; Eurich, Brayden <BEurich@atb.com>

Subject: Re:RE: Re:Transfer from Henenghaixin Corp - Calgary Sinoenergy Investment

Thanks Riz;

Can you also help us transfer another CAD \$500,000 to Calgary Sinoenergy's account please.

Thanks,

Michael

在 2017-06-02 23:05:08, "Hassanaly, Rizwan" <RHassanally@atb.com> 写道:

Good Morning Michael,

The transfer has been processed.

Thank you and have a great day,

Riz

Rizwan Hassanaly, B.Comm

Client Service Officer | Banking Operations

CFO Portfolio

Office 403-974-7985 | Fax 403-663-3160

Suite 600, West Tower, Eighth Avenue Place, 585 8th Ave S.W., Calgary, AB, T2P 1G1

atb.com



From: Michael Lam [mailto:lam.m@snencn.cn]

Sent: Friday, June 02, 2017 8:39 AM

To: 我 <lam.m@snencn.cn>

Cc: Zhao, Derek <DZhao@atb.com>; Ammad, Zeb <ZAmmad@atb.com>; Aiello, Stephanie <SAiello@atb.com>;

Hassanally, Rizwan <RHassanally@atb.com>; steven neu <steven.n@snencn.cn>

Subject: Re:Transfer from Henenghaixin Corp - Calgary Sinoenergy Investment

Hello again,

I should be more specific, I would like to transfer to Calgary Sinoenergy's ATB CAD Chequing Dollar account.

Thanks,

Michael

在 2017-06-02 22:37:07, "Michael Lam" <lam.m@snencn.cn> 写道:

Morning,

I would like to transfer

CAD \$22,000,000 to Calgary Sinoenergy Investment Corporation from Henenghaixin's account.

Thanks,

Michael Lam

1-780-616-4966

If you have received this email in error, please let me know by return email so I can make sure it doesn't happen again. Because emails can contain confidential and privileged material, I'd ask for your help by deleting it and any attachments. Thanks!

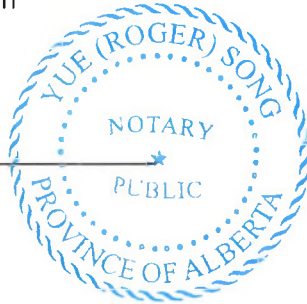
We like to keep people up to date with information about new products and services at ATB or changes that could affect you. You can check out more about ATB and CASL [here](#).

If you would like to unsubscribe from our updates, please click [here](#).

This is Exhibit "77" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor



A Commissioner for Oaths
in and for Alberta

RE: Re:RE: Re:Transfer from Henenghaixin Corp - Calgary Sinoenergy Investment

"Hassanally, Rizwan" <RHassanally@atb.com>

收件人: "Michael Lam" <lam.m@snencn.cn>

抄 送:

时 间: 2017-6-2 23:51:04

附 件: image002.jpg

下载附件

image003.jpg

下载附件

打包下载全部附件

Hi Michael,

This has been completed.

Thank you and have a great weekend,

Riz

Rizwan Hassanally, B.Comm

Client Service Officer | Banking Operations

CFO Portfolio

Office 403-974-7985 | **Fax** 403-663-3160

Suite 600, West Tower, Eighth Avenue Place, 585 8th Ave S.W., Calgary, AB, T2P 1G1

atb.com



From: Michael Lam [mailto:lam.m@snencn.cn]

Sent: Friday, June 02, 2017 9:11 AM

To: Hassanaly, Rizwan <RHassanally@atb.com>

Cc: Zhao, Derek <DZhao@atb.com>; Ammad, Zeb <ZAmmad@atb.com>; Aiello, Stephanie <SAiello@atb.com>; steven neu <steven.n@snencn.cn>; Eurich, Brayden <BEurich@atb.com>

Subject: Re:RE: Re:Transfer from Henenghaixin Corp - Calgary Sinoenergy Investment

Thanks Riz;

Can you also help us transfer another CAD \$500,000 to Calgary Sinoenergy's account please.

Thanks,

Michael

在 2017-06-02 23:05:08, "Hassanaly, Rizwan" <RHassanally@atb.com> 写道:

Good Morning Michael,

The transfer has been processed.

Thank you and have a great day,

Riz

Rizwan Hassanaly, B.Comm

Client Service Officer | Banking Operations

CFO Portfolio

Office 403-974-7985 | Fax 403-663-3160

Suite 600, West Tower, Eighth Avenue Place, 585 8th Ave S.W., Calgary, AB, T2P 1G1

atb.com



From: Michael Lam [mailto:lam.m@snencn.cn]

Sent: Friday, June 02, 2017 8:39 AM

To: 我 <lam.m@snencn.cn>

Cc: Zhao, Derek <DZhao@atb.com>; Ammad, Zeb <ZAmmad@atb.com>; Aiello, Stephanie <SAiello@atb.com>;
Hassanally, Rizwan <RHassanally@atb.com>; steven neu <steven.n@snencn.cn>

Subject: Re:Transfer from Henenghaixin Corp - Calgary Sinoenergy Investment

Hello again,

I should be more specific, I would like to transfer to Calgary Sinoenergy's ATB CAD Chequing Dollar account.

Thanks,

Michael

在 2017-06-02 22:37:07, "Michael Lam" <lam.m@snencn.cn> 写道:

Morning,

I would like to transfer

CAD \$22,000,000 to Calgary Sinoenergy Investment Corporation from Henenghaixin's account.

Thanks,

Michael Lam

1-780-616-4966

If you have received this email in error, please let me know by return email so I can make sure it doesn't happen again. Because emails can contain confidential and privileged material, I'd ask for your help by deleting it and any attachments. Thanks!

We like to keep people up to date with information about new products and services at ATB or changes that could affect you. You can check out more about ATB and CASL [here](#).

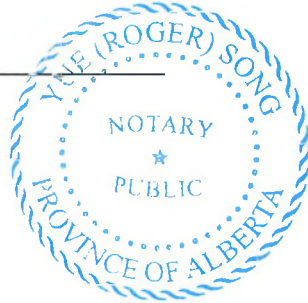
If you would like to unsubscribe from our updates, please click [here](#).

This is Exhibit "78" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



回复: CAD\$ 11.15 million transfer Henenghaixin to Calgary SinoEnergy to Long Run Exploration

??? <lam.m@snencn.cn>

收件人: "Eurich, Brayden" <beurich@atb.com>

抄 送: "steven neu" <steven.n@snencn.cn>

时 间: 2017-7-6 3:58:31

附 件: image001.jpg

下载附件

Thanks!

Sent from Mail Master

在2017年07月05日 13:53, Eurich, Brayden 写道:

The funds have been transferred to Calgary SinoEnergy and wired out as per your instructions. Confirmation number 59573559.

Thanks, and have a nice day.

Brayden Eurich

Client Service Officer | Banking Operations

CFO Portfolio

Office 403-541-4093

Eighth Avenue Place, Suite 600, 585-8 Avenue SW, Calgary, AB T2P 1G1

atb.com



From: 林成德 [mailto:lam.m@snencn.cn]

Sent: Wednesday, July 05, 2017 1:38 PM

To: steven neu <steven.n@snencn.cn>

Cc: Eurich, Brayden <BEurich@atb.com>

Subject: 回复 : CAD\$ 11.15 million transfer Henenghaixin to Calgary SinoEnergy to Long Run Exploration

Perfect! Thanks guys!

Sent from Mail Master

在2017年07月05日 13:37, steven_neu 写道:

Hey Brayden please go ahead for the transfer. Thanks, Steven.

在 2017-07-06 03:25:29, "林成德" <lam.m@snencn.cn> 写道 :

Thanks

Sent from Mail Master

On 07/05/2017 13:24, Eurich, Brayden wrote:

Hi Michael,

I've tried calling but no luck. I will try again in a few minutes.

Brayden

From: Michael Lam [<mailto:lam.m@snencn.cn>]

Sent: Wednesday, July 05, 2017 1:16 PM

To: Eurich, Brayden <BEurich@atb.com>

Cc: Zhao, Derek <DZhao@atb.com>; steven_neu <steven.n@snencn.cn>

Subject: Re: CAD\$ 11.15 million transfer Henenghaixin to Calgary SinoEnergy to Long Run Exploration

Hello Brayden,

To speed it up faster, would you mind giving him Steven Neu a call at 403-660-1211 to confirm?

He is by his phone.

Thanks!
Michael

Sent from Mail Master

On 07/05/2017 13:10, Eurich, Brayden wrote:

Hello Michael, we have received the wire. Henenghaixin is currently a two to sign account.

If Steven can respond to this email approving the transaction then I can go ahead and transfer the money over to Calgary SinoEnergy and wire the money out.

Thanks,

Brayden Eurich

Client Service Officer| Banking Operations

CFO Portfolio

Office 403-541-4093

Eighth Avenue Place, Suite 600, 585-8 Avenue SW, Calgary, AB T2P 1G1

atb.com



From: Michael Lam [<mailto:lam.m@snencn.cn>]
Sent: Wednesday, July 05, 2017 12:10 PM
To: Eurich, Brayden <BEurich@atb.com>; Zhao, Derek <DZhao@atb.com>
Cc: steven neu <steven.n@snencn.cn>
Subject: CAD\$ 11.15 million transfer Henenghaixin to Calgary SinoEnergy to Long Run Exploration

Hello Brayden,

Henenghaixin is expecting a \$11.15 million incoming wire; as soon as it is received, we would like to

Step 1) Transfer to Calgary SinoEnergy's ATB Chequing account

Step 2) Wire out to Long Run Exploration, from Calgary SinoEnergy, as per the attached wiring instruction

Please help us keep an eye out for the incoming wiring to Henenghaixin; we would like this capital into Long Run Exploration as soon as possible.

Thanks!

Michael

----- Forwarding messages -----

From: "4070AR321" <4070AR321@longrunexploration.com>

Date: 2017-07-06 02:04:30

To: lam.m@snencn.cn

Subject: Scanned image from Long Run Exploration

If you have received this email in error, please let me know by return email so I can make sure it doesn't happen again. Because emails can contain confidential and privileged material, I'd ask for your help by deleting it and

any attachments. Thanks!

We like to keep people up to date with information about new products and services at ATB or changes that could affect you. You can check out more about ATB and CASL [here](#).

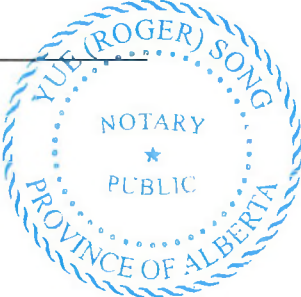
If you would like to unsubscribe from our updates, please click [here](#).

This is Exhibit "79" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



Steven Neu

From: Brayden Eurich <beurich@atb.com>
Sent: Wednesday, July 12, 2017 3:33 PM
To: Steven Neu
Cc: Michael Lam
Subject: Re: Transfer - Henenghaixin to Calgary SinoEnergy

Thanks Steven,

Michael, we have just received the incoming wire, and i have transferred \$31,000,000 over to Calgary SinoEnergy account #00548654800.

The confirmation number of the transfer is 654473327.

Please note it is after wire cutoff so i will have to process the wire transaction tomorrow, so please keep an eye out for the confirmation email tomorrow morning.

Thanks,

Brayden Eurich
Client Services Officer | Banking Operations
CFO Portfolio

Office: 403-541-4093
Eighth Avenue Place, 600, 585 8th Avenue SW
Calgary, AB T2P 1G1
atb.com



On 12 July 2017 at 13:42, Steven Neu <sneu@westlakeenergy.ca> wrote:
Talked to Michael. Please go ahead Brayden. Thanks, Steven.

On Jul 12, 2017, at 1:18 PM, Brayden Eurich <beurich@atb.com> wrote:

Thanks Michael,

Steven, if you could reply to this email confirming the wire, i will execute the wire once i have confirmation.

Thanks,

Brayden Eurich
Client Services Officer | Banking Operations
CFO Portfolio

Office: [403-541-4093](tel:403-541-4093)
Eighth Avenue Place, 600, 585 8th Avenue SW

Calgary, AB T2P 1G1
atb.com



On 12 July 2017 at 12:34, Michael Lam <lam.m@snencn.cn> wrote:
Hello Brayden,

We are expecting a large capital coming into Henenghaixin and would like to transfer CAD\$31,000,000 to Calgary SinoEnergy Investment Corporation.

Can you please help us keep an eye out and execute this transaction once the capital shows up? Steven Neu is copied here; do you need him to reply a "yes" as well?

Thanks!
Michael

If you have received this email in error, please let me know by return email so I can make sure it doesn't happen again. Because emails can contain confidential and privileged material, I'd ask for your help by deleting it and any attachments. Thanks!

We like to keep people up to date with information about new products and services at ATB or changes that could affect you. You can check out more about ATB and CASL at <http://www.atb.com/important-information/privacy-security/Pages/ATB-and-CASL.aspx>

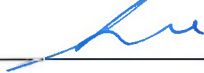
If you would like to unsubscribe from our updates, please use this URL - <http://www.atb.com/important-information/privacy-security/Pages/unsubscribe.aspx>

If you have received this email in error, please let me know by return email so I can make sure it doesn't happen again. Because emails can contain confidential and privileged material, I'd ask for your help by deleting it and any attachments. Thanks!

We like to keep people up to date with information about new products and services at ATB or changes that could affect you. You can check out more about ATB and CASL at <http://www.atb.com/important-information/privacy-security/Pages/ATB-and-CASL.aspx>

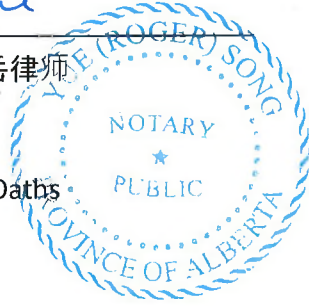
If you would like to unsubscribe from our updates, please use this URL - <http://www.atb.com/important-information/privacy-security/Pages/unsubscribe.aspx>

This is Exhibit "80" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



Steven Neu

From: Brayden Eurich <beurich@atb.com>
Sent: Thursday, July 13, 2017 10:21 AM
To: Steven Neu
Cc: Michael Lam
Subject: Re: Transfer: Henenghaixin to Calgary SinoEnergy

Hello Michael and Steven,

I have completed the transfer to Calgary SinoEnergy. The confirmation number is 654692901.

Regards,

Brayden Eurich
Client Services Officer | Banking Operations
CFO Portfolio

Office: 403-541-4093
Eighth Avenue Place, 600, 585 8th Avenue SW
Calgary, AB T2P 1G1
atb.com



On 13 July 2017 at 10:12, Steven Neu <sneu@westlakeenergy.ca> wrote:
Please do. Thanks Michael and Brayden.

On Jul 13, 2017, at 10:07 AM, Michael Lam <lam.m@snencn.cn> wrote:

Morning Brayden,

Can you please transfer \$3,596,491 from Henenghaixin to Calgary SinoEnergy please?

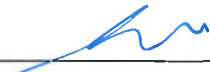
Thanks!
Michael

If you have received this email in error, please let me know by return email so I can make sure it doesn't happen again. Because emails can contain confidential and privileged material, I'd ask for your help by deleting it and any attachments. Thanks!

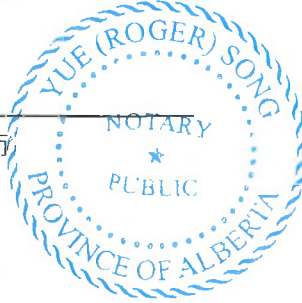
We like to keep people up to date with information about new products and services at ATB or changes that could affect you. You can check out more about ATB and CASL at <http://www.atb.com/important-information/privacy-security/Pages/ATB-and-CASL.aspx>

If you would like to unsubscribe from our updates, please use this URL - <http://www.atb.com/important-information/privacy-security/Pages/unsubscribe.aspx>

This is Exhibit "81" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor



A Commissioner for Oaths
in and for Alberta

Steven Neu

From: Brayden Eurich <beurich@atb.com>
Sent: Tuesday, September 5, 2017 8:39 AM
To: Michael Lam
Cc: Steven Neu; Zhao, Derek
Subject: Re: Re: Transfer - Henenghaixin to Calgary Sinoenergy

Thanks Steven,

I have transferred the funds over.

Regards,

Brayden Eurich
Client Services Officer | Banking Operations
CFO Portfolio

Office: 403-541-4093
Eighth Avenue Place, 600, 585 8th Avenue SW
Calgary, AB T2P 1G1
atb.com



On 5 September 2017 at 08:21, Michael Lam <lam.m@snencn.cn> wrote:
Hello Brayden,

Actually, can you please make it to CAD\$110,000 please?

Thanks,
Michael

在 2017-09-05 22:19:22, "Brayden Eurich" <beurich@atb.com> 写道:
Steven,

if you can please confirm the transfer i can go ahead and move the funds over.

Thanks!

Brayden Eurich
Client Services Officer | Banking Operations
CFO Portfolio

Office: [403-541-4093](tel:403-541-4093)
Eighth Avenue Place, 600, 585 8th Avenue SW
Calgary, AB T2P 1G1

atb.com



On 5 September 2017 at 08:16, Michael Lam <lam.m@snencn.cn> wrote:
Morning Brayden,

I would like to transfer CAD\$100,000 from Henenghaixin to Calgary Sinoenergy.

Can you please proceed with the transfer?

Thanks!
Michael

If you have received this email in error, please let me know by return email so I can make sure it doesn't happen again. Because emails can contain confidential and privileged material, I'd ask for your help by deleting it and any attachments. Thanks!

We like to keep people up to date with information about new products and services at ATB or changes that could affect you. You can check out more about ATB and CASL at <http://www.atb.com/important-information/privacy-security/Pages/ATB-and-CASL.aspx>

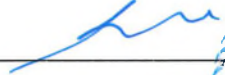
If you would like to unsubscribe from our updates, please use this URL - <http://www.atb.com/important-information/privacy-security/Pages/unsubscribe.aspx>

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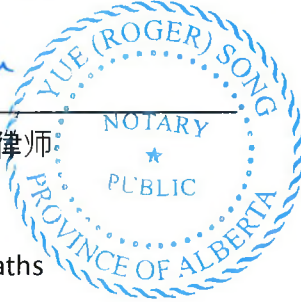
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This is Exhibit "82" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor



A Commissioner for Oaths
in and for Alberta

RE: ATB Master Card application - West Lake

"Ammad, Zeb" <ZAmmad@atb.com>

收件人: ??? <lam.m@snencn.cn>

抄 送:

时 间: 2017-4-1 5:54:21

附 件: image005.jpg

[下载附件](#)

image006.jpg

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image007.jpg

[下载附件](#)

image008.jpg

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Hi Michael,

This has been completed.

Thankyou.

Regards,

Zeb R.Ammad

Client Service Officer | Energy & Commercial | Banking Operations

CFO Portfolio

Office 403-731-3825 | **Fax** 587-597-3760

Suite 600, West Tower, Eighth Avenue Place, 585 8th Ave S.W, Calgary, AB T2P 1G1

atb.com



From: 林成德 [mailto:lam.m@snencn.cn]

Sent: Friday, March 31, 2017 3:42 PM

To: Ammad, Zeb <ZAmmad@atb.com>

Cc: Zhao, Derek <DZhao@atb.com>; Loh, Vanessa <vloh@atb.com>; steven neu <steven.n@snencn.cn>; David Middleton <dmiddleton@westlakeenergy.ca>; Alan Steele <asteele@westlakeenergy.ca>

Subject: Re: ATB Master Card application - West Lake

Hello Zeb

Can you please transfer CAD\$4,500,000 from

Henenghaixin's deposit account 760-00762433600

To

West Lake's deposit account 760-00756643300

Thanks!

Michael

Thanks,
Michael Lam

On 03/31/2017 15:07, [Ammad, Zeb](mailto:ZAmmad@atb.com) wrote:

Hi Michael,

Please provide both account numbers and amount to be transferred.

Thankyou.

Regards,

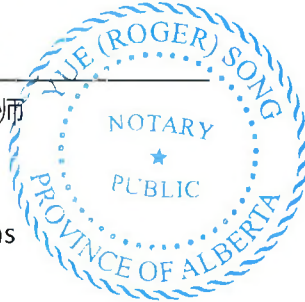
Zeb R.Ammad MBA

This is Exhibit "83" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



RE: Re:RE: Transfer from Henenghaixin to West Lake Energy

"Wagstaff, Andrew" <AWagstaff@atb.com>

收件人: "Alan Steele" <astele@westlakeenergy.ca>, "Michael Lam" <lam.m@snencn.cn>

抄 送: "Zhao, Derek" <DZhao@atb.com>, "Loh, Vanessa" <vloh@atb.com>, "steven neu" <steven.n@snencn.cn>, "Ammad, Zeb" <ZAmmad@atb.com>

时 间: 2017-4-13 5:16:47

附 件: image001.jpg

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Hi Michael,

That transfer is complete.

Have a great day!

Andrew Wagstaff

Client Service Officer

Banking Operations

CFO Portfolio

Office 780-392-2815 | Fax 780-422-4998

ATB Place, 25th Floor, 10020 100 Street NW, Edmonton, AB T5J 0N3

atb.com



From: Alan Steele [mailto:asteel@westlakeenergy.ca]

Sent: Wednesday, April 12, 2017 3:15 PM

To: Michael Lam <lam.m@snencn.cn>; Wagstaff, Andrew <AWagstaff@atb.com>

Cc: Zhao, Derek <DZhao@atb.com>; Loh, Vanessa <vloh@atb.com>; steven neu <steven.n@snencn.cn>

Subject: RE: Re:RE: Transfer from Henenghaixin to West Lake Energy

Yes that is the account all transfers in should go to

Account # 00756643300

Thanks

R. Alan Steele

West Lake Energy Corp.

T: (403) 215-2692

C: (403) 863-2124

From: Michael Lam [mailto:lam.m@snencn.cn]

Sent: April-12-17 2:45 PM

To: Wagstaff, Andrew

Cc: Zhao, Derek; Loh, Vanessa; steven neu; Alan Steele

Subject: Re:RE: Transfer from Henenghaixin to West Lake Energy

Thanks Andrew; Let's transfer to their CAD chequing account.

Would that be okay with you Alan?

Thanks again,

Michael

在 2017-04-13 04:43:43, "Wagstaff, Andrew" <AWagstaff@atb.com> 写道:

Hi Michael,

Can you just confirm which West Lake Energy account you want to transfer to?

Thanks,

Andrew Wagstaff

Client Service Officer

Banking Operations

CFO Portfolio

Office 780-392-2815 | **Fax** 780-422-4998

ATB Place, 25th Floor, 10020 100 Street NW, Edmonton, AB T5J 0N3

atb.com



From: Michael Lam [mailto:lam.m@snencn.cn]

Sent: Wednesday, April 12, 2017 2:34 PM

To: Wagstaff, Andrew <AWagstaff@atb.com>; Zhao, Derek <DZhao@atb.com>; Loh, Vanessa <vloh@atb.com>

Cc: steven neu <steven.n@snencn.cn>; Alan Steele <asteele@westlakeenergy.ca>

Subject: Transfer from Henenghaixin to West Lake Energy

Hello ATB team,

Can you please help me transfer CAD\$3,000,000 from Henenghaixin Corp (760-00762433600) to **West Lake Energy?**

Both of them are ATB account.

Thanks,

Michael

If you have received this email in error, please let me know by return email so I can make sure it doesn't happen again. Because emails can contain confidential and privileged material, I'd ask for your help by deleting it and any attachments. Thanks!

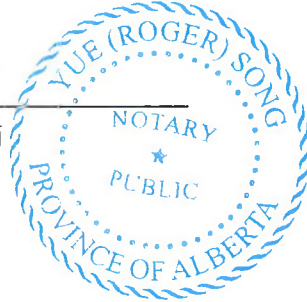
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This is Exhibit "84" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor



A Commissioner for Oaths
in and for Alberta

RE: Transfer from Henenghaixin to West Lake Energy

"Ammad, Zeb" <ZAmmad@atb.com>

收件人: "Michael Lam" <lam.m@snencn.cn>

抄 送:

时 间: 2017-4-21 4:23:54

附 件: image002.jpg

[下载附件](#)

Hi Michael,

This transfer has been completed.

Thankyou.

Regards,

Zeb R.Ammad

Client Service Officer | Energy & Commercial | Banking Operations

CFO Portfolio

Office 403-731-3825 | **Fax** 587-597-3760

Suite 600, West Tower, Eighth Avenue Place, 585 8th Ave S.W, Calgary, AB T2P 1G1

atb.com



From: Michael Lam [mailto:lam.m@snencn.cn]

Sent: Thursday, April 20, 2017 1:29 PM

To: Wagstaff, Andrew <AWagstaff@atb.com>; Ammad, Zeb <ZAmmad@atb.com>; Loh, Vanessa <vloh@atb.com>

Cc: Zhao, Derek <DZhao@atb.com>; steven neu <steven.n@snencn.cn>; Alan Steele <asteel@westlakeenergy.ca>;
David Middleton <dmiddleton@twinbutteenergy.com>

Subject: Transfer from Henenghaixin to West Lake Energy

Hello Team ATB,

Can you please help us transfer CAD \$2 million from Henenghaixin Corp's chequing account to West Lake's Chequing account?

Thanks!

Michael

If you have received this email in error, please let me know by return email so I can make sure it doesn't happen again. Because emails can contain confidential and privileged material, I'd ask for your help by deleting it and any attachments. Thanks!

We like to keep people up to date with information about new products and services at ATB or changes that could affect you. You can check out more about ATB and CASL [here](#).

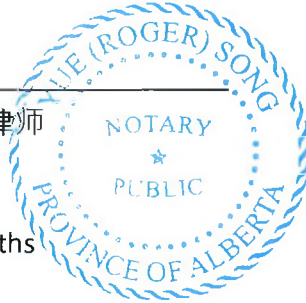
If you would like to unsubscribe from our updates, please click [here](#).

This is Exhibit "85" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



RE: Transfer from Henenghaixin Corp to West Lake Energy

"Ammad, Zeb" <ZAmmad@atb.com>

收件人: "Michael Lam" <lam.m@snencn.cn>

抄 送:

时 间: 2017-5-4 0:44:36

附 件: image002.jpg

[下载附件](#)

Hi Michael

This transfer has been processed as per your request.

Thankyou.

Regards,

Zeb R.Ammad

Client Service Officer | Energy & Commercial | Banking Operations

CFO Portfolio

Office 403-731-3825 | Fax 587-597-3760

Suite 600, West Tower, Eighth Avenue Place, 585 8th Ave S.W, Calgary, AB T2P 1G1

atb.com



From: Michael Lam [mailto:lam.m@snencn.cn]

Sent: Wednesday, May 03, 2017 9:46 AM

To: Ammad, Zeb <ZAmmad@atb.com>

Cc: Zhao, Derek <DZhao@atb.com>; steven neu <steven.n@snencn.cn>; Alan Steele <asteel@westlakeenergy.ca>;
David Middleton <dmiddleton@westlakeenergy.ca>; 邓小白 <deng.xb@snencn.cn>

Subject: Transfer from Henenghaixin Corp to West Lake Energy

Morning Zeb,

We would like to transfer CAD \$1 million from Henenghaixin Corp's chequing account to West Lake's chequing account.

Thanks!

Michael Lam

If you have received this email in error, please let me know by return email so I can make sure it doesn't happen again. Because emails can contain confidential and privileged material, I'd ask for your help by deleting it and any attachments. Thanks!

We like to keep people up to date with information about new products and services at ATB or changes that could affect you. You can check out more about ATB and CASL [here](#).

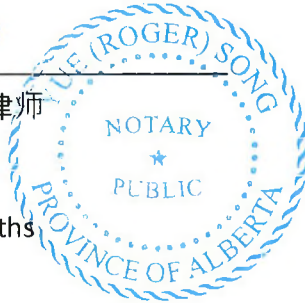
If you would like to unsubscribe from our updates, please click [here](#).

This is Exhibit "86" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



RE: Transfer from Henenghaixin Corp - West Lake Energy

"Hassanally, Rizwan" <RHassanally@atb.com>

收件人: "Michael Lam" <lam.m@snencn.cn>, "Zhao, Derek" <DZhao@atb.com>

抄 送: "Alan Steele" <asteele@westlakeenergy.ca>, "David Middleton" <dmiddleton@westlakeenergy.ca>, "邓小泊" <deng.xb@snencn.cn>, "Aiello, Stephanie" <SAiello@atb.com>, "steven neu" <steven.n@snencn.cn>, "Eurich, Brayden" <BEurich@atb.com>

时 间: 2017-6-2 23:05:23

附 件: image002.jpg

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Good Morning Michael,

The transfer has been processed.

Thank you and have a great day,

Riz

Rizwan Hassanally, B.Comm

Client Service Officer | Banking Operations

CFO Portfolio

Office 403-974-7985 | **Fax** 403-663-3160

Suite 600, West Tower, Eighth Avenue Place, 585 8th Ave S.W., Calgary, AB, T2P 1G1

atb.com



From: Michael Lam [mailto:lam.m@snencn.cn]

Sent: Friday, June 02, 2017 8:41 AM

To: Zhao, Derek <DZhao@atb.com>; Ammad, Zeb <ZAmmad@atb.com>

Cc: Alan Steele <asteele@westlakeenergy.ca>; David Middleton <dmiddleton@westlakeenergy.ca>; 邓小泊 <deng.xb@snencn.cn>; Aiello, Stephanie <SAiello@atb.com>; Hassanaly, Rizwan <RHassanaly@atb.com>; steven neu <steven.n@snencn.cn>

Subject: Transfer from Henenghaixin Corp - West Lake Energy

Morning,

I would like to transfer

CAD \$10,000,000 to West Lake Energy's ATB CAD Chequing Account from Henenghaixin's account.

Thanks,

Michael Lam

1-780-616-4966

If you have received this email in error, please let me know by return email so I can make sure it doesn't happen again. Because emails can contain confidential and privileged material, I'd ask for your help by deleting it and any attachments. Thanks!

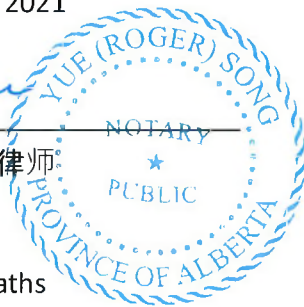
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This is Exhibit "87" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor



A Commissioner for Oaths
in and for Alberta

Steven Neu

From: Brayden Eurich <beurich@atb.com>
Sent: Friday, July 14, 2017 10:15 AM
To: Alan Steele
Cc: Michael Lam; Zhao, Derek; Steven Neu; steven neu
Subject: Re: Transfer - Henenghaixin to West Lake Energy

Thanks Alan,

Michael, I have completed the transfer, with the confirmation number 655113153.

Regards,

Brayden Eurich
Client Services Officer | Banking Operations
CFO Portfolio

Office: 403-541-4093
Eighth Avenue Place, 600, 585 8th Avenue SW
Calgary, AB T2P 1G1
atb.com



On 14 July 2017 at 10:01, Alan Steele <asteele@westlakeenergy.ca> wrote:

Brayden

It would go into the chequing account # 0756643300

R. Alan Steele

West Lake Energy Corp.

T: [\(403\) 215-2692](tel:(403)215-2692)

C: [\(403\) 863-2124](tel:(403)863-2124)

From: Brayden Eurich [mailto:beurich@atb.com]
Sent: July-14-17 9:59 AM
To: Michael Lam
Cc: cashmanagementsupport@atb.com; Zhao, Derek; Steven Neu; steven neu; Alan Steele
Subject: Re: Transfer - Henenghaixin to West Lake Energy

Hello Michael,

Can you please provide the account number for West Lake Energy?

Thanks,

Brayden Eurich
Client Services Officer | Banking Operations
CFO Portfolio

Office: 403-541-4093
Eighth Avenue Place, 600, 585 8th Avenue SW
Calgary, AB T2P 1G1
atb.com



On 14 July 2017 at 08:12, Michael Lam <lam.m@snencn.cn> wrote:

Morning ATB Team,

I would like to transfer CAD\$5 million from Henenghaixin's chequing account to West Lake Energy please?

Thanks a lot!

Michael

If you have received this email in error, please let me know by return email so I can make sure it doesn't happen again.

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This is Exhibit "88" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor



A Commissioner for Oaths
in and for Alberta

Steven Neu

From: Brayden Eurich <beurich@atb.com>
Sent: Friday, August 4, 2017 8:19 AM
To: Michael Lam
Cc: Zhao, Derek; David Middleton; Steven Neu
Subject: Re: Transfer - Henenghaixin to West Lake Energy

Good morning Michael,

I have completed the transfer into West Lake Energy chequing account.

Thanks!

Brayden Eurich
Client Services Officer | Banking Operations
CFO Portfolio

Office: 403-541-4093
Eighth Avenue Place, 600, 585 8th Avenue SW
Calgary, AB T2P 1G1
atb.com



On 3 August 2017 at 16:18, Steven Neu <sneu@westlakeenergy.ca> wrote:

Confirmed. Thanks. Steven

From: Michael Lam [mailto:lam.m@snencn.cn]
Sent: Thursday, August 03, 2017 4:07 PM
To: Eurich, Brayden
Cc: Zhao, Derek; Steven Neu; David Middleton
Subject: Transfer - Henenghaixin to West Lake Energy

Hello Brayden,

I would like to move CAD\$1,500,000 from Henenghaixin's chequing account to West Lake Energy.

Steven N: can you please confirm the transfer?

Thanks all!

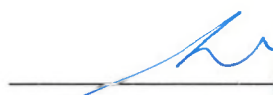
Michael

If you have received this email in error, please let me know by return email so I can make sure it doesn't happen again. Because emails can contain confidential and privileged material, I'd ask for your help by deleting it and any attachments. Thanks!

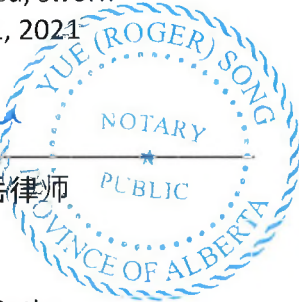
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This is Exhibit "89" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor



A Commissioner for Oaths
in and for Alberta

Steven Neu

From: Brayden Eurich <beurich@atb.com>
Sent: Thursday, September 7, 2017 10:38 AM
To: Steven Neu
Cc: 林成德; Derek Zhao; Alan Steele
Subject: Re: Wire transfer: Henenghaixin to West Lake

Michael and Steven,

I have completed the transfer to West Lake Energy's account.

Thanks!

Brayden Eurich
Client Services Officer | Banking Operations
CFO Portfolio

Office: 403-541-4093
Eighth Avenue Place, 600, 585 8th Avenue SW
Calgary, AB T2P 1G1
atb.com



On 7 September 2017 at 09:46, Brayden Eurich <beurich@atb.com> wrote:
Thanks Michael and Steven,

I will let you know when i see the funds.

Brayden Eurich
Client Services Officer | Banking Operations
CFO Portfolio

Office: [403-541-4093](tel:403-541-4093)
Eighth Avenue Place, 600, 585 8th Avenue SW
Calgary, AB T2P 1G1
atb.com



On 7 September 2017 at 09:45, Steven Neu <sneu@westlakeenergy.ca> wrote:

Confirmed, Thx. Steven

From: 林成德 [mailto:lam.m@snencn.cn]
Sent: Thursday, September 07, 2017 9:39 AM
To: Brayden Eurich; Steven Neu
Cc: Derek Zhao; Alan Steele
Subject: Wire transfer: Henenghaixin to West Lake

Hello Brayden,

When CAD \$15mm is in, should be in matters of hours, can you transfer the full amount to West Lake Energy Please?

Steven: would you mind confirming the transfer?

Thanks!

Michael

Sent from Mail Master

If you have received this email in error, please let me know by return email so I can make sure it doesn't happen again. Because emails can contain confidential and privileged material, I'd ask for your help by deleting it and any attachments. Thanks!

We like to keep people up to date with information about new products and services at ATB or changes that could affect you. You can check out more about ATB and CASL at <http://www.atb.com/important-information/privacy-security/Pages/ATB-and-CASL.aspx>

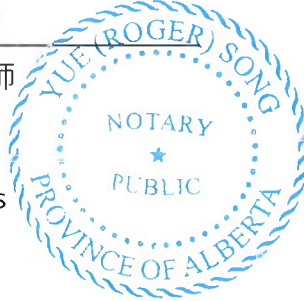
If you would like to unsubscribe from our updates, please use this URL - <http://www.atb.com/important-information/privacy-security/Pages/unsubscribe.aspx>

This is Exhibit "90" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



10/27

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武汉长鑫(基金) 产业投资 (2017.03) 52.78% 12亿

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 华信证券 股份 / 嘉祥 奕大 资产管理 合伙企业
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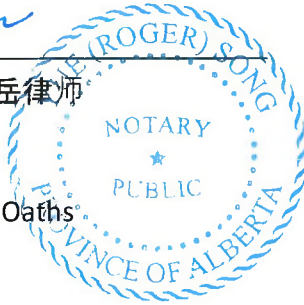
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This is Exhibit "91" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor
A Commissioner for Oaths
in and for Alberta



REGISTER OF DIRECTORS AND OFFICERS

HENENGHAIXIN CORP.

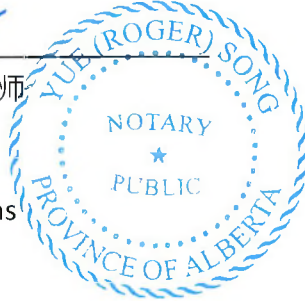
Full Name	Address	Date Appointed	Date Ceased	OFFICE HELD		
				Office	Date Appointed	Date Ceased
Tianzhou Deng	40 Discovery Ridge Court Sw Calgary, Alberta T3H 4P8	Nov 23, 2016	Sep 21, 2017			
Steven Y. Neu	424 3130 66 Ave Sw Calgary, Alberta T3E 5K8	Nov 23, 2016		President & Chief Executive Officer	Nov 23, 2016	
Jun Xiong	218-2-29 79 Xibianmen Inner Su Xicheng District Beijing, China 100053	Nov 23, 2016				
Deshuang Yu	1803-12, 88 Lane, Huichuan Rd, Changning District Shanghai, China 200050	Nov 23, 2016				
Haipeng Tu	20F Rongchao Bldg, NO.4036 Jintian Rd, Futian Dist. City OF Shenzhen, Province of Guangdong, China	Sep 21, 2017				

This is Exhibit "92" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



Steven Neu

From: Jin, Xiaodi <XJin@blg.com>
Sent: Friday, January 4, 2019 2:28 PM
To: Steven Neu
Subject: RE: Hi Xiaodi

Steven, Happy New Year to you as well!
It was good for me, I had my family come visit here in Calgary and Banff.
Hope you had a good time as well.

I provided the physical minute book to Michael actually as he wanted to review a few items and he said that he would provide to you directly as the physical copy.

Hope all is well.

Best,

Xiaodi Jin | Borden Ladner Gervais LLP
T 403.232.9523 | C 403.796.4652 | xjin@blg.com
1900, 520 – 3rd Ave S W, Calgary, AB, Canada T2P 0R3

From: Steven Neu <sneu@westlakeenergy.ca>
Sent: January 3, 2019 11:29 AM
To: Jin, Xiaodi <XJin@blg.com>
Subject: RE: Hi Xiaodi

Hi Xiaodi. Hope you had a wonderful holiday. How is the minute book copy going? When do you expect you can send the copy to me? Thanks. Steven.

From: Jin, Xiaodi [<mailto:XJin@blg.com>]
Sent: Tuesday, December 11, 2018 10:57 AM
To: Steven Neu
Subject: RE: Hi Xiaodi

Will do. It's just the minute book and not much else since HNHX is just the holdco. West Lake materials are held by BDP.

Xiaodi Jin | Borden Ladner Gervais LLP
T 403.232.9523 | C 403.796.4652

From: Steven Neu [<mailto:sneu@westlakeenergy.ca>]
Sent: December-11-18 10:51 AM
To: Jin, Xiaodi <XJin@blg.com>
Subject: RE: Hi Xiaodi

At your office. Please also make me a copy of all Henenghaixin files you have.

From: Jin, Xiaodi [<mailto:XJin@blg.com>]
Sent: Tuesday, December 11, 2018 10:29 AM
To: Steven Neu
Subject: RE: Hi Xiaodi

Great. Want to come here to my office or meet at the Artigiano in the Shell building?

Xiaodi Jin | Borden Ladner Gervais LLP
T 403.232.9523 | C 403.796.4652

From: Steven Neu [<mailto:sneu@westlakeenergy.ca>]
Sent: December-11-18 9:20 AM
To: Jin, Xiaodi <XJin@blg.com>
Subject: RE: Hi Xiaodi

Ok. Let's meet @10:00 Friday morning then.

From: Jin, Xiaodi [<mailto:XJin@blg.com>]
Sent: Monday, December 10, 2018 4:10 PM
To: Steven Neu
Subject: RE: Hi Xiaodi

Hi Steven, it is up to you. Thursday morning work? I'm open on Friday as well.

Xiaodi Jin | Borden Ladner Gervais LLP
T 403.232.9523 | C 403.796.4652

From: Steven Neu [<mailto:sneu@westlakeenergy.ca>]
Sent: December-10-18 3:54 PM
To: Jin, Xiaodi <XJin@blg.com>
Subject: RE: Hi Xiaodi

Hey Xiaodi. Just got back from the field. I am fully booked tomorrow and morning on Wednesday. Other than that I am pretty open this week. Thanks, Steven

From: Jin, Xiaodi [<mailto:XJin@blg.com>]
Sent: Tuesday, December 04, 2018 6:25 PM
To: Steven Neu
Subject: RE: Hi Xiaodi

Hi Steven,

Sounds good, talk to you when you're back.

Xiaodi Jin | Borden Ladner Gervais LLP
T 403.232.9523 | C 403.796.4652

From: Steven Neu [<mailto:sneu@westlakeenergy.ca>]
Sent: December-04-18 5:35 PM
To: Jin, Xiaodi <XJin@blg.com>
Subject: RE: Hi Xiaodi

Hey Xiaodi, sorry didn't reply you soon. just finished the weekly management meeting here in Westlake. Thank you for your quick reply. I have to go to the field tomorrow for operation safety issues for a few days. I will touch base with you when I am back. Thanks, Steven

From: Jin, Xiaodi [<mailto:XJin@blg.com>]
Sent: Tuesday, December 04, 2018 1:31 PM
To: Steven Neu
Subject: RE: Hi Xiaodi

Hi Steven, happy to do so.

I'm available this afternoon or late tomorrow afternoon. Let me know what works for you.

Best,

Xiaodi Jin | Borden Ladner Gervais LLP
T 403.232.9523 | C 403.796.4652

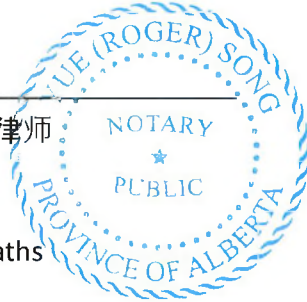
From: Steven Neu [<mailto:sneu@westlakeenergy.ca>]
Sent: December-04-18 1:16 PM
To: Jin, Xiaodi <XJin@blg.com>
Subject: Hi Xiaodi

I would like to make an appointment with you. Before the meeting, please get ALL Henenghaixing files you have in your hand ready, so I can review them. I will also talk to you about these files you gave Michael asking for my signatures in the meeting. Thank you, Steven.

This is Exhibit "93" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor



A Commissioner for Oaths
in and for Alberta

Steven Neu

From: Michael Lam
Sent: Friday, January 4, 2019 2:19 PM
To: Alan Steele
Cc: Steven Neu; 邓小泊 (deng.xb@snencn.cn) ; David Middleton
Subject: Re: officer certificate for York city loans

Hello Alan,

I just realized that the registry I have for York City is out-dated; I have asked for an updated one and will circulate as soon as possible.

Hello Steven,

I have put the HNHX MB in your 5th floor office; Xiaodi wants me to remind you that only Director and officer of HNHX (not shareholder or aides of shareholder) have the privilege to the MB; and we all have the fiduciary duty to keep confidential to any third party.

Since this is the actual and only copy, can you please make sure you keep it safe and return to Xiaodi (or myself) when you are finished?

Thanks,
Michael

On Jan 4, 2019, at 9:47 AM, Alan Steele <asteele@westlakeenergy.ca> wrote:

Thanks Michael

R. Alan Steele
West Lake Energy Corp.
T: (403) 215-2692
C: (403) 863-2124

From: Michael Lam
Sent: January-04-19 9:30 AM
To: Alan Steele
Cc: Steven Neu; 邓小泊 (deng.xb@snencn.cn) ; David Middleton
Subject: Re: officer certificate for York city loans

Will do; I can provide their most updated registration later today.

Steven, any updates on those indemnities? lake and myself can't, won't, and not allowed do anything without these standard indemnities.

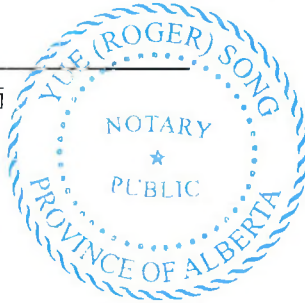
Thanks,
Michael

This is Exhibit "94" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



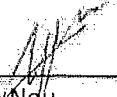
Henenghaixin Corp


Minute Book

List of Document as of October 6, 2020


Item no.	Date of Document	Name of document	Note
1.	Created November 21, 2018	Corporate Summary Report	✓
2.	November 23, 2016	Certificate of Incorporation	✓
3.		Articles of Incorporation	✓
4.	November 23, 2016	Incorporate Alberta Corporation – Registration Statement	
5.	2016	By-law No. 1	✓
6.	Feb 12 2019	2018 Annual return	✓
7.	Feb 12 2019	2017 Annual Return	✓
8.	December 12, 2018	2018 Annual return	unsigned ✓
9.	December 12, 2018	2018 Annual Return	unsigned ✓
10.	December 12, 2018	2017 Annual Return	unsigned ✓
11.	August 28, 2017	Resolution of all the directors of Henenghaixin Corp	✓
12.	March 1, 2017	Board resolution	✓
13.	November 23, 2016	Board resolutions	✓
14.	November 23, 2016	Receipt signed by H Corp / <i>Subscription form shares signed by J. Alou</i>	
15.	November 30, 2018	Sole shareholder resolutions	Unsigned
16.	September 21, 2017	Sole shareholder resolutions	✓
17.	September 21, 2017	Resignation signed by Tianzhou Deng	✓
18.	November 26, 2018	Sole shareholder resolutions	✓
19.	November 23, 2016	Sole shareholder resolutions	✓
20.	November 23, 2016	Declaration and consent to Henenghaixin Corp	✓
21.	November 23, 2016	Consent by Dehuang Yu	unsigned ✓
22.	November 23, 2016	Consent by Jun Xiong	unsigned ✓
23.	November 23, 2016	Consent by Tianzhou Deng	✓
24.	September 21, 2017	Register of directors	✓
25.	March 1, 2017	Securities Register	✓
26.	November 23, 2016	Register of Transfers of Class A common shares	✓
27.	March 30, 2017	Securities Register	✓
28.	March 30, 2017	Securities Register	✓
29.	December 11, 2018	Notice of Address or Notice of Change of Address	✓

30.	December 11, 2018	Change of address – proof of filing	✓
31.	September 21, 2017	Change director / shareholder – proof of filing	✓
32.	March 1, 2017	100 Class “A” common Share - certificate of the Corporation	✓
33.	November 23, 2016	100 Class “A” common Share - certificate of the Corporation	Cancelled ✓
34.	January 1, 2017	Share Repurchase Agreement between S Neu and the Corporation	Signature of the Corporation is missing ✓
35.	January 1, 2017	Schedule A – Acknowledgement and authorization signed by S Neu	✓
36.	March 1, 2017	Instrument of transfer signed by S Neu	✓
37.	December 19, 2016	CRA letter on registration confirmation notice - GST	✓
38.	November 19, 2018	Search Report on change director / shareholder	✓
39.	November 19, 2018	Search report on incorporate Alberta Corporation	✓
40.	September 21, 2017	Review legal Entity History	Michael Lam is authorized rep of the Corporation ✓
41.	November 19, 2018	Search report on change director / shareholder	✓
42.	October 30, 2018	Review Legal Entity History	
43.	October 30, 2018	Director / shareholder – Deng, Tianzhou	✓
44.	October 30, 2018	Review legal entity history – the Corporation	✓
45.	October 30, 2018	Director / shareholder – Xiong, Jun	✓
46.	October 30, 2018	Director / shareholder – Neu, Steven	✓
47.	October 30, 2018	Director / shareholder – Tu, Haipeng	✓

Transferred by 
Steven Neu
October , 2020

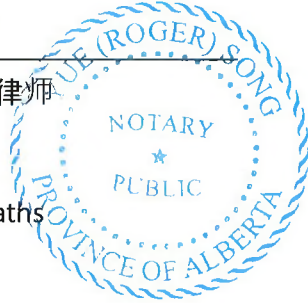
Received by 
Roger Song
October , 2020

This is Exhibit "95" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



REPRESENTATIVE INDEMNITY AGREEMENT

DATED effective as of the 1 day of March, 2017, between:

HENENGHAIXIN CORP., a corporation incorporated under the laws of the Province of Alberta (the "Corporation")

and

YORK CITY ENTERPRISES LTD., a corporation incorporated under the laws of the British Virgin Islands (the "Shareholder")

and

Shing Tek Michael Lam, an individual residing in Calgary, Alberta
(the "Indemnified Party").

WHEREAS the Corporation and the Shareholder have engaged the Indemnified Party as an agent and representative of it in order to among other things, assist in liaising with shareholders, limited partners, board members and the executive of each of the Corporation and its affiliates, liaising with various other service providers and representatives of the Corporation and the Shareholder, and providing strategic and market specific advice (and other services as may be requested from time to time, the "Services");

AND WHEREAS the Indemnified Party is willing to provide the Services, or to continue to provide the Services, to the Corporation, the Shareholder or the Corporation Affiliates as part on the condition that he/she be indemnified as provided for herein;

NOW THEREFORE, IN CONSIDERATION OF the premises and mutual covenants herein contained, and in consideration of the sum of \$1.00 paid by the Indemnified Party to each of the Corporation and the Shareholder (the receipt and sufficiency of which is hereby acknowledged) and the Indemnified Party acting and/or agreeing to continue to provide the Services, each of the Corporation and the Shareholder (for itself and on behalf of each Corporation Affiliate) and the Indemnified Party do hereby covenant and agree as set forth below.

1. Agreement to Serve

The Indemnified Party agrees to serve or continue to provide Services to the Corporation and the Shareholder, honestly and in good faith with a view to the best interests of the Corporation and/or Shareholder or Corporation Affiliate for so long as the Services are requested or required.

2. Indemnification

- (a) To the full extent allowed by law, the Corporation, the Shareholder and each Corporation Affiliate jointly and severally agree to indemnify and save harmless the Indemnified Party, his/her estate, executors, administrators, legal representatives and lawful heirs, from and against any and all losses, liabilities, claims, damages, fines, penalties, costs, charges or expenses of any nature whatsoever (including, but not limited to, an amount paid to settle any action or to satisfy any judgment, legal fees on a solicitor and client basis, other professional fees, out-of-pocket expenses for attending proceedings including discoveries, trials, hearings and meetings, and any amount for which he/she is liable by reason of any statutory provision whether civil, criminal or otherwise and whether such claim is

anticipated, threatened, pending, commenced, continued or completed and the foregoing shall include any appeal, as well as the amount of any income taxes payable as a result of other payments made hereunder) (herein referred to as “**Costs, Charges and Expenses**”), suffered or incurred by the Indemnified Party, his/her estate, executors, administrators, legal representatives and lawful heirs, directly or indirectly, as a result or by reason of the Indemnified Party providing the Services, provided that such costs, charges or expenses were not suffered or incurred as a result of the Indemnified Party’s own fraud, dishonesty, wilful neglect or wilful default, as determined finally by a court of competent jurisdiction upon entry of a final, non-appealable judgment.

- (b) In addition and without limitation of the previous Section 2(a), each of the Corporation and Shareholder jointly and severally agrees:
- (i) except in respect of an action by or on behalf of the Corporation, Shareholder or Corporation Affiliate to procure a judgment in its favour, to indemnify the Indemnified Party, his/her estate, executors, administrators, legal representatives and lawful heirs, from and against all Costs, Charges and Expenses reasonably incurred by him/her in respect of any civil, criminal or administrative action or proceeding to which he/she is made a party (including actions, proceedings, investigations, inquiries or hearings in which the Indemnified Party is compelled by the authorities or requested by the Corporation or Corporation Affiliate to participate, whether or not charges have been laid against the Corporation, Corporation Affiliate or Indemnified Party), by reason of providing the Services, if:
 - (A) he/she acted honestly and in good faith with a view to the best interests of the Corporation and/or Shareholder; and
 - (B) in the case of a criminal or administrative action, proceeding, investigation, inquiry or hearing that is enforced by monetary penalty, he/she had reasonable grounds for believing that his/her conduct was lawful;
 - (ii) to indemnify the Indemnified Party and his/her estate, executors, administrators, legal representatives and lawful heirs from and against all Costs, Charges and Expenses of any action by or on behalf of the Corporation, Shareholder or Corporation Affiliate to procure a judgment in its favour, to which he/she is made a party by reason of providing the Services, if the Indemnified Party has fulfilled the conditions set forth in sections 2(b)(i)(A) and 2(b)(i)(B) above;
 - (iii) in the event that the approval of the Court is required to effect any indemnification granted hereunder, the Shareholder and Corporation each agree to make application for and use its best efforts to obtain the Court’s approval to such indemnification provided that the Indemnified Party has fulfilled the conditions set forth in sections 2(b)(i)(A) and 2(b)(i)(B) above; and
 - (iv) notwithstanding sections 2(b)(i) and 2(b)(ii) above, to indemnify the Indemnified Party and his/her estate, executors, administrators, legal representatives and lawful heirs against all Costs, Charges and Expenses reasonably incurred by him/her or them in respect of any civil, criminal or administrative action or proceeding to which he/she is made a party (including actions, proceedings, investigations,

inquiries or hearings in which the Indemnified Party is compelled by the authorities or requested by the Corporation or Corporation Affiliate to participate, whether or not charges have been laid against the Corporation, Corporation Affiliate or Indemnified Party), by reason of providing the Services, if the Indemnified Party:

- (A) was substantially successful on the merits in his/her defence of the action, proceeding, investigation, inquiry or hearing,
 - (B) fulfils the conditions set out in sections 2(b)(i)(A) and 2(b)(i)(B) set out above, and
 - (C) is fairly and reasonably entitled to indemnity.
- (c) For the purposes of this agreement including, without limitation, Section 2 hereof, the termination of any such civil, criminal or administrative action, proceeding, investigation, inquiry or hearing, by judgment, order, settlement, conviction or similar or other result, shall not, of itself, create a presumption either that the Indemnified Party did not act honestly or in good faith with a view to the best interests of the Corporation or Corporation Affiliate or that, in the case of a criminal or administrative action, proceeding, investigation, inquiry or hearing that is enforced by a monetary penalty, the Indemnified Party did not have reasonable grounds for believing that his/her conduct was lawful.
- (d) The intention of this agreement is to provide the Indemnified Party indemnification to the fullest extent permitted by law and without limiting the generality of the foregoing and notwithstanding anything contained herein:
- (i) nothing in this agreement shall be interpreted, by implication or otherwise, in limitation of the scope of the indemnification provided in sections 2(a) and 2(b) hereof; and
 - (ii) section 2(b) is intended to provide indemnification to the Indemnified Party that is not specifically prohibited by a court of competent jurisdiction and to the fullest extent permitted by the Act and, in the event that the Act is amended to permit a broader scope of indemnification (including, without limitation, the deletion or limiting of one or more of the provisos to the applicability of indemnification), section 2(b) shall be deemed to be amended concurrently with the amendment to the Act so as to provide such broader indemnification.

3. Prepaid Expenses

All Costs, Charges and Expenses reasonably incurred by the Indemnified Party and covered hereunder shall, if requested by the Indemnified Party within a reasonable time, be paid by the either Corporation or the Shareholder immediately (including in advance as may be appropriate to enable the Indemnified Party to properly investigate, defend or appeal such action or proceeding), with the understanding and agreement being herein made that, in the event it is ultimately determined as provided hereunder that the Indemnified Party was not entitled to be so indemnified, or was not entitled to be fully so indemnified, the Indemnified Party shall indemnify and hold harmless the Corporation and the Shareholder, and pay to the Corporation or the Shareholder (as applicable) forthwith after such ultimate determination, such amount or the appropriate portion thereof, so paid. In the event of dispute, the Corporation, Shareholder or Indemnified Party, at the Corporation's or Shareholder's expense, shall make application to the Court to approve the indemnity.

4. Other Rights and Remedies

Indemnification and immediate or advance payment of incurred Costs, Charges and Expenses as provided by this agreement shall not be deemed to derogate from or exclude any other rights to which the Indemnified Party may be entitled under any provision of the Act or otherwise at law, the articles or by-laws of the Corporation or Corporation Affiliate, this agreement, any vote of shareholders of the Corporation or Corporation Affiliate, or otherwise, and shall continue after the Indemnified Party has ceased to provide the Services.

5. Limitation of Actions and Release of Claims

No legal action shall be brought and no cause of action shall be asserted by or on behalf of the Corporation or any Corporation Affiliate against the Indemnified Party, his/her estate, executors, administrators, legal representatives or lawful heirs after the expiration of two years from the date the Indemnified Party ceased (for any reason) to provide Services and the Shareholder and Corporation agree that any claim or cause of action of the Shareholder or Corporation or of any Corporation Affiliate shall be extinguished and the Indemnified Party, his/her estate, executors, administrators, legal representatives and lawful heirs deemed released therefrom absolutely unless asserted by the commencement of legal action in a court of competent jurisdiction within such two-year period.

6. Notice of Proceedings

The Indemnified Party agrees to give notice to the Shareholder and Corporation as soon as is reasonably practical after being served with any statement of claim, writ, notice of motion, indictment or other document commencing or continuing any civil, criminal or administrative action, proceeding, investigation, inquiry or hearing to which the Indemnified Party, is a party, whether or not charges have been laid against the Shareholder, Corporation, Corporate Affiliate or Indemnified Party, by reason of the provision of the Services and the Corporation agrees to give notice to the Indemnified Party in writing as soon as is reasonably practical after:

- (a) being served with any such statement of claim, writ, notice of motion, indictment or other document commencing or continuing any civil, criminal or administrative action, proceeding, investigation, inquiry or hearing to which the Indemnified Party is a party; whether or not charges have been laid against the Shareholder, Corporation, Corporate Affiliate or Indemnified Party, or
- (b) receiving notice of any such civil, criminal or administrative action, proceeding, investigation, inquiry or hearing to which the Indemnified Party is a party, whether or not charges have been laid against the Shareholder, Corporation, Corporate Affiliate or Indemnified Party,

provided, however, that the failure of the Indemnified Party to give such notice to the Shareholder or Corporation shall not adversely affect the Indemnified Party's rights under this agreement except to the extent that the Shareholder or Corporation shall have been materially prejudiced as a direct result of such failure.

7. Right to Retain Counsel

The Shareholder and the Corporation agree to promptly retain counsel who shall be reasonably satisfactory to the Indemnified Party to represent the Indemnified Party. No admission of liability and no settlement of any civil, criminal or administrative action, proceeding, investigation, inquiry or hearing to which the

Indemnified Party is a party, shall be made by the Shareholder or the Corporation without the consent of the Indemnified Party, such consent not to be unreasonably withheld.

In any such matter the Indemnified Party shall have the right to retain other counsel to act on his/her behalf, provided that the fees and disbursements of such other counsel shall be paid by the Indemnified Party unless:

- (a) the Indemnified Party and the Shareholder, Corporation or Corporation Affiliate shall have mutually agreed to the retention of such other counsel,
- (b) the parties to any such civil, criminal or administrative action, proceeding, investigation, inquiry or hearing (including any added third, or interpleaded parties) include the Shareholder, Corporation or Corporation Affiliate and the Indemnified Party and representation of more than one party by the same counsel would be inappropriate due to actual or potential differing interests between them (including the availability of different defences) in which event the Shareholder, Corporation and Corporation Affiliate, jointly and severally agree to pay the fees and disbursements of such counsel, or
- (c) the Shareholder or Corporation has not retained counsel who is reasonably satisfactory to the Indemnified Party in a reasonably timely manner.

For greater clarity, in the event of 7(a), (b) or (c), the fees and disbursements of such other counsel shall be paid by the Corporation and Shareholder.

8. Indemnified Party to Cooperate

The Indemnified Party agrees to give the Shareholder Corporation such information and cooperation as the Corporation may reasonably require from time to time in respect of all matters hereunder.

9. Effective Time

This agreement shall be effective as and from the earlier of the first day that the Indemnified Party began providing Services.

10. Notices

Unless otherwise permitted by this agreement, all notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been fully given if personally delivered to the party to whom the notice or other communication is directed or, if mailed by prepaid registered mail, on the fifth business day after the date on which it is so mailed (provided that if there is an interruption in the regular postal service during such period arising out of a strike, walk out, work slowdown or similar labour dispute in the postal system, all days during such interruption occurs shall not be counted):

- (a) if to the Indemnified Party, at:

2240 4 Ave NW
 Calgary AB
 T2P 0N7

Attention: Michael Lam
 E-mail: michael.lam@Smart.com

- (b) if to the Corporation or the Shareholder, at:

Henenghaixin Corp.
700, 600 - 3rd Avenue SW
Calgary, AB, Canada T2P 0G5

Attention: Chairman

or to such other address as each party may from time to time notify the other of in writing.

If the Shareholder or Corporation receives notice from any other source of any matter which the Indemnified Party would otherwise be obligated hereunder to give notice of to the Shareholder or Corporation, then the Indemnified Party shall be relieved of his/her obligation hereunder to give notice to the Shareholder or Corporation, provided the Shareholder or Corporation has not suffered any material damage from the failure of the Indemnified Party to give notice as herein required.

11. Severability

If any provision or provisions of this agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever:

- (a) the validity, legality and enforceability of the remaining provisions of this agreement (including, without limitation, all portions of any paragraph of this agreement containing such provisions held to be invalid, illegal or unenforceable, that are not of themselves in whole invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and
- (b) to the fullest possible extent, the provisions of this agreement (including, without limitation, all portions of any paragraphs of this agreement containing any such provisions held to be invalid, illegal or unenforceable, that are not of themselves in whole invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision which is held to be invalid, illegal or unenforceable.

12. Governing Law

The parties hereto agree that this agreement shall be construed and enforced in accordance with the laws in force in the Province of Alberta and the federal laws of Canada applicable therein without reference to its conflict of laws provisions. The parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

13. Modification and Waiver

No supplement, modification or amendment of this agreement shall be binding unless executed in writing by both parties hereto. No waiver of any of the provisions of this agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

14. Entire Agreement

This agreement shall supersede and replace any and all prior agreements (except any written agreement of employment between the Shareholder, Corporation and the Indemnified Party, which shall remain in full

force and effect, except to the extent augmented or amended hereby), between the parties hereto respecting the matters set forth herein, and shall constitute the entire agreement between the parties hereto in respect of the matters set forth herein.

15. Successors and Assigns

This agreement shall be binding upon and enure to the benefit of the Shareholder and Corporation and their respective successors and permitted assigns and to the Indemnified Party and his/her estate, executors, administrators, legal representatives and lawful heirs whether such Indemnified Party continues to provide Services.

16. Successor Legislation

Any references herein to any enactment shall be deemed to be references to such enactment as the same may be amended or replaced from time to time and, in the event that the Shareholder or Corporation is continued, incorporated, amalgamated, arranged under or otherwise becomes governed by an enactment other than the Act, then all references herein to the Act shall be deemed to be references to such enactment as the same may be amended or replaced from time to time.

17. Counterparts

The parties agree that this agreement may be signed in counterparts and that receipt by facsimile of an executed copy of this agreement shall constitute acceptable delivery.

IN WITNESS WHEREOF the parties hereto have executed and delivered this agreement as at the date first written above.

HENENGHAIXIN CORP.

Per: _____
Name: **Steven Neu**
Title: Director

YORK CITY ENTERPRISES LTD.

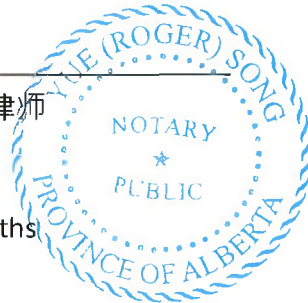
Per: _____
Name: **Meng Tang**
Title: Director

Witness Name:

This is Exhibit "96" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor



A Commissioner for Oaths
in and for Alberta

REPRESENTATIVE INDEMNITY AGREEMENT

DATED effective as of the 1 day of March, 2017, between:

HENENGHAIXIN CORP., a corporation incorporated under the laws of the Province of Alberta (the "Corporation")

and

YORK CITY ENTERPRISES LTD., a corporation incorporated under the laws of the British Virgin Islands (the "Shareholder")

and

Yaojun (Jack) Dang, an individual residing in Beijing, China
(the "Indemnified Party").

WHEREAS the Corporation and the Shareholder have engaged the Indemnified Party as an agent and representative of it in order to among other things, assist in liaising with shareholders, limited partners, board members and the executive of each of the Corporation and its affiliates, liaising with various other service providers and representatives of the Corporation and the Shareholder, and providing strategic and market specific advice (and other services as may be requested from time to time, the "Services");

AND WHEREAS the Indemnified Party is willing to provide the Services, or to continue to provide the Services, to the Corporation, the Shareholder or the Corporation Affiliates as part on the condition that he/she be indemnified as provided for herein;

NOW THEREFORE, IN CONSIDERATION OF the premises and mutual covenants herein contained, and in consideration of the sum of \$1.00 paid by the Indemnified Party to each of the Corporation and the Shareholder (the receipt and sufficiency of which is hereby acknowledged) and the Indemnified Party acting and/or agreeing to continue to provide the Services, each of the Corporation and the Shareholder (for itself and on behalf of each Corporation Affiliate) and the Indemnified Party do hereby covenant and agree as set forth below.

1. Agreement to Serve

The Indemnified Party agrees to serve or continue to provide Services to the Corporation and the Shareholder, honestly and in good faith with a view to the best interests of the Corporation and/or Shareholder or Corporation Affiliate for so long as the Services are requested or required.

2. Indemnification

- (a) To the full extent allowed by law, the Corporation, the Shareholder and each Corporation Affiliate jointly and severally agree to indemnify and save harmless the Indemnified Party, his/her estate, executors, administrators, legal representatives and lawful heirs, from and against any and all losses, liabilities, claims, damages, fines, penalties, costs, charges or expenses of any nature whatsoever (including, but not limited to, an amount paid to settle any action or to satisfy any judgment, legal fees on a solicitor and client basis, other professional fees, out-of-pocket expenses for attending proceedings including discoveries, trials, hearings and meetings, and any amount for which he/she is liable by reason of any statutory provision whether civil, criminal or otherwise and whether such claim is

anticipated, threatened, pending, commenced, continued or completed and the foregoing shall include any appeal, as well as the amount of any income taxes payable as a result of other payments made hereunder) (herein referred to as "**Costs, Charges and Expenses**"), suffered or incurred by the Indemnified Party, his/her estate, executors, administrators, legal representatives and lawful heirs, directly or indirectly, as a result or by reason of the Indemnified Party providing the Services, provided that such costs, charges or expenses were not suffered or incurred as a result of the Indemnified Party's own fraud, dishonesty, wilful neglect or wilful default, as determined finally by a court of competent jurisdiction upon entry of a final, non-appealable judgment.

- (b) In addition and without limitation of the previous Section 2(a), each of the Corporation and Shareholder jointly and severally agrees:
- (i) except in respect of an action by or on behalf of the Corporation, Shareholder or Corporation Affiliate to procure a judgment in its favour, to indemnify the Indemnified Party, his/her estate, executors, administrators, legal representatives and lawful heirs, from and against all Costs, Charges and Expenses reasonably incurred by him/her in respect of any civil, criminal or administrative action or proceeding to which he/she is made a party (including actions, proceedings, investigations, inquiries or hearings in which the Indemnified Party is compelled by the authorities or requested by the Corporation or Corporation Affiliate to participate, whether or not charges have been laid against the Corporation, Corporation Affiliate or Indemnified Party), by reason of providing the Services, if:
 - (A) he/she acted honestly and in good faith with a view to the best interests of the Corporation and/or Shareholder; and
 - (B) in the case of a criminal or administrative action, proceeding, investigation, inquiry or hearing that is enforced by monetary penalty, he/she had reasonable grounds for believing that his/her conduct was lawful;
 - (ii) to indemnify the Indemnified Party and his/her estate, executors, administrators, legal representatives and lawful heirs from and against all Costs, Charges and Expenses of any action by or on behalf of the Corporation, Shareholder or Corporation Affiliate to procure a judgment in its favour, to which he/she is made a party by reason of providing the Services, if the Indemnified Party has fulfilled the conditions set forth in sections 2(b)(i)(A) and 2(b)(i)(B) above;
 - (iii) in the event that the approval of the Court is required to effect any indemnification granted hereunder, the Shareholder and Corporation each agree to make application for and use its best efforts to obtain the Court's approval to such indemnification provided that the Indemnified Party has fulfilled the conditions set forth in sections 2(b)(i)(A) and 2(b)(i)(B) above; and
 - (iv) notwithstanding sections 2(b)(i) and 2(b)(ii) above, to indemnify the Indemnified Party and his/her estate, executors, administrators, legal representatives and lawful heirs against all Costs, Charges and Expenses reasonably incurred by him/her or them in respect of any civil, criminal or administrative action or proceeding to which he/she is made a party (including actions, proceedings, investigations,

inquiries or hearings in which the Indemnified Party is compelled by the authorities or requested by the Corporation or Corporation Affiliate to participate, whether or not charges have been laid against the Corporation, Corporation Affiliate or Indemnified Party), by reason of providing the Services, if the Indemnified Party:

- (A) was substantially successful on the merits in his/her defence of the action, proceeding, investigation, inquiry or hearing,
 - (B) fulfils the conditions set out in sections 2(b)(i)(A) and 2(b)(i)(B) set out above, and
 - (C) is fairly and reasonably entitled to indemnity.
- (c) For the purposes of this agreement including, without limitation, Section 2 hereof, the termination of any such civil, criminal or administrative action, proceeding, investigation, inquiry or hearing, by judgment, order, settlement, conviction or similar or other result, shall not, of itself, create a presumption either that the Indemnified Party did not act honestly or in good faith with a view to the best interests of the Corporation or Corporation Affiliate or that, in the case of a criminal or administrative action, proceeding, investigation, inquiry or hearing that is enforced by a monetary penalty, the Indemnified Party did not have reasonable grounds for believing that his/her conduct was lawful.
- (d) The intention of this agreement is to provide the Indemnified Party indemnification to the fullest extent permitted by law and without limiting the generality of the foregoing and notwithstanding anything contained herein:
- (i) nothing in this agreement shall be interpreted, by implication or otherwise, in limitation of the scope of the indemnification provided in sections 2(a) and 2(b) hereof; and
 - (ii) section 2(b) is intended to provide indemnification to the Indemnified Party that is not specifically prohibited by a court of competent jurisdiction and to the fullest extent permitted by the Act and, in the event that the Act is amended to permit a broader scope of indemnification (including, without limitation, the deletion or limiting of one or more of the provisos to the applicability of indemnification), section 2(b) shall be deemed to be amended concurrently with the amendment to the Act so as to provide such broader indemnification.

3. Prepaid Expenses

All Costs, Charges and Expenses reasonably incurred by the Indemnified Party and covered hereunder shall, if requested by the Indemnified Party within a reasonable time, be paid by the either Corporation or the Shareholder immediately (including in advance as may be appropriate to enable the Indemnified Party to properly investigate, defend or appeal such action or proceeding), with the understanding and agreement being herein made that, in the event it is ultimately determined as provided hereunder that the Indemnified Party was not entitled to be so indemnified, or was not entitled to be fully so indemnified, the Indemnified Party shall indemnify and hold harmless the Corporation and the Shareholder, and pay to the Corporation or the Shareholder (as applicable) forthwith after such ultimate determination, such amount or the appropriate portion thereof, so paid. In the event of dispute, the Corporation, Shareholder or Indemnified Party, at the Corporation's or Shareholder's expense, shall make application to the Court to approve the indemnity.

4. Other Rights and Remedies

Indemnification and immediate or advance payment of incurred Costs, Charges and Expenses as provided by this agreement shall not be deemed to derogate from or exclude any other rights to which the Indemnified Party may be entitled under any provision of the Act or otherwise at law, the articles or by-laws of the Corporation or Corporation Affiliate, this agreement, any vote of shareholders of the Corporation or Corporation Affiliate, or otherwise, and shall continue after the Indemnified Party has ceased to provide the Services.

5. Limitation of Actions and Release of Claims

No legal action shall be brought and no cause of action shall be asserted by or on behalf of the Corporation or any Corporation Affiliate against the Indemnified Party, his/her estate, executors, administrators, legal representatives or lawful heirs after the expiration of two years from the date the Indemnified Party ceased (for any reason) to provide Services and the Shareholder and Corporation agree that any claim or cause of action of the Shareholder or Corporation or of any Corporation Affiliate shall be extinguished and the Indemnified Party, his/her estate, executors, administrators, legal representatives and lawful heirs deemed released therefrom absolutely unless asserted by the commencement of legal action in a court of competent jurisdiction within such two-year period.

6. Notice of Proceedings

The Indemnified Party agrees to give notice to the Shareholder and Corporation as soon as is reasonably practical after being served with any statement of claim, writ, notice of motion, indictment or other document commencing or continuing any civil, criminal or administrative action, proceeding, investigation, inquiry or hearing to which the Indemnified Party, is a party, whether or not charges have been laid against the Shareholder, Corporation, Corporate Affiliate or Indemnified Party, by reason of the provision of the Services and the Corporation agrees to give notice to the Indemnified Party in writing as soon as is reasonably practical after:

- (a) being served with any such statement of claim, writ, notice of motion, indictment or other document commencing or continuing any civil, criminal or administrative action, proceeding, investigation, inquiry or hearing to which the Indemnified Party is a party; whether or not charges have been laid against the Shareholder, Corporation, Corporate Affiliate or Indemnified Party, or
- (b) receiving notice of any such civil, criminal or administrative action, proceeding, investigation, inquiry or hearing to which the Indemnified Party is a party, whether or not charges have been laid against the Shareholder, Corporation, Corporate Affiliate or Indemnified Party,

provided, however, that the failure of the Indemnified Party to give such notice to the Shareholder or Corporation shall not adversely affect the Indemnified Party's rights under this agreement except to the extent that the Shareholder or Corporation shall have been materially prejudiced as a direct result of such failure.

7. Right to Retain Counsel

The Shareholder and the Corporation agree to promptly retain counsel who shall be reasonably satisfactory to the Indemnified Party to represent the Indemnified Party. No admission of liability and no settlement of any civil, criminal or administrative action, proceeding, investigation, inquiry or hearing to which the

Indemnified Party is a party, shall be made by the Shareholder or the Corporation without the consent of the Indemnified Party, such consent not to be unreasonably withheld.

In any such matter the Indemnified Party shall have the right to retain other counsel to act on his/her behalf, provided that the fees and disbursements of such other counsel shall be paid by the Indemnified Party unless:

- (a) the Indemnified Party and the Shareholder, Corporation or Corporation Affiliate shall have mutually agreed to the retention of such other counsel,
- (b) the parties to any such civil, criminal or administrative action, proceeding, investigation, inquiry or hearing (including any added third, or interpleaded parties) include the Shareholder, Corporation or Corporation Affiliate and the Indemnified Party and representation of more than one party by the same counsel would be inappropriate due to actual or potential differing interests between them (including the availability of different defences) in which event the Shareholder, Corporation and Corporation Affiliate, jointly and severally agree to pay the fees and disbursements of such counsel, or
- (c) the Shareholder or Corporation has not retained counsel who is reasonably satisfactory to the Indemnified Party in a reasonably timely manner.

For greater clarity, in the event of 7(a), (b) or (c), the fees and disbursements of such other counsel shall be paid by the Corporation and Shareholder.

8. Indemnified Party to Cooperate

The Indemnified Party agrees to give the Shareholder Corporation such information and cooperation as the Corporation may reasonably require from time to time in respect of all matters hereunder.

9. Effective Time

This agreement shall be effective as and from the earlier of the first day that the Indemnified Party began providing Services.

10. Notices

Unless otherwise permitted by this agreement, all notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been fully given if personally delivered to the party to whom the notice or other communication is directed or, if mailed by prepaid registered mail, on the fifth business day after the date on which it is so mailed (provided that if there is an interruption in the regular postal service during such period arising out of a strike, walk out, work slowdown or similar labour dispute in the postal system, all days during such interruption occurs shall not be counted):

- (a) if to the Indemnified Party, at:

Geo. 600 3th SW
Calgary T2P0G5

Attention: Lakadang
 E-mail: lakadang@gmail.com

(b) if to the Corporation or the Shareholder, at:

Henenghaixin Corp.
700, 600 - 3rd Avenue SW
Calgary, AB, Canada T2P 0G5

Attention: Chairman

or to such other address as each party may from time to time notify the other of in writing.

If the Shareholder or Corporation receives notice from any other source of any matter which the Indemnified Party would otherwise be obligated hereunder to give notice of to the Shareholder or Corporation, then the Indemnified Party shall be relieved of his/her obligation hereunder to give notice to the Shareholder or Corporation, provided the Shareholder or Corporation has not suffered any material damage from the failure of the Indemnified Party to give notice as herein required.

11. Severability

If any provision or provisions of this agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever:

- (a) the validity, legality and enforceability of the remaining provisions of this agreement (including, without limitation, all portions of any paragraph of this agreement containing such provisions held to be invalid, illegal or unenforceable, that are not of themselves in whole invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and
- (b) to the fullest possible extent, the provisions of this agreement (including, without limitation, all portions of any paragraphs of this agreement containing any such provisions held to be invalid, illegal or unenforceable, that are not of themselves in whole invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision which is held to be invalid, illegal or unenforceable.

12. Governing Law

The parties hereto agree that this agreement shall be construed and enforced in accordance with the laws in force in the Province of Alberta and the federal laws of Canada applicable therein without reference to its conflict of laws provisions. The parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

13. Modification and Waiver

No supplement, modification or amendment of this agreement shall be binding unless executed in writing by both parties hereto. No waiver of any of the provisions of this agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

14. Entire Agreement

This agreement shall supersede and replace any and all prior agreements (except any written agreement of employment between the Shareholder, Corporation and the Indemnified Party, which shall remain in full

force and effect, except to the extent augmented or amended hereby), between the parties hereto respecting the matters set forth herein, and shall constitute the entire agreement between the parties hereto in respect of the matters set forth herein.

15. Successors and Assigns

This agreement shall be binding upon and enure to the benefit of the Shareholder and Corporation and their respective successors and permitted assigns and to the Indemnified Party and his/her estate, executors, administrators, legal representatives and lawful heirs whether such Indemnified Party continues to provide Services.

16. Successor Legislation

Any references herein to any enactment shall be deemed to be references to such enactment as the same may be amended or replaced from time to time and, in the event that the Shareholder or Corporation is continued, incorporated, amalgamated, arranged under or otherwise becomes governed by an enactment other than the Act, then all references herein to the Act shall be deemed to be references to such enactment as the same may be amended or replaced from time to time.

17. Counterparts


The parties agree that this agreement may be signed in counterparts and that receipt by facsimile of an executed copy of this agreement shall constitute acceptable delivery.


IN WITNESS WHEREOF the parties hereto have executed and delivered this agreement as at the date first written above.

HENENGHAIXIN CORP.

Per: _____
Name: **Steven Neu**
Title: Director

YORK CITY ENTERPRISES LTD.

Per: 
Name: **Meng Tang**
Title: Director



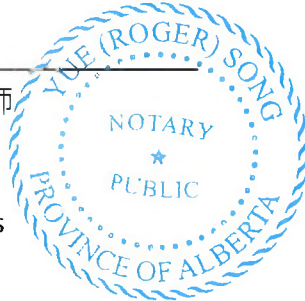
Witness Name: **Michael Lam**

This is Exhibit "97" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



REPRESENTATIVE INDEMNITY AGREEMENT

DATED effective as of the 21 day of Sept, 2017, between:

HENENGHAIXIN CORP., a corporation incorporated under the laws of the Province of Alberta (the "Corporation")

and

YORK CITY ENTERPRISES LTD., a corporation incorporated under the laws of the British Virgin Islands (the "Shareholder")

and

Touzhou Deng, an individual residing in Beijing, China
(the "Indemnified Party").

WHEREAS the Corporation and the Shareholder have engaged the Indemnified Party as an agent and representative of it in order to among other things, assist in liaising with shareholders, limited partners, board members and the executive of each of the Corporation and its affiliates, liaising with various other service providers and representatives of the Corporation and the Shareholder, and providing strategic and market specific advice (and other services as may be requested from time to time, the "Services");

AND WHEREAS the Indemnified Party is willing to provide the Services, or to continue to provide the Services, to the Corporation, the Shareholder or the Corporation Affiliates as part on the condition that he/she be indemnified as provided for herein;

NOW THEREFORE, IN CONSIDERATION OF the premises and mutual covenants herein contained, and in consideration of the sum of \$1.00 paid by the Indemnified Party to each of the Corporation and the Shareholder (the receipt and sufficiency of which is hereby acknowledged) and the Indemnified Party acting and/or agreeing to continue to provide the Services, each of the Corporation and the Shareholder (for itself and on behalf of each Corporation Affiliate) and the Indemnified Party do hereby covenant and agree as set forth below.

1. Agreement to Serve

The Indemnified Party agrees to serve or continue to provide Services to the Corporation and the Shareholder, honestly and in good faith with a view to the best interests of the Corporation and/or Shareholder or Corporation Affiliate for so long as the Services are requested or required.

2. Indemnification

- (a) To the full extent allowed by law, the Corporation, the Shareholder and each Corporation Affiliate jointly and severally agree to indemnify and save harmless the Indemnified Party, his/her estate, executors, administrators, legal representatives and lawful heirs, from and against any and all losses, liabilities, claims, damages, fines, penalties, costs, charges or expenses of any nature whatsoever (including, but not limited to, an amount paid to settle any action or to satisfy any judgment, legal fees on a solicitor and client basis, other professional fees, out-of-pocket expenses for attending proceedings including discoveries, trials, hearings and meetings, and any amount for which he/she is liable by reason of any statutory provision whether civil, criminal or otherwise and whether such claim is

anticipated, threatened, pending, commenced, continued or completed and the foregoing shall include any appeal, as well as the amount of any income taxes payable as a result of other payments made hereunder) (herein referred to as “**Costs, Charges and Expenses**”), suffered or incurred by the Indemnified Party, his/her estate, executors, administrators, legal representatives and lawful heirs, directly or indirectly, as a result or by reason of the Indemnified Party providing the Services, provided that such costs, charges or expenses were not suffered or incurred as a result of the Indemnified Party’s own fraud, dishonesty, wilful neglect or wilful default, as determined finally by a court of competent jurisdiction upon entry of a final, non-appealable judgment.

(b) In addition and without limitation of the previous Section 2(a), each of the Corporation and Shareholder jointly and severally agrees:

(i) except in respect of an action by or on behalf of the Corporation, Shareholder or Corporation Affiliate to procure a judgment in its favour, to indemnify the Indemnified Party, his/her estate, executors, administrators, legal representatives and lawful heirs, from and against all Costs, Charges and Expenses reasonably incurred by him/her in respect of any civil, criminal or administrative action or proceeding to which he/she is made a party (including actions, proceedings, investigations, inquiries or hearings in which the Indemnified Party is compelled by the authorities or requested by the Corporation or Corporation Affiliate to participate, whether or not charges have been laid against the Corporation, Corporation Affiliate or Indemnified Party), by reason of providing the Services, if:

(A) he/she acted honestly and in good faith with a view to the best interests of the Corporation and/or Shareholder; and

(B) in the case of a criminal or administrative action, proceeding, investigation, inquiry or hearing that is enforced by monetary penalty, he/she had reasonable grounds for believing that his/her conduct was lawful;

(ii) to indemnify the Indemnified Party and his/her estate, executors, administrators, legal representatives and lawful heirs from and against all Costs, Charges and Expenses of any action by or on behalf of the Corporation, Shareholder or Corporation Affiliate to procure a judgment in its favour, to which he/she is made a party by reason of providing the Services, if the Indemnified Party has fulfilled the conditions set forth in sections 2(b)(i)(A) and 2(b)(i)(B) above;

(iii) in the event that the approval of the Court is required to effect any indemnification granted hereunder, the Shareholder and Corporation each agree to make application for and use its best efforts to obtain the Court’s approval to such indemnification provided that the Indemnified Party has fulfilled the conditions set forth in sections 2(b)(i)(A) and 2(b)(i)(B) above; and

(iv) notwithstanding sections 2(b)(i) and 2(b)(ii) above, to indemnify the Indemnified Party and his/her estate, executors, administrators, legal representatives and lawful heirs against all Costs, Charges and Expenses reasonably incurred by him/her or them in respect of any civil, criminal or administrative action or proceeding to which he/she is made a party (including actions, proceedings, investigations,

inquiries or hearings in which the Indemnified Party is compelled by the authorities or requested by the Corporation or Corporation Affiliate to participate, whether or not charges have been laid against the Corporation, Corporation Affiliate or Indemnified Party), by reason of providing the Services, if the Indemnified Party:

- (A) was substantially successful on the merits in his/her defence of the action, proceeding, investigation, inquiry or hearing,
 - (B) fulfils the conditions set out in sections 2(b)(i)(A) and 2(b)(i)(B) set out above, and
 - (C) is fairly and reasonably entitled to indemnity,
- (c) For the purposes of this agreement including, without limitation, Section 2 hereof, the termination of any such civil, criminal or administrative action, proceeding, investigation, inquiry or hearing, by judgment, order, settlement, conviction or similar or other result, shall not, of itself, create a presumption either that the Indemnified Party did not act honestly or in good faith with a view to the best interests of the Corporation or Corporation Affiliate or that, in the case of a criminal or administrative action, proceeding, investigation, inquiry or hearing that is enforced by a monetary penalty, the Indemnified Party did not have reasonable grounds for believing that his/her conduct was lawful.
- (d) The intention of this agreement is to provide the Indemnified Party indemnification to the fullest extent permitted by law and without limiting the generality of the foregoing and notwithstanding anything contained herein:
- (i) nothing in this agreement shall be interpreted, by implication or otherwise, in limitation of the scope of the indemnification provided in sections 2(a) and 2(b) hereof; and
 - (ii) section 2(b) is intended to provide indemnification to the Indemnified Party that is not specifically prohibited by a court of competent jurisdiction and to the fullest extent permitted by the Act and, in the event that the Act is amended to permit a broader scope of indemnification (including, without limitation, the deletion or limiting of one or more of the provisos to the applicability of indemnification), section 2(b) shall be deemed to be amended concurrently with the amendment to the Act so as to provide such broader indemnification.

3. Prepaid Expenses

All Costs, Charges and Expenses reasonably incurred by the Indemnified Party and covered hereunder shall, if requested by the Indemnified Party within a reasonable time, be paid by the either Corporation or the Shareholder immediately (including in advance as may be appropriate to enable the Indemnified Party to properly investigate, defend or appeal such action or proceeding), with the understanding and agreement being herein made that, in the event it is ultimately determined as provided hereunder that the Indemnified Party was not entitled to be so indemnified, or was not entitled to be fully so indemnified, the Indemnified Party shall indemnify and hold harmless the Corporation and the Shareholder, and pay to the Corporation or the Shareholder (as applicable) forthwith after such ultimate determination, such amount or the appropriate portion thereof, so paid. In the event of dispute, the Corporation, Shareholder or Indemnified Party, at the Corporation's or Shareholder's expense, shall make application to the Court to approve the indemnity.

4. Other Rights and Remedies

Indemnification and immediate or advance payment of incurred Costs, Charges and Expenses as provided by this agreement shall not be deemed to derogate from or exclude any other rights to which the Indemnified Party may be entitled under any provision of the Act or otherwise at law, the articles or by-laws of the Corporation or Corporation Affiliate, this agreement, any vote of shareholders of the Corporation or Corporation Affiliate, or otherwise, and shall continue after the Indemnified Party has ceased to provide the Services.

5. Limitation of Actions and Release of Claims

No legal action shall be brought and no cause of action shall be asserted by or on behalf of the Corporation or any Corporation Affiliate against the Indemnified Party, his/her estate, executors, administrators, legal representatives or lawful heirs after the expiration of two years from the date the Indemnified Party ceased (for any reason) to provide Services and the Shareholder and Corporation agree that any claim or cause of action of the Shareholder or Corporation or of any Corporation Affiliate shall be extinguished and the Indemnified Party, his/her estate, executors, administrators, legal representatives and lawful heirs deemed released therefrom absolutely unless asserted by the commencement of legal action in a court of competent jurisdiction within such two-year period.

6. Notice of Proceedings

The Indemnified Party agrees to give notice to the Shareholder and Corporation as soon as is reasonably practical after being served with any statement of claim, writ, notice of motion, indictment or other document commencing or continuing any civil, criminal or administrative action, proceeding, investigation, inquiry or hearing to which the Indemnified Party, is a party, whether or not charges have been laid against the Shareholder, Corporation, Corporate Affiliate or Indemnified Party, by reason of the provision of the Services and the Corporation agrees to give notice to the Indemnified Party in writing as soon as is reasonably practical after:

- (a) being served with any such statement of claim, writ, notice of motion, indictment or other document commencing or continuing any civil, criminal or administrative action, proceeding, investigation, inquiry or hearing to which the Indemnified Party is a party; whether or not charges have been laid against the Shareholder, Corporation, Corporate Affiliate or Indemnified Party, or
- (b) receiving notice of any such civil, criminal or administrative action, proceeding, investigation, inquiry or hearing to which the Indemnified Party is a party, whether or not charges have been laid against the Shareholder, Corporation, Corporate Affiliate or Indemnified Party,

provided, however, that the failure of the Indemnified Party to give such notice to the Shareholder or Corporation shall not adversely affect the Indemnified Party's rights under this agreement except to the extent that the Shareholder or Corporation shall have been materially prejudiced as a direct result of such failure.

7. Right to Retain Counsel

The Shareholder and the Corporation agree to promptly retain counsel who shall be reasonably satisfactory to the Indemnified Party to represent the Indemnified Party. No admission of liability and no settlement of any civil, criminal or administrative action, proceeding, investigation, inquiry or hearing to which the

Indemnified Party is a party, shall be made by the Shareholder or the Corporation without the consent of the Indemnified Party, such consent not to be unreasonably withheld.

In any such matter the Indemnified Party shall have the right to retain other counsel to act on his/her behalf, provided that the fees and disbursements of such other counsel shall be paid by the Indemnified Party unless:

- (a) the Indemnified Party and the Shareholder, Corporation or Corporation Affiliate shall have mutually agreed to the retention of such other counsel,
- (b) the parties to any such civil, criminal or administrative action, proceeding, investigation, inquiry or hearing (including any added third, or interpleaded parties) include the Shareholder, Corporation or Corporation Affiliate and the Indemnified Party and representation of more than one party by the same counsel would be inappropriate due to actual or potential differing interests between them (including the availability of different defences) in which event the Shareholder, Corporation and Corporation Affiliate, jointly and severally agree to pay the fees and disbursements of such counsel, or
- (c) the Shareholder or Corporation has not retained counsel who is reasonably satisfactory to the Indemnified Party in a reasonably timely manner.

For greater clarity, in the event of 7(a), (b) or (c), the fees and disbursements of such other counsel shall be paid by the Corporation and Shareholder.

8. Indemnified Party to Cooperate

The Indemnified Party agrees to give the Shareholder Corporation such information and cooperation as the Corporation may reasonably require from time to time in respect of all matters hereunder.

9. Effective Time

This agreement shall be effective as and from the earlier of the first day that the Indemnified Party began providing Services.

10. Notices

Unless otherwise permitted by this agreement, all notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been fully given if personally delivered to the party to whom the notice or other communication is directed or, if mailed by prepaid registered mail, on the fifth business day after the date on which it is so mailed (provided that if there is an interruption in the regular postal service during such period arising out of a strike, walk out, work slowdown or similar labour dispute in the postal system, all days during such interruption occurs shall not be counted):

- (a) if to the Indemnified Party, at:

600 Geo 3 Ave SW
Coleberg AR
700061

Attention: Doug T. G. Sullivan, on
 E-mail: Tomball Doug

(b) if to the Corporation or the Shareholder, at:

Henenghaixin Corp.
700, 600 - 3rd Avenue SW
Calgary, AB, Canada T2P 0G5

Attention: Chairman

or to such other address as each party may from time to time notify the other of in writing.

If the Shareholder or Corporation receives notice from any other source of any matter which the Indemnified Party would otherwise be obligated hereunder to give notice of to the Shareholder or Corporation, then the Indemnified Party shall be relieved of his/her obligation hereunder to give notice to the Shareholder or Corporation, provided the Shareholder or Corporation has not suffered any material damage from the failure of the Indemnified Party to give notice as herein required.

11. Severability

If any provision or provisions of this agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever:

- (a) the validity, legality and enforceability of the remaining provisions of this agreement (including, without limitation, all portions of any paragraph of this agreement containing such provisions held to be invalid, illegal or unenforceable, that are not of themselves in whole invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and
- (b) to the fullest possible extent, the provisions of this agreement (including, without limitation, all portions of any paragraphs of this agreement containing any such provisions held to be invalid, illegal or unenforceable, that are not of themselves in whole invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision which is held to be invalid, illegal or unenforceable.

12. Governing Law

The parties hereto agree that this agreement shall be construed and enforced in accordance with the laws in force in the Province of Alberta and the federal laws of Canada applicable therein without reference to its conflict of laws provisions. The parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

13. Modification and Waiver

No supplement, modification or amendment of this agreement shall be binding unless executed in writing by both parties hereto. No waiver of any of the provisions of this agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

14. Entire Agreement

This agreement shall supersede and replace any and all prior agreements (except any written agreement of employment between the Shareholder, Corporation and the Indemnified Party, which shall remain in full

force and effect, except to the extent augmented or amended hereby), between the parties hereto respecting the matters set forth herein, and shall constitute the entire agreement between the parties hereto in respect of the matters set forth herein.

15. Successors and Assigns

This agreement shall be binding upon and enure to the benefit of the Shareholder and Corporation and their respective successors and permitted assigns and to the Indemnified Party and his/her estate, executors, administrators, legal representatives and lawful heirs whether such Indemnified Party continues to provide Services.

16. Successor Legislation

Any references herein to any enactment shall be deemed to be references to such enactment as the same may be amended or replaced from time to time and, in the event that the Shareholder or Corporation is continued, incorporated, amalgamated, arranged under or otherwise becomes governed by an enactment other than the Act, then all references herein to the Act shall be deemed to be references to such enactment as the same may be amended or replaced from time to time.

17. Counterparts


The parties agree that this agreement may be signed in counterparts and that receipt by facsimile of an executed copy of this agreement shall constitute acceptable delivery.


IN WITNESS WHEREOF the parties hereto have executed and delivered this agreement as at the date first written above.

HENENGHAIXIN CORP.

Per: _____
Name: **Steven Neu**
Title: Director

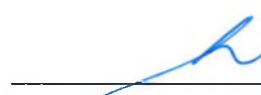
YORK CITY ENTERPRISES LTD.

Per: _____

Name: **Meng Tang**
Title: Director

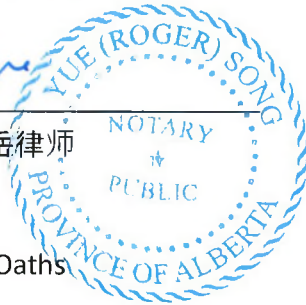


Witness Name: **Michael Lam**

This is Exhibit "98" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor



A Commissioner for Oaths
in and for Alberta

Steven Neu

From: Jin, Xiaodi <XJin@blg.com>
Sent: Tuesday, January 7, 2020 11:00 AM
To: Steven Neu
Subject: FW: HNHX - Authorization Letter
Attachments: CAL01-#2265579-v1-Engagement_Letter_(Executed).pdf; CAL01-#2716731-v1-HNHX_-_Authorization_Letter_re_Deng_and_Lam.docx

Hi Steven, as requested here is the email requesting that the authorization letter be executed.

Happy to chat as needed.

Xiaodi Jin | Borden Ladner Gervais LLP
T 403.232.9523 | C 403.796.4652 | xjin@blg.com

From: Jin, Xiaodi
Sent: December 2, 2018 5:34 PM
To: lam.m@snencn.cn
Cc: Stillwell, Janet <JStillwell@blg.com>
Subject: HNHX - Authorization Letter

Hi Michael, per the engagement letter I am entitled to rely on instructions from Steven Neu and other members of the Henenghaixin team, which include yourself and Lake Deng.
I would like to have this confirmed in writing by Mr. Neu in order to clarify my engagement files.

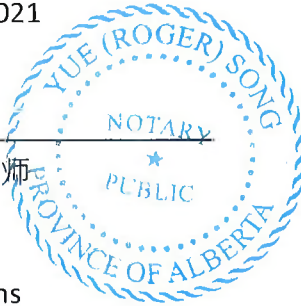
Thanks in advance,

Xiaodi Jin | Borden Ladner Gervais LLP
T 403.232.9523 | C 403.796.4652

This is Exhibit "99" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor



A Commissioner for Oaths
in and for Alberta

HENENGAIXIN CORP.

To: Borden Ladner Gervais LLP

Re: Retainer agreement dated February 28, 2017 – Clarification of Instructing Individuals

Dated: December 3, 2018

This letter serves to clarify and confirm to you that each of Lake Deng and Michael Lam are designated team members of Henenghaixin Corp. (the "Corporation") and are specifically empowered and authorized to provide legal instructions to you on behalf of the Corporation since incorporation and that all such actions and instructions by them are approved and ratified by the Corporation. We further confirm that should these designated team members change, we will provide you with advance written notice of such change and that absent such written notice, Borden Ladner Gervais LLP is entitled to continue to rely on such instructions received from each of Lake Deng and Michael Lam.

Sincerely,

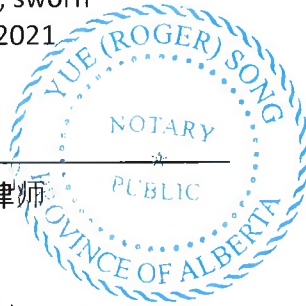
Henenghaixin Corp.

Steven Neu
Director

This is Exhibit "100" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor



A Commissioner for Oaths
in and for Alberta

Steven Neu

From: Michael Lam
Sent: Friday, January 4, 2019 2:19 PM
To: Alan Steele
Cc: Steven Neu; 邓小泊 (deng.xb@snencn.cn) ; David Middleton
Subject: Re: officer certificate for York city loans

Hello Alan,

I just realized that the registry I have for York City is out-dated; I have asked for an updated one and will circulate as soon as possible.

Hello Steven,

I have put the HNHX MB in your 5th floor office; Xiaodi wants me to remind you that only Director and officer of HNHX (not shareholder or aides of shareholder) have the privilege to the MB; and we all have the fiduciary duty to keep confidential to any third party.

Since this is the actual and only copy, can you please make sure you keep it safe and return to Xiaodi (or myself) when you are finished?

Thanks,
Michael

On Jan 4, 2019, at 9:47 AM, Alan Steele <asteele@westlakeenergy.ca> wrote:

Thanks Michael

R. Alan Steele
West Lake Energy Corp.
T: (403) 215-2692
C: (403) 863-2124

From: Michael Lam
Sent: January-04-19 9:30 AM
To: Alan Steele
Cc: Steven Neu; 邓小泊 (deng.xb@snencn.cn) ; David Middleton
Subject: Re: officer certificate for York city loans

Will do; I can provide their most updated registration later today.

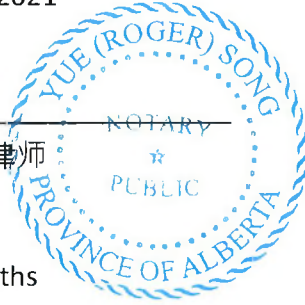
Steven, any updates on those indemnities? lake and myself can't, won't, and not allowed do anything without these standard indemnities.

Thanks,
Michael

This is Exhibit "101" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor



A Commissioner for Oaths
in and for Alberta



Michael Lin



了，把刚才金的东四给我一份 copy。

Nov 22, 2018 12:13 PM



Yup yup



Just sent

Dec 5, 2018 6:13 PM

过去两天油田现场连续发生安全事故，两个工人受轻伤。我现在油田。周一回去后再约小弟。已经发邮件给lake介绍了情况。



Dec 6, 2018 8:13 AM



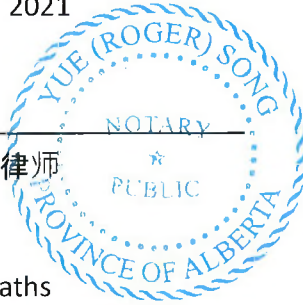
好的，尽快吧，希望不要把事誤了。这是几份相对简单的文件，不要把事情复杂化



This is Exhibit "102" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳 律师
Barrister & Solicitor

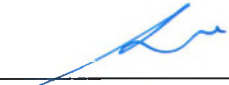


A Commissioner for Oaths
in and for Alberta

Steven Neu

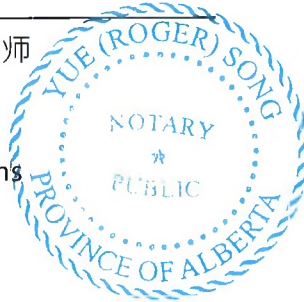
From: 邓小泊 <deng.xb@snencn.cn>
Sent: Tuesday, January 15, 2019 2:22 PM
To: Steven Neu
Subject: Resignation
Attachments: Resignation Steven WLE.docx; Resignation Steven HNHX.docx

This is Exhibit "103" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



RESIGNATION

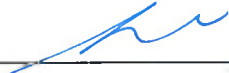
TO: HENENGHAIXIN CORP.

DATE: _____, 2019

I, Steven Neu, hereby resign from the board of directors of Henenghaixin Corp. effective as of the date hereof.

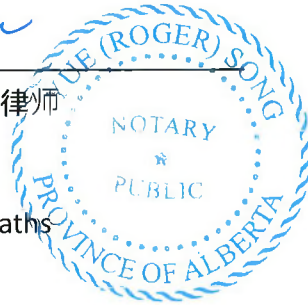
STEVEN NEU

This is Exhibit "104" referred to in the
Affidavit of Steven Neu, sworn
before me on May 21, 2021



Yue (Roger) Song 宋岳律师
Barrister & Solicitor

A Commissioner for Oaths
in and for Alberta



RESIGNATION

TO: WEST LAKE ENERGY CORP.

DATE: _____, 2019

I, Steven Neu, hereby resign from the board of directors of West Lake Energy Corp. effective as of the date hereof.

STEVEN NEU

Exhibit "11"

Pricewaterhouse Coopers "PwC" Forensic Report, Nov-18-19

39 pages

THIS IS EXHIBIT " 11 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 2026

***JiangYin Henenghaixin Investment
Partnership (Limited Partnership)***

and

***Wuhan Changxin Hesheng
Industrial Investment Fund
Partnership (Limited Partnership)***

November 18, 2019

Forensic Assistance

Privileged and Confidential



PwC

Contents

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III. Executive Summary	4
IV. Scope of Work	5
V. Detailed Findings	6
A. Analysis of Henenghaixin's Bank Accounts	6
B. Additional Funds Paid by Unrelated Entities which Appear to be for the Benefit of the Partnerships	12

Appendix A – Restrictions and Qualifications

Appendix B – Glossary of Terms

Appendix C – Diagram of Ownership Structures and Directors Information

Appendix D – Payments in Connection with the Investment Purpose or Operations

Appendix E – Diagram of the Financial Transactions with Respect to the Investment

Appendix F – JiangYin and Wuhan's Investment in Henenghaixin

Appendix G – Diagram of JiangYin and Wuhan's Investment in Henenghaixin

Appendix H – Source Document Inventory

Exhibit 1 - Henenghaixin Bank Accounts' Transaction Detail

I. Introduction

1. On May 24, 2019, PricewaterhouseCoopers (“we” or “PwC”) was engaged by Bennett Jones LLP (“you” or “Bennett Jones”) on behalf of JiangYin Henenghaixin Investment Partnership (Limited Partnership) (“JiangYin”) and Wuhan Changxin Hesheng Industrial Investment Fund Partnership (Limited Partnership) (“Wuhan”) (collectively, the “Partnerships”).
2. PwC was engaged to provide forensic assistance with respect to alleged diversion of funds to unrelated entities from the Partnerships’ Canadian subsidiary, Henenghaixin Corp. (“Henenghaixin”). Our work included a flow of funds analysis of Henenghaixin’s bank accounts.
3. The Partnerships designated Mr. Gaoyong Zhang (also known as Mr. Frank Zhang) as their representative in this matter. In performing our flow of funds analysis, we relied on third party documentation provided by Mr. Zhang. In instances where there was no third party supporting documentation available, we relied solely on Mr. Zhang’s explanations and/or statements, as instructed by you.
4. The purpose of this report is to set out our scope of work and findings based on the work performed to date. This report should be read in conjunction with our Restrictions and Qualifications set out in *Appendix A* and our Scope of Work set out in *Section IV*. This report and the related scope of work were developed in accordance with our engagement letter executed on May 24, 2019 and are subject to the terms and conditions included therein.
5. Readers of this report should make note of the following:
 - a. Several entity names have been abbreviated. The full entity names, as well as their Chinese characters (if applicable), are summarized in our Glossary of Terms set out in *Appendix B*;
 - b. Our findings in this report include various entities, some related and others unrelated to the Partnerships. Refer to *Appendix C* for the ownership structures of the entities referred to herein;
 - c. Our findings in this report, including further details set out in *Appendix D* and *Appendix F*, make references, denoted as “(E#)” and “(G#)”, to corresponding sections of the flow of funds diagrams in *Appendix E* and *Appendix G*. Readers may find it helpful to have these flow of funds diagrams available while reading this report;
 - d. The documents we relied upon in preparing this report are outlined in *Appendix H*, and are referenced using footnotes throughout this report (denoted as “DocRef_#”);
 - e. References to “net payments” or “net receipts” paid to/received from entities, refer to situations in which at least one payment was made to, and one receipt was received from, that respective entity. In such cases, we considered the net impact of the payments and receipts;
 - f. This report contains references to multiple currencies, including the United States Dollar (USD \$), Canadian Dollar (CAD \$), and Renminbi (RMB ¥); and
 - g. All amounts in this report have been rounded to the nearest dollar.

Privileged and Confidential
Confidential Information for the sole benefit and use of the Partnerships
Not to be Distributed Without Express Consent of PricewaterhouseCoopers LLP In Each Instance

II. Background

6. Between February 2017 and July 2017, the Partnerships invested cash into their Canadian subsidiary, Henenghaixin (the “Investment”). The Investment was made via transfers through multiple wholly owned and/or controlled subsidiaries of the Partnerships.
7. As detailed in the investment agreements governing this Investment (discussed in *Appendix F*), the Investment was intended to be used by Henenghaixin for the acquisition of the assets of Twin Butte Energy Ltd. (the “Twin Butte Acquisition”), a Canadian entity in receivership. The Twin Butte Acquisition is defined in the Purchase and Sale Agreement (“PSA”) dated December 23, 2016. Although not specified in the investment agreements, we understand from Mr. Zhang that any remaining funds (after the Twin Butte Acquisition) were to be used to make a capital injection into Henenghaixin’s wholly owned subsidiary, West Lake Energy Corp. (“West Lake”) to fund the operations of the assets once purchased.
8. We understand from Mr. Zhang that the Partnerships allege that a portion of their Investment was diverted from Henenghaixin to entities unrelated to the Partnerships (the “Unrelated Entities¹”), without their knowledge, approval or authorization, and for purposes other than those set out in paragraph 7 above.
9. As detailed in this report, PwC conducted a forensic analysis of the financial transactions surrounding the Investment, including summarizing the apparent recipients of the Investment proceeds. Based on the availability of records as provided by Mr. Zhang, our analysis was limited to the period December 16, 2016 through to December 31, 2018 (the “Review Period”), which coincides with the date of the financial transactions surrounding the Investment.

¹ The companies comprising the definition of Unrelated Entities is set out in *Section V*, paragraph 24

III. Executive Summary

10. PwC was engaged by Bennett Jones on May 24, 2019 to provide forensic assistance with respect to alleged diversion of funds to Unrelated Entities from the Partnerships' Canadian subsidiary, Henenghaixin. Specifically, we were requested to trace the flow of funds relating to the Partnerships' Investment.
11. The Partnerships' Investment totalled RMB ¥1,800,000,000². These funds were transferred through several subsidiaries wholly owned and/or controlled by the Partnerships, before ultimately being transferred from their controlled subsidiary, York City Enterprises Limited ("York City") to Henenghaixin. Henenghaixin ultimately received CAD \$352,534,700 from York City in connection with the Investment.
12. PwC conducted an analysis of Henenghaixin's bank accounts for the Review Period to identify and quantify any payments made to and/or received from entities which could not be associated with the intended purpose of the Investment, that being the Twin Butte Acquisition and capital injection into Henenghaixin's wholly owned subsidiary, West Lake (collectively, the "Investment Purpose"). We identified CAD \$77,006,491 in net payments from Henenghaixin's bank accounts which were paid to/received from Unrelated Entities and which appear to be unrelated to the Investment Purpose. We understand from Mr. Zhang that these net payments were made without the knowledge, approval or authorization of the Partnerships.
13. In addition to the analysis of Henenghaixin's bank accounts, during the Review Period we identified from records provided by Mr. Zhang CAD \$33,240,792 in payments made by Unrelated Entities in relation to the Investment Purpose. We were unable to determine from the records provided why these payments were made by Unrelated Entities, as opposed to being made by the Partnerships and/or their subsidiaries. Further, we cannot verify the completeness of additional payments, if any, made by Unrelated Entities (or others), for the benefit of the Partnerships.

² It should be noted that in addition to the Partnerships' Investment of RMB ¥1,800,000,000, RMB ¥88,828,227 was also received into the guarantee account of QingDao Energy, a subsidiary of the Partnerships. We understand that the source of these additional funds, representing 4.70% of the receipts by QingDao Energy, is unknown. As instructed by you, PwC has not performed further analysis of the subsidiaries' bank accounts to identify the source of these funds. Refer to *Appendix F* for further details.

IV. Scope of Work

14. As set out in *Section I*, PwC was engaged by Bennett Jones to provide forensic assistance with respect to alleged diversion of funds to Unrelated Entities from the Partnerships' Canadian subsidiary, Henenghaixin. Specifically, we were requested to trace the flow of funds relating to the Partnerships' Investment.
15. PwC performed the following procedures:
 - a. Conducted discussions with the Partnerships' representative, Mr. Frank Zhang, throughout the course of our engagement;
 - b. Conducted a discussion with Mr. Steven Neu, Director of Henenghaixin, as instructed by Mr. Zhang;
 - c. Analyzed documentation provided by Mr. Zhang (unless otherwise stated) for the Review Period, including but not limited to the following:
 - i. Relevant financial records surrounding the Investment, including:
 - a. Banking records (e.g. bank statements, cancelled cheques, wire confirmations and instructions, SWIFT messages, etc.);
 - b. Contracts/agreements with financial institutions (e.g. loan contracts, warrant contracts, guarantee agreements); and
 - c. Contracts/agreements between entities referred to herein, as applicable.
 - ii. Documents related to the Twin Butte Acquisition (e.g. PSA, letters, deposit confirmation, Statement of Adjustments, etc.), provided by Bennett Jones LLP, who received from Burnet, Duckworth & Palmer LLP (legal counsel to West Lake), who received from Border Ladner Gervais LLP ("BLG") (legal counsel to West Lake with respect to the Twin Butte Acquisition); and
 - iii. Emails and other correspondences related to the transfer of funds, as provided.
 - d. Conducted searches of Alberta's corporate registry for certain identified entities referred to herein.
16. As previously noted in paragraph 5 d., the documents relied upon in this report are outlined in *Appendix H*, and are referenced using footnotes (denoted as "DocRef_#") throughout this report.

V. Detailed Findings

17. Based on our Scope of Work, set out in *Section IV*, and subject to our Restrictions and Qualifications set out in *Appendix A*, set out below are our detailed findings with respect to the Partnerships' Investment.
18. The detailed findings set out below should be read with reference to the following appendices:
 - a. Appendix D – a discussion of the payments in connection with the Investment Purpose;
 - b. Appendix E – a diagram of the flow of funds to and from Henenghaixin's bank accounts, including the recipients of said funds, as referred to in *Appendix D*;
 - c. Appendix F – a discussion of the flow of funds between the Partnerships and their wholly owned and/or controlled subsidiaries prior to the Investment funds reaching Henenghaixin's bank accounts; and
 - d. Appendix G – a diagram of the financial transactions and contractual arrangements relating to the flow of funds set out in *Appendix F*.

The detailed findings below contain cross-references to these appendices (ie. **E#**, **G#**).

A. Analysis of Henenghaixin's Bank Accounts

19. PwC conducted an analysis of the following Henenghaixin bank accounts (collectively referred to as "Henenghaixin's Accounts"), based on bank records provided by Mr. Zhang³ (See *Exhibit 1* for a detailed listing of all transactions within Henenghaixin's Accounts). We understand from Mr. Zhang that these are the only bank accounts of Henenghaixin:
 - a. Alberta Treasury Branches ("ATB") – CAD Account #00762433600⁴ (transactions from March 15, 2017 to December 31, 2018);
 - b. Bank of China Calgary Branch – CAD Account #100300200412134⁵, (transactions from January 1, 2017 to December 1, 2018); and
 - c. Bank of China Calgary Branch – USD Account #100300200412145⁶ (transactions from January 1, 2017 to October 12, 2018).
20. The Partnerships' Investment totalled RMB ¥1,800,000,000⁷. These funds were transferred through a number of subsidiaries wholly owned and/or controlled by the Partnerships, before ultimately being

³ As noted in 19 a, b and c, our analysis was limited to the dates of the transactions noted within the bank records provided by Mr. Zhang.

⁴ DocRef_4

⁵ DocRef_5

⁶ DocRef_6

⁷ It should be noted that in addition to the Partnerships' Investment of RMB ¥1,800,000,000, RMB ¥88,828,227 was also received into the guarantee account of QingDao Energy, a subsidiary of the Partnerships. We understand that the source of these additional funds, representing 4.70% of the receipts by QingDao Energy, is unknown. As instructed by you, PwC has not performed further analysis of the subsidiaries' bank accounts to identify the source of these funds. Refer to *Appendix F* for further details.

transferred from their controlled subsidiary, York City Enterprises Limited (“York City”) to Henenghaixin. Refer to *Appendix F* for further discussion of these transactions.

21. Henenghaixin ultimately received CAD \$352,534,700 from York City in connection with the Investment.
22. In addition to the CAD \$352,534,700 received by Henenghaixin, Henenghaixin also received net CAD \$1,443,631 from York City. PwC was unable to determine the rationale for this additional net receipt from the documents provided. Mr. Zhang confirmed he is also unaware of the rationale for this additional net receipt. The amount Henenghaixin ultimately received from York City is CAD \$353,978,331 (E1).
23. Of the CAD \$353,978,331 received into Henenghaixin’s Accounts, we note the following:
 - a. CAD \$276,938,102 appears to have been used in connection with the Investment Purpose or for other operational related purposes. Refer to *Appendix D* for further analysis of these transactions.
 - b. CAD \$77,006,491 appears to have been used for purposes unrelated to the Investment Purpose, and paid to/received from Unrelated Entities.
 - c. CAD \$33,738 is the ending balance in Henenghaixin’s Accounts at December 31, 2018.
24. From our review of Henenghaixin’s Accounts, and other supporting documentation, we identified a number of transactions with the following Unrelated Entities:
 - a. Calgary Sinoenergy Investment Corp. (“CSIC”);
 - b. Long Run Exploration Ltd. (“Long Run”) (wholly owned by CSIC);
 - c. Alberta Sinoenergy Petroleum Corporation (“ASPC”);
 - d. New Star Energy Ltd. (“New Star”) (wholly owned by ASPC, discussed in *Section V*, paragraph 43); and
 - e. An Unknown entity (discussed in *Section V*, paragraph 45).
25. Each of the Unrelated Entities share common directors (namely Mr. Tianzhou Deng and Mr. Yingchun Wu). According to searches of Alberta’s corporate registry conducted by PwC, Mr. Deng was also a former Director of Henenghaixin⁸ (November 23, 2016 to September 21, 2017) and is an active director of West Lake⁹ (December 13, 2016 to the date of our report). Refer to *Appendix C* for further details. Other than Mr. Deng being a director of each of the Unrelated Entities (both at the time of the transactions set out herein and the date of this report) and of Henenghaixin (former), PwC could not identify any other affiliation between each of the Unrelated Entities and Henenghaixin. Mr. Zhang confirmed he is also unaware of any additional affiliation between the Unrelated Entities and Henenghaixin.
26. Set out in Table 1 below is a summary of the CAD \$77,006,491 in net payments from/receipts to Henenghaixin’s Accounts which appear unrelated to the Investment Purpose, and paid to/received from Unrelated Entities.

⁸ DocRef_1

⁹ DocRef_3

Table 1 – Net Payments From/Receipts to Henenghaixin’s Accounts Unrelated to the Investment Purpose, and paid to/received from Unrelated Entities

Entity		Amount (\$ CAD)	Report Reference	Paragraphs
CSIC	Net	(76,956,491)	i	27 to 30
Long Run		(150,000)	ii	31 to 35
ASPC		100,000	iii	36 to 38
Total		(77,006,491)		

i. Calgary Sinoenergy Investment Corp. (“CSIC”)

27. As set out in Table 1, net payments of CAD \$76,956,491 (**E8**) were made from Henenghaixin’s Accounts to CSIC (an Unrelated Entity). Based on PwC’s searches of Alberta’s corporate registry¹⁰, and as set out in *Appendix C*, we noted the following as at the date of the transactions¹¹ set out in Table 2:

- a. CSIC was a Canadian entity incorporated in Alberta;
- b. CSIC was wholly owned by Sinoenergy Oil Investment Ltd. (British Virgin Islands);
- c. CSIC’s directors were Mr. Tianzhou Deng and Mr. Yingchun Wu.

28. Set out in Table 2 below is a summary of transactions with CSIC, as per Henenghaixin’s Accounts¹².

¹⁰ DocRef_9

¹¹ As of the date of this report, the information set out in paragraph 27 remains accurate

¹² DocRef_4, 5, 6

Table 2 – Henenghaixin’s Transactions with CSIC

Transaction	Henenghaixin Account	Posting Date (mm/dd/yyyy)	CSIC Account	Payments (\$ CAD)	Receipts (\$ CAD)	Net (\$ CAD)
1	100300200412134	1/16/2017	100300200347707	-	100,000	100,000
2	100300200412134	3/31/2017	100300200347707	-	100,000	100,000
3	00762433600	4/12/2017	760-00548654800	(15,000,000)	-	(15,000,000)
4	00762433600	4/18/2017	760-00548654800	(10,000,000)	-	(10,000,000)
5	00762433600	6/2/2017	760-00548654800	(22,000,000)	-	(22,000,000)
6	00762433600	6/2/2017	760-00548654800	(500,000)	-	(500,000)
7	00762433600	7/5/2017	760-00548654800	(11,150,000)	-	(11,150,000)
8	00762433600	7/12/2017	760-00548654800	(31,000,000)	-	(31,000,000)
9	00762433600	7/13/2017	760-00548654800	(3,596,491)	-	(3,596,491)
10	00762433600	8/3/2017	760-00548654800	-	1,000,000	1,000,000
11	00762433600	8/3/2017	760-00548654800	-	200,000	200,000
12	00762433600	9/5/2017	760-00548654800	(110,000)	-	(110,000)
13	00762433600	9/7/2017	760-00548654800	-	15,000,000	15,000,000
Total				(93,356,491)	16,400,000	(76,956,491)

29. PwC analyzed select email communications provided by Mr. Zhang relating to the transactions set out in Table 2 above. We noted the following:

Transactions 3-9, 12 (payments):

- a. These transactions totaling \$93,356,491 were made via wire transfers by ATB. As per banking records provided by ATB, these payments were requested by Mr. Michael Lam and approved by Mr. Steven Neu, Director of Henenghaixin (transactions 4-9, and 12 only)¹³. PwC could not identify the approver(s), if any, for transaction 3. We understand from Mr. Zhang that Mr. Lam is an associate of Mr. Deng’s (Director of CSIC and Director of Henenghaixin as at the date of these transactions).
- b. According to PwC’s searches of Alberta’s corporate registry¹⁴, we did not identify any affiliations between Mr. Lam and CSIC, or Mr. Neu and CSIC. Mr. Zhang stated he is also unaware of any affiliations between Mr. Lam and CSIC, or Mr. Neu and CSIC.
- c. PwC was unable to determine the rationale for these transactions from the documents provided. Mr. Zhang confirmed he is also unaware of the rationale for these transactions.

¹³ DocRef_18

¹⁴ DocRef_9

Transaction 7 (payment):

- d. In an email from Mr. Lam to Mr. Brayden Eurich (Client Service Officer, Banking Operations – ATB) dated July 5, 2017¹⁵, Mr. Lam wrote:
- “Henenghaixin is expecting a \$11.15 million incoming wire; as soon as it is received we would like to*
- Step 1) Transfer to Calgary SinoEnergy’s ATB Chequing account*
- Step 2) Wire out to Long Run Exploration, from Calgary SinoEnergy, as per the attached wiring instruction”*
- e. Mr. Eurich responded on the same day and wrote, *“The funds have been transferred to Calgary SinoEnergy and wired out as per your instructions. Confirmation number 59573559”*.
- f. PwC has not been provided with the bank accounts for Calgary SinoEnergy (assumed CSIC) or Long Run Exploration (assumed Long Run) and thus cannot confirm whether CSIC and ultimately Long Run, received the funds. Based on the confirmation from Mr. Eurich (ATB) as noted above, it appears these funds were transferred from CSIC to Long Run (**E9**). Long Run is discussed in further detail in *Section V*, paragraphs 31 to 35 below.

Transactions 1, 2, 10, 11, 13 (receipts):

- g. PwC was unable to determine the rationale for these transactions totaling \$16,400,000 from the documents provided. Mr. Zhang confirmed he is also unaware of the rationale for these transactions.

Transactions 1-2 (receipts):

- h. We understand from Mr. Zhang that Mr. Neu confirmed with the Bank of China that the account ending in 7707 belongs to “Calgary Sinoenergy Investment”. For the purposes of this report, we have assumed that “Calgary Sinoenergy Investment” and Calgary Sinoenergy Investment Corp. (CSIC) are the same entities.
30. As noted in Table 3 below, CSIC appears to have made payments totalling CAD \$29,111,698 related to the Investment Purpose, for the benefit of the Partnerships. PwC could not determine what portion, if any, of the net payments of CAD \$76,956,491 by Henenghaixin to CSIC, set out in Table 1 above, may relate to repayment of the CAD \$29,111,698. Further, we were unable to determine from the records provided why the CAD \$29,111,698 in payments were made by CSIC (an Unrelated Entity) as opposed to by Henenghaixin, the Partnerships or their subsidiaries.

ii. Long Run Exploration Ltd. (“Long Run”)

31. Based on PwC’s searches of Alberta’s corporate registry¹⁶, and as set out in *Appendix C*, we noted the following as at the date of the transactions¹⁷ noted in paragraph 32:
- a. Long Run was a Canadian entity incorporated in Alberta, Canada;

¹⁵ DocRef_19

¹⁶ DocRef_20

¹⁷ As of the date of this report, the information set out in paragraph 31 remains accurate

-
- b. Long Run was wholly owned by CSIC (Alberta, Canada); and
 - c. Long Run's directors were Mr. Tianzhou Deng, Ms. Xiaobo Deng, Mr. Bo Huang, and Mr. Yingchun Wu.
32. As noted in paragraphs 29 d., e., and f., a payment of CAD \$11,150,000 from Henenghaixin to CSIC on July 5, 2017, appears to have been subsequently transferred on the same day from CSIC to Long Run (an Unrelated Entity) **(E9)**. In addition, as noted in Table 1 above, a further payment of CAD \$150,000 **(E11)** was made from Henenghaixin to Long Run on October 12, 2018.
33. We understand from Mr. Zhang that Mr. Neu confirmed with the Bank of China that the payment of CAD \$150,000 went into an account ending in 5611, which belongs to Long Run Exploration. Mr. Zhang advised that Mr. Neu could not provide rationale for this payment from Henenghaixin to Long Run.
34. PwC was unable to determine the rationale for these transactions set out in paragraph 32 (i.e. CAD \$150,000 directly to Long Run and CAD \$11,150,000 indirectly to Long Run through CSIC). Further, PwC was unable to determine who requested and authorized these transactions. Mr. Zhang confirmed he is also unaware of the rationale for these transactions and who may have requested and approved them.
35. As noted in Table 3 below, Long Run appears to have made a payment of CAD \$1,462,294 **(G12)** related to the Investment Purpose, for the benefit of the Partnerships. PwC could not determine what portion, if any, of the payments to Long Run, summarized in paragraph 32 above, may relate to repayment of the CAD \$1,462,294. Further, we were unable to determine from the records provided why the CAD \$1,462,294 payment was made by Long Run (an Unrelated Entity) as opposed to by Henenghaixin, the Partnerships or their subsidiaries.

iii. Alberta Sinoenergy Petroleum Corporation ("ASPC")

36. Based on PwC's searches of Alberta's corporate¹⁸, and as set out in *Appendix C*, we noted the following as at the date of the transaction¹⁹ noted in paragraph 37:
- a. ASPC was a Canadian entity incorporated in Alberta, Canada;
 - b. ASPC was wholly owned by Success Top Group Ltd. (British Virgin Islands); and
 - c. ASPC's directors were Mr. Tianzhou Deng and Mr. Yingchun Wu.
37. As set out in Table 1, Henenghaixin received CAD \$100,000 **(E10)** from ASPC (an Unrelated Entity) on March 31, 2017. We understand from Mr. Zhang that Mr. Neu confirmed with the Bank of China Calgary branch that the receipt of CAD \$100,000 was from an account ending in 1869, which belongs to "Alberta Sinoenergy". For the purposes of this report, we have assumed that "Alberta Sinoenergy" and Alberta Sinoenergy Petroleum Corporation (ASPC) are the same entities.
38. PwC was unable to determine the rationale for this receipt from the documents provided. Mr. Zhang confirmed he is also unaware of the rationale for this receipt.

¹⁸ DocRef_7

¹⁹ As of the date of this report, the information set out in paragraph 36 remains accurate

B. Additional Funds Paid by Unrelated Entities which Appear to be for the Benefit of the Partnerships

39. As set out in Table 3 below, we identified from records provided by Mr. Zhang payments relating to the Investment Purpose totalling CAD \$33,240,792 made by Unrelated Entities during the Review Period.

Table 3 – Summary of Payments by Unrelated Entities for the Apparent Benefit of the Partnerships

Entity	Net Amount (\$ CAD)	Report Reference	Paragraphs
CSIC	29,111,698	i	41
Long Run	1,462,294	ii	42
New Star	2,000,000	iii	43
Unknown	666,800	iv	45
Total	33,240,792		

40. In identifying the payments set out in Table 3 above, we relied on records provided by Mr. Zhang (as set out in *Appendix H*). We were unable to determine from the records provided why these payments, which relate to the Investment Purpose and appear to be for the benefit of the Partnerships, were made by Unrelated Entities as opposed to being made by the Partnerships and/or their subsidiaries. In addition, we cannot verify the completeness of additional payments, if any, made by Unrelated Entities (or others), for the benefit of the Partnerships.

i. Calgary Sinoenergy Investment Corp (“CSIC”)

41. As set out in Table 3 above, the CAD \$29,111,698 in payments made by CSIC, are comprised of the following:

- a. USD \$19,500,000 (CAD \$26,005,200²⁰) (**E2**) paid to FTI Consulting Canada Inc. (“FTI”) for deposits related to the Twin Butte Acquisition. Refer to *Appendix D*, paragraph 6 for further details on these deposits.
- b. CAD \$3,106,498 (**G10** and **G11**) in multiple payments, for interest on York City’s loans with the Industrial and Commercial Bank of China (Canada), Industrial and Commercial Bank of China (Macau) Limited and Industrial and Commercial Bank of China Limited, Seoul Branch (collectively, the “ICBC Group”) and China Construction Bank Co., Ltd. Seoul Branch (“CCB South Korea”). Refer to *Appendix F*, paragraphs 18 a. and b. for further details on these interest payments.

ii. Long Run Exploration Ltd. (“Long Run”)

42. As set out in Table 3 above, Long Run appears to have made a payment of CAD \$1,462,294 (**G12**) on January 2, 2018 to York City for interest on the ICBC Group loan. Refer to *Appendix F*, paragraph 18 c. for further details on this interest payment.

²⁰ Deposit of USD \$19,500,000 converted to CAD using March 23 Bank of Canada rate per the Statement of Adjustments in DocRef_12.

iii. New Star Energy Ltd. (“New Star”)

43. Based on PwC’s searches of Alberta’s corporate registry²¹, and as set out in *Appendix C*, we noted the following as at the date of the below mentioned transaction²²:
- a. New Star was a Canadian entity incorporated in Alberta;
 - b. New Star was wholly owned by ASPC (Alberta, Canada); and
 - c. New Star’s directors were Mr. Tianzhou Deng and Mr. Yingchun Wu.
44. As set out in Table 3 above, New Star paid BLG CAD \$2,000,000 **(E5)** on March 30, 2017 upon closing of the Twin Butte Acquisition. Refer to *Appendix D*, paragraph 12 a. for further details on this payment.

iv. Unknown Entity

45. As set out in Table 3 above, we were unable to determine who made a payment of USD \$500,000 (CAD \$666,800²³) **(E3)** to FTI for a deposit related to the Twin Butte Acquisition. Refer to *Appendix D*, paragraph 7 for further details on this deposit.

²¹ DocRef_10

²² As of the date of this report, the information set out in paragraph 43 remains accurate

²³ Deposit of USD \$500,000 converted to CAD using March 23 Bank of Canada rate per the Statement of Adjustments in DocRef_12.

Appendix A

Restrictions and Qualifications

General

1. We have set out in this report the detailed procedures undertaken by us and our findings thereon. The primary sources of information considered and relied upon are referred to in the body of this report and appendices. Our review does not constitute an audit, as defined by Canadian Auditing Standards. We have not attempted to audit or otherwise verify the information presented to us beyond the express scope stated in this report. We have not sought external verification of the information provided to us except as expressly stated. Our work was limited to the specific procedures and analysis described herein and was based only on the information made available for the Review Period, unless otherwise stated. Should further information come to our attention, the results and conclusions expressed herein may change. We reserve the right, but are under no obligation, to review such information and reconsider and amend the findings set out in this report.
2. Our report is not intended for general circulation or publication, nor is it to be reproduced or used for any purposes without our prior written consent in each instance. We will not assume any responsibility or liability for losses occasioned to you, your client or other parties as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.
3. Our report is strictly confidential and has been prepared solely for the use and benefit of, and pursuant to a client relationship exclusively with the Partnerships. This report should not be copied or disclosed to any third party or otherwise be quoted or referred to, in whole or in part, without the prior written consent of PwC. In the event that this report is obtained by a third party or used for any purpose other than in accordance with its intended purpose, any such party relying on the report does so entirely at their own risk and shall have no right of recourse against PwC, and its partners, directors, employees, professional advisors or agents. PwC disclaims any contractual or other responsibility to others based on its use and, accordingly, this information may not be relied upon by any third party. None of PwC, its partners, directors, employees, professional advisors or agents accept any liability or assume any duty of care to any third party (whether it is an assignee or successor of another third party or otherwise) in respect of this report.
4. We make no representation regarding questions of legal interpretation.

Specific Limitations

5. Our work was limited to the procedures specifically performed as set out in this report. We note the following specific limitations:
 - a. We cannot verify the completeness of additional payments made by Unrelated Entities, or other entities on behalf of the Partnerships, if any, beyond those set out in this report;
 - b. We have not analyzed the bank statements of subsidiaries wholly owned and/or controlled by the Partnerships, unless otherwise stated;
 - c. For the transactions set out in this report, we traced the amounts within Henenghaixin's Accounts. We were not provided with information sufficient to trace the flow of funds to/from the bank accounts of the other entities involved;
 - d. As instructed by you, we did not speak with any individuals named throughout this report other than Mr. Zhang and Mr. Neu;
 - e. In instances where supporting documentation did not provide sufficient detail with respect to the nature and purpose of the transaction, we have relied on verbal representations from Mr. Zhang;

-
- f. We have not sought external verification of the banking records and other documentation as provided by Mr. Zhang, unless otherwise stated;
 - g. We have not shared this report with anyone other than Bennett Jones LLP and Mr. Zhang;
 - h. We have not been provided sufficient documentation to identify who paid the remaining interest (beyond that noted in the report) on the York City loans from ICBC Group and CCB South Korea; and
 - i. We have not collected emails or other electronic communications for any individuals named throughout this report; emails referenced in our report were provided directly by Mr. Zhang.

Appendix B

Glossary of Terms

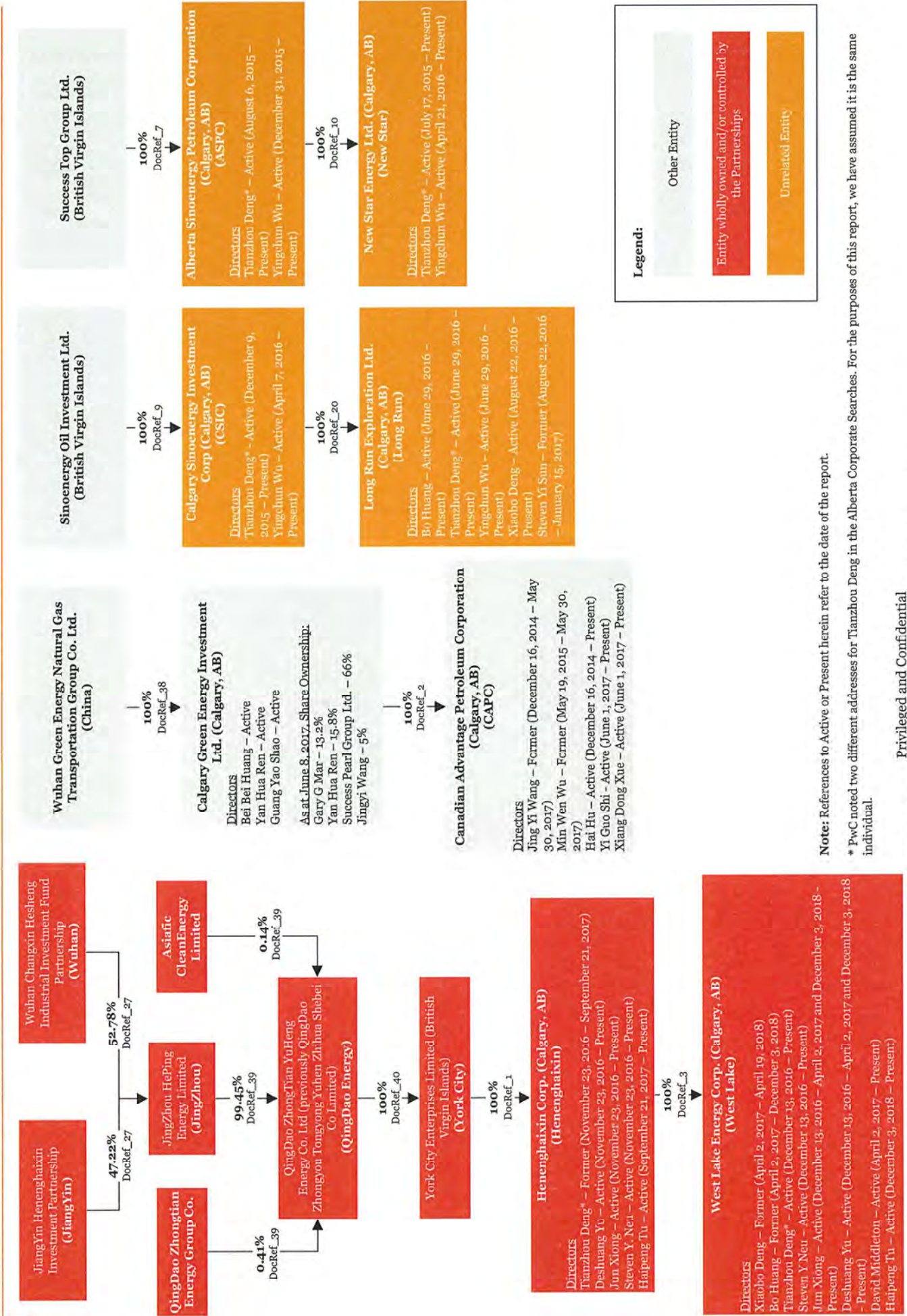
Report Abbreviation	Chinese Characters	Company Name
ASPC	N/A	Alberta Sinoenergy Petroleum Corporation
ATB	N/A	Alberta Treasury Branches
BLG	N/A	Borden Ladner Gervais LLP
CAPC	N/A	Canadian Advantage Petroleum Corporation
CCB	中国建设银行股份有限公司	China Construction Bank Co., Ltd.
CCB China	中国建设银行股份有限公司青岛四方分行	China Construction Bank Co., Ltd. QingDao Sifang Branch
CCB South Korea	中国建设银行股份有限公司首尔分行	China Construction Bank Co., Ltd. Seoul Branch
CSIC	N/A	Calgary Sinoenergy Investment Corp.
FTI	N/A	FTI Consulting Canada Inc.
Henenghaixin	N/A	Henenghaixin Corp.
ICBC	中国工商银行	Industrial and Commercial Bank of China
ICBC China	中国工商银行武汉江汉支行	Industrial and Commercial Bank of China, Wuhan Jianghan Branch
ICBC Group	N/A	Industrial and Commercial Bank of China (Canada), Industrial and Commercial Bank of China (Macau) Limited and Industrial and Commercial Bank of China Limited, Seoul Branch
JiangYin	江阴合能海欣投资合伙企业 (有限合伙)	JiangYin Henenghaixin Investment Partnership (Limited Partnership)
JingZhou	荆州市合平能源有限公司	JingZhou HePing Energy Limited
QingDao Capital	青岛中天资产管理有限公司	QingDao Zhongtian Capital Management Co.
QingDao Energy	青岛中天宇恒能源有限公司	QingDao ZhongTian YuHeng Energy Co. Ltd.
West Lake	N/A	Henenghaixin Operating Corp. (Name changed to West Lake Energy Corp. – Jan 26, 2017)
Wuhan	武汉长鑫合晟投资合伙企业 (有限合伙)	Wuhan Changxin Hesheng Industrial Investment Fund Partnership (Limited Partnership)
YingShi	北京盈时创新投资顾问有限公司	Beijing YingShi ChuangXin Investment Consulting Ltd.
York City	约克城实业有限公司	York City Enterprises Limited
Long Run	N/A	Long Run Exploration Ltd.
New Star	N/A	New Star Energy Ltd.

Appendix C

Diagram of Ownership Structures and Directors Information

Appendix C

Diagram of Ownership Structures and Directors Information



Legend:

- Other Entity
- Entity wholly owned and/or controlled by the Partnerships
- Unrelated Entity

Note: References to Active or Present herein refer to the date of the report.

* PwC noted two different addresses for Tianzhou Deng in the Alberta Corporate Searches. For the purposes of this report, we have assumed it is the same individual.

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Confidential Information for the sole benefit and use of the Partnerships
Not to be Distributed Without Express Consent of PricewaterhouseCoopers LLP In Each Instance

Appendix D

Payments in Connection with the Investment Purpose or Operations

1. As set out in Table 4 below, we identified CAD \$276,938,102 in net payments from Henenghaixin's bank accounts which appear to relate to the Investment Purpose or for other operational related purposes.

Table 4 – Net Payments from Henenghaixin's Bank Accounts²⁴ Related to the Investment Purpose or Operations

Entity	Amount (\$ CAD)	Subtotal	Report Reference	Paragraphs
Payments in Connection with the Investment Purpose				
FTI	(5,108,021) ²⁵		i	8
BLG	(229,447,356) ²⁶		i	12 b.
West Lake	(42,090,000)		ii	15
Subtotal		(276,645,377)		
Other		(292,725)	iii	16
Total		(276,938,102)		

i. Twin Butte Acquisition

2. Pursuant to an Order of the Alberta Court of Queen's Bench, we understand that Twin Butte Energy Ltd. was a Calgary based oil and gas producer. On September 1, 2016, FTI was appointed as Receiver of all the assets, undertakings and properties of Twin Butte Energy Ltd.²⁷
3. PwC analyzed the PSA²⁸ between FTI and Henenghaixin Operating Corp. ("West Lake"²⁹ or "Purchaser") dated December 23, 2016:
 - a. Article 2.2 states the purchase price as CAD \$266,000,000, plus/minus the net amount of adjustments per Article 7 (the "Adjusted Purchase Price") and plus applicable GST and/or sales taxes.

²⁴ Excludes transfers between Henenghaixin's Accounts

²⁵ This payment was made in USD 3,819,960. It has been converted to CAD using the effective rate of exchange from closing documents. See Appendix D, paragraph 8 below.

²⁶ As detailed in Appendix D, paragraph 12 b., this amount is comprised of CAD \$231,200,000 paid from Henenghaixin to BLG less CAD \$1,752,644 repaid by BLG to Henenghaixin.

²⁷ DocRef_8

²⁸ DocRef_8

²⁹ Henenghaixin Operating Corp. changed its name to West Lake Energy Corp. ("West Lake") on January 26, 2017. As such, the PSA was amended. References to West Lake and Henenghaixin Operating Corp. are made interchangeably within the PSA documents.

- b. Article 2.9 states that that a deposit of USD \$20,000,000 as of the date of the PSA had been provided by Purchaser to FTI (the “Deposit”).
- c. Article 2.5 states, upon closing of the acquisition, Purchaser was to remit the Adjusted Purchase Price, less the Deposit and plus applicable GST and/or sales taxes to FTI.
4. Summarized in paragraphs 5 through 13 below is our analysis of the transactions related to the Deposit and Adjusted Purchase Price. As noted below and in *Section V* paragraphs 41 and 43, there were payments from CSIC and New Star with respect to the Twin Butte Acquisition. According to searches of Alberta’s corporate registry conducted by PwC³⁰, and as set out in *Appendix C*, these two entities have no shareholdings or other affiliations with Henenghaixin (or vice versa). Mr. Deng (former Director of Henenghaixin and current Director of West Lake) is a director of both CSIC and New Star.

a) PSA Deposits

5. According to a letter from FTI to Mr. Harold Wang dated March 1, 2017³¹, FTI confirmed receipt of deposits in relation to the PSA (the “PSA Deposits”), totalling USD \$23,819,960. We understand from Mr. Zhang, that Mr. Neu advised him that Mr. Wang was assisting “Calgary Sinoenergy” with the Twin Butte Acquisition and that he also helps manage Long Run. For the purposes of this report, we have assumed that “Calgary Sinoenergy” and Calgary Sinoenergy Investment Corp (CSIC) are the same entities. Set out in Table 5 below is a summary of the identified payors of the PSA Deposits as noted from transaction records³² provided, unless otherwise noted.

Table 5 – PSA Deposits to FTI

Payor	Payee	Date Received (per FTI) (mm/dd/yyyy)	Amount (\$ USD)	Subtotal (\$ USD)	Notes (below)
CSIC	FTI	12/16/2016	18,500,000		1
CSIC	FTI	12/20/2016	500,000		1
CSIC	FTI	12/20/2016	500,000		1
<i>Subtotal</i>				19,500,000	
Unknown	FTI	12/20/2016	500,000		2
<i>Subtotal</i>				500,000	
Henenghaixin	FTI	2/28/2017	3,819,960		3
<i>Subtotal</i>				3,819,960	
Total				23,819,960	4

Note 1:

6. The total PSA Deposits made by CSIC equal USD \$19,500,000 (CAD \$26,005,200) (E2). We were unable to determine from the records provided why these PSA Deposits were made by CSIC (an Unrelated Entity) as opposed to being made by Henenghaixin, the Partnerships or their subsidiaries.

³⁰ DocRef_9, 10

³¹ DocRef_11

³² DocRef_11, 12

PwC confirmed the details of these payments from CSIC in Table 5 above to official cheque copies from the Bank of China (Canada)³³.

Note 2:

7. We were unable to determine from the records provided who made the payment of USD \$500,000 (CAD \$666,800) **(E3)**. Mr. Zhang confirmed he is also unaware of the payor of this payment.

Note 3:

8. The PSA Deposit of USD \$3,819,960³⁴ (CAD \$5,108,021³⁵) **(E4)** from Henenghaixin to FTI was an additional deposit, beyond the USD \$20,000,000 referred to in the PSA. This deposit was agreed to between Henenghaixin and FTI in exchange for an extension of the transaction's closing date³⁶. This deposit was facilitated by an advance from Canadian Advantage Petroleum Corporation ("CAPC") to Henenghaixin's USD account on January 26, 2017 for USD \$3,999,985. Henenghaixin then made the USD \$3,819,960 payment to FTI from their USD account on February 28, 2017. Henenghaixin ultimately repaid CAPC the equivalent of USD \$4,000,000³⁷ (CAD \$5,366,000)³⁸, on March 24, 2017 from their ATB CAD account.

Note 4:

9. The total PSA Deposits of USD \$23,819,960 were ultimately converted to CAD \$31,851,868³⁹ as noted in a transaction closing letter from BLG (Henenghaixin's legal counsel for the purchase)⁴⁰, to Henenghaixin dated March 30, 2017. PwC was unable to reconcile the conversion from USD to CAD. The Statement of Adjustments⁴¹ references a March 23, 2017 Bank of Canada rate of 1.3336, however, the exchange rate applied by FTI was 1.3371923378. PwC did not identify deposits other than those noted in FTI's letter⁴² to Mr. Harold Wang, confirming deposits received by FTI. As previously noted, we understand from Mr. Zhang that Mr. Neu advised him that Mr. Wang was assisting Calgary Sinoenergy with the Twin Butte Acquisition. PwC could not confirm the reason for the difference in the recalculated amount from documentation provided. As instructed by you, we did not attempt to further clarify the reason for this difference.

b) PSA Adjusted Purchase Price

10. As noted in a letter from BLG to Henenghaixin dated March 30, 2017⁴³, BLG confirmed the Twin Butte Acquisition closed on March 30, 2017. BLG confirmed receipt of CAD \$230,953,886, being the balance of the acquisition purchase price of CAD \$266,000,000, less adjustments in favour of West Lake in the amount of CAD \$3,194,246 and the previous deposited amounts of CAD \$31,851,868. BLG stated that this amount was wired from their solicitor trust account to FTI on March 30, 2017, and FTI confirmed receipt of such amount⁴⁴.

³³ DocRef_12

³⁴ As noted in DocRef_13, the USD \$3,819,960 was transferred to satisfy a CAD \$5,000,000 additional deposit required to extend the closing date. The amount transferred as per the Bank of China USD Account bank statement notes USD \$3,820,000. PwC is unable to determine the reason for the USD \$40 difference.

³⁵ As noted in paragraph 9, USD \$23,819,960 was converted to CAD \$31,851,868 based on an exchange rate of 1.3371923378. This exchange rate was used to translate the deposit of USD \$3,819,960 into CAD \$5,108,021.

³⁶ DocRef_13

³⁷ Difference of \$15 between USD \$3,999,985 from CAPC to Henenghaixin and USD \$4,000,000 from Henenghaixin to CAPC relates to bank fees.

³⁸ This short-term financing transaction resulted in foreign exchange losses of CAD \$20,488, which are discussed in *Appendix D*, paragraph 16 c.

³⁹ DocRef_14

⁴⁰ DocRef_15

⁴¹ DocRef_12

⁴² DocRef_11

⁴³ DocRef_15

⁴⁴ DocRef_16

11. BLG facilitated the transfer of the balance of the Acquisition Purchase Price upon closing of the Twin Butte Acquisition. Set out in Table 6 below is a summary of the pre-closing payments to BLG, BLG's return of excess funds to Henenghaixin, and BLG's closing payment to FTI.

Table 6 – Transactions with BLG

Payor	Payee	Transaction Date (mm/dd/yyyy)	Amount (CAD \$)	Subtotal (CAD \$)	Notes
<i>Pre-Closing Payments to BLG</i>					
New Star	BLG	3/30/2017	2,000,000		1
Henenghaixin	BLG	3/30/2017	231,200,000		1
<i>Subtotal</i>				233,200,000	
<i>BLG Return of Funds to Henenghaixin</i>					
BLG	Henenghaixin	3/31/2017	(1,752,644)		1
<i>Subtotal</i>				231,447,356	
<i>BLG Closing Payment to FTI</i>					
BLG	FTI	3/30/2017	(230,953,886)		2
<i>Subtotal</i>				493,470	
Net funds retained by BLG				493,470	2

Note 1:

12. As detailed in Table 6 above, net funds paid to BLG to close the transaction were CAD \$231,447,356, summarized as follows:
- CAD \$2,000,000 (E5) paid from New Star to BLG. We were unable to determine from the records provided why this payment was made by New Star (an Unrelated Entity) as opposed to by Henenghaixin, the Partnerships or their subsidiaries. PwC noted an email from Mr. Michael Lam to Mr. Xiaodi Jin of BLG dated March 30, 2017 indicating that this payment from New Star was for the Twin Butte Acquisition on behalf of Henenghaixin⁴⁵. We understand from Mr. Zhang that Mr. Lam is an associate of Mr. Deng's (Director of CSIC and Director of Henenghaixin at date of this transaction).
 - Net payments from Henenghaixin to BLG totalled CAD \$229,447,356 (E6) (CAD \$231,200,000 less CAD \$1,752,644).

Note 2:

13. The difference between the total net payments made by New Star and Henenghaixin to BLG of CAD \$231,447,356 and BLG's payment to FTI of CAD \$230,953,886 (E7) equals CAD \$493,470. PwC was unable to determine the reason for this difference from the documents provided. Mr. Zhang stated he believes the balance relates to legal fees owed to BLG in connection with the Twin Butte Acquisition. As instructed by you, we did not confirm this with BLG or other parties.

⁴⁵ DocRef_17

ii. West Lake Energy Corp. (“West Lake”)

14. As previously noted in *Section II* paragraph 7, the Partnerships’ Investment in Henenghaixin was to be used for the Twin Butte Acquisition, with the remainder to be used as a capital injection into Henenghaixin’s wholly owned subsidiary, West Lake.
15. Multiple transfers from Henenghaixin’s bank accounts were made to West Lake totalling CAD \$42,090,000 **(E12)**. As instructed by you, PwC has not conducted further analysis on these transactions. Also as instructed by you, PwC has not conducted an analysis of transactions to and from West Lake’s bank accounts.

iii. Other

16. The balance of CAD \$292,725 **(E13)** in Table 4 above relates to the following:
 - a. Payments totalling CAD \$269,668, which we understand from Mr. Zhang are to the benefit of West Lake executives⁴⁶, Mr. Alan Steele (CAD \$128,140), and Mr. David Middleton (CAD \$141,528);
 - b. Payments totalling CAD \$2,569 in bank fees and other miscellaneous transactions; and
 - c. A foreign exchange loss of CAD \$20,488 on the short term financing transaction with CAPC related to the PSA deposit as referenced in *Appendix D* paragraph 8.
17. As instructed by you, PwC has not conducted further analysis on the above transactions.

⁴⁶ DocRef_5 and 18

Appendix E

Diagram of the Financial Transactions with Respect to the Investment

Appendix E
Financial Transactions with Respect to the Investment

Shape/Symbol Legend



Entity wholly owned and/or controlled by the Partnerships



Henenghaixin Corp



Unrelated Entity



Entity Related to Twin Butte Acquisition and Capital Injection into West Lake Energy



Transaction Amount



Net Flow and Direction of Funds

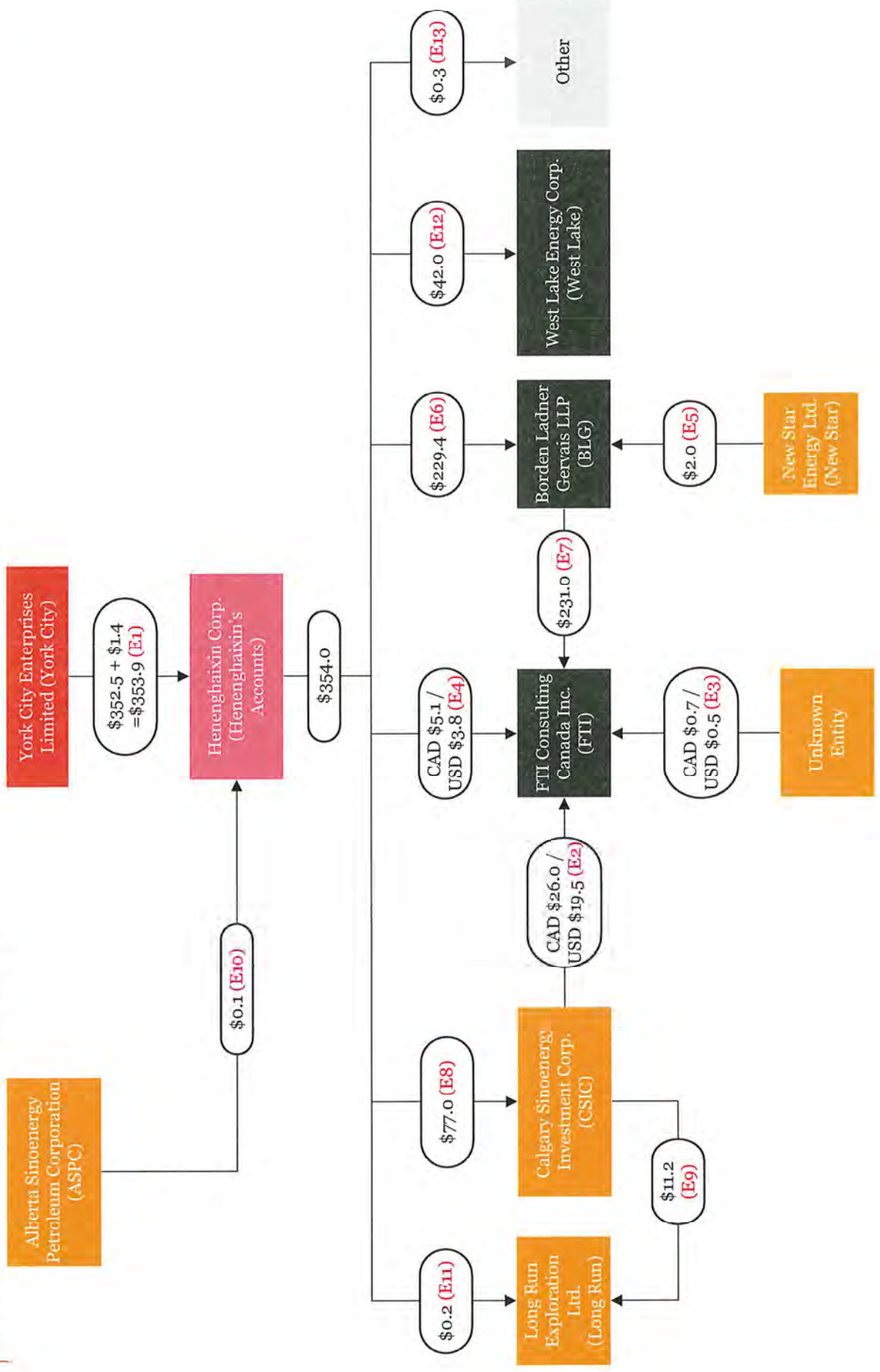


Contractual Relationship

E#

Report Reference

Appendix E
Financial Transactions with Respect to the Investment
In millions (CAD \$), unless otherwise stated



Appendix F

A. JiangYin and Wuhan's Investment in Henenghaixin

1. The Partnerships' Investment in Henenghaixin was transferred through several entities prior to ultimately being received into Henenghaixin's Accounts. Refer to *Appendix C* for a diagram of the ownership structures of the entities involved in the transfers. Our findings in this Appendix make references, denoted as "(G#)", to the corresponding section of the flow of funds diagram set out in *Appendix G*.
2. JiangYin and Wuhan each made their own investments in Henenghaixin. The structure and transactions related to each of their respective investments are detailed in agreements (collectively, the "Investment Agreements") between:
 - a. JiangYin⁴⁷ and QingDao Zhongtian Capital Management Co. ("QingDao Capital"), Mr. Tianzhou Deng, Mr. Bo Huang, and their spouses dated February 2017⁴⁸; and
 - b. Wuhan and QingDao Capital, Mr. Tianzhou Deng, Mr. Bo Huang, and their spouses dated March 2017⁴⁹.
3. Outlined in the sections below is a summary of the transactions between the Partnerships and Henenghaixin.

1. JiangYin/Wuhan to JingZhou

4. JingZhou HePing Energy Limited ("JingZhou") is an entity residing in China, jointly owned by JiangYin (47.22%) and Wuhan (52.78%), as a result of their respective investments in JingZhou outlined in paragraph 5 below.
5. JiangYin's and Wuhan's respective ownership in JingZhou were derived from the the following investments in JingZhou (as set out in the Investment Agreements noted above):
 - a. JiangYin – RMB ¥850,000,000; transferred in two amounts, RMB ¥400,000,000 and RMB ¥450,000,000, via JiangYin's general partner Heyuan Capital⁵⁰ and received in JingZhou's CCB bank account⁵¹ on February 14, 2017 and March 14, 2017, respectively (G1).
 - b. Wuhan – RMB ¥950,000,000; transferred via Beijing YingShi ChuangXin Investment Consulting Ltd. ("YingShi"), on March 28, 2017⁵². As noted in an investment agreement between Wuhan and QingDao Capital, YingShi's ownership of 52.78% derived from this transfer was subsequently transferred to Wuhan. The structure of the transactions, as explained in the investment agreement was as follows:

⁴⁷ The investment agreement is between Heyuan Capital Management Co. Ltd. ("Heyuan Capital") and QingDao Capital. Mr. Zhang confirmed that Heyuan Capital is the general partner of JiangYin. As such, the agreement is effectively between JiangYin and QingDao Capital, as we've referred to it above.

⁴⁸ DocRef_22

⁴⁹ DocRef_23

⁵⁰ DocRef_22

⁵¹ DocRef_24, 25

⁵² DocRef_26

- i. Wuhan loaned RMB ¥950,000,000 to YingShi⁵³;
- ii. YingShi transferred RMB ¥950,000,000 to JingZhou as noted above⁵⁴ (**G2**); and
- iii. YingShi subsequently transferred their 52.78% ownership in JingZhou to Wuhan (**G3**). PwC research corroborated the transfer of ownership⁵⁵. The research was conducted via a third-party enterprise information searching platform in China, which comprises data from websites such as government corporation registries, amongst other sources.

2. JingZhou to QingDao Energy

6. QingDao ZhongTian YuHeng Energy Co. Ltd. (“QingDao Energy”) is a subsidiary of JingZhou⁵⁶, residing in China.
7. JingZhou transferred the sum of RMB ¥1,800,000,000 (**G4**) received from JiangYin and Wuhan to QingDao Energy in three transactions as follows:
 - a. RMB ¥400,000,000 on February 15, 2017⁵⁷;
 - b. RMB ¥450,000,000 on March 15, 2017⁵⁸; and
 - c. RMB ¥950,000,000 on March 28, 2017⁵⁹.

3. QingDao Energy to CCB/ICBC and Foreign Loans to York City

8. We understand from Mr. Zhang that due to China’s foreign currency controls, QingDao Energy was unable to transfer funds outside of China to their subsidiary, York City located in the British Virgin Islands, for ultimate investment into Henenghaixin. For this reason, QingDao Energy entered into agreements with both the Industrial and Commercial Bank of China, Wuhan Jiangnan Branch⁶⁰ (“ICBC China”) and China Construction Bank Co., Ltd. QingDao Sifang Branch⁶¹ (“CCB China”) to facilitate transfers outside of China. Both agreements were structured to require a deposit/guarantee from QingDao Energy to each of ICBC China and CCB China, for the RMB amounts to then be transferred. We understand from Mr. Zhang that each of ICBC China and CCB China then set up agreements with their respective foreign branches, who ultimately loaned the CAD equivalent of the RMB deposits/guarantees (less bank fees and other charges) to York City. A summary of these agreements is set out below.

i. QingDao Energy – CCB – York City

9. QingDao Energy entered into 6 Capital Warrant Contracts with CCB China⁶², whereby the debtor (QingDao Energy) was required to deposit a specified amount into a guarantee account held by CCB China, which was not to be used or transferred without the creditor’s (CCB China) approval. The

⁵³ PwC has not been provided the bank statements of Wuhan or YingShi to confirm this transaction, however as noted in paragraph 5.b above, we have confirmed YingShi’s ownership in JingZhou (as a result of their ¥950,000,000 transfer) was subsequently transferred to Wuhan.

⁵⁴ DocRef_26

⁵⁵ DocRef_27

⁵⁶ DocRef_27

⁵⁷ DocRef_28

⁵⁸ DocRef_28

⁵⁹ DocRef_26

⁶⁰ DocRef_31

⁶¹ DocRef_35

⁶² DocRef_35

recalculated total amount deposited into the guarantee account per the Capital Warrant Contracts was RMB ¥938,828,227⁶³ **(G5)**.

10. It should be noted that an additional RMB ¥88,828,227, beyond JiangYin's investment of ¥850,000,000 comprises the balance of total receipts in the guarantee account of QingDao Energy (i.e. RMB ¥88,828,227 + RMB ¥850,000,000 = RMB ¥938,828,227). We understand from Mr. Zhang that these additional funds (RMB ¥88,828,227), representing 4.70% of the total receipts in QingDao Energy (RMB ¥1,888,828,227) do not belong to the Partnerships. As instructed by you, PwC has not analyzed QingDao Energy's bank accounts further to attempt to identify the source of these funds.
11. As a result of QingDao Energy's 6 deposits totalling RMB ¥938,828,227 into the CCB China guarantee account⁶⁴, China Construction Bank Co., Ltd. Seoul Branch ("CCB South Korea") entered into 6 corresponding loan contracts with York City⁶⁵. Funds were withdrawn by York City in 6 transactions totalling CAD \$174,800,000 **(G6)** between March 23, 2017 and July 12, 2017⁶⁶.
12. Refer to *Section B* below for a summary of interest payments on these loans to York City.

ii. QingDao Energy – ICBC – York City

13. QingDao Energy entered into a guarantee/standby letter of credit agreement with ICBC China⁶⁷. Although this credit agreement did not state the amount of the guarantee, we understand from Mr. Zhang the guarantee amount was RMB ¥950,000,000. PwC confirmed a transfer of RMB ¥950,000,000 **(G7)** from QingDao Energy's Ping An bank account to their ICBC China account on March 28, 2017⁶⁸.
14. As a result of this guarantee, Industrial and Commercial Bank of China (Canada), Industrial and Commercial Bank of China (Macau) Limited and Industrial and Commercial Bank of China Limited, Seoul Branch (collectively, the "ICBC Group") entered into a loan agreement with York City⁶⁹. CAD \$177,734,700 **(G8)** in loan proceeds were withdrawn by York City on March 29, 2017⁷⁰.
15. Refer to *Section B* below for a summary of interest payments on these loans to York City.

4. *York City to Henenghaixin*

16. As noted previously, Henenghaixin is a Canadian corporation, wholly owned by York City.
17. York City transferred CAD \$353,978,331 **(G9)** to Henenghaixin, which includes the total loan proceeds of CAD \$352,534,700 received from CCB South Korea and ICBC Group **(G6 and G8)** and an additional CAD \$1,443,631 **(G9)** from York City as discussed in *Section V*, paragraph 22.

⁶³ The contracts are denoted in either USD or RMB. In instances where the contract is denoted in USD, we have converted the amount to RMB using the rates as at the date of the contract per Bloomberg.

⁶⁴ DocRef_28

⁶⁵ DocRef_36

⁶⁶ DocRef_29, 30

⁶⁷ DocRef_31

⁶⁸ DocRef_26, 37

⁶⁹ DocRef_32

⁷⁰ DocRef_21

B. Interest Payments on York City Loans

18. As noted previously, York City had loans with CCB South Korea and ICBC Group. PwC identified the following interest payments made by Unrelated Entities from documentation provided, unless otherwise stated:
 - a. CAD \$1,593,525 (**G10**) was paid by CSIC to CCB South Korea for interest on the CCB South Korea loan⁷¹; and
 - b. CAD \$1,512,973 (**G11**) was paid by CSIC to York City for interest on the ICBC Group loan⁷²; and
 - c. CAD \$1,462,294 was apparently paid by Long Run to York City (**G12**) for interest on the ICBC Group loan⁷³. We were unable to determine the payor of the interest payments from the documents provided, and have therefore relied on information provided by Mr. Zhang.
19. As of the date of this report, we have not been provided sufficient documentation to identify all interest payments, including whether any additional interest (beyond that noted above) was paid by the entities above, or any other Unrelated Entities.

⁷¹ DocRef_33

⁷² DocRef_34

⁷³ DocRef_21

Appendix G

Diagram of JiangYin and Wuhan's Investment in Henenghaixin

Appendix G
JiangYin and Wuhan's Investment in Henenghaixin

Shape/Symbol Legend



Entity wholly owned and/or controlled by the Partnerships



Henenghaixin Corp.



Unrelated Entity



Transaction Amount



Net Flow and Direction of Funds

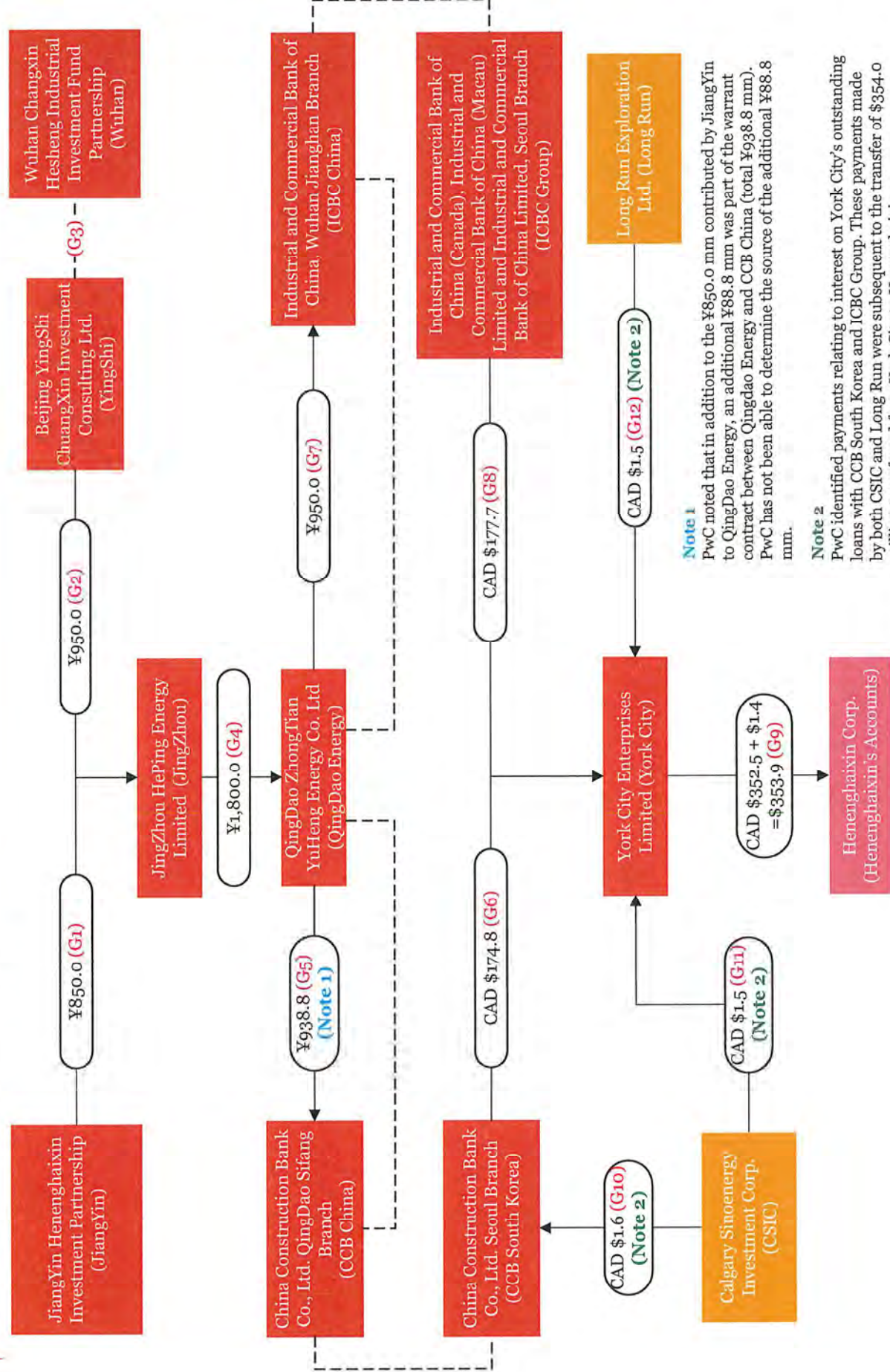


Contractual Relationship

G#

Report Reference

Appendix G
JiangYin and Wuhan's Investment in Henenghaixin
In millions (RMB ¥), unless otherwise stated



Note 1

PwC noted that in addition to the ¥850.0 mm contributed by JiangYin to QingDao Energy, an additional ¥88.8 mm was part of the warrant contract between Qingdao Energy and CCB China (total ¥938.8 mm). PwC has not been able to determine the source of the additional ¥88.8 mm.

Note 2

PwC identified payments relating to interest on York City's outstanding loans with CCB South Korea and ICBC Group. These payments made by both CSIC and Long Run were subsequent to the transfer of \$354.0 million transferred from York City to Henenghaixin.

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Appendix H

Source Document Inventory

Doc Ref	Document Description
1	Henenghaixin corporate searches
	a) Corporate Search as at November 18, 2019
	b) Change Director/Shareholder proof of filing as at September 21, 2017
2	CAPC corporate searches
	a) Corporate Search as at November 18, 2019
	b) Change Director/Shareholder proof of filing as at June 9, 2017
3	West Lake corporate searches
	a) Corporate search as at November 18, 2019
	b) Change Director/Shareholder proof of filing as at December 21, 2018
4	Henenghaixin's ATB - CAD account #00762433600 – March 15, 2017 to December 31, 2018
5	Henenghaixin's Bank of China Calgary Branch – CAD account #100300200412134 – January 1, 2017 to December 1, 2018
6	Henenghaixin's Bank of China Calgary Branch – USD account #100300200412145 – January 1, 2017 to October 12, 2018
7	ASPC corporate searches
	a) Corporate search as at November 18, 2019
	b) Change Director/Shareholder proof of filing as at June 13, 2016
8	Purchase and Sale Agreement between FTI Canada Inc. and Henenghaixin Operating Corp. dated December 23, 2016
9	CSIC corporate searches
	a) Corporate search as at November 18, 2019
	b) Change Director/Shareholder proof of filing as at December 9, 2016
10	New Star corporate searches
	a) Corporate search as at November 18, 2019
	b) Change Director/Shareholder proof of filing as at April 28, 2016
11	Letter from FTI to Harold Wang dated March 1, 2017, confirming deposits received by FTI in relation to the PSA
12	Interim Statement of Adjustments, official cheque copies from Bank of China and wire requests for the Twin Butte Acquisition
	a) Interim Statement of Adjustments - undated
	b) Cheque copy dated December 16, 2016 in the amount of USD \$18,500,000 from CSIC to FTI

Doc Ref	Document Description
	c) Cheque copy dated December 20, 2016 in the amount of USD \$500,000 from CSIC to FTI
	d) Cheque copy dated December 20, 2016 in the amount of USD \$500,000 from CSIC to FTI
	e) Completed transfer request form dated February 28, 2017 in the amount of USD \$3,820,000 to FTI
13	Irrevocable Direction letter dated March 30, 2017 to FTI regarding an additional deposit of CAD \$5,000,000 in exchange for an extension of the Closing Date.
14	Statement of Adjustments – undated
15	Letter from BLG to Henenghaixin dated March 30, 2017, confirming the close of Twin Butte Acquisition
16	Letter from FTI to West Lake dated March 30, 2017, confirming receipt for \$230,953,886
17	Email from Michael Lam to Xiaodi Jin (BLG) dated March 30, 2017 with wiring instructions and confirmation of \$2 million payment from New Star Energy to BLG
18	Wire requests for Henenghaixin transactions with CSIC <ul style="list-style-type: none"> a) Workbook provided by ATB with details on requestor and approver of wire payments to CSIC b) Email from Michael Lam to ATB staff on April 12, 2017 requesting transfer of CAD \$15,000,000 from Henenghaixin to CSIC c) Email from Michael Lam to ATB staff on April 18, 2017 requesting transfer of CAD \$10,000,000 from Henenghaixin to CSIC d) Email from Michael Lam to ATB staff on June 2, 2017 requesting transfer of CAD \$22,000,000 from Henenghaixin to CSIC e) Email from Michael Lam to Rizwan Hassanaly (ATB) on June 2, 2017 requesting transfer of CAD \$500,000 to CSIC f) Email from Michael Lam to Brayden Eurich (ATB) on July 5, 2017 requesting transfer of CAD 11,150,000 to CSIC. Email dated July 5, 2017 with Steven Neu’s approval g) Email from Michael Lam to Brayden Eurich (ATB) on July 12, 2017 requesting transfer of CAD \$31,000,000 to CSIC. Email dated July 12, 2017 with Steven Neu’s approval h) Email from Michael Lam to Brayden Eurich (ATB) on July 13, 2017 requesting transfer of CAD \$3,596,491 to CSIC. Email dated July 13, 2017 with Steven Neu’s approval i) Email from Michael Lam to Brayden Eurich (ATB) on September 5, 2017 requesting transfer of CAD \$100,000 to CSIC. Another email from Michael Lam to Brayden Eurich (ATB) on the same day, adjusting the requested amount to CAD \$110,000
19	Email from Michael Lam to Brayden Eurich (ATB) dated July 5, 2017 requesting transfer of CAD \$11,500,000 to CSIC, then subsequently transferring the full amount to Long Run
20	Long Run corporate searches <ul style="list-style-type: none"> a) Corporate search as at November 18, 2019 b) Change Director/Shareholder proof of filing as at January 24, 2017
21	York City’s ICBC Group bank statement (account #0004930719200000638) from March 23, 2017 to May 1, 2019
22	Twin Butte Energy Ltd. Investment Agreement between He Yuan Capital Management Co. Ltd. (general partner of JiangYin) and QingDao ZhongTian Capital Management Co. Ltd
23	Twin Butte Energy Ltd. Investment Agreement (the “Wuhan/YingShi Investment Agreement”) between Wuhan

Doc Ref	Document Description
	and QingDao ZhongTian Capital Management Co. Ltd
24	JiangYin to JingZhou funds transfer confirmation <ul style="list-style-type: none"> a) Confirmation of transfer of RMB ¥400,000,000 from JiangYin to JingZhou on February 14, 2017 b) Confirmation of transfer of RMB ¥450,000,000 from JiangYin to JingZhou on March 14, 2017
25	JingZhou's CCB bank account statement (#42050162880800000071) – February 14, 2017 to February 22, 2019
26	JingZhou's Ping An Bank transaction record for transactions dated March 28, 2017, showing <ul style="list-style-type: none"> a) Receipt of RMB Y950,000,000 on March 28, 2017 from account #15000074663256 b) Payment of RMB Y950,000,000 on March 28, 2018 to account #15000074655057
27	Qichacha export of JingZhou HePing Energy Co. Ltd – as at July 17, 2019
28	QingDao Energy's CCB China bank account statement (#37101986410051014628) – December 21, 2016 to December 21, 2018
29	Withdrawal notices from York City to CCB South Korea <ul style="list-style-type: none"> a) Notice dated March 23, 2017 for CAD \$59,000,000 b) Notice dated April 10, 2017 for CAD \$18,700,000 c) Notice dated April 11, 2017 for CAD \$14,950,000 d) Notice dated May 24, 2017 for CAD \$32,000,000 e) Notice dated July 3, 2017 for CAD \$11,150,000 f) Notice dated July 12, 2017 for CAD \$39,000,000
30	York City's CCB South Korea bank accounts transaction history <ul style="list-style-type: none"> a) Account #673110117220001 – July 5, 2017 to May 13, 2019 b) Account #673110116720001 – May 31, 2017 to May 31, 2019 c) Account #673110115120001 – March 23, 2017 to May 13, 2019 d) Account #673110117290001 – July 12, 2017 to May 13, 2019 e) Account #673110115510001 – April 11, 2017 to May 13, 2019 f) Account #673110115600001 – April 13, 2017 to May 13, 2019
31	QingDao Energy agreement with ICBC China on issuance of financing guarantee dated March 22, 2017
32	Agreement for credit facility for CAD \$177,734,700 between York City and ICBC Group dated March 28, 2017
33	Completed manual wire request forms for CSIC interest payment on CCB South Korea loan <ul style="list-style-type: none"> a) Form dated June 22, 2017 for CAD \$472,310.36 from CSIC to CCB South Korea for Bilateral Term Loan b) Form dated August 30, 2017 for CAD \$253,587.29 from CSIC to CCB South Korea for York City CL017/0054 c) Form dated October 10, 2017 for CAD \$697,494.98 from CSIC to CCB South Korea for York City CL017/0061/0033/0034/0060 d) Form undated for CAD \$170,132.60 from CSIC to CCB South Korea for CL017/0098
34	Completed manual wire request/transfer forms for CSIC interest payment on ICBC Group loan

Doc Ref	Document Description
	a) Form dated January 8, 2018 for CAD \$3,000 from CSIC to York City
	b) Customer transfer form dated September 29, 2017 for CAD \$1,370,018.02 from CSIC to York City re: agreement 0004930703281
	c) Bank of China application for remittance form dated March 5, 2018 for CAD \$140,000 from CSIC to York City
35	QingDao Energy Capital warrant contracts with CCB China
	a) Contract dated March 23, 2017
	b) Contract dated April 10, 2017
	c) Contract dated April 13, 2017
	d) Contract dated May 26, 2017
	e) Contract dated July 4, 2017
	f) Contract dated July 11, 2017
36	Loan agreements between York City and CCB South Korea
	a) Agreement number: 20170323-001
	b) Agreement number: 20170410-001
	c) Agreement number: 20170411-001
	d) Agreement number: 20170524-001
	e) Agreement number: 20170627-001
	f) Agreement number: 20170707-001
37	QingDao Energy's ICBC China bank statement (account #3202002519200199585) – March 7, 2017 to March 6, 2018
38	Calgary Green Energy Investment Ltd. corporate search as at November 18, 2019
39	Qichacha export of QingDao Energy
40	York City Share Registry

Exhibit 1

Henenghaixin's Bank Accounts' Transaction Details

Entity Name	Account Number	Posting Date	Henenghaixin Bank Account Number			Total CAD \$ Transactions
			BoC USD \$ 100300200412145	BoC CAD \$ 100300200412134	ATB CAD \$ 762433600	
Alberta Sinoenergy Petroleum Corp	100300200201869	3/31/2017		100,000		100,000
Total Alberta Sinoenergy Petroleum Corporation				100,000		100,000
Borden Ladner Gervais LLP	0003-00009-1642529	3/30/2017			(231,200,000)	(231,200,000)
Borden Ladner Gervais LLP	0003-00009-1642529	3/31/2017			1,752,644	1,752,644
Total Borden Ladner Gervais LLP					(229,447,356)	(229,447,356)
Calgary Sinoenergy Investment Corp	760-00548654800	4/12/2017			(15,000,000)	(15,000,000)
Calgary Sinoenergy Investment Corp	760-00548654800	4/18/2017			(10,000,000)	(10,000,000)
Calgary Sinoenergy Investment Corp	760-00548654800	6/2/2017			(22,500,000)	(22,500,000)
Calgary Sinoenergy Investment Corp	760-00548654800	7/5/2017			(11,150,000)	(11,150,000)
Calgary Sinoenergy Investment Corp	760-00548654800	7/12/2017			(31,000,000)	(31,000,000)
Calgary Sinoenergy Investment Corp	760-00548654800	7/13/2017			(3,596,491)	(3,596,491)
Calgary Sinoenergy Investment Corp	760-00548654800	8/3/2017			1,200,000	1,200,000
Calgary Sinoenergy Investment Corp	760-00548654800	9/5/2017			(110,000)	(110,000)
Calgary Sinoenergy Investment Corp	760-00548654800	9/7/2017			15,000,000	15,000,000
Calgary Sinoenergy Investment Corp	100300200347707	1/16/2017		100,000		100,000
Calgary Sinoenergy Investment Corp	100300200347707	3/31/2017		100,000		100,000
Total Calgary Sinoenergy Investment Corp				200,000	(77,156,491)	(76,956,491)
Canadian Advantage Petroleum Corp.	37234797655	1/26/2017	3,999,985			-
Canadian Advantage Petroleum Corp.	37234797655	3/24/2017			(5,366,000)	(5,366,000)
Total Canadian Advantage Petroleum Corp.			3,999,985		(5,366,000)	(5,366,000)
FTI Consulting	161360	2/28/2017	(3,820,000)			-
Total FTI Consulting			(3,820,000)			
Long Run Exploration	129890055611	10/12/2018			(150,000)	(150,000)
Total Long Run Exploration					(150,000)	(150,000)
West Lake Energy Corp.	100300200411899	1/17/2017			(90,000)	(90,000)
West Lake Energy Corp.	760-00756643300	3/31/2017			(4,500,000)	(4,500,000)
West Lake Energy Corp.	760-00756643300	4/12/2017			(3,000,000)	(3,000,000)
West Lake Energy Corp.	760-00756643300	4/20/2017			(2,000,000)	(2,000,000)
West Lake Energy Corp.	760-00756643300	5/3/2017			(1,000,000)	(1,000,000)
West Lake Energy Corp.	760-00756643300	6/2/2017			(10,000,000)	(10,000,000)
West Lake Energy Corp.	760-00756643300	7/14/2017			(5,000,000)	(5,000,000)
West Lake Energy Corp.	760-00756643300	8/4/2017			(1,500,000)	(1,500,000)
West Lake Energy Corp.	760-00756643300	9/7/2017			(15,000,000)	(15,000,000)
Total West Lake Energy Corp.					(90,000)	(42,090,000)
York City Enterprises Limited	Unknown	3/24/2017			59,000,000	59,000,000
York City Enterprises Limited	Unknown	3/30/2017			2,699,000	2,699,000
York City Enterprises Limited	Unknown	4/12/2017			18,700,000	18,700,000
York City Enterprises Limited	Unknown	4/17/2017			14,950,000	14,950,000
York City Enterprises Limited	Unknown	6/2/2017			32,000,000	32,000,000
York City Enterprises Limited	0004930719200000638	3/29/2017			177,734,700	177,734,700
York City Enterprises Limited	0004930719200000638	6/28/2017			(1,255,369)	(1,255,369)
York City Enterprises Limited	0004930719200000638	7/5/2017			11,150,000	11,150,000
York City Enterprises Limited	0004930719200000638	7/12/2017			39,000,000	39,000,000
Total York City Enterprises Limited					353,978,331	353,978,331
Other			(179,985)	(33,640)	(1,106)	(34,746)
Grand Total			-	26,360	7,378	33,738

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Exhibit "12"

Changchun Sinoenergy Announcement, certified translation, Jun-04-20

20 pages

THIS IS EXHIBIT " 12 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZYK
My Commission Expires May 21, 2026

***ST Changchun Sinoenergy Corporation's Announcement on the Inquiry Letter
Regarding Litigation Matters Concerning Overseas Holding Subsidiaries**

Stock Code: 600856 Stock Abbreviation: *ST 中天 Announcement No.: Temp. 2020-084

Changchun Sinoenergy Corporation's Announcement on the Inquiry Letter Regarding
Litigation Matters Concerning Overseas Holding Subsidiaries

The Company's Board of Directors and all Directors guarantee that there are no false records, misleading statements or material omissions in this announcement, and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of the content.

*ST Changchun Sinoenergy Corporation (hereinafter referred to as the "Company") received the "Inquiry Letter on Litigation Matters Concerning the Overseas Holding Subsidiary of Changchun Sinoenergy Corporation" from the Shanghai Stock Exchange on May 8th, 2020 (No. 0458 [2020] of Shanghai Stock Exchange), now the reply is as follows:

1. The Announcement disclosed that from November 2016 to September 2017, the Company's former de facto controller Deng Tianzhou served as a board director of Henenghaixin Corporation. From January to September 2017, Deng Tianzhou, along with his daughter Deng Xiaobo and others, transferred CAD \$44 million from Henenghaixin Corporation to Calgary Sinoenergy Investment Corp. and Long Run Exploration Ltd. on the grounds that Deng Tianzhou owned and controlled Henenghaixin Corporation. The Company is requested to disclose specific information on the corresponding fund inflows, including the amounts of funds, the reasons for the transfer, etc., and specify whether the inflow of funds is legal and compliant.

[Reply]

After receiving the inquiry letter, the Company immediately instructed the subsidiary company in Canada to comprehensively verify the above-mentioned fund inflows. After financial verification, the transfer of funds between Henenghaixin Corporation and Calgary Sinoenergy Investment Corporation (the Company's subsidiary in Canada), and between Calgary Sinoenergy Investment Corporation and Long Run Exploration Ltd. are as follows:

1. Fund transfer from Henenghaixin Corporation to Calgary Sinoenergy Investment Corporation is as follows:

Date	Payer	Payee	Amount (CAD)	Nature of the Transfer
2017-4-12	Henenghaixin	Calgary Sinoenergy	15,000,000.00	Deposit repayment for the TB project
2017-4-18	Henenghaixin	Calgary Sinoenergy	10,000,000.00	Deposit repayment for the TB project
2017-6-2	Henenghaixin	Calgary Sinoenergy	22,000,000.00	Intercompany loan
2017-6-2	Henenghaixin	Calgary Sinoenergy	500,000.00	Intercompany loan

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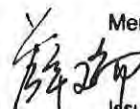
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2017-7-5	Henenghaixin	Calgary Sinoenergy	11,150,000.00	Intercompany loan
2017-7-12	Henenghaixin	Calgary Sinoenergy	31,000,000.00	Intercompany loan
2017-7-13	Henenghaixin	Calgary Sinoenergy	3,596,491.00	Intercompany loan
2017-9-5	Henenghaixin	Calgary Sinoenergy	110,000.00	Intercompany loan
Total			93,356,491.00	

Note:

a) On December 19th, 2016, the board of directors of Qingdao Sinoenergy Corp., a wholly-owned subsidiary of the Company, reviewed and approved the "Motion for Qingdao Sinoenergy Corp. and Jingzhou Heping Energy Co., Ltd. to jointly acquire the oil and gas assets of Twin Butte Energy Ltd. in Alberta, Canada and increase capital to increase oil and gas production capacity", agreeing to invest RMB 1.395 billion to jointly acquire the oil and gas assets of Twin Butte Energy Ltd. with Jingzhou Heping Energy Co., Ltd. (hereinafter referred to as "Jingzhou Heping Energy") through Qingdao Zhongtian Yuheng Energy Co., Ltd.. Given the above-mentioned board resolution, and the fact that Qingdao Zhongtian Yuheng was a wholly owned subsidiary of Qingdao Sinoenergy Corp. before January 25th, 2017, i.e. Henenghaixin Corporation was an indirect wholly-owned subsidiary of Qingdao Sinoenergy Corp., Calgary Sinoenergy Investment Corp., a holding subsidiary of Qingdao Sinoenergy Corp. paid USD 20 million (equivalent to CAD 27.14 million) to FTI Consulting Inc. on December 20th, 2016, for the acquisition of Twin Butte project by Henenghaixin Corporation. The Company failed to disclose the information regarding the above-mentioned investment behavior and violated Article 2, Paragraph 1, Article 30, Paragraph 2(2) and Article 33, Paragraph 1 of the "Administrative Measures for the Disclosure of Information of Listed Companies" (CSRC Order No. 40). Jilin Securities Regulatory Bureau issued a warning on December 20th, 2019 to Deng Tianzhou, the board chairman of the listed company at the time. On May 6th, 2020, the Shanghai Stock Exchange also imposed disciplinary sanctions on the company's responsible party at the time for failing to perform the corresponding decision-making procedures and to disclose the information of major asset restructuring in a timely manner, as mentioned above.

b) On January 25th, 2017, due to funding constraints, the Company was expected to be unable to complete the capital contribution to Qingdao Zhongtian Yuheng within the agreed time. After negotiation with Jingzhou Heping Energy, Jingzhou Heping Energy increased its registered capital by RMB 1.8 billion in order to acquire 99.45% equity of Qingdao Zhongtian Yuheng. The Company's share of Qingdao Zhongtian Yuheng was changed to 0.55%. The Company no longer has control over Qingdao Zhongtian Yuheng. Qingdao Zhongtian Yuheng's change of control has been disclosed in the Company's 2017 annual report.

c) In April 2017, Henenghaixin Corporation transferred two funds to Calgary Sinoenergy Investment Corp. for a total amount of CAD 25 million, which was used to repay Calgary Sinoenergy Investment Corp. for the pre-acquisition costs of the TB project.

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d) On April 10th, 2017, York City Enterprises Ltd. (hereinafter referred to as "York City"), a wholly-owned parent company of Henenghaixin Corporation, signed a loan agreement with Calgary Sinoenergy Investment Corp. The main content of the agreement included a loan amount of CAD 58.76 million, which could be increased in the future, with a borrowing rate that was 100 basis points above the prime rate. Based on the premise of friendly cooperation, the loan agreement did not specify a term of borrowing. Under the terms of this loan agreement, Henenghaixin Corporation transferred CAD 68,356,491 to Calgary Sinoenergy Investment Corp. through 6 transactions from June 2017 to September 2017, of which CAD 2.14 million was used to pay off the pre-acquisition costs of the TB project paid by Calgary Sinoenergy Investment Corp., hence the actual loan amount was CAD 66,216,491.

2、 Fund transfer from Calgary Sinoenergy to Long Run after Calgary Sinoenergy received the funds from Henenghaixin is as follows:

Date	Payer	Payee	Amount (CAD)	Nature of the Transfer
2017-4-13	Calgary Sinoenergy	Long Run	15,000,000.00	Parent company loan
2017-4-18	Calgary Sinoenergy	Long Run	10,000,000.00	Parent company loan
2017-6-2	Calgary Sinoenergy	Long Run	22,000,000.00	Parent company loan
2017-7-5	Calgary Sinoenergy	Long Run	11,150,000.00	Parent company loan
2017-7-13	Calgary Sinoenergy	Long Run	31,000,000.00	Parent company loan
2017-7-13	Calgary Sinoenergy	Long Run	3,000,000.00	Parent company loan
Total			92,150,000.00	

Note:

a) On June 29th, 2016, Long Run and Calgary Sinoenergy signed a loan agreement, stipulating that Calgary Sinoenergy would lend CAD 120 million to Long Run, with an interest rate that was 150 basis points above the prime rate, and a loan maturity date set to be February 1st, 2017. On August 29th, 2016, Long Run and Calgary Sinoenergy signed the first adjustment agreement to adjust the loan amount from CAD 120 million to CAD 220 million. On January 31st, 2017, Long Run and Calgary Sinoenergy signed a second adjustment agreement, stipulating that the maturity date of the above-mentioned loan agreement be extended from February 1st, 2017 to July 9th, 2024, and the loan amount be adjusted from CAD 220 million to CAD 450 million. According to the terms of the loan agreement and adjustment agreements, from April 2017 to July 2017, Calgary Sinoenergy transferred the loan funds of CAD 92.15 million received from Henenghaixin to Long Run.

b) In April 2017, the Company's holding subsidiary Calgary Sinoenergy and Henenghaixin's parent company York City signed a loan agreement amounting to CAD 58.6 million, which was equivalent to RMB 302 million, considered as normal fund borrowing behavior of the Company's holding subsidiary Calgary Sinoenergy with a non-affiliated enterprise. According to the " Rules Governing the Listing of Stocks on Shanghai Stock

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7/3/2017

Exchange ", the loan amount had exceeded 10% of the audited net assets of the listed company in 2015, and the absolute amount had exceeded RMB 10 million, hence it had to be submitted to the board of directors of the listed company for review and be disclosed as well; however, the decision-making and information disclosure procedures of the listed company were not performed when the event occurred, which violated the Company's decision-making procedures and the relevant provisions on information disclosure of listed companies. The loan agreement between Calgary Sinoenergy and Long Run was between the group's holding subsidiary and its wholly-owned holding company, a normal behavior of intercompany loan. According to regulations, it was not necessary to perform the decision-making and information disclosure procedures of listed companies.

2. The Announcement disclosed that Calgary Sinoenergy and Long Run subsequently provided the transferred CAD 44 million to Deng Xiaobo, Deng Tianzhou and other interested parties, accounting for 13.32% of the Company's audited net assets in 2016. On July 10th, 2019, the Company replied to the inquiry letter of our department claiming that based on its self-examination, no action of non-operating fund occupation was found. The Company is requested to disclose additional information on the following matters: (1) Details on the corresponding capital outflow. Please list the amount of fund, purpose, whereabouts, relevant account processing, etc., of each transaction, and indicate whether the relevant fund transfers had commercial substance and whether the purpose of the transfers was to protect the Company's interests; (2) Whether necessary decision-making and information disclosure procedures were performed with regard to the matters involved in the relevant fund transfers, if not, please explain the reasons and compliance; (3) In combination with the purpose, nature, decision-making process of the fund transfers and so on, please indicate whether it was an action of non-operating fund occupation for the Company to provide the transferred funds to Deng Tianzhou and other interested parties. If so, please explain the specific reasons for fund occupation and the relevant responsible parties, as well as the reasons and responsible parties undisclosed in the preliminary round of verification.

[Reply] (1) Details on the corresponding capital outflow. Please list the amount of fund, purpose, whereabouts, relevant account processing, etc., of each transaction, and indicate whether the relevant fund transfers had commercial substance and whether the purpose of the transfers was to protect the Company's interests;

a) Calgary Sinoenergy received a total amount of CAD 93,356,491 from Henenghaixin, of which CAD 92.15 million was transferred to Long Run (for details, please refer to the description of Question 1), and CAD 510,250.52 was used by Sinoenergy Oil Investment Ltd., the parent company of Calgary Sinoenergy to pay interest on the loan of CCB Seoul Branch, and the remaining funds and part of its own funds were divided into 7 interest payments of CAD 3,433,705.88 for Henenghaixin York City (as part of the loan repayment to Henenghaixin).

b) In view of the great workload of verifying the financial records such as bank statements, bank journals, cheque statistics, etc. of Long Run for the full year of 2017 and the limited time given to respond to this inquiry letter, the Company targeted specifically at the period during which Henenghaixin transferred CAD 92.15 million to the Company (from April 2017 to September 2017), and verified each fund transfer of CAD 100,000 and above from Long Run

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from January to September 2017. The following is a summary of the verified fund outflows of Long Run from January to September 2017:

Unit: CAD

Classification of fund outflow	Verified #of Companies	Verified #of Payment Records	Verified Amount	# of Companies with Contracts and Statements
Drilling and Completion Related	26	144	76,350,033.43	8
Oilfield Operation Related	90	345	96,315,152.96	8
Office Management Related	24	73	24,206,687.77	4
Government Taxes	35	78	9,110,390.18	Not Applicable
Government – Land Rent	1	11	2,342,582.78	Not Applicable
Loan Interest	2	4	8,026,859.27	2
Staff Salaries and Benefits	3	39	24,312,540.77	3
Total	181	694	240,664,247.16	

Long Run's fund inflow and outflow from January to September 2017 are summarized as follows:

Unit: CAD

1、 Bank Opening Amount on January 1 st 2017	13,500,019.71
2、 Fund Inflow from Henenghaixin	92,150,000.00
3、 Parent Company Loan from Calgary Sinoenergy	20,069,983.94
4、 Loan from CCB Toronto Branch	20,374,282.46
5、 Normal Operating Payment	224,649,149.09
6、 Amount of Fund Outflow	325,328,196.89
7、 Bank Ending Balance on September 30 th , 2017	45,415,238.31

The total amount of above-mentioned verified fund outflows accounted for 73.98% of Long Run's total fund outflows from January to September 2017. Contracts or settlement documents corresponding to partial fund outflows are still in the process of being collected.

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Verification conclusion: By verifying each fund inflow transaction of CAD 100,000 and above from Long Run from January to September 2017 (covering the time period of fund inflow from Henenghaixin from April to September 2017), the Company did not find fund outflow from Long Run into the accounts of Deng Tianzhou, Deng Xiaobo and other interested parties, and no action of non-operating fund occupation was found.

Next, the Company will continue to verify Long Run's fund outflows from October to December 2017 and the payment records of the single fund outflow of less than CAD 100,000 in 2017.

(2) Whether necessary decision-making and information disclosure procedures were performed with regard to the matters involved in the relevant fund transfers, if not, please explain the reasons and compliance;

The above-mentioned capital expenditures are considered routine production and operational capital spending of the Company's holding subsidiaries Calgary Sinoenergy and Long Run, and have been paid after following the standard funding approval process at Long Run; hence, there was no need to perform the decision-making and information disclosure procedures of listed companies.

(3) In combination with the purpose, nature, decision-making process of the fund transfers and so on, please indicate whether it was an action of occupation of non-operating funds for the Company to provide the transferred funds to Deng Tianzhou and other interested parties. If so, please explain the specific reasons for fund occupation and the relevant responsible parties, as well as the reasons and responsible parties undisclosed in the preliminary round of verification.

As mentioned above, after conducting a comprehensive verification of Long Run's capital outflow transactions of CAD 100,000 and above from January to September 2017, the Company did not find fund outflows from Long Run into the accounts of Deng Tianzhou, Deng Xiaobo and other interested parties, and no action of non-operating fund occupation was found.

3. The Announcement disclosed that the court issued an order to freeze all assets of Calgary Sinoenergy and Long Run, including bank deposits and real estate, prohibiting related parties from disposing of "recourse property". As of December 31st, 2019, Calgary Sinoenergy and Long Run's total assets amounted to RMB 8.381 billion, accounting for 75.05% of the total assets of listed Company. Long Run's operating income in 2019 was RMB 686 million, accounting for 63.28% of the Company's total revenue. The Company is requested to disclose additional information on the following matters: (1) List the details and amount of the frozen assets, as well as the proportion of assets in the listed company's most recent audited asset list; (2) the specific impact of the frozen assets of Calgary Sinoenergy and Long Run on the Company's financial status, and production and operation with full warning of the risks; (3) Combining with the financial status of Deng Tianzhou and other interested parties, explain the subsequent impact of the litigation on the Company, including possible compensation liability, etc., the proposed resolution measures, with full warning of the risks.

[Reply] (1) List the details and amount of the frozen assets, as well as the proportion of assets in the listed company's most recent audited asset list;

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Details on the Frozen Assets of Calgary Sinoenergy and Long Run are as follows:

Frozen Assets (Item)	Book Balance (RMB)	Proportion of corresponding assets in the listed Company
Money Funds	14,146,033.63	2.94%
Fixed Assets	5,663,546.98	1.82%
Project Goods and Material	47,802,972.15	100.00%
Oil and Gas Assets	4,770,688,149.81	89.62%
Long-term Prepaid Expenses	11,619,444.81	74.36%
Account Receivable	96,072,876.64	34.84%
Other Receivables	2,537,803,005.34	163.56%
Prepayments	16,862,948.98	2.09%
Total	7,500,658,978.34	-

Note: The amount of other receivables has not offset the current amount of consolidated related parties within the listed company.

(2) The specific impact of the frozen assets of Calgary Sinoenergy and Long Run on the Company's financial status, and production and operation with full warning of the risks;

Due to the frozen assets, the normal operation of Calgary Sinoenergy and Long Run was affected to a certain extent. After applying to the local court, Long Run has been allowed to process or dispose of any capital transaction of no more than CAD 10,000 in the normal course of business, as well as any capital transaction of more than CAD 10,000 approved in writing by a representative from Henenghaixin or other designated parties. And the approval shall not be unreasonably rejected, delayed or restricted.

The above-mentioned conditions allow Long Run to make payments to suppliers and service providers, in order to maintain the basic production operations.

(3) Combining with the financial status of Deng Tianzhou and other interested parties, explain the subsequent impact of the litigation on the Company, including possible compensation liability, etc., the company's proposed resolution measures with full warning of the risks.

After verification, the fund flows from Calgary Sinoenergy to Henenghaixin in 2016-2017 are as follows:

Date	Payer	Payee	Amount (CAD)	Nature of the Transfer
2016-12-20	Calgary Sinoenergy	FTI Consulting	27,140,000.00	Payment of Bid-winning Deposit for the TB Project (Note)
2017-1-16	Calgary Sinoenergy	Henenghaixin	100,000.00	Current Payment
2017-1-16	Calgary Sinoenergy	Twin Butte	10,888.00	Current Payment

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2017-3-31	Calgary Sinoenergy	Henenghaixin	100,000.00	Current Payment
2017-6-22	Calgary Sinoenergy	York City	472,310.36	Loan Repayment
2017-7-12	Calgary Sinoenergy	York City	117,700.00	Loan Repayment
2017-8-3	Calgary Sinoenergy	Henenghaixin	200,000.00	Loan Repayment
2017-8-3	Calgary Sinoenergy	Henenghaixin	1,000,000.00	Loan Repayment
2017-8-30	Calgary Sinoenergy	York City	253,587.29	Loan Repayment
2017-9-7	Calgary Sinoenergy	Henenghaixin	15,000,000.00	Loan Repayment
2017-9-22	Calgary Sinoenergy	York City	471,295.23	Loan Repayment
2017-9-29	Calgary Sinoenergy	York City	1,370,018.02	Loan Repayment
2017-10-10	Calgary Sinoenergy	York City	697,494.98	Loan Repayment
2017-10-13	Calgary Sinoenergy	York City	51,300.00	Loan Repayment
			46,984,593.88	

Note: Calgary Sinoenergy paid CAD 27.14 million to FTI Consulting Inc. on behalf of Henenghaixin on December 20th, 2016, as the deposit for winning the bid for the TB project.

As of December 31st, 2017, Calgary Sinoenergy's outstanding debt to Henenghaixin was CAD 46.3719 million. The Company's holding subsidiaries Long Run and Asia-Pacific Clean Energy Co., Ltd. repaid RMB 49.79 million to Henenghaixin by paying interests on behalf of Henenghaixin's parent company York City. As of December 31st, 2018, the outstanding debt of the Company's subsidiary in Canada to Henenghaixin was equivalent to RMB 171,149,618.09. In view of the credit and debt disputes between the Company's holding subsidiary Qingdao Sinoenergy Corp., Hubei Jiutoufeng Natural Gas Co., Ltd., and Henenghaixin, after consultation, the three Parties signed the "Credit and Debt Offset Agreement" in December 2018 and unanimously agreed to use the deductible amount of RMB 171,149,618.09 to offset the credit and debt. After the offset, there is no longer credit or debt disputes between the Company's holding subsidiaries in Canada and Henenghaixin.

Since the overseas litigation case, the Company's subsidiaries in Canada have been actively and effectively communicating with Henenghaixin. The subsidiary companies in Canada have verified their capital borrowing and returns with Henenghaixin, and have provided the feedback to Henenghaixin in a timely manner. The Company will subsequently request Henenghaixin to withdraw the lawsuit against the subsidiary companies in Canada in accordance with the law as soon as possible, and apply to the court to remove the freeze orders on all assets of Calgary Sinoenergy and Long Run including bank deposits and real estate.

4. Please check whether the Company and its subsidiaries, especially overseas subsidiaries, has failed to disclose information on matters include occupation of funds, litigation and freezing

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of assets, and indicate whether the Company's production, operation and management has been significantly impacted.

[Reply]

After receiving the inquiry letter, the Company immediately sent out a written request to the Company and its subsidiaries for self-examination. The content of the document included, but was not limited to, whether there had been undisclosed information with regard to occupation of funds, litigation and freezing of assets that should be disclosed. As of the date of this announcement, the Company and its holding subsidiaries did not have any undisclosed information with regard to occupation of funds, litigation and freezing of assets that should be disclosed.

5. The Announcement disclosed that the Company received a court indictment forwarded from an overseas holding subsidiary on May 5th, 2020. The Company is requested to disclose additional information on the specific time when the overseas holding subsidiary received the indictment or the asset freeze order, and whether the company has failed to disclose the information in a timely manner. If so, please explain the reason and rationality.

[Reply]

The Company's overseas holding subsidiary received the indictment and asset restraining order from the Alberta Court of Queen's Bench on April 30th, 2020, and forwarded it to the Company's securities affairs department on May 5th, 2020. Immediately after receiving the relevant documents, the securities affairs department verified the relevant matters with the related parties and disclosed the information on May 8th, 2020, ensuring the timeliness of information disclosure.

6. Overseas litigation matters. The Company's previous announcement stated that the overseas holding subsidiaries Calgary Sinoenergy Investment Corp. and Long Run Exploration Ltd. transferred CAD 44 million to the former de facto controller Deng Tianzhou and other interested parties. Our department sent an inquiry letter to the Company on May 8th, 2020, and has yet received any response. The Company is requested to verify the relevant matters as soon as possible to determine whether there has been a case of occupation of funds. At the same time, an accountant is requested to conduct verification and express a clear opinion.

For the Company's response to the relevant matters, please refer to Questions 1 to 5 of this reply letter.

Accountant's opinion:

The accountant received the request from Sinoenergy regarding the verification of overseas litigation matters, and whether there has been a case of occupation of funds. We attached great importance and promptly appointed an accountant to conduct a full-scale verification of this task, including but not limited to the review of the 2018 and 2019 working papers, and verification of all Long Run's bank transaction record, bank ledger and current payments to determine whether there has been any fund transferred to Deng Tianzhou and other interested parties, and we have planned to perform interviews with parties involved in the overseas litigation.

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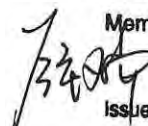
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So far, we have reviewed the bank transaction record, bank ledger and current payments, etc. of Calgary Sinoenergy and Long Run provided by Sinoenergy, and no direct transfer or cheque payment to Deng Tianzhou, Deng Xiaobo and other individuals has been found, and no case of fund occupation has been found. We will further conduct a comprehensive verification of the amount of each bank deposit to confirm whether there are any occupied funds that have not been discovered.

In view of the complexity of overseas litigation matters, the annual audit accountant cannot apply for a visa to Canada. At the same time, we are temporarily unable to interview the litigant in order to understand the specifics of the situation. Meanwhile, in order to ensure the accuracy of the verification, it takes a certain amount of time for us to verify each bank transaction record. We will execute all audit procedures that we deem necessary and issue our final verification opinion on the overseas litigation matters.

For the special explanation of the funds occupied by the controlling shareholders and other related parties in 2018 and 2019, we have performed following verification procedures:


1. Obtain a summary of non-operating fund occupation by the management and fund transactions between other related parties.
2. Obtain a special statement from the management authority on whether there has been a case of non-operating fund occupation or fund transactions between other related parties.
3. Verify the details of fund transactions over RMB 1 million, and check whether there are abnormal capital revenues and expenditures. Use equal sampling and random sampling to check the consistency between the original documents and accounting records for capital transactions over RMB 1 million, and whether there is any abnormality with regard to the payee or payer.
4. Verify the details of current balance, and check whether there is any abnormality with regard to customers or suppliers, and whether there is a situation where there are transaction amounts with no balance.
5. Verify the business files and other information of the suppliers and customers to identify whether the Company has any potential related parties, and obtain the related party's commitment statement and other information, issued by the management.

After the above-mentioned verification, we believe that we have cross checked the information in the fund occupation table with the relevant accounting materials we reviewed when auditing Sinoenergy's 2018 and 2019 financial statements, as well as the audited financial statements. No major inconsistencies were found.

Changchun Sinoenergy Corporation

Board of Directors

June 5th, 2020

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TRANSLATOR'S STATEMENT

I, Rui Xue Certified Translator Chinese to English, member **in good standing** of the Association of Translators and Interpreters of Alberta (which is a member association of the Canadian Translators, Terminologists, Interpreters Council – CTTIC), certificate no: 001/2019, hereby declare that I did translate into ENGLISH the attached CHINESE document and that, to the best of my knowledge, the translation accurately reflects the contents and meaning of the CHINESE original.

List of translated document(s):

1- *ST Changchun Sinoenergy Corporation's Announcement on the Inquiry Letter Regarding Litigation Matters Concerning Overseas Holding Subsidiaries¹ (ten pages, one-sided)

This translation package comprises twenty (20) pages including the statement page.

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June 15th, 2020

Rui Xue

Certified Translator ZH-EN (ATIA)

¹ Document translated from webpage received via WeChat –copy attached.

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长春中天能源股份有限公司

关于对海外控股子公司涉及诉讼事项问询函的回复公告

本公司董事会及全体董事保证本公告内容不存在任何虚假记载、误导性陈述或者重大遗漏，并对其内容的真实性、准确性和完整性承担个别及连带责任。

长春中天能源股份有限公司（以下简称“公司”）于 2020 年 5 月 8 日收到上海证券交易所《关于对长春中天能源股份有限公司海外控股子公司涉及诉讼事项的问询函》（上证公函【2020】0458 号），现回复如下：

一、公告披露，2016 年 11 月至 2017 年 9 月，公司原实际控制人邓天洲担任合能海欣董事。2017 年 1 月至 9 月，邓天洲及其女儿邓小泊等以邓天洲拥有和控制合能海欣为由，将合能海欣的 4400 万加元转移到卡尔加里和 Long Run。请公司补充披露相应资金流入的具体情况，包括资金金额、形成原因等，说明流入资金是否合法合规。

【回复】

公司在收到问询函后立即责成加拿大子公司对上述资金流入情况进行全面核查。经财务核实，合能海欣与公司加拿大子公司卡尔加里中天、卡尔加里中天与 Long Run 的资金转账情况如下：

1、合能海欣资金流入到卡尔加里中天的情况如下表：

日期	付款方	收款方	金额（加元）	款项性质
2017-4-12	合能海欣	卡尔加里中天	15,000,000.00	偿还 TB 项目保证金款
2017-4-18	合能海欣	卡尔加里中天	10,000,000.00	偿还 TB 项目保证金款
2017-6-2	合能海欣	卡尔加里中天	22,000,000.00	公司间借款
2017-6-2	合能海欣	卡尔加里中天	500,000.00	公司间借款
2017-7-5	合能海欣	卡尔加里中天	11,150,000.00	公司间借款
2017-7-12	合能海欣	卡尔加里中天	31,000,000.00	公司间借款

2017-7-13	合能海欣	卡尔加里中天	3,596,491.00	公司间借款
2017-9-5	合能海欣	卡尔加里中天	110,000.00	公司间借款
合计			93,356,491.00	

说明：a、2016年12月19日，公司全资子公司青岛中天能源集团股份有限公司董事会审议通过《青岛中天联合荆州市和平能源有限公司收购加拿大阿尔伯塔省 Twin Butte Energy Ltd.的油气资产并增资以增加油气产能的议案》，同意青岛中天出资13.95亿元人民币，联合荆州市合平能源有限公司（以下简称“荆州市合平能源”）通过青岛中天宇恒能源有限公司收购 Twin Butte Energy Ltd.的油气资产。根据上述董事会决议，且青岛中天在2017年1月25日之前全资控股青岛中天宇恒，即间接全资控股合能海欣公司，青岛中天控股子公司卡尔加里中天于2016年12月20日向 FTI Consulting 支付2000万美元（折合2714万加元）用于合能海欣收购 Twin Butte 项目。公司未就上述投资行为履行信息披露义务，违反了《上市公司信息披露管理办法》（证监会令第40号）第二条第一款、第三十条第二款第二项、第三十三条第一款相关规定，吉林证监局于2019年12月20日对上市公司及时任董事长邓天洲出具警示函的监管措施。上交所于2020年5月6日亦对上述未履行相应的决策程序及未及时披露重大资产重组信息的事项给予了公司及时任当事人纪律处分。

b、2017年1月25日，鉴于资金紧张，公司预计无法按约定时间完成对青岛中天宇恒的出资，经与荆州市合平能源协商后，荆州市合平能源以增资18亿元人民币注册资本方式获得青岛中天宇恒99.45%股权，公司持有青岛中天宇恒股比例变更为0.55%，公司不再对青岛中天宇恒拥有控制权。青岛中天宇恒的控制权变更已经在公司2017年年报中进行了披露。

c、2017年4月，合能海欣转账给卡尔加里中天两笔资金合计金额2,500万加元，用于偿还卡加里中天支付的TB项目的前期收购费用。

d、2017年4月10日，合能海欣全资母公司 York City Enterprises Ltd.（以下简称“York City”）与卡尔加里中天于签订了借款协议，协议主要内容：借款金额为5876万加元，后续可以增加，借款利率为最优惠利率上浮100点。本着友好合作的前提，借款协议未约定具体借款期限。在此借款协议的约定下，合能海欣于2017年6月至2017年9月期间分6笔转账68,356,491加元到卡尔加里中天账上，其中214万加元用于还清卡尔加里中天支付的TB项目的前期收购费用，实际借款金额66,216,491加元。

2、卡尔加里中天收到合能海欣资金后资金流入 Long Run 的情况：

日期	付款方	收款方	金额（加元）	款项性质
2017-4-13	卡尔加里中天	Long Run	15,000,000.00	母公司借款
2017-4-18	卡尔加里中天	Long Run	10,000,000.00	母公司借款
2017-6-2	卡尔加里中天	Long Run	22,000,000.00	母公司借款

2017-7-5	卡尔加里中天	Long Run	11,150,000.00	母公司借款
2017-7-13	卡尔加里中天	Long Run	31,000,000.00	母公司借款
2017-7-13	卡尔加里中天	Long Run	3,000,000.00	母公司借款
合计			92,150,000.00	

情况说明：

a、2016年6月29日，Long Run与卡尔加里中天签订借款协议，约定由卡尔加里中天借款1.2亿加币给Long Run，借款利率为最优惠利率上浮150点，借款到期日为2017年2月1日。2016年8月29日，Long Run与卡尔加里中天签订第一次调整协议，将借款金额由1.2亿加元调整到2.2亿加元。2017年1月31日，Long Run与卡尔加里中天签订第二次调整协议，约定上述借款协议到期日由2017年2月1日延期到2024年7月9日，借款金额由2.2亿调整到4.5亿加元。根据此借款协议及调整协议的约定，卡尔加里中天于2017年4月至2017年7月将收到的合能海欣的9215万元借款资金转账给Long Run。

b、公司控股子公司卡尔加里中天与合能海欣的母公司York City于2017年4月签订的借款协议金额为5860万加元，折合人民币约3.02亿元，属于公司控股子公司卡尔加里中天与非关联企业之间正常的资金借款行为，按《上海证券交易所股票上市规则》的规定，该项借款金额已达到上市公司2015年度经审计净资产的10%以上，且绝对金额超过1000万元，因此需提交上市公司董事会审议并进行披露，但在该事项发生之时并未履行履行上市公司的决策及信息披露程序，违反了公司的决策程序及上市公司信息披露的有关规定。卡尔加里中天与Long Run的借款协议为集团内控股子公司借款给其全资控股公司，属于公司内部之间正常的资金借款行为，按规定无需履行上市公司的决策及信息披露程序。

二、公告披露，卡尔加里和Long Run后续将被转移的4400万加元提供给邓小泊、邓天洲等相关方，该部分资金总额约占公司2016年经审计净资产的13.32%，公司2019年7月10日回复我部问询函称自查不存在资金非经营性占用情况。请公司补充披露：

（1）相应资金流出的具体情况，请逐笔列示相关款项金额、用途、资金去向、相关账务处理等情况，说明相关资金往来是否具有商业实质以及为保障公司利益所采取的措施；

（2）相关资金往来涉及的事项是否履行了必要的决策及信息披露程序，若否，请说明原因及是否合规；（3）请

结合资金任采用途、性质、决策流程等事項，说明公司将被转移的资金提供给

邓天洲等相关方是否构成资金非经营性占用，若是，请说明资金占用事项发生

的具体原因、相关责任人以及前期核查未如实披露的原因及责任人。

【回复】（1）相应资金流出的具体情况，请逐笔列示相关款项金额、用途、资金去向、相关账务处理等情况，说明相关资金往来是否具有商业实质以及为保障公司利益所采取的措施；

a、卡尔加里中天收到合能海欣转账资金总计金额为 93,356,491 加元，其中 9215 万加元转账给 Long Run（明细见问题回复一的描述），510,250.52 加元为卡尔加里中天的母公司 Sinoenergy Oil Investment Ltd. 支付建行首尔分行贷款利息，剩余资金及部分自有资金分 7 笔为合能海欣 York City 代付利息 3,433,705.88 加元（作为对合能海欣借款的部分归还）。

b、鉴于对 Long Run 公司 2017 年全年的银行对账单、银行日记账、支票统计表等财务资料进行逐笔核查的工作量极大及本问询函回复时间有限，公司针对合能海欣 9215 万加币资金流入公司的时间段（2017 年 4 月至 2017 年 9 月份），对 Long Run 公司 2017 年 1-9 月份的单笔金额在 10 万加元以上（含 10 万元加币）的资金流出记录现行进行了逐笔核查，现就 Long Run 公司 2017 年 1-9 月份已完成的资金流出核查情况汇总如下表：

单位：加元

资金流出性质分类	核查公司数目	核查付款记录数目	核查金额	有合同、对账单的公司数目
钻井、完井相关	26	144	76,350,033.43	8
油田经营相关	90	345	96,315,152.96	8
办公室经营相关	24	73	24,206,687.77	4
政府税费	35	78	9,110,390.18	不适用
政府-土地租金	1	11	2,342,582.78	不适用
借款利息	2	4	8,026,859.27	2
员工工资及福利	3	39	24,312,540.77	3
合计	181	694	240,664,247.16	

Long Run 公司 2017 年 1-9 月资金流入流出情况汇总如下表：

单位：加元

1、2017 年 1 月 1 日银行期初额	13,500,019.71
2、合能海信资金流入	92,150,000.00
3、卡尔加里中天母公司借款	20,069,983.94

4、建行多伦多支行贷款	20,374,282.46
5、正常经营回款	224,649,149.09
6、资金流出金额	325,328,196.89
7、2017年9月30日银行期末余额	45,415,238.31

上述已完成逐笔核查的资金流出总金额占 Long Run 公司 2017 年 1-9 月份资金流出总金额的 73.98%，部分资金流出相对应的合同或结算单据尚在搜集过程中。

核查结论：公司通过对 Long Run 公司 2017 年 1-9 月份（核查时间已覆盖合能海欣 2017 年 4-9 月资金流入 Long Run 公司的时间段）单笔金额在 10 万元加币以上（含 10 万元加币）资金流出情况的逐笔核查，公司未发现 Long Run 公司的资金流入邓天洲、邓小泊等相关方的账户，未发现存在资金非经营性占用的情形。

公司下一步将继续对 Long Run 公司 2017 年 10-12 月份的资金流出及 2017 年度单笔资金流出金额在 10 万加元以下的付款记录展开核查工作。

(2) 相关资金往来涉及的事项是否履行了必要的决策及信息披露程序，若否，请说明原因及是否合规；

上述资金支出属于公司控股子公司卡尔加里中太、Long Run 公司日常的生产经营资金支出，已经 Long Run 公司内部正常的资金审批流程后支付，按规定无需履行上市公司的决策程序及信息披露程序。

(3) 请结合资金往来用途、性质、决策流程等事项，说明公司将被转移的资金提供给邓天洲等相关方是否构成资金非经营性占用，若是，请说明资金占用事项发生的具体原因、相关责任人以及前期核查未如实披露的原因及责任人。

如上所述，经过公司对 Long Run 公司 2017 年 1 月-9 月单笔金额在 10 万元加币以上（含 10 万元加币）资金流出的全面核查，公司未发现资金流入邓天洲、邓小泊等相关方的账户，未发现存在资金非经营性占用的情形。

二、公司披露：法院对卡尔加里中太及 Long Run 公司银行账户付款、个别厂守任内的所有资产发出冻结命令，禁止相关方处置“可索还财产”。截至 2019 年 12 月 31 日，卡尔加里及 LONG RUN 公司总资产合计 83.81 亿元，占上市公司总资产的 75.05%，LONG RUN 公司 2019 年实现营业收入 6.86 亿元，占公司总收入的 63.28%。请公司补充披露：(1) 以列表形式说明被冻结资产的具体明细、金额、占上市公司最近一期经审计对应资产科目的比例；(2) 卡尔加里及 LONG RUN

公司相关资产被冻结对公司财务状况及生产经营的具体影响并充分提示风险；（3）结合邓天洲等相关方的财务状况说明该诉讼事项后续对公司可能造成的影响，包括可能承担的赔偿责任等，公司拟采取的解决措施并充分提示相关风险。

【回复】（1）以列表形式说明被冻结资产的具体明细、金额、占上市公司最近一期经审计对应资产科目的比例；

卡尔加里中天与 Long Run 被冻结资产明细

冻结资产项目	账面余额（人民币元）	占上市公司相应科目比例
货币资金	14,146,033.63	2.94%
固定资产	5,663,546.98	1.82%
工程物资	47,802,972.15	100.00%
油气资产	4,770,688,149.81	89.62%
长期待摊费用	11,619,444.81	74.36%
应收账款	96,072,876.64	34.84%
其他应收款	2,537,803,005.34	163.56%
预付账款	16,862,948.98	2.09%
合计	7,500,658,978.34	-

注：其他应收款金额尚未抵消上市公司内合并关联方往来金额。

（2）卡尔加里及 LONG RUN 公司相关资产被冻结对公司财务状况及生产经营的具体影响并充分提示风险；

下小加里中天能源、Long Run 因资产被冻结，致使下小加里中天能源、Long Run 正常经营受到一定影响。经 Long Run 向当地法院申请，法院允许 Long Run 在正常业务过程中处理或处置任何不超过 10000 加元的资金交易，以及经代表合能海欣公司或其他指定人士事先书面批准的超过 10000 加元的其他资金交易，并且该批准不得被无理地拒绝、拖延或限制。

上述对资金的附带条件解冻，使得 Long Run 公司可以向供应商及服务商进行付款，维持了基本的生产经营。

（3）结合邓天洲等相关方的财务状况说明该诉讼事项后续对公司可能造成的影响，包括可能承担的赔偿责任等，公司拟采取的解决措施并充分提示相关风险。

经核查，卡尔加里中天在 2016-2017 年资金流向合能海欣的情况如下：

日期	付款方	收款方	金额（加币）	款项性质
2016-12-20	卡尔加里中天	FTI Consulting	27,140,000.00	支付 TB 项目 中标保证金（注）
2017-1-16	卡尔加里中天	合能海欣	100,000.00	往来款
2017-1-16	卡尔加里中天	Twin Butte	10,888.00	往来款
2017-3-31	卡尔加里中天	合能海欣	100,000.00	往来款
2017-6-22	卡尔加里中天	York City	472,310.36	偿还借款
2017-7-12	卡尔加里中天	York City	117,700.00	偿还借款
2017-8-3	卡尔加里中天	合能海欣	200,000.00	偿还借款
2017-8-3	卡尔加里中天	合能海欣	1,000,000.00	偿还借款
2017-8-30	卡尔加里中天	York City	253,587.29	偿还借款
2017-9-7	卡尔加里中天	合能海欣	15,000,000.00	偿还借款
2017-9-22	卡尔加里中天	York City	471,295.23	偿还借款
2017-9-29	卡尔加里中天	York City	1,370,018.02	偿还借款
2017-10-10	卡尔加里中天	York City	697,494.98	偿还借款
2017-10-13	卡尔加里中天	York City	51,300.00	偿还借款
			46,984,593.88	

注：卡尔加里中天 2016 年 12 月 20 日支付给 FTI Consulting 的 2714 万元加币的资金系替合能海欣支付的 TB 项目中标保证金。

截至 2017 年 12 月 31 日，卡尔加里中天应付合能海欣的债务余额为 4,637.19 万元。公司控股子公司 Long Run 及亚太清洁能源有限公司通过代合能海欣母公司 York City 偿还利息的方式归还合能海欣欠款 4,979.00 万元人民币，截至 2018 年 12 月 31 日，公司加拿大子公司与合能海欣剩余的欠款金额折合人民币为 171,149,618.09 元。鉴于公司控股子公司青岛中天能源集团股份有限公司、湖北九头风天然气有限公司、合能海欣三方之间存在着相互债权与债务关系，经协商一致后三方于 2018 年 12 月签订了《债权债务抵销协议》，一致同意以 171,149,618.09 万元人民币可互抵金额为债权债务抵消原则进行抵消，抵消后公司加拿大子公司与合能海欣不再存在债权债务关系。

自海外诉讼案发生以来，公司加拿大子公司一直与合能海欣方进行了积极有效的沟通，加拿大子公司对与合能海欣方的资金借款及归还情况进行了核查，并将公司子公司与合能海欣的资金借款及还款的核查情况与合能海欣进行了及时反馈。公司后续将依法要求合能海欣尽快撤销对加拿大子公司的诉讼，并向法院申请解除对卡尔加里和 Long Run 包括银行存款、不动产等在内的所有资产发出的冻结命令。

四、请公司自查公司及下属子公司，尤其是海外子公司，是否存在应披露未披露的资金占用、诉讼、资产冻结等事项，并说明是否对公司生产经营和管理产生重大影响。

【回复】

公司自收到问询函后，立即向公司及下属子公司发送要求其进行自查的书面文件，文件内容包括但不限于是否存在应披露未披露的资金占用、诉讼、资产冻结等事项，截至本公告披露日，公司及各控股子公司不存在应披露而未披露的资金占用、诉讼、资产冻结等事项。

五、公告披露，公司于 2020 年 5 月 5 日收到海外控股子公司转来的法院起诉书。请公司补充披露海外控股子公司收到起诉书或者资产冻结令的具体时间点，公司是否存在信息披露不及时的情况，若是，请说明原因及合理性。

【回复】

公司海外控股子公司于 2020 年 4 月 30 日收到阿尔伯塔高等法院起诉书及资产禁止令，于 2020 年 5 月 5 日转给公司证券事务部，证券事务部收到相关文件后立即与相关方核对相关事项，并于 2020 年 5 月 8 日进行了披露，符合信息披露及时性的原则。

六、海外涉诉事项。公司前期公告称海外控股子公司卡尔加里中天能源投资公司及 LONG RUN 勘探有限公司将 4400 万加元提供给原实际控制人邓天洲等相关方，我部于 2020 年 5 月 8 日就该事项向公司发出问询函，截至目前公司尚未回复。请公司尽快核查相关事项，明确是否构成资金占用，同时请会计师进行核查并发表明确意见。

公司对相关事项的回复，详见本回复函问题一至五。

会计师意见：

会计师收到中天能源转来的关于核查海外诉讼事项，是否涉及资金占用，我们高度重视并及时指派专人对该项工作进行全方位核查，包括但不限于 2018 年度、2019 年度工作底稿进行再复核，核查 LONG RUN 的全部银行交易流水、银行明细账、往来明细账识别是否存在转移至邓天洲等相关方的款项等程序，并且拟执行对海外诉讼各方进行访谈工作。

截至目前，我们核查了中天能源提供的卡尔加里中天及 Long Run 银行明细、往来明细账等相关资料，未发现直接转账或支票支付给邓天洲、邓小泊等个人的款项，未发现存在资金占用情形。我们进一步将针对每一笔银行存款的发生额进行全部核查，以确认是否存在资金占用而未被发现情形。

鉴于海外涉诉事项较为复杂，年审会计师无法办理赴加拿大的签证。同时，暂无法向诉讼方进行访谈并了解具体的诉讼情况。同时为确保此次核查的准确性，银行明细逐笔核

查需要一定的时间。我们将执行完全部我们认为必要的审计程序后发表关于海外涉诉事项最终的核查意见。

2018 年度、2019 年度控股股东及其他关联方占用资金情况的专项说明我们已执行的核查程序如下：

- 1、取得管理层编制的非经营性资金占用及其他关联方资金往来情况汇总表。
- 2、获取管理当局声明书是否存非经营性资金占用及其他关联方资金往来的专项声明。
- 3、核查 100 万元以上资金往来明细，是否存在异常资金收支情形，对于 100 万元以上资金往来发生额采用等额抽样和随机抽样的方式核查原始单据与会计记录的一致性，是否存在收款或付款单位异常情形。
- 4、核查往来余额明细账，是否存在异常异常客户或供应商的情形，是否存在只有发生额没有余额的异常客户或供应商的情形。
- 5、核查供应商和客户工商档案等资料识别公司是否存在潜在的关联方，并取得管理层出具的关联方的承诺说明等资料。

经上述核查，我们认为我们对占用资金情况表所载资料与我们审计中天能源公司 2018 年度、2019 年度财务报表时所复核的会计资料和经审计的财务报表的相关内容进行了核对，在所有重大方面没有发现不一致。

长春中天能源股份有限公司 董 事 会

2020 年 6 月 5 日

Exhibit "13"

Purported Shareholder Declaration of H. Corp, Apr-10-17

2 pages

THIS IS EXHIBIT " 13 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A handwritten signature in blue ink, reading "Joyce Staroszik", is written over a horizontal line.

A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 2026

**SHAREHOLDER DECLARATION
HENENGHAIXIN CORP.**

THIS DECLARATION made effective as of April 10th 2017.

WHEREAS Henenghaixin Corp. (hereinafter referred to as the "**Corporation**") is a corporation to which the *Business Corporations Act* (Alberta) (hereinafter referred to as the "**Act**") applies;

AND WHEREAS York City Enterprises Ltd. (hereinafter referred to as the "**Shareholder**") is the legal and beneficial owner of all of the issued and outstanding shares of the Corporation;

AND WHEREAS the Shareholder desires to make this Declaration, pursuant to Section 146 of the Act, so as to assume the specific rights, powers and duties of the directors of the Corporation relating to the determination, consideration, execution, delivery and performance of the Loan Agreement dated April 10th 2017 with respect to a **loan in the amount of \$58.76 million to Calgary Sinoenergy Investment Corporation** attached hereto as Schedule "A" (the "**Abrogated Actions**"), and thereby relieve all of the directors of the Corporation of their duties and liabilities to the fullest extent permitted by the Act as it relates to the Abrogated Actions;

NOW THEREFORE IT IS DECLARED AS FOLLOWS:

1. The powers of the directors of the Corporation to manage the business and affairs of the Corporation, whether such powers arise from the Act, the articles or the by-laws of the Corporation, or otherwise, are hereby restricted to the fullest extent permitted by the Act and by law as it relates to the Abrogated Actions.
2. In accordance with the Act and paragraph 1 hereof, the Shareholder shall have, enjoy, exercise and perform all the rights, powers and duties of the directors of the Corporation as it relates to the Abrogated Actions.
3. In the exercise of the rights, powers and duties granted and transferred hereunder, the Shareholder shall be subject to the same duties and liabilities to which the directors of the Corporation would have been subject in the exercise of such rights and powers had this Declaration not been made, subject in all cases to the limitations on liability afforded to a trustee in bankruptcy in the exercise of such rights and the performance of such duties by the Shareholder.
4. The rights, powers and duties granted or transferred hereby to the Shareholder shall be exercised or performed to the extent appropriate, by instrument in writing executed by the Shareholder and any transferee of any share of the Corporation registered in the name of the Shareholder.
5. The execution, delivery and performance of the Loan Agreement is hereby approved by the Shareholder and the Corporation is authorized and directed to take such actions as the Shareholder deems necessary or appropriate in furtherance thereof.
6. Mr. Shing Tak (Michael) Lam be appointed as a special representative of the Corporation, authorized to handle banking matters and all actions taken by Mr. Lam in such capacity be approved and ratified, and Mr. Lam be specifically directed and authorized to carry out such actions as may be necessary or desirable in furtherance and pursuant of the performance of the transactions under the Loan Agreement.
7. This Declaration shall continue in full force and effect until terminated by declaration in writing given by the Shareholder provided that such termination shall not: (i) be effective until notice

thereof has been given to all of the directors then in office (which notice shall be deemed to have been given five days after written notice has been delivered or sent by registered mail to each director at his current address on the books of the Corporation); and (ii) affect any obligation of the Shareholder arising prior to the date of termination, including any obligation to indemnify by reason of any matter which has arisen or any circumstances which have occurred prior to the termination.

8. This Declaration is made in accordance with Section 146 of the Act and is deemed to be an unanimous shareholder agreement within the meaning of that term in the Act. An executed copy of this Declaration shall be delivered to each director of the Corporation from time to time. As an unanimous shareholder agreement it shall enure to the benefit of the directors of the Corporation and their heirs and legal representatives and shall be governed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

DATED as of the 10 day of April 2017.

YORK CITY ENTERPRISES LTD.

Per: _____

王旭博

Exhibit "14"

Purported York City Loan Agreement, Apr-10-17

10 pages

THIS IS EXHIBIT " 14 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZYK
My Commission Expires May 21, 2026

LOAN FACILITY AGREEMENT

THIS AGREEMENT dated for reference the April 10, 2017

BETWEEN:

Calgary Sinoenergy Investment Corp
(the "Borrower")

OF THE FIRST PART

AND:

York City Enterprises Limited
(the "Lender")

OF THE SECOND PART

NOW, in consideration of the promises and mutual covenants and agreements hereinafter contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Borrower and the Lender hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

The terms hereinafter defined shall, for the purposes of this Agreement, have the meanings set out below unless the context otherwise requires:

- (a) "Availability Period" means the period from and including the date of this Agreement up to but excluding the Termination Date;
- (b) "Business Day" means any day other than Saturday and Sunday on which banks are ordinarily open for business in Calgary, Alberta, Canada;
- (c) "Facility" has the meaning given in section 2.1;
- (d) "GAAP" means generally accepted accounting principles in Canada applied on a consistent basis;
- (e) "Insolvent" in respect of any person, means:
 - (i) such person is unable to pay its debts as such debts become due;
 - (ii) a decree or order of a court of competent jurisdiction is entered adjudging such person a bankrupt or insolvent under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy,

insolvency or analogous laws or ordering the winding-up or liquidation of its affairs;

- (iii) any case, proceeding or other action shall be instituted in any court of competent jurisdiction against such person, seeking in respect of it an adjudication in bankruptcy, reorganization, dissolution, winding-up, liquidation, a composition, proposal or arrangement with creditors, a readjustment of debts, the appointment of a trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian, sequestrator or other person with similar powers with respect to such person or of all or any substantial part of its assets, or any other like relief in respect of such person under any bankruptcy or insolvency law and:
 - A. such case, proceeding or other action results in an entry of an order for such relief or any such adjudication or appointment, or
 - B. such case, proceeding or other action shall continue undismissed, or unstayed and in effect, for any period of 10 consecutive business days; or
- (iv) such person makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act (Canada)* or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act (Canada)*, the *Winding-up and Restructuring Act (Canada)* or any other bankruptcy, insolvency or analogous law, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian, sequestrator or other person with similar powers of itself or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition, administration or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such assignment, proposal, relief, petition, proposal, appointment or proceeding;
- (f) "**Loan Amount**" means the aggregate principal amount of the Facility for the time being owing but unpaid by the Borrower hereunder together with all accrued but unpaid interest thereon and other costs, charges and expenses payable by the Borrower hereunder;
- (g) "**Margin**" means 100 bps;
- (h) "**Obligations**" means all obligations of the Borrower to the Lender under or in connection with this Agreement, including all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender, in any currency or remaining unpaid by the Borrower to the Lender, under or in connection with this Agreement, and all interest, fees, legal and other costs, charges, expenses and other obligations;

(i) **"Permitted Encumbrances"** means as at any particular time any of the following encumbrances on the property or any part of the property of the Borrower:

- (i) liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being diligently contested in good faith and appropriate reserves have been made in accordance with GAAP;
- (ii) deemed liens and trusts arising by operation of law in connection with workers' compensation, employment insurance and other social security legislation, in each case, which secure obligations not at the time due or delinquent or, if due or delinquent, the validity of which is being diligently contested in good faith and appropriate reserves have been made in accordance with GAAP;
- (iii) liens under or pursuant to any judgment rendered, or claim filed, against the Borrower, which the Borrower shall be diligently contesting in good faith and appropriate reserves shall have been made in accordance with GAAP;
- (iv) undetermined or inchoate liens and charges incidental to current operations which have not at such time been filed pursuant to law against the Borrower or which relate to obligations not due or delinquent or, if due or delinquent, the validity of which is being diligently contested in good faith and appropriate reserves have been made in accordance with GAAP;
- (v) Security Interests in favour of the Lender;
- (vi) the Security; and
- (vii) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Security Interest referred to in the preceding subparagraphs (v) and (vi) of this definition,

provided that nothing in this definition shall in and of itself cause the obligations hereunder to be subordinated in priority of payment to any such Permitted Encumbrance or cause any Security Interests in favour of the Lender to rank subordinate to any such other Permitted Encumbrance;

(j) **"Prime Rate"** means the average one month bankers' acceptance rate shown for any date of determination (or the immediately preceding day such rate is available if such rate is not available on such date) on the Bank of Canada website at <http://www.bankofcanada.ca/rates/interest-rates/canadian-interest-rates/>.

(k) **"Security"** has the meaning given in section 4.1;

(l) **"Security Interests"** means mortgages, charges, pledges, hypothecs, assignments by way of security, conditional sales or other title retentions, security created under the *Bank Act* (Canada), liens, encumbrances, security

interests or other interests in property, howsoever created or arising, whether fixed or floating, perfected or not, which secure payment or performance of an obligation; and

ARTICLE 2 THE LOAN

2.1 Loan

Relying on each of the representations and warranties contained in section 5.1 and subject to the other provisions of this Agreement, the Lender agrees to make available to the Borrower a loan facility on an extendible revolving term basis in an initial amount of CAD\$ 58,760,000.00 (the "Facility"). The amount available under the Facility may be increased at a later date, at the sole discretion of the Lender, based on additional capital expenditure requirements of the Borrower. Any additional funds made available under the Facility are subject to the same terms and conditions as outlined herein.

2.2 Initial Availability

The Facility shall be available to Borrower on the April 10, 2017

ARTICLE 3 PAYMENTS

3.1 Interest

The Borrower shall pay to the Lender Prime Plus Margin on the Loan Amount

3.2 Repayment of Facility

- (a) All Obligations in connection with the Facility will be repaid on the Termination Date, unless extended prior to the Termination Date at the sole discretion of the Lender. The Lender will provide the Borrower with written notice of an extension to the Termination Date. For greater certainty and notwithstanding any other provision hereof, the Facility is a facility established at the pleasure of the Lender. The right of the Lender to make demand hereunder is absolute. The Lender may, at any time, and in its sole and absolute discretion, demand payment of any or all of the Obligations outstanding pursuant to or in connection with the Facility.

3.3 Prepayment

The Borrower may prepay the Loan Amount in part or in its entirety at any time, through itself, its subsidiaries or affiliates, at any format, without notice and without any premium or penalty.

3.4 Insolvency

- (a) Without limiting the Lender's right to demand repayment of all indebtedness and other obligations hereunder at any time and for any reason, if the Borrower shall

be or become insolvent, the occurrence of the same shall constitute an insolvency event (an "Insolvency Event") under this Agreement.

- (b) Upon the occurrence of an Insolvency Event, the entire Loan Amount and other indebtedness and obligations under the Facility shall automatically forthwith become due and payable by the Borrower to the Lender without any requirement for demand of payment or other notice whatsoever.

ARTICLE 4 SECURITY

4.1 General Security

The Borrower intends to use none of the Borrower's assets, both real and personal, as security for the Facility (the "Security"). And the Lender is made aware of that.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES BY THE BORROWER

5.1 Borrower's Representations and Warranties

The Borrower represents and warrants to the Lender that:

- (a) the Borrower has full power, capacity and authority to execute and deliver this Agreement, to comply with the provisions hereof and to duly perform and observe all of its obligations hereunder;
- (b) this Agreement constitutes a legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, and all appropriate corporate and other acts, conditions and things required to be done and performed and to have happened prior to the execution and delivery of this Agreement in order to make all of the obligations expressed to be incurred by the Borrower legal, valid, binding and enforceable in accordance with the terms of this Agreement have been done and performed in due and strict compliance with all applicable laws and regulations and, if the Borrower is a corporation, the corporate constating documents of the Borrower prior to the execution and delivery hereof;
- (c) all representation and warranties of the Borrower set out in this Agreement are true and correct as of the date of this Agreement;
- (d) the Borrower's undertaking and property, both real and personal, is not subject to any liens, encumbrances or Security Interests, except Permitted Encumbrances; and
- (e) the Borrower does not carry on business under or use any name or style other than its legal name set out on page one.

ARTICLE 6
AFFIRMATIVE COVENANTS

6.1 Affirmative Covenants

As long as any portion of the Loan Amount and interest due and owing with respect thereto remains unpaid or any obligation of any nature owed by the Borrower to the Lender remains owing, the Borrower shall, unless the Lender otherwise consents in writing:

- (a) perform all covenants, undertakings or agreements made by it in, and observe all of its obligations under this Agreement and the Security;
- (b) pay and discharge promptly all taxes, assessments and governmental charges or levies imposed upon it, upon its property or any part thereof, upon its income or profits or any part thereof, except that the Borrower shall not be required to pay or cause to be paid any tax, assessment, charge or levy not yet past due, or that is being contested in good faith by appropriate proceedings;
- (c) maintain, preserve and protect all of its properties in good order and condition, subject to wear and tear in the ordinary course of business;
- (d) maintain (i) insurance with responsible companies in such amounts and against such risks as is usually carried by persons engaged in similar businesses and owning similar properties in the same general area in which the Borrower operates and (ii) insurance required by any governmental department, public body or authority, commission, board, bureau, agency or instrumentality having jurisdiction over the Borrower;
- (e) comply with the requirements of all applicable laws, rules, regulations and orders of any governmental authority, non-compliance with which might adversely affect the Borrower's business or credit, except that the Borrower need not comply with a requirement then being contested by the Borrower in good faith by appropriate proceedings as long as no interest of the Lender may be materially impaired thereby;
- (f) keep adequate records and books of account reflecting all financial transactions in conformity with:
 - (i) GAAP; and
 - (ii) requirements of any governmental agency having jurisdiction over the Borrower or its business;
- (g) promptly notify the Lender of (i) any default or pending default under this Agreement or the Security or any event or circumstance which, with notification or with the lapse of time or otherwise, would constitute a default thereunder or (ii) any Insolvency Event;
- (h) advise promptly after the happening of any event which could reasonably be expected to result in a material adverse change in the property, assets, financial

condition, business or operations of the Borrower and its subsidiaries taken as a whole, or in the occurrence of any default, pending default or event of default under this Agreement, the Security or under any other material agreement to which the Borrower is a party or an Insolvency Event;

- (i) take all necessary actions to ensure its obligations hereunder are at all times secured and rank ahead of all other indebtedness of the Borrower, other than obligations that by mandatory operation of law rank ahead or that are Permitted Encumbrances;
- (j) utilize all Facility funds in accordance with the use of proceeds set forth in Section 2.3; and
- (k) provide such additional security, information and documentation as may reasonably be required by the Lender.

ARTICLE 7

EVIDENCE OF INDEBTEDNESS AND DETERMINATIONS BY LENDER

7.1 Evidence of indebtedness

The indebtedness of the Borrower resulting from the advance made by the Lender pursuant to this Agreement will be evidenced by records maintained by the Lender concerning the advance of the Facility it has made. The records maintained by the Lender will constitute, in the absence of manifest error, *prima facie* evidence of the indebtedness of the Borrower to the Lender under this Agreement and all details relating thereto. The failure of the Lender to correctly record any such amount or date will not, however, adversely affect the obligation of the Borrowers to pay amounts due hereunder to the Lender in accordance with this Agreement.

7.2 Determination by Lender

Any determination made by the Lender under this Agreement, including, without limitation, any determination relating to indebtedness and interest, will be binding in the absence of manifest error.

ARTICLE 8

MISCELLANEOUS

8.1 Amendments

No amendment, modification, supplement, termination, or waiver of any provision of this Agreement or any document connected herewith, and no consent to any departure by the Borrower therefrom, may in any event be effective unless in writing and signed by the Lender.

8.2 Successors and Assigns

This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors. This Agreement may not be assigned by any party hereto without the prior written consent of the other party hereto.

8.3 Set-Off

In addition to, and not in derogation of, any of its other rights of set-off under applicable law, the Lender will have a right of set-off against any obligations of the Lender to the Borrower upon the occurrence and during the continuance of an Insolvency Event, or upon a demand for payment being made hereunder.

8.4 Indemnity

In addition to any liability of the Borrower to the Lender or any affiliate of the Lender hereunder, the Lender shall indemnify and hold harmless the Borrower, its shareholders, affiliates, directors, officers, employees, agents, and their respective successors and assigns (each, an "**Indemnified Person**"), against any and all loss, cost, expense, claim, liability or alleged liability arising out of or relating to the Facility, including, without limitation:

- (a) any default by the Borrower under this Agreement or the Security;
- (b) any representation or warranty being incorrect; and
- (c) any environmental damage or liability occasioned by the Borrower's or its subsidiaries' activities or by contamination of or from any of the Borrower's or its subsidiaries' properties,

except to the extent arising from the gross negligence or wilful misconduct of any of the Indemnified Persons.

8.5 Currency

Unless otherwise specifically provided herein, the Loan Amount, interest thereon and all other amounts payable hereunder and under or pursuant to the Facility shall be paid by the Borrower in Canadian Dollar in immediately available funds.

8.6 Other Documentation

At the Lender's request, the Borrower will execute and deliver to the Lender such other agreements, documents and instruments, including financing statements and schedules, and do all acts and things as the Lender may reasonably require from time to time to effectively carry out, or give effect to, the terms and full intent of this Agreement or the Security, or better evidence or perfect the security granted by the Security and the full intent and meaning of this Agreement.

8.7 Governing Law

This Agreement and all certificates and other documents delivered by the Borrower hereunder shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. Each of the parties hereto irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta.

8.8 Severability

If any provision of this Agreement, or the application thereof, is determined for any reason and to any extent to be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons and circumstances shall remain in full force and effect, provided that the legal or economic substance of the transactions contemplated hereby is not thereby affected in a manner adverse to any of the parties hereto.

8.9 Headings

Article and clause headings in this Agreement are included for convenience for reference only and are not part of this Agreement for any other purpose.

8.10 Counterparts

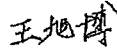
This Agreement may be executed in one or more counterparts and by facsimile, portable document format (pdf) or similar electronic means and when signed by both the parties listed below, shall constitute a single binding agreement.

[REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first above written.

York City Enterprises Limited

By:



Name: XB Wang
Title: Director

Calgary Sinoenergy Investment Ltd

By:



Name: Yingchun Wu
Title: Director

Exhibit "15"

Statutory Declaration of Calgary Sinoenergy, May-21-20

12 pages

THIS IS EXHIBIT " 15 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZYK
My Commission Expires May 21, 2026

APPENDIX C

附件 C

The Form 14 Statutory Declaration provided by Calgary Sinoenergy as ordered by the Alberta Court of Queen's Bench.

卡尔加里中天根据阿尔伯塔省女王法院的命令出具的宣誓声明。

Form 14
Statutory Declaration

Financial Statement of Debtor
(Corporate Debtor)

2001-03353

File Number

In accordance with section 35.10 of the *Civil Enforcement Regulation*, the Corporation must, within 15 days of being served with this form, provide the completed form to the enforcement creditor.

A. Debtor Information (Please Print)

I, 胡雅杰
Full Name of Deponent
of 2224-222 riverfront Ave SW 403-803 6558
Address of Deponent Telephone Number of Deponent
am the director of Calgary Sinoenergy Investment Corporation
Position with Corporate Debtor Name of Corporate Debtor
of 600 3 Ave SW #600, Calgary, AB T2P 0G5 (403) 261-6012
Address of Corporate Debtor Telephone Number of Corporate Debtor

and I solemnly declare that the contents of this document are true and accurate.

B. Assets

Real Estate

List all real estate (homes, rental properties, cottages, condominiums, etc.) both within and outside the Province of Alberta in which the corporation owns an interest, including municipal address, legal description, purchase price, balance owing and current market value.

	Municipal Address	Legal Description	Purchase Price	Balance Owing	Current Market Value
1.	Not Applicable				
2.					
3.					

List the name and address of any mortgagee for each property described above, as well as the date the mortgage was granted and the amount outstanding on the mortgage.

	Name of Mortgagee	Address of Mortgagee	Date of Mortgage Granted	Amount Outstanding on Mortgage
1.	Not Applicable			
2.				
3.				

胡雅杰

Motor Vehicles

List all motor vehicles, including cars, trucks, farm machinery, construction equipment, recreational vehicles, aircraft, etc. in which the Corporation owns an interest.

	Type - Make - Model - Year	Serial No.	Purchase Price	Current Market Value
1.	2015 AUDI Truck/Van Q7 V6 TDI 4DR AWD	WA1WMCFE6FD010109	CAD\$57,950 (without GST) CAD\$61,000 (including GST)	CAD \$25,000
2.				
3.				

If any of the above vehicles are subject to any liens or encumbrance, specify.

	Holder of Lien or Encumbrance	Date of Lien or Encumbrance	Balance Owing on Lien or Encumbrance
1.	Not Applicable		
2.			
3.			

List all fixtures, equipment and inventory.

	Type - Make - Model - Year	Serial Number, if Applicable	Purchase Price	Current Market Value
1.	Not Applicable			
2.				
3.				

Bank Accounts

List all deposit accounts, term deposits, annuities, etc., specifying the following:

	Type of Deposit	Name of Institution	Account No.	Branch Address	Amount
1.	Business Deposit Account	Bank of China	100300200347707	505 3 Street, SW #150, Calgary, AB T2P 3E6	CAD\$8,668.93(As of March 31, 2020)
2.	Business Deposit Account	ATB Financial	00548654800	07609 Calgary Stephen Ave Branch 102 8 Ave SW Calgary AB CA T2P 1B3	CAD\$7,820.18 (As of March 31, 2020)
3.	Business Deposit Account	China Construction Bank	682000900708	Suite 3650,181 Bay Street, Toronto, ON CA M5J 2T3	CAD\$159,872.63(As of March 31, 2020)

Also, specify whether there are any conditions attached to redemption of the account, and, if applicable, any expiry dates.

	Conditions Attached to Redemption	Expiry Date, if Applicable
1.	Not applicable	
2.		
3.		

Receivables and Ongoing Contracts

List all receivables and ongoing contracts.

Name	Address	Amount Owing

胡雅杰

1.	Canadian Advantage Petroleum Corp.	South Tower, 222 3 Ave SW, Calgary, AB CA T2P 0B4	CAD \$1,625,000 (As of March 31, 2020)
2.	York City Enterprises Ltd.	Address not available	CAD \$ 5,091,608.48 (As of March 31, 2020)
3.	Long Run Exploration Ltd.	600 3 Ave SW #600, Calgary, AB CA T2P 0G5	CAD \$ 448,677,400 (As of March 31, 2020)
4.	West Lake Energy Corp.	600 3 Ave SW, Calgary, AB T2P 0G5	CAD \$1,610,888(As of March 31, 2020)

胡雅杰

Shares and Securities

If the corporation has holdings in a corporation, complete the following:

List all shares, options, warrants, etc., and their current market value.

	Name of Corporation	Type	Number	Current Market Value	Dividends Payable (if any)	Date Payable
1.	Long Run Exploration Ltd.	Common Shares	198,139,699	CAD \$ 103,032,643.48	No	Not applicable
2.				March 31, 2020		
3.						

List all bonds and debentures held and their current market value.

	Name of Issuer	Class or Series	Quantity Held	Total Market Value
1.	Long Run Exploration Ltd.	Convertible debentures	75,000	CAD \$ 56,250,000
2.				March 31, 2020
3.				

List location of all certificates for all corporate holdings and their respective name(s) and address(es).

	Location of Security Certificates or Other Evidence of Ownership of Securities	Name and Address of Broker(s)
1.	Shareholding: See the Share Certificate and share register	Not applicable
2.	Convertible debt: See First Supplemental Indenture Supplemental Debenture Agreement (Page 4-5)	Not applicable.
3.		

Trust Properties

List all properties or interests held by a Trustee on the Corporation's behalf.

	Description of Assets Held	Location of Assets	Name and Address of Trustee
1.	Not Applicable		
2.			
3.			

Other Assets

List all other assets, specifying kind, value and location, and whether solely or jointly owned.

Type of Asset	Description	Sole Owner		Location	Value
		Yes	No		
Interest in other businesses	Not Applicable				
Promissory notes, judgment debts	Not Applicable				
Loans and mortgages receivable	Not Applicable				

胡雅杰

List all other assets, specifying kind, value and location, and whether solely or jointly owned (e.g. art, jewellery, bullion).

Description of Asset	Sole Owner		Location	Value
	Yes	No		
Not Applicable				

C. Transfer of Property

Has the corporation given away, sold, assigned or otherwise transferred any property (land, buildings, vehicles, money, equipment, inventory, etc.) outside the ordinary course of business within the past year? Specify details below.

Description of Property	To Whom Transferred	Date of Transfer	How Much Money, if Any, Was Recovered By the Corporation?
Not Applicable			

D. Insurance

List all insurance policies in which the corporation is named beneficiary, including the insurance company granting the policy, the policy number, the amount, the person insured, the premium and its cash surrender value.

Insurance Company	Policy No.	Amount	Person Insured	Premium	Cash Surrender Value
Not Applicable					

E. Additional Income and Assets

List all income and assets not itemized above (legal action claims under insurance policies, etc.).

Not Applicable

And I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at Calgary
 Alberta, on May 21, 2020

胡雅杰
 Signature of Affiant

Steven Latos
 A Commissioner for Oaths/Notary Public
 in and for the Province of Alberta

Form 14
Statutory Declaration

Financial Statement of Debtor
(Corporate Debtor)

2001-03353

File Number

In accordance with section 35.10 of the *Civil Enforcement Regulation*, the Corporation must, within 15 days of being served with this form, provide the completed form to the enforcement creditor.

A. Debtor Information (Please Print)

I, _____
Full Name of Deponent

of 胡雅杰 2224-222 riverfront Ave SW 403-803-6558
Address of Deponent Telephone Number of Deponent

am the _____ director of Calgary Sinoenergy Investment Corporation
Position with Corporate Debtor Name of Corporate Debtor

of 600 3 Ave SW #600, Calgary, AB T2P 0G5 (403) 261-6012
Address of Corporate Debtor Telephone Number of Corporate Debtor

and I solemnly declare that the contents of this document are true and accurate.

B. Assets

Real Estate

List all real estate (homes, rental properties, cottages, condominiums, etc.) both within and outside the Province of Alberta in which the corporation owns an interest, including municipal address, legal description, purchase price, balance owing and current market value.

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SAL

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List all fixtures, equipment and inventory.

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	Conditions Attached to Redemption	Expiry Date, if Applicable
1.	Not applicable	
2.		
3.		

Receivables and Ongoing Contracts

List all receivables and ongoing contracts.

Name	Address	Amount Owing

SAL

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2.	York City Enterprises Ltd.	Address not available	CAD \$ 5,091,608.48 (As of March 31, 2020)
3.	Long Run Exploration Ltd.	600 3 Ave SW #600, Calgary, AB CA T2P 0G5	CAD \$ 448,677,400 (As of March 31, 2020)
4.	West Lake Energy Corp.	600 3 Ave SW, Calgary, AB T2P 0G5	CAD \$1,610,888(As of March 31, 2020)

SAL

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1.	Long Run Exploration Ltd.	Common Shares	198,139,699	CAD \$ 103,032,643.48	No	Not applicable
2.				March 31, 2020		
3.						

List all bonds and debentures held and their current market value.

	Name of Issuer	Class or Series	Quantity Held	Total Market Value
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2.				March 31, 2020
3.				

List location of all certificates for all corporate holdings and their respective name(s) and address(es).

	Location of Security Certificates or Other Evidence of Ownership of Securities	Name and Address of Broker(s)
1.	Shareholding: See the Share Certificate and share register	Not applicable
2.	Convertible debt: See First Supplemental Indenture Supplemental Debenture Agreement (Page 4-5)	Not applicable.
3.		

Trust Properties

List all properties or interests held by a Trustee on the Corporation's behalf.

	Description of Assets Held	Location of Assets	Name and Address of Trustee
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Type of Asset	Description	Sole Owner		Location	Value
		Yes	No		
Interest in other businesses	Not Applicable				
Promissory notes, judgment debts	Not Applicable				
Loans and mortgages receivable	Not Applicable				

SAL

List all other assets, specifying kind, value and location, and whether solely or jointly owned (e.g. art, jewellery, bullion).

Description of Asset	Sole Owner		Location	Value
	Yes	No		
Not Applicable				

C. Transfer of Property

Has the corporation given away, sold, assigned or otherwise transferred any property (land, buildings, vehicles, money, equipment, inventory, etc.) outside the ordinary course of business within the past year? Specify details below.

Description of Property	To Whom Transferred	Date of Transfer	How Much Money, if Any, Was Recovered By the Corporation?
Not Applicable			

D. Insurance

List all insurance policies in which the corporation is named beneficiary, including the insurance company granting the policy, the policy number, the amount, the person insured, the premium and its cash surrender value.

Insurance Company	Policy No.	Amount	Person Insured	Premium	Cash Surrender Value
Not Applicable					

E. Additional Income and Assets

List all income and assets not itemized above (legal action claims under insurance policies, etc.).

Not Applicable

And I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at _____

Alberta, on _____, _____

Signature of Affiant

A Commissioner for Oaths/Notary Public
in and for the Province of Alberta

SAL

COURT FILE NUMBER 2001-03353
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF HENENGHAIXIN CORP.
DEFENDANTS TIANZHOU DENG, XIAOBO DENG aka LAKE DENG, MICHAEL LAM, CALGARY SINOENERGY INVESTMENT CORP., LONG RUN EXPLORATION LTD., JOHN DOE, and ABC CORPORATION
DOCUMENT **CERTIFICATE OF NECESSITY OF REMOTE COMMISSIONING**
PARTY CALGARY SINOENERGY INVESTMENT CORP.
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Dentons Canada LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8
Attention: Lillian Y. Pan, Q.C. / Steven A. Latos
Phone: (403) 268-7171
Fax: (403) 268-3100
File: 582519-1

I, Steven A. Latos, commissioner of the Financial Statement of Debtor, sworn on behalf of Calgary Sinoenergy Investment Corp. by Lily Hu, which is dated the 21 day of May 2020, hereby certify that I am satisfied that the process of remote commissioning was necessary because it was impossible or unsafe, for medical reasons, for the deponent and the commissioner to be physically present together, pursuant to the requirements of the *Notice to the Profession & Public: Remote Commissioning of Affidavits for use in Civil and Family Proceedings during the COVID-19 Pandemic*.

Dated the 21 day of May, 2020, at the City of Calgary, in the Province of Alberta.

DENTONS CANADA LLP

Per:



Steven A. Latos

Exhibit "16"

Response of Qingdao Yuheng Director, Sep-30-20

2 pages

THIS IS EXHIBIT " 16 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024

A handwritten signature in blue ink that reads "Joyce Staroszik". The signature is written in a cursive style and is positioned above a horizontal line.

A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 2026

[letterhead of Qingdao Yuheng]

September 30, 2020

BY EMAIL

Roger Song
Managing Lawyer.
Song & Howard Law Office

Email: roger_song@songhowardlaw.com

Dear Mr. Song

Re: Shareholder Declaration of Henenghaixin Corporation dated April 10, 2017

We refer to your letter of September 29, 2020 on the captioned matter.

In your letter, you requested us to confirm:

1. Whether Qingdao Sinoenergy Yuheng Co. Ltd ("Qingdao Yuheng") or any of its board members by the time of April 2017 instructed and directed Ms. Xu Bo Wang to sign the purported Shareholder Declaration (the "Shareholder Declaration") of Henenghaixin Corporation ("H Corp") and the Loan Agreement (the "Loan Agreement") between York City Enterprises Ltd ("York City") for and on behalf of York City all dated April 10, 2017.
2. Whether Qingdao Yuheng has an original or photocopy of the purported Shareholder Declaration.
3. Whether Qingdao Yuheng knew the existence of the purported Shareholder Declaration.
4. Whether the board of Qingdao Yuheng would approve the transactions under the purported Loan Agreement at the time of April 2017.
5. Whether Qingdao Yuheng will take further actions to investigate on the purported Shareholder Declaration and the Loan Agreement.

We hereby respond and confirm as follows:

1. By the time of April 2017, the directors of Qingdao Sinoenergy Yuheng Co. Ltd ("Qingdao Yuheng") were Mr. De Shuang YU, Mr. Jun XIONG, and Mr. Haipeng TU. Mr. YU, Mr. XIONG, and Mr. TU also served as directors of York City since December 21, 2018. Ms. Xu Bo Wang was the sole director of York City Enterprise Ltd. from January 6, 2017 to August 8, 2018. Both the service address and residential address of Xu Bo Wang acting as a director of York City that were filed and registered with the Registrar of


Corporation Affairs of BVI Financial Services Commission are Changchun Sinoenergy Corporation ("Changchun Sinoenergy"), 29/F, Block B, Tower 2, Soho, WangJing, Chaoyang, Beijing, China.

2. Neither Qingdao Yuheng nor any of its board members instructed and directed Ms. Xu Bo Wang or any director of York City to sign the purported Shareholder Declaration and the Loan Agreement.
3. Neither Qingdao Yuheng nor York City has any record to indicate that Ms. Xu Bo Wang ever signed the Shareholder Declaration or the Loan Agreement.
4. The board of Qingdao Yuheng did not know the existence of the purported Shareholder Declaration until June 2020 when Sinoenergy Corporation (Changchun Sinoenergy) released its "Announcement on the Inquiry Letter Regarding Litigation Matters Concerning Overseas Holding Subsidiaries" provided to the Shanghai Stock Exchange by *ST Changchun Sinoenergy (stock code 600856).
5. The board of Qingdao Yuheng would never agree to and approve such Shareholder Declaration and Loan Agreement to allow Qingdao Yuheng's wholly owned overseas subsidiaries to divert their investment funds and provide any unsecured company loan to Calgary Sinoenergy Investment Corp. that Mr. Tianzhou Deng and Changchun Sinoenergy controlled.

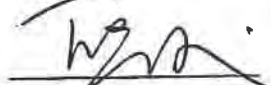
We trust that the above is in response to your enquiries. Please feel free to let us know if you need any additional information.

Yours truly,

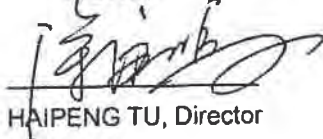
QINGDAO SINOENERGY YUHENG CO. LTD



DE SHUANG YU, Director



JUN XIONG, Director



HAIPENG TU, Director

2

Exhibit "17"

Transcript of Interview of Ms. Xu Bo Wan, Aug-10-20

65 pages

THIS IS EXHIBIT " 17 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZYK
My Commission Expires May 21, 2026

MEMORANDUM

From: Qi Guo
To: De Shuang Yu, Director, Henenghaixin Corp.
cc Gaoyong Zhang
Date: May 29, 2021
Re: **Audio record of the conversation between Ms. Wang, Xu Bo and Qi Guo during the meeting of August 10, 2020**

Dear Mr. Yu,

Wang, Xu Bo ("**Ms. Wang**") was the sole director of York City Enterprises Limited (the "**York City**") for the period January 6, 2017 to August 8, 2018. I met Ms. Wang on August 10, 2020 in Shanghai.

During our meeting, I showed Ms. Wang a copy of the following documents that Michael Lam alleged and attached to his Affidavit sworn on August 5, 2020 as Exhibit "A":

- a. Shareholder Declaration of Henenghaixin Corp dated April 10, 2017 (the "**Shareholder Declaration**").
- b. Loan Facility Agreement dated April 10, 2017 between Calgary Sinoenergy Investment Corp (the "**Calgary Sinoenergy**") and York City (the "**Loan Agreement**").

Attached as Appendix "A" is an electronic record of the conversation between Ms. Wang and myself during the meeting of August 10, 2020 (the "**Audio Record**").

Attached as "Appendix "B" is a translation of the transcript of the Audio Record from Chinese to English provided by a certified translator, Rui Xue, under a statutory declaration in the City of Calgary, Alberta, Canada dated May 28, 2021 (the "**Translation of the Audio Record under Statutory Declaration**").

During my meeting with Ms. Wang, she confirmed to me as follows:

- (1) She could not recall she ever saw both the Shareholder Declaration and the Loan Agreement.
- (2) She could not confirm if she signed the Shareholder Declaration and the Loan Agreement without seeing the original copy of the documents.

STATUTORY DECLARATION

CANADA) In the matter of translation of documents
PROVINCE OF ALBERTA)
TO WIT:)

I, RUI XUE, of the City of Calgary, Alberta, AFFIRM AND SAY THAT:

I am a certified translator Chinese to English, and a member in good standing of the Association of Translators and Interpreters of Alberta (which is a member association of the Canadian Translators, Terminologists, Interpreters Council -CTTIC) with certificate no. 001/2019 issued by ATIA and valid until December 31, 2026.

I have listened to an audio record (the "**Audio Record**") that Mr. Guo, Qi ("**Mr. Guo**") provided and identified to me as the audio record of the conversion in Mandarin he had with Ms. Wang, Xu Bo ("**Ms. Wang**"), the former sole director of York City Enterprises Limited, when Mr. Guo met with Ms. Wang on August 10, 2020 in Shanghai China.


Based my understanding of the Audio Record, I produced the Chinese transcript of the Audio Record (the "**Chinese Transcript**") and did translate the Chinese Transcript into English (the "**English Translation**").

Attached as Schedule "**A**" is both the Chinese Transcript and the English Translation (61 pages in total).

To the best of my knowledge and belief, the English Translation is in every respect a complete, true and correct translation of the Chinese Transcript.

And I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the *Canada Evidence Act*.

DECLARED by each person BEFORE ME)
at the City of Calgary in the Province of)
Alberta, this 28th day of May 2021)

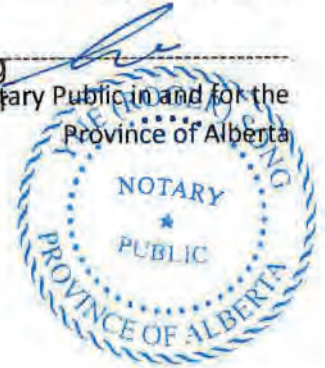

A Notary Public in and for the Province of
Alberta


Yue (Roger) Song
Barrister and Solicitor



This is the Schedule "A"
Referred to in the Statutory Declaration
of RUI XUE declared before me
this 28th Day of May 2021

Yue (Roger) Song
Barrister and Solicitor
Notary Public in and for the
Province of Alberta



郭琦先生 2020 年 8 月 10 日下午于中国上海
与 York City Enterprises Limited 前独任董事王旭博女士
的会面及对话录音[file JIA003578.0001]记录

Transcript of the audio record [file JIA003578.0001] of the Meeting and Conversation between Mr. Qi Guo and Ms. Xu Bo Wang, the former sole director of York City Enterprises Limited, in Shanghai City, China in the Afternoon on August 10, 2020

(Translation)

(1:28)

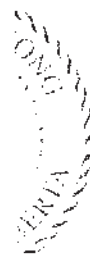
王旭博	您自己过来了?
Xu Bo Wang:	Did you come by yourself?
郭琦	张寰?有个会议, 然后他一起过来, 反正我来跟你沟通一下。
Qi Guo:	Huan Zhang had a meeting and will come later. I came first to have a chat with you.
王旭博	行行行 您有什么事情可以问我。因为我毕竟也离开挺长时间的了, 有些事情不太知道了, 后面的。
Xu Bo Wang:	No problem. Please feel free to ask me if you have something for inquiries. Since I have left the company for a quite long time indeed, I would not know much about the things that happened after I left.
郭琦	但是我把这个拿给你看看
Qi Guo:	Let me show you these and you may want to look.
王旭博	行, 后面也没有人再联系过我, 所以我就一直觉得这个事情可能后面我离职了就ok了。



Xu Bo Wang:	Sure. No one ever contacted me again after I left the company. So, I thought that everything was okay after I resigned.
郭琦	对。因为这个是最近出来的。这里是这样子，York City，当时你在 2017 年，你是 2017 年到 2018 年是唯一董事嘛。
Qi Guo:	Right. This matter came out just recently. You were the sole board director of York City from 2017 to 2018, weren't you?
王旭博	对。
Xu Bo Wang:	Correct
郭琦	但是我们就最近通过相关方他们提供出来两份文件，一份是。
Qi Guo:	But, we were recently provided with two documents by the relevant parties. One is...
王旭博	相关方指的是哪个？
Xu Bo Wang:	Who are the relevant parties that you are talking about?
郭琦	境外的境外的，因为境外发生点事情，境外就是中天在境外的公司挪用了我们资金。
Qi Guo:	They are overseas. What happened overseas is that Sinoenergy's overseas company misappropriated our funds.
王旭博	您是说还是 TB 项目对吧？
Xu Bo Wang	You mean you are still talking about the TB project, do you?
郭琦	对。
Qi Guo:	Yes

GER'S
ARY
OF AL

王旭博	你得跟我说的细点，因为我都好久没有接触过了。
Xu Bo Wang	You must speak specifically, because I haven't touched the business of the company for a long time.
郭琦	当时我们那个不是从荆州和平能源到青岛宇恒吗，青岛宇恒做内保外贷资金出去到 York City 吗？
Qi Guo:	Recall that we invested funds from Jingzhou Heping Energy to Qingdao Yuheng, and Qingdao Yuheng remitted capital to York City by the way of taking loans overseas under guarantees and security provided within the country?
王旭博	对的。
Xu Bo Wang	Yes, I do.
郭琦	York City 你是惟一董事嘛，然后到合能海欣 Corp，咱们通过合能海欣 Corp 收购了 TB 资产，这么一个资金流进和一个交易结构，对，就是在 York City 这个层面，最近就是说出来两份决议，我们不知道。怎么当时是什么情况，什么原因呢？背景是因为是在 2017 年，也就是说在 3 月份到 7 月份的时候，在合能海欣 Corp 层面，被相关方就是挪用资金挪用了大概是将近 4400 万加币。
Qi Guo:	You were the sole director of York City. The funds subsequently were sent to Henenghaixin Corp (the "H Corp"), and we acquired the TB assets through H Corp. This was the structure of capital flow and transactions. But two documents of resolutions at the level of York City came out recently and we did not know anything about them and what happened at the time. Why? The background is that during the period of March to July 2017, H Corp was misappropriated about CAD\$44 million by the relevant parties.
王旭博	相关方你指的是谁？
Xu Bo Wang	Who are the relevant parties that you referred to?
郭琦	就是卡尔加里中天和 Long Run。



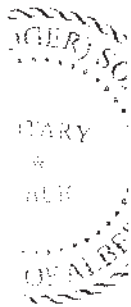
Qi Guo:	I meant Calgary Sinoenergy and Long Run.
王旭博	卡尔加里中天?
Xu Bo Wang:	Calgary Sinoenergy?
郭琦	对他们挪用了 4400 万资金，因为他们现在这样子，我们已经把他们在境外已经告上了法庭了，告上法庭以后，他们就是说这个不是卡尔加里中天和 Long Run 提供的，因为他们现在也是被告。卡尔加里中天和 Long Run、邓天州、邓小博和 Michael Lam。这个资料是 Michael Lam 提供的。他们现在内部也分裂了，利益出现了分歧，也分裂了。现在整个卡尔加里中天，包括 Long Run，包括中天能源已经不是老邓控制了。现在换了一个森田化工，也就是说重组方进去了。老邓以前做了一些事情，就一一的浮出水面爆出来了。报出来以后这个件东西是 Michael Lam 提供给法官的，就说要用一个、、、
Qi Guo:	Yes, they misappropriated funds of 44 million dollars. Because they did this, we have already sued them in court overseas. That is to say that after they were sued, these were not provided by Calgary Sinoenergy and Long Run because they are both now defendants as well. Calgary Sinoenergy and Long Run, Tianzhou Deng, Xiaobo Deng, and Michael Lam are the defendants. These documents were provided by Michael Lam. They are now split internally over dispute of interests. Now the entire Calgary Sinoenergy, including Long Run, and Sinoenergy are no longer controlled by Mr. Deng. The controlling person has now been changed to the Sam Group. In another words, there has been a reorganization. The things that Mr. Deng did in the past started to be revealed one by one. After his misconducts were revealed, Michael Lam provided this to the Judge and would like to use a ...
王旭博	那事情跟我是什么关系呢?
Xu Bo Wang:	But what does it have to do with me?
郭琦	我解释一下什么关系。 他们在合能海欣 Corp 层面，是职务侵占，利用职务挪用资金。
Qi Guo:	Let me explain. At the level of H Corp, they misappropriated funds by taking advantage of their positions.
王旭博	职务侵占指的是谁?



Xu Bo Wang:	Who did you refer to when you talked about the misappropriation?
郭琦	就是有当时的 Michael Lam 是它的合能海欣 CFO，他就说白了，但是他一手控制账户和资金，就是把资金挪到卡尔加里中天和 Long Run 去了，然后说他进行反辩，他要对自己辩解嘛。他辩解说他提供了两份证据。
Qi Guo:	Michael Lam who was the CFO of H Corp at that time. Simply put, he controlled singlehanded the accounts and funds, and moved the funds to Calgary Sinoenergy and Long Run. Then he defended himself by excuses and giving two pieces of evidence.
王旭博	他提供这个是要证明什么？
Xu Bo Wang:	What did he try to prove with these documents?
郭琦	证明就是说 York City 同意合能海欣 Corp 借款出去。你明白了吗？
Qi Guo:	To prove that York City agreed with H Corp to lend money to other parties. Do you understand?
王旭博	明白。
Xu Bo Wang:	Understood.
郭琦	你也知道我们资金完全是一个就是说专项的投资资金，不可能给他们其他方使用，完全用于收购 TB 资产和运营用的。
Qi Guo:	You also know that our funds were entirely used for a special purpose of investment, and it was impossible to give the funds to other parties for them to use. The funds were entirely used for the purpose of acquiring and operating the Twin Buttes assets and operations.
王旭博	但是你说的这个借款的事情好像没有啥印象。
Xu Bo Wang:	But I do not appear to have any recollection of the matter of the loan as you said.



郭琦	所以我今天来特定目的是让你看一下，这两份一份董事会决议，一份是合同，是不是你当时有印象？
Qi Guo:	Therefore the specific purpose for me to come today is to ask you look at the two documents, one is the resolutions of directors of board, and one is a contract, and see if you had any recollection at the time.
王旭博	这个合同上面没有我的签字。在这儿是吗？
Xu Bo Wang:	My signature is not on this contract. Is it here?
郭琦	这是什么，因为你英文比较好，我也不需要解释了，你应该看得很清楚。它是 York city 董事会同意出借资金 5780 万加币给卡尔加里中天，就是说股东作出决议，让子公司借款给卡尔加里中天，这是董事会决议，这个是。
Qi Guo:	What is this? Since your English is good, I do not need to explain the content of the documents to you. You should be able to understand it very clearly. It says that the board of directors of York City agreed to lend CAD \$ 57.8 million to Calgary Sinoenergy, which means that the shareholder made a resolution to allow its subsidiary to lend money to Calgary Sinoenergy. This is a board resolution. This one.
王旭博	我看一下，您稍等一下，你让我回忆一下。 (6:24) 这个 5870 万。
Xu Bo Wang:	Let me look, wait a moment. Let me refresh my memory. (6:24) This is 58.7 million...
郭琦	5870 万加元。
Qi Guo:	CAD\$58.7 million.
王旭博	这个就是指的是您刚刚提到的 4400 万美元是同一笔吗？



Xu Bo Wang:	Is this the same as the 44 million US dollars you just mentioned?
郭琦	这个数字上不对的。
Qi Guo:	The number is incorrect.
王旭博	但是同一笔钱吗？因为加元跟美元之间不是有一个数据的少一些。
Xu Bo Wang:	But is it the same transaction? Because the amount in US dollars would be something less than the amount in Canadian dollars for the same transaction.
郭琦	它这个数字上是大于 4400 万加元，为什么 5780 万加元我们也不知道它的原因是什么，只知道大于 4400 万，所以说他是想用这个文件来证明他的底线，在合能海欣 Corp 层面挪用我们的资金有法律依据，有合同部分支撑，对这个东西我相信您应该。
Qi Guo:	The figure is greater than 44 million Canadian dollars. We do not know why it is 57.8 million Canadian dollars. We only know that it is greater than 44 million. So, he wants to use this document to prove his bottom line, which is that there would be a legal ground or contractual basis for the misappropriation of funds from H Corp. On this document I believe you should....
王旭博	这个事情啊，你这样说我是真心没啥印象，就像之前的电话沟通的一样，我是当时是挂一个名而已，是被安排就是说帮着走一些流程，它本质上跟我是没有利益关系的。然后单纯从您给我拿的这两份文件来看，如果说从这个字来看，我觉得它可能是我签的。
Xu Bo Wang:	About this matter, I really do not have any recollection about what you just said. Just as what I told you over the telephone, I just took a nominal position and was arranged to facilitate going through matters of procedure. I did not have any personal interest in any matters by nature. If I just looked at the two documents you showed me, I felt that it may be my signature.
郭琦	你再回忆一下，因为我建议你再回忆一下，你看看清楚两个字是有一些的、、、
Qi Guo:	Please recall it again. Because I suggest that you recall it again. Take a close look at the two signatures...

王旭博	我想问你一下，他给你提供的文件是说这个就是当时我的亲笔签字吗？还是说？
Xu Bo Wang:	I want to ask you a question. Did he say that this is my personal signature when he provided you the documents or something else?
郭琦	现在我们拿到的是从法官转接过来的是扫描件，所以我一定要确认这是有没有这回事。第二个。
Qi Guo:	What we got is a scanned copy forwarded by the court, so I must verify whether the matter is true. Second...
王旭博	我想说的一个什么事情呢？就是说这个字我不管它是从哪弄过来的，从这个字来看是我的，但是问题就在于它这个字是不是我当时亲笔签上去的，是不是他截图批上去的，这很有可能。
Xu Bo Wang:	The point I would like to make is that I do not care where the signatures came from, the signatures look like mine. But the question is whether I signed them by myself on the documents at the time, or whether he put my signatures on the documents by copy and paste, which would be very possible.
郭琦	这个是需要，我是两个问题，一个问题是你刚才说什么怎么去。第二个是你不知情。
Qi Guo:	I need you to answer two question. One question is how the signatures were put on the documents as you just said, and the second question is whether you knew the real situations.
王旭博	我是真的不知情的，对不对？
Xu Bo Wang:	I really did not know the real situations, believe me.
郭琦	你当时就是领导让签了什么你就签了什么。两种可能，一种是真实的，这个要直接签名，第二个可能是他通过电子截图 P 上去的。
Qi Guo:	If you just signed whatever your boss asked you to sign at the time, there would be two possibilities. One is that the signatures are genuine, and this means that you signed the documents directly. The other one is that he put your signatures on the documents by electronic copy and paste.



王旭博	为什么我刚刚给您回答的就比较中肯，就是说首先字迹我不能否认他不是我的字，但是有一点我想跟您说的是，我一般写自己的名字不会写这样小的。如果说这个就是原本文件它复印件的话，我写字一般不是这样小的，我是写大字的，我这个人写字非常大。
Xu Bo Wang:	The reason what I just answered you is fairly sincere is that first of all I cannot deny that the appearance of the signatures is not my handwriting. But there is one thing I want to tell you, namely, I usually would not sign my name in so small size. If this is a copy of the original document, I usually would not write in such small size. I would write in big print. My handwriting is big.
郭琦	我也不能引导你。你自己看清楚，因为我个人感觉这两个字是有一些那个东西。你得看看清楚。因为这是你对自己的字是最了解的。如果说你能确认清楚这两个字，就不是你的真人签名，是被通过其它方式 P 上去的，你大概有个判断。还有这件事情你本身有没有印象？
Qi Guo:	I cannot lead you either. You must view it clearly because I personally believe that there is something wrong with these two signatures. You must look carefully. Because you know best about your own handwriting. If you can clearly confirm that these two signatures are not your signatures that you signed by yourself but were put on the documents by other means, you probably can make the judgement. The other thing is that whether you have any recollection on this matter.
王旭博	没啥印象，这事情我真心没啥印象。但是刚刚咱们我也让您给我说一下之前的事情。做 TB 项目这个事情我是知道的，但是他借给卡尔加里借款这个事情我是不知道的，而且就算是我不管我当时知情还是不知情，我都是被安排来代一个名的，我跟他们没有利益关系的。
Xu Bo Wang:	I do not have any recollection. I really have no recollection of this. But just now, I also asked you to tell me what happened before. I knew about the TB project, but I did not know about the loan to Calgary Sinoenergy. No matter whether I knew the inside information or not, I was arranged to put my name on documents and did not have any relationship of interest with them.
郭琦	我知道。首先弄清楚你作为董事，你就承担了作为董事的责任。虽然说你可能是受领导的安排，或者是邓天洲或刘彦莹安排。我说的很清楚了，不然的话他们就是你的领导或者是你的直接控制人，
Qi Guo:	I know. First, you should understand that if you are a director, you would take the responsibilities of a director. Although you may be arranged by your boss to take the role of a director or follows the arrangement of Tianzhou Deng or



	Yanying Liu at the time. I made it clear by saying that they were in fact your boss or the person who directly controls you.
丁加博	老板。
Xu Bo Wang:	My boss
郭琦	他让你挂了名，但是你是被控制或者被安排在这个职位上，但你如果说是你本人真人签名的话，你是存在执行法律责任的。如果说你不承担法律责任，你要去证明你是被人控制的，你签字是要你只是挂名的签字，可能需要你作为举证方，你要举证这个事情，如果说这个字不是你签的，它比如说是伪造的被 PS 上去的。这两个事情的性质是有很大的差别的。
Qi Guo	He put your name down as the director, but you are controlled or arranged to take this position. But if you signed the documents by yourself, you still took the legal liabilities for implementation. If you do not want to take the legal liabilities, you must prove that you were controlled by someone, and you signed your signature just as a nominal director. You may need to act as a witness and provide evidence to prove this matter. If you say that this is not your signature, the signature was forged by photoshop, the nature of these two things would be quite different.
王旭博	首先就是我回答您的问题，您给我拿这两份文件我几乎是没有印象的，我已经不能够肯定的回答你当时是不是我亲自签上了，但通过您拿这个东西给我的辨认，我的辨认结果是如果当时这份文件是我亲笔签名的话，我那个字应该不会太小的。所以我的字应该写的会比这个要大，如果说这份文件你现在拿一个空的合同放在我面前，你让我写成完全这样子，我觉得可能性不大，因为我写字非常大。
Xu Bo Wang:	First, I will answer your question. I have almost no recollection of these two documents you showed me. I cannot answer with certainty whether I signed it at the time, but by examining the documents you provided, I believe that if the document were signed by me at the time, my handwriting would not be so small. My handwriting should be larger than this. If you put an blank contract in front of me right now, and ask me to sign like this, I think it's unlikely, because I write in large print.
郭琦	对，您可以看看这两个文件的日期是 2017 年 4 月 10 号或者 4 月前后，您看一下，我是希望你能够同我回忆，还是能够有点印象。我觉得就算老板会让你签字，好歹应该你瞄一眼会问问什么东西嘛，不然的话让你借钱出去呢，所以这方面别人去借钱了，对你来说是负债，你也要。
Qi Guo:	Yes, you can see the dates of these two documents are April 10, 2017 or around April. Look. I hope you can recollect your memory; perhaps you can still

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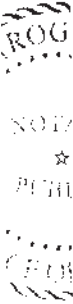
	recall something. I think even if the boss asked you to sign, you should still take a glance and ask what the documents were about. Otherwise, what if someone asked you to borrow money and put you in debt?
王旭博	而且这两个文件您看一下，咱们一块看这。你不觉得这两个名字写的完全是一样的吗？
Xu Bo Wang:	And look at these two documents, let's look at them together. Don't you think these two signatures were completely identical?
郭琦	所以我在问你。
Qi Guo:	So, I am asking you.
王旭博	正常人的话不可能两个名字写出来完全是一模一样的。
Xu Bo Wang:	It is impossible for a normal person to sign two completely identical signatures .
郭琦	所以我在问你，我希望你帮你回忆起你的记忆，我刚才一直在问你。
Qi Guo:	So, I am asking you. I hope I can help you to recollect your memory, and I was keeping asking you.
王旭博	我印象中我不知道这两个东西。
Xu Bo Wang:	I have no recollection of these two documents.
郭琦	Ok 那就是说这两个签字？
Qi Guo:	Ok, do you mean these two signatures?
王旭博	我没有办法给你 confirm，这两个就是我的亲笔签名，签在这个文件上的。这个字，我看起来是我的字，但是是怎么弄到这个文件上去的，我不能给你确定的。
Xu Bo Wang:	I cannot confirm to you that the two signatures on the documents are the ones that I signed by myself. The signatures appear to be mine. But I cannot confirm to you how these signatures were put on the documents.

郭琦	我刚才不是说了么？两种，一种是被人 P 上吗？伪造上去了，对不对？还有一种情况就是。
Qi Guo:	As I just said, there may be two possibilities. One is that the signatures were put on the documents by photoshop and forged. Right? The other possibility would be...
王旭博	这两个文字名字写的完全就是一模一样的。
Xu Bo Wang:	These two signatures were made in a completely identical manner.
郭琦	我不能回答你嘛。我只能我就说你判断。你是因为，如果是你自己签了名和如果不是你的话，我觉得两种性质是不一样的，我就说说清楚两点。如果说你确实有印象这两份文件是被人伪造的，别人 P 上去的，我要跟我的律师沟通清楚，我怎么保护你，我怎么帮助你来把这个事情给澄清事实，向法官澄清事实。
Qi Guo:	I cannot answer you, I can only ask you to make a judgment, because, I believe that if you signed it yourself, the nature of the matter would be different from the case when the signatures were not made by you. I would like to clarify on two points. If you do have an impression that these two documents were faked and someone else photoshopped them, I would have to communicate clearly with my lawyer on how I could protect you, how I could help you clarify the facts about this matter and clarify the facts to the judge.
王旭博	对。我的意思您清楚了。
Xu Bo Wang:	I see. But do you understand what I mean?
郭琦	我分析了，但是就是咱们谈下面工作，现在你这边两个反馈，就是说这边两个文件你完全不知道，我不知道说是回忆不出来，还是当时做了事情不知道。
Qi Guo:	Yes, I have made analysis. Let's talk about the next steps. Now you gave two feedbacks. That is to say that you completely do not know about these two documents. I do not know whether it was because you could not recall them, or you did something you did not know at the time.
王旭博	回忆不出来，至少我跟您说话的时候我没有印象。



Xu Bo Wang:	I cannot recall them. At least I cannot recall them when I talked to you.
郭琦	好这两个字, 你觉得不太像你当时写的字吗?
Qi Guo:	I see. On these two signatures, do you believe that they do not look like your handwriting at the time?
王旭博	不太像, 因为我写字, 他如果说单纯是把文件拿到我这来签, 我还是假如你再给我一张白纸, 让我签。我不会写这样小的字。
Xu Bo Wang:	No, not quite. Because when I sign if I was asked to sign a document or on another piece of blank paper, I would not sign in such small print.
郭琦	就是说这件事情肯定不是出于你本意来签的字。
Qi Guo:	That is to say that it was definitely not your own intention to sign the documents.
王旭博	不是
Xu Bo Wang:	No, it was not.
郭琦	OK。 我想如果说我跟法官, 因为我这个律师可能后续会跟你确认情况, 可能有一些比如说确认函件让您签字做这件事情, 就我们会有附件, 有两个文件, 就是说我本人要求你比如说司法鉴定, 因为我现在没拿正本嘛。
Qi Guo:	OK. I think if I talk to the Judge... Because my lawyer will confirm the details with you later, and ask you to sign a confirmation letter. We will send you attachments or attach these two documents. In your letter, you may say that "I personally would like to ask you to make a forensic assessment of the signatures, because I do not have the original copy now".
王旭博	我想问您一下, 这个是很关键的一个证据。
Xu Bo Wang:	I want to ask you a question. Is this a very crucial evidence?

郭琦	非常关键，我觉得对你来说可能来说非常重要。
Qi Guo:	Yes, very crucial. I believe it may be very important to you.
王旭博	我其实并不希望它影响到我的生活，而且我们换了一个城市生活，我也换了工作。
Xu Bo Wang:	I actually do not want it to affect my life. In fact, we already moved to another city to live, and I also changed my job.
郭琦	你看金额是 5780 万加币，接近是 2.5 亿人民币，再在境外确实给他们挪用了两千多万人民币，现在我们在境外打官司，我们也把 Long Run 的资产全部查封了，卡尔加里中天的资产全部查封了。
Qi Guo:	You see, the amount is 57.8 million Canadian dollars, which equals to about 250 million RMB yuan. As a matter of fact, they did misappropriate more than 200 million yuan overseas. Now we are making a lawsuit overseas, and we also have frozen all the assets of Long Run and Calgary Sinoenergy.
王旭博	我有面临着我作为被起诉的风险嘛？
Xu Bo Wang:	Is there any risk that I may be sued?
郭琦	我们没有任何事实证明。
Qi Guo:	We do not have facts to prove in order to sue you.
王旭博	就我说我有这样的风险吗？
Xu Bo Wang:	I mean if I face such a risk.
郭琦	我现在这样的，应该这样子，这两份东西是被告之一 Michael Lam 新提供出来的，他的反辩证据。
Qi Guo:	It should be like this. These two documents were provided by one of the defendants, Michael Lam, as evidence for his defense.

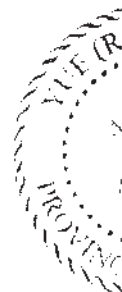


王旭博	他提供这个是要证明什么？
Xu Bo Wang:	What is he trying to prove?
郭琦	证明它从合能海欣 Corp 层面挪用资金，是有法律依据的。
Qi Guo:	He has a legal basis to misappropriate the funds from H Corp.
王旭博	那我想问一个问题， York City 上面是有股东对不对？
Xu Bo Wang:	Then I want to ask a question. There are shareholders above York City, is it correct?
郭琦	对。
Qi Guo:	Correct.
王旭博	那你们可以找宇恒说话啊。
Xu Bo Wang:	Then you can talk to Yuheng.
郭琦	我们就是宇恒啊。我们宇恒不知情啊，没有董事知道这件事情，这个是刚刚爆出来的东西，包括下层公司合能海欣 Corp 的 4 个董事，除了邓天洲知道不知道我不清楚，其他董事都不知道，而且他这个，我不知道你仔细看过没有，你还是仔细再看一下。
Qi Guo:	We are from Yuheng. We or Yuheng were not aware of the situation. None of the directors knew about this matter. This is something that was recently revealed. I do not know if Tianzhou Deng knew about it or not, but all the other directors of the 4 directors of the subsidiary company H Corp knew nothing about these documents. I don't know if you have looked at it carefully, you should take a closer look.
王旭博	我刚刚仔细看过这两个签名了。
Xu Bo Wang:	I just closed examined these two signatures.

郭琦	你可以看看内容，它是约束的，它是定一些什么权利和义务，什么谁和谁的借款，金额借款金额。这个合同。
Qi Guo:	You can look at the content; it is binding and contains some rights and obligations, the provisions on who borrows money from whom and the amount of the loan. This contract...
王旭博	我知道。 (15:52) 它这个借款合同，就是对借款还有利率有约束，但是... (16:45) 对的，这个上面的确是有说董事是有权来决定借款。就是说如果说现在就是说我没有办法认定这个是当时我的亲笔签名，你们是要去做鉴定的对不对？那我想问一下 Michael Lam 提供这个东西，他有提供原件吗？
Xu Bo Wang:	I know. (15:52) This loan contract is binding on loan and interest rates, but... (16:45) Yes, the contract indeed said that the directors have the right to decide on loans. Could I assume that if I have no way to verify that this is the original signature I made at the time, you would need to make forensic assessment on the signatures, is it correct? Then I would like to ask whether Michael Lam provided the original copy?
郭琦	是这样子，如果说你不能确定的话，我跟合能海欣去沟通一下，至少本意上你不知道这件事情嘛，对吧？
Qi Guo:	The situation is that if you cannot confirm anything, I would talk to H Corp. At least you do not know about this matter, is it right?
王旭博	不知道。
Xu Bo Wang:	No, I do not.

郭琦	对。
Qi Guo:	Okay.
王旭博	就是我的意思是这不是我的意愿，不是我做的决定。
Xu Bo Wang:	What I would like to say is that this is not my intention and no is it my decision.
郭琦	对。 我刚才反复在说一件事情就是说，你本身的意愿你不知道这个事，法官怎么去相信这件事情，但如果说这件事这个字是你本人签的，和这个字被人伪造上去了，这两个就又不一样了。对。如果是伪造上去的话。
Qi Guo:	Correct. What I was trying to say repeatedly was that how a judge could believe that it is not your intention, or you did not know. If the signatures were the ones made by yourself, it would be different from the case where the signatures were forged. If they were forged...
王旭博	你们是追究他伪造合同的责任呢？
Xu Bo Wang:	You would then hold him liable for forging the contract, is it correct?
郭琦	对，我要申请做司法鉴定。这个字不是王旭博本人签的，对吧？那就可以证明他这个文件是伪造的，如果说是你本人签的，但是你当时不知情，可能你要去举证是谁让你签的或者是怎么样。
Qi Guo:	Yes, I would like to apply for a forensic assessment to show that the signatures were not the one made by Xu Bo Wang, am I right? By this way, I could prove that his document was forged. If it was the case that you did sign the documents yourself, but you did not what was really going, you may need to prove who asked you to sign or somethings like that.
王旭博	我没有办法确定字是我签的，我还是这个话。我反复看了以后觉得没有办法确定。原因有二，第一个是我写字不这样小，第二个是这两个签名明显是一模一样的。

Xu Bo Wang:	I have no way to confirm that the signatures were made by myself indeed. I would like to say it again that after I repeatedly examined the signatures, I still have no way to confirm it. There are two reasons. First, I would not sign such small signatures. Second, these two signatures are obviously the same and of no difference.
郭琦	其实我这个不能引导你。
Qi Guo:	I cannot lead you to say anything on this matter in fact.
王旭博	不是您引导我。
Xu Bo Wang:	No, you are not leading me to say anything.
郭琦	就说你自己，是不是大致有个判断对吧？因为一点都没碰到，我觉得不太可能。自己写的字，因为我写的字我签名，我不可能是有乱写乱画的，肯定是这样子的，每个字都写的会有潦草，从来没有认真写过字，但是你看两个字对吧？高度的这种。
Qi Guo:	As for you, you would have a general idea on this matter, right? Because I thought it would be unlikely that you would have no ideal at all. When I sign my name, it would be impossible for me to sign it in no regular way. It must be like this. Every word written will be scribbled, I have never written a word in print, but you see these two. Right? It is highly...
王旭博	它两个明显就是一模一样的。
Xu Bo Wang:	It is obvious that the two signatures are exactly the same.
郭琦	是啊。 而且我想问一下现在今天你看老邓他们之后，有没有找过你？
Qi Guo:	Yes. Also, I would like to ask if Mr. Deng or the others ever contacted you after you left.



王旭博	没有人再找过我啊，您是第一个跟中天有关系的人联系我的。没有人再找过我，而且我当时从中天离开的时候，我也是交接清楚的工作，然后我就离开了，我跟中天就没有关系了。然后我还有一个事情想说的，我跟 York City，当时是他们让我只是挂了董事的名字，然后我没有什利益关系，比如说他们的投资收益也跟我没有关系。
Xu Bo Wang:	No one has ever contacted me. You are the first one who contacted me and dealt with Sinoenergy. No one ever contacted me again. Also, when I left Sinoenergy, I handed over a clear job, and then I left. Thereafter, I no longer had anything to do with Sinoenergy. In addition, I want to explain one thing. On the relationship between me and York City, at that time, they asked me to just put on a hat of a director, but I had no personal interest in the business of the company, and the income and profit of their investment had nothing to do with me either.
郭琦	我知道。
Qi Guo:	I know.
王旭博	对。
Xu Bo Wang:	This is right.
郭琦	你看我也在企业担任职务，是受公司委派嘛，对不对？可能境内还好，但是现在在境外，是吧？但客观事实你是担任了公司的董事是吧？对不对？你作为董事你担任他的话，可能你要承担相应的，不管你有没有获利，你要承担这个责任。
Qi Guo:	You see, I also hold a position in a company, and am engaged by my company, right? It would be better if it occurs domestically. But now it happens overseas, right? The fact is that you acted as a director of the company, right? As a result of acting as a director, you may have to take the corresponding responsibilities no matter whether you received any profit.
王旭博	我明白您的意思，毕竟那个时间段我的确是作为合法的董事。
Xu bo Wang:	I understood what you mean. After all, I was indeed the legitimate director at that period of time.

郭琦	对，唯一董事嘛？对这个事情就这样子，我回去跟我公司沟通这个样子，可能是后续有一些需要你配合了。
Qi Guo:	This is right. You are the sole director. So that is what happened. I will go back and talk to my company. Maybe there are things that we would need you to cooperate on subsequently
王旭博	啊，这样子啊
Xu bo Wang:	Really? Is that what would happen?
郭琦	肯定啊。那如果说你不配合，我们就可能把你作为被告之一，一起进行诉讼。
Qi Guo:	For sure. Then if you do not cooperate, we may name you as one of the defendants and proceed against you with court litigation.
王旭博	什么意思？
Xu Bo Wang:	What do you mean?
郭琦	就是我们有可能把你被告之一。
Qi Guo:	We may sue you as one of the defendants.
王旭博	那这个不行的。
Xu Bo Wang:	No, you can not do it.
郭琦	对我们从来没想这么做。
Qi Guo:	We never wanted to do so.
王旭博	对咱们说说。
Xu Bo Wang:	Right. Let us talk about it.

郭琦	我没有想那么多，我先我跟你说。
Qi Guo:	I did not think too much about it. Let me tell you first.
王旭博	我明白你的意思。就是说冤有头债有主对不对？
Xu Bo Wang:	I understood what you mean. In other words, a debt shall be collected from the debtor, is it right?
郭琦	我就是说这个事情我也弄大致清楚了，但也就是你本人也没法确认对不对？但你不管是这个字是被人伪造的，还是你是当时被人委派到董事职务上，被邓天州委派过去签了这个字，那我觉得这个事情还是能够说清楚的，不至于说是作为一个被告的。
Qi Guo:	Yes. I mean I have roughly obtained a clear picture on this matter. However, you cannot confirm the matter even yourself, right? But I believe that you can clearly explain this matter and have not reached the point where you will become a defendant no matter whether the signatures were forged by someone, or you were arranged to put on the hat of a director or requested by Tianzhou Deng to sign the documents.
王旭博	对，我觉得事情就没有到这一步，对。
Xu Bo Wang:	Yes, I believe things have not reached this point indeed.
郭琦	所以说那就需要我们配合。对不对？ 那就是说我这边可能回头会跟律师沟通，可能是比如说做这件事情，律师可能是发一些文件给你签，就是说比如说我觉得大概也是证明这件事情跟你无关，或者是这个字这个字不是本人签的，即使是本人签的，也是在不知情的情况下受人控制签的。就是相关的这样的一个描述，对。有可能会配合一些证据跟我们那边跟法官去确认那些问题。
Qi Guo:	So, that is why I say that we need to cooperate, is it right? What I will do would be that I may go back to communicate with the lawyer, and the lawyer may send you some documents to sign, for example. The documents may prove that this matter has nothing to do with you, or the documents were not signed by you, or even if you signed, you did so under the control of other people without knowing what was really going on. The documents may give

	some relevant description like these. We may need to ask you to cooperate with us on certain evidence and help us to confirm on these issues with the Judge.
王旭博	我想问您，如果说您这边律师给我的，如果比如说给我发这样的问询函是吧？向我确认一些事情，说现在相当于守恒下面是 York City, York City 再出去，就是合能 Corp。如果说我证明这个东西(两个文件)的确是我不知情，我也并且不是利益相关者的话，会把这个环节跳过去嘛？
Xu Bo Wang:	What I want to ask is that if, for example, your lawyer would send me an inquiry letter like this and ask me to confirm on certain things and say that Yuheng owns York City and York City owns H Corp, and I could prove that I did not know any things about these two documents and I also have no personal interested involved, whether it is possible to skip the step that involves me.
郭琦	其实我们希望就是这样的。因为 Michael Lam 本身在境外已经伪造了好几份证据了。
Qi Guo:	In fact, we hope this is the case. Because Michael Lam himself has forged several pieces of evidence overseas.
王旭博	你们已经就是说可以确定他是伪造者。
Xu Bo Wang:	So, you are already fairly sure that he is a forger.
郭琦	我现在心里是这样，对吧？我现在心里也有数了。但是虽然它提供出来了，我就一定要证明他这个证据是有问题的。
Qi Guo:	I would think so in my mind, right? I have my own conclusions in my mind. But I must prove that the evidence is problematic if it was put forward.
王旭博	对，既然人家提供了，你就要去证明。这是要有一个过程。
Xu Bo Wang:	Yes. If someone provided an evidence, you must prove that it is false. There is a process to be involved.
郭琦	如果不能证明的话，我只有把它也列为，因为毕竟当时在董事的职位上是你在担任，我只有从你身上入手，作为从把你也列为被告，然后由你去举证相关方，是你的指令人或者是你的控制人。

Qi Guo:	If I cannot prove the evidence is a false, I must accept it as an evidence. Since after all, you took the position of director at that time, I must start with you and name you as a defendant, and then you would need to testify against the relevant parties who were your boss or controlled you and asked you to sign the documents.
王旭博	真麻烦，我有一个问题，现在 York City 应该是也有她的董事对吧？你们没有办法找现在的董事说话是吧？
Xu Bo Wang:	It is complicated. What I want to ask is that York City should also have its own directors right now, right? Do you have any ways to talk to the current directors?
郭琦	现在的董事有啊。但是他这个合同是你签的。
Qi Guo:	Yes, York City has its directors. But the contract is the one you signed.
王旭博	我明白。
Xu Bo Wang:	I see.
郭琦	因为现在他们董事已经声明他不知情，就是这份决议和借款合同不知情。已经声明了。
Qi Guo:	Because the current directors have indicated that they did not know anything about this resolution and loan contract. The declaration has been made.
王旭博	明白，我今天跟您说的是您我回答了你的问题对不对？
Xu Bo Wang:	Understood. I have answered your questions today, right?
郭琦	对，我们在沟通完之后，我可能会去和律师沟通，按怎么来把这件事情就是说澄清事实。
Qi Guo:	Right. After our meeting, I may go to talk to the lawyer, and figure out how to deal with this matter to clarify the facts.

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王旭博	我的意思就是什么这边说可能就对我现在就是说影响小一点，别搞得麻烦。
Xu Bo Wang:	What I mean is that I would like it to have as little impact on me as possible so do not make too much trouble to me.
郭琦	没有，其实首先我觉得这个事情不是很麻烦，反正就是正常吗？对不对？本身我觉得大家做了就做了，没做就没做了，对不对？没做的话大家把这些都给他解释清楚就行了。我觉得没有不会对你的生活产生任何影响。
Qi Guo:	I will not. First, I think this matter will not make too much trouble to you. It is just a normal process, right? I think whether or not you did it, you cannot change the facts. If you did not sign it, what we need to do is to provide a clear explanation on everything. I do not think it will have any impact on your life.
王旭博	别到时候老叫我去法庭怎么样的，这个会很麻烦的。
Xu Bo Wang:	I do not want to go to court repeatedly. It would be too much trouble to me.
郭琦	不会，如果说你不配合的话挺麻烦的，我觉得配合的话本身证明自己清白的嘛。
Qi Guo:	I do not think it will happen. If you do not cooperate, it will become a trouble. I think the fact itself that you cooperate would prove that you are innocent.
王旭博	是，你如果说是有比如说这样的东西让我确认这个我是可以这样的。就不管我不能确定它是不是我签的，但我至少肯定要给您回复的。
Xu Bo Wang:	Yes, if there is something like this that needs to be confirmed, I can do it. No matter whether I can confirm the signature was mine or not, I would surely reply to you one way or the other.
郭琦	对。大概就是这件事情。
Qi Guo:	All right. This is all I need to talk to you.
王旭博	行，这个还是这话，我真的没有办法确定这个是我签的，而且单纯从扫描上面来看的话，我觉得，你看这个签名明显就很模糊了。

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Xu Bo Wang:	I see. What I want to say again is that I really have no way to confirm that I signed this document. I believe that the signature is obviously very blurry just based on my review of the scanned copy.
郭琦	如果我肯定是不会的，一看就知道。
Qi Guo:	If it were me, I will not do it. You would know it by taking a glance of the document.
王旭博	而且是这两份文件写的完全一样，就算是同一个人写的名字写两次，也不可能是一模一样的。
Xu Bo Wang:	Moreover, the two signatures appear to be the same. If a person sign his name twice, it would be impossible for him to sign the names in an identical manner.
郭琦	对啊。
Qi Guo:	Yes, indeed.
王旭博	这是完全一样的啊。
Xu Bo Wang:	These two signatures are identical.
郭琦	如果说你有信心证明这个不是你签的，那我就向法院申请要原件。
Qi Guo:	If you are confident to prove that this was not signed by you, then I will apply to the court for the original document.
王旭博	所以我就说你的这个东西他当时提供你们是不是原件，他赶快把原件拿出来。
Xu Bo Wang:	It is why I asked you whether what he provided to you is the original document. Ask him to provide you with the original documents.
郭琦	原件应该是要给我们给法官的。
Qi Guo:	We should give the original documents to the Judge.





王旭博	你的意思就是说他已经把这个东西给了法官，他应该是只给你扫描件。
Xu Bo Wang:	What you mean is that he has given the original document to the Judge, and he could only give you a scanned copy.
郭琦	对。我觉得它如果不是你本人签字的话，他提供不出来证明，
Qi Guo:	Correct. I think if you did not sign the document, he could not prove it otherwise.
王旭博	你现在也不知道他到底有没有提供出来这样的一个。
Xu Bo Wang:	You do not know whether he has provided the original copies.
郭琦	是啊。但是我不管如何。这件事情，我也希望你能够配合。
Qi Guo:	No, I do not. But regardless, I still hope you can cooperate with us.
王旭博	我明白您的意思。而且您看内容这块 name 写的 XB Wang? 这个合同肯定不是我弄的，我不会这样写我自己的名字，我从来不用这个缩写。
Xu Bo Wang:	I understand what you mean. Did you see that the name here is spelled as XB Wang? I can confirm that I did not prepare contract. I would never spell my name in this way. I never use this kind of abbreviation.
郭琦	你签名是什么？
Qi Guo:	What is your signature?
王旭博	我平时签名要是写全拼的，就是 Xu 这样子。然后我是不会把自己这样写的，就是 XB Wang 我就不会。
Xu Bo Wang:	I normally sign my name in full, like Xu Bo Wang. Also, I would not print my name as XB Wang.
郭琦	你签看看，我拿个纸，你签看看。

Qi Guo:	Let me see how you sign your name. Let me give you a piece of paper and see how you sign your name. (26:00)
王旭博	您是说中文嘛还是英文?
Xu Bo Wang:	Do you want me sign in Chinese or English?
郭琦	就是你看着他们三个字你看一看，笔也没带。
Qi Guo:	Just these three characters. I do not have a pen.
王旭博	没关系，我今天先跟你沟通一下。 (26:00) 这样说，我为什么对这个合同没有印象，还是说签名这个问题。如果他把这个合同签字版给到我，我应该不会看见他把我名字写成这样，我有可能会改的，因为我从来不用 XB Wang 这个写法。这不是我的习惯。
Xu Bo Wang:	It does not matter. I can just talk to you today. (26:00) I said that I have no recollection of this contract. The reason why I said so is that there is a problem with the signature. If someone gives me the execution copy of the contract to me, I will not allow him to print my name like this and may ask him to change it. Because I never print my name as XB Wang. No, this is not my habit.
郭琦	你是说打字这个习惯?
Qi Guo:	You mean the habit of print?
王旭博	对。
Xu Bo Wang:	Correct.



郭琦	一般你。
Qi Guo:	In general, you...
王旭博	就直接写 Xu Bo WANG。
Xu Bo Wang:	I will just print Xu Bo WANG.
郭琦	就是 X B W。
Qi Guo:	That is X B W.
王旭博	不是我的意思就是 X 我也写了我是 XU 这样的。您懂我的意思吧？就是说你看他现在把旭博不是缩写成了 XB 是吗？我自己的话是不用缩写的，我就会把这些拼出来。你懂我意思吧？
Xu Bo Wang:	No. I mean I would print Xu not just X. Did you follow me? Did you see that someone print my name as XB? If I print my name, I will not use abbreviation and I will print my full name. Did you follow me?
郭琦	XU BO 是吧？你之前签文件有没有这些还留下来的？
Qi Guo:	Xu Bo, right? Do you still have any of the documents you signed before?
王旭博	你说？
Xu Bo Wang:	You are talking about?
郭琦	你之前。
Qi Guo:	The documents you signed before.
王旭博	没有的，因为我当时跟中天交接清楚工作的话，我是没有保留之前公司的东西。

Xu Bo Wang:	No, because I handed over everything to Sinoenergy, I did not keep any thing from the previous company after I resigned.
郭琦	那我可以查。
Qi Guo:	Then I can check the previous records.
王旭博	你可以查一下 就是说我的意思是我签过的，我从来没有说用过 XB 的写法。
Xu Bo Wang:	You can check. In other words, I have never printed my name as XB when I sign my name.
郭琦	对，那这样的好不好？我是觉得这样的有几个路径，因为我今天会跟律师沟通看怎么，怎么把这个事情来确认清楚。第二个我们组织相关的一些证据，比如说林红不找你吗？我怕通过林红找你的吗？他那边应该有你之前留档的文件，我看一下。
Qi Guo:	Right. How about this? I believe there are several ways to find the truth. I will talk to the lawyer today and see how we find out the truth of the matter. Second, we will organize some evidence. For example, Hong Lin is trying to find you, is it correct? When did I have any concern to find you through Hong Lin? He should have the documents that you signed before. Let me check.
王旭博	这个是你们的律师找他？
Xu Bo Wang:	Will your lawyer contact him?
郭琦	也不好说，因为我不知道，或者我们一会拉拉个群，因为他现在还代理中天其他的一些境外的公司，我也相信林总这边会不好切割委托关系。按道理来说，就是说你作为当时董事，你是有权要求他提供给你当时你签的这些文件的。我觉得我说的不是决议，就其他的一些，你当时办理一些 BVI 文件，你查一查。
Qi Guo:	Not sure, I do not know, or we will create a group chat later. Because he is now acting for some other overseas companies of Sinoenergy, and I also believe that Mr. Lin will not be able to handle the conflict of interest. By logic, you were the director at the time and should have the right to ask him to provide you with

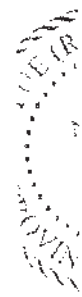

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郭琦	有没有可能你当时，你再回忆一下，别人拿给你这套文件。
Qi Guo:	Can you recall again and see if it is possible someone gave you this set of documents?
王旭博	我看都没看。
Xu Bo Wang:	I did not even look at it?
郭琦	你看都没看。
Qi Guo:	No, you did not even look at it.
王旭博	但是我看都没看，至少如果是我亲自签的话，我建议应该会看。
Xu Bo Wang:	You mean I did not even look at it? But if I signed it myself, I think I would take a look at it at least.
郭琦	文件不是你起草的。
Qi Guo:	But you did not draft the document
王旭博	不是我起草的。
Xu Bo Wang:	No, I did not.
郭琦	所以你帮你们的事情如果你自己知道了也不会这样写的。但主要的问题是不是你起草的。
Qi Guo:	So even if you knew the matter at the time, you would not print your name like this. But the key point is that you did not draft it.
王旭博	不是我起草的。这个可以证明他这个文件不是我的意愿，如果是我起草的合同，我自己通过过的，我从来没有把自己的名字写过这个缩写，我确定。



Xu Bo Wang:	I did not draft it. This can prove that the document he provided was not my decision. When I prepared and approved the contract, I never use this abbreviation as my name. I confirm.
郭琦	你再回忆一下，2017年的4月份的时候，如果这份文件放在你面前，你看这东西的时候你会什么反应？内容不看，你就看落款也会有他的细节，或者说。
Qi Guo:	You may want to recall again. If this document were placed in front of you by the time of April 2017, what would be your response when you saw this document. If you did not read the content but just looked at the signature, there may be some details you can recall. In other words,
王旭博	您的落款指的是？
Xu Bo Wang:	What do you mean by signature?
郭琦	就是这个XB嘛。你会有想法嘛？
Qi Guo:	XB. Would you have any reaction?
王旭博	我会想把它改掉，因为这不是我的习惯。
Xu Bo Wang:	I would want to change it because it is not my habit.
郭琦	就是说你当时你没有回忆有这么一个有个记忆点。
Qi Guo:	It means that you did not recall you have such reaction.
王旭博	没有啥记忆点，我也是刚刚跟您沟通的过程，我才发现了这个东西。您可以看之前我给你们所有签过的，或者你也可以找律师要求林红提供文件，我但凡是用英文拼音签名的，从来没有这样签字，一次都没有。这是我可以确定，我自己的签名习惯。还有一个签名习惯就是我写字比较大。不是这样的小字。
Xu Bo Wang:	No, I do not recall anything. I just discovered this in the process of talking to you. You can see all the documents that I signed in the past, or you can ask a lawyer to ask Hong Lin to provide the documents. Whenever I used Pinyin to spell my English name, I never print my name like this, not a single time. I can

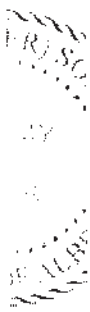
	confirm on this or my habit of signature. Another habit of my signature is that I sign in big print instead of such small print.
郭琦	OK, 那就是后续可能我会把这个情况跟律师沟通一下。
Qi Guo:	OK, I will discuss this matter with our lawyer later.
王旭博	嗯, 您可以沟通一下。
Xu Bo Wang:	Yes, please.
郭琦	可能看他有什么通过这种电话沟通, 还是视频沟通, 还是文件的这种确认形式跟你进行一个配合, 把这个事情就是说跟法官进行重复一下。
Qi Guo:	Our lawyer may contact and discuss with you by telephone, video, or in writing to work together with you to repeat what happened to the Judge.
王旭博	你们现在是在境外解决还是境内?
Xu Bo Wang:	Are you solving it overseas or domestically?
郭琦	境外解决。但是我们可以说联合起来, 基本形成一个体系系统, 我都可以这么做的, 结果对我来说钱不是问题, 就是要还大家一个公道。
Qi Guo:	Overseas. But we would work together both overseas and domestically as one team. We can do so. Money is not a problem for us, what is important is to seek justice.
王旭博	也就是说现在他们把之前做一些 TB 项目的钱挪用了。
Xu Bo Wang:	In other words, what happened now is that they misappropriated the funds designated for some of the TB projects.
郭琦	挪用了。
Qi Guo:	Yes, misappropriated.



王旭博	现在是贷款挪用过来了是吧？
Xu Bo Wang:	Did they misappropriate the loan?
郭琦	这个钱就是我们的投资款，就是在合能海欣 corp 这边挪走了 4400 万加币，非法挪用，他挪到了卡尔加里中天，然后 Michael Lam，邓小治，邓天洲他们三个人挪出去。
Qi Guo:	This money is our investment money. The 44 million Canadian dollars were misappropriated from H Corp. It was misappropriated by misconduct. He misappropriated the funds to Calgary Sinoenergy and then Michael Lam, Xiaobo Deng, and Tianzhou Deng transferred the funds out of Calgary Sinoenergy.
王旭博	明白在处理，我咱讲这个就回忆当时做项目的情况，这个钱是在加拿大被挪用的对不对？
Xu Bo Wang:	Understood. Let's recall the situation of the project at the time. This money was misappropriated in Canada, correct?
郭琦	对，
Qi Guo:	Correct.
王旭博	我本人是一次都没有去过加拿大的。
Xu Bo Wang:	I have never been to Canada myself.
郭琦	对，但是你是这个可能没有必要联系。
Qi Guo:	Correct. But this fact might be irrelevant.
王旭博	不是这个有关系，怎么没有关系？您说这个钱当时是从宇恒打到 York City, York City 打出境的，它是在境外被挪用的对不对？

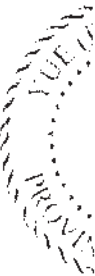
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Xu Bo Wang:	Yes, it is relevant, why wouldn't it be? You said that the money was sent from Yuheng to York City and then from York City to overseas. It was misappropriated overseas, correct?
郭琦	但是现在这样子是吧？现在他们反辩就是说我现在用这层面有股东会决议，有借款合同，所以我在合能海欣 Corp 这边打款是有合同。
Qi Guo:	But right now, they are arguing that there was this shareholder resolution and loan contract at the level of York City, so the transfer of funds from H Corp was based on a contract.
王旭博	有法律依据的。
Xu Bo Wang:	Based on law.
郭琦	对，有合同作为支撑的，他是作为抗辩，就是说把你给扯进去了。
Qi Guo:	Yes, there is a contract to back up the misappropriation as a defense. As a result, you were dragged you into this matter.
王旭博	明白，您现在做的工作就是尽可能把我摘出去，对不对？
Xu Bo Wang:	Got it. What you are doing now is to clear my name as much as possible, correct?
郭琦	就是我第一如果说这个字不是你签的，那我要证明它，我们想证明它是个伪造的，因为在国外的伪造的量刑是非常严重的，而且他们之前也伪过证据了，这个已经是被事实已经是板上钉钉的事实。
Qi Guo:	What I would like to say is that first, if you did not sign the documents, I would need to prove that it is the case and prove that the document was forged. Because the penalty sentence for forging documents is very harsh, and they have forged evidence before and it is a fact that no one can change.
王旭博	如果说假设说，我现在还是基于这样一个事实，就是我不能确定这是我签的。现在基于这样的事实来说话。如果说他们现在搞了一个这样的合同，然后谁模仿我签了字。



Xu Bo Wang:	If we assume and rely on such a fact that I cannot confirm that I signed the documents. Assuming this is true and they forged a contract like this and then someone imitated my signature...
郭琦	模仿你没用，模仿还是假的。除非是你本人签名。
Qi Guo:	It is useless to imitate your signature. Because it is still a forgery unless it is your authentic signature.
王旭博	明白。
Xu Bo Wang:	I understand.
郭琦	如果是你本人签名的话，我们也要去帮你证明，本人签名，你是受制于或者是被欺骗的状态下签名。
Qi Guo:	If you did sign the documents, we will also help you to prove that you signed the documents under the control or deception of someone else.
王旭博	其实是这样的。
Xu Bo Wang:	This is the case as a matter of fact.
郭琦	对我要证明这一点，两种性质，证明这件事情。伪造的幕后的，至少谁提供这个证据，那就是伪造的证据。如果谁让你签这个名字，谁是控制人。
Qi Guo:	Yes, I need to prove this case under two possibilities. If it was forged in secret, whoever provided this evidence would be the one who forged it. If someone requested you to sign, then that person is the controlling person.
王旭博	那实控人你们知道是谁啊。你们知道谁是实控人的啊。
Xu Bo Wang:	Do you know who the actual controlling person is?
郭琦	但是现在问题是你这个思维的在是他到底是伪造的还是真实签名，这个东西很重要。如果是伪造的话，我就直接去说伪造的。

Qi Guo:	But the question now is whether it is a forgery or a real signature. This is important. If it was forged, I will say it was forged directly.
王旭博	你就直接告诉他伪造证据。
Xu Bo Wang:	You would directly sue him for forging the evidence.
郭琦	对啊。我要用对这东西对比的拿着，你知道我司法鉴定就出来了，如果不是伪造的话就难度越来越大，难度越大。把你加进去，这就是要难度加大一点。对吧？你要跟我们协助我来证明你在被蒙骗，不了解或者是被欺骗的情况下，或者是我本身对吧，事务就是邓天洲、刘彦莹委派我的，我作为雇员来担任了。
Qi Guo:	Correct. If I compared the signatures and you know the result of the forensic appraisal would come out. If it is not forged, it will become more difficult to prove the case by involving you. Do you agree? You will need to assist us to prove that you were deceived, that you did not know the real situation or was fooled or that you were arranged by Tianzhou Deng or Yanying Liu to sign the documents as an employee.
王旭博	是啊。其实的确是啊。
Xu Bo Wang:	Yes. It is true in fact.
郭琦	所以，挺恶心人的这东西。
Qi Guo:	So, this is quite disgusting.
王旭博	所以说我也中天离职了，对你也懂我的意思。
Xu Bo Wang:	That's why I resigned from Sinoenergy, and you should understand what I mean.
郭琦	你当时为什么离职呢？
Qi Guo:	Why did you leave at that time?



王旭博	就不想做了，我是这样的，我 18 年离职之后就读研究生去了，你可以理解为深造，然后就不再做这个方面的工作了，又没有想过再回到中天去做，后面和中天就没有关系了，然后像我刚刚跟您说的是，也没有中天的人再联系过我。
Xu Bo Wang:	I did not want to work there. I went to graduate school to improve myself after leaving in 2018. I did not want to work in this area anymore and did not think about going back to Sinoenergy again. After I resigned, I had no contact with Sinoenergy anymore. As I just told you, no one from Sinoenergy has ever contacted me as well.
郭琦	我刚才问问题是你为什么离开中天。
Qi Guo:	The question I just asked was why you left Sinoenergy.
王旭博	我要读研究生啊。
Xu Bo Wang:	I wanted to go to graduate school.
郭琦	这种刚才我今年要换的话，不是这么简单的离开。
Qi Guo:	Based on what you just said, I think the reason for you to leave was not that simple.
王旭博	这个不是说不那么简单，我不想在北京工作了，所以我也来了上海。你懂我的意思。
Xu Bo Wang:	I did not say that it was not that simple. I did not want to work in Beijing anymore. So, I came to Shanghai as well. Did you follow me?
郭琦	就是这个逻辑我能理解，这里是对地理方面的意见有点不适应不喜欢，换个地方。
Qi Guo:	I can understand this reason. You did not like or get use to the place and wanted to change a location to live.
王旭博	对，因为我是想在北京长期发展了，这样子。

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Xu Bo Wang:	Correct. Because I did not want to pursue my career in Beijing long term.
郭琦	这个事情可能后续行吧。
Qi Guo:	So, we will follow up.
王旭博	如果说您这边往后走流程的话，你可以再跟我联系。
Xu Bo Wang:	If you are going to follow up with the process, you can contact me again.
郭琦	对，反正希望还大家一个清白嘛。
Qi Guo:	Yes, anyway, I wish to clear names for all of us.
王旭博	对的呀，因为我觉得我都已经离职了，这跟我没有关系这个事情。
Xu Bo Wang:	Correct. Because I think I have already resigned, this matter should have nothing to do with me.
郭琦	因为这个东西怎么说？是刚刚爆出来的东西。
Qi Guo:	Because it is something that was just revealed.
王旭博	这什么时候的事情？
Xu Bo Wang:	When did this happen?
郭琦	上周的事情。
Qi Guo:	Last week.
王旭博	我都不知道，我也不太关心。
Xu Bo Wang:	I had no idea, and I did not really care.

郭琦	但是我们要判断可能是我们的境外的动作一步步的深入，他们觉得没办法必须要拿东西来支撑他们做的一些违法的事情。
Qi Guo:	We believe it was because we were taking more actions overseas, they felt that they would have no other ways and must provide something to support their misconducts.
王旭博	但是为什么往我身上推呢？
Xu Bo Wang:	But why would they blame it on me?
郭琦	只有这一个层面是好操纵的，就只有一个人，而且是你。因为在每个层面都有3~4个人
Qi Guo:	Because it is easy to manipulate at the level of York City which had only one director who was you. For any other level of the group structure, there are 3 to 4 people involved.
王旭博	哦。还是太年轻当时。
Xu Bo Wang:	I see. I was still too young at the time.
郭琦	对。那行我们保持联系吧。
Qi Guo:	Right. Let's keep in touch.
王旭博	行行行，然后您这边就是，反正中天那边没有人跟我沟通过，您这边如果有任何动作的话，还是麻烦您跟我沟通一下。
Xu Bo Wang:	Okay. You may contact me. No one from Sinoenergy ever contacted with me anyway. If your side would like to take any actions, please could you let me know.
郭琦	我们绝对不会去伤害一个好人，我们还是有爱心的投资人。

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Qi Guo:	We would never hurt a good person; we are still investors with good conscience.
王旭博	咱们怎么说呢？冤有头债有主，钱我没拿对不对？谁拿了钱找谁什么，
Xu Bo Wang:	What shall we say? The person who should be responsible for a misconduct or debt should be held accountable. I did not take any money. You should go after the one who took the money.
郭琦	对，但是我刚才说了你们每个法律材料体系，我们还是尽量去自证清白，我也会协助你，但仍然需要你配合，我觉得这种配合，是客观存有事实的配合。也不是说去篡改，或者去欺骗。
Qi Guo:	Correct. I just said about the legal material for each situation. We should do our best to prove your innocence. It will need your cooperation. I believe that we only need you to cooperate to find the truth instead of making up anything or cheating.
王旭博	对。 您给我看这个东西我也是如实回答您的。
Xu Bo Wang:	I understood. I also answered your question with the truth after you showed me the documents.
郭琦	那行，我大概就是这个事情。
Qi Guo:	All right. It is all I would like to talk about.
王旭博	我明白你意思了。
Xu Bo Wang:	I understand what you mean.
郭琦	这个事情您再回忆，如果有一些东西你也可以再跟我交流，你把签字的事情再回忆一下子。

Qi Guo:	You may further recall this matter. If you have something new, you can talk to me again. You may further recall the matter of signatures.
王旭博	我真的没有办法回忆起来这个当时是不是我签的，真的没有办法。你甚至给我看着这个合同，我都没有印象，当时出现过这个合同。真的我没有办法给您确认，当时我看过它，但是我也不能完全说，我完全没有看过他，因为他这个东西毕竟是 York City 的名字已经在那了，对不对？但是您这样跟我说，让我回忆 2017 年的时候有没有这个合同，你签没签过？我这边给您的回答。我不确定是我签的字，因为看那个字是看起来，笔迹是我的，形状签的是我的字，但是你怎么能确定它是我亲笔签的这张纸上的对不对？
Xu Bo Wang:	I really cannot recall whether I signed this document or not. No way. Even when you showed me this contract, I did not have any recollection on whether I ever saw this contract before. I really have no way to confirm with you whether I ever saw it before. On the other hand, I cannot say that I definitely did not see it before. Because the name of York City is on it, is right? But you asked me to recall whether there was this contract in 2017, and whether I signed it. My answer to you is that I am not sure I signed it, because the signature looks like my handwriting by the shape, but how can you make sure that I did sign it by myself, right?
郭琦	你刚才这个表述我就觉得有问题。我说的是你刚才我已经说很清楚了，两种形式，一种是伪造的，说白了另外一种你不是签了吗？对不对？因为如果是 ps，那么还是有的能够看出来的，这点你刚才一直还是闪躲。
Qi Guo:	I think there is a problem with your statement just now. I have made it clear just now that there would be two possibilities, one is that it is forged, the other one is that you signed it. Right? If the signatures were made by photoshop, then people can still tell it. You have been dodging this issue just now.
王旭博	但是问题在于它是不是 ps，我没有办法给您说，我不能平白无故诬陷他是 PS。
Xu Bo Wang:	But the problem is that I cannot confirm with you whether it is photoshopped or not. I have no basis to say that he photoshopped my signatures.
郭琦	所以说法官再去看看嘛。
Qi Guo:	That is why we need to ask the judge to decide the case.
王旭博	因为他是这样子，咱就说说伪造这个事情，一种是他模仿我的签字签上去的。

Xu Bo Wang:	Let us talk about the act of forgery. One way is that someone imitated my signature and signed my name on it.
郭琦	那肯定最好的了。
Qi Guo:	That would be an ideal case.
王旭博	另一种咱们讲是 ps 对不对？至于他是怎么搞的，我不能判断是拿了一张纸，按照我的名字那样子签上去的，还是说他是把之前我签别的地方，写的。
Xu Bo Wang:	If it is the case of photoshop, I cannot tell how he did it and whether he put my name on a piece of paper or copied my signature from the documents I signed before.
郭琦	那两种情况让你先签上去，然后套一个文档对吧？
Qi Guo:	In those two cases, someone would need to ask you to sign your name first, and then copy your name and paste it on another document, is it correct?
王旭博	是啊。
Xu Bo Wang:	Correct.
郭琦	我觉得这个可能性比较低的。
Qi Guo:	I think this is unlikely.
王旭博	所以说您说我闪烁其词，我闪烁其词是因为人家怎么做的假，我怎么确定呢？我不知道他是怎么造的假。
Xu Bo Wang:	So, you say that I am dodging, and the reason is that I do not know how he forged it. How can I know? I do not know how he forged it.
郭琦	我觉得你回忆是很重要一件事情。刚才因为某些回忆的点突然也对就是说至少能在认定上面的比例，你会慢慢地会有一些。现在我对你的感觉就是你还是可能签了，但这个字我又感觉不太对。

Qi Guo:	I think it is an important thing for you to recall. Because certain points as you just recalled may affect the degree of certainty of your conclusion. Now my feeling is that it was possible that you signed it, but I don't feel right about the signatures.
王旭博	不是不是咱捋捋清楚，字看起来是我的字，看起来哦，但是您说我签了这个合同，我没有办法 confirm。我还是这个话，你就是说咱们如果说正常流程的话，是不是当时我拿到了这一份合同，我看了一遍，然后把字签上了，我没有办法给您确定有这个流程，因为我这份合同也没有啥印象了。然后还有就是说我刚给您看，基于您在三年之后拿出来这个东西给我看的时候，我觉得首先这两份文件写的一模一样，就不太像是正常的签字，还有他把我的名字写成那样子，这不是我的本意。首先从这样的一个事情来判断，我觉得不像是我写的，因为我一般不会那样写自己的名字缩写的，你也可以找我之前签过别的字是用拼音签字的，是没有这样 XB 这种签法的。
Xu Bo Wang:	No, we have to sort this out clearly. The signatures appear to be mine. But I have no way to confirm that I signed this contract. Let me repeat it. I have no way to confirm with you that someone gave this contract, I read it and sign signed my name on it. Because I have no recollection about this contract. I just explained to you that when you showed me the documents after three years it was signed, my first reaction is that the signatures on these documents are identical and do not like normal signatures. The other thing is that someone printed my name like that, it is not my way. Judging from these facts, I believe it is unlikely that I signed it. Because I normally did not print my name by such abbreviation. You can also check other documents that have my signatures above my name printed in Pinyin and see I ever signed my name above XB.
郭琦	还有 XB 还是打字打上去的，不是写上去的。如果写的话就好。
Qi Guo:	XB was typed on the document instead of be written on the document. I wish it was written on the paper.
王旭博	如果当时我看到的这个东西我是会把它改掉的，因为我有这个习惯。
Xu Bo Wang:	If I saw my name is printed in this way, I would change it. Because I have such habit.
郭琦	但是已经打上去了啊。
Qi Guo:	But it was already printed.

王旭博	您的意思就是说我拿到一个现成合同，我只负责签字，我当时就完全都没有看我的英文。
Xu Bo Wang:	What you mean is that when I got a prepared contract, I was just responsible for signing it and would just sign it without seeing my name in English.
郭琦	你即使看了。
Qi Guo:	Even if you saw it.
王旭博	我想问你一个问题，它下面打印上去的东西，我看起来是我签字的三个中文汉字，它的法律效力是什么？
Xu Bo Wang:	Let me ask you a question. What is printed underneath seems to be the name I signed in three Chinese characters, what is its legal effect?
郭琦	在国外签名是最严肃的效力。
Qi Guo:	A document has a most serious effect when it is signed oversea.
王旭博	那下面打印的呢？
Xu Bo Wang:	What about the name printed below?
郭琦	那我觉得你的英文名字是。你签的是中文名字吗！
Qi Guo:	I believe it is your English name. You signed your Chinese name!
王旭博	我为什么没当时这样签，按照它下面 XB 那样签？
Xu Bo Wang:	Why did not I sign like this at the time, like XB?
郭琦	那我就不知道是怎么回事了。



Qi Guo:	I could not answer.
王旭博	所以我觉得逻辑不通的啊。
Xu Bo Wang:	Therefore, I believe it would not make sense.
郭琦	因为可能你中文名字你的身份证是中文，对不对？具体为什么下面打一个什么XB Wang，我也不知道是什么意思。要么就是这没有任何意义。
Qi Guo:	It may be since your name on your identification card is in Chinese, is it correct? I did not know why XB Wang was printed below. Perhaps it has no meaning at all.
王旭博	那如果说是国外的合同的话。
Xu Bo Wang:	If it is a foreign contract.
郭琦	你先这样，我觉得你先别也不要找林红，我先跟林红沟通一下。
Qi Guo:	Please do not contact Hong Lin. I will contact him first.
王旭博	您问一下，我怎么能自证清白。
Xu Bo Wang:	Please ask how I can prove my innocence.
郭琦	对，因为我觉得林红那边现在，有很多被委托事宜，万一你说多了话，那边会。
Qi Guo:	Yes. Because I think Hong Ling has a lot of things to deal with. If you talk too much, he would be...
王旭博	我明白您的意思。
Xu Bo Wang:	I understand what you mean.

郭琦	对，也不利吧。我刚才说了。
Qi Guo:	Yes, it may not be good to you as I just said.
王旭博	我就觉得这个事情现在就仅限于您和我沟通。仅限于您和我。您有什么问题找我。
Xu Bo Wang:	I suggest that only you contact me on this matter. It will be only between you and me. If you have any questions, just contact me.
郭琦	对，反正我还是。如果即使是你当时不是，我们要有精力去做，把你很有力的力量去来一起把这个事情来做一个澄清或者是谁做的，对吧？
Qi Guo:	Right. I repeat that even if you did not sign it, we still must make efforts and clarify the matter and find out who did it, right?
王旭博	对。
Xu Bo Wang:	Right.
郭琦	包括您当时在中天任职的东西。
Qi Guo:	Including documents related to your position at Sinoenergy.
王旭博	你说我的劳动合同吗？对，劳动合同是在。
Xu Bo Wang:	Are you talking about my labor contract? Yes, I have the labor contract.
郭琦	包括刘彦莹、邓天洲这边都是你的老板来相关的信息你都要证明的，包括微信的截图你都要留好吧？你回忆一下，证明是他你老板。
Qi Guo:	You must prove that all the relevant information about your boss being Yanying Liu or Tianzhou Deng including the screenshots of WeChat. You need to recall to prove that he was your boss.

PRO

王旭博	我想一想啊，刘彦莹呢，因为当时我在天际利贞任职的时候，她是天际利贞的总经理，你知道工商就可以查到的。
Xu Bo Wang:	Let me think. When I was working at Tianji Lizhen, she was the general manager. You can check with the Bureau of Industrial and Commercial registration.
郭琦	但是工商是陈锐是法人代表。
Qi Guo:	But on the registration with the industrial and commercial registration, Rui Chen is listed as the legal representative.
王旭博	对。这个事情你们没有找过陈锐吗？
Xu Bo Wang:	Right. Did you ever contact Rui Chen about this matter?
郭琦	陈锐啊？
Qi Guo:	Chen Rui?
王旭博	对
Xu Bo Wang:	Yes.
郭琦	陈锐已经离职了。现在已经就是说，那些人看现在已经是怎么说，已经是完全变得很多。对，老邓在垂死挣扎。
Qi Guo:	Yes. Chen Rui has resigned. A lot of people have left. Yes, Mr. Deng is putting up a last fight.
王旭博	我不知道。后面事情我也不知道。
Xu Bo Wang:	I do not know. I do not know what happened after I left.
郭琦	做了太多坏事，现在也是泥菩萨过河。

Qi Guo:	He has done too many bad things and cannot even save himself.
王旭博	行吧。
Xu Bo Wang:	Fine.
郭琦	怎么讲，多行不义必自毙，总会有一天会水落石出，现在也一点点在渐渐浮出水面。
Qi Guo:	He who is unjust is doomed to destruction. Someday everything will come to the light. Now things began to come to the surface of water gradually.
王旭博	这个层面，你这边有什么要问我的，可以找我，给我打电话。
Xu Bo Wang:	If you have anything to ask me, you can find me and call me.
郭琦	您有没有邮件，或者是联系电话？
Qi Guo:	Do you have email or contact number?
王旭博	您打我电话就可以，微信都可以。可以找到我的。
Xu Bo Wang:	You can call me or contact me on WeChat.
郭琦	可以啊。
Qi Guo:	Sure.
王旭博	辛苦您了，您是今年一直在忙那个事情吗？
Xu Bo Wang:	Thanks for your hard work. Have you been busy with this all year?
郭琦	我忙的这个事情忙了一年多了。

Qi Guo:	I have been busy on this matter for more than a year.
王旭博	一年多了?
Xu Bo Wang:	More than a year?
郭琦	对。
Qi Guo:	Right.
王旭博	去年开始的?
Xu Bo Wang:	From last year?
郭琦	从去年发现这个事情, 去年 1 月份一直在组织材料诉讼, 立案。
Qi Guo:	Since we discovered the truth last year, I have been preparing material for litigation and filing a case since January last year.
王旭博	这样子啊。
Xu Bo Wang:	Is that the case?
郭琦	对, 因为我刚才说的这东西刚刚蹦出来的, 其实我们判断可能是他们伪造的。他拿出来这两份文件, 也就是他自己的一个押宝的东西。但既然拿出来, 我就要证明他是假的。因为我觉得你也不可能做这种事情。
Qi Guo:	Yes, like I said this just came out. In fact, we suspected that they might have forged it. He took out the two documents as his own bets. But since it is taken out, I must prove that he forged it. Because I do not think you are capable of doing this.
王旭博	对啊。
Xu Bo Wang:	Correct, indeed.

CONFIDENTIAL

郭琦	而且当时整个投资款你也知道干什么去了，对不对？肯定是用于投资的，用于收购的，对不对？你如果说当时这种状态下让你去签这么一个合同。
Qi Guo:	And you also knew what was going on with the entire investment fund, right? It must be used for investment and acquisition, right? If you were asked to sign a contract like this under that situation at the time...
王旭博	那我问您一个问题，就是说这个钱是借给了合能，不是，合能借给了卡尔加里中天。
Xu Bo Wang:	Let me ask you a question: is it the case that the money was lent to H Corp, no, H Corp lent it to Calgary Sinoenergy?
郭琦	没有借，是拿，被拿走，被挪走。对。
Qi Guo:	It is not borrowing. It is stealing or misappropriation.
王旭博	不是借。我明白您的意思，那这个钱拿走之后干什么了，你们没有追踪到他款项下一步的路径吗？
Xu Bo Wang:	It is not a loan. I understood. What did they do with the money after they misappropriated the money? Did you trace where the money went?
郭琦	那个不是我追的东西。因为我也追踪不了。
Qi Guo:	That is not what I can do. Because I cannot trace it either.
王旭博	后面的事情，你不管是不是？你只要考虑它是非法拿走的。
Xu Bo Wang:	You are not responsible for tracing the funds, right? You just want to prove that the funds were misappropriated.
郭琦	对，你要还钱，对不对！
Qi Guo:	Yes, you need to get back your money, right?



王旭博	明白。
Xu Bo Wang:	Understood.
郭琦	卡尔加里中天和 Long Run 也不是我控制的。
Qi Guo:	Calgary Sinoenergy and Long Run are not under my control.
王旭博	那这个东西肯定是要找一个最终的实控人和受益人，到底是谁拿的这个钱。
Xu Bo Wang:	For matters like this, you must find out who is ultimately the actual controlling person or beneficiary and who took the money.
郭琦	就卡尔加里中天啊。就 Long Run，就他们拿的啊。现在还不回来了啊。
Qi Guo:	Calgary Sinoenergy and Long Run took the money, but we cannot get it back now.
王旭博	那我有点不懂，我就随便问你一下。你们告老板了么？
Xu Bo Wang:	Then I am a little bit confused. So, I will just ask you a casual question. Did you sue the boss?
郭琦	告老邓啊，告了啊。
Qi Guo:	You mean Mr. Deng? We did.
王旭博	那情况其实你们都知道的啊。
Xu Bo Wang:	So, you all know all the situation then
郭琦	他现在是被告啊。现在 Mickael Lam 先应诉了，来提供了这来提供了这两个文件。



Qi Guo:	He is now a defendant. Now Michael Lam responded first and provided these two documents.
王旭博	你们都告了谁？
Xu Bo Wang:	Who are the defendants?
郭琦	Mickael Lam, 邓天洲, 邓小泊, 卡尔加里中天, Long Run.
Qi Guo:	Michael Lam, Tianzhou Deng, Xiaobo Deng, Calgary Sinoenergy, Long Run.
王旭博	是你们和别人一块告的，还是就你们自己？
Xu Bo Wang:	Did you sue them together with others, or just by yourself?
郭琦	合创能源 Corp 告的一起，告我们的，总共 5 个人 XXX 就是这五天来有打官司的 为被告人。
Qi Guo:	H Corp filed the lawsuit. Yes, these 5 people. XXX would be the person who would be likely to be listed as defendants in the future.
王旭博	行吧。
Xu Bo Wang:	I see.
郭琦	所以，如果说心里话，如果说当时你自己签的，我觉得大家还说如果是他伪造的话，就是这个伪造行为太恶劣了，要不错一切把自己搞干净。
Qi Guo:	So, to be honest, if it was forged by him, this behavior is too vicious, they are trying to clear themselves at all costs.
王旭博	那肯定是搞不干净的啊，而且还咱们说怎么说话，就像您刚刚说的，我跟中天还是天地利贞都是雇佣关系，我的确就是他的雇员的关系，然后我只拿了我的工资。



Xu Bo Wang:	But it will not work for sure. Just like you said, I was an employee of Sinoenergy or Tiandi Lizhen, and were hired by them. I only took my salary.
郭琦	我跟你说你首先要把回复，把一些微信的信息和刘彦莹和老邓的东西收集的好，证明你是雇佣关系。证明你的行为动作是受他们的控制和执行的，这是你需要做的事情。
Qi Guo:	I told you that you must collect and well keep the replies, WeChat messages and the information related to Yanying Liu and Mr. Deng to prove that you were an employee and you acted under their control and instruction. This is what you need to do.
王旭博	明白。
Xu Bo Wang:	I understand.
郭琦	来证明着你们这种隶属关系控制关系和雇佣关系，
Qi Guo:	To prove that you were directed, controlled, or employed by them.
王旭博	雇佣关系不难，因为我有劳动合同的。
Xu Bo Wang:	It is not difficult to prove the employment relationship because I have my labor contract.
郭琦	我觉得反正我们绝对不会说帮你，但是我去配合，好弄清楚。
Qi Guo:	I think we will not help you on this. We would cooperate and find out the truth.
王旭博	对，这个如果上升到诉讼层面的话，我觉得对我来说挺不值的，对不对？而且就知道后来真的跟我没有关系的，就找上了一个小姑娘。
Xu Bo Wang:	Yes, if I were dragged into litigation, I think it would be a big trouble to me, would you agree? They knew that it has nothing to do with me in fact and just wanted to use a little girl to get away with their liabilities.

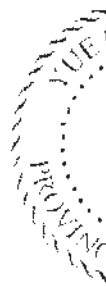
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郭琦	我们也觉得挺恶心的，
Qi Guo:	We also feel it is quite disgusting.
王旭博	有点恶心啊。
Xu Bo Wang:	It is indeed disgusting.
郭琦	可能是，反正我现在不敢想，你觉得这到这一步了，把这个完全不相关的人拉进来是吧？
Qi Guo:	I cannot imagine that they could do things like this and involved a person who has nothing to do with the matter.
王旭博	对，拉我进来现在有什么用，咱们说这个话，如果说当时我是利益相关者的话，不可能让我离职，我当时是一直清清爽爽的去上学去了，后面也没有人再找过我。
Xu Bo Wang:	Yes, what is the point of involving me in this? I can say that if I were a stakeholder at the time, they would not let me quit. But the fact is that I went to school without leaving any trouble behind me and no one ever contacted me again.
郭琦	好，那问题就是因为你没利益关系吗？有利益关系可能他们会从那里下手？对不对？就是没有利益关系，也许我们都找不着你了，他们哪里知道你所有事情我全都有对吧！对不对！他们想简单了。
Qi Guo:	Okay, the point is that you had no personal interest. If you had interest in this matter, they would leverage on your personal interest, is it correct? Since you have no interest in this matter and we even could not even find you, they involved you. They did not realize that we have all your information. They did not think about this.
王旭博	就是说，假设说当初咱们在那个项目上有的现在还在中天的人他也没有办法。因为就是因为我和他完全没有关系，我也什么都不知道，那就把你的签名推上去。



Xu Bo Wang:	In other words, they cannot do anything with the people who were involved with the projects and are still with Sinoenergy. Because I have nothing to do with him, and I do not know anything, they put my signatures on the documents.
郭琦	对。
Qi Guo:	Correct.
王旭博	太恶心了点。
Xu Bo Wang:	It is disgusting.
郭琦	所以我觉得你这个事情，如果有自己心里面有反应，也不要去。我们反正把这事情弄清楚。
Qi Guo:	So, I suggest that you should not go to talk to them even if you felt you cannot take it. We will figure this out.
王旭博	对，这个事情我是这样，我这边保证的，首先我跟您是坦诚相待的，您给我看的任何东西我都会按照事实去给您确认。然后再一个就是这个事情，我也肯定是跟你这个层面去沟通，咱也不可能，就是，是吧？我不可能就是找中天的人会怎么样的。
Xu Bo Wang:	Yes. On my part, I promise that first, I will be frank with you and confirm with you on anything you show me based on the facts. On this matter, I will talk to you. I would not contact anyone from Sinoenergy at this point, right?
郭琦	你这样没有任何意义。
Qi Guo:	It does not make any sense.
王旭博	没有意义。
Xu Bo Wang:	No.
郭琦	因为说开了你就是被陷害了。

Qi Guo:	Frankly, you are framed.
王旭博	对啊。
Xu Bo Wang:	Yes, indeed.
郭琦	你找他，他拉拢你，再给你钱，不是越拉越陷越深。
Qi Guo:	If you contact him and he give you money to work with him, you would be dragged even deeper into the trouble.
王旭博	我就是为了结束在北京的生活，最后才来到上海了，对不对？如果要是想要钱或怎么样，慢慢跟他们一起好了。
Xu Bo Wang:	I came to Shanghai in order to leave my life in Beijing, right? If I wanted money or whatever, I would have stayed with them.
郭琦	我感觉你的话，当时他们确实做了很多一些见不得人的事情。
Qi Guo:	Based on what you just said, they did a lot of shameful things at the time.
王旭博	他们做了什么我不知道，就像是这个款当时是怎么打出去的，我怎么知道。他们在加拿大那边操作的，或者说咱退一步讲，它想 P 什么活动我能控制得了吗？对不对？人家有自己的电脑不就可以了吗？
Xu Bo Wang:	I do not know what they did. Just like this case. How did I know the way they sent out the funds? They operated in Canada. How could I control what they would like to photoshop, right? What they need is just their own computers.
郭琦	PS 是控制不了的，如果签的话是还是有一点主动权。
Qi Guo:	You cannot control photoshop. If you were asked to sign it, you still have a little control over your own signature.
王旭博	明白，如果说这个东西当时我可能是被安排签了的话，我还请您这边的律师帮我证明清楚，这个事情真的跟我没有关系，而且退一步讲，这东西你从我身上下手



	没有任何意义，真的没有意义。虽然说我之前跟中天那边完全干净了，走掉的，我看这次您说找到我，我还是就是说愿意配合。
Xu Bo Wang:	Understood. In case I was arranged to sign the documents, I would also like to ask your lawyer to help me prove that it really had nothing to do with me. In any event, it does not make any sense for you to come after me, it really makes no sense. Although I left Sinoenergy without any outstanding issues, I was still willing to cooperate after you found me.
郭琦	您放心吧。反正我这边是按事实处理，客观处理。
Qi Guo:	Do not worry. In any event, we will proceed on the basis of facts and deal with the matter objectively.
王旭博	而且我们现在都在上海，本来也应该去拜访你，
Xu Bo Wang:	And we are all in Shanghai now, I should have visited you too,
郭琦	但我觉得这个事情本身我觉得大家也没有真是被扯在一块的，就各过各的生活，其实我们这边在被搞得很惨。
Qi Guo:	But I do not think everyone is really pulled together and we still live our own lives separately. In fact, we were put in a very miserable situation.
王旭博	我没有想到您这一年都是这样过的，我都不知道，
Xu Bo Wang:	I did not expect you to live like this for one year, I did not even know.
郭琦	已经过两年了，现在 20 年，18 年就开始过这生活了。
Qi Guo:	I have dealt with this matter for two year. It is year 2020 now. I have been living like this since 2018.
王旭博	18 年我见您的时候。
Xu Bo Wang:	When I saw you in 2018?

郭琦	对 18 年 8 月份以后他们就甩手不管了。
Qi Guo:	Yes, they have stopped taking part in the business since August 2018.
王旭博	8 月份以后?
Xu Bo Wang:	After August?
郭琦	对。
Qi Guo:	Yes.
王旭博	哦，那个时候我已经离职了。
Xu Bo Wang:	Oh, I had already resigned at that time.
郭琦	反正从那开始噩梦的生活就开始了，一步步的追就是说维权，或是说我们通过诉讼这种方式来追偿我们应有的权利和这种权益。
Qi Guo:	The nightmare has started since then. We have taken actions step by step to protect our rights, or to recover the rights and interest that we are entitled to have through litigation.
王旭博	你们现在让他们赔钱是不是?
Xu Bo Wang:	Are you asking them to pay back the money now?
郭琦	对啊。还钱。但是没钱可还了，老邓一分钱都没有了。
Qi Guo:	Yes, indeed. Pay back the money. But there has been no money left to pay it back. Mr. Deng has no money left.
王旭博	老邓现在还在中天吗?
Xu Bo Wang:	Is Mr. Deng still working at Sinoenergy now?

GE
 ER
 ER
 ER
 ER

郭琦	<p>他现在，中天资产吧。但是基本上就是被森田，就是说有事你过来协助调查，因为之前债务太多了，现在上市公司差不多有个五六十亿的债务，他自己对外那种对人家担保差不多三四十个亿。光我这边就有 20 个亿的。</p> <p>行吗？反正就在这个情况。</p>
Qi Guo:	<p>He is now at Sinoenergy Assets. But basically, he is now under the instruction of Sam Group to assist investigation. Because there is too much debt left. Now the listed company has a debt of about 5 to 6 billion RMB Yuan. The debt to external parties that is under his personal guarantee is 3 to 4 billion RMB Yuan. Based only on the information that I have, the debt would be 2 billion RMB Yuan.</p> <p>You can see the situation now.</p>
王旭博	谢谢您哦。
Xu Bo Wang:	Thank you.
郭琦	还有什么需要，反正就马上帮您配合一下。
Qi Guo:	If there is anything else that we can help you.
王旭博	您别说麻烦这样的话，其实您是在帮我忙。
Xu Bo Wang:	Do not say things like that, you are helping me.
郭琦	您也知道。这是刚刚爆出来的事情。那行。
Qi Guo:	You know that this is something that just came out.
王旭博	谢谢你，您忙着，然后有什么事情您可以再找我。
Xu Bo Wang:	Thank you. Let me know if there is anything I can help with.
郭琦	好。



Qi Guo:	Sure.
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Exhibit "18"

Forensic Report on Signatures by Samiah Ibrahim, Sep-07-21

18 pages

THIS IS EXHIBIT " 18 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZYK
My Commission Expires May 21, 2026

Samiah Ibrahim, B.A., BSc.
Forensic Document Examiner
139 Riverdale Avenue
Ottawa, (ON) K1S 1R1
(613) 807-6663

Forensic Report

Reference: Forensic Examination of Signatures

Our file: 2021-S06

Date: 2021-09-07

Client: A. Wilson / E.J. Baker
JSS Barristers
Jensen Shawa Solomon Duguid Hawkes LLP
800, 304-8 Avenue SW
Calgary (AB) T2P 1C2
Canada

Forensic Document Examination Report

I have been retained by E.J. Baker and A. Wilson of JSS Barristers to examine the documents described below. The following is a report of this examination.

I am a Forensic Document Examiner trained in the Canadian Security Intelligence Service. I have worked as a forensic document examiner since 1994. In this capacity I conduct examinations and comparisons pertaining to document authentication, document dating and occurrences to documents as well as handwriting/signature comparisons. A resume of my qualifications is attached in Appendix 1.

INSTRUCTIONS

The following instruction was provided to me by E.J. Baker, on 14 July 2021 via email:

- (a) Are the signatures of Meng Tang on the T. Deng Representative Agreement, the Lam Representative Agreement and the L. Deng Representative Agreement by the same person?
 - (i) If so, are any of the signatures original signatures? Which one(s)?
 - (ii) Are any of the signatures electronic signatures? If so, which one(s)?
 - (iii) Are the signatures exact copies of each other?
 - (iv) If so, what is the likely mechanism through which the signatures were copied?

- (b) Are the signatures of Xu Bo Wang on the Shareholder Declaration and the Loan Agreement by the same person?
 - (i) If so, are either of the signatures original signatures? Which one(s)?
 - (ii) Are either of the signatures electronic signatures? If so, which one(s)?
 - (iii) Are the signatures exact copies of each other?
 - (iv) If so, what is the likely mechanism through which the signatures were copied?

The instruction letter dated July 18, 2021, is reproduced in Appendix 2.

ITEMS SUBMITTED

Questioned documents 1 and 2 were received by email as PDF documents from A. Wilson 16 November 2020. Questioned documents 3 through 5 were received by email as PDF document from A. Wilson on 14 May 2021. No known/specimen material was provided for comparison. All items described here are reproduced in Appendix 3.

Document 1 - PDF copy of a two-page Shareholder Declaration Henenghaixin Corp., made effective as of April 10, 2017, and bearing questioned Xu Bo Wang signature (**Shareholder Declaration**).

- Document 2 - PDF copy of a ten-page Loan Facility Agreement between Calgary Sinoenergy Investment Corp and York City Enterprises Limited, dated for reference April 10, 2017, and bearing a questioned Xu Bo Wang signature (**Loan Agreement**).
- Document 3 - PDF copy of a seven-page Representative Indemnity Agreement, between Henenghaixin Corp, York City Enterprises Ltd. and Tianzhou Deng, dated effective as of September 21, 2017, and bearing a questioned Meng Tang signature (**T. Deng Representative Agreement**).
- Document 4 - PDF copy of a seven-page Representative Indemnity Agreement, between Henenghaixin Corp, York City Enterprises Ltd. and Shing Tak (Michael) Lam, dated effective as of March 1, 2017, and bearing a questioned Meng Tang signature (**Lam Representative Agreement**).
- Document 5 - PDF copy of a seven-page Representative Indemnity Agreement, between Henenghaixin Corp, York City Enterprises Ltd. and Xiaobo (Lake) Deng, dated effective as of March 1, 2017, and bearing a questioned Meng Tang signature (**L. Deng Representative Agreement**).

EXAMINATIONS CONDUCTED:

1. Macroscopic analyses, including using digital enlargements, of questioned material submitted.
2. Comparison of the material submitted and evaluation of the observed similarities and divergences.

EQUIPMENT USED:

1. As the only documents submitted were in PDF format, the equipment is limited to computer hardware and software, specifically Adobe Photoshop.

METHODS AND OBSERVATIONS:

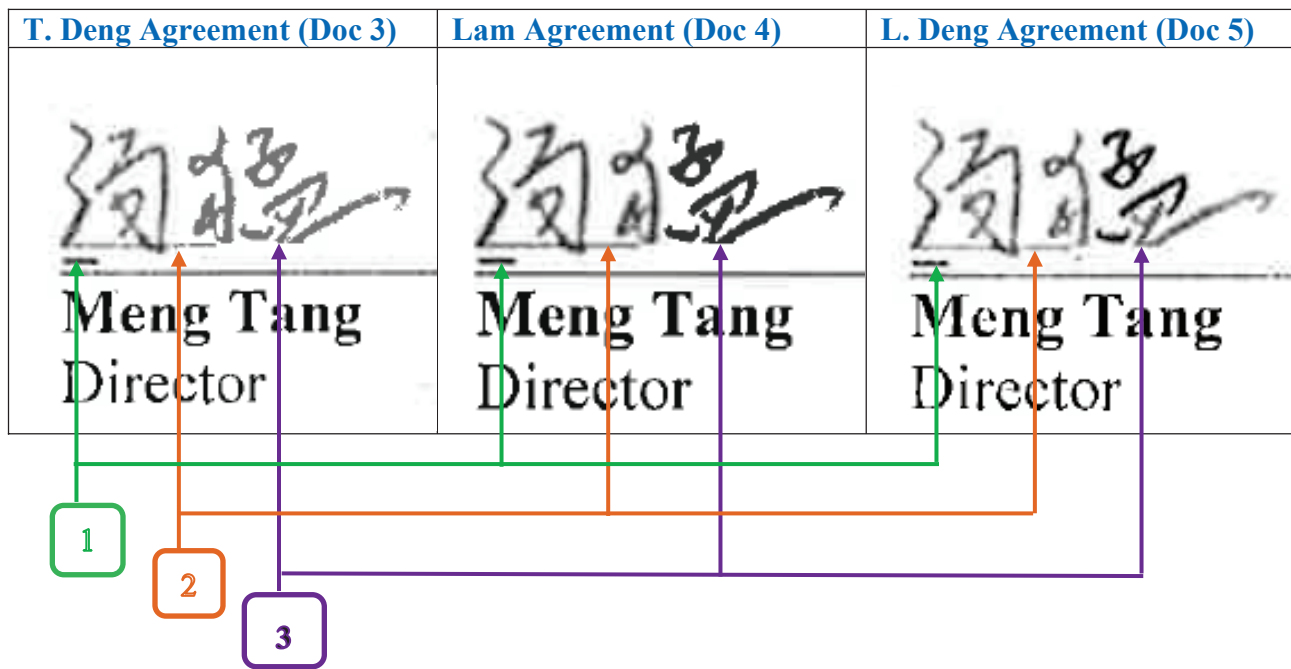
The method relied upon to conduct *handwriting/signature comparisons* is in conformity with international standards such as the Scientific Working Group – Documents (SWGDOC), and the best practice guides of the European Network of Forensic Handwriting Examiners and the Australia-New Zealand Forensic Science Society. In addition, for this examination the following references were relied upon:

1. Found B, Bird C. The modular forensic handwriting method 2016 version. J. Forensic Document Examination 2016: 26: 7-83.
2. Kelly JS, Lindblom B. Scientific examination of questioned documents. Second Ed. Boca Raton, FL: CRC Press 2006.
3. Kelly JS, Angel M. Forensic Document Examination in the 21st Century. Boca Raton, FL: CRC Press 2021.

(a) *Signatures purportedly written by Meng Tang*

These three questioned signatures appear on documents that are multigeneration copies, that is, they each have been subject to several reproduction processes, such as photocopying and scanning, as evidenced in the staple-marks on the upper left of each document, as well as some copy marks from the edges of the documents. Each of these processes adds a level of degradation to the copy quality such that the lines and edges of the font and writing instrument lines are blurred and it is difficult to determine sequence of strokes and line crossings. Figure 1 below shows each of these three signatures and points to some features of these images that suggest image duplication. Features 1 and 2 appear to be remnants of baselines (signature lines) from another document that was copied when these signatures were added to each of these documents. Feature 3 shows what appears to be a truncated or cut portion of the signature. This last feature can only be verified upon examination of genuine specimen signatures from the writer of this signature.

Figure 1. Images of Meng Tang questioned signatures from the three Representative Agreements.



Close observation of these documents, combined with overlay functions using software such as Adobe Photoshop, allow the determination that these three signatures are copies of one single signature, see Figure 2 below. One of the tenets of forensic handwriting examination is that no one can execute their signature in exactly the same manner twice. Although the neuro-motor pattern employed by an individual to execute their signature follows very closely a set master pattern, or model, there are innumerable subtle changes that can occur from writing instance to writing instance that will result in various differences in the end result. This is termed natural variation, From the documents submitted it is not possible to determine if the signature from which these signatures are copied, was executed by one writer, or if it is representative of the natural signature of Meng Tang, to whom it is attributed.

Figure 2. Images of Meng Tang questioned signatures from the three Representative Agreements, showing their concordance in signature form using Photoshop software.

T. Deng Agreement (Doc 3)	Lam Agreement (Doc 4)	L. Deng Agreement (Doc 5)
		
<p>Meng Tang Director</p>	<p>Meng Tang Director</p>	<p>Meng Tang Director</p>

Three signatures overlaid in offset, Doc 4 signature colour-inverted.



Three signatures overlaid directly, grey level shows concordance in form.

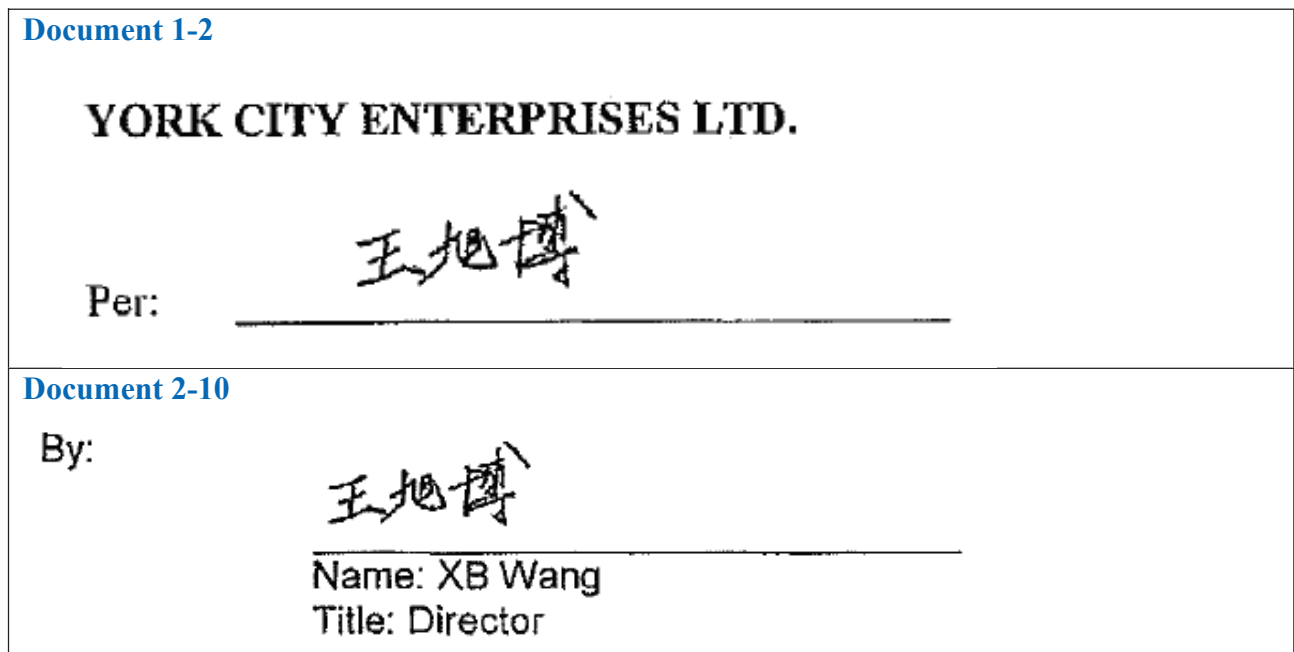


(b) Signatures purportedly written by Xu Bo Wang

The two signatures of Xu Bo Wang appearing on Documents 1 and 2 are reproduced below. These two documents are multigeneration copies as evidenced by the copy remnants of the paper holes along the left margin, the very degraded text quality, and the skew of the text lines that comes from multiple photocopy processes. Somewhat different from the documents bearing the Meng Tang signatures, although each of these processes adds a level of degradation to the copy quality, in these two documents, what appears to be the photocopy process has resulted in a degraded binary output for the lines and edges of the font and writing instrument lines. It is practically impossible to determine sequence of strokes and line crossings for this signature. Furthermore, given the degraded quality of these images, it is also not possible to determine if the original “signature” from which these two questioned signatures derived was actually on an original of one of these documents, or if the “original” was even an ink-on-paper signature. It is also possible that the “original” signature was a stamp. Without specimen material it is not possible to determine if this signature represents the natural writing habits of Xu Bo Wang, to whom it is attributed.

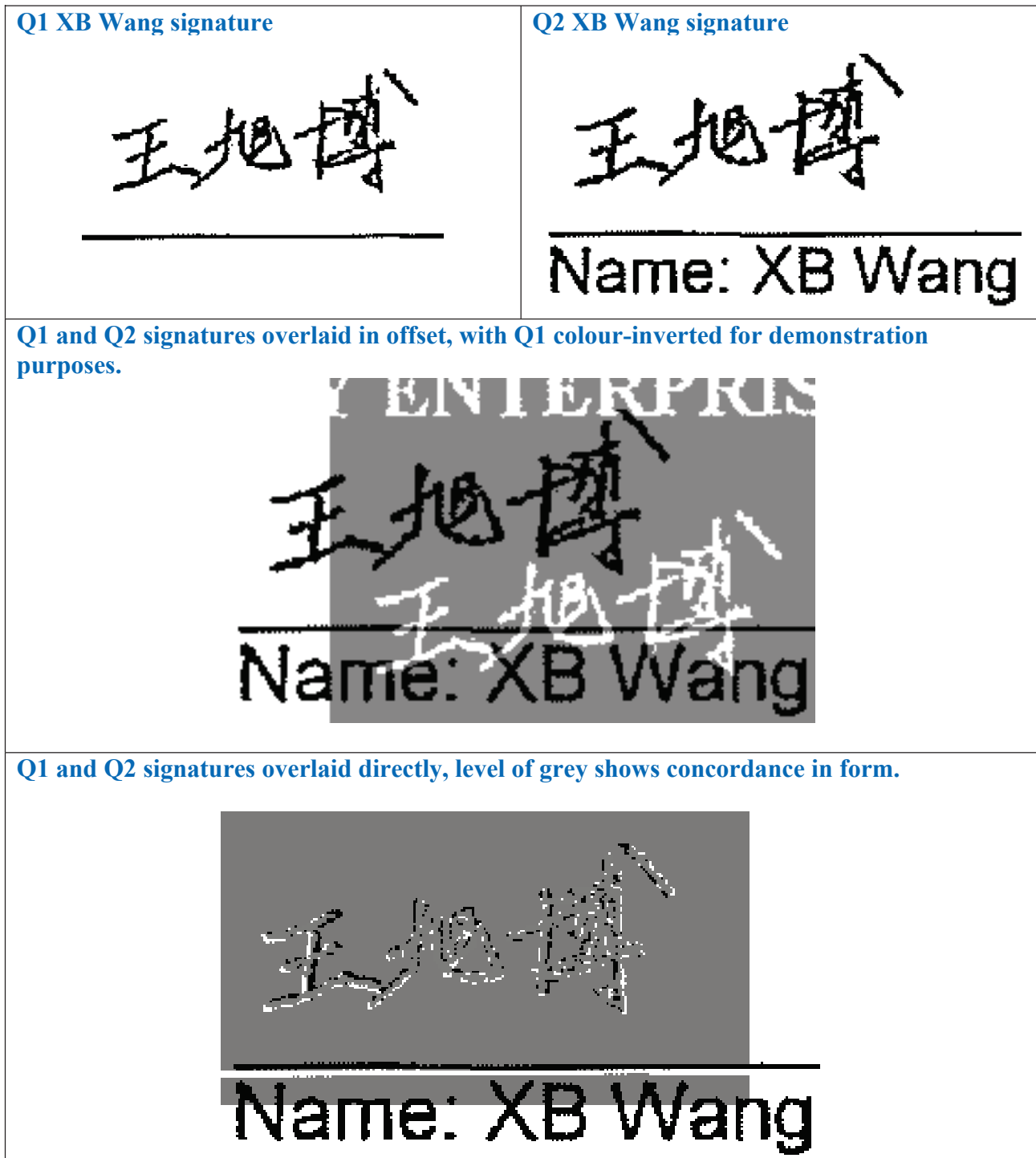
What can be observed is that these two signatures share near identical form as displayed in Figure 3 below.

Figure 3. Images of Xu Bo Wang questioned signatures from the Shareholder Declaration (Document 1-2) and the Loan Agreement (Document 2-10).



Close observation of these two documents, combined with overlay functions using Adobe Photoshop software, allows the determination that these two signatures are either copies of one single signature, or one is a copy of the other. Without an examination of the original documents, or *more* original documents, it is not possible to determine which of these scenarios is more likely. Figure 4 below shows the level of concordance of these two signature images.

Figure 4. Images of Xu Bo Wang questioned signatures overlaid using Photoshop software to show concordance of form.



To respond to the question as to if the questioned signatures are electronic signatures, it is important to provide a baseline of definition. The following definitions are reproduced from European Network of Forensic Handwriting Experts Best Practices Manual on handwriting examinations:

An **electronic signature** is the general legal term for data in electronic form that is attached to, or logically associated with, other data in electronic form and which is used by the signatory to sign. This term includes both Digitally Captured Signatures (DCS) and digital (non-handwritten) signatures.

A **digital signature** typically refers to cryptographically based elements. Digital signatures are often used in combination with DCSs to secure the integrity of an electronic document.

To clarify, a digital signature is made up of a long series of “digits” or numbers and was never originated from an actual human signature process.

Note that the Canadian Federal Government’s definition of electronic and digital signatures closely follows what is written above from the ENFHEX standard.

(<https://www.canada.ca/en/government/system/digital-government/online-security-privacy/government-canada-guidance-using-electronic-signatures.html#toc5>)

In general, when referring to documents, **electronic** means what is created, recorded, transmitted, or stored in digital or any other intangible form by an electronic, digital, magnetic, optical, biometric, or other technological means, or a combination of any of those means that has similar capabilities for creation, recording, transmission or storage. (<https://laws-lois.justice.gc.ca/eng/regulations/SOR-2014-117/FullText.html>)

The term digital cut-and-paste is used to denote when an image of a signature, from a document that has been digitized, has been snipped or copied digitally and inserted into another digital document. For example, a paper document bearing an original ink signature is digitized by scanning and saving as a PDF document. From here, the portion of the new PDF document bearing the signature can be copied using a variety of digital tools, such as Adobe Photoshop “crop/copy/paste,” or Windows “snip tool.” This digital image of a signature can be added to documents for purposes such as “signing.” The purpose of this process need not necessarily be improper as it may form part of the business practice for the signatory.

OPINIONS in response to the Instruction:

- (a) With respect to the three signatures of Meng Tang on the T. Deng Representative Agreement, the Lam Representative Agreement, and the L. Deng Representative Agreement, it is my opinion that these are copies of the same signature, however, given the fragmented formation of this signature, without examination of a more original version it is not possible to determine if it was written by one writer or if it was created/executed by multiple writers. Further, I offer the following with respect to the sub-questions:
- (i) None of these signatures is an original ink-on-paper signature, all are multi-generation copies.

- (ii) While these signatures can be considered “electronic signatures” in that the three signatures I examined form part of a digital PDF file. However, there is strong evidence to suggest that these signatures were created using a digital cut-and-paste process.
 - (iii) For all intents and purposes, these three signatures exact copies of each other and can be sourced to one original signature.
 - (iv) The most likely method by which the signatures were copied is through a digital cut-and-paste process.
- (b) With respect to the two signatures Xu Bo Wang on the Shareholder Declaration and the Loan Agreement, it is my opinion that these are copies of one signature, however given the fragmented formation of this signature and the very poor copy quality, without examination of a more original version it is not possible to determine if it was written by one writer or if it was created/executed by multiple writers. Further, I offer the following with respect to the sub-questions:
- (i) Neither of these signatures is an original ink-on-paper signature, both are multi-generation copies.
 - (ii) It is not possible, based on the copy quality of the materials submitted, to determine if the original signature from which these two questioned signatures derive, is an electronic signature, or not.
 - (iii) For all intents and purposes, both of these signatures are exact copies of each other.
 - (iv) Although given the very poor copy quality of these documents, it is not possible to determine the method of copying of these signatures, however given the ease of production it is more likely that these signatures were copied through a digital cut-and-paste process.

PEER REVIEW:

All findings, including the report, the material submitted and results of my examination, were reviewed by a forensic document examiner peer to ensure that the conclusions made are scientifically supported by the evidence and that the report clearly conveys these findings to the reader. A statement of these findings, including a curriculum vitae is attached in Appendix 4.

Prepared by



Samiah Ibrahim, B.A., B.Sc.
Forensic Document Examiner

Appendix 1: Statement of Qualifications

Samiah Ibrahim, B.Sc., B.A.
Forensic Document Examiner

Formal Education:

Certificate in Forensic Document Examination, 1997
Canadian Security Intelligence Service

Bachelor of Science, Major in Biology, conferred November 1989
Carleton University, Ottawa, ON

Bachelor of Arts, Major in Political Science, conferred November 1987
Carleton University, Ottawa, ON

Work Experience:

Samiah Ibrahim
Private Forensic Consultancy, Ottawa, ON
April 2012 – present

Forensic Document Examiner & Consultant responsible to conduct casework and provide training and advice with respect to the discipline of forensic document examination for various national and international clients.

Canada Border Services Agency
Science & Engineering Directorate, Ottawa, ON
March 16, 2009, to present

Manager, Forensic Document Examination Section responsible for the program delivery of the only national full-service forensic document examination (FDE) service to the CBSA, the Canada Revenue Agency (CRA) and other federal government departments. Forensic document examination is the scientific discipline that can determine such things as alterations, damage, forgery, origination, or authenticity of documents of any kind, or their components. Program delivery includes case management, resource and priority setting, quality assurance, financial planning and forecasting to meet operational needs, as well as technical autonomy to direct the laboratory. Managing a professional team of forensic document examiners, forensic chemists and technical staff, the manager also maintains personal technical expertise in this forensic discipline. In addition to the FDE program delivery, the manager also initiated and oversees the capacity development of a separate forensic unit: Forensic Facial Identification, the only such federal capability in this emerging discipline of facial comparison of 1:1, 1:few images for judicial purposes/adjudication.

Canada Border Services Agency
(Canada Customs & Revenue Agency until March 31, 2004)
Science & Engineering Directorate, Ottawa, ON
August 23, 1999, to present

Forensic Document Examiner responsible for conducting forensic analysis of questioned document cases involving multiple facets of examination including, but not limited to: handwriting, signatures, typewriters, impact & non-impact printing devices, photocopiers, decipherment of latent impressions, detection & decipherment of obliterations, commercial & security printing processes, wet & dry cachets, and examination of official documents (i.e. passports, birth certificates, driver's licenses). Casework routinely supports investigations such as revenue fraud, immigration fraud, identity theft, war crimes and counterfeiting.

United Nations Office on Drugs and Crime (UNODC)
Forensic Services Private Consultancy - April 2014 – 2017

Forensic consultant with the UNODC / Palestinian National Authority (PNA) project "Forensic Human Resources and Governance Development Assistance for the Palestinian Authority." The aim of this project is to assist the PNA with building the foundation and operational tools for high quality, reliable and sustainable forensic services within the framework of the Palestinian criminal justice system. Specific consultancy details include the development of an internationally recognized training program, curricula, manuals, exercises, case studies, evaluation criteria and quality documents for the forensic document examination component of this project, spread over four in-country assignments to-date, as well as distance learning elements.

Solicitor General of Canada
Canadian Security Intelligence Service (CSIS), Ottawa, ON
February 7, 1994, to August 20, 1999

Forensic Document Examiner responsible for conducting forensic analysis of questioned document cases in order to establish links to people, places, events, or the materials used to produce them. De facto Head of Section from July 1995 through January 1996.

Professional Development and Training:

Forensic Document Examination Training (7 February 1994 to 5 December 1997) at the Canadian Security Intelligence Service, Ottawa, ON. Training also provided by the Royal Canadian Mounted Police, Central Forensic Laboratory, Document Section and Revenue Canada, Laboratory and Scientific Services Directorate, Forensic Document Unit.

This understudy program included modules on the history of handwriting, class and individual characteristics, comparison, and identification of handwriting, disguised and unnatural writings, spurious and forged handwriting, impact and non-impact printing technologies, security printing and graphic arts, rubber stamps and dry cachets, charred and water-soaked documents, other miscellaneous document examinations, and the various instrumentation used in the examination of

documents. Instrumental techniques included, but were not limited to, training on microscopy, photography, image-analysis, chemical and spectral analyses.

Over 27 years of professional development in forensic science, and forensic document examination in particular, including workshops and seminars in topics such as: Printing Process Identification, Image Analysis, Evolution of Digital Print, Color Analysis in Forensic Science, Fracture Matching, Disguised/Forged Signatures Inkjet Printing, Forensic Examination of Digital Signatures, Rubber Stamp Examinations, and Paper Conservation.

American Society of Questioned Document Examiners Signature Workshops - 1997, 1998, 2004, 2009 and 2010, 2013 Annual Meetings.

American Board of Forensic Document Examiners seminar: "Examination Techniques in Handwriting & Rubber Stamp Cases." 1998, Las Vegas, Nevada.

Imaging Science and Technology Society workshops: "Fusing Technology and Impact on Substrate Latitude and Environment" and "Digital Printing: Evolution of Digital Print from Traditional Technology to the Fully Variable Digital Page." NIP14: International Conference on Digital Printing Technologies 1998 Toronto, Ontario.

American Academy of Forensic Sciences workshop: "Color Analysis in Forensic Science." 2000 Annual Meeting, Reno, Nevada.

Rochester Institute of Technology "Printing Process Identification and Image Analysis for Forensic Document Examiners." 5-8 June 2001, Rochester, New York.

Canadian Society of Forensic Science: "Fracture Match Workshop" and "Expert Witness Workshop." 2001 Annual Meeting, Toronto, Ontario.

Canada Customs and Revenue Agency: "Printing Processes for Forensic Document Examiners" 3-7 June 2002, Ottawa, Ontario.

Disguised/Forged Signature Workshop, Dr. Brian Found, Latrobe University. 26-27 April 2006, Ottawa, Ontario.

Forgery Science Workshop, Dr. Brian Found, Latrobe University. September 2007, Ottawa, Ontario.

Canadian Society of Forensic Science: "Admissibility of Forensic Document Examination Evidence (under R v Mohan)", "Proficiency Testing and Competency assessments for FDEs" April 30, May 1, 2009, Ottawa, Ontario.

Osgoode Professional Development's "Expert Forensic Evidence in Criminal Proceedings" Symposium, 9 May 2009 Toronto, Ontario.

American Society of Questioned Document Examiners workshop: "Signature Examination: Translating Basic Science to Practice" 2010, Victoria, British Columbia.

American Society of Questioned Document Examiners workshop: "Electronic Recording & Analysis of Handwritten Signatures and Writings" 2010, Victoria, British Columbia.

American Society of Questioned Document Examiners workshop: “The Individuality of Inkjet Printing” 2012, Charleston, South Carolina.

American Society of Questioned Document Examiners workshop: “Conclusion Scales and Logical Inference” 2013, Indianapolis, Indiana.

American Society of Questioned Document Examiners workshop: “Forensic Examination of Digital Signatures” 2013, Indianapolis, Indiana.

The Individuality of Inkjet Printing, Rolf Fauser (Police Academy – State Police Office Baden-Wuerttemberg) & Tanja Rottes (Forensic Science Institute – State Police Office North Rhine-Westfalia). 10-11 February 2015, Ottawa, Ontario.

Skillful Simulations Workshop, Dr. Linton Mohammed (Forensic Science Consultants, Inc.). 12 February 2015, Ottawa, Ontario.

Paper Through the Eyes of a Conservator Workshop. Kyla Ubbink (Professional Archival Paper Conservator). 29 February 2016, Ottawa, Ontario.

Adobe Photoshop and Freehand/Illustrator in Forensic Document Examination – A Workshop. CyberGenesis: Forensic Consulting & Technical Services. 8-10 November 2017, Ottawa, Ontario.

Minimizing Bias in Forensic Decision-Making online course. Itiel Dror: **C**onsolidated **C**ontinuing **E**ducation and **P**rofessional **T**raining (**CONCEPT**, LLC). Winter/Spring 2019.

Indentation Sequencing Workshop. Brian Lindblom, 19 March 2019, Ottawa, Ontario.

Faxes: Forensic Examination Workshop. Brian Lindblom, 20 March 2019, Ottawa, Ontario.

Write-On³ Document Comparison Software Workshop. Pierre Goudreault (Pikaso) 22 May 2019, Ottawa, Ontario.

American Society of Questioned Document Examiners workshop: “Non-Destructive Ink Examination” P. Tytell, D. Hammond and L. Mohammed, 2019, Cary, NC.

American Society of Questioned Document Examiners workshop: “Writing on Unusual Surfaces” P. Belcastro and G. Mokrzycki, 2019, Cary, NC.

Osgoode Professional Development’s “National Symposium on Forensic Science in Criminal Cases” Symposium, 6 December 2019 WebEx from Toronto, Ontario.

Digitally Captured Signatures Workshop. Nikolaos Kalantzis. 14-16 January 2020, Ottawa, Ontario.

Overview of Digital Examination Techniques and Remote Case Review Workshop. Mark Goff. 11 August 2020, ASQDE 2020 Virtual Conference.

Opinion Measurement Workshop. Dr. M. Merlino, Dr. R. Dahir, J. Jackson-Morris, C. Edwards. 13 August 2020, ASQDE 2020 Virtual Conference.

Canadian Society of Forensic Sciences Webinar: Law School in a Day for Forensic Practitioners. 26 April 2021.

A Complete Introduction to Digitally Captured Signatures (DCS) and a Tutorial for Namirial's Firma Certa Forensic Analysis Tool – Workshop. Nikolaos Kalantzis. 15 February 2021, AAFS 2021 Virtual Conference.

The ABCs of TLC Case Break Session. I. Geiman & J.M. Barker, USSS. 19 February 2021, AAFS 2021 Virtual Conference.

Digital Examination Techniques. Mark Goff. 24 May 2021, Australasian Society of Forensic Document Examiners (ASFDE) Inc. 2021 Virtual Conference.

The Forensic Document Examiner's Method of Communication in Court: The Chart. Jan Seaman-Kelly. 24 May 2021, ASFDE Inc. 2021 Virtual Conference.

The Meaning of the Message is in the Response: Measuring and Communicating Handwriting Opinion. Dr. Mara Merlino. 27 May 2021, ASFDE Inc. 2021 Virtual Conference.

Reports: Legal Requirements, Readability and Format. Gary Edmond & Loene Howes. 27 May 2021, ASFDE Inc. 2021 Virtual Conference.

Security Documents: Perspectives from Brazil. Narumi Pereira Lima. 28 May 2021, ASFDE Inc. 2021 Virtual Conference.

Letterlocking. Jana Dambrogio & Daniel S. Smith. 25 May 2021, ASFDE Inc. 2021 Virtual Conference.

Digitally Captured Signatures. Jan Zimmer & Nikolaos Kalantzis. 26 May 2021, ASFDE Inc. 2021 Virtual Conference.

Formulating Strength of Findings in Handwriting Context. Dr. M. Merlino & C. Edwards. 16 June 2021, 13th ENFHEX Virtual Conference.

Development of an Evidence-Based Method for the Examination of Electronic Biodynamic Signatures. V. Dahir, C. Edwards, D. Ommen, R.B. Ostrum, M. Merlino & L. Mohammed. 16 & 17 June 2021, 13th ENFHEX Virtual Conference.

Training Workshop on the Analysis, Comparison and Evaluation of Digitally Captured Signatures. N. Kalantzis 18 June 2021, 13th ENFHEX Virtual Conference.

American Society of Questioned Document Examiners workshop: "Pressure Training Calibration Workshop for Digitally Captured Signatures." N. Kalantzis 12 August 2021, 79th ASQDE Virtual Conference.

American Society of Questioned Document Examiners workshop: "Examination Basics for Adobe PDF files." R.B. Ostrum 79th ASQDE Virtual Conference.

Professional Activities:

- 20th INTERPOL International Forensic Science Managers' Symposium 2022 Organizing Committee Member

- Associate Editor, Journal of Forensic Sciences (2020-2024) Editorial Board, American Academy of Forensic Sciences
- The Forensic Document Examiner (FDE) Forum. Session moderator - American Academy of Forensic Sciences (2020)
- Forensic Advisory Working Group –Ontario Ministry of the Solicitor General. Member (2019-20)
- Kentucky State University Intelligence Workshop - Forensic Intelligence: Science in Service of Intelligence and Security. Workshop Presenter (2019)
- Canada Border Services Agency Forensic Intelligence Symposium, Program Organizer and Speaker (2018)
- Lebanese University / Lebanese Military Police Forensic Laboratory. Special Lecturer: Forensic Document Examination for the joint Master of Forensic Science program. (2018)
- United Nations Office on Drugs and Crime and United Nations Development Program, Instructor: Forensic Document Examination for Human Trafficking and Migrant Smuggling Investigations (2017)
- European Network of Forensic Handwriting Experts biennial conference (2021, 2017)
- INTERPOL Conference on Fraudulent Documents, Invited Speaker (2017)
- International Association of Forensic Sciences triennial meeting (2017)
- Latin-Script Handwriting Examination Training Program for the Palestinian Civil Authority (2014-2017)
- United Nations Office on Drugs and Crime and United Nations Development Program, Experts Working Group – Forensic Document Examination Capacity Building for the Palestinian Civil Authority (2014)
- Automated Forensic Handwriting Workshop (2014)
- United Nations Office on Drugs and Crime - Development of International Collaborative Exercises Protocol, and Pilot Project in Secure Documents Examination (2012-2013)
- United Nations Office on Drugs and Crime, Secure Documents Experts Working Group - Development of e-learning tools in Secure Documents Examination (2012)
- International Civil Aviation Organization Symposia on ICAO MRTDs, Biometrics and Security Standards (2018, 2011, 2010, 2009)
- Interpol 16th, 17th, and 19th International Forensic Science Managers' Symposia (2010, 2013, 2019)
- International Conference on Document Analysis and Recognition (ICDAR) biennial meeting (2007, 2009)
- International Workshop on Frontiers in Handwriting Recognition (IWFHR 10) biennial meeting (2006, 2008)
- American Society of Questioned Document Examiners, Program Chair – 2010 annual meeting
- American Society of Questioned Document Examiners, Site Chair – 2005 annual meeting
- American Society of Questioned Document Examiners annual meeting (2021, 2020, 2019, 2018, 2013, 2012, 2011, 2010, 2009, 2008, 2005, 2004, 2002, 2000, 1998, 1997, 1995)
- American Academy of Forensic Sciences Questioned Documents Section Program Chair – 2021, 2020, 2018, 2017 annual meetings
- American Academy of Forensic Sciences annual meeting (2021, 2020, 2019, 2018, 2017, 2016, 2013, 2004, 2000)
- Imaging Science and Technology (IS&T), 14th Non-Impact Printing Conference (1998)
- Canadian Society of Forensic Science annual meeting (2021, 2001, 1997)

Professional Associations:

American Society of Questioned Document Examiners (Regular Member since 2006, Current President 2020-2022, Vice- President 2018-2020, Past-Chair-Membership & Credentials Committee 2010-2018, Past-Director 2010-2013)

American Academy of Forensic Sciences – Questioned Document Section (Member since 2018 / Associate Member since 2012, International Affairs Committee Liaison Member)

Chartered Society of Forensic Sciences (Member since November 2014)

Canadian Society of Forensic Sciences – Document Section (Member)

Papers & Tutorials:

“Demonstrative Evidence in the Courtroom, An Evaluation and Discussion of Probative and Prejudicial Characteristics of Demonstrative Visual Aids.” Workshop co-presented with Dr. M. Merlino, J. Jackson-Morris, and T. Tanaka, virtually at the 79th Annual Meeting of the American Society of Questioned Document Examiners, 10 August 2021.

“Underpinning the Claims of Features Associated with Guided-Hand Signatures.” Poster presented at the European Network of Forensic Handwriting Experts conference. 17 June 2021.

“Forensic Document Examination Standards and Best Practices in Canada.” Invited lecture to the Turkish Association of Forensic Document Examiners Online Congress. 5 June 2021

“Document Dating” Invited five-part lecture series to the Australasian Society of Forensic Document Examiners annual conference. 25 May 2021.

“Forensic Intelligence” in Forensic Document Examination in the 21st Century (2021) Kelly, J., Angel, M. (Eds). Taylor & Francis, Boca Raton, FL.

“Crossing Borders: Issues from Inter-Jurisdictional Casework” Session moderator and presenter at the American Academy of Forensic Sciences Questioned Documents Section, Anaheim, CA. 20 February 2020.

“Forensic Document Examination: Early Incorporation of the Forensic Intelligence Paradigm” presented at the American Academy of Forensic Sciences Questioned Documents Section, Anaheim, CA. 20 February 2020.

“Forensic intelligence: Application of interdisciplinary data for law enforcement purposes” presented at the Special Interdisciplinary Session of the American Academy of Forensic Sciences of the 11th International Society for Applied Biological Sciences Conference, Split, Croatia, 20 June 2019.

“Examination of crossed lines for determination of sequence of strokes using Laser Ablation Inductively-Coupled Plasma Mass Spectrometry (LA-ICP-MS) and X-Ray Fluorescence (XRF)” Poster presented at the American Academy of Forensic Sciences Questioned Documents Section, Baltimore, MD. 21 February 2019.

“The Multicultural Mosaic 20 Years On: Effects of Other Nationality Characteristics on ‘Canadian’ Handwriting’ Paper presented at the 76th Annual Meeting of the American Society of Questioned Document Examiners, Park City, UT. 20 August 2018.

“The Dynamics of Guided-Hand Signatures” S. Ibrahim presented to the American Academy of Forensic Sciences Questioned Documents Section, New Orleans, LA. 17 February 2017.

“Properties of Inkless Pens” S. Ibrahim & T. Tanaka (CBSA) presented to the American Academy of Forensic Sciences Questioned Documents Section, Las Vegas, NV. 25 February 2016.

Forensic Intelligence Analysis: White Paper. Canada Border Services Agency. November 2014.
“On the Forensic Value of Non-Original Signatures on Travel/Identity Documents” presented to the American Academy of Forensic Sciences Questioned Documents Section, Washington, DC. 22 February 2013.

“Forensic Document Examination for Evidence of Identity” presented to the International Civil Aviation Organization (ICAO) Seventh Symposium and Exhibition on ICAO Machine Readable Travel Documents, Biometrics and Security Standards, Montréal, Canada, 14 September 2011.

“On the Forensic Value of Non-Original Signatures on Identity Cards” Poster presented at the 16th Interpol International Forensic Science Symposium, Interpol, Lyon, France, 5-8 October 2010.

“Forensic Document Examiners Approach to Handwriting Comparisons / Identification”, S. Ibrahim & E. van den Heuvel (Netherlands Forensic Institute). Tutorial presented at the 10th International Conference on Document Analysis and Recognition, Barcelona, Spain, 26 July 2009.

“Forensic Document Examiners Approach to Handwriting Comparisons / Identification”, S. Ibrahim & M. Gaudreau. Tutorial presented at the 9th International Conference on Document Analysis and Recognition, Curitiba, Brazil, 23 September 2007.

“Application of Hyperspectral Imaging to Forensic Document Examination Problems”, R.B. Ostrum & S. Ibrahim. Paper presented at the 63rd Annual Meeting of the American Society of Questioned Document Examiners, Montréal, QC, 11-16 August 2005.

“Spectral vs. Chemical Ink Differentiation” Paper presented at the 60th Annual Meeting of the American Society of Questioned Document Examiners, San Diego, CA, 14-18 August 2002.

“Ink Differentiation using Liquid Crystal Tunable Filters and a Forensic Light Source – Lights, Camera ... Capture! – An Update”, Poster Presentation at the 48th Annual Meeting of the Canadian Society of Forensic Science, Toronto, ON, 6-10 November 2001.

“Ink Differentiation using Liquid Crystal Tunable Filters and a Forensic Light Source – Lights, Camera ... Capture!” Paper presented at the 58th Annual Meeting of the American Society of Questioned Document Examiners, Ottawa, ON, 25-29 August 2000.

“The Multicultural Mosaic: Effects of Other Nationality Characteristics on “Canadian” Handwriting” Paper presented at the 56th Annual Meeting of the American Society of Questioned Document Examiners, Indianapolis, IN, 8-12 August 1998.

Court Experience:

Expert testimony in Forensic Document Examination has been presented to:

- The Ontario Superior Court of Justice (Brampton, ON).

- The Supreme Court of Nova Scotia (Halifax, NS).
- The Court of Queen's Bench (Calgary, AB and Winnipeg, MB).
- The Provincial Court of Nova Scotia (Halifax, NS).
- The Provincial Court of Alberta (Calgary, AB).
- The Provincial Court of British Columbia (Vancouver, BC).
- The Federal Tax Court of Canada (Vancouver, BC).

Proficiency Testing:

Participant in:

- Collaborative Testing Services (CTS) testing
- LaTrobe University, Forensic Expertise Profiling Laboratory (FEPL) proficiency testing program
- Skill-Task Testing Training, Assessment & Research Inc. (ST²AR) proficiency testing program
- European Document Experts Working Group (EDEWG) proficiency testing
- European Network of Forensic Handwriting Experts (ENFHEX) proficiency testing

Exhibit "19"

Third-Party Statement of Defense of Yingchun Wu, filed Aug-30-21

3 pages

THIS IS EXHIBIT " 19 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZYK
My Commission Expires May 21, 2026

Clerk's Stamp

CLERK OF THE COURT
FILED
AUG 30 2021
JUDICIAL CENTRE
OF CALGARY

COURT FILE NO. 2001-03353
COURT Court of Queen's Bench of Alberta
JUDICIAL CENTRE Calgary

PLAINTIFF(S) **HENENGHAIXIN CORP**

DEFENDANT(S) **TIANZHOU DENG, XIAOBO DENG AKA LAKE DENG, SHING TAK LAM
AKA MICHAEL LAM, CALGARY SINOENERGY INVESTMENT CORP.,
LONG RUN EXPLORATION LTD., JOHN DOE, AND ABC
CORRPORATION**

THIRD PARTY
DEFENDANT(S) **YINGCHUN WU, 1280365 ALBERTA LTD.**

DOCUMENT **Third Party Statement of Defence**

PARTY FILING THIS
DOCUMENT **YINGCHUN WU, 1280365 ALBERTA LTD.**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT **1280365 ALBERTA LTD.
3945 McMullen Green SW
Edmonton, T6W 1S6
Attention: Yingchun Wu
Email: yc_wu2005@hotmail.com**

Note: State below only facts and not evidence (Rule 13.6).

Statement of facts relied on:

1. This is the Third Party Statement of Defence of the Third Party Defendant, 1280365 Alberta Ltd. ("1280 Ltd").
2. Except as expressly stated otherwise and specifically admitted in this Third Party Statement of Defence, 1280 Ltd/Wu. denies any and all allegations in the Third Party Statement of Claim of Calgary Sinoenergy Investment Corp. ("Calgary Sino") and Long Run Exploration Ltd ("Long Run")
3. 1280 Ltd was incorporated and registered in Alberta in 2007, and is controlled by YingChun Wu ("Wu").

Any matters that defeat the claim of the defendant(s)/third party plaintiff(s):

4. It was alleged in paragraph 14 of the Third Party Claim that the Defendant, Wu is a former classmate and close personal friend of Deng. The fact is that Wu was a classmate with Deng for half a year in University and was merely an acquaintance then. Wu had not been in contact with Deng for more than 30 years after graduation from University, and was only approached by Deng for the consulting work after Wu made a post seeking job opportunities on a WeChat group. The WeChat group consisted of former University classmates in the same program.
5. Wu denies all the allegations made on "breach of fiduciary duty" (paragraph 48 to 54), "deceit and fraudulent misrepresentation" (paragraphs 55 to 59), "negligent misrepresentation" (paragraphs 60 to 62), "knowing assistance and knowing receipt" (paragraphs 63 to 65), "predominant purpose and unlawful means conspiracy" (paragraphs 66 to 69), "conversion" (paragraphs 70 to 71), "unjust enrichment" (paragraphs 72 to 73) among other allegations. As one of the members of the board of directors, Wu acted to his best knowledge and intentions, following decisions made by the board. Wu certainly did not conspire with other named Defendants for unjust enrichment to himself or any other party, as alleged. Wu had no intention to make any misrepresentations, did not participate in or assisted in any fraudulent and dishonest conduct performed by any individuals alleged by the Plaintiff.
6. Paragraph 45 of the Third Party Claim alleged certain payments to be "Improper Transfers". Wu had no knowledge of the payments alleged in subparagraphs (a), (b), (c), (e), (g), (h), (i), (j), (k), (l). Such alleged payments, if indeed occurred, were conducted without Wu's knowledge, consent or approval. For the payment totaling \$15 million to York City alleged in subparagraph (f), Wu does not recall having signed off or executed on it. For the payment alleged in subparagraph (d) and repeated in subparagraph (k), Wu denies that the payments are improper, for they are remuneration for consulting work conducted by Wu via his consulting company 1280 Ltd, and the total amount paid was not \$700,000 as alleged.
7. Wu lost his job in 2015 and created a post in Wechat, a social network platform, asking for job opportunities. Wu was then approached by Mr. Deng who saw the post on Wechat, and Deng offered a consulting contract with Wu's company 1280 Ltd. Wu started the consulting work first with Alberta Sino Energy in early 2016, and subsequently also performed consulting work with Calgary Sino and Long Run.
8. After Calgary Sino acquired Long Run, 3 technical personnel were hired in 2016: one in geological, Mr. Steven Neu in drilling and Wu in production to execute their plan.
9. The Consulting Agreement made on 9 Nov 2016 between Calgary Sino and 1280 Ltd states: "The Consultant hereby agrees to provide such consulting services as may be requested from time to time by CEO or CFO, and such other services as may be directed by the board of directors from time to time." "The Consultant shall the title of Manager, Production".
10. At material time, Wu rented an apartment in Calgary (home in Edmonton), worked in the Long Run office in Calgary 8 hrs/day and 5 days/week as per normal employee. Wu was heavily involved in cost reduction work. Wu analyzed cost structure, made cost reduction plan with Long Run production personnel, reducing chemical cost by \$500,000 annually. Wu worked on production with Long Run Operation, conveying guidelines from the board. Wu visited majority of Long Run oil/gas fields in Red Water, Peace River and Edson. Wu participated in Long Run daily production meetings. Wu worked on oil enhance recovery program with Long Run Production. Wu made daily reports on Long Run new well production to Calgary Sino. The allegation in paragraph 45 that the payments made to 1280 Ltd was an "Improper Transfer" was false as it was remuneration for actual consulting work that has been performed.
11. While working at Long Run, Wu also at the same time worked for New Star Energy in organization restructuring, production, water injection, new well drilling plan, and incident investigation, and provided temporary coverage for the CEO. Beginning around Jan 2018 Wu worked full time for New Star until he was transferred to CAPC later.

12. As Canada Advantage Petroleum Corp. (CAPC) business ramped up, Wu was transferred to CAPC in Aug 2018 as Chief Technical Officer, worked full time in CAPC office, was in charge of crude quality, transport/storage operations and safety, and 1280 Ltd was paid by CAPC. There is a dedicated 'Consulting Agreement' for this transfer.

13. At material time, 1280 Ltd received payment of \$374,000 in total from Calgary Sino, including GST, and not the \$700,000 as alleged in the Third Party Claim. Calculations as below:

Year	Months served	Pay/month
2016	2	\$17,000
2017	12	\$17,000
2018	8	\$17,000
Total pay received: 22 x 17,000 = 374,000		

14. The remuneration received by 1280 Ltd is comparable to the salary which Wu received at his previous job with a large oil company where he worked as a staff engineer.

15. Wu did not receive any remuneration for his appointment as a director of Calgary Sino, and was only compensated for his consulting work.

Wu stopped his consulting service to CAPC in Jun 2019, but Wu was still a director until Dec 2019. After June 2019, 1280 Ltd did not receive any money, benefits, or compensation.

Dispute of liability:

16. This third party defendant(s) does dispute defendant's(s') liability to the plaintiff(s).

17. This third party defendant(s) does dispute the third party defendant's(s') liability to the extent claimed in the third party claim.

Remedy sought:

18. 1280 Ltd/Wu deny that the plaintiff is entitled to the relief and damages it seeks. 1280 Ltd/Wu plead that all claims against them shall be dismissed with costs.

Exhibit "20"

Third Party Claim of Calgary Sino and Long Run, filed Aug-11-21

36 pages

THIS IS EXHIBIT " 20 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 20 26

ENTERED

Form 16
[Rule 3.45]

Clerk's Stamp:



COURT FILE NUMBER	2001-03353
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	HENENGHAIXIN CORP.
DEFENDANTS	TIANZHOU DENG, XIAOBO DENG AKA LAKE DENG, SHING TAK LAM AKA MICHAEL LAM, CALGARY SINOENERGY INVESTMENT CORP., LONG RUN EXPLORATION LTD., JOHN DOE, AND ABC CORPORATION
THIRD PARTY DEFENDANTS	TIANZHOU DENG, XIAOBO DENG AKA LAKE DENG, 1980264 ALBERTA LTD., SHING TAK LAM AKA MICHAEL LAM, 1838967 ALBERTA LTD. YINGCHUN WU, 1280365 ALBERTA LTD., STEVEN NEU, EILEEN CORPORATION, YORK CITY ENTERPRISES LIMITED BVI, WEST LAKE ENERGY CORP.; AND QINGDAO ZHONGTIAN YUHEN ENERGY CO. LTD.
DOCUMENT	THIRD PARTY CLAIM
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Dentons Canada LLP 15th Floor, Bankers Court 850 – 2nd Street SW Calgary, AB T2P 0R8 Attention: Lillian Y. Pan, Q.C. / Christy Lee Ph. (403) 268-7171 / (403) 268-6354 Fx. (403) 268-3100 Email: lillian.pan@dentons.com / christy.lee@dentons.com File No.: 582519-1

NOTICE FROM THE DEFENDANTS, CALGARY SINOENERGY INVESTMENT CORP. and LONG RUN EXPLORATION LTD.

This third party claim is made against you. You are a third party defendant.

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

Note: State below only facts and not evidence (Rule 13.6).

Statement of facts relied on:

1. An action has been commenced against the Defendants and Third Party Claimants, Calgary Sinoenergy Investment Corp. ("**Calgary Sino**") and Long Run Exploration Ltd. ("**Long Run**"), by the Plaintiff Henenghaixin Corp. ("**H Corp**" or the "**Plaintiff**"). H Corp claims for losses arising from, *inter alia*, the alleged improper diversion of a portion of the "**Investment Funds**" (as that term is defined in the Statement of Claim). The alleged improper diversion was made from the Plaintiff to Calgary Sino and Long Run through various intermediaries who are named Defendants in the within Action. A copy of the Statement of Claim is attached hereto.
2. Calgary Sino and Long Run, who collectively shall be referred to as the "**Third Party Claimants**", deny liability to the Plaintiff on the grounds set out in their Statement of Defence, a copy of which is attached hereto, and any amendments thereto (the "**SOD**"). The Third Party Claimants repeat and adopt the statement of facts contained in their SOD. Tianzhou Deng ("**Deng**"), Xiaobo Deng, also known as Lake Deng ("**Lake**"), and Shing Tak Lam, also known as Michael Lam ("**Lam**") (collectively hereafter called the "**Three Defendants**") are named as defendants by H Corp.
3. The Third Party Claimants are corporations incorporated pursuant to the laws of the Province of Alberta. At all material times, Calgary Sino was a holding company and the 100% shareholder of Long Run. Long Run is a private Calgary-based intermediate oil and natural gas company focused on light oil development and exploration in Western Canada.
4. If the Third Party Claimants are found to be liable to the Plaintiff for any judgment, including judgment for costs, the Third Party Claimants claim contribution and indemnity from the Third Party Defendants (primarily the Three Defendants) to the extent of any amount of such judgment.
5. In addition to any claims the Third Party Claimants may have for contribution and indemnity against the Third Party Defendants, the Third Party Claimants seek relief against the Third Party Defendants as described further below.

The Third Party Defendants to the Third Party Claim

6. Deng, one of the Three Defendants, is an individual, and a Chinese citizen who ordinarily resides in China. Deng was a director of Calgary Sino from December 9, 2015 to November 18, 2019, and a director of Long Run from June 29, 2016 to November 18, 2019. Deng was also a director of H Corp from November 23, 2016 to September 21, 2017.
7. At all material times, and by virtue of his role as a former director of the Third Party Claimants, Deng was and remains a fiduciary to the Third Party Claimants and owes the Third Party Claimants a duty of care and a duty of good faith to, among other things, act competently, diligently, and in their best interests.
8. Lake, one of the Three Defendants, is an individual who resides in Calgary, Alberta. Lake is the daughter of Deng and was a director of Long Run from October 22, 2016 to January 27, 2020, and a director of West Lake Energy Corp. ("**West Lake**"), a wholly owned subsidiary of H Corp, from April 2, 2017 to April 19, 2018. She was appointed the "authorized translator" of West Lake by Deng and Bo Huang, directors of West Lake, in which she was granted the authority to direct the affairs of West Lake, H Corp's wholly owned subsidiary. Under the direction of Deng and Hao Wang ("**Harold Wang**"), a cousin to Lake and a then director of Calgary Sino, Lake was contracted to be a Senior Legal Advisor at Calgary Sino, through her consulting company 1980264 Alberta Ltd. ("**1980 Ltd.**") from July 4, 2016 to an undetermined time. Lake is a lawyer purportedly educated in the United States and is not licenced to practice law in Canada.
9. At all material times, and by virtue of her role as a former director of Long Run, Lake was and remains a fiduciary to Long Run and owes Long Run a duty of care and a duty of good faith to, among other things, act competently, diligently, and in its best interests. Lake in her contract through 1980 Ltd. with Calgary Sino was a fiduciary to Calgary Sino and owed it a duty of care and a duty of good faith to, among other things, act competently, diligently, and in its best interests.
10. The Third Party Defendant, 1980 Ltd. is a corporation incorporated pursuant to the laws of the Province of Alberta. 1980 Ltd. is a company wholly owned by Lake. Lam serves as a director of this company.

11. Lam, one of the Three Defendants, is an accountant by designation who resides in Calgary, Alberta. At all material times, Lam was the Vice-President, Finance of Calgary Sino until January 10, 2020, when he was terminated by Calgary Sino. At all material times, Lam directed certain payments made by Calgary Sino as described below to outside parties. He was also at all material times a director of East River Oil and Gas Ltd. ("**East River**"). He was appointed the "authorized translator" of West Lake by Deng and Bo Huang, directors of West Lake, in which he was granted the authority to direct the affairs of West Lake, H Corp's wholly owned subsidiary. Under the direction of Deng and Yingchun Wu ("**Wu**"), a then director of Calgary Sino, Lam was contracted for his alleged "LNG transportation and export facility expertise" by Calgary Sino, through his consulting company 1838967 Alberta Ltd. ("**1838 Ltd.**") from February 1, 2016 to an unknown time. Lam was appointed as a "special representative" of H Corp, which ostensibly provided authority to Lam to handle banking matters and authorize transactions on behalf of H Corp. This appointment was signed by Xu Bo Wang ("**Xu Bo**") and Wu, on behalf of H Corp, although Xu Bo has no recollection of signing the document for the appointment.
12. At all material times, and by virtue of his role as Vice-President, Finance, among other things, of Calgary Sino, Lam was and remains a fiduciary to Calgary Sino and owes a duty of care and a duty of good faith to Calgary Sino to, among other things, act competently, diligently, and in its best interests. By reason of his authority in Calgary Sino and his relationship with Deng and Lake, at all material times, Lam had the authority from Deng and Lake to direct the financial affairs of Long Run and authorize payments from Long Run to other parties.
13. The Third Party Defendant, 1838 Ltd. is a corporation incorporated pursuant to the laws of the Province of Alberta and is wholly owned by Lam.
14. The Third Party Defendant, Wu is an individual who resides in Edmonton, Alberta. Wu has been a director of Calgary Sino from April 7, 2016 to November 18, 2019. Under the direction of Deng and Harold Wang, Wu was contracted to be the Manager, Production for Calgary Sino, through his consulting company 1280365 Alberta Ltd. ("**1280 Ltd.**") from November 9, 2016 to an undetermined time. Wu is a former classmate and close personal friend of Deng.

15. By virtue of his role as a director of Calgary Sino, Wu is a fiduciary to Calgary Sino and owes Calgary Sino a duty of care and a duty of good faith to, among other things, act competently, diligently, and in its best interests.
16. The Third Party Defendant, 1280 Ltd. is a corporation incorporated pursuant to the laws of the Province of Alberta and is a company wholly owned by Wu.
17. The Third Party Defendant, Steven Neu ("**Neu**") is an individual who resides in Calgary, Alberta. Neu has been a director, president and Chief Executive Officer of the Plaintiff and a director of West Lake, H Corp's wholly owned subsidiary. Under the direction of Deng and Harold Wang, Neu was contracted to be the Manager, Drilling Operation for Calgary Sino, through his consulting company Eileen Corporation from July 18, 2016 to an undetermined date.
18. The Third Party Defendant, Eileen Corporation is a corporation incorporated pursuant to the laws of the Province of Alberta. Eileen Corporation is a company jointly owned by Neu and his wife, Eileen Neu.
19. The Third Party Defendant, West Lake is a corporation incorporated pursuant to the laws of the Province of Alberta. West Lake is the wholly owned subsidiary of H Corp.
20. The Third Party Defendant, York City Enterprises Limited ("**York City**") is a corporation incorporated pursuant to the laws of the British Virgin Islands. At the material times, Xu Bo was the sole director of York City. At the material times, Xu Bo was also an employee of a Deng controlled Chinese company called Changchun Zhongtian Energy Co. Ltd. ("**Changchun Energy**"), a publicly traded company, which at the material times, Deng was the Actual Controller (as defined herein). York City is the 100% shareholder of H Corp.
21. The Third Party Defendant, Qingdao Zhongtian Yuheng Energy Co. Ltd. ("**Qingdao Yuheng**") is a corporation incorporated pursuant to the laws of China. Qingdao Yuheng is the 100% shareholder of York City.

The Related Parties to Certain Third Party Defendants

22. East River is a corporation incorporated pursuant to the laws of the Province of Alberta. To the best of the Third Party Claimants' knowledge, East River is an oil and gas

exploration and production company that carried on business in the Province of Alberta, and at material times, was controlled by the Three Defendants.

23. Canadian Advantage Petroleum Corporation ("**CAPC**") is a corporation incorporated pursuant to the laws of the Province of Alberta. To the best of the Third Party Claimants' knowledge, CAPC is a private Calgary-based oil transportation company that focuses on the transportation of crude oil from Canada to China, and at material times, was controlled by the Three Defendants.
24. Advantage Petroleum US Corp. ("**CAPC US**") is a corporation incorporated pursuant to the laws of the United States of America, and is currently no longer an active corporation. To the best of the Third Party Claimants' knowledge, at material times, CAPC US was a petroleum product wholesaler company that carried on business in the United States of America, and at material times, was controlled by the Three Defendants.
25. Sinoenergy Holding, is a corporation of unknown jurisdiction. To the best of Third Party Claimants' knowledge, at material times, Sinoenergy Holding was controlled by Deng and considered an affiliate of Calgary Sino, and made payment(s) to Qingdao Yuhen to offset the amounts owing to H Corp by Calgary Sino and Long Run.
26. Asiafic Clean Energy Limited ("**Asiafic**"), is a corporation incorporated pursuant to the laws of Hong Kong. To the best of the Third Party Claimants' knowledge, at material times, Asiafic was controlled by Deng. Asiafic is also a minority shareholder up the corporate chain of H Corp, and received payments from Long Run and Calgary Sino, for which the Third Party Claimants have no knowledge of the reason for the payments, because there was no corporate or business purpose, and such payments may be for the ultimate benefit of H Corp's shareholders up the corporate chain, as described below.
27. Qingdao Asset Management, is a corporation incorporated pursuant to the laws of China. To the best of the Third Party Claimants' knowledge, at material times, Qingdao Asset Management was controlled by Deng. It is also a shareholder of Jiangyin Henenghaixin Investment Partnership ("**Jiangyin LP**") and a majority shareholder of Changchun, which is also a Deng controlled company at the material times.

28. Jiangyin LP, is a corporation incorporated pursuant to the laws of China. To the best of the Third Party Claimants' knowledge, at material times, Jiangyin LP was the 47.22% shareholder of Jingzhou Heping Energy ("**Heping**"), which was the 99.45% shareholder of Qingdao Yuheng. Jiangyin LP is also a subsidiary of Qingdao Asset Management, which was controlled by Deng, whom may also directly or indirectly control Jiangyin LP at certain material times.
29. Wuhan Changxin Hesheng Investment Fund Partnership ("**Wuhan LP**"), is a corporation incorporated pursuant to the laws of China. To the best of the Third Party Claimants' knowledge, at material times, Wuhan LP was the 52.78% shareholder of Heping, which was the 99.45% shareholder of Qingdao Yuheng.
30. Harold Wang is an individual who ordinarily resides in China. Harold was a director of Calgary Sino from December 9, 2015 to November 30, 2016.
31. Jun Xiong ("**Xiong**") is an individual who ordinarily resides in China. Xiong was a director of West Lake from December 13, 2016 to April 2, 2017, then again from December 3, 2018 to present. Xiong was also a director of H Corp, appointed as nominee of Jiangyin LP, from November 23, 2016 to present.
32. Deshuang Yu ("**Yu**") is an individual who ordinarily resides in China. Yu was a director of West Lake from December 13, 2016 to April 2, 2017, then again from December 3, 2018 to present. Yu was also a director of H Corp, appointed as nominee of Jiangyin LP from November 23, 2016 to present. At the material times, Yu also served as a director for Jiangyin LP.
33. Haipeng Tu ("**Tu**") is an individual who ordinarily resides in China. Tu was a director of West Lake from December 3, 2018 to present. Tu was also a director of H Corp from September 21, 2017 to present.
34. Jia Xing Hua Chang ("**Hua Chang**"), is a corporation incorporated pursuant to laws of China. To the best of the Third Party Claimants' knowledge, at material times, Hua Chang was controlled by Deng.
35. Tian Ji Li Ren ("**Li Ren**"), is a corporation incorporated pursuant to laws of China. To the best of the Third Party Claimants' knowledge, at material times, Li Ren was controlled by Deng.

Deng was the Actual Controller and/or Directing Mind of Certain Companies

36. Under Article 216 of the Company Law of the People's Republic of China, Deng at all material times, was an "Actual Controller" or directing mind, which is a person who holds actual control of the acts of a company or companies by reason of investment relations, agreements and other arrangements. Deng, as a Chinese citizen, operates in accordance with Chinese business practices. At material times, Deng was an Actual Controller and/or directing mind of various Chinese and Alberta companies, including: H Corp, West Lake, York City, Qingdao Yuheng, Calgary Sino, Long Run, Sinoenergy Holding, Asiafic, East River, CAPC, CAPC US, Hua Chang, Li Ren, Changchun, and Qingdao Asset Management (collectively "**Deng Controlled Companies**"). While the Deng Controlled Companies were not always directly related to each other under Canadian law, under Chinese law and business practices he was the Actual Controller, i.e., controlling mind of the Deng Controlled Companies. Employees and other directors of the Deng Controlled Companies, such as Neu and Wu, acknowledged him as the ostensive "owner", and Lake and Lam as his direct representatives with authority to direct the financial affairs of the Deng Controlled Companies.
37. As the Actual Controller and/or directing mind of the Deng Controlled Companies, Deng, with the assistance of Lake and Lam, among others, (as described below) was able to control or direct the transfer of funds among the Deng Controlled Companies for his direct or indirect benefit and the benefit of Lake and Lam, among others, and to the detriment of Calgary Sino and/or Long Run.

The History of H Corp's Relationship with Deng

38. Jiangyin LP and Wuhan LP, through a complex series of transactions involving a number of its subsidiaries including York City and Qingdao Yuheng, and involving loans with foreign banks, namely China Construction Bank Seoul ("**CCB Seoul**") and Industrial Commercial Bank of China Seoul ("**ICBC Seoul**"), arranged to move money out of China and ultimately provide CAD \$352.2 million to H Corp (hereafter the "**Investment Fund**"), a large portion of which was used to acquire the assets of Twin Butte Energy Ltd. ("**Twin Butte**"), for H Corp's wholly owned subsidiary West Lake. A portion of the \$352.2 million was transferred through the direction of the Three Defendants to Calgary Sino.

39. Qingdao Yuhen was a wholly owned subsidiary of Changchun Energy prior to January 25, 2017 and up the corporate chain from H Corp. At material times, Deng was the Actual Controller of Qingdao Yuhen and Changchun. Deng brought the H Corp/West Lake investment and the purchase of the Twin Butte assets to Jiangyin LP and Wuhan LP. Because of Deng's role in facilitating and bringing the Twin Butte transaction to these companies, he was acknowledged until November 2019 by West Lake, York City, Qingdao Yuhen (corporations that are all connected to the corporate chain of H Corp), and H Corp to be the Actual Controller of H Corp.

Transactions Related to Calgary Sino and Long Run

40. There are intercompany loans made directly by Calgary Sino to H Corp, or its related entities which offsets any amounts found owing by Calgary Sino and/or Long Run to H Corp. These payments consist of the following:
- (a) Calgary Sino paying the initial deposit on or about December 2016 to the receiver for Twin Butte in order to the acquire the Twin Butte assets, in the approximate amount of \$28 million on behalf of West Lake;
 - (b) Calgary Sino paying H Corp a total of approximately \$17 million in 11 separate payments from January 2017 to March 2018;
 - (c) Calgary Sino paying West Lake, a wholly owned subsidiary of H Corp, a total of approximately \$2 million in two separate payments from one in January 2017 and the other in October 2017;
 - (d) Payments totalling \$15 million made by Calgary Sino and Long Run to York City, the parent company of H Corp, and to CCB Seoul and ICBC Seoul for interest payments related to the Investment Fund received by H Corp in the period ;
 - (e) Such other amounts that may be proved at the trial of this action.
41. The payments by Calgary Sino described in paragraph 40 (a) to (e) above are hereafter collectively called "**Calgary Sino Payments**".
42. Further, the Three Defendants caused other Deng Controlled Companies to make certain payments to H Corp's related entities in China, including Qingdao Yuhen, and H

Corp's parent company, York City, which were intended to offset amounts owing by Calgary Sino and Long Run to H Corp, including:

- (a) Payment(s) in the amount of \$16.87 million made by Sinoenergy Holding, one of the Deng Controlled Companies, to Qingdao Yuheng, the 100% shareholder parent two levels above H Corp, in 2017 which payment(s) was made to offset amounts owing by Calgary Sino and Long Run to H Corp;
 - (b) Payment(s) in the amount of \$3.33 million made by Hua Chang, one of the Deng Controlled Companies, to Qingdao Yuheng, the 100% shareholder parent two levels above H Corp, which payment(s) was made in 2018 to offset amounts owing by Calgary Sino and Long Run to H Corp; a payment in the amount of ¥2 million, or Canadian dollar equivalent of approximately \$400,000 made by Hua Chang to Qingdao Yuheng on or about August 24, 2018;
 - (c) Li Ren, one of the Deng Controlled Companies, paying Qingdao Yuheng, the 100% shareholder parent two levels above H Corp, a total of ¥14 million, or Canadian dollar equivalent of approximately \$2.8 million in three separate payments from September 2018 to December 2018;
 - (d) Qingdao Asset Management, one of the Deng Controlled Companies, paying Qingdao Yuheng, the 100% shareholder parent two levels above H Corp, a net total of approximately ¥94 million, or Canadian dollar equivalent of approximately \$18 million in eleven separate payments from March 2017 to July 2017.
 - (e) Such other amounts as may be proved at the trial of this action.
43. The payments to Qingdao Yuheng described in paragraph 42 (a) to (e) above are hereafter collectively called "**Qingdao Yuheng Payments**".
44. The Calgary Sino Payments and the Qingdao Yuheng Payments provide the factual matrix of the complex web of corporate companies and inter-company transfers of funds through the Deng Controlled Corporations with Lake and Lam acting under the direction of the Actual Controller, Deng.

Misappropriation of Corporate Funds

45. Beginning from approximately July 2016 numerous payments were made by Calgary Sino and/or Long Run during the tenure of Deng, Lake, and Lam in their respective roles as Actual Controller, directors and/or officers, of Calgary Sino and/or Long Run, without any apparent justification nor any apparent benefit to the Third Party Claimants (the “**Improper Transfers**”). Parties to whom payments were made pursuant to the Improper Transfers (the “**Third Party Beneficiaries**”) included, but are not limited to:
- (a) 1980 Ltd., a Lake controlled company, was paid \$15,000 per month by Calgary Sino, beginning July 4, 2016, of which there is no documentation for her work for which Calgary Sino was billed sums totalling in the range of \$700,000;
 - (b) 1838 Ltd., a Lam controlled company, which was paid a hourly rate by Calgary Sino beginning February 1 2016. for his purported expertise in LNG transportation and export facility for which Lam, as the Vice President, Finance of Calgary Sino, provided no documentation of his work and hours, and for which he billed Calgary Sino significant sums totalling in the range of \$700,000;
 - (c) CAPC, a Deng Controlled Company contracted with Long Run under direction of some or all of the Three Defendants in which Long Run purchased from unrelated third parties certain crude oil marketing contracts, which were then paid for by Long Run and thereafter sold to CAPC or CAPC US. There was no reasonable business purpose for Long Run to be the intermediary and to date, CAPC or CAPC US has failed to pay Long Run the amounts owing in the range of \$14 million for these transactions. In this manner, the Three Defendants were able to move money from Long Run to other Deng Controlled Companies which in turn paid H Corp or its related companies, details of which are not fully known by the Third Party Claimants, but known to the Three Defendants;
 - (d) 1280 Ltd., a Wu controlled company, was paid \$17,000 per month by Calgary Sino, beginning November 9, 2016, of which there was no documentation for his work for which he billed Calgary Sino significant sums totalling in the range of \$700,000;
 - (e) Eileen Corporation, a Neu owned company, was paid \$900 per day in office and \$1,200 per day on site by Calgary Sino, beginning July 18, 2016, of which there

was no documentation of their work for which they billed Calgary Sino significant sums totalling in the range of \$700,000;

- (f) York City, as described in paragraph 40(d) above, was paid some amount totalling at least \$15 million pursuant to a Shareholder Declaration concerning Long Run made on November 22, 2018, effective as of March 29, 2018, and executed by Wu on behalf of Calgary Sino (the "**Shareholder Declaration**"). Thereafter, Improper Transfers were made pursuant to the Shareholder Declaration by Calgary Sino as directed by Lam and under the authority of Deng;
- (g) Asiafic, pursuant to the Shareholder Declaration and under Lam's direction with no discernable business relationship related to Long Run, was sent some amount totalling at least \$9 million from Long Run's account, some of which may have further been transferred to H Corp or its shareholders up the corporate chain, specific details of which are not known to the Third Party Claimants but within the knowledge of the Three Defendants;
- (h) East River pursuant to the Shareholder Declaration and with no discernable business relationship related to Long Run was sent some amount totalling at least \$18 million, some of which may have further been transferred to H Corp or its related entities;
- (i) Lake personally benefited through her consulting company 1980 Ltd. from payments made by Calgary Sino totalling in the range of \$700,000, purportedly for her role as Senior Legal Advisor to Calgary Sino when she was not licenced to practice in Canada, and performed no discernable legal services for Calgary Sino;
- (j) Lam personally benefited through his consulting company 1838 Ltd. from payments made by Calgary Sino sums totalling in the range of \$700,000, purportedly for his expertise in LNG transportation and export facility, when Calgary Sino had no operations and had no discernable need for his services in LNG transportation and export facility, as Calgary Sino was a holding company and Long Run is its operating company;

- (k) Wu personally benefited through his consulting company 1280 Ltd. from payments made by Calgary Sino sums totalling in the range of \$700,000, purportedly for his role as Manager, Production at Calgary Sino, when Calgary Sino had no operations and had no discernible need for his services; and
 - (l) Neu personally benefited through his consulting company Eileen Corporation from payments made by Calgary Sino sums totalling in the range of \$700,000, purportedly for his role as Manager, Drilling Operation, when Calgary Sino had no operations and had no discernible need for his services.
46. The Third Party Claimants state that the Improper Transfers constituted a misappropriation of funds from the Third Party Claimants, which funds were lawfully the property of the Third Party Claimants. The Improper Transfers were made for the personal and financial benefit of the Third Party Respondents, some of which were also for the benefit of H Corp, and Qingdao Yuheng, a shareholder up the corporate chain of H Corp, the details of which transactions are not entirely known to the Third Party Claimants and within the knowledge of the Three Defendants.
47. The Improper Transfers were made at the direction of, or with the knowledge, acquiescence, assistance, and/or approval of one, some, or all of the Third Party Defendants, the full particulars of which are known only to the Third Party Defendants.

Breach of Fiduciary Duty

48. Deng, Lam and Wu (collectively, the “**Calgary Sino Fiduciaries**”) owed fiduciary duties to Calgary Sino due to their respective roles as directors, officers, and consultants of Calgary Sino, and were obliged to act honestly and in good faith with a view to the best interests of Calgary Sino. Calgary Sino was vulnerable to the unilateral exercise of discretion and power by the Calgary Sino Fiduciaries.
49. Each of Deng and Lake (collectively, the “**Long Run Fiduciaries**”) owed fiduciary duties to Long Run due to their roles as directors of Long Run, and were obliged to act honestly and in good faith with a view to the best interests of Long Run. Long Run was vulnerable to the unilateral exercise of discretion and power by the Long Run Fiduciaries.
50. Throughout their tenure as directors and/or officers of Calgary Sino and Long Run, the Calgary Sino Fiduciaries and the Long Run Fiduciaries, respectively (collectively, the

“Fiduciaries”), failed to disclose the above described misappropriations of funds through the Improper Transfers or to account to the Third Party Claimants for the funds that were the subject of the Improper Transfers. To the contrary, the Fiduciaries actively failed to disclose important financial transactions to the Third Party Claimants’ respective Boards of Directors or officers concerning the Improper Transfers.

51. The Fiduciaries failed to act in the best interest of Calgary Sino by ordering payments, with no corporate or business purposes to York City, the 100% shareholder of H Corp in the approximate amount of \$5 million.
52. The Fiduciaries also failed to act in the best interest of Long Run by ordering payments, with no business or corporate purposes to York City, the 100% shareholder of H Corp in the approximate amount of \$9 million. The payments were ordered through the Shareholder Declaration executed by Wu on behalf of Calgary Sino. The Long Run Fiduciaries knew or ought to have known about the Improper Transfers ordered under the Shareholder Declaration and failed to act in the best interest of Long Run.
53. Furthermore, and at all material times, the Fiduciaries had an obligation to disclose the nature and extent of any conflicts of interest with respect to the Improper Transfers, including but not limited to self-dealing transactions. In any case, the Fiduciaries did not disclose the nature of their interest, nor did they act in the best interests of Calgary Sino or Long Run, consistently preferring their own interests and those of friends, family, business associates, their interest in other companies over those of the Third Party Claimants.
54. By reason of the facts described above, and the Fiduciaries’ lack of due regard for transparency, disclosure, the avoidance of self-dealing and conflicts of interest, or corporate separateness, amongst other things, the Fiduciaries breached their fiduciary duties to the Third Party Claimants and the Third Party Claimants have suffered damages, as described below.

Deceit and Fraudulent Misrepresentation

55. The Third Party Defendants, by their words, conduct, silence, and concealment, knowingly represented that the distribution of the Third Party Claimants’ funds through the Improper Transfers was a legitimate use of corporate funds for the purpose of

furthering the business interests of the Third Party Claimants (collectively, the **“Misrepresentations”**).

56. Under the direction of Lam and Deng, the Third Party Claimants distributed funds to CAPC for the purchase of crude oil from affiliate companies of CAPC with the purpose of selling it back to CAPC for a negligible profit margin. CAPC never fulfilled its obligation to pay back the Third Party Claimants for the crude oil. Lam and Deng acted in concert together to create oil transactions that deprived the Third Party Claimants of funds, and the Three Defendants refused to permit further legal actions to pursue the payment of funds.
57. At all material times, the Third Party Defendants made the Misrepresentations knowing they were false, or without belief in their truth or, alternatively, were reckless as to the truth or accuracy of such representations.
58. The Third Party Defendants made the Misrepresentations with the intention that the Third Party Claimants would rely on them, and with the intention of deceiving the Third Party Claimants into believing that the Improper Transfers were legitimate and that the Fiduciaries could be trusted to manage, or continue to manage, corporate finances and affairs in accordance with their statutory and common law duties and without the need for oversight.
59. The Third Party Claimants did so rely on the Misrepresentations by continuing to retain the Fiduciaries in senior management positions at all material times and by not interfering with or otherwise questioning the Improper Transfers to the Third Party Beneficiaries, and have suffered damages and loss as a result and as described further below.

Negligent Misrepresentation

60. Alternatively, the Third Party Defendants were negligent as to the truthfulness or accuracy of the Misrepresentations regarding the legitimacy and purpose of the Improper Transfers. Such Misrepresentations were untrue, inaccurate, or misleading, and the Third Party Defendants knew or ought to have known in the circumstances that the Misrepresentations were untrue, inaccurate or misleading, and would result in the

Third Party Claimants not questioning the Transfers when they otherwise would have done so.

61. The Three Defendants and Wu intended and knew, or alternatively ought to have known, that the Third Party Claimants would rely upon the Misrepresentations and would be induced by them to continue to retain the Fiduciaries in senior management positions or as directors at all material times and not interfere with, dispute, or otherwise question the Improper Transfers to the Third Party Beneficiaries. The Third Party Claimants did so rely, and this reliance was reasonable given that the Fiduciaries held themselves out as experienced and reputable businesspeople and/or accredited, licensed professionals.
62. As a result of their reasonable reliance upon the Misrepresentations, the Third Party Claimants have sustained damages, as described further below.

Knowing Assistance and Knowing Receipt

63. By the time the Third Party Beneficiaries, as described in paragraph 45 above, were in receipt of the Improper Transfers, in their own right, they knew or ought to have known that the Improper Transfers, over which the Third Party Claimants hold a constructive trust, were being granted for no consideration in the form of services to the Third Party Claimants or other good and valuable consideration, and that the Fiduciaries were engaged in improper conduct and in breach of their fiduciary duties by reason thereof.
64. The Third Party Beneficiaries had actual knowledge of, or were reckless or wilfully blind to, the lack of justification for the Improper Transfers, the Fiduciaries' fiduciary relationships and duties, and the Fiduciaries' dishonest conduct in breaching their fiduciary duties through the Improper Transfers. This lack of justification for the Improper Transfers would have put a reasonable person on inquiry as to the impropriety of the Improper Transfers, yet the Third Party Beneficiaries failed to inquire as to the possible fraudulent misappropriation of the funds.
65. Further, and in the alternative, the Third Party Beneficiaries participated in or assisted the Fiduciaries' fraudulent and dishonest conduct, as a result of which the Third Party Claimants have sustained damages as described further below.

Predominant Purpose and Unlawful Means Conspiracy

66. By making the Misrepresentations and engaging in the Improper Transfers, the Three Defendants and Wu have wilfully and deliberately agreed to conspire to deprive the Third Party Claimants of the funds that were the subject of the Improper Transfers, and to facilitate the wrongful conversion of funds.
67. Deng and other Third Party Defendants acted in combination, in concert, by agreement or with common design to undertake the Misrepresentations and to implement the unlawful, fictitious, and self-dealing Improper Transfers with the ultimate goal of diverting company assets to their own personal bank accounts and those of their friends, families, business associates, and co-conspirators. This agreement to conspire which ultimately led to the Misrepresentations described above were directed at the Third Party Claimants which in effect constituted a breach of their fiduciary relationship, deceit and negligent misrepresentation, knowing assistance and knowing receipt, conversion, and unjust enrichment.
68. These actions were undertaken while the Third Party Defendants knew or ought to have known that such actions would cause injury to the Third Party Claimants, and these actions did in fact cause such injury. As such, the Third Party Defendants have engaged in an unlawful means conspiracy against the Third Party Claimants.
69. Further, or in the alternative, in effecting the Improper Transfers the Third Party Defendants acted in combination with the predominant purpose and goal to intentionally harm and cause injury to the Third Party Claimants by, among other things, diverting funds through the Improper Transfers. This conduct caused loss and damage to the Third Party Claimants as described further below.

Conversion

70. The Third Party Defendants, through the Improper Transfers, intentionally converted the property of the Third Party Claimants to their own uses, without proper authority or permission. In doing so they deprived the Third Party Claimants of their right to possession of the funds.
71. The Third Party Claimants are entitled to the restitution of the entire amounts as described in paragraph 45 so converted, along with interest on such amounts.

Unjust Enrichment

72. The Improper Transfers made by the Third Party Claimants to the Third Party Beneficiaries were for the benefit of the Third Party Defendants, whether directly or indirectly. By diverting funds from the Third Party Claimants for their benefit, without having performed the services or provided any other consideration required to earn the Transfers, the Third Party Defendants have been unjustly enriched and the Third Party Claimants have suffered a corresponding deprivation. There is no juristic reason for the enrichment of the Third Party Defendants as there was no contract, disposition of law, donative intent, or any other valid common law, equitable, or statutory obligations that justified the Improper Transfers. As well, there is no reason to rebut the assumption of a *prima facie* case of unjust enrichment.
73. The Third Party Claimants are entitled to a constructive trust with respect to the Improper Transfer amounts, which are the subject of such constructive trust.

Piercing the Corporate Veil

74. At all material times, each of the Fiduciaries acted as the directing mind of the Third Party Claimants exercising complete domination or control over them. Each of the Fiduciaries used the Third Party Claimants as instruments to implement the misappropriation of corporate funds through the Improper Transfers and as a mechanism to shield themselves from the liability of their illegal activity. The Third Party Claimants were not treated as separate corporate entities but as subsidiaries wholly dependant on the Deng Controlled Companies.
75. As a result of the above, the Fiduciaries are jointly and severally liable for all conduct, as set out above, conducted in the name of the Third Party Claimants.

Disgorgement of Any Monies Paid

76. In addition to the general damages described below, by reason of the acts described above, the Third Party Defendants conducted themselves in a manner that disentitles them to retain any compensation or funds that they received directly or indirectly from the Third Party Claimants, whether in the form of salary, bonuses, commissions, or otherwise. In light of all of the circumstances, the Third Party Claimants received no value for any alleged services provided by the Third Party Defendants in connection with

their employment or otherwise, and such compensation should be disgorged to the Third Party Claimants.

Punitive and Exemplary Damages

77. The conduct of the Three Defendants was intentional, deliberate, high-handed, flagrant, and reprehensible. Such conduct was a marked departure from the ordinary standards of decency and warrants full condemnation. The Third Party Claimants seek punitive and exemplary damages, on a joint and several basis.

Remedy sought:

78. The Third Party Claimants seek against York City and Qingdao Yuhon an Order for service *ex juris* permitting service of the documents in this Action.

79. The Third Part Claimants seek an Order for extension of service of the Third Party Claim;

80. The Third Party Claimants seek as against the Third Party Defendants contribution and indemnity with respect to any judgment that may be obtained against Calgary Sino and/or Long Run;

81. The Third Party Claimants seek damages for, *inter alia*, deceit and/or fraudulent misrepresentation, negligent misrepresentation, knowing assistance, knowing receipt, conversion, and unjust enrichment as follows:

(a) As against 1980 Ltd and Lake, jointly and severally, an amount totalling approximately \$700,000.00;

(b) As against 1838 Ltd and Lam, jointly and severally, an amount totalling approximately \$700,000.00;

(c) As against 1280 Ltd and Wu, jointly and severally, an amount totalling approximately \$700,000.00; and

(d) As against Eileen Corporation and Neu, jointly and severally, an amount totalling approximately \$700,000.00.

82. The Third Party Claimants seek damages for, *inter alia*, negligent misrepresentation, knowing assistance, knowing receipt, conversion, and unjust enrichment as follows:
 - (a) As against York City, damages in the amount of \$15 million;
 - (b) As against Qingdao Yuhen, damages in the amount of \$22 million; and
 - (c) As against West Lake, damages in the amount of \$30 million for transfers and amounts paid by Calgary Sino on its behalf during the acquisition of Twin Butte.
83. The Third Party Claimants seek damages for, *inter alia*, breach of fiduciary duty, deceit and/or fraudulent misrepresentation, negligent misrepresentation, knowing assistance, knowing receipt, predominant purpose conspiracy, unlawful means conspiracy, conversion, and unjust enrichment from the Three Defendants, jointly and severally, damages in the amount of \$45 million.
84. The Third Party Claimants seek punitive or exemplary damages, from the Three Defendants and Wu, jointly and severally, in addition to the amounts set out above;
85. Pre-judgment and post-judgment interest on all amounts awarded to the Third Party Claimants at such rate or rates as may be ordered, compounded annually or monthly, pursuant to the *Judgment Interest Act*, RSA 2000, c. J-1, as amended, or otherwise;
86. Costs of this Action on a solicitor and his own client basis, or, in the alternative, on such other basis as this Honourable Court may order; and
87. Such further and other relief as this Honourable Court considers appropriate.

Statement of Claim and Statement of Defence:

88. A copy of the Statement of Claim and Statement of Defence filed in this action are attached.

NOTICE TO THE THIRD PARTY DEFENDANT(S)

You only have a short time to do something to respond to this third party claim:

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada

You can respond by filing a statement of defence or a demand for notice in the office of the clerk of the Court of Queen's Bench at Calgary, Alberta, AND serving your statement of defence or a demand for notice on the Defendant's(s)/third party plaintiff's(s') address for service.

WARNING

If you do not file and serve a statement of defence or a demand for notice within your time period, you risk losing the claim against you automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give judgment to the defendant(s)/third party plaintiff(s) against you.

This third party claim must be tried with other claims in the action, unless the Court otherwise orders.

If you do not file a statement of defence disputing liability of the defendant(s) to the plaintiff(s), you admit the validity of any judgment that the plaintiff(s) obtain(s) against the defendant(s), whether obtained by agreement or otherwise.

If you do not file a statement of defence disputing your own liability to the third party plaintiff(s) under the third party claim, you admit liability to the extent claimed in the third party claim.

Form 10
[Rule 3.25]

COURT FILE NUMBER 2001-03353

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

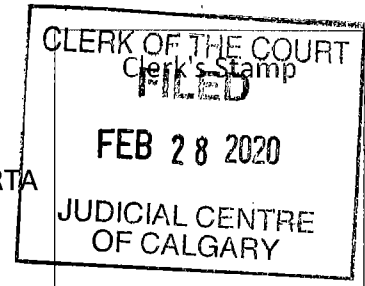
PLAINTIFFS HENENGAIXIN CORP.

DEFENDANTS TIANZHOU DENG, XIAOBO DENG aka LAKE DENG, MICHAEL LAM, CALGARY SINOENERGY INVESTMENT CORP., LONG RUN EXPLORATION LTD., JOHN DOE, and ABC CORPORATION

DOCUMENT STATEMENT OF CLAIM

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **JENSEN SHAWA SOLOMON DUGUID HAWKES LLP**
800, 304 - 8 Avenue SW
Calgary, Alberta T2P 1C2

Andrew Wilson/Erin J. Baker
Tel: 403 571 1520
Fax: 403 571 1528
File: 14828.001



NOTICE TO DEFENDANT(S)

You are being sued. You are a Defendant.

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

Note: State below only facts and not evidence (Rule 13.6)

Statement of facts relied on:

1. The Plaintiff, Henenghaixin Corp. ("**H Corp.**"), is a corporation incorporated pursuant to the laws of Alberta. H Corp. is an indirectly wholly owned subsidiary of two limited partnerships located in the People's Republic of China ("**PRC**"): Jiangyin Henenghaixin Investment Partnership ("**Jiangyin LP**") and Wuhan Changxin Hesheng Industrial Investment Fund Partnership ("**Wuhan LP**"). H Corp. is the sole shareholder of West Lake Energy Corporation ("**West Lake**"), a corporation incorporated pursuant to the laws of Alberta.

2. The Defendant, Calgary Sinoenergy Investment Corporation ("**Calgary Sinoenergy**"), is a corporation incorporated pursuant to the laws of Alberta.
3. The Defendant, Long Run Exploration ("**Long Run**"), is a corporation incorporated pursuant to the laws of Alberta. Long Run is a wholly-owned subsidiary of Calgary Sinoenergy.
4. The Defendant, Tianzhou Deng, is an individual ordinarily resident in Beijing, in the PRC. Mr. Deng is a well-known businessman in the PRC. Mr. Deng is a former director of the Plaintiff, H Corp., having served as a director of H Corp. from November 23, 2016 to September 21, 2017. Mr. Deng is also a director of Calgary Sinoenergy, a director of Long Run, and a director of West Lake.
5. The Defendant, Xiaobo Deng, also known as Lake Deng, is an individual ordinarily resident in Calgary, Alberta. Ms. Deng is Mr. Deng's daughter. Ms. Deng is a former director of West Lake, having served as a director of West Lake from April 2, 2017 to April 19, 2018. Ms. Deng is also a director of Long Run.
6. The Defendant, Michael Lam, is an individual ordinarily resident in Calgary, Alberta. Mr. Lam is a trusted advisor of Mr. Deng and a business associate of Ms. Deng.
7. Both Ms. Deng and Mr. Lam represented themselves as having authority to direct the affairs of H Corp. and West Lake as delegates of Mr. Deng. They held out Mr. Deng as being the ultimate owner or controller of H Corp. As outlined below, they had no such authority. However, under the pretenses of having such authority, Ms. Deng, Mr. Lam, and Mr. Deng wrongfully removed tens of millions of dollars from H Corp., as detailed below.
8. The Defendants John Doe and ABC Corporation are individuals and corporations who participated in the acts described below, or have received some or all of the funds so misappropriated, the identity of which is currently only known to the other Defendants.

Background

9. Through a series of subsidiaries, Jiangyin LP and Wuhan LP contributed a combined CAD\$352.5 million to H Corp. for the purpose of (i) acquiring the assets of Twin Butte Energy Ltd. ("**Twin Butte**"), an Alberta-based oil and gas firm, out of receivership, and (ii) providing the working capital required to operate the assets once purchased (the "**Investment Funds**").
10. In March 2017, the Twin Butte assets were ultimately acquired by West Lake, a wholly-owned subsidiary of H Corp., for a purchase price of CAD\$266,000,000.00, less adjustments of CAD\$3,194,245.56.

11. H Corp. believed that the Investment Funds, less the purchase price for the Twin Butte assets net of adjustments, would be available for West Lake to operate the Twin Butte assets. Those remaining funds were not to be used for any other purpose.

The Misappropriation and Diversion of Funds from H Corp.

12. Ms. Deng advised a consultant in her employ that her father, Mr. Deng, was acquiring the assets of Twin Butte out of receivership. She arranged for the consultant to become a director of H Corp. and an officer of West Lake.
13. Mr. Lam represented to individuals at H Corp. that he had full financial authority over the financial affairs of H Corp., which he described as a holding company of "Sinoenergy" (Mr. Deng is the founder and major shareholder of Changchun Sinoenergy Corp., an entity publically traded on the Shanghai Stock Exchange).
14. In this way, Ms. Deng and Mr. Lam represented that Mr. Deng owned and controlled H Corp., and that they had authority to direct the affairs of H Corp on his behalf.
15. None of this was true.
16. From approximately January to September 2017, or such other time as may be determined through oral and documentary discovery in the within Action and be proven at trial, while Mr. Deng was simultaneously a director of H Corp. and controlling shareholder and director of Calgary Sinoenergy and Long Run, approximately \$44 million of the Investment Funds received by H Corp. were diverted to Calgary Sinoenergy and Long Run (the "**Diverted Funds**").
17. These transfers occurred at the behest of Mr. Deng, Ms. Deng, and Mr. Lam.
18. It is expected that Calgary Sinoenergy and Long Run thereafter provided the Diverted Funds to others, the identities of which include Ms. Deng, Mr. Deng, Mr. Lam, John Doe and ABC Corporation.
19. There was no legitimate reason for the diversions.
20. The improper diversion of the "Diverted Funds" was unknown, and unknowable to H Corp. until January, 2019 at the earliest.

Breach of Director's Duties

21. As a director of H Corp., Mr. Deng owed a duty to H Corp. to act in its best interests.
22. Mr. Deng breached these duties by either actively arranging for the transfer of the Diverted Funds, or, alternatively, by allowing the Diverted Funds to be transferred as a result of insufficient oversight or insufficient internal controls.

23. As a result of the breach of his duties, H Corp. suffered damages and loss in the amount of \$44 million, or such other amount as may be proved at the trial of this Action.

Knowing Assistance and Knowing Receipt

24. Calgary Sinoenergy and Long Run knew or were recklessly or willfully blind to the fact that either or all of Mr. Deng, Ms. Deng, and Mr. Lam were fraudulently misappropriating the Diverted Funds from H Corp. to the detriment of H Corp. and that Mr. Deng was in breach of his fiduciary obligations to H Corp. Calgary Sinoenergy and Long Run received and accepted, for their own benefit, the Diverted Funds when each knew or ought to have known that their receipt of any portion of the Diverted Funds arose from, and were made to each of them through, fraudulent misappropriation and in breach of the fiduciary duties owed by Mr. Deng.
25. Calgary Sinoenergy and Long Run's receipt and acceptance of the Diverted Funds in these circumstances constituted a knowing receipt of the Diverted Funds, which had been fraudulently misappropriated from H Corp. As such, Calgary Sinoenergy and Long Run hold the Diverted Funds as constructive trustees of H Corp.
26. Calgary Sinoenergy and Long Run have misused and converted the Diverted Funds to their own use such that H Corp. is unable to determine what entity or individual is currently in possession of the Diverted Funds, or a portion thereof.
27. H Corp. claims return of the Diverted Funds in whatever form to which they can be traced. H Corp. also claims damages to the extent such funds have been dissipated or to the extent such assets purchased from the funds have decreased in value.

Misrepresentation

28. The Defendants Mr. Deng, Ms. Deng, and Mr. Lam made representations to officers of H Corp. that they had authority to direct the diversion of funds from H Corp. These representations were made with the intent that directors and officers of H Corp. would rely on them, and the Defendants Mr. Deng, Ms. Deng, and Mr. Lam knew or ought to have known that they would in fact be relied upon. These representations were in fact false.
29. On the basis of these representations, funds were wrongfully diverted out of H Corp. But for the misrepresentations, the funds would not have been wrongfully diverted.
30. As a result of these misrepresentations and H Corp.'s reliance on them, H Corp. has suffered damage in the amount of \$44 million or such other amount as shall be proved at the trial of this Action.

Conversion

31. By means of the Diverted Funds, the Defendants have converted the Plaintiff's funds to their own use and thereby deprived the Plaintiff of the benefit of those funds.
32. The Plaintiff is entitled to restitution of the entire amounts so fraudulently converted.
Unjust Enrichment
33. The Defendants Sinoenergy Canada and Long Run have been enriched in the amount of the Diverted Funds, the Plaintiff has been deprived by a like amount, and there is no juristic reason for either the enrichment or the deprivation.

Conspiracy

34. The Defendants had an agreement pursuant to which they acted in concert and engaged in all of the foregoing conduct with the predominate purpose of causing injury to the Plaintiff. Alternatively, the Defendants had an agreement pursuant to which they acted both in concert and unlawfully, and the Defendants knew or ought to have known that the Plaintiffs would suffer harm as a result of the Defendants' actions.
35. By virtue of the Defendants' conspiracy, the Plaintiffs have suffered losses including the loss of the Diverted Funds. Further, by conspiring in the manner they have, the Defendants are jointly and severally liable to the Plaintiff for the entirety of the Plaintiff's loss notwithstanding that a particular Defendant may not have conducted a particular act alleged above.

Fraudulent Conveyances

36. At various times, the full particulars of which are only known to the Defendants, the Defendants have transferred assets from themselves to others in order to avoid creditors, including the Plaintiff, or alternatively to payees in preference to other creditors, including the Plaintiff (the "Fraudulent Conveyances"). The Fraudulent Conveyances were done at such a time as the Defendants knew they were insolvent or knew that in light of the claims against them, including the potential claim of the Plaintiff, they were on the eve of insolvency. All such Fraudulent Conveyances were illegal and contrary to the Statue of Elizabeth and the *Fraudulent Preferences Act*, RSA 2000, c F-24.
37. The Plaintiff seeks that the Fraudulent Conveyances be set aside and any assets so transferred made available to the Plaintiff to satisfy the judgment given to the Plaintiff in this Action.
38. As a result of the Fraudulent Conveyances, the Plaintiff expressly claims the right to constructive trusts and equitable liens in and against the assets so fraudulently conveyed.

Tracing, Freezing Assets, Accounting, and Disgorgement

39. As a result of the Defendants' wrongful conduct as set out above, the Plaintiff is entitled to trace all amounts received or disbursed by the Defendants as part of or as a result of the conduct outlined above. The Plaintiff is also entitled to an accounting of the monies belonging to the Plaintiff that have come into the possession of the Defendants and to an accounting of any benefit received by the Defendants as a result of the Diverted Funds.
40. The Plaintiff is also entitled to interlocutory and permanent injunctions restraining the Defendants from disposing of any of their assets wheresoever located and an accounting of all of the Defendants' assets, effects, and property, including any trust account or jointly held assets, any improper disposition thereof, and all money had or received by the Defendants or anyone on their behalf.
41. The Defendants are liable to make restitution to the Plaintiff and to disgorge any benefit they have received from the Diverted Funds to the Plaintiff.
42. The Plaintiff has also suffered significant out of pocket expenses and special damages in its detection, investigation, and quantification of the fraud and losses suffered and the attempt to recover the Diverted Funds, in an amount to be proven at trial.

Technical Matters

43. The Plaintiff believes it is unlikely that the Trial in this Action will exceed 25 days
44. The Plaintiff proposes that the Trial of this Action be held at the Calgary Courts Centre, in the City of Calgary, in the Province of Alberta.

Service *Ex Juris* on Mr. Deng

45. There is a real and substantial connection between Alberta and the facts on which the claims in this Action are based, including that:
 - (a) Mr. Deng was a director of relevant Alberta-based corporations and the claim is governed by the laws of Alberta;
 - (b) The claim relates to torts committed in Alberta;
 - (c) The claim related to the removal of assets from an Alberta-based corporation;
 - (d) The defendant, Mr. Deng, although outside Alberta, is a necessary or proper party to the action brought by others who are resident in Alberta;
 - (e) The Action relates to a breach of an equitable duty in Alberta.

Remedy sought:

46. The Plaintiff seeks against the Defendants jointly and severally:
- (a) An Order for service *ex juris* permitting service of the documents in this Action on Mr. Deng in the PRC;
 - (b) An Order freezing the assets of all the defendants named in this Statement of Claim or granting other interim relief as may be sought;
 - (c) A Norwich Order for the disclosure of records and information relating to the bank accounts of each of the Defendants;
 - (d) Judgment, or in the alternative damages, for the fraudulent taking of the Diverted Funds in the amount of \$44 million and such further amounts as will be discovered through the oral and documentary discovery process in the within Action and proven at Trial;
 - (e) An Order declaring that any funds or benefits received by Mr. Deng, Ms. Deng, or Mr. Lam from the Diverted Funds are held in trust for H Corp. and that H Corp. is permitted to trace the Diverted Funds that Mr. Deng, Ms. Deng, and Mr. Lam fraudulently obtained from H Corp. into and through any financial institution accounts or deposit facilities in the names of Mr. Deng, Ms. Deng, or Mr. Lam and into or through any assets purchased by Mr. Deng, Ms. Deng, or Mr. Lam;
 - (f) An Order declaring that Mr. Deng, Ms. Deng, and Mr. Lam must account to H Corp. for all monies taken from H Corp. as the Diverted Funds;
 - (g) An Order declaring that any funds or benefits received by Calgary Sinoenergy and Long Run from the Diverted Funds are held in trust for H Corp. and that H Corp. is permitted to trace as follows the Diverted Funds that Calgary Sinoenergy and Long Run fraudulently obtained from H Corp. into and through any financial institution accounts or deposit facilities in the names of Calgary Sinoenergy or Long Run and into or through any assets purchased by Calgary Sinoenergy or Long Run or into the hands of any person or entity;
 - (h) An Order declaring that Calgary Sinoenergy and Long Run must account to H Corp. for all monies taken from H Corp. as the Diverted Funds and disgorge same;
 - (i) Setting aside the Fraudulent Conveyances and granting constructive trusts or equitable liens over any assets so fraudulently conveyed;
 - (j) Special damages and out of pocket expenses arising out of the detection, investigation, quantification, and recovery of the fraud, losses and consequential losses suffered by H Corp. in the amount to be proven at the Trial of this Action;

- (k) Interest in accordance with the *Judgment Interest Act*, RSA 2000, c J-1, as amended;
- (l) Costs of this Action on a full indemnity solicitor and own client basis; and
- (m) Such further and other relief as this Honourable Court may deem just.

NOTICE TO THE DEFENDANT(S)

You only have a short time to do something to defend yourself against this Claim:

- 20 days if you are served in Alberta
- 1 month if you are served outside Alberta but in Canada
- 2 months if you are served outside Canada.

You can respond by filing a Statement of Defence or a Demand for Notice in the office of the clerk of the Court of Queen's Bench at Calgary, Alberta, AND serving your Statement of Defence or a Demand for Notice on the Plaintiff's(s') address for service.

WARNING

If you do not file and serve a Statement of Defence or a Demand for Notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a Court may give a judgment to the Plaintiff(s) against you.

Form 11
[Rule 3.31]



Clerk's stamp:

10:31am

COURT FILE NUMBER	2001-03353
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	HENENGHAIXIN CORP.
DEFENDANTS	TIANZHOU DENG, XIAOBO DENG aka LAKE DENG, MICHAEL LAM, CALGARY SINOENERGY INVESTMENT CORP., LONG RUN EXPLORATION LTD., JOHN DOE and ABC CORPORATION
DOCUMENT	STATEMENT OF DEFENCE
PARTIES FILING THIS DOCUMENT	CALGARY SINOENERGY INVESTMENT CORP. and LONG RUN EXPLORATION LTD.
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Dentons Canada LLP 15th Floor, 850 – 2nd Street SW Calgary, AB T2P 0R8 Attn: Lillian Y. Pan, Q.C. / Elizabeth Allum Ph. (403) 268-7171 / 3003 Fax. (403) 268-3100 Email: lillian.pan@dentons.com / elizabeth.allum@dentons.com File No. 582519-1

Note: State below only facts and not evidence (Rule 13.6)

Statement of facts relied on:

1. This is the Statement of Defence of the Defendants, Calgary Sinoenergy Investment Corp. ("**Calgary Sino**") and Long Run Exploration Ltd. ("**Long Run**") (collectively the "**Corporate Defendants**").
2. Except as expressly stated otherwise and specifically admitted in this Statement of Defence, Calgary Sino and Long Run deny any and all allegations in the Statement of Claim of Henenghaixin Corp. ("**H Corp.**") and put H Corp. to the strict proof thereof.
3. The Corporate Defendants admit paragraphs 2 and 3 of the Statement of Claim. The Corporate Defendants agree with paragraphs 43 and 44 of the Statement of Claim.
4. The Corporate Defendants have no specific knowledge of the corporate/shareholder structure of H Corp. described in paragraph 1 of the Statement of Claim. Further they have no knowledge and deny any and all of the allegations in paragraphs 7 to 42 of the Statement of Claim and put H Corp. to the strict proof thereof.

5. Except as expressly stated otherwise, all pleadings of fact in this Statement of Defence that reference facts as they existed at the material time, such material time refers to the time period of 2017, 2018, and early 2019 when the alleged events complained of by H Corp. allegedly took place.

The Parties

6. The Plaintiff, H Corp., is a corporation incorporated under the laws of the Province of Alberta. It is the 100% shareholder of an Alberta company called West Lake Energy Corp. ("**West Lake**"). York City Enterprises Ltd. ("**York City**"), a company incorporated in the British Virgin Islands, is the 100% shareholder of H Corp.
7. The Corporate Defendants are corporations incorporated under the laws of the Province of Alberta. At all material time, Calgary Sino was a holding company and the 100% shareholder of Long Run. Long Run is an operating oil and gas company in Alberta. Calgary Sino was not an operating oil and gas company at the material time.
8. The Defendant, Tianzhou Deng ("**Mr. Deng**"), is an individual who apparently resides in The People's Republic of China. Mr. Deng was a member of the Board of Directors of the Corporate Defendants. Specifically,
 - (a) Mr. Deng was a member of the Board of Directors of Calgary Sino from December 9, 2015 to November 18, 2019; and
 - (b) Mr. Deng was a member of the Board of Directors of Long Run from June 29, 2016 to November 18, 2019.
9. After November 18, 2019, Mr. Deng had no further involvement or ongoing direct dealings with the Corporate Defendants. After January 27, 2020, when Mr. Deng's daughter Ms. Deng (as defined below) was no longer a member of the Board of Directors of Long Run, Mr. Deng ceased to have any dealings with the Corporate Defendants. At the material time, Mr. Deng was also a member of the Board of Directors of H Corp. and of West Lake.
10. The Defendant, Xiaobo Deng, also known as Lake Deng ("**Ms. Deng**"), is an individual ordinarily resident in Calgary, Alberta and is the daughter of Mr. Deng. Ms. Deng was a member of the Board of Directors of Long Run from October 22, 2016 to January 27, 2020. Thereafter she ceased to have any dealings with Long Run. Ms. Deng, until April 4, 2018, was also a member of the Board of Directors of West Lake.
11. The Corporate Defendants deny that Mr. Deng and Ms. Deng are currently members of the Board of Directors of Calgary Sino and/or Long Run, contrary to paragraphs 4 and 5 of the Statement of Claim.
12. The Defendant, Michael Lam ("**Mr. Lam**"), is an individual ordinarily resident in Calgary, Alberta. Mr. Lam was the Vice-President, Finance of Calgary Sino at the material time and until January 10, 2020 when he was removed and terminated from this position. Thereafter he ceased to have any dealings with the Corporate Defendants.
13. At the material time and up to the date of his termination on January 10, 2020, Mr. Lam in his capacity as Vice-President, Finance of Calgary Sino was in the position to determine the flow of funds between Calgary Sino and Long Run as well as determine and verify payments made by

Calgary Sino to other persons or companies. He did so with the concurrence or under the direction of Mr. Deng and/or Ms. Deng at the material time.

14. Collectively, Mr. Deng, Ms. Deng and Mr. Lam are hereinafter referred to as the “**Three Defendants**”. By reason of their role and involvement with Calgary Sino and Long Run at the material time, the Three Defendants were fiduciaries to the Corporate Defendants and owed a duty of care to them and to act in the best interests of the Corporate Defendants.

The Consulting Contracts

15. The Corporate Defendants have no information as to what role, if any, Ms. Deng played at the material time or thereafter in relation to Calgary Sino. For reasons unknown to the Corporate Defendants, but known to the Three Defendants, Ms. Deng, through an Alberta numbered company, namely 1980264 Alberta Ltd., had a contract for an indefinite term to provide “consulting services” as a Senior Legal Advisor for Calgary Sino commencing August 5, 2016 for a consulting fee of \$15,000 monthly plus expenses for which she was paid monthly by Calgary Sino. To the Corporate Defendants’ knowledge Ms. Deng is not licensed to practice as a lawyer in Alberta. The Corporate Defendants are unable to determine what services, if any, were supplied by Ms. Deng or her numbered Alberta company to Calgary Sino triggering these payments made by Calgary Sino, under the direction of Mr. Lam, during the material time or the nature of her responsibilities, if any, within Calgary Sino.
16. At the material time, the Three Defendants also caused or permitted Calgary Sino to enter into a contract with a numbered Alberta company controlled by Mr. Lam, namely 1838967 Alberta Ltd., relating to Mr. Lam’s “expertise in LNG transportation and export facility”. The Corporate Defendants are unable to determine what services, if any, were supplied by Mr. Lam to Calgary Sino related to this alleged “LNG transportation and export facility” or the specific nature of his services, if any, related to Calgary Sino that triggered payments from Calgary Sino, under the direction of Mr. Lam and with the concurrence of Mr. Deng and/or Ms. Deng, to Mr. Lam’s numbered Alberta company during the material time.
17. At the material time, the Three Defendants also caused or permitted Calgary Sino to enter into a contract with a numbered Alberta company controlled by Hao Wang, also known as Harold Wang (“**Mr. Wang**”), namely 1988680 Alberta Ltd. Mr. Wang is an individual ordinarily resident in Alberta, and a relative of Mr. Deng and Ms. Deng. Mr. Wang was a member of the Board of Directors of Calgary Sino from December 9, 2015 to November 30, 2016. In a number of contracts entered into by Calgary Sino, Mr. Wang signed on behalf of Calgary Sino, to the knowledge of and under the direction of the Three Defendants. However, since July 4, 2016, Mr. Wang, through his numbered Alberta company, was paid a consulting fee as a “Senior Investment Advisor” by Calgary Sino. The Corporate Defendants are unable to determine what services, if any, were supplied by Mr. Wang to Calgary Sino that triggered payments from Calgary Sino, under the direction of Mr. Lam and with the concurrence of Mr. Deng and/or Ms. Deng, to Mr. Wang’s numbered Alberta company during the material time.

Other Payments

18. At the material time until his termination in January 2020, Mr. Lam controlled and directed the overall financial affairs of Calgary Sino, including making the determinations to route certain payments payable to Long Run through Calgary Sino and directing payments to be made to other

parties whose relationship to Calgary Sino are not known and for which there are no supporting records for such payments. Some payments made by Calgary Sino at the material time under the direction of Mr. Lam, included payments by Calgary Sino to Canadian Advantage Petroleum Corp., payments to and from Calgary Sino with East River Oil and Gas Limited, payments to Ms. Deng, and Mr. Wang, among others, the source of which funds may have come originally from H Corp., which is denied, and were ultimately for the benefit of H Corp., its shareholders or affiliates, or for the personal benefit of the Three Defendants personally or for the benefit of their other business interests.

19. At the material time, Mr. Lam, together or under the direction of Ms. Deng and/or Mr. Deng, and pursuant to alleged contracts signed by Mr. Wang on behalf of Calgary Sino, directed certain payments to be made:
- (a) from Calgary Sino to a number company related to Yingchun Wu ("**Mr. Wu**"), who at the material time was the Chief Operating Officer of H Corp.; and
 - (b) from Calgary Sino to an Alberta company for the services of Steven Neu ("**Mr. Neu**"), who at the material time was a member of the Board of Directors of H Corp,

which payments of funds may have come originally from H Corp., which is denied, for reasons and purposes unknown to the Corporate Defendants, but known to Mr. Lam, the Three Defendants and/or Mr. Wu and Mr. Neu. Any and all such payments through contracts with companies controlled by Mr. Wu and Mr. Neu were to further the interests of H Corp. and/ or the interests of the Three Defendants. None of these payments made by Calgary Sino under the direction of Mr. Lam or the Three Defendants at the material time were for the benefit of Calgary Sino or Long Run. These payments were made without any apparent justification as Calgary Sino was a holding company and not an operating company.

20. At the material time, Mr. Lam and/or the Three Defendants caused Calgary Sino and/or Long Run to make certain material payments to a number of persons and companies for which there are no records or justification, were not in the best interests of the Corporate Defendants and which transactions were to further the personal and/or other business interests of the Three Defendants, including to the benefit of H Corp. and/or West Lake, and unrelated to the legitimate business interests of the Corporate Defendants. Certain payments directed by the Three Defendants may have been made by Qingdao Sinoenergy Asset Management, by Jiaxing Tianji Lizhen and/or Jiaxing Huachang Equity in China, to the benefit of H Corp. or as a set-off against any amounts found owing to H Corp. by the Corporate Defendants, which is denied, all of which knowledge and records are known to the Three Defendants, but are not within the knowledge of the Corporate Defendants.
21. For reasons unknown to the Corporate Defendants, and based upon oral or written arrangements or agreements unknown to the Corporate Defendants, in or about December 2016, Calgary Sino paid at least \$20,000,000 USD and Long Run made certain unknown payments to the account of H Corp. for the acquisition of certain assets of Twin Butte Energy Ltd. ("**Twin Butte**"), which assets now form part of West Lake's oil and gas operations. For reasons not known to the Corporate Defendants, an alleged loan agreement, according to Mr. Lam, was entered into between Calgary Sino and York City at the material time. Calgary Sino, under the direction of Mr. Lam or the Three Defendants, directed certain payments to be made by Calgary Sino to York City at the material time allegedly for the account of H Corp. and in furtherance of such loan, which is denied.

Any matters that defeat the claim of the plaintiff(s):

22. At all material times the financial affairs of Calgary Sino were under the direction of Mr. Lam, who in his capacity as the Vice-President of Finance of Calgary Sino was required to oversee the proper payments and appropriate documentation of the financial affairs which involved Calgary Sino and Long Run. Mr. Lam did not properly document the transactions of funds entering or leaving the account(s) for Calgary Sino at the material time.
23. During the material time, Mr. Lam directed funds to be transferred by staff at Calgary Sino and Long Run under his direction. These staff are no longer employed with Calgary Sino and/or Long Run.
24. To the extent that funds of Calgary Sino and/or Long Run were transferred to other individuals/companies outside the Corporate Defendants not in the ordinary course of business or for the operations of Long Run, they were done by Mr. Lam or under his direction, not for the benefit of the Corporate Defendants and such funds are not attributable at law as owing to H Corp. by Calgary Sino and/or Long Run under the doctrine of corporate attribution.
25. The Corporate Defendants deny they knowingly assisted the Three Defendants as the alleged improper actions of each of the Three Defendants were done for their own personal benefit or their other business interests unrelated to the Corporate Defendants, and any constructive knowledge imputed to the Corporate Defendants does not affix liability at law to the Corporate Defendants.
26. The Corporate Defendants deny they have liability for knowing receipt. To the extent, there are funds from H Corp. received by the Corporate Defendants, which is denied, such were the subject of contracts entered into by one of the Corporate Defendants with the other or with H Corp. or its related companies, including York City and there is a juristic reason and no unjust enrichment to the Corporate Defendants.
27. In any event, the Corporate Defendants have no actual or constructive knowledge and are not liable for knowing assistance to any alleged misrepresentation, as alleged by H Corp. in paragraphs 24 to 26 of the Statement of Claim, which is expressly denied. Any alleged act of misrepresentation asserted against any of the Three Defendants by H Corp. are not at law attributable to the Corporate Defendants.
28. To the extent that any acts of misrepresentation involved the Three Defendants concerning H Corp., such acts were not done in their capacity as the directing minds of Calgary Sino or Long Run and may have been in their capacity as the directing minds of H Corp., West Lake or other related companies. Calgary Sino and/or Long Run were the pawns used by the Three Defendants or any of them as the initial recipients of such funds and to the extent such funds were then redirected out of the accounts of Calgary Sino and/or Long Run by any of the Three Defendants, then the Corporate Defendants are not at law liable to account for those funds. To the extent that some of those funds are still retained by Calgary Sino and/or Long Run, which is denied, there was no conversion at law and there is a juristic reason for the enrichment including contractual rights, arising from contract(s) oral or in writing made with the parent company of H Corp. and done within the knowledge and concurrence of H Corp., including its director Mr. Neu and its officer, Mr. Wu, and the Three Defendants in their roles at H Corp. and/or West Lake. Such knowledge or information of the transactions or contracts are primarily within the knowledge or information of Mr. Lam and known to and approved by Mr. Deng and/or Ms. Deng.

29. The Corporate Defendants deny they conspired with the Three Defendants or that they were at law trustees of any alleged funds of H Corp. To the extent Calgary Sino advanced or paid funds for the benefit of H Corp. or its subsidiary West Lake, or its parent York City, directly or indirectly, which is denied, Calgary Sino is entitled to set-off such amounts against any alleged amounts proven by H Corp. to be owed to H Corp.
30. Mr. Lam or the Three Defendants authorized consulting contracts entered into by Calgary Sino with a company controlled by Mr. Neu, a director of H Corp., and with a company controlled by Mr. Wu, the chief operating officer of H Corp. at the material time for reasons unknown to the Corporate Defendants for which they are liable to account for the funds they received from H Corp. While the Corporate Defendants Mr. Lam or the Three Defendants authorized and directed payments to be made by Calgary Sino and/or Long Run to third parties, as described above, for reasons not known to Calgary Sino and/or Long Run, such are apparently for the benefit of H Corp. As described above any companies which apparently have received payments from Calgary Sino and/or Long Run or received payments through other entities controlled by the Three Defendants which were allegedly made for the account of the Corporate Defendants to the ultimate benefit of H Corp. the Corporate Defendants are entitled to such set-offs against H Corp. Through the authority of its own directors or through the knowledge of H Corp.'s shareholder at the material time, H Corp. knew and implicitly or explicitly authorized any such alleged impugned transactions.
31. H Corp. invokes the remedy of tracing the funds and must recover from the recipients who are the final recipients of any such alleged funds of H Corp. which went through the accounts of Calgary Sino and/or Long Run. In any event such recipients received alleged funds which were for the benefit of H Corp. or its subsidiary West Lake, any alleged improper transactions which flowed through Calgary Sino was done with the concurrence of Mr. Neu, a director of H Corp. and thereby attributable to H Corp. and/or West Lake, and done with the concurrence of Mr. Lam who had actual or ostensive authority from H Corp. to transact on behalf of H Corp. Mr. Neu, through a company he controlled at the material time was a consultant to Calgary Sino as well as a director of H Corp. and as such makes H Corp. fully aware of the activities of Calgary Sino and it condoned them. In the alternative, Mr. Neu has personal liability for any payment he may have received from Calgary Sino to the extent they are traced to funds from H Corp. within Calgary Sino, which is denied.
32. In any event, the alleged misrepresentations described in paragraphs 28 to 30 of the Statement of Claim did not involve Calgary Sino or Long Run. To the extent these alleged misrepresentations were made by any of the Three Defendants they were made in their capacity as the directors/officers/directing minds of H Corp. and/or West Lake and/or for their own personal account or business interests and benefit.
33. The Corporate Defendants had no involvement in the preparation, presentation or representations of any alleged untrue records which relate to H Corp. or its subsidiary West Lake. To the extent that the Corporate Defendants, West Lake and H Corp. share some common directors and officers, namely any of the Three Defendants, the actions and activity taken by any of the Three Defendants were taken outside their respective roles as directors, officers or directing minds of the Corporate Defendants. To the extent any and all alleged misrepresentations were made by Mr. Lam or the Three Defendants they were not within the scope of Mr. Lam's duties to or authority for either Calgary Sino or Long Run and were for personal gain and/or for the collective business gain of the Three Defendants or other third parties, and are not attributable to the Corporate Defendants.

34. The alleged misrepresentations raised by H Corp. in the Statement of Claim, to the extent they were committed, which is denied, were a part of a larger financial scheme to benefit the Three Defendants personally or their other financial interests, and not to benefit Calgary Sino or Long Run. They are not attributable at law to Calgary Sino or Long Run.
35. The Corporate Defendants deny that they bear any responsibility at law for any alleged wrongful acts in relation to any alleged funds of H Corp.
36. In any event, given the directing minds, officers and/or directors of H Corp at the material time included Mr. Neu, Mr. Wu and the Three Defendants, H Corp. is time-barred to assert its claim pursuant to the *Limitations Act of Alberta*, RSA 2000, c.L-12.
37. The Corporate Defendants deny that H Corp. is entitled as against the Corporate Defendants to any extraordinary relief, including any Mareva injunction or interlocutory or permanent injunction or attachment orders under the *Civil Enforcement Act of Alberta*.

Remedy sought:

38. The Corporate Defendants deny that H Corp. is entitled to the relief it seeks. Calgary Sino and Long Run plead that all claims against them should be dismissed with costs on the highest scale that this Honourable Court deems to be just.

Exhibit "21"

Shanghai Stock Exchange Decisions 2020 No. 45 and English translation, May-06-20

16 pages

THIS IS EXHIBIT " 21 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 2026

上海证券交易所 纪律处分决定书

[2020] 45 号

关于对长春中天能源股份有限公司 及有关责任人予以纪律处分的决定

当事人：

长春中天能源股份有限公司，A 股简称：ST 中天，A 股证券
代码：600856；

邓天洲，长春中天能源股份有限公司实际控制人暨时任董事
长兼总裁；

黄 博，长春中天能源股份有限公司实际控制人暨时任董事
长兼总裁；

陈正钢，长春中天能源股份有限公司时任董事会秘书；

孙永成，长春中天能源股份有限公司时任董事会秘书；
徐天啸，长春中天能源股份有限公司时任董事会秘书；
王海玲，长春中天能源股份有限公司时任总会计师；
穆天玉，长春中天能源股份有限公司时任总会计师。

一、上市公司及相关主体违规情况

经查明，长春中天能源股份有限公司（以下简称 ST 中天或公司）在信息披露、规范运作方面，有关责任人在职责履行方面，存在以下违规行为。

（一）公司对外担保未按规定履行审议程序和信息披露义务

2016 年-2018 年期间，公司在未履行相关审议程序和信息披露义务的情况下，为公司控股股东青岛中天资产管理有限公司（以下简称中天资产）及其子公司和非关联方的 16 笔借款提供担保，合计金额 22.91 亿元。具体情况如下：

2016 年 6 月 22 日，公司为控股股东中天资产及其全资孙公司武汉中能燃气有限公司（以下简称武汉中能）的 3 份融资租赁合同承担回购义务，合计金额 6 亿元，占公司 2015 年度经审计净资产的 32.14%。对于上述回购义务，公司直至 2019 年 10 月 19 日才对外公告并称，该回购义务构成对外担保，同时该担保也未履行股东大会审议程序。

2017 年 7 月 5 日与 10 月 27 日，公司为武汉中能与江苏中能燃气有限公司的 1 亿元与 0.6 亿元借款提供担保，合计金额 1.6 亿元，占公司 2016 年度经审计净资产的 6.92%。对于上述担

保事项，公司未及时披露，也未按规定履行股东大会审议程序，直至 2019 年 10 月 19 日才对外披露。

2017 年 3 月 30 日与 5 月 16 日，公司分别为非关联方北京中油三环科技发展有限公司与武汉市绿能天然气运输集团有限公司（以下简称武汉绿能）的 2.4 亿元与 3 亿元借款提供担保，分别占公司 2016 年度经审计净资产的 10.37%与 12.97%。对于上述担保事项，公司未及时披露，也未按规定履行股东大会审议程序，直至 2019 年 10 月 19 日与 8 月 10 日才对外披露。

2018 年 1 月 19 日-12 月 11 日期间，公司为中天资产及公司控股子公司青岛中天能源集团股份有限公司（以下简称青岛中天）合计 9.21 亿元的 7 笔借款提供担保，占公司 2017 年度经审计净资产的 18.71%。对于上述担保事项，公司未按规定履行股东大会审议程序，直至 2019 年 7 月 11 日与 10 月 19 日才对外披露。

另外，公司为非关联方武汉绿能的 5000 万元借款和新余格菲投资合伙企业（有限合伙）的 2000 万元借款提供担保，分别占最近一期净资产的 0.73%与 0.29%。上述担保已经累计达到股东大会审议的标准，但公司未及时披露，也未按规定履行股东大会决策程序，直至 2019 年 8 月 3 日与 10 月 19 日对外披露。

因上述违规担保事项，公司股票于 2019 年 8 月 12 日被实施其他风险警示。

（二）公司未及时披露担保债务到期未予归还情况

自 2018 年 4 月 27 日至 2019 年 5 月 18 日，公司上述担保涉

及债务的借款期限陆续届满(部分债务因被担保方未能按照借款协议的约定偿还本息加速到期),担保涉及相关债务合计金额18.11亿元,占公司2017年末净资产的36.76%,公司可能承担担保责任。根据相关规定,被担保方未能在借款到期后15个交易日内履行还款义务,或者被担保人出现破产、清算或其他严重影响其还款能力的情形,公司应当及时披露。但直至债权人提起诉讼后,公司才在2019年7月11日、8月3日、8月10日、10月19日的涉及诉讼公告中一并予以披露,信息披露不及时。

(三) 公司未及时披露诉讼事项

上述16笔担保中的债权人已通过诉讼方式,将公司列为共同被告,请求公司承担担保责任。公司已累计收到14份应诉通知书,涉诉金额合计14.15亿元,占公司2018年度经审计净资产的35.74%,占公司2018年度经审计净利润-8.01亿元绝对值的176.65%。2019年4月11日,公司收到为武汉绿能担保案的应诉通知书,累计诉讼达到披露标准。除于2019年6月18日披露的与平安信托有限公司3.5亿元的诉讼外,其他13起诉讼公司均未按规定及时披露,直至2019年7月11日、8月3日、8月10日、10月19日才披露对外担保事项及相关诉讼情况。

(四) 对外投资事项未及时披露

根据中国证监会吉林监管局《关于对长春中天能源股份有限公司及有关责任人采取出具警示函措施的决定》(吉证监决〔2019〕9号)查明的事实,公司存在以下2笔对外投资事项未按规定及时履行信息披露义务。

2016年12月19日，公司控股子公司青岛中天董事会审议通过了联合荆州市合平能源有限公司通过公司控股孙公司青岛中天宇恒能源有限公司收购加拿大阿尔伯塔省 Twin Butte Energy Ltd.（以下简称 TBE 项目）的油气资产并增资以增加油气产能的议案，青岛中天出资 13.95 亿元，占公司 2015 年经审计净资产的 74.72%。2017 年 2 月 23 日，上述对外投资通过青岛市发展和改革委员会（以下简称青岛发改委）备案。上述公司对外投资事项已达到重大资产重组标准，应当履行董事会、股东大会决策程序。但公司未按规定履行相应的决策程序，也未及时披露重大资产重组相关信息。另经核实，2017 年 3 月 31 日，上述对外投资项目进行结构调整，青岛中天对该项目的投资金额调整为 1000 万元，占公司 2015 年度经审计净资产的 0.54%。

2018 年 5 月 11 日，公司控股子公司青岛中天董事会审议通过青岛中天以自有资金收购加拿大阿尔伯塔省 Connacher Oil and Gas Ltd. 全部资产并增资扩产项目的议案，同意青岛中天通过青岛天际能源有限公司进行收购，投资总额不超过 9 亿元。上述投资金额占公司 2017 年经审计净资产的 18.27%。2018 年 7 月 16 日，公司上述对外投资通过青岛发改委备案。2018 年 11 月 12 日，青岛中天终止上述项目投资且未实际出资。

二、责任认定和处分决定

（一）责任认定

公司为关联方和非关联方提供多笔担保均未及时披露，未履行股东大会决策程序，未及时披露担保债务到期未及时归还情

况，未及时披露公司涉诉事项，未及时披露并审议重大对外投资事项，情节严重。公司上述行为严重违反了《上海证券交易所股票上市规则》（以下简称《股票上市规则》）第 2.1 条、第 2.3 条、第 9.3 条、第 9.11 条、第 9.15 条、第 10.2.6 条、第 11.1.1 条等有关规定。

公司实际控制人暨时任董事长兼总裁邓天洲、黄博作为公司主要负责人和信息披露第一责任人，同时负责公司和控股股东经营管理和重大事项决策，二人主导了公司为自己控制的企业违规提供担保，也未能配合与督促公司就担保债务到期、重大诉讼、对外投资事项及时履行信息披露义务，对上述违规负有主要责任。

时任董事会秘书孙永成、陈正钢、徐天啸作为公司信息披露事务具体负责人，未能勤勉尽责，分别对各自任期内公司相关事项信息披露违规行为负有相应责任。时任董事会秘书孙永成对其任期内公司承担回购义务的 3 份融资租赁合同（涉及金额 6 亿元）信息披露违规事项承担责任。时任董事会秘书陈正钢对其任期内公司违规担保及对外投资等信息披露违规事项承担责任。时任董事会秘书徐天啸对公司所涉诉讼及部分债务到期未及时披露事项承担责任。公司时任总会计师王海玲、穆天玉作为公司财务负责人，对其各自任期内涉及的部分违规事项负有责任。上述人员未能勤勉尽责，其行为违反了《股票上市规则》第 2.2 条、第 3.1.4 条、第 3.1.5 条、第 3.2.2 条的规定及其在《董事（监事、高级管理人员）声明及承诺书》中作出的承诺。

（二）当事人异议理由及申辩意见

公司及相关负责人提出如下申辩理由：一是违规担保系实际控制人个人行为导致，因未向公司报告导致公司无法及时披露。公司主观上不存在隐瞒的故意，恳请从轻处分。二是时任总会计师王海玲、穆天玉提出，上述担保未履行决策程序、相关资金也未进入公司账户，其无法知情，仅应当承担间接责任。对于2016年的担保事项，由于经办人员未向其提供承担回购义务的文件，因此其无法知悉回购义务的存在。穆天玉还称，相关违规事项发生在其任职前，不应由其承担直接责任。三是时任董事会秘书孙永成提出，其任期内发生的违规担保事项未经董事会决策程序，因此其无从知晓。

（三）纪律处分决定

针对上述异议理由，结合相关材料查明的事实，上海证券交易所（以下简称本所）认为：一是公司作为违规担保行为的作出方，未能建立并执行完善的内部控制制度，未能有效防范实际控制人滥用控制地位、利用上市公司为自己担保的违规行为，以致面临承担巨额担保责任的重大风险，公司因此被实施其他风险警示，违规事实清楚明确。公司提出的实际控制人个人行为、无主观隐瞒故意等异议理由不予采纳。二是实际控制人承认，其作出违规担保后未及时告知公司及管理层人员。对于违规担保行为的发生，相关责任人事先确难以知情，也无法督促履行应尽义务，存在一定的客观履职障碍。时任总会计师王海玲、穆天玉和时任董事会秘书孙永成仅对任期内部分违规担保事项负责，上述责任

人提出的相关异议理由可酌情予以考虑。三是经核实，穆天玉自2017年10月15日起担任公司财务总监职务，而公司在2018年仍有违规担保事项发生，其所称“违规担保事项均发生在任职前”的异议理由不能成立。此外，实际控制人能够利用职权便利绕开公司决策程序作出违规担保行为，反映出公司在印章管理、担保审议、信息披露等内部控制制度方面存在较大缺陷。上述责任人作为公司信息披露和财务事项的负责人，未能勤勉尽责，不能以不知情为由完全免除相关责任。

鉴于上述违规事实和情节，经本所纪律处分委员会审核通过，根据《股票上市规则》第17.2条、第17.3条、第17.4条和《上海证券交易所纪律处分和监管措施实施办法》的有关规定，本所做出如下纪律处分决定：对长春中天能源股份有限公司，公司实际控制人暨时任董事长兼总裁邓天洲、黄博和时任董事会秘书陈正钢予以公开谴责，并公开认定邓天洲、黄博5年内不适合担任上市公司董事、监事和高级管理人员；对时任总会计师王海玲、穆天玉，时任董事会秘书孙永成、徐天啸予以通报批评。

对于上述纪律处分，本所将通报中国证监会和吉林省人民政府，并记入上市公司诚信档案。公开谴责、公开认定的当事人如对上述公开谴责、公开认定的纪律处分决定不服，可于15个交易日内向本所申请复核，复核期间不停止本决定的执行。

公司应当引以为戒，严格按照法律、法规和《股票上市规则》的规定规范运作，认真履行信息披露义务；上市公司实际控制人应当严格遵守法律法规和本所业务规则，自觉维护证券市场秩

序，认真履行信息披露义务，及时告知公司相关重大事项，积极配合上市公司做好信息披露工作；董事、监事、高级管理人员应当履行忠实、勤勉义务，促使公司规范运作，并保证公司及时、公平、真实、准确和完整地披露所有重大信息。

上海证券交易所
二〇二〇年五月六日

Shanghai Stock Exchange

Disciplinary Decision

[2020] No. 45

(translation of Chinese)

Decision on imposing disciplinary sanctions on Changchun Sinoenergy Corp. and relevant responsible persons

Parties:

Changchun Sinoenergy Corp., A-Share abbreviation: ST Zhongtian, A-Share stock code: 600856;

Deng, Tianzhou, actual controller and then chairman and president of Changchun Sinoenergy Corp.;

Huang, Bo, actual controller and then chairman and president of Changchun Sinoenergy Corp.;

Chen, Zhenggang, then Secretary of the Board of Directors of Changchun Sinoenergy Corp.;

Sun, Yongcheng, then Secretary of the Board of Directors of Changchun Sinoenergy Corp.;

Xu, Tianxiao, then secretary of the board of directors of Changchun Sinoenergy Corp.;

Wang, Hailing, then Chief Accountant of Changchun Sinoenergy Corp.;

Mu, Tianyu, then Chief Accountant of Changchun Sinoenergy Corp.

I. Violations by listed companies and related entities

It has been found that Changchun Sinoenergy Corp. (hereinafter referred to as ST Zhongtian or the Company) has committed the following violations in terms of information disclosure, standardized operations, and the performance of duties by relevant responsible persons.

- (I) The company failed to comply with the review procedures and information disclosure obligations for external guarantees.

From 2016 to 2018, the Company provided guarantees for 16 loans of the company's controlling shareholder Qingdao Sinoenergy Asset Management Co., Ltd. (hereinafter referred to as "**Zhongtian Asset**") and its subsidiaries and non-related parties without fulfilling the relevant review procedures and information disclosure obligations, with a total amount of 2.291 billion yuan. The specific situation is as follows:

On June 22, 2016, the Company assumed the repurchase obligation for three financial lease contracts of the controlling shareholder Zhongtian Asset and its wholly-owned subsidiary Wuhan Zhongneng Gas Co., Ltd. (hereinafter referred to as “**Wuhan Zhongneng**”), with a total amount of RMB 600 million, accounting for 32.14% of the Company's audited net assets in 2015. The Company did not announce the above repurchase obligation until October 19, 2019, stating that the repurchase obligation constituted an external guarantee, and the guarantee did not comply with the shareholder meeting review procedure.

On July 5 and October 27, 2017, the Company provided guarantees for RMB 100 million and RMB 60 million loans of Wuhan Zhongneng and Jiangsu Zhongneng Gas Co., Ltd., with a total amount of RMB 160 million, accounting for 6.92% of the Company's audited net assets in 2016. The Company did not disclose the above guarantee matters in a timely manner, nor did it follow the shareholders' meeting review procedures as required, and it was not disclosed to the public until October 19, 2019.

On March 30 and May 16, 2017, the Company provided guarantees for loans of RMB 240 million and RMB 300 million to Beijing Zhongyou Sanhuan Technology Development Co., Ltd. and Wuhan Green Energy Natural Gas Transportation Group Co., Ltd. (hereinafter referred to as “**Wuhan Green Energy**”), which were non-related parties, respectively, accounting for 10.37% and 12.97% of the Company's audited net assets in 2016. The company did not disclose the above guarantee matters in a timely manner, nor did it comply with the shareholder meeting review procedures, and did not disclose them to the public until October 19 and August 10, 2019.

From January 19 to December 11, 2018, the Company provided guarantees for seven loans totaling RMB 921 million to Zhongtian Assets and its holding subsidiary Qingdao Sinoenergy Group Co., Ltd. (hereinafter referred to as “**Qingdao Zhongtian**”), accounting for 18.71% of the company's audited net assets in 2017. For the above guarantee matters, the company did not follow the shareholders' meeting review procedures as required, and did not disclose them to the public until July 11 and October 19, 2019.

In addition, the Company provided guarantees for the RMB 50 million loan of Wuhan Green Energy and the RMB 20 million loan of Xinyu Gefei Investment Partnership (Limited Partnership), which accounted for 0.73% and 0.29% of the net assets in the latest period, respectively. The above guarantees have cumulatively reached the standards for review by the shareholders' meeting, but the company did not disclose them in a timely manner, nor did it follow the decision-making procedures of the shareholders' meeting as required, until they were disclosed to the public on August 3 and October 19, 2019.

Due to the above-mentioned illegal guarantee matters, the company's stock was subject to other risk warnings on August 12, 2019.

- (II) The Company failed to disclose in a timely manner that the secured debts were not repaid when they matured.

From April 27, 2018 to May 18, 2019, the loan terms of the debts involved in the above-mentioned guarantees of the company have expired one after another (some debts have accelerated due to the failure of the guaranteed party to repay the principal and interest in accordance with the loan agreement). The total amount of the related debts involved in the guarantee is 1.811 billion yuan, accounting for 36.76% of the company's net assets at the end of 2017. The Company may bear the guarantee liability. According to relevant regulations, if the guaranteed party fails to fulfill the repayment obligation within 15 trading days after the loan expires, or the guaranteed party goes bankrupt, liquidates or other circumstances that seriously affect its repayment ability, the Company should disclose it in a timely manner. However, it was not until the creditor filed a lawsuit that the Company disclosed it in the lawsuit announcements on July 11, August 3, August 10, and October 19, 2019, and the information disclosure was not timely.

- (III) The Company failed to disclose the litigation in a timely manner.

The creditors in the above 16 guarantees have listed the Company as a co-defendant through litigation, requesting the Company to assume the guarantee liability. The Company has received 14 response notices, with a total amount of 1.415 billion yuan involved in the lawsuit, accounting for 35.74% of the Company's audited net assets in 2018 and 176.65% of the absolute value of the company's audited net profit of -801 million yuan in 2018. On April 11, 2019, the Company received a response notice for the Wuhan Green Energy Guarantee Case, and the cumulative litigation reached the disclosure standard. Except for the 350 million yuan lawsuit with Ping An Trust Co., Ltd. disclosed on June 18, 2019, the Company did not disclose the other 13 lawsuits in a timely manner as required, and did not disclose the external guarantee matters and related litigation until July 11, August 3, August 10, and October 19, 2019.

- (IV) Failure to disclose outbound investment matters in a timely manner.

According to the facts ascertained by the Jilin Regulatory Bureau of the China Securities Regulatory Commission's "Decision on Issuing a Warning Letter to Changchun Sinoenergy Corp. and Relevant Responsible Persons" (Jilin Securities Regulatory Decision [2019] No. 9), the

Company failed to fulfill its information disclosure obligations in a timely manner in accordance with regulations regarding the following two overseas investment matters.

On December 19, 2016, the board of directors of Qingdao Zhongtian, a subsidiary of the Company, reviewed and approved the proposal to join Jingzhou Heping Energy Co. Ltd and jointly acquire the oil and gas assets of Twin Butte Energy Ltd. (hereinafter referred to as the “**TBE project**”) in Alberta, Canada through Qingdao Zhongtian Yuheng Energy Co., Ltd., a subsidiary of the Company, and to increase capital to increase oil and gas production capacity. Qingdao Zhongtian invested RMB 1.395 billion, accounting for 74.72% of the Company's audited net assets in 2015. On February 23, 2017, the above-mentioned outbound investment was filed with the Qingdao Development and Reform Commission (hereinafter referred to as the “**Qingdao Development and Reform Commission**”). The above-mentioned Company's outbound investment has reached the standards for major asset restructuring and should comply with the decision-making procedures of the board of directors and shareholders' meeting. However, the Company did not comply with the relevant decision-making procedures as required, nor did it disclose relevant information on major asset restructuring in a timely manner. It has also been verified that on March 31, 2017, the above-mentioned outbound investment project underwent structural adjustments, and Qingdao Zhongtian's investment in the project was adjusted to RMB 10 million, accounting for 0.54% of the Company's audited net assets in 2015.

On May 11, 2018, the board of directors of Qingdao Zhongtian, a holding subsidiary of the company, reviewed and approved the proposal that Qingdao Zhongtian would use its own funds to acquire all assets of Connacher Oil and Gas Ltd. in Alberta, Canada and increase capital to expand production projects, and agreed that Qingdao Zhongtian would acquire through Qingdao Tianji Energy Co., Ltd., with a total investment of no more than RMB 900 million. The above investment amount accounted for 18.27% of the company's audited net assets in 2017. On July 16, 2018, the Company's above-mentioned foreign investment was filed with the Qingdao Development and Reform Commission. On November 12, 2018, Qingdao Zhongtian terminated the investment in the above-mentioned project and did not actually contribute capital.

II. Responsibility Determination and Disciplinary Decision

1. Responsibility determination

The Company failed to disclose in a timely manner the multiple guarantees it provided to related parties and non-related parties, failed to comply with the decision-making procedures of the shareholders' meeting, failed to disclose in a timely manner the failure to repay the guaranteed debts when they matured, failed to disclose in a timely manner the Company's litigation matters, and failed to disclose and review major foreign investment matters in a timely

manner, which was a serious case. The above-mentioned actions of the company seriously violated relevant provisions of Article 2.1, Article 2.3, Article 9.3, Article 9.11, Article 9.15, Article 10.2.6, Article 11.1.1, etc. of the "Shanghai Stock Exchange Stock Listing Rules" (hereinafter referred to as the "**Stock Listing Rules**").

Deng, Tianzhou and Huang, Bo, the actual controller of the company and the then chairman and president, were the main persons in charge of the company and the first persons responsible for information disclosure. They were also responsible for the operation and management of the company and the controlling shareholder and for major decision-making. The two led the company to provide illegal guarantees for the enterprises they controlled, and failed to cooperate with and urge the company to fulfill its information disclosure obligations in a timely manner regarding the maturity of guaranteed debts, major litigation, and foreign investment matters. They are primarily responsible for the above-mentioned violations.

[translation omitted on the responsibilities of other responsible persons]

2. The parties' reasons for objection and defense.

The Company and the relevant responsible persons put forward the following reasons for defense: First, the illegal guarantee was caused by the personal behavior of the actual controller, and the Company was unable to disclose it in a timely manner because he did not report it to the Company. The Company did not have the intention to conceal it subjectively, and it pleaded for a lighter punishment. Second, the then chief accountants Wang, Hailing and Mu, Tianyu proposed that the above-mentioned guarantee did not comply with the decision-making procedures, and the relevant funds did not enter the Company's account, so they had no way of knowing and should only bear indirect responsibility. For the guarantee matters in 2016, since the handling personnel did not provide them with the documents for assuming the repurchase obligation, they had no way of knowing the existence of the repurchase obligation. Mu, Tianyu also said that the relevant illegal matters occurred before he took office, and he should not bear direct responsibility. Third, Sun, Yongcheng, the then secretary of the board of directors, proposed that the illegal guarantee matters that occurred during his term of office did not go through the decision-making procedures of the board of directors, so he had no way of knowing.

(III) Disciplinary Decision

In view of the above objection reasons and the facts ascertained in the relevant materials, the Shanghai Stock Exchange (hereinafter referred to as the Exchange) believes that: First, as the

party that made the illegal guarantee, the Company failed to establish and implement a sound internal control system and failed to effectively prevent the actual controller from abusing his control position and using the listed company to guarantee for himself, which resulted in the Company facing a major risk of assuming huge guarantee liabilities. As a result, the Company was issued other risk warnings, and the illegal facts were clear and definite. The objection reasons raised by the Company, such as the actual controller's personal behavior and the lack of subjective concealment, were not adopted. **Second, the actual controller admitted that he did not inform the Company and management personnel in a timely manner after making the illegal guarantee.** It was indeed difficult for the relevant responsible persons to know in advance about the occurrence of the illegal guarantee behavior, and it was impossible to urge them to fulfill their obligations, and there were certain objective obstacles to their performance of duties. The then chief accountant Wang, Hailing, Mu, Tianyu and the then secretary of the board of directors Sun, Yongcheng were only responsible for some illegal guarantee matters during their term of office. The relevant objection reasons raised by the above responsible persons may be considered as appropriate. Third, it has been verified that Mu, Tianyu has served as the Company's chief financial officer since October 15, 2017, and the Company still had illegal guarantees in 2018. His objection that "all illegal guarantees occurred before he took office" is not valid. In addition, the actual controller was able to use his power to bypass the Company's decision-making procedures and make illegal guarantees, which reflects that the Company has major defects in its internal control systems such as seal management, guarantee review, and information disclosure. As the person in charge of the Company's information disclosure and financial matters, the above-mentioned person failed to perform his duties diligently and cannot be completely exempted from relevant responsibilities on the grounds of ignorance.

In view of the above-mentioned facts and circumstances of violation, after review and approval by the Disciplinary Committee of this Exchange, in accordance with Articles 17.2, 17.3, 17.4 of the "Stock Listing Rules" and the relevant provisions of the "Shanghai Stock Exchange Disciplinary and Regulatory Measures Implementation Measures", **this Exchange made the following disciplinary decision: to publicly condemn Changchun Sinoenergy Corp., the Company's actual controller and the then chairman and president Deng, Tianzhou, Huang, Bo and the then board secretary Chen Zhenggang, and publicly determine that Deng, Tianzhou and Huang, Bo are not suitable to serve as directors, supervisors and senior management of listed companies within 5 years;** to criticize the then chief accountants Wang, Hailing and Mu, Tianyu, and the then board secretaries Sun, Yongcheng and Xu, Tianxiao.

The Exchange will notify the China Securities Regulatory Commission and the Jilin Provincial People's Government of the above disciplinary sanctions, and record them in the credit files of listed companies. If the parties who are publicly condemned or publicly identified are

dissatisfied with the above disciplinary sanctions, they may apply to the Exchange for review within 15 trading days. The execution of this decision shall not be suspended during the review period.

The Company should take this as a warning, operate strictly in accordance with the laws, regulations and the "Stock Listing Rules", and conscientiously fulfill its information disclosure obligations; the actual controllers of listed companies should strictly abide by laws, regulations and the business rules of the Exchange, consciously maintain the order of the securities market, conscientiously fulfill their information disclosure obligations, promptly inform the company of relevant major matters, and actively cooperate with listed companies in information disclosure; directors, supervisors and senior management personnel should perform their obligations of loyalty and diligence, promote the company's standardized operation, and ensure that the company discloses all major information in a timely, fair, truthful, accurate and complete manner.

SHANGHAI STOCK EXCHANGE

May 6, 2020

Exhibit "22"

CSRC Beijing Bureau Decision and English Translation, Dec-20-19

8 pages

THIS IS EXHIBIT " 22 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 2026



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中国证券监督管理委员会北京监管局行政处罚决定书（中兴天恒能源科技（北京）股份公司、邓天洲、黄博、施清荣、黄杰、孟志宏、郜治宙、卢申林、程仕军、由海涛、焦祺森、敖宇、林大渭、张涛、秦丽萍、陈亦昕、甘懋旭、林源、周路、沈宇健、徐天啸、陈瑞年）

日期: 2023-01-05 来源:

【字号: 大 中 小】

[2022] 16号

当事人:中兴天恒能源科技(北京)股份公司(以下简称中天能源或公司),住所:北京市东城区。

邓天洲,男,1956年8月出生,时为中天能源实际控制人,时任公司董事长、总裁、常务副总经理,住址:北京市朝阳区。

黄博,男,1970年9月出生,时为中天能源实际控制人,时任公司总裁、董事长、副董事长,住址:北京市东城区。

施清荣,男,1972年9月出生,时任中天能源董事长、联席总经理,住址:福建省厦门市思明区。

黄杰,男,1972年10月出生,时任中天能源董事、总经理,住址:北京市朝阳区。

孟志宏,男,1974年7月出生,时任中天能源财务总监,住址:北京市海淀区。

郜治宙,男,1974年9月出生,时任中天能源董事,住址:北京市海淀区。

卢申林,男,1963年6月出生,美国籍,时任中天能源董事,住址:上海市虹口区。

程仕军,男,1962年10月出生,美国籍,时任中天能源董事,住址:上海市徐汇区。

由海涛,男,1972年10月出生,时任中天能源董事会秘书,住址:北京市丰台区。

焦祺森,男,1981年8月出生,时任中天能源董事,住址:北京市顺义区。

林大渭,男,1951年2月出生,美国籍,时任中天能源董事,住址:上海市长宁区。

敖宇,男,1979年8月出生,时任中天能源董事,住址:上海市浦东新区。

张涛,男,1978年9月出生,时任中天能源董事,住址:郑州市二七区。

秦丽萍,女,1980年1月出生,时任中天能源董事,住址:北京市东城区。

陈亦昕,女,1983年5月出生,时任中天能源董事,住址:北京市通州区。

甘懋旭,男,1966年9月出生,时任中天能源董事,住址:山东省青岛市崂山区。

林源,男,1988年2月出生,时任中天能源监事,住址:河南省郑州市郑东新区。

周路,男,1968年10月出生,时任中天能源监事,住址:北京市海淀区。

沈宇健,男,1973年8月出生,时任中天能源监事,住址:北京市朝阳区。

徐天啸,男,1986年5月出生,时任中天能源副总经理,住址:北京市朝阳区。

陈瑞年,男,1961年2月出生,时任中天能源副总经理,住址:上海市青浦区。

依据2005年修订的《中华人民共和国证券法》(以下简称2005年《证券法》)及2019年修订的《中华人民共和国证券法》(以下简称2019年《证券法》)的有关规定,我局对中天能源信息披露违法违规进行了立案调查、审理,并依法向当事人告知了作出行政处罚的事实、理由、依据及当事人依法享有的权利。当事人中天能源、邓天洲、黄博未提出陈述申辩意见、未要求听证;当事人张涛提出陈述申辩意见,未要求听证;当事人陈亦昕提出陈述申辩意见,放弃听证;当事人施清荣、黄杰、孟志宏、郜治宙、卢申林、程仕军、由海涛、焦祺森、林大渭、敖宇、秦丽萍、甘懋旭、林源、周路、沈宇健、徐天啸、陈瑞年17人提出陈述申辩意见,要求听证。应当事人施清荣、黄杰等17人要求,我局举行了听证会,听取了当事人及其代理人的陈述和申辩意见。本案现已审理终结。

经查明,中天能源存在以下违法事实:

一、中天能源披露的2017年至2019年半年报、年报存在重大遗漏

经邓天洲、黄博共同组织、策划、决策、实施,以签署《保证合同》《借款担保函》等方式,未履行公司审议决策程序,中天能源在2017年6月22日至2018年7月19日期间,累计发生对外担保金额共计6.6亿元,其中,2017年发生对外担保金额2.8亿元,2018年发生对外担保金额3.8亿元。中天能源未及时披露、亦未在相关定期报告中披露上述担保事项,直至2021年1月19日、2021年4月15日首次对外披露。

根据《上市公司信息披露管理办法》(证监会令第四十号,以下简称《信披办法》)第三十条第二款第十七项的规定,中天能源应及时披露上述对外担保事项。根据《公开发行证券的公司信息披露内容与格式准则第2号——年度报告的内容与格式》(证监会公告〔2017〕17号)第四十一条第二项、《公开发行证券的公司信息披露内容与格式准则第3号——半年度报告的内容与格式》(证监会公告〔2016〕32号、证监会公告〔2017〕18号)第三十九条第二项的规定,中天能源应当在相关定期报告中披露上述对外担保事项。中天能源未在2017年至2019年半年报、年报中披露上述对外担保事项,导致相关定期报告存在重大遗漏。

上述违法事实,有借款合同、担保函、相关公告、有关人员询问笔录、情况说明等证据证明,足以认定。

中天能源《2017年半年度报告》《2017年年度报告》《2018年半年度报告》《2018年年度报告》《2019年半年度报告》《2019年年度报告》遗漏披露上述对外担保事项,违反2005年《证券法》第六十三条及2019年《证券法》第七十八条第二款规定,构成2005年《证券法》第一百九十三条第一款、2019年《证券法》第一百九十七条第二款所述的信息披露重大遗漏行为。

二、中天能源虚增2019年、2020年利润,导致2019年、2020年年报存在虚假记载

(一)中天能源少计提担保相关预计负债,致使2019年、2020年年报虚增利润

1.少计提担保相关预计负债,虚增2019年利润0.72亿元。

2019年6月11日,河南省郑州市中级人民法院《民事判决书》一审判决中天能源对原告0.4亿元借款本金及其利息承担连带担保责任。2019年7月24日,北京市第三中级人民法院《民事判决书》一审判决中天能源对原告0.5亿元款项及有关费用承担连带担保责任。

中天能源未对上述判决提出上诉,判决生效后相关案件的其他被告方均未按判决支付相关款项。根据《企业会计准则第22号——金融工具确认和计量》(财会〔2017〕7号)第五十九条第四项的规定,中天能源2019年年报少计提上述担保相关预计负债0.72亿元,虚增2019年利润0.72亿元。

2.少计提担保相关预计负债,虚增2020年利润0.64亿元。

2020年4月7日,广东省广州市中级人民法院《民事判决书》一审判决中天能源对原告0.8亿元款项及其利息承担连带担保责任。2021年3月22日,广东省高级人民法院《民事判决书》判决驳回中天能源上诉,维持一审判决。判决生效后相关案件的其他被告方均未按判决支付相关款项。根据《企业会计准则第22号——金融工具确认和计量》(财会〔2017〕7号)第五十九条第四项的规定,中天能源2020年年报少计提上述担保相关预计负债0.64亿元,虚增2020年利润0.64亿元。

(二)中天能源少计提应收款项减值准备,致使2020年年报虚增利润3.24亿元

自2018年下半年起至2020年年报披露日,湖北九头风天然气有限公司(以下简称九头风)、Canadian Advantage Petroleum Corporation(加拿大优势石油有限公司,以下简称加拿大优势)与中天能源子公司青岛中天能源集团股份有限公司(以下简称青岛中天)的正常业务往来均基本停滞。在九头风、加拿大优势2019年、2020年均未继续供货、未按照承诺解决欠款问题的情况下,青岛中天向九头风支付的2.64亿元款项、中天能源对加拿大优势债权债务净额3.84亿元款项均不再具有预付账款的性质。但中天能源未按照《企业会计准则第22号——金融工具确认和计量》(财会〔2017〕7号)第三条第一项、第四十六条第一款第一项、第五十九条第一项的规定,于2020年度将九头风、加拿大优势的上述相关预付款项调整为其他应收款列报,亦未按规定计提相应坏账准备。中天能源2020年年报少计提九头风相关坏账准备1.32亿元,虚增2020年利润1.32亿元;少计提加拿大优势相关坏账准备1.92亿元,虚增2020年利润1.92亿元。

关于案涉相关应收款项减值准备计提事项,审计机构就公司2018年年报出具了保留意见,就公司2019年年报、2020年年报出具了带强调事项段的无保留意见。2021年11月,中天能源发布会计差错更正公告,对2019年、2020年年报进行会计差错调整。

上述违法事实,有相关账册资料、承诺、公告、询问笔录、情况说明等证据证明,足以认定。

综上,中天能源《2019年年度报告》虚增利润0.72亿元,占当期披露利润总额(调整前)的1.65%;《2020年年度报告》虚增利润3.88亿元,占当期披露利润总额(调整前)的50.59%。中天能源披露的《2019年年度报告》《2020年年度报告》存在虚假记载,违反2019年《证券法》第七十八条第二款规定,构成2019年《证券法》第一百九十七条第二款所述的信息披露虚假记载行为。

关于中天能源定期报告遗漏披露对外担保事项:

邓天洲时为中天能源实际控制人、时任公司董事、董事长、总裁、常务副总经理,黄博时为中天能源实际控制人、时任公司总裁、董事、董事长、副董事长,违背公司董事、高级管理人员的法定忠实勤勉义务,组织、策划、决策、实施中天能源上述违规对外担保事项并持续向公司隐瞒、不告知相关事实。二人在审议《2017年半年度报告》《2017年年度报告》《2018年半年度报告》《2018年年度报告》时未履行忠实勤勉义务,签字确认相关定期报告,违反了2005年《证券法》第六十八条第三款规定,是中天能源2017年、2018年半年报及年报重大遗漏信息披露违法行为的直接负责的主管人员。邓天洲、黄博作为中天能源实际控制人,同时构成2005年《证券法》第一百九十三条第三款所述“发行人、上市公司或者其他信息披露义务人的控股股东、实际控制人指使从事两款违法行为”的情形。

邓天洲、黄博2019年8月辞去董事、高级管理人员职务后,仍持续对公司隐瞒、不告知二人在任职期间组织、策划、决策、实施的违规对外担保事项,违背公司董事、高级管理人员的法定忠实勤勉义务,直接导致中天能源2019年半年报、2019年年报发生遗漏披露对外担保的信息披露违法行为。依据《信息披露违法行为行政责任认定规则》第十七条的规定,邓天洲、黄博作为董事、监事、高级管理人员之外的其他人员直接导致公司信息披露违法,是中天能源2019年半年报、2019年年报存在重大遗漏信息披露违法行为的其他直接责任人员。

关于中天能源2019年、2020年年报虚增利润事项:

施清荣作为中天能源时任董事长兼联席总经理、黄杰作为时任董事兼总经理,负责公司的全面工作;孟志宏作为时任财务总监,主管公司的财务工作,负责预计负债、坏账准备计提等会计核算事项。根据2019年《证券法》第八十二条第三款及《信披办法》第五十八条第三款的规定,施清荣、黄杰、孟志宏是中天能源《2019年年度报告》《2020年年度报告》虚假记载违法行为直接负责的主管人员。

郜治宙、卢申林、程仕军作为时任董事会审计委员会成员,由海涛作为时任董事会秘书,签字确认中天能源《2019年年度报告》《2020年年度报告》。焦祺森、林大涓作为时任董事,林源、周路作为时任监事,徐天啸、陈瑞年作为时任高级管理人员,签字确认中天能源《2019年年度报告》《2020年年度报告》。敖宇、秦丽萍作为时任董事,甘懋旭作为时任监事,签字确认中天能源《2019年年度报告》。张涛、陈亦昕作为时任董事,沈宇健作为时任监事,签字确认中天能源《2020年年度报告》。郜治宙等16人均保证案涉相关财务报告真实、准确、完整,未勤勉尽责,应当对相关定期报告虚假记载问题承担责任。根据2019年《证券法》第八十二条第三款及《信披办法》第五十八条第一款的规定,郜治宙等16人是中天能源《2019年年度报告》《2020年年度报告》虚假记载违法行为的其他直接责任人员。

当事人及其代理人在听证和申辩中提出:

1.施清荣、孟志宏、郜治宙、卢申林、程仕军、焦祺森、甘懋旭、林源、周路、徐天啸、陈瑞年、林大涓等人共同提出:其一,中天能源案涉担保事项按照20%比例计提预计负债符合会计准则规定,不存在虚增利润行为。其二,中天能源2020年年报对九头风、加拿大优势应收款项的会计处理依据充分、合理合法,不存在虚增利润行为。

2.黄杰、由海涛均提出:其一,会计估计导致的财务报表质量问题区别于财务报表虚假记载,不应被认定为虚增利润行为。其二,北京局已就本案所涉内容向中天能源出具过责令改正的监管措施,再就此进行处罚,违背“一事不再理”原则。

相关责任人员还提出:

1.黄杰还提出:其一,中天能源、管理层及审计机构已经对预计负债计提、资产减值进行完整、充分的披露,并未对财务报表使用者造成误导,不影响投资者判断。其二,作为非专业的财务人员也非审计责任人员,不是直接负责的主管人员,已充分履行勤勉尽责义务;配合监管机构调查,有从轻或减轻处罚的情节。综上,黄杰请求减轻处罚或免于处罚,并取消市场禁入措施。

2.由海涛还提出:其一,作为董事会秘书,职责为信息披露的事性工作,只涉及信息披露的具体执行,不应被认定为年报虚假记载违法行为的其他直接责任人员。其二,在担保计提、剥离武汉中能和湖北合能子公司、青岛中天破产重组事项上,已履行勤勉尽责义务。其三,配合证券监管机构调查,有从轻或减轻处罚的情节。综上,由海涛请求减轻处罚或免于处罚。

3.施清荣还提出:其一,本人无会计、法律等专业背景,不负责财务工作。相关定期报告经会计师事务所审计、由董事会、股东会集体决议通过,有理由相信其会计处理的合法合理性。其二,已多次询问公司内外专业人员意见,推动担保相关诉讼再审,推动九头风、加拿大优势应收款项偿还工作,化解各类风险,做到充分勤勉尽责。综上,施清荣请求免于处罚。

4.孟志宏还提出:其一,已履行勤勉尽责义务,包括关注涉诉案件进展、督促债务人出具承诺还款函、取得预评估报告、完成会计差错更正等。其二,存在免于处罚的情节或因素,包括不存在主观故意、积极配合会计差错更正工作,及时消除会计差错带来的负面影响,配合检查和调查。综上,孟志宏请求减轻处罚或免于处罚。

5.郜治宙还提出:其一,在公司无具体分管工作,非财务负责人员,掌握信息有限,未参与案涉事项,不应当就具体财务计提问题承担责任。其二,已在履职过程中就案涉问题向公司提问,进行沟通核实、参考第三方机构意见,做到勤勉尽责。综上,郜治宙请求免于处罚。

6.卢申林、程仕军、陈亦昕还提出:其一,作为独立董事,不直接参加公司业务,对案涉事宜了解有限,会计审计问题须依赖和参考公司财务和专业审计人员意见。专业判断误差与虚假陈述有本质区别,不应以主观判断误差重罚独立董事,唯“签字论”不合理。其二,三人履职能力有限,已通过向公司提问、参考第三方机构意见、咨询专家友人等方式履行勤勉尽责义务。三人就职后公司年报的信息披露质量已有根本性改善。审计机构原“保留意见”已改为带强调事项的“无保留意见”。其三,在2021年年报披露后,积极督促公司回复交易所问询,有效履职。陈亦昕还提出:其任职时间短,在签署2020年年报问题上存在留痕争议。综上,卢申林、程仕军、陈亦昕请求免于处罚。

7.焦祺森还提出:其一,2020年3月末才入职中天能源,对公司事务尚未完全了解。在短时间内已勤勉尽责。其二,无会计、法律等专业背景,有理由相信专业机构判断。已多此询问公司内外专业人员意见,积极推动违规担保寻求法律救济、应收账款回收,已做到勤勉尽责。综上,焦祺森请求免于处罚。

8.甘懋旭、林源、周路还提出:其一,监事会职权没有保障机制,在整个公司运营过程作用较小,因此监事的勤勉尽责义务范围应相应减小。其二,甘懋旭、林源、周路作为时任监事,未参与相关违法行为;通过参加会议,审阅议案材料、发表意见,保持与公司及相关人员沟通等方式,已维护公司和投资人利益、履行勤勉尽责义务。其三,本案以签字论,未考虑实际情况,处罚幅度过重。综上,甘懋旭、林源、周路请求免于处罚。

9.徐天啸还提出:其一,作为时任高级管理人员,不分管与违法行为相关的业务,亦未参与相关违法行为。其二,负责公司迁址事宜,就ABE资产事宜与公司管理层沟通,再三询问公司管理层及专业审计师相关问题,已履行勤勉尽责义务。综上,徐天啸请求免于处罚。

10.陈瑞年还提出:其一,作为时任高级管理人员,不负责亦未参与相关违法行为。2019年年报披露期间刚入职,经再三询问公司管理层和专业审计师相关问题后,认可相关处理并签字乃情理之中。其二,就ABE资产事宜与公司管理层沟通,已履行勤勉尽责义务。综上,陈瑞年请求免于处罚。

11.秦丽萍还提出:其一,作为时任独立董事,以其背景和专业能力,无法判断审计报告是否符合会计准则。任职时间过短,对《2019年年度报告》虚假记载的违法行为不存在过错。其二,认真审阅公司历次会议材料,多次表达不认同意见,未参与虚假记载事项,任期内已全面履行勤勉尽责义务。综上,秦丽萍请求免于处罚。

12.林大渭还提出:其一,作为时任董事,对案涉报告进行充分审阅、关注和重点询问,督促公司积极整改,进行差错更正,已充分履行勤勉尽责义务。其二,不具有财务专业背景,未担任公司财务、审计方面的职务,要求其独立发现案涉问题明显不当,并非其他直接责任人员。综上,林大渭请求免于处罚。

13.沈宇健还提出:其一,作为时任监事,及时审阅相关定期报告,提出质疑、修改意见,对财务知识履行注意义务,已充分履行勤勉尽责义务。其二,不具备会计相关背景和专业背景,不对会计差错事项承担责任。我局对其罚款金额过重。综上,沈宇健请求免于处罚。

14.敖宇还提出:其一,作为时任董事,不负责财务工作,未经手预计负债的会计核算事项,已提出充分计提负债,最终应以公司财务负责人和专业机构意见为准。其二,任职时间短,并未参与历史所有事项,已督促公司积极回复交易所问询,忠实勤勉履行董事职责,我局处罚过重。综上,敖宇请求免于处罚。

15.张涛还提出:其一,中原信托被动成为上市公司股东,对公司经营情况了解有限。任公司董事时间较短,能了解的事实有限,且非财务专业人士。2020年年报数据由会计师事务所审计,其不应承担相关责任。其二,已就相关事项主动咨询专家意见,履行勤勉尽责义务。综上,张涛请求免于处罚。

经复核,我局认为:

第一,关于担保未按规定计提预计负债问题。中天能源在未获得预期可收取该合同持有人、债务人或任何其他方相应金额的证据的情况下,仅依据未来胜诉可能性、存在其他债权人、担保方计提20%预计负债,不符合会计准则相关规定。

第二,关于九头风、加拿大优势款项未按规定计提减值准备问题。中天能源虽于2020年12月获得ABE公司股权作为九头风、加拿大优势账款的质押担保,但北京北方亚事资产评估事务所(特殊普通合伙)出具的ABE股权预评估报告,未履行出具正式报告的必要工作程序,预评估报告已声明使用用途受限,中天能源将预评估报告的估值结果作为不计提坏账准备的依据不充分,结论不可靠。

第三,未按照规定进行会计核算导致财务会计报告的数据不真实,属于信息披露虚假记载行为。

第四,责令改正属于监管措施,不是行政处罚亦不能替代行政处罚。就同一违法事实采取监管措施后再予以行政处罚,不属于“一事二罚”。

第五,《信披办法》第五十八条第一款规定,上市公司董事、监事、高级管理人员应当对公司信息披露的真实性、准确性、完整性、及时性、公平性负责,但有充分证据表明其已经履行勤勉尽责义务的除外。本案责任人员未能提供表明其已履行勤勉尽责义务的充分证据。

第六,作为上市公司的董事、监事和高级管理人员,应当具备与职责相匹配的专业知识和专业水平,还应当了解并持续关注公司的生产经营情况、财务状况和重大事件及其影响,即使借鉴其他机构或者个人的专业意见,也要独立承担责任。参加相关会议、配合监管机构调查、督促公司回复交易所问询、进行差错更正等均是董事、监事、高级管理人员的一般性履职行为。不知情、不了解、未参与、任职时间短、履职能力不足、审计机构未发现、配合调查等均非法定免责事由。

第七,《上市公司治理准则》第二十八条规定,董事会秘书作为上市公司高级管理人员,负责办理信息披露事务等事宜,为履行职责有权参加相关会议,查阅有关文件,了解公司的财务和经营等情况。

第八,独立董事履职具有独立性、过程性、积极性的特点,应当善意、审慎、合理履行职责。若存在签署留痕争议,应及时通过正当方式解决。《信披办法》第四十三条第一款规定,监事应当对公司董事、高级管理人员履行信息披露职责的行为进行监督;关注公司信息披露情况,发现信息披露存在违法违规问题的,应当进行调查并提出处理建议。案涉独立董事、监事不能证明已充分履行勤勉尽责义务。

第九,我局在认定人员责任时未采取“签字论”标准,而是要求在年度报告上签字的董事、监事、高级管理人员履行勤勉尽责义务,对公司所披露信息相关的重点内容予以关注。审计机构就中天能源2018年年报出具保留意见的原因后续是否消除、2019年和2020年审计报告强调事项及与持续经营重大不确定性相关的内容均应当作为董事、监事、高级管理人员履职关注的重点内容。中天能源董事、监事、高级管理人员均作出了保证公司信息披露真实、准确、完整的承诺,亦不存在《信息披露违法行为行政责任认定规则》第二十一条规定的认定为不予处罚的情形。相关责任人所称已履行勤勉尽责义务的意见缺乏依据。

第十,我局在认定案涉违法行为、当事人责任及量罚时已结合违法行为的事实、性质、情节和社会危害程度,考虑当事人所任职务、任职期间部分履行勤勉尽责义务、配合调查等因素,我局对当事人的量罚幅度适当。

综上,我局对当事人的上述申辩意见均不予采纳。

根据当事人违法行为的事实、性质、情节与社会危害程度,依据2005年《证券法》第一百九十三条第三款和2019年《证券法》第一百九十七条第二款的规定,我局决定:

一、依据2019年《证券法》第一百九十七条第二款的规定,对中兴天恒能源科技(北京)股份公司给予警告,并处以200万元的罚款。

二、对邓天洲、黄博作为实际控制人,依据2005年《证券法》第一百九十三条第三款的规定,给予警告,并分别处以60万元的罚款;作为直接负责的主管人员、其他直接责任人员,依据2019年《证券法》第一百九十七条第二款的规定,给予警告,并分别处以300万元的罚款。对邓天洲、黄博给予警告,并合计分别处以360万元的罚款。

三、依据2019年《证券法》第一百九十七条第二款的规定,对施清荣、黄杰、孟志宏给予警告,并分别处以150万元的罚款;对部治宙、卢申林、程仕军、由海涛给予警告,并分别处以100万元的罚款;对焦祺森、林大渭、敖宇、张涛、秦丽萍、陈亦昕、甘懋旭、林源、周路、沈宇健、徐天啸、陈瑞年给予警告,并分别处以50万元的罚款。

上述当事人应自收到本处罚决定书之日起15日内,将罚款汇交中国证券监督管理委员会开户银行:中信银行北京分行营业部,账号:711101018980000162,由该行直接上缴国库,并将注有当事人名称的付款凭证复印件送中国证券监督管理委员会行政处罚委员会办公室和北京证监局备案。当事人如果对本处罚决定不服,可在收到本处罚决定书之日起60日内向中国证券监督管理委员会申请行政复议,也可在收到本处罚决定书之日起6个月内直接向有管辖权的人民法院提起行政诉讼。复议和诉讼期间,上述决定不停止执行。

中国证监会北京监管局

2022年12月27日


链接:  中国政府网

行业相关网站

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CSRC Decision of December 20, 2019

Decision On Issuing a Warning Letter to Changchun Sinoenergy Corp. and Relevant Responsible Persons

(Translation of Chinese)

To: Changchun Sinoenergy Corp, **Tianzhou Deng**, Bo Huang:

Upon investigation, your company has the following problems:

1. Failure to disclose external guarantees in a timely manner

From June 22, 2016 to December 11, 2018, your company had multiple illegal external guarantees, with a total external guarantee amount of 2.29137 billion yuan. The above external guarantees were not disclosed in a timely manner, nor did the company's board of directors and shareholders' meeting review procedures be followed. The above actions of your company violated the provisions of Article 2, paragraph 1, and Article 30, paragraph 2, item 17 of the "Regulations on Information Disclosure of Listed Companies" (CSRC Order No. 40), and violated Article 1 of the "Notice on Standardizing External Guarantee Behavior of Listed Companies" (CSRC Announcement No. 120, 2005). Deng Tianzhou, the then chairman and president of your company, and Huang Bo, the then chairman, president and acting secretary of the board of directors, failed to perform their duties faithfully and diligently, and violated the relevant provisions of Article 3 of the "Regulations on Information Disclosure of Listed Companies" (CSRC Order No. 40), and bear the main responsibility for the above actions.

2. Failure to disclose outbound investment.

(1) On December 19, 2016, the board of directors of Qingdao Sinoenergy Energy Co., Ltd. (hereinafter referred to as "**Qingdao Sinoenergy**"), a subsidiary of your company, reviewed and approved the proposal that Qingdao Sinoenergy and Jingzhou Heping Energy Co., Ltd. jointly acquire the oil and gas assets of Twin Butte Energy Ltd. in Alberta, Canada, and increase capital to increase oil and gas production capacity, and agreed that Qingdao Sinoenergy would invest RMB 1.395 billion to jointly acquire the oil and gas assets of Twin Butte Energy Ltd together with Jingzhou Heping Energy Co., Ltd. through Qingdao Zhongtian Yuheng Energy Co., Ltd. Qingdao Sinoenergy holds 77.5% of the shares of Qingdao Zhongtian Yuheng Energy Co., Ltd. On February 23, 2017, the Qingdao Municipal Development and Reform Commission issued the "Notice on the Recording of the Project of Qingdao Sinoenergy Energy Co., Ltd. and Jingzhou Heping Energy Co., Ltd. to Acquire All

Assets of Twin Butte Energy Ltd. in Alberta, Canada and Increase Capital and Expand Production" (Qingfa Gai Waijingbei [2017] No. 3).

- (2) On May 11, 2018, the board of directors of Qingdao Sinoenergy, a subsidiary of your company, approved the proposal that Qingdao Zhongtian acquire all the assets of Connacher Oil and Gas Ltd. in Alberta, Canada with its own funds and increase capital to expand production projects, and agreed that Qingdao Sinoenergy would acquire the assets through Qingdao Tianji Energy Co., Ltd., with a total investment of no more than RMB 900 million. On July 16, 2018, the Qingdao Municipal Development and Reform Commission issued the "Notice on the Registration of Overseas Investment Projects" (Qingfa Gai Waijingbei [2018] No. 26).

Your company failed to fulfill its information disclosure obligations for the above-mentioned outbound investment, violating the relevant provisions of Article 2, Paragraph 1, Article 30, Paragraph 2, Item 2, and Article 33, Paragraph 1 of the "Administrative Measures for Information Disclosure of Listed Companies" (CSRC Order No. 40). **Your company's then-chairman Deng Tianzhou and then-chairman Huang Bo failed to perform their duties faithfully and diligently, violating the relevant provisions of Article 3 of the "Administrative Measures for Information Disclosure of Listed Companies" (CSRC Order No. 40), and bear the main responsibility for the above-mentioned behavior.**

In accordance with the relevant provisions of Article 59 of the "Administrative Measures for Information Disclosure of Listed Companies" (CSRC Order No. 40), **our bureau has decided to take regulatory measures of issuing a warning letter to your company, Deng, Tianzhou, and Huang, Bo, and will record the above situation in the integrity file in accordance with the relevant provisions of the "Securities and Futures Market Integrity Supervision and Management Measures".**

Your company and relevant responsible persons should promptly correct the inaccurate disclosure of relevant information, take effective measures to conduct self-inspection and clean up existing illegal guarantees; urge relevant responsible parties to resolve illegal guarantees as soon as possible to safeguard the interests of listed companies; establish and improve internal control mechanisms to prevent illegal external guarantees and prevent such behavior from happening again. Your company's directors, supervisors, and senior management personnel should strengthen their study of securities laws and regulations, improve their awareness of standardized operations, do a good job in information disclosure, and ensure the quality of information disclosure. Your company should submit a written rectification report to our bureau within 30 days from the date of receipt of this decision.

If you are dissatisfied with this supervision and management measure, your company and the relevant responsible persons may apply for administrative reconsideration to the China

Securities Regulatory Commission within 60 days from the date of receipt of this decision, or file an administrative lawsuit with the People's Court with jurisdiction within 6 months from the date of receipt of this decision. During the review and litigation period, the above-mentioned supervision and management measures shall not be suspended.

Jilin Securities Regulatory Bureau

December 20, 2019

Exhibit "23"

CSRC Jilin Bureau Decision and English Translation, Dec-27-22

8 pages

THIS IS EXHIBIT " 23 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A handwritten signature in blue ink, reading "Joyce Staroszyk", is written over a horizontal line.

A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZYK
My Commission Expires May 21, 2026



索引号:40000895X/

发布机构:吉林局

名称:关于对长春中天能源股份有限公司及有关责任人采取出具警示函措施的决定

文号:吉证监决[2019]009号

分类:行政监管措施;上市公司行政监管措施决定

发文日期:2019年12月20日

主题词:

关于对长春中天能源股份有限公司及有关责任人采取出具 警示函措施的决定

长春中天能源股份有限公司、邓天洲、黄博:

经查,你公司存在以下问题:

一、对外担保未及时披露

1.2016年6月22日-2018年12月11日,你公司发生多起违规对外担保事项,对外担保金额合计22.9137亿元,上述对外担保均未及时披露,也未履行公司董事会和股东大会审议程序。你公司上述行为违反了《上市公司信息披露管理办法》(证监会令第40号)第二条第一款、第三十条第二款第十七项规定,违反了《关于规范上市公司对外担保行为的通知》(证监发[2005]120号)第一条规定。你公司时任董事长、总裁邓天洲,时任董事长、总裁、代董事会秘书黄博未能忠实、勤勉地履行职责,违反了《上市公司信息披露管理办法》(证监会令第40号)第三条相关规定,对上述行为承担主要责任。

二、对外投资未进行披露

1.2016年12月19日,你公司控股子公司青岛中天能源股份有限公司(以下简称青岛中天)董事会审议通过青岛中天联合荆州市合平能源有限公司收购加拿大阿尔伯塔省Twin Butte Energy Ltd.的油气资产并增资以增加油气产能的议案,同意青岛中天出资13.95亿元,联合荆州市合平能源有限公司通过青岛中天宇恒能源有限公司收购Twin Butte Energy Ltd.的油气资产。青岛中天持有青岛中天宇恒能源有限公司77.5%股份。2017年2月23日,青岛市发展和改革委员会印发《关于青岛中天能源股份有限公司联合荆州市合平能源有限公司收购加拿大阿尔伯塔省Twin Butte Energy Ltd.全部资产并增资扩产项目备案的通知》(青发改外经备[2017]3号)。

2.2018年5月11日,你公司控股子公司青岛中天董事会审议通过青岛中天以自有资金收购加拿大阿尔伯塔省Connacher Oil and Gas Ltd.全部资产并增资扩产项目的议案,同意青岛中天通过青岛天际能源有限公司进行收购,投资总额不超过9亿元。2018年7月16日,青岛市发展和改革委员会印发《境外投资项目备案通知书》(青发改外经备[2018]26号)。

你公司未就上述对外投资行为履行信息披露义务,违反了《上市公司信息披露管理办法》(证监会令第40号)第二条第一款、第三十条第二款第二项、第三十三条第一款相关规定。你公司时任董事长邓天洲,时任董事长黄博未能忠实、勤勉地履行职责,违反了《上市公司信息披露管理办法》(证监会令第40号)第三条相关规定,对上述行为承担主要责任。

按照《上市公司信息披露管理办法》(证监会令第40号)第五十九条的有关规定,我局决定对你公司、邓天洲、黄博采取出具警示函的监管措施,并根据《证券期货市场诚信监督管理办法》的有关规定将上述情况记入诚信档案。

你公司及有关责任人应及时改正相关信息披露不准确的情况,采取有效措施对存在的违规担保事项进行自查清理;督促相关责任主体尽早解决违规担保事项,维护上市公司利益;建立健全防范违规对外担保的内控机制,杜绝此类行为再次发生。你公司董事、监事、高级管理人员应加强证券

法律法规学习，提高规范运作意识，做好信息披露工作，保证信息披露质量。你公司应在收到本决定书之日起30日内向我局报送书面整改报告。

如对本监督管理措施不服，你公司及有关责任人可以在收到本决定书之日起60日内向中国证券监督管理委员会提出行政复议申请，也可以在收到本决定书之日起6个月内向有管辖权的人民法院提起行政诉讼。复议与诉讼期间，上述监督管理措施不停止执行。

吉林证监局
2019年12月20日

Administrative Punishment Decision of the Beijing Supervision Bureau of the China Securities Regulatory Commission (ZTE Tianheng Energy Technology (Beijing) Co., Ltd., Deng Tianzhou, Huang Bo, Shi Qingrong, Huang Jie, Meng Zhihong, Gao Zhizhou, Lu Shenlin, Cheng Shijun, You Haitao, Jiao Qisen, Ao Yu, Lin Dasu, Zhang Tao, Qin Liping, Chen Yixin, Gan Maoxu, Lin Yuan, Zhou Lu, Shen Yujian, Xu Tianxiao, Chen Ruinian)

[2022] No. 16

(translation of Chinese)

Parties:

ZTE Tianheng Energy Technology (Beijing) Co., Ltd. (“ Sinoenergy” or the “Company”), Office: Beijing, Dongcheng District.

Deng, Tianzhou, Male; born August 1956, actual controller of the Sinoenergy , the Company’s Chairman, General Manager, executive deputy general manager at the relevant time. Address: Beijing Chaoyang District

Huang, Bo, Male, 19. Born September 1970, the actual controller of Sinoenergy , Company’s President, Chairman, and Vice Chairman. Address: Beijing Dongcheng District.

[translation omitted for the names, age, offices and address of other responsible persons]

Under the relevant provisions of the People's Republic of China Securities Law revised 2005 (hereinafter referred to as “**2015 Securities Law**”) and People's Republic of China Securities Law revised 2019 (Hereinafter referred to as “**2019 Securities Law**”), our bureau conducted a case investigation and trial on Sinoenergy’s illegal information disclosure, and informed the parties of the facts, reasons, and basis for administrative penalties as well as the rights enjoyed by the parties in accordance with the law. The parties involved including Sinoenergy, Deng, Tianzhou, and Huang Bo did not submit a statement of defense and did not request a hearing; the party named Zhang, Tao submitted a statement of defense but did not request a hearing; the party named Chen, Yixin submitted a statement of defense and gave up hearing; seventeen parties, including Shi Qingrong, Huang Jie, Meng Zhihong, Gao Zhizhou, Lu Shenlin, Cheng Shijun, You Haitao, Jiao Qisen, Lin Damu, Ao Yu, Qin Liping, Gan Maoxu, Lin Yuan, Zhou Lu, Shen Yujian, Xu Tianxiao and Chen Ruinian, submitted statements and defense opinions and requested a hearing.

At the request of 17 parties including Shi Qingrong and Huang Jie, our bureau held a hearing and listened to the statements and defense opinions of the parties and their agents. The investigation and trial of this case have now been concluded.

After investigation, Sinoenergy has the following facts of violation of laws:

I. There are material omissions in the semi-annual reports and annual reports from 2017 to 2019 disclosed by Sinoenergy.

Under the joint organizing, planning, decision making and implementation of Deng, Tianzhou and Huang, Bo, Sinoenergy failed to perform the Company's review and decision-making procedures and, from June 22, 2017 to July 19, 2018, incurred a total of 660 million yuan of external guarantees including 280 million yuan of external guarantees in 2017 and 380 million yuan of external guarantees in 2018 by signing guarantee contracts and loan guarantee contracts. Sinoenergy also failed to disclose the above guarantee matters in a timely manner or in relevant periodic reports until January 19, 2021, and April 15, 2021, when it was disclosed for the first time.

According to Article 30 (2) (vii) of the "Measures for the Administration of Information Disclosure of Listed Companies" (CSRC Order No. 40, hereinafter referred to as the "**Information Disclosure Measures**") of the Regulation, Sinoenergy shall disclose in a timely manner the above-mentioned matters of external guarantee. According to Article 41(2) of the "Standard No. 2 on the Content and Format of Information Disclosure by Companies that Offer Securities to the Public - Content and Format of Annual Reports" (China Securities Regulatory Commission Announcement [2017] No. 17) and Article 39 (2) of "Standard No. 3 on the Content and Format of Information Disclosure by Companies that Offer Securities to the Public - Content and Format of Semi-annual Report" (CSRC Announcement [2016] No. 32, CSRC Announcement [2017] No. 18), Sinoenergy failed to disclose the above mentioned matters of external guarantee in its semi-annual reports and annual reports for 2017 to 2019 resulting in material omissions in the relevant periodic reports.

There are sufficient evidence and proof including loan agreements, letters of guarantee, relevant announcements, and the records of inquiries from relevant personnel and situation descriptions, etc., to find that the above matters of external guarantee were not disclosed in the 2017 semi-annual report, 2017 annual report, 2018 semi-annual report and 2018 annual report of Sinoenergy in violation of Article 63 of the 2015 Securities Law and Article 78 (2) of the 2019 Securities Law , and such omissions constitute material omission of information disclosure as defined in Article 193 (1) of the 2015 Securities Law and Article 197 (2) of 2019 Securities Law.

II. Sinoenergy inflated profits in 2019 and 2020, resulting in false records in the 2019 and 2020 annual reports.

1. Sinoenergy provided for underestimated liabilities related to guarantees resulting in inflated profits in the 2019 and 2020 annual reports.

(1) Underestimated liabilities related to guarantees and inflated profits by 72,000,000 yuan in 2019.

On June 11, 2019, the Intermediate People's Court of Zhengzhou City, Henan Province ruled in the Civil Judgment of first instance that Sinoenergy shall have joint and several liabilities of guarantee for the plaintiff's loan principal of RMB 40 million yuan and its interest. On July 24, 2019, the Beijing No. 3 Intermediate People's Court decided in its judgement of the first instance that Sinoenergy shall have the joint and several liabilities of guarantee for plaintiff's loan of \$50 million yuan and related expenses.

(2) Sinoenergy provided for underestimated reduction of account receivable resulting in an inflated profit of 324 million yuan in the 2020 annual report.

During the period from the second half of 2018 to the disclosure date for the 2020 annual report, Hubei Jiutoufeng Natural Gas Co., Ltd. (the "**Jiutoufeng**") and Canadian Advantage Petroleum Corporation ("**CAPC**") ceased to have any regular business with Sinoenergy's subsidiaries, Qingdao Zhongtian Energy Group Co., Ltd. (the "**Qingdao Zhongtian**"). In the circumstance when Jiutoufeng and CAPA ceased to supply goods in 2019 and 2020, and did not resolve the arrears as promised, the 264 million yuan paid by Qingdao Zhongtian to Jiutoufeng and the net amount of 384 million yuan owed by CAPC to Sinoenergy no longer had the nature of account receivable. However, Sinoenergy failed to adjust the above related account receivable into other receivable in its report, nor did it make any provision for bad debts in accordance with regulation all in violation of Articles 3 (1), 46(1) (i), 51(1) of Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments" (Cai Kuai [2017] No. 7). Sinoenergy 's 2020 annual report under-provided for bad debt provisions related to Jiutoufeng by 132 million yuan, and inflated its 2020 profits by 132 million yuan; it under-provided for CAPC-related bad debt provisions by 192 million yuan, and inflated its 2020 profits by 192 million yuan.

Regarding the provision for impairment of relevant receivables involved in the case, the audit institution issued a qualified opinion on the Company's 2018 annual report, and an unqualified opinion with a paragraph of emphasis on certain matters on the Company's 2019 annual report and 2020 annual report. In November 2021, Sinoenergy issued an announcement for accounting error correction to adjust the accounting errors in its 2019 and 2020 annual reports.

There are sufficient evidence and proof to verify the above facts of violation of laws including related account information, commitments, announcement, inquiry transcripts, situation descriptions, etc.

In summary, Sinoenergy falsely increased its profits by 72 million yuan in its 2019 Annual Report accounting for 1.65% of the total profit disclosed in the current period (before adjustment); falsely increased its profits by 388 million yuan in its 2020 Annual Report accounting for 50.59% of the total profit disclosed in the current period (before adjustments). There are false records in the 2019 Annual Report and 2020 Annual Report disclosed by Sinoenergy in violation of Article 78(2) of 2019 Securities Law constituting the conduct of making false statement in information disclosure.

Regarding the omission of disclosure of external guarantees in Sinoenergy 's regular reports:

Both Deng, Tianzhou, the actual controller of Sinoenergy , the Company's director, Chairman, President, Executive Deputy General Manager at the relevant time, and Huang, Bo, the actual controller of Sinoenergy and the Company's President, Director, Chairman, Vice Chairman at the relevant time, violated the legal obligations of fiduciaries and diligence of the Company's directors and senior managers, organized, planned, made decisions on, and implemented the above-mentioned external guarantee in violations of regulations and kept concealing and failing to inform the relevant facts to the Company. During their review of the 2017 Semi-Annual Report, 2017 Annual Report, 2018 Semi-Annual Report and 2018 Annual Report, these two persons failed to perform their duties of fiduciaries and diligence by signing and confirming relevant periodic reports in violation of Article 68 (3) of the 2005 Securities Law, and are the responsible personnel who are directly responsible for the violation of regulations in omission of material information disclosure in the 2017 Annual Report, 2018 semi- Annual Report and 2018 Annual Report of Sinoenergy. Both Deng, Tianzhou and Huang, Bo, as the actual controllers of Sinoenergy, also satisfied the requirement for finding that the issuer, controlling shareholders of listed companies or other persons having the obligations of information disclosure, and actual controller commit the conduct of instructing the undertaking of the above two accounts of violations, as provided in Article 3 of the 2005 Securiteis Law.

After resigning as director and senior management in August 2019, both Deng, Tianzhou and Huang, Bo still concealed from the Company and failed to inform the matters of the

unlawful external guarantee that they organized, planned, decided on and implemented; breached the statutory duties of fiduciaries and diligence of directors and management of companies, and directly caused the omission of information disclosure on external guarantee in the 2019 semi-annual report and 2019 Annual Report of Sinoenergy.

Under Article 17 of the "Rules for Determining Administrative Liability for Illegal Information Disclosure Acts", both Deng, Tianzhou and Huang, Bo as the personnel other than directors, supervisors, and senior managers directly caused the company's information disclosure to be illegal, and are the other directly responsible persons for the omission of material information disclosure in the 2019 semi-annual report, 2019 Annual Report of Sinoenergy.

Regarding the inflated profits in Sinoenergy's 2019 and 2020 annual reports:

[translation omitted for the discussion of the responsibilities of other management, their defenses and submissions and the responses of the Beijing regulatory bureau]

Based on the facts, nature, circumstances and degree of social harm of the parties' illegal acts, in accordance with Article 193 (3) of the 2005 Securities Law and Article 197 of 2019 Securities Law, this office decides as follows:

A. Under Article 197 (2) of the 2019 Securities Law, Sinoenergy be imposed a penalty of 2 million yuan and a warning.

B. Under Article 193 (3) of the 2005 Securities Law, each of Deng, Tianzhou and Huang, Bo being the actual controllers of the Company be imposed a penalty of 600,000 and a warning; and under Article 197 (2) of the 2019 Securities Law, , each of Deng, Tianzhou and Huang, Bo being persons in charge who are directly responsible for the violations and the other directly responsible persons be imposed a penalty of 3 million yuan and a warning. Each of Deng, Tianzhou and Huang, Bo is individually imposed a warning and an accumulative penalty of 3.6 million yuan.

C. **[translation omitted for the penalty for other management of Sinoenergy]**

The above-mentioned parties shall, within 15 days from the date of receipt of this penalty decision, remit the fine to the bank where the China Securities Regulatory Commission has an account: the Business Department of China CITIC Bank Beijing Branch, account number: 7111010189800000162, and the bank will directly hand it over

to the state treasury, and a copy of the payment voucher with the name of the party concerned shall be sent to the Office of the Administrative Punishment Committee of the China Securities Regulatory Commission and the Beijing Securities Regulatory Bureau for filing. If the party concerned is dissatisfied with this penalty decision, he may apply to the China Securities Regulatory Commission for administrative reconsideration within 60 days from the date of receipt of this penalty decision, or he may directly apply to the competent authority within 6 months from the date of receipt of this penalty decision, initiating an administrative litigation in the competent people's court. During the period of reconsideration and litigation, the execution of the above decisions will not be suspended.

CHINA SECURITIES REGULATORY COMMISSION
BEIJING SUPERVISION BUREAU
December 27, 2022.

Exhibit "24"

Reasons for Judgment of Justice Romain. 2021 ABQB 168

20 pages

THIS IS EXHIBIT " 24 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

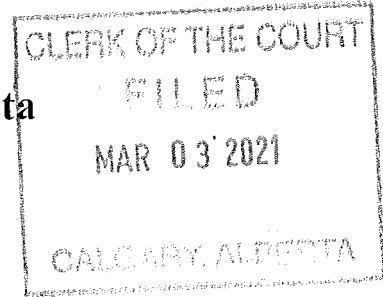
Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZYK
My Commission Expires May 21, 20 26

Court of Queen's Bench of Alberta



Citation: Henenghaixin Corp v Deng, 2021 ABQB 168

Date:
Docket: 2001 03353
Registry: Calgary

Between:

Henenghaixin Corp.

Plaintiff/ Respondent

- and -

Tianzhou Deng, Xiaobo Deng aka Lake Deng, Michael Lam, Calgary Sinoenergy Investment Corp., Long Run Exploration Ltd., John Doe and ABC Corporation

Defendants/ Applicants

**Reasons for Decision
of the
Honourable Madam Justice B.E. Romaine**

I. Introduction

[1] On April 23, 2020, the Plaintiff, Henenghaixin Corp. (H Corp.) applied *ex parte* for an attachment order/Mareva injunction/disclosure order against the Defendants Tianzhou Deng, Xiaobo Deng aka Lake Deng, Michael Lam, Calgary Sinoenergy Investment Corp. and Long Run Exploration Ltd. The application was made in accordance with the common law requirements for a Mareva order and the requirements for a pre-judgment attachment order under the *Civil Enforcement Act*, RSA 2000, c C-15. The order was granted on April 24, 2020.

[2] The Defendants now seek to set the attachment order/Mareva injunction order aside.

II. Applications of Tianzhou Deng, Lake Deng and Michael Lam

[3] Mr. and Ms. Deng submit that the attachment order should be lifted as against them because:

- a) the evidence adduced against them at the application did not meet the test for a Mareva injunction;
- b) new evidence indicates that H Corp cannot establish a strong prima facie case;
- c) H Corp failed in its duty to be candid and give full disclosure; and
- d) the application was deficient for other reasons.

[4] Mr. Lam submits that:

- a) H Corp has filed to establish a strong prima facie case or a reasonable basis for its claim and failed to make full and frank disclosure of critical facts when it obtained the attachment order;
- b) there is no evidence to establish that Mr. Lam received any of the funds transferred out of H Corp or that there is a risk of the dissipation of assets by Mr. Lam;
- c) there is no irreparable harm to H Corp;
- d) the balance of convenience favours setting aside the attachment order; and
- e) H Corp delayed significantly in applying for the relief sought.

[5] H Corp submits that it met, and meets, the appropriate tests and that the pertinent facts considered by the Court in granting the order have not been negated or disproved.

A. Tests for obtaining a Mareva injunction/ attachment order

[6] As I noted in my oral reasons, the six-part test for obtaining a Mareva injunction has been described by the Ontario Court of Appeal in *Chitel v Rothbart* (1982), 39 O.R. (2d) 513 (Ont. C.A.). This test, with small variations in wording, has been endorsed in many cases since then, including in Alberta: *Chu v Twin Cities Power-Canada ULC*, 2012 ABCA 47, (Alta C.A.); *Athabasca Minerals Inc. v Syncrude Canada Ltd.*, 2017ABQB 47.

[7] The requirements of the Mareva test are as follows:

- i) The applicant must establish that it has a strong prima facie case on the merits by making full and frank disclosure of all material facts within its knowledge, including providing particulars of the claim against the defendant, the grounds of its claim and the amount, and fairly stating the points made against it by the defendant.
- ii) The applicant should give some grounds for believing the defendant has assets in the jurisdiction. As much precision as possible regarding those assets is required so that the injunction can be directed towards a specific asset.
- iii) The applicant should give some grounds for believing that there is a risk of the assets being removed before the judgement or award is satisfied. The evidence must persuade the Court that the defendant is removing or that there is a

real risk that it is about to remove its assets from the jurisdiction to avoid a judgement or that the defendant is otherwise disposing of its assets out of the ordinary course of business, so as to render a future tracing impossible or remote.

iv) The applicant must satisfy the Court that it will suffer irreparable harm if the relief is not granted.

v) The applicant must show that in all circumstances the balance of convenience favours the granting of the injunction pending trial of the issue between the parties.

vi) The applicant must give an undertaking as to damages.

[8] The parties do not disagree about these requirements but disagree about whether they have been met.

[9] In addition, specific requirements apply to an attachment order granted under the *Civil Enforcement Act*, as set out in section 17 and 18 of the *Act*.

[10] Subsection 17(2) of the *Act* states that the Court may grant an attachment order if it is satisfied that a) there is a reasonable likelihood that the applicant's claim will be established; and b) there are reasonable grounds for believing that the defendant is dealing or likely to deal with its exigible property

i) otherwise than for the purpose of meeting the defendant's reasonable and ordinary or living expenses; and

ii) in a manner that would be likely to seriously hinder the claimant in the enforcement of a judgement against the defendant.

[11] Subsections 18 (4) and (6) of the *Act* stipulate that:

a) the Court, on application on notice to the defendant, may direct an *ex parte* attachment order remain in effect until terminated in accordance with section 19 or as directed by the Court;

b) the onus of establishing that the order should be continued is on the applicant;

c) the Court shall not continue the attachment order unless circumstances that exist at the time of the application on notice justify the continued existence of the order; and

d) the Court may terminate the order if satisfied that the applicant failed to make full and fair disclosure of material information at the time of the *ex-parte* application.

B. A strong prima facie case

[12] With respect to the Mareva requirement of a strong prima facie case, and the attachment order requirement of a reasonable likelihood that the applicant's claim will be established, Mr. Deng and Ms. Deng submit that H Corp's claims rest on the untenable assumption that H Corp's directors and officers were "tricked into entirely abrogating their duties as directors and officers". However, this is not H Corp's entire case. The evidence before me, which has not been negated by more recent evidence, is as follows:

1) A translation of the relevant portions of the investment agreements among the general partners of the Chinese entities that funded H Corp, indicate that the scope of the investment is the purchase of assets held by Twin Butte. Mr. Deng and others undertook in the agreements not to impair the investment. One of the agreements provides that any investment decision must be approved by a majority of an investment strategy committee made up of representatives of the various investors. The other requires approval by two-thirds majority of the committee with a veto available to one party.

The investment agreements provide that Mr. Deng and his spouse, another individual and his spouse, and Qingdao Zhangtian Capital Management Co. are subject to certain commitments to purchase the equity interests of the Chinese limited partners that funded the investment in H Corp.

While the agreements provide that they are subject to Chinese law and governed by dispute resolution provisions that may require an arbitration in China, the reference to the scope of investment in this application is not meant to invoke the jurisdiction of this Court in dispute resolution, but to provide context and evidence of investment intent.

2) In 2016, H Corp incorporated a wholly-owned subsidiary, West Lake, for the purpose of acquiring the Twin Butte assets. The Twin Butte assets were eventually acquired from its Receiver for approximately \$231,000,000 on March 30th, 2017.

3) Mr. Deng was a Director of H Corp from November 2016 to September 2017 during the period when the Twin Butte transaction was undertaken. He was a Director of West Lake. He is a limited partner of Wuhan LP, one of the Chinese entities that contributed funds to purchase the assets of Twin Butte. He was also a Director of Calgary Sinoenergy and Long Run Exploration, two of the Defendants, during the relevant period. New evidence indicates that Mr. Deng ceased to be a director of Calgary Sinoenergy and Long Run on November 18, 2019.

4) Mr. Deng's daughter, Ms. Deng, became a Director of West Lake in April of 2017 and remained a Director until April 2018. She was a Director of Long Run until January 27, 2020, according to new evidence. The Defendant Mr. Lam was described as an associate of and advisor to the Dengs.

Nothing in the new evidence contradicts this, and in fact establishes that Mr. Lam had a great deal to do with the impugned transfer of funds and operations at H Corp and West Lake, despite a lack of formal role.

Ms. Deng confirmed on cross-examination on her affidavit that her father, Mr. Deng, needed someone to provide directions on his behalf in relation to H Corp, West Lake, Calgary Sinoenergy and Long Run during the period in issue, and she was that person with respect to the day-to-day business and operations of the company. She also confirmed that, although she resigned as a director of West Lake on April 19, 2018, she continued to attend board meetings on Mr. Deng's behalf and provided directions on his behalf.

While Ms. Deng attempts to minimize her involvement with West Lake, it is apparent from an email to West Lake's lawyers dated April 11, 2017, that she was giving instructions to them.

H Corp alleges that the Dengs and Mr. Lam are the primary actors in an alleged misappropriation and diversion of funds from H Corp and West Lake.

5) In early 2018, the two Chinese investor parties became concerned that Mr. Deng would not be able to fund the acquisition of their equity interests and sent Mr. Zhang and two other representatives to Calgary to investigate West Lake's operations.

6) At a meeting in Calgary in October 2018 with Ms. Deng and Mr. Lam, these representatives were shown West Lake Financial Statements for the period ended December 31st, 2017 purporting to be audited that indicated that the share capital portion of shareholders' equity in West Lake was approximately \$345,000,000, and that cash was about \$31.5 million. Total current assets were approximately \$61,000,000 and non-current assets were approximately \$546,000,000. They were also shown bank statements indicating that West Lake had received about \$80,000,000 from H Corp.

[13] While Mr. Lam denied knowing anything about the false financial statements and bank statements, he admitted that he provided them to Mr. Zhang and his colleagues. He says in his affidavit that he did not create or review the documents. However, on cross-examination, Mr. Lam admitted that he had received the real audited year-end financial statements of West Lake on April 24, 2018, included in Audit Committee minutes and a board resolution that needed to be signed by Mr. Deng and another director. He sent unaudited quarterly financial statements to Mr. Zhang in a "WeChat" document that were clearly inaccurate in their shareholder equity number. He could not explain the discrepancy, but relied on the fact that the quarterly figures were unaudited.

[14] The Defendants submit that there is insufficient evidence to establish that the financial statements and bank records given to the representatives of the Chinese investors in October, 2018 are false, but Mr. Lam confirmed the accuracy of the audited financial statements and bank records obtained later in January, 2019, thus indirectly confirming that the documents are false.

[15] Mr. Zhang admitted on cross-examination that he received what turned out to be false financial statements from "Mr. Deng's team" on WeChat about two months before the meeting, but only received what turned out to be false bank account statements at the meeting. This does not affect the fact that the statements were false, and that Mr. Zhang had no reason to suspect that until he received the actual financial statements and bank records in January, 2019.

[16] Mr. Lam submits that there is no expert evidence that establishes that the financial statements initially produced by Mr. Deng's team and Mr. Lam were false. However, given that the audited financial statements of West Lake were later produced and verified as accurate by the directors of West Lake and Mr. Lam, it is apparent on their face that the previously produced statements are false and misleading. It is no answer to submit, as Mr. Lam does, that they were signed by two directors of West Lake. They may appear to be signed by these directors, but there is no evidence that these signatures are real.

7) The evidence of H Corp is that it later discovered that both the financial statements and the bank statements were false, that the share capital portion of the shareholders' equity number was materially overstated and that West Lake had not actually received the cash represented in the bank statements. However, at the time it was satisfied with the status of H Corp.

8) The representatives returned to Calgary on January 16th, 2019 and met with two West Lake directors, David Middleton and Steven Neu and West Lake officer, Mr. Steele. At that meeting, they were shown the actual audited financial statements and informed that West Lake had received only about \$42,000,000 after the acquisition of the Twin Butte assets.

9) Evidence submitted at the time of the application indicated that actual audited financial statements showed materially lower values for cash, exploration and evaluation and thus, the share capital portion of shareholders' equity was lower than the false financial statements by about \$40,000,000. The actual H Corp bank statements obtained from the bank showed lower in-flows of cash from H Corp to West Lake and transfers of cash to other entities, among them later established to be Calgary Sinoenergy.

10) The bank delivered statements to the investigators that revealed that Mr. Lam had approved a number of transfers from H Corp to Calgary Sinoenergy and a company called Canadian Advantage Petroleum Corporation.

[17] These statements indicate that Mr. Neu, a director of H Corp, and the President of West Lake, had also approved some of these transfers. Mr. Zhang's affidavit of November 20, 2019 stated that Mr. Neu admitted to the transfers but advised that Mr. Lam had directed them and advised that Mr. Deng wanted the transfers done. Counsel for H Corp was candid about Mr. Neu's position at the time of the application, specifically referring to the approval of the transfers, and referring to Mr. Neu's position and evidence that tends to corroborate his understanding.

[18] On cross-examination on affidavit, Mr. Lam confirmed that he had approved a number of transfers of funds to Calgary Sinoenergy. He confirmed that he had requested certain of these transfers, and that Mr. Neu had approved them. He also confirmed instructions from Mr. Neu to H Corp's lawyers December 4, 2018 indicating that the lawyers were entitled to continue to rely on instructions received from Ms. Deng and Mr. Lam as "team members" of H Corp until further written notice.

[19] On at least one occasion, money was subsequently transferred by Calgary Sinoenergy to Long Run. The statements also revealed some subsequent transfers of funds from Calgary Sinoenergy to H Corp. but overall, much more money flowed the other way.

[20] Mr. Lam indicated in an affidavit sworn in September, 2020 that the purpose of the transfer was in part to pay back the deposit and to allow Calgary Sinoenergy and Long Run to become sufficiently profitable such that they could contribute, along with Mr. Deng and others, to the buyback guarantee set out in the investment agreement with the Chinese investors.

[21] This does not, as submitted by the Defendants, provide a valid business purpose for the funds claimed by H Corp to have been misappropriated, but only evidence of a motive that benefits Mr. Deng with respect to his buy back obligation.

[22] Mr. Lam on cross-examination on his affidavits was evasive about who had directed the transfers. When asked whether Mr. Deng had directed them, he said “not that I am aware of”. He then indicated that if Mr. Deng, as a director of H Corp, was in Calgary or “if Mr. Neu would have access to Mr. Deng at that particular time, then I believe we would include Mr. Deng in that particular discussion”.

[23] There is nothing in Mr. Lam’s evidence that negates the strong *prima facie* case against Mr. Lam. Mr. Neu’s involvement, and how it may affect the validity of the order, is discussed later in this decision.

11) On January 22nd, 2019, the investigators and Mr. Middleton met with Mr. Neu, who Mr. Zhang says disclosed that Mr. Lam had directed the transfers and had advised him that Mr. Deng wanted the transfers done. According to Mr. Zhang’s affidavit, Mr. Neu admitted that he had been hired as a consultant for Sinoenergy by Mr. Deng in 2016, and that he had been appointed as a Director of H Corp. and president of West Lake in 2016 at Ms. Deng’s direction. He thought Ms. Deng had authority to act as a Canadian representative of her father and knew that Mr. Lam was Mr. Deng’s close associate. Therefore, he assumed that Mr. Lam and Ms. Deng had full authority to act for Mr. Deng, even though they had no formal titles at H Corp.

[24] As noted previously, evidence exists to indicate that this understanding was reasonable with respect to Mr. Lam. It was also reasonable with respect to Ms. Deng, as Ms. Deng does not deny that she hired Mr. Neu as a consultant for Calgary Sinoenergy, and was involved in his appointment as president of West Lake. Ms. Deng denies that she told Mr. Neu that Mr. Deng was going to buy Twin Butte, but not that she was very involved in the Twin Butte acquisition “at the request of my father and the two LP’s”. It is also clear from her affidavit that she was very involved on her father’s behalf in West Lake, including setting up bank signing authority for Mr. Neu and Mr. Lam and participating in executive-only meetings.

12) Mr. Middleton advised Mr. Zhang, according to his affidavit, that he was of the impression that Mr. Lam and Ms. Deng had authority to act as representatives of Mr. Deng, that Mr. Deng was the ultimate owner of West Lake or had the authority to conduct business for West Lake on behalf of a group of investors. Mr. Middleton referred to a translation agreement which gives Mr. Lam and Ms. Deng the ability to give instructions on behalf of Mr. Deng and the officers of West Lake, and also gives the officers of West Lake authority to rely on those instructions.

[25] Although Mr. Deng and Mr. Lam submit that the translation agreement only gives them limited authority, it includes the following paragraphs:

AND WHEREAS pursuant to an agreement dated May 1, 2018 (the "Original Agreement") each of Mr. Deng and Mr. Huang appointed Xiaobo (Lake) Deng and Michael Lam (the "Translators") as their due and authorized translators for the purposes of communicating their views, decisions and opinions from time to time in respect of the Corporation to the Corporation's other directors and its officers, employees and other agents in the English language and to receive communications, in the English language, with such persons.

...

By acceptance of this Agreement, [West Lake] and all other directors, officers, employees and other agents of [West Lake] are hereby authorized and entitled to rely on the communications of the Translators as the true and authorized communications (written or oral) of each of Mr. Deng and Mr. Huang, as applicable, without any further act of inquiry or investigation and all of such third parties are hereby authorized to provide any and all communications to the Translators. in the course of any intended communication to either Mr. Deng or Mr. Huang, as applicable, in the English language in the course of any communications required to be given to said directors, in their capacities as directors of the Corporation.

[26] It is therefore apparent that the authority given to Ms. Deng and Mr. Lam by the agreement extends beyond mere translation.

13) Mr. Zhang provided emails to indicate that Ms. Deng was giving instructions to counsel for West Lake in April 2017 on the Twin Butte transaction. Mr. Neu gave Mr. Zhang copies of Mr. Lam's instructions with respect to the transfer of money out of H Corp.

14) Ultimately, H Corp retained PricewaterhouseCoopers to conduct a "forensic" investigation with respect to this matter, supplying it with all of the banking documents, letters, closing documentation and emails that they had gathered in their investigation.

[27] The Defendants object to the characterization of the PricewaterhouseCooper's report as a "forensic" investigation. Mr. Zheng's affidavit states that H Corp's counsel engaged PWC to provide "forensic assistance". The evidence before me at the initial application was not misleading with respect to the nature and limitations of the report: those limitations are clear on its face and counsel for H Corp pointed them out at the *ex parte* application. My oral decision, when using the term "forensic investigation", does not suggest that the report was less limited than it is.

[28] The report indicates the following: H Corp ultimately received \$353,978,331 from entities through which the Chinese investors flowed the funds. From H Corp's bank accounts for the period from December 16th, to December 31st, 2018, PWC identified and quantified payments made to and/or received from entities that could not be associated with the Twin Butte acquisition and capital injections into West Lake.

[29] \$276,938,102 was used in connection with the purchase of Twin Butte assets and other operational related purposes.

[30] PWC identified \$77,006,491 in net payments from H Corp's bank accounts that were paid to or received from entities unrelated to the above-noted investment purpose. PWC notes that Mr. Zhang advised them that these net payments were made without the knowledge, approval or authorization of the partnership.

[31] The ending balance in H Corp's accounts as at December 31st, 2018 was \$33,738.

[32] PW identified the following unrelated entities involved in a number of transactions: Calgary Sinoenergy, Long Run, Alberta Sinoenergy Petroleum Corporation, New Star Energy Ltd., and an unknown entity.

[33] I found from evidence before me at the time of the *ex-parte* application that approximately \$44,000,000 remained unaccounted for. H Corp submitted that these funds were diverted without knowledge, approval or authorization and for purposes other than the acquisition of Twin Butte assets and the necessary capitalization of West Lake.

[34] The unrelated entities all share common directors, Mr. Deng and Yongsheng Wu (phonetic). The documentation indicates that Calgary Sinoenergy received net \$76,956,491 from H Corp., Long Run received net \$150,000 from H Corp and \$11.15 million of H Corp funds from Calgary Sinoenergy. Long Run paid \$1,462,292 into H Corp for its benefit.

[35] It was on this basis that I found that H Corp had established a strong *prima facie* case.

[36] Counsel for H Corp was candid and fulsome at the hearing, noting the possible defences the Defendants may have raised on the evidence as it had been presented.

[37] Mr. Deng, Ms. Deng and Mr. Lam submit that there is new evidence that renders the finding of a strong *prima facie* case invalid.

[38] These documents consist of a "Shareholders Declaration" made effective as of April 10 2017. The declaration states that it is made by York City Enterprises Ltd. as the holder of all of the shares of H Corp, and it is signed by someone described as a director of York City. York City is one of the vehicles used to funnel the funds from China in order to avoid Chinese currency controls. The declaration states that York City wishes to make a declaration pursuant to section 146 of the *Alberta Business Corporations Act*, which allows the restriction or amalgamation of the powers of the directors of a corporation by way of a unanimous shareholders agreement.

[39] The declaration is described as relating to an agreement dated April 10, 2017 with respect to a loan in the amount of \$58.76 million to Calgary Sinoenergy (described as the "Abrogated Actions"), and states that it relieves all of the directors of H Corp of their duties and liabilities to the fullest extent permitted by the *ABCA* as it relates to the Abrogated Actions.

[40] The declaration restricts the powers of the directors of H Corp "to the fullest extent permitted by the act and by law as it relates to the Abrogated Actions", and gives such powers to York City "as it relates to the Abrogated Actions". The declaration purports to approve the execution of the loan agreement by York City.

[41] Specifically, Mr. Lam is appointed:

...as a special representative of [H Corp], authorized to handle banking matters and all actions taken by Mr. Lam in such capacity be approved and ratified, and Mr. Lam be specifically directed and authorized to carry out such actions as may be necessary or desirable in furtherance and pursuant of the performance of the transaction under the Loan Agreement.

[42] The loan agreement, which is attached to the declaration, is between Calgary Sinoenergy and York City. The loan is unsecured and bears interest at prime plus 100 bps. It is stated to be repayable on the "Termination Date", which appears to be undefined.

[43] In cross-examination on his affidavits, Mr. Zhang denied that the declaration and loan agreement are valid, and stated "that the current board of directors of H Corp and York City and even the two funds and all the investors think this loan agreement is a fake one". He stated that the first time he and others from H Corp had heard about the loan agreement was from a public notice that Changchun Sinoenergy Energy distributed in China two months prior to Mr. Zhang's

cross-examination. When he learned of the declaration, he was “shocked”. Mr. Zhang further indicated that the current board of H Corp believes that the loan agreement is fake not only because they had never heard of its existence until recently, but also because, based on H Corp’s internal controls, if anyone had signed a document of that nature, the parent companies and the investors would have been notified.

[44] Changchun Sinoenergy is a majority shareholder in Sinoenergy Oil, which in turn holds 100% of the shares of Calgary Sinoenergy. As confirmed by Mr. Lam, Mr. Deng is a “significant shareholder in Changchun Sinoenergy.

[45] Mr. Lam states in an affidavit that Changchun Sinoenergy referred to the existence of the loan agreement in a press release dated June 5, 2020 in response to inquiries made by the Shanghai Stock Exchange with respect to H Corp’s claims. The loan agreement was not included in the press release.

[46] Mr. Lam says that the purpose of the loan to Calgary Sinoenergy was to repay Calgary Sinoenergy, Canadian Advantage Petroleum Corporation (a related company) and New Star for their contributions to the deposit that needed to be made to facilitate the purchase of the Twin Butte assets (which appears to be roughly \$26 million). Ms. Deng says that the second reason for the loan was to fund a drilling program by Long Run that would allow it to create cash flow, boosting the price of Changchun Sinoenergy, and thereby facilitating the exit strategy of the Chinese investors under the investment agreements. Ms. Deng suggests that the loan was therefore a benefit to H Corp. H Corp disagrees and submits that it only benefits Mr. Deng with respect to his buy-out obligation.

[47] According to Mr. Lam, the Changchun Sinoenergy press release states that over \$93 million was transferred from H Corp to Calgary Sinoenergy, despite H Corp not being the lender under the loan agreement, and \$92.150 million of that was transferred to Long Run.

[48] The amount of the transfers to Calgary Sinoenergy from H Corp are well in excess of the \$58,760,000 loan facility in the purported loan agreement. Although the purported loan agreement states the amount can be increased by York City, there is no evidence that York City ever did so.

[49] According to Mr. Lam’s affidavit:

Regarding the net amount owed to H Corp, Changchun Sinoenergy responded that CAD \$46,984,593.88 was transferred from Calgary Sinoenergy to H Corp and York City and RMB \$49,790,000.00 (approximately CAD \$9.96 million) was paid by Long Run and affiliates for interest payments on behalf of York City and affiliates.

[50] The only evidence of this other than Mr. Lam's statement is a Chinese document that Mr. Lam purports to translate. Relying on a series of other untranslated documents attached to his affidavits, relating to other debts and payments involving third parties, Mr. Lam states in his September 11, 2020 affidavit that the amount owing to H Corp is approximately \$16.5 million.

[51] In his August 15, 2020 affidavit, he states that the amount owing to H Corp according to a December 6, 2019 analysis done by an employee of one of the Chinese limited partners is approximately \$21.66 million. This he supports by reference to untranslated emails among representatives of Calgary Sinoenergy, H Corp and the Chinese investors. Mr. Lam also refers to other untranslated WeChat excerpts that he says suggest that the amount owing is between

\$17.32 million and \$18.8 million. He also alleges that no-one in the WeChat discussion has suggested misappropriation. However, Mr. Lam is not a participant in these exchanges.

[52] Mr. Lam in an affidavit states that, at a meeting on or about April 2017, he advised Mr. Neu and representatives of the Chinese investors of the declaration and loan agreement, and filed a copy in the H Corp minute book.

[53] Mr. Lam submits that the investors must have known about the funds flowing from H Corp to Calgary Sinoenergy because a 2017 PowerPoint presentation to West Lake investors identified "Capital Injection" of \$42 million in one of the slides. Mr. Lam argues that since \$42 million was approximately half of the \$80 million contributed by the Chinese investors in excess of the purchase price of the Twin Butte assets, it should have been clear that not all of the excess funds were being used to fund West Lake. It is not clear who the "investors" were who were given the presentation, and also not as clear from this isolated fact as Mr. Lam suggests that funds were being directed to Calgary Sinoenergy and Long Run.

[54] Mr. Lam also refers to H Corp's August 2017 Financial Statements in his affidavit, but again this document is untranslated.

[55] As noted, H Corp and the investors deny knowledge of the documents. This is a matter for trial.

[56] However, given that the transfer of funds from H Corp to Calgary Sinoenergy exceed the amount authorized by the loan agreement, and given the issues relating to the declaration and loan agreement as described herein, the existence of these documents is not sufficient to negate the *prima facie* case that was established by H Corp at the *ex parte* application and that continues to be established in this application.

[57] I continue to be satisfied, in accordance with the Mareva requirements set out in *Chitel v Rothbart*, that there is a serious issue to be tried.

[58] With respect to the attachment order, as recently noted by the Court of Appeal in *Bank of Nova Scotia v Five Star Motor Group Ltd.*, 2020 ABCA 244 at para 17:

The substance of the test for an attachment order is found in s. 17(2) [of the *Civil Enforcement Act*] First there must be a "reasonable likelihood" the applicant's claim will be established. The "reasonable likelihood" test under the statute is arguably lower than the test of a "strong prima facie case" that might be needed for a common law Mareva injunction: *Cho v. Twin Cities Power-Canada U.L.C.*, 2012 ABCA 47 (Alta. C.A.) at para. 5, (2012), 522 A.R. 154 (Alta. C.A.). The applicant need not prove the claim on a balance of probabilities, but something more than mere suspicion is required.

[59] H Corp has satisfied the "reasonable likelihood" case, particularly through the evidence of the falsified financial statements and bank records that were produced during the meeting in October, 2018. Sufficient supporting evidence exists to establish such a reasonable likelihood beyond mere belief or speculation. The involvement of Mr. Dang, Mr. Lam and Ms. Deng in the events that give rise to the claim has also been established to a reasonable likelihood.

C. Assets in the Jurisdiction

[60] It is clear from their evidence that Mr. Lam and Ms. Deng have assets in Alberta. Mr. Deng did not file an affidavit. However, as noted by H Corp, he is a significant shareholder in

Changchun Sinoenergy which is the majority shareholder in Sinoenergy Oil, which holds 100% of the shares of Calgary Sinoenergy, although, as described later in this decision, his shareholdings in Changchun Sinoenergy may be frozen or diminished. As counsel noted in the ex-parte application, whether Mr. Deng has assets in the jurisdiction is less clear, but he has through Changchun Sinoenergy, and possibly through other entities in the complicated chain of its subsidiaries, an indirect interest in both Calgary Sinoenergy and Long Run.

D. Risk of Dissipation

[61] The next part of the Mareva requirements is whether there are grounds for believing that there is a risk of assets being removed before a judgement is satisfied or, in the words of the *Civil Enforcement Act*, there are “reasonable grounds” that the defendants are likely to deal with their assets out of the ordinary course of business, and in a way that is “likely to seriously hinder the claimant” in recovering its claim.

[62] The fact that the claim is in fraud or other similar misconduct, and if it is “reasonably likely” that the claim will be established under the first part of the tests may support an inference that the defendants are likely to deal with their assets in a way that will satisfy this part of the test: *Osman Auction Inc. v Belland*, 1998 ABQB 1095 (Alta. Q.B.) at para 28.

[63] While in the *Nova Scotia* case, the potential inference identified in *Osman Auction* was not sufficient to overcome the gap in the factual record, this is not a case, as in *Nova Scotia*, where a receivership order could eliminate risk.

[64] H Corp submits, based on *Sibley & Associates LP v Ross*, 2011 ONSC 295, that dissipation can be inferred from the circumstances and the course of conduct undertaken by the defendants.

[65] In *Sibley*, the evidence established that the defendant had made payments from the company to his mother over a period of several years, totaling in excess of \$300,000. Strathy, J. found that that the evidence established “a very strong *prima facie* case” of fraud, but there was no direct evidence of either the former employee or his mother’s financial circumstances or that they were dissipating their assets or proposing to remove them from the jurisdiction.

[66] After review with cases dealing with the granting of a Mareva injunction, the Court concluded that where all the circumstances, including the circumstances of the alleged fraud, demonstrate a serious risk that the defendant will attempt to dissipate assets or put them beyond the reach of the plaintiff, the court may infer dissipation and/or removal of assets: para 62.

[67] Mr. Lam is a close associate of Mr. Deng and Ms. Deng is his daughter. They have acted as his representatives with respect to the events given rise to H Corp’s claim. It is clear from public notices from Changchun Sinoenergy described later in this decision that Mr. Deng may be subject to significant financial risks. It is clear from the investment agreement that he requires funds to buy-out the limited partners. Mr. Lam has significant investments in properties in Alberta and Ms. Deng is the director of a company incorporated to hold real estate in Alberta. Given their previous conduct on behalf of Mr. Deng, the *Osman Auction* inference is warranted.

[68] While Mr. Deng may no longer be a director of Calgary Sinoenergy or Long Run, he remains connected to these companies through his involvement with Changchun Sinoenergy, although the extent of his involvement is unclear. Mr. Deng’s involvement in Changchun Sinoenergy’s subsidiaries is unknown. Given that the claim against Mr. Deng is in fraud, and

given the strength of the *prima facie* against him, the *Osman Auction* inference is sufficient to satisfy the test in his case.

E. Irreparable Harm

[69] H Corp cites *East Guardian SPC v Mazur*, 2014 ONSC 6403 at para 41 with respect to the Mareva requirement that the applicant must show that irreparable harm would occur if the order is not granted:

The normal basis for irreparable harm in cases of this kind is that, if the respondent's assets are not secured, there will be no way for the applicant to collect on a money judgement.

[70] This principle was affirmed in *OPFFA v Paul Atkinson et al*, 2019 ONSC 3877 at para 25.

[71] The Court in *Rana v Malik*, 2014 ONSC 701, where the defendants had some assets in the jurisdiction and had family and business ties in Pakistan, found irreparable harm in the risk that the defendants may transfer their assets beyond the reach of the plaintiff. The Court found such a risk to be "more than simply mere speculation" because the conduct of the defendants included creating forged documents to hide or misrepresent their fraudulent conversion and because of "their ability and experience to transfer investments quickly in and out of Canada": para 78. While Canadian assets included a house registered in the name of one of the defendants, the Court noted that a related defendant was the one likely in control of the business. The evidence in this case, including the allegations of fraudulent financial statements and ability to transfer funds cross-border despite Chinese currency controls, is also sufficient to indicate a risk of irreparable harm that is more than mere speculation.

[72] These authorities support a finding of irreparable harm with respect to Mr. and Ms. Deng, but Mr. Lam submits that his situation is similar to that of the defendants in *HZC Capital Inc v Lee*, 2019 ONSC 4622, where the Court found that there was no evidence of off shore assets or businesses or any indication the defendants may move their assets off shore to avoid judgement or that they would not be in a position to pay any judgement ordered.

[73] However, in that case, the Court dismissed the application against most of the defendants on the basis that the applicant had not established a strong *prima facie* case, there was no evidence of risk of dissipation and it could not be concluded that the defendants would not have assets sufficient to satisfy any judgement in respect of the alleged wrongful conduct. In this case, I have found evidence sufficient to establish a strong *prima facie* case with respect to Mr. Lam and his involvement in the movement of funds into Canada. I have also found substantial evidence of his involvement in a strong *prima facie* case of fraudulent conduct with respect to the provision of misleading financial statements to H Corp's representatives. Given these factors, I find that H Corp has established a more than speculative case of risk of irreparable harm with respect to Mr. Lam.

[74] H Corp has established that there is a real risk that the defendants are able to move funds in and out of Canada. That risk is apparent from the complex means by which funds were moved out of China despite currency controls. That, plus the fact of forged documents, establishes a risk of dissipation, and thus irreparable harm.

F. Balance of Convenience

[75] The balance of convenience test requires the Court to consider whether the harm suffered by the applicant if the order is not made exceeds the harm that will be suffered by the respondent if it is: *RJR-MacDonald Inc. v Canada (Attorney General)* [1994] 1 S.C.R 311 at para 67.

[76] H Corp submits that the balance of convenience favours granting the order, because, if the order is not granted, the defendants will be able to put their assets beyond reach. H Corp also notes that it has consented to multiple orders amending the order in order to allow Mr. Lam and Ms. Deng to continue to access funds for living expenses and to engage in ordinary business transactions, and that thus any inconvenience to the defendants can be off-set by such orders, given H Corp's demonstrated willingness not to burden the defendants more than necessary to achieve the purpose of which the order was granted.

[77] I find that the balance of inconveniences favours H Corp.

G. Other Issues

A. Delay

[78] The defendants submit that H Corp's delay in seeking the order is fatal to this application. The fact of delay by an applicant, quite apart from any question of prejudice to the defendant, may often indicate that the risk is not significant enough to warrant interlocutory relief: *Secure 2013 Group v Tiger Calcium Services Inc.*, 2017 ABCA 316 at para 126.

[79] Counsel for H Corp addressed the issue of delay at the time of the *ex-parte* application. He referred to the delay in release of the PWC report, delay caused by Covid-19 (conceding that the pandemic was not the cause of all of the delay) and the delay caused by the fraudulent concealment of the true financial statements and bank statements.

[80] As noted in *ICI Americas Inc. v Ireco Canada Inc.* (1985), -7C.P.R. (3d) 1 (Fed. T.D.) at p. 10:

In general it is the effect of delay, not the fact of delay that precludes a party from obtaining an interlocutory injunction. For example, effects which make delay a reason for refusing an interlocutory injunction are: (1) the defendant has prejudiced his position during the time of delay, as for example, through the expenditure of money in developing a business; or (2) delay is evidence that the plaintiff does not consider interdiction of the infringement an urgent or pressing matter. [emphasis added by the Court].

[81] H Corp refers to *O2 Electronics Inc. v Sualim*, 2014 ONSC 5050, at paras 89-90 where the Court held:

Similarly, the delay from December 2013 to July 2014 in taking steps to secure its own *Mareva* injunction is problematic, because a plaintiff's delay in seeking an equitable remedy may justify refusing the remedy. However, in the circumstances of the immediate case, Mrs. Sualim knew the claim was coming, and I do not see how her position has changed detrimentally by the delay in O2 Electronics seeking the *Mareva* injunction. She remains entitled to apply for modifications to the Order for normal business and living expenses and for legal fees.

[82] In *Kingston Technology Co. v. Orr* [2001] O.J. No. 2386 (Ont. S.C.J.) Swinton J. noted at paragraph 8:

In my view, it would not be appropriate for me to dismiss the motion for a *Mareva* injunction despite the lengthy delay in bringing it on for a hearing on the merits. While delay is clearly a factor that courts consider in determining whether a *Mareva* injunction should be granted, so, too, are the merits of the case and the prejudice to the plaintiff (R.J. Sharpe, *Injunctions and Specific Performance*, 3d ed. at para. 1.840).

[83] In this case, the merits of the case clearly support the issuance of the *Mareva* injunction/attachment order. In the circumstances the delay is explicable, and there is no evidence that it has caused prejudice to the defendants. I, therefore, would not dissolve the *Mareva* injunction on the grounds of delay and want of notice in seeking injunctive relief.

[84] There is no reason to conclude that H Corp should have proceeded with its application on the basis of a “draft” PWC report, as suggested by Mr. Lam.

B. Lack of Candour

[85] The defendants submit that H Corp failed to be candid in its submissions to the Court in support of the *ex-parte* application. Some of these submissions have been referred to previously. The following are those that have not yet been noted:

a) The defendants suggest that H Corp failed to make full and frank disclosure with respect to Mr. Neu’s knowledge and approval of transfers out of H Corp. I cannot agree with this submission: counsel for H Corp advised me of this during the *ex parte* application, and the materials before me indicated that Mr. Neu had given his approval to many of the transfers. However, Mr. Zhang’s affidavit explains that Mr. Neu advised that Mr. Lam told him that Mr. Deng wanted the transfers done, and that he was under the impression that Mr. Deng controlled the funds behind H Corp. The issue of the hearsay nature of this evidence is addressed later in this decision.

b) The defendants allege that Mr. Zhang intended the Court to be misled by media reports about tax evasion and the financial situation of Long Run. The limited value of these reports was apparent on their face, and counsel for H Corp referred to the dated nature of the Long Run information. In my oral decision, I referred to this information as being “contextual” information, and described the dates of the report and the name of the individual who was investigated by the CRA.

c) It is submitted that Mr. Zhang failed to disclose that the parties had been discussing the claim in a WeChat virtual working group in December 2019, including discussions with respect to the correct amount of the claim. The issue is whether the fact that there were discussions and negotiations among the parties with respect to the claim is vital evidence that should have been disclosed to the Court. While it may have been more complete to disclose these discussions at the time of the *ex-parte* application, I cannot say that they would have changed the outcome, or that they change the outcome of this application. Only a portion of

the WeChat discussions have been provided by Mr. Lam, who is not a participant in the discussions, and they have not been properly translated.

d) The defendants allege that Mr. Zhang admitted in cross-examination on his affidavits that he asked the Court to draw an adverse inference against the defendants with respect to the \$2 million payment from New Star, even though he could have asked for clarification from Mr. Neu. The transcript of Mr. Zhang's cross-examination does not support this allegation. Mr. Zhang's evidence on this issue is more nuanced than this and not an admission as alleged. At any rate, I did not draw such an adverse inference.

e) The defendants submit that the corporate diagram that Mr. Zhang says was relied upon by Mr. Middleton to support his belief that Mr. Deng was either the ultimate owner of West Lake or, at the least, had authority to conduct West Lake's business on behalf of a group of investors, could not possibly lead anyone to believe that Mr. Deng controlled H Corp. I note first that Mr. Zhang does not say that Mr. Middleton relied upon this corporate diagram, but does say that it is inaccurate. Mr. Lam included a different ownership structure in his affidavit, and noted that the ownership diagram in Mr. Zhang's affidavit was "not entirely wrong", but that there were some intermediate Chinese companies missing from the chart. **Therefore, Mr. Zhang was not incorrect when he described the original diagram as inaccurate.**

Mr. Lam's diagram discloses that, while Mr. Deng may only be a 5% owner of Wuhan LP, one of the Chinese limited partners, Wuhan owns approximately 53% of Jingzhou Heping Energy Co Ltd. to Jingyin LP's approximately 47%, that Jingzhou owns approximately 99% of Qingdao Sinoenergy Yuheng Co Ltd, which holds 100% of York City Enterprises, a British Virgin Islands company which holds 100% of H Corp, which holds 100% of West Lake.

This indicates a far more complex structure than was indicated in the diagram that Mr. Zhang says was provided to Mr. Middleton by Mr. Lam. Whether or not the incorrect ownership structure that Mr. Middleton provided to Mr. Zhang could support Mr. Middleton's view of Mr. Deng's authority is a matter for trial. However, the submissions on this issue by the defendants do not support a lack of candour or disclosure by H Corp.

f) It is alleged that Mr. Zhang's evidence misrepresents Mr. Lam's role. The evidence of Mr. Lam on this issue does not support any misrepresentation by Mr. Zhang.

[86] **In summary, I do not find that H Corp or its counsel failed in their duty to provide full and frank disclosure in the *ex-parte* application, or that Mr. Zhang misrepresented any facts or information.**

C. Other objections

[87] The defendants submit that H Corp's undertaking as to damages is without substance because Mr. Zhang acknowledged that H Corp does not have much cash as it is not an operating company. However, it owns the shares of West Lake, an operating company in Alberta with substantial assets.

[88] The defendants submit that the order is deficient in that it does not stipulate that it expires automatically after 21 days. While subsection 18(2) of the *Civil Enforcement Act* provides for an expiration date of not more than 21 days, subsection 18(3) provides that, if the court is satisfied that it would be inappropriate for an *ex-parte* attachment order to expire automatically after 21 days, the order may specify a later expiry date or specify that it remains in force and effect until it terminates in accordance with section 19. The order granted in this case provided for termination as set out in section 19(1).

H. Conclusion on the Application of Mr. Deng, Ms. Deng and Mr. Lam

[89] The *ex parte* order is confirmed as it relates to Mr. Deng, Ms. Deng and Mr. Lam.

[90] The defendants submit, correctly, that some of H Corp's evidence supplied in Mr. Zhang's affidavits is hearsay advice from Mr. Neu and Mr. Middleton, among others. I agree that Mr. Neu and Mr. Middleton's evidence is important and should be provided by them directly. I therefore direct that the order will terminate three months from the date of this decision unless H Corp provides affidavits from Mr. Neu and Mr. Middleton. The order will otherwise terminate as set out in section 19(1), subject to further order of the Court.

III. Application of Calgary Sinoenergy Investment Corp. and Long Run Exploration Ltd.

[91] The defendants Calgary Sinoenergy and Long Run submit that the order should be set aside because:

- (a) H Corp. failed to show a strong *prima facie* against Calgary Sinoenergy and Long Run;
- (b) material information was not disclosed to the Court;
- (c) H Corp. failed to demonstrate any urgency that required the order and was guilty of delay in applying for it;
- (d) the order should have contained a expiry date;
- (e) there were no financial caps in the order commensurate with the alleged amounts in issue included in the order; and
- (f) there was no evidence of risk of dissipation or removal of assets as against Calgary Sinoenergy and Long Run and thus H Corp. did not show irreparable harm.

[92] Calgary Sinoenergy and Long Run provided the following information:

- (a) The defendant Tianzhou Deng stopped being a director of Calgary Sinoenergy and Long Run on November 18, 2019, two days before Mr. Zhang's affidavit of November 20, 2019 was sworn.

It appears that the notification of change of directors was filed on November 19, 2019, the day before the affidavit was sworn. The affidavit stated that Mr. Deng was a director of Calgary Sinoenergy, Long Run and West Lake Energy Corp., a wholly owned subsidiary of the H Corp., which was true before November 18, 2019.

(b) The defendant Lake Deng ceased to be a director of Long Run on or about January 27, 2020. She was a director of Long Run when the affidavit was sworn. She was never a director of Calgary Sinoenergy, but H Corp. does not allege that.

(c) The defendant Michael Lam was removed as the VP Finance of Calgary Sinoenergy “by” January 10, 2020. He was never a director or officer of Long Run, but H Corp. did not allege that. Mr. Lam confirmed in his cross-examination of affidavit on September 17, 2020 that he had been VP Finance for Calgary Sinoenergy “from beginning to the end”, and also VP Finance for Alberta Sinoenergy “from beginning to the end” and that he was VP Finance for New Star Energy Ltd. and the CEO of New Star Energy. Thus, the November affidavit was not inaccurate with respect to Mr. Lam.

(d) New Star Energy Ltd. was not a subsidiary of Calgary Sinoenergy but of Alberta Sinoenergy Petroleum Corp. The November affidavit disclosed this.

(e) Mr. Lam in his subsequent cross-examination on affidavit referred to what is described as a Shareholder Declaration of H Corp. signed by a director of York City Enterprises Ltd. on April 10, 2017, one of the intermediary companies involved in the transfer of funds from H Corp. to West Lake. This declaration has been described previously in this decision

[93] It is correct that, in my reasons for decision, I relied on the information that Mr. Deng was a director of Calgary Sinoenergy and Long Run, and that Ms. Deng was a director of Long Run in granting the order against the corporate defendants. Given that Mr. Deng and Ms. Deng are no longer directors of these two companies, I must consider if there is sufficient evidence to establish that either of them currently have the ability to move funds in and out of the jurisdiction or to dispose of assets through the corporate defendants Calgary Sinoenergy and Long Run, one of the essential requirements of both the test for a Mareva order and the test for an attachment order.

[94] There remains considerable evidence that Mr. Deng, Ms. Deng and Mr. Lam were involved with Calgary Sinoenergy and Long Run during the period of time that H Corp. alleges that it was wrongfully deprived of approximately \$44 million. That issue, however, is a matter for trial. The evidence with respect to any current relationship they may have to the corporate defendants is as follows:

a) None of Mr. Deng, Ms. Deng or Mr. Lam are directors or officers of either Calgary Sinoenergy or Long Run.

b) Changchun Sinoenergy Corp is a majority shareholder in Sinoenergy Oil Investment Ltd., which in turn holds 100% of the shares of Calgary Sinoenergy. As Sinoenergy Oil is a British Virgin Islands company, it is not possible for H Corp to determine who its shareholders are, and Sinoenergy Oil has not disclosed this.

c) Mr. Deng is one of the founders of Changchun Sinoenergy, which is publicly traded on the Shanghai stock exchange. Until recently, Mr. Deng was the President of Changchun Sinoenergy.

d) On October 25, 2019, Changchun Sinoenergy issued a public notice advising that, pursuant to a court decision, the shares in Changchun Sinoenergy

held by Mr. Deng, Quingdao Capital and another individual had been frozen for a period of three years.

e) On January 2, 2020, Changchun Sinoenergy issued a notice indicating that a portion of Mr. Deng's shares, which had been subject to various pledging and freezing orders by the court, were judicially auctioned, resulting in a significant decrease in Mr. Deng's shares in Changchun Sinoenergy.

f) On January 13, 2020, Changchun Sinoenergy issued a notice, confirming that the portion of Mr. Deng's shares that had been judicially auctioned had been transferred.

g) On January 21, 2020, Changchun Sinoenergy issued a notice that, due to its losses, the company faced being delisted from the Shanghai Stock Exchange.

h) On February 28, 2020, Changchun Sinoenergy issued a "second warning" notice, again warning stakeholders that, as a result of its losses, it may be delisted.

i) On September 9, 2020, Changchun Sinoenergy posted a press release advising that Mr. Deng was subject to a 5-year market ban on being a director or senior executive of companies listed on the Shanghai Stock Exchange.

[95] All of these documents are in the Chinese language, but none of the parties have disputed their accuracy.

[96] While it is possible that Mr. Deng may still be a director or shareholder of an unlisted Changchun Sinoenergy or its subsidiaries despite his and the company's financial difficulty and may still be in a position to exert some control over Calgary Sinoenergy, H Corp has not adduced evidence sufficient to establish its burden of proof on this necessary requirement for an attachment order or Mareva injunction.

[97] Therefore, the pre-trial attachment order against Calgary Sinoenergy and Long Run must be set aside.

[98] With respect to the allegations of lack of candour by H Corp, while it would have been prudent to check the corporate registries of Calgary Sinoenergy and Long Run in the months leading to the application, counsel to H Corp. did not deliberately fail to disclose material information to the Court. As noted, the change of directors took place only a day before the affidavit was sworn with respect to Mr. Zhang, and months afterwards with respect to Ms. Deng. Counsel did not misrepresent the Globe and Mail article of 2018 about Mr. Yang, or misrepresent that date of the 2015 article about the financial condition of Long Run, nor did it misrepresent the time period of Mr. Deng, Ms. Deng and Mr. Lam's involvement with the companies. My reasons identified the date of the Long Run article and the date Calgary Sinoenergy acquired Long Run, as well as a correct reference to Mr. Yang's involvement, which was not in any event material to my decision.

[99] While information has arisen subsequent to the order that may be material, that evidence was not available to H Corp at the time of the application, or is disputed by H Corp. As noted previously, I was not misled about the nature of the PricewaterhouseCoopers report, which I reviewed before giving my decision.

[100] As I have decided that the attachment order of Calgary Sinoenergy and Long Run should be lifted, it is not necessary that I address the other alleged deficiencies in the application referred to by Calgary Sinoenergy and Long Run.

Dated at Calgary, Alberta this 3rd day of March, 2021.



B.E. Romaine
J.C.Q.B.A.

Appearances:

Andrew Wilson and Erin Baker
for the Plaintiff/ Respondent Henenghaixin Corp

Lillian Pan Q.C. and Steven Latos
for the Defendants/ Applicants, Calgary Sinoenergy Investment Corp and Long Run
Exploration Ltd.

Steven H. Leitl, Q.C. and Sunny Mann
for the Defendants Tianzhou Deng and Lake Deng

Exhibit "25"

Court of Appeal of Alberta Decision, Aug-22-22

13 pages

THIS IS EXHIBIT " 25 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZYK
My Commission Expires May 21, 2026

In the Court of Appeal of Alberta

Citation: Henenghaixin Corp v Deng, 2022 ABCA 271

Date: 20220822
Docket: 2101-0082AC
2101-0084AC
Registry: Calgary

Docket: 2101-0082AC

Between:

Henenghaixin Corp.

Respondent

- and -

Michael Lam

Appellant

- and -

Tianzhou Deng, Xiaobo Deng aka Lake Deng, Calgary Sinoenergy Investment Corp., Long Run Exploration Ltd., John Doe and ABC Corporation

Not Parties to the Appeal

Docket: 2101-0084AC

Between:

Henenghaixin Corp

Respondent

- and -

Tianzhou Deng and Xiaobo Deng, aka Lake Deng

Appellants

- and -

**Michael Lam, Calgary Sinoenergy Investment Corp., Long Run Exploration Ltd.,
John Doe and ABC Corporation**

Not Parties to the Appeal

The Court:

**The Honourable Justice Marina Paperny
The Honourable Justice Peter Martin
The Honourable Justice Jo'Anne Streckaf**

Memorandum of Judgment

Appeal from the Order by
The Honourable Justice B.E. Romaine
Dated the 3rd day of March, 2021
Filed on the 21st day of April, 2021
(2021 ABQB 168, Docket: 2001 03353)

Memorandum of Judgment

The Court:

Introduction

[1] These appeals are from an order declining to set aside an *ex parte* attachment order/Mareva injunction obtained by Henenghaixin Corp (H Corp) against a former director, his daughter, his business associate and various corporations. The underlying action alleges misappropriation of funds provided to enable H Corp's wholly owned subsidiary, West Lake Energy Corporation (West Lake), to acquire the assets of a company out of receivership.

[2] The evidence provided by H Corp on the *ex parte* application and in opposition to the motion to set it aside contained significant hearsay. H Corp did not provide direct evidence from any of its directors, officers or employees, or any of West Lake's directors, officers or employees. As a result, no representative of H Corp or West Lake with direct knowledge of their operations and access to their business records and financial information was available for cross-examination on the review application.

[3] The chambers judge upheld the *ex parte* order but concluded that evidence of Steven Neu (the President and a director of H Corp and an officer of West Lake) and David Middleton (a director and former officer of West Lake), which evidence was before her in the form of hearsay, was "important and should be provided by them directly". She directed that the order "will terminate three months from the date of this decision unless H Corp provides affidavits from Mr Neu and Mr Middleton".

[4] Mareva injunctions and attachment orders are extraordinary remedies. Hearsay evidence should be approached cautiously, particularly in the absence of an explanation as to why key available evidence has not been provided by individuals who have personal knowledge of the relevant facts. The acknowledgment by the chambers judge that some of the hearsay evidence was important and should be provided directly implicitly recognized that the order could not be justified on the record before the court.

[5] The appeal is allowed and the attachment order/Mareva injunction is set aside.

Background

[6] H Corp is an Alberta corporation established and funded through a chain of intermediate entities by two Chinese investment funds (referred to as the investment funds or limited partnerships) to acquire the assets of Twin Butte Energy Ltd through H Corp's subsidiary, West Lake.

[7] At the relevant time, the appellant Tianzhou Deng (Mr Deng), was one of four members of the H Corp board of directors and was also a director of West Lake, Calgary Sinoenergy Investment Corp and Long Run Exploration. His daughter, Xiaobo Deng, aka Lake Deng (Ms Deng) was a director of West Lake and is a director of Long Run. Mr Michael Lam is a business associate of the Dengs.

[8] On February 28, 2020, H Corp commenced an action against the Dengs, Mr Lam, Calgary Sinoenergy, Long Run, John Doe and ABC Corporation. The claim alleges that the investment funds transferred monies to H Corp to acquire the Twin Butte assets. Monies were then transferred among various corporations, leaving a shortfall of \$44 million that was wrongfully diverted. The claim alleges the funds were misappropriated from H Corp at the direction of Mr Deng through instructions provided by Mr Lam and Ms Deng, who misrepresented to individuals at H Corp that Mr Deng owned and controlled H Corp and that they had authority to direct its affairs.

[9] On April 23, 2020, H Corp applied for and obtained an *ex parte* attachment order/Mareva injunction (*ex parte* order) against Mr Deng, Ms Deng, Mr Lam, Calgary Sinoenergy and Long Run.

[10] The chambers judge found the investment funds provided \$352.5 million to H Corp to enable West Lake to acquire the assets of Twin Butte from a receiver on March 30, 2017. The acquisition was subject to two investment agreements involving various parties, including the limited partnerships and Mr Deng, which restricted the use of the funds to the acquisition of the Twin Butte assets and related matters.

[11] In May 2018, the investment funds became concerned that Mr Deng would be unable to fund the acquisition contemplated in the investment agreements and sent Gaoyong Zhang and two others to Calgary to investigate West Lake's operations. Mr Zhang and the others met with Ms Deng and Mr Lam in October 2018 and were shown audited West Lake financial statements for the period ended December 31, 2017. Those statements showed shareholder's equity of \$345 million and cash of \$61 million. Bank statements indicated West Lake had received \$80 million from H Corp. In January 2019, Mr Zhang met with two West Lake directors, Mr Neu and Mr Middleton, and an officer, Mr Steele. They reviewed audited financial statements showing shareholder's equity that was lower by \$40 million. Mr Zhang was informed that West Lake had received \$42 million after the Twin Butte acquisition. On January 21, 2019 the directors of H Corp changed signing authority, removing Mr Lam but retaining Mr Neu. Bank statements indicated that Mr Lam had approved a number of transfers from H Corp to Calgary Sinoenergy.

[12] Price Waterhouse was retained to conduct a forensic investigation. Its report indicated that H Corp received \$354 million from the investment funds through various entities, of which \$276 million was used in connection with the Twin Butte purchase and other operational related

purposes. The report identified \$77 million in net payments not related to the Twin Butte assets were made to various unrelated entities, including Calgary Sinoenergy and Long Run.

[13] The chambers judge was satisfied that the criteria for an attachment order and Mareva injunction had been met. She found that: H Corp had established a strong *prima facie* case; its counsel had been candid and fulsome; there was a serious issue to be tried; the evidence, “including the forensic analysis by Price Waterhouse and the evidence of the false financial statements and misleading bank statements indicates that it is likely to be successful at trial”; the defendants had assets in Alberta that were at risk of disposal or dissipation; irreparable harm had been established; and the balance of convenience favoured granting the application.

[14] The only evidence submitted on behalf of H Corp on the *ex parte* application were three affidavits of Mr Zhang. He was a resident of China and an employee of the general partner of one of the investment funds that indirectly owned H Corp. He was not a director, officer or employee of H Corp or West Lake.

[15] The Dengs and Mr Lam applied to set aside the *ex parte* order. Both Ms Deng and Mr Lam provided affidavits on the review application, and transcripts from cross-examinations of Mr Zhang, Ms Deng and Mr Lam were filed. H Corp did not file any additional evidence on the review application, continuing to rely on the affidavits of Mr Zhang.

[16] Mr Lam’s evidence was that H Corp did not have sufficient funds to pay the deposit to acquire Twin Butte so Calgary Sinoenergy advanced those funds by way of a loan to H Corp and the transfers out of H Corp were authorized by a Shareholder Resolution and Loan Agreement. He said he did not create, review or alter the bank statements or West Lake financial statements that were provided to Mr Zhang in October 2018.

[17] The chambers judge dismissed the review application to set aside the *ex parte* order: *Henenghaixin Corp v Deng*, 2021 ABQB 168. That decision is the subject of this appeal.

[18] The chambers judge undertook a thorough analysis of the evidence; her detailed findings are summarized throughout her decision. It is clear that the chambers judge had serious concerns regarding the transfer of funds from H Corp based on the apparent discrepancies in financial statements, the report of Price Waterhouse, and the evidence of Mr Zhang. For the narrow purposes of this appeal, we note the following relevant findings made by the chambers judge.

[19] With respect to the bank statements, the chambers judge noted that they “indicate that Mr. Neu, a director of H Corp, and the President of West Lake, had also approved some of these transfers. Mr. Zhang’s affidavit of November 20, 2019 stated that Mr. Neu admitted to the transfers but advised that Mr. Lam had directed them and advised that Mr. Deng wanted the transfers done. Counsel for H Corp was candid about Mr. Neu’s position at the time of the application, specifically

referring to the approval of the transfers, and referring to Mr. Neu's position and evidence that tends to corroborate his understanding" (para 17).

[20] The chambers judge also found as follows, based on the affidavits of Mr Zhang:

On January 22nd, 2019, the investigators and Mr. Middleton met with Mr. Neu, who Mr. Zhang says disclosed that Mr. Lam had directed the transfers and had advised him that Mr. Deng wanted the transfers done. According to Mr. Zhang's affidavit, Mr. Neu admitted that he had been hired as a consultant for Sinoenergy by Mr. Deng in 2016, and that he had been appointed as a Director of H Corp. and president of West Lake in 2016 at Ms. Deng's direction. He thought Ms. Deng had authority to act as a Canadian representative of her father and knew that Mr. Lam was Mr. Deng's close associate. Therefore, he assumed that Mr. Lam and Ms. Deng had full authority to act for Mr. Deng, even though they had no formal titles at H Corp.

Mr. Middleton advised Mr. Zhang, according to his affidavit, that he was of the impression that Mr. Lam and Ms. Deng had authority to act as representatives of Mr. Deng, that Mr. Deng was the ultimate owner of West Lake or had the authority to conduct business for West Lake on behalf of a group of investors. Mr. Middleton referred to a translation agreement which gives Mr. Lam and Ms. Deng the ability to give instructions on behalf of Mr. Deng and the officers of West Lake, and also gives the officers of West Lake authority to rely on those instructions.

[21] No affidavit from Mr Neu or Mr Middleton was filed on the review application. The evidence with respect to their conversations and assumptions was all contained in the affidavits of Mr Zhang.

[22] The chambers judge found that "PWC identified \$77,006,491 in net payments from H Corp's bank accounts that were paid to or received from entities unrelated to the above-noted investment. PWC notes that Mr. Zhang advised them that these net payments were made without the knowledge, approval or authorization of the partnership." (para 30). Based on her review of the evidence, the chambers judge found approximately \$44 million of the invested funds remained unaccounted for and noted that H Corp submitted the funds were diverted without knowledge, approval or authorizations, and for purposes other than the acquisition of Twin Butte assets and the necessary capitalization of West Lake. She found the evidence indicated Calgary Sinoenergy and Long Run as among the unrelated entities that received funds from H Corp, and that those entities share common directors, including Mr Deng.

[23] The chambers judge rejected the appellants' submission of an alleged Shareholders Declaration and loan to Calgary Sinoenergy, noting that "H Corp and the investors deny knowledge of the documents" and concluding it is a matter for trial.

[24] The chambers judge confirmed the attachment order/Mareva injunction in relation to the Dengs and Mr Lam. She recognized that some of the evidence in Mr Zhang's affidavits is hearsay advice from Mr Neu and Mr Middleton, among others. She agreed that "Mr. Neu and Mr. Middleton's evidence is important and should be provided by them directly". She directed that the order would terminate after three months unless H Corp provided affidavits from Mr Neu and Mr Middleton.

Issues on appeal

[25] The appellants submit that the chambers judge erred:

- (1) in confirming the order based on hearsay evidence on key points in circumstances where direct evidence was available;
- (2) in directing, on her own motion, that the order would terminate three months from the date of her decision unless H Corp provides affidavits from Mr Neu and Mr Middleton; and
- (3) in finding that H Corp's delay in moving for the order was not fatal.

Standard of Review

[26] A chambers judge's decision to grant or maintain a Mareva injunction or attachment order is a discretionary decision afforded considerable appellate deference "unless the judge proceeded arbitrarily, on a wrong principle or failed to consider or properly apply the applicable test in which case the standard is correctness: *Peters & Co Limited v Ward*, 2015 ABCA 6 at para 10, 588 AR 365; *Dreco Energy Services Ltd. v Wenzel*, 2008 ABCA 290 at para 10, 440 AR 273.": *Secure 2013 Group Inc v Tiger Calcium Services Inc*, 2017 ABCA 316 at para 34.

Analysis

[27] Mareva injunctions and attachment orders are extraordinary remedies. They are a form of prejudgment relief often granted *ex parte*, and thereafter reviewed once they have been served on the defendant.

[28] As the chambers judge correctly noted, the test to be applied on an application to review a Mareva injunction and attachment order includes establishing a "strong *prima facie* case on the merits" and "a reasonable likelihood that the applicant's claim will be established", respectively.

[29] The focus of this appeal is narrow: whether the chambers judge erred in upholding the *ex parte* order having regard to the nature of the evidentiary record on the review application. Whether the initial order ought to have been granted on this record is not under appeal. Our analysis is focused on the review application and the record on that application.

Hearsay evidence on Mareva injunctions and attachment orders

[30] It is open to a judge to consider and rely on hearsay evidence on an application for a Mareva injunction or attachment order. Rule 13.18 expressly permits evidence based on information and belief, unless the application will dispose of the claim: *Guillevin International Co v Barry*, 2022 ABCA 144 at para 55. Indeed, in many instances when such orders are sought there is a need to proceed expeditiously and without notice to protect assets from being transferred out of a jurisdiction. In such circumstances, it may not be possible to obtain direct evidence from all relevant parties.

[31] That said, “a chambers judge should proceed cautiously with hearsay evidence, particularly where the *ex parte* remedies sought are as prejudicial to the absent defendants as in the case of an *Anton Piller* order or a summary judgment...or an injunction.”: *British Columbia (Attorney General) v Malik*, 2011 SCC 18 at para 51. This is particularly the case “where better and more complete evidence was available”: *Fine Gold Resources, Ltd. v. 46205 Yukon Inc.*, 2016 YKCA 15 at para 24. “It is quite simply that the injunctive relief sought should not...be granted on no more than pure hearsay when it has not been shown that evidence from the original sources is unavailable.”: *Litchfield v Darwin*, (1997) 29 BCLR (3d) 203, 1997 CanLII 3830 at para 4.

[32] The only evidence put forward on behalf of H Corp on the review application were the affidavits of Mr Zhang, an employee of the general partner of one of the limited partnerships, several entities removed from H Corp in the ownership chain. The action has not been framed as a derivative action. The limited partnerships are not parties to the action and their interests and knowledge should not be conflated with that of H Corp.

[33] A key element of H Corp’s claim is the allegation that funds were misappropriated and diverted from H Corp through misrepresentations by Ms Deng and Mr Lam that induced individuals at H Corp to authorize the transfers. The statement of claim includes the following allegations:

12. Ms. Deng advised a consultant in her employ that her father, Mr. Deng, was acquiring the assets of Twin Butte out of receivership. She arranged for the consultant to become a director of H Corp. and an officer of West Lake.

13. Mr. Lam represented to individuals at H Corp. that he had full financial authority over the affairs of H Corp., which he described a holding company

of “Sinoenergy” (Mr. Deng is the founder and major shareholder of Changchun Sinoenergy Corp., an entity publicly traded on the Shanghai Stock Exchange).

14. In this way, Ms. Deng and Mr. Lam represented that Mr. Deng owned and controlled H Corp., and that they had authority to direct the affairs of H Corp on his behalf.

15. None of this was true.

[34] The “consultant” and “individuals at H Corp” who were not identified in the Statement of Claim were presumably Steven Neu and David Middleton, yet no direct evidence was provided by either of them regarding the alleged recruitment, the alleged representations, or any reliance by them or H Corp on such representations. Nor was any explanation provided for the absence of this evidence.

[35] The chambers judge found that the financial statements provided by Mr Lam to Mr Zhang in October 2018 were “false and misleading. It is no answer to submit, as Mr Lam does, that they were signed by two directors of West Lake. They may appear to be signed by these directors, but there is no evidence that these signatures are real.” (para 16). These financial statements were apparently signed by Mr Neu and Mr Middleton, who provided no affidavit evidence indicating what, if any, information they had about the financial statements, or that their signatures were not real.

[36] No direct evidence was provided from any director, officer or employee of H Corp or West Lake, nor was any explanation given as to why such evidence was not available. The appellants therefore had no opportunity to cross-examine anyone from H Corp or West Lake with access to those entities’ corporate and financial records concerning the impugned transactions, the allegations of misrepresentation and misappropriation, and the inaccurate financial statements of West Lake, as set out in the pleadings. On the review application, having regard to the conflicting affidavits filed on behalf of the appellants, the absence of such evidence takes on greater prominence.

[37] This Court recently characterized a defendant seeking to set aside a Mareva injunction and attachment order who failed to provide any affidavit evidence denying the alleged fraud as playing “hide and seek”, calling for “a strong adverse inference”: *Guillevin* at para 59. A corporate applicant, seeking the extraordinary relief of Mareva injunction and attachment order while failing to provide any direct evidence from a director, officer or employee authorized to speak on its behalf and with access to its records, may be viewed in a similar light absent exceptional circumstances and an explanation why such evidence has not been adduced. We also note that the hearsay evidence filed on the application here is not like the type of information recognized in

Guillevin as not requiring direct evidence; the evidence here does not consist of business records created in the ordinary course of business, nor is it a summary of information known to many people: *Guillevin* at paras 54 – 58.

[38] On an application to review an *ex parte* attachment order or Mareva injunction, the onus to establish all elements of the test remains on the party that brought the original application: *Tiger Calcium* at para 169. In this review application, the onus was on H Corp to demonstrate that there is evidence supporting the key allegations of its claim, establishing a strong *prima facie* case on the merits and a reasonable likelihood that the claim will succeed.

[39] The chambers judge made numerous findings of fact and rejected much of the evidence put forward by Mr Lam and Ms Deng, as was her prerogative. However, in the absence of direct evidence, she relied heavily on hearsay evidence provided by Mr Zhang with respect to key parts of H Corp’s claim. In addition to the allegations of misrepresentation made to Mr Neu and Mr Middleton set out above, we note the following examples.

[40] Paragraph 11 of the Statement of Claim alleges that “H Corp believed that the Investment Funds, less the purchase price for the Twin Butte assets net of adjustments, would be available for West Lake to operate the Twin Butte assets. Those remaining funds were not to be used for any other purpose.” There was no evidence provided by anyone from H Corp as to what it “believed”.

[41] Paragraphs 19 and 20 allege that there was “no legitimate reason” for the diversion of approximately \$44 million and that the “improper diversion ...was unknown, and unknowable to H Corp until January, 2019 at the earliest.” Mr Zhang’s affidavit explains why the investment funds believed there was no legitimate reason for the diversion and why they may not have known about the “diversion” until January 2019, however, the investment funds are not the plaintiff in this action. There was no direct information from anyone from H Corp regarding its knowledge, information or explanation about the diversion and whether, and if so how, that occurred without its knowledge.

[42] Paragraphs 21 and 22 allege that Mr Deng breached fiduciary duties he owed to H Corp by “either actively arranging for the transfer of the Diverted Funds, or, alternatively, by allowing the Diverted Funds to be transferred as a result of insufficient oversight or insufficient internal controls”. There is no evidence from anyone at H Corp with respect to what oversight or internal controls existed at H Corp and their sufficiency.

[43] Paragraphs 28 to 30 allege:

28. The Defendants Mr. Deng, Ms. Deng, and Mr. Lam made representations to officers of H Corp. that they had authority to direct the diversion of funds from H Corp. These representations were made

with the intent that directors and officers of H Corp. would rely on them, and the Defendants Mr. Deng, Ms. Deng and Mr. Lam knew or ought to have known that they would in fact be relied upon. These representations were in fact false.

29. On the basis of these representations, funds were wrongfully diverted out of H Corp. But for the misrepresentations, the funds would not have been wrongfully diverted.
30. As a result of these misrepresentations and H Corp's reliance on them, H Corp. has suffered damage in the amount of \$44 million or such other amount as shall be proved at the trial of this action.

[44] There is no direct evidence from anyone at H Corp regarding these alleged representations.

[45] Given the nature of the allegations in the Statement of Claim, it is problematic to maintain the extraordinary relief of an attachment order and Mareva injunction on a review application when the applicant failed to provide any direct evidence from its directors, officers and employees regarding the merits of its claim or explain why such direct evidence was not provided. Instead, the decision rests entirely on third party evidence containing significant hearsay from the applicant's directors, officers and employees. This is of particular concern here because the claim involves allegations of misrepresentations made to H Corp, with no direct evidence as to what the misrepresentations were; when, by whom and to whom they were made; whether, to what extent and by whom they were relied upon; what, if anything, was done as a result of the representations; and what loss or damage was sustained as a result.

Requirement that Steven Neu and David Middleton file affidavits

[46] The reasons on the review application allude to the hearsay nature of the evidence regarding the allegations of misrepresentations made to H Corp in connection with the alleged misappropriation of funds. When discussing the third hand hearsay in Mr Zhang's affidavit, "that Mr. Neu advised that Mr. Lam told him that Mr. Deng wanted the transfers done, and that he was under the impression that Mr. Deng controlled the funds behind H Corp", the chambers judge indicated that "(t)he issue of the hearsay nature of this evidence is addressed later in this decision" (para 85(a)). It was addressed at paragraph 90 in the finding that "Mr. Neu and Mr. Middleton's evidence is important and should be provided by them directly" and the direction that "the order will terminate three months from the date of this decision unless H Corp provides affidavits from Mr. Neu and Mr. Middleton."

[47] This aspect of the order, which was not sought by any of the parties, is fundamentally inconsistent with there being a sufficient evidentiary record on the review application to justify

maintaining the *ex parte* order. The direction that the orders would terminate unless affidavits were provided within three months by individuals whose hearsay advice was “important and should be provided by them directly” cannot be reconciled with the conclusion that the orders were justified on the record before the court.

Conclusion

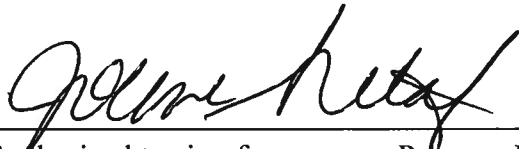
[48] Whether there is merit to the allegations in the Statement of Claim is a matter that will be determined at the trial of this action. We express no opinion in that regard. This appeal deals only with the nature of the evidence filed on the application to review the *ex parte* order.

[49] The appeal is allowed and the attachment order/Mareva injunctions granted with respect to the appellants are set aside.

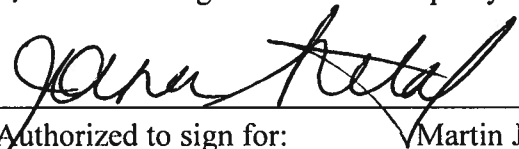
Appeal heard on January 13, 2022

Memorandum filed at Calgary, Alberta
this 22nd day of August, 2022






Authorized to sign for: Paperny J.A.



Authorized to sign for: Martin J.A.



Strekaf J.A.

Appearances:

A.P. Wilson

A. Bedi

E.J. Baker (no appearance)
for the Respondent

D.J. Wachowich, Q.C.

S. Stokes
for the Appellant on 2101-0082AC

S. Mann

for the Appellant, Tianzhou Deng on 2101-0084AC

S.H. Leidl, Q.C.

for the Appellant, Xiaobo Deng (aka Lake Deng) on 2101-0084AC

Exhibit "26"

Court of Appeal of Alberta Decision, Aug-22-22

13 pages

THIS IS EXHIBIT " 26 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 2026

COURT FILE NUMBER 2001-03353
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF HENENGHAIXIN CORP.
DEFENDANTS TIANZHOU DENG, XIAOBO DENG, aka LAKE DENG, MICHAEL LAM, CALGARY SINOENERGY INVESTMENT CORP., LONG RUN EXPLORATION LTD., JOHN DOE and ABC CO
THIRD PARTY DEFENDANTS TIANZHOU DENG, XIAOBO DENG AKA LAKE DENG, 1980264 ALBERTA LTD., SHING TAK LAM AKA MICHAEL LAM, 1838967 ALBERTA LTD., YINGCHUN WU, 1280365 ALBERTA LTD., STEVEN NEU, EILEEN CORPORATION, YORK CITY ENTERPRISES LIMITED BVI, WEST LAKE ENERGY CORP., and QINGDAO ZHONGTIAN YUHEN ENERGY CO. LTD
DOCUMENT **ORDER**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **JENSEN SHAWA SOLOMON DUGUID HAWKES LLP**
800, 304 - 8 Avenue SW
Calgary, Alberta T2P 1C2
Andrew Wilson KC
Erin Baker
Tel: 403 571 1058
Fax: 403 571 1528
wilsona@jssbarristers.ca
bakere@jssbarristers.ca
File: 14828-001



DATE ON WHICH ORDER WAS PRONOUNCED: April 15, 2024
LOCATION OF HEARING OR TRIAL: Calgary, Alberta
NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice J.R. Ashcroft

UPON THE APPLICATION of the proposed Third Party Defendants Deshuang Yu (**Yu**) and Jun Xiong (**Xiong**) to set aside the Order for *Service Ex Juris* of the Third Party Claim by the Defendants

Tianzhou Deng and Xiaobo Deng (aka Lake Deng) (**Deng TPC**), granted September 25, 2021 (**Deng Service Ex Juris Order**), and service of the Deng TPC pursuant to the Deng Service Ex Juris Order;

AND UPON THE APPLICATION of the proposed Third Party Defendants Yu and Xiong to set aside the Order for *Service Ex Juris* of the Third Party Claim by the Defendant Michael Lam (**Lam TPC**), granted October 7, 2021 (**Lam Service Ex Juris Order**), and service of the Lam TPC pursuant to the Lam Service Ex Juris Order;

AND UPON hearing submissions from counsel for Yu and Xiong, counsel for Michael Lam, and counsel for Tianzhou Deng and Xiaobo Deng (aka Lake Deng);

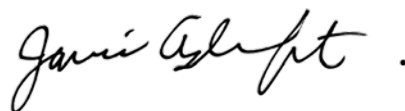
AND UPON NOTING that the Lam TPC does not establish a good arguable case for contribution or indemnity claims against Yu or Xiong;

AND UPON NOTING that the Deng TPC does not establish a good arguable case for contribution or indemnity claims against Yu or Xiong by Xiaobo Deng (aka Lake Deng);

AND UPON NOTING that the Deng TPC does not establish a good arguable case for contribution or indemnity against Yu or Xiong, excepting only for claims by Tianzhou Deng against Yu and Xiong for contribution or indemnity from Yu or Xiong that arise from the alleged breach of any duty that Yu or Xiong owed to Henenghaixin Corp., or that arise from Yu and Xiong being liable for insufficient oversight or insufficient internal controls at Henenghaixin Corp.;

IT IS HEREBY ORDERED THAT:

1. The Lam Service Ex Juris Order is set aside;
2. The Deng Service Ex Juris Order permitting Xiaobo Deng (aka Lake Deng) to serve *ex juris* Yu and Xiong is set aside;
3. The Deng Service Ex Juris Order permitting Tianzhou Deng to serve *ex juris* Yu and Xiong is varied to allow only service *ex juris* of those Third Party claims by Tianzhou Deng against Yu and Xiong for contribution or indemnity that arise from alleged breaches of any duties Yu and Xiong owed to Henenghaixin Corp. in their respective roles as directors of Henenghaixin Corp., or that arise from Yu and Xiong being liable for insufficient oversight or insufficient internal controls at Henenghaixin Corp.;
4. Yu and Xiong are awarded the costs of this application against Michael Lam and Xiaobo Deng (aka Lake Deng);
5. Yu and Xiong and Tianzhou Deng shall bear their own costs arising from this application.



Justice of the Court of King's Bench of Alberta

Consented to this 3rd day of May, 2024

JENSEN SHAWA SOLOMON DUGUID HAWKES LLP



ANDREW WILSON, KC / ERIN BAKER
Counsel for Plaintiff, Henenghaixin Corp.

Consented as to the Form of Order Granted this 7
day of May, 2024

ROSE LLP



DAVID J. WACHOWICH, KC / SAMANTHA E. STOKES
Counsel for Defendant, Shing Tak Lam aka Michael
Lam

Consented as to the Form of Order Granted this 5th
day of May, 2024

NORTON ROSE FULBRIGHT CANADA LLP



STEVEN H. LEITL, KC / SUNNY MANN
Counsel for Defendants, Tianzhou Deng and Xiaobo
Deng aka Lake Deng

Exhibit "27"

Order pronounced by Applications Judge Farrington, May-08-23

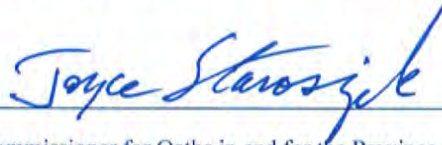
2 pages

THIS IS EXHIBIT " 27 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024

A handwritten signature in blue ink that reads "Joyce Staroszik". The signature is written in a cursive style and is positioned above a horizontal line.

A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 2026

COURT FILE NUMBER 2001-03353
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF HENENGHAIXIN CORP.



DEFENDANTS TIANZHOU DENG, XIAOBO DENG aka LAKE DENG, MICHAEL LAM, CALGARY SINOENERGY INVESTMENT CORP., LONG RUN EXPLORATION LTD., JOHN DOE, and ABC CORPORATION

THIRD PARTY DEFENDANTS TIANZHOU DENG, XIAOBO DENG AKA LAKE DENG, 1980264 ALBERTA LTD., SHING TAK LAM AKA MICHAEL LAM, 1838967 ALBERTA LTD., YINGCHUN WU, 1280365 ALBERTA LTD., STEVEN NEU, EILEEN CORPORATION, YORK CITY ENTERPRISES LIMITED BVI, WEST LAKE ENERGY CORP., AND QINGDAO ZHONGTIAN YUHEN ENERGY CO. LTD, CALGARY SINOENERGY INVESTMENT CORP., LONG RUN EXPLORATION LTD., DESHUANG YU, JUN XIONG and HAIPENG TU

DOCUMENT

ORDER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

JENSEN SHAWA SOLOMON DUGUID HAWKES LLP
800, 304 - 8 Avenue SW
Calgary, Alberta T2P 1C2

Andrew Wilson, KC/ Erin J. Baker / Angad Bedi
Tel: 403 571 1520
Fax: 403 571 1528
wilsona@jssbarristers.ca
bakere@jssbarristers.ca
bedia@jssbarristers.ca
File: 14828.001

DATE ON WHICH ORDER WAS PRONOUNCED: May 8, 2023

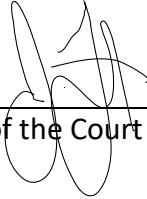
LOCATION OF HEARING OR TRIAL: Calgary, Alberta

NAME OF JUDGE WHO MADE THIS ORDER: Applications Judge Farrington

UPON NOTING the Application of the Plaintiff, Henenghaixin Corp.; **AND UPON READING** the Affidavit of Gaoyong Zhang, affirmed April 18, 2023; **AND UPON HEARING** from counsel for the Applicant and the Respondents:

IT IS HEREBY ORDERED THAT:

1. The Respondents Calgary Sinoenergy Investment Corp. and Long Run Exploration Ltd. (collectively, the **Corporate Defendants**) shall produce a Supplemental Affidavit of Records on or before June 15, 2023;
2. The Corporate Defendants are directed to produce the Corporate Representative for cross-examination on the Corporate Defendants' Affidavit of Records, affirmed April 7, 2022 and the Supplemental Affidavit of Records on or before July 7th, 2023, unless otherwise agreed to by the parties;
3. The Corporate Defendants shall pay the Applicant \$1,500 costs, forthwith and in any event of the cause.



Applications Judge of the Court of King's Bench
of Alberta

APPROVED AS TO THE FORM OF ORDER GRANTED

JENSEN SHAWA SOLOMON DUGUID HAWKES LLP



ANDREW WILSON KC / ERIN J. BAKER / ANGAD BEDI
Counsel for Plaintiff, Henenghaixin Corp.

APPROVED AS TO THE FORM OF ORDER GRANTED

CARON & PARTNERS LLP



AIDAN HENDERSON
Counsel for Corporate Defendants, Calgary Sinoenergy
Investment Corp. and Long Run Exploration Ltd.

Exhibit "28"

Supplemental AOR - Long Run and Calgary Sinoenergy, sworn Jun-15-23

9 pages

THIS IS EXHIBIT " 28 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 2026

Clerk's stamp:

COURT FILE NUMBER	2001-03353
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	HENENGHAIXIN CORP.
DEFENDANTS	TIANZHOU DENG, XIAOBO DENG aka LAKE DENG, MICHAEL LAM, CALGARY SINOENERGY INVESTMENT CORP., LONG RUN EXPLORATION LTD., JOHN DOE AND ABC CORPORATION
THIRD PARTY DEFENDANTS	TIANZHOU DENG, XIAOBO DENG aka LAKE DENG, 1980264 ALBERTA LTD., SHING TAK LAM aka MICHAEL LAM, 1838967 ALBERTA LTD., YINGCHUN WU, 1280365 ALBERTA LTD., STEVEN NEU, EILEEN CORPORATION, YORK CITY ENTERPRISES LIMITED BVI, WEST LAKE ENERGY CORP, AND QINGDAO ZHONGTIAN YUHEN ENERGY CO. LTD.
DOCUMENT	SUPPLEMENTAL AFFIDAVIT OF RECORDS
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Caron & Partners LLP Attention: Aidan D. Henderson 2120, 237 4 th Ave. SW, Calgary, AB T2P 4K3 Telephone: (403) 262-3000 Fax: (403) 237-0111 Email: ahenderson@caronpartners.com File: 61664-000

**SUPPLEMENTAL AFFIDAVIT OF RECORDS OF
CALGARY SINOENERGY INVESTMENT CORP.
and LONG RUN EXPLORATION LTD.**

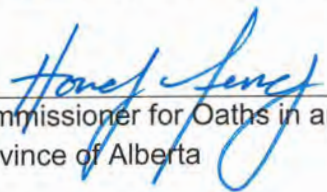
Wendy Barber
Sworn by on June 15, 2023

I, Wendy Barber, of the City of Calgary, in the Province of Alberta, have personal knowledge of the following or I am informed and do believe that:

1. I am the authorized representative for Calgary Siroenergy Investment Corp. and Long Run Exploration Ltd. (the "Defendants").
2. The records listed in Schedules 1 and 2 are under the control of the Defendants.
3. The Defendants object to produce the records listed in Schedule 2 on the grounds of privilege identified in that Schedule.

4. The records listed in Schedule 3 were previously under the control of the Defendants but ceased to be so at the time and in the manner stated in Schedule 3.
5. Other than the records listed in Schedules 1, 2, and 3, the Defendants do not have and never had any other relevant and material records under their control.

SWORN BEFORE ME at Calgary, Alberta,)
this 15 day of June, 2023.)

)
_____)
Commissioner for Oaths in and for the)
Province of Alberta)

Hong J. Feng
Barrister and Solicitor
A Commissioner for Oaths
in and for Alberta

)
_____)

SCHEDULE 1

Relevant and material records under the Defendants' control for which there is no objection to produce:

See attached Schedule 1.

SCHEDULE 2

Relevant and material records under the Defendants' control for which there is an objection to produce:

- (a) without prejudice communications;
 - (b) communications and copies of communications between solicitor and client;
 - (c) solicitors' work product, including all interoffice memoranda, correspondence, notes, memoranda and other records prepared by the solicitors or their assistants;
 - (d) records made or created for the dominant purpose of litigation, existing or anticipated;
 - (e) records that fall into 2 or more of the categories described above;
- the entire Caron & Partners LLP file, File No. 61664-000.

SCHEDULE 3

Relevant and material records previously under the control of the Defendants:

No.	Description Of Records	When this record ceased to be under the Defendants' control	Manner in which this record ceased to be under the Defendants' control	Present location of the record
1.	Originals of correspondence described in Schedule 1 and Schedule 2, sent to the addressees thereof	On the date of the respective correspondence	By being sent to the respective addressees	Unknown
2.	Records lost, misplaced, or destroyed in the ordinary course of business or usage	Unknown	Unknown	Unknown
3.	There is a laptop and cell phone (the " Devices ") the hardware and contents of which the Defendants claimed ownership. The devices were used by Michael Lam up to the last quarter of 2019, within which time frame he was actively involved with the Defendants.	Unknown. They have been in possession of Counsel for Long Run since November 29, 2021.	It is unknown what, if any, modifications were made to the devices when they were not in the possession of Long Run's counsel.	Long Run has stored the Devices from November 29, 2021 with their counsel without accessing them until their contents could be properly preserved

NOTICE

The time when the producible records listed in this Affidavit of Records may be inspected is between the hours of 9:00 am to 4:00 pm by prior arrangement.

The place at which the producible records may be inspected is Caron & Partners LLP, 2120 237 4th Avenue SW, Calgary, Alberta T2P 4K3.

Schedule 1

PROD_BEGDOC	PROD_ENDDOC	Date	Document Category	Document Description	Author/Mail From	Recipient/Mail To	Image_Cnt
LRE-0001-0001	LRE-0001-0006	2016-06-29	Agreements	Indemnity Agreement	Long Run Exploration Ltd.	Tian Zhou Deng	6
LRE-0002-0001	LRE-0002-0008	2016-06-29	Agreements	Indemnity Agreement	Long Run Exploration Ltd.	Xiaobo Deng	8
LRE-0003-0001	LRE-0003-0008	2016-06-29	Agreements	Indemnity Agreement	Long Run Exploration Ltd.	Yingchun Wu	8
LRE-0004-0001	LRE-0004-0004	2016-07-01	Agreements	Consulting Agreement	128365 Alberta Ltd.	Calgary Sinoenergy Investment Corp.	4
LRE-0005-0001	LRE-0005-0004	2016-07-04	Agreements	Consulting Agreement	1980264 Alberta Ltd.	Calgary Sinoenergy Investment Corp.	4
LRE-0006-0001	LRE-0006-0004	2016-07-04	Agreements	Consulting Agreement	128365 Alberta Ltd.	Calgary Sinoenergy Investment Corp.	4
LRE-0007-0001	LRE-0007-0004	2016-07-18	Agreements	Consulting Agreement	Eileen Corp.	Calgary Sinoenergy Investment Corp.	4
LRE-0008-0001	LRE-0008-0004	2016-07-18	Agreements	Consulting Agreement	128365 Alberta Ltd.	Calgary Sinoenergy Investment Corp.	4
LRE-0009-0001	LRE-0009-0004	2016-08-05	Agreements	Consulting Agreement	128365 Alberta Ltd.	Calgary Sinoenergy Investment Corp.	4
LRE-0010-0001	LRE-0010-0004	2016-11-09	Agreements	Consulting Agreement	128365 Alberta Ltd.	Calgary Sinoenergy Investment Corp.	4
LRE-0011-0001	LRE-0011-0004	2016-11-09	Agreements	Consulting Agreement	1280365 Alberta Ltd.	Calgary Sinoenergy Investment Corp.	4
LRE-0012-0001	LRE-0012-0011	2017-04-10	Agreements	Shareholder Declaration Attaching \$51.15 Loan Agreement	York City Enterprises Ltd.	Henenghaixin Corp.	11
LRE-0013-0001	LRE-0013-0012	2017-04-10	Agreements	Shareholder Declaration Attaching \$58.76 Loan Agreement	York City Enterprises Ltd.	Henenghaixin Corp.	12
LRE-0014-0001	LRE-0014-0008	2017-11-23	Agreements	Indemnity Agreement	Henenghaixin Corp.	Tian Zhou Deng	8
LRE-0015-0001	LRE-0015-0008	2017-12-12	Agreements	Indemnity Agreement	Alberta Sinoenergy Petroluem Corporation	Michael Lam	8
LRE-0016-0001	LRE-0016-0003	2018-11-22	Agreements	Shareholder Declaration Attaching Abrogated Actions as Schedule A	Calgary Sinoenergy Investment Corp.	Long Run Exploration Ltd.	3
LRE-0017-0001	LRE-0017-0016	2016-06-30	Bank Statements	Bank of China (CAD) - Account Statement	Bank of China (CAD)	Calgary Sinoenergy Investment Corp.	16
LRE-0018-0001	LRE-0018-0004	2017	Bank Statements	Scotiabank - Account Details	Scotiabank	Long Run Exploration Ltd.	4
LRE-0019-0001	LRE-0019-0004	2017-04-30	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	4
LRE-0020-0001	LRE-0020-0004	2017-06-30	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	4
LRE-0021-0001	LRE-0021-0004	2017-07-31	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	4
LRE-0022-0001	LRE-0022-0004	2017-08-31	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	4
LRE-0023-0001	LRE-0023-0004	2017-09-30	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	4
LRE-0024-0001	LRE-0024-0004	2017-10-31	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	4

Schedule 1

PROD_BEGDOC	PROD_ENDDOC	Date	Document Category	Document Description	Author/Mail From	Recipient/Mail To	Image_Cnt
LRE-0025-0001	LRE-0025-0004	2017-11-30	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	4
LRE-0026-0001	LRE-0026-0004	2017-12-31	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	4
LRE-0027-0001	LRE-0027-0491	2018	Bank Statements	Scotiabank - Account Summary Details	Scotiabank	Long Run Exploration Ltd.	491
LRE-0028-0001	LRE-0028-0004	2018-01-31	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	4
LRE-0029-0001	LRE-0029-0004	2018-02-28	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	4
LRE-0030-0001	LRE-0030-0004	2018-03-31	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	4
LRE-0031-0001	LRE-0031-0004	2018-04-30	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	4
LRE-0032-0001	LRE-0032-0004	2018-05-31	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	4
LRE-0033-0001	LRE-0033-0004	2018-06-30	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	4
LRE-0034-0001	LRE-0034-0006	2018-08-31	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	6
LRE-0035-0001	LRE-0035-0004	2018-09-30	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	4
LRE-0036-0001	LRE-0036-0002	2018-10-31	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	2
LRE-0037-0001	LRE-0037-0002	2018-11-30	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	2
LRE-0038-0001	LRE-0038-0002	2018-12-31	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	2
LRE-0039-0001	LRE-0039-0002	2019-01-31	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	2
LRE-0040-0001	LRE-0040-0002	2019-02-28	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	2
LRE-0041-0001	LRE-0041-0002	2019-03-31	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	2
LRE-0042-0001	LRE-0042-0002	2019-04-30	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	2
LRE-0043-0001	LRE-0043-0002	2019-05-31	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	2
LRE-0044-0001	LRE-0044-0004	2019-06-30	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	4
LRE-0045-0001	LRE-0045-0002	2019-07-31	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	2
LRE-0046-0001	LRE-0046-0002	2019-08-31	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	2

Schedule 1

PROD_BEGDOC	PROD_ENDDOC	Date	Document Category	Document Description	Author/Mail From	Recipient/Mail To	Image_Cnt
LRE-0047-0001	LRE-0047-0002	2019-09-30	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	2
LRE-0048-0001	LRE-0048-0002	2019-10-31	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	2
LRE-0049-0001	LRE-0049-0002	2019-11-30	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	2
LRE-0050-0001	LRE-0050-0008	2019-12-31	Bank Statements	Scotiabank - Account Details	Scotiabank	Long Run Exploration Ltd.	8
LRE-0051-0001	LRE-0051-0002	2019-12-31	Bank Statements	ATB Financial - Consolidated Statement	ATB Financial	Calgary Sinoenergy Investment Corp.	2
LRE-0052-0001	LRE-0052-0001	2020-06-30	Bank Statements	Bank of China (CAD) - Account Statement	Bank of China (CAD)	Calgary Sinoenergy Investment Corp.	1
LRE-0053-0001	LRE-0053-0001	2021-05-31	Bank Statements	Bank of China (CAD) - Account Statement	Bank of China (Canada)	Alberta Sinoenergy Petroleum Corp.	1
LRE-0054-0001	LRE-0054-0001	2023-03-31	Bank Statements	Bank of China (CAD) - Account Statement	Bank of China (Canada)	Calgary Sinoenergy Investment Corp.	1
LRE-0055-0001	LRE-0055-0055	Various	Bank Statements	Bank of China (CAD) - Account Statement	Bank of China (CAD)	Calgary Sinoenergy Investment Corp.	55
LRE-0056-0001	LRE-0056-0016	Various	Bank Statements	Bank of China (CAD) - Account Statement	Bank of China (CAD)	Calgary Sinoenergy Investment Corporation	16
LRE-0057-0001	LRE-0057-0089	Various	Bank Statements	Bank of China (CAD) - Account Statement	Bank of China (CAD)	Calgary Sinoenergy Investment Corp.	89
LRE-0058-0001	LRE-0058-0089	Various	Bank Statements	Bank of China (CAD) - Account Statement	Bank of China (CAD)	Calgary Sinoenergy Investment Corp.	89
LRE-0059-0001	LRE-0059-0002	2018-11-26	Corporate Documents	Shareholder Resolution	Henenghaixin Corp.	Meng Tang - York City Enterprises Limited	2
LRE-0060-0001	LRE-0060-0002	2020-01-10	Corporate Documents	Corporate Resolutions Documents Removing Michael Lam from VP	Calgary Sinoenergy Investment Corp.	N/A	2
LRE-0061-0001	LRE-0061-0002	2017-05-10	Correspondence	Letter re Consulting Services Invoice	Rob Wollman	Michael Lam	2
LRE-0062-0001	LRE-0062-0001	2019-12-12	Correspondence	WeChat re Sinoenergy Oil Investment	Cherie	Lily	1
LRE-0063-0001	LRE-0063-0004	2020-09-17	Correspondence	Email re July-Aug 2020 Bank of China Transactions	Jean Xue	Susan Shi (Long Run)	
LRE-0064-0001	LRE-0064-0002	2021-05-04	Correspondence	Email re: Bank of China Statement	Jean Xue	Susan Shi (Long Run)	2
LRE-0065-0001	LRE-0065-0002	2021-09-16	Correspondence	Email re: Bank of China Statement	Jean Xue	Susan Shi (Long Run)	2
LRE-0066-0001	LRE-0066-0004	N/A	Correspondence	Translated Letter re Ideas Surrounding TB Investors	N/A	N/A	4
LRE-0067-0001	LRE-0067-0002	N/A	Correspondence	Translated Letter re President of ICBC and Payment of Interest	Michael	Chairman	2
LRE-0068-0001	LRE-0068-0001	2017	Misc. Accounting Documents	Related Party Transactions	Calgary Sinoenergy Investment Corp	N/A	1
LRE-0069-0001	LRE-0069-0002	2017	Misc. Accounting Documents	Related Party Transactions	Calgary Sinoenergy Investment Corp	N/A	2
LRE-0070-0001	LRE-0070-0002	2017	Misc. Accounting Documents	Related Party Transactions	Calgary Sinoenergy Investment Corp	N/A	2

Schedule 1

PROD_BEGDOC	PROD_ENDDOC	Date	Document Category	Document Description	Author/Mail From	Recipient/Mail To	Image_Cnt
LRE-0071-0001	LRE-0071-0002	2017-03-31	Misc. Accounting Documents	Customer Cheque	Bank of China (CAD)	Calgary Sinoenergy Investment Corp.	2
LRE-0072-0001	LRE-0072-0002	2017-03-31	Misc. Accounting Documents	Invoice for Acquisition Evaluation and Advisory	1985181 Alberta Ltd.	Henenghaixin Corp.	2
LRE-0073-0001	LRE-0073-0002	2018	Misc. Accounting Documents	Payment Summary	Long Run Exploration Ltd.	N/A	2
LRE-0074-0001	LRE-0074-0003	2019	Misc. Accounting Documents	Debit and Credit Transactions - Sales Summary 2019	N/A	N/A	3
LRE-0075-0001	LRE-0075-0013	2017	Misc. Accounting Documents	2017 Transactions	N/A	N/A	13

Exhibit "29"

List of Undertakings from Questioning of the CCAA Debtors, Aug-21-23

13 pages

THIS IS EXHIBIT " 29 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZYK
My Commission Expires May 21, 2026

1 COURT FILE NUMBER 2001-03353
2
3 COURT COURT OF KING'S BENCH OF ALBERTA
4
5 JUDICIAL CENTRE CALGARY
6
7 PLAINTIFF HENENGHAIXIN CORP.
8
9 DEFENDANTS TIANZHOU DENG, XIAOBO DENG aka LAKE
10 DENG, MICHAEL LAM AND OTHERS
11
12 THIRD PARTY TIANZHOU DENG, XIAOBO DENG aka LAKE
13 DEFENDANTS DENG, 1980264 ALBERTA LTD. AND
14 OTHERS
15
16
17
18 DOCUMENT Transcript of Oral Questioning of
19 WENDY BARBER
20 (on affidavit affirmed April 7,
21 2022 and affidavit sworn June 15,
22 2023)
23
24
25

1 HELD AT Jensen Shawa Solomon Duguid Hawkes
2 LLP,
3 Calgary, AB
4

5 DATE August 21, 2023
6
7

8
9 For the Plaintiff
10 Andrew P. Wilson KC
11 Angad Bedi

12 Jensen Shawa Solomon Duguid Hawkes LLP
13 800, 304-8 Ave. SW
14 Calgary, AB T2P 1C2
15 403-571-1520
16

17 For the Defendants - Long Run Exploration Ltd. & Sinoenergy
18 Investment Corp.

19 Aiden Henderson
20 Caron & Patners LLP
21 2120, 237-4 Ave. SW
22 Calgary, AB T2P 4K3
23 403-262-3000
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- I N D E X -

WENDY BARBER

August 21, 2023

The following is a listing of exhibits and undertakings as interpreted by the Court Reporter.

The transcript is the official record, and the index is provided as a courtesy only. It is recommended that the reader refer to the appropriate transcript pages to ensure completeness and accuracy.

EXHIBITS

NONE ENTERED

UNDERTAKINGS REQUESTED

UNDERTAKING NO. 1 - to attempt to have the 13
snencn.cn e-mail system searched for relevant and
material records. If the request is made and
that's done, then any relevant and material
records be produced

1 UNDERTAKING NO. 4 - in regards to the general 17
2 ledger review for both Calgary Sino and Long Run,
3 to the extent the relevant and material
4 information has been produced, just simply
5 identify which documents in the AOR arose from
6 that result, and if the relevant and material
7 information hasn't been produced, that it be
8 produced

9
10 UNDERTAKING NO. 5 - in regards to the non-redacted 21
11 and therefore relevant entries on CSI-004829, to
12 do a search for any documents in the possession of
13 either corporate defendant that relate to the
14 transactions reflected in the statement, and if
15 those documents or if that search reveals
16 documents related to those transfers, that those
17 records be produced. To the extent that a search
18 be done for any records relating to the transfers
19 reflected in CSI-004853, and if those records,
20 including communications as the reason for these
21 transfers is found, that those be produced

22
23
24
25

1 UNDERTAKING NO. 6 - in regards to the non-redacted 22
2 and therefore relevant entries on transactions
3 reflected in CSI-004839 and CSI-004843, to do a
4 search for any documents in the possession of
5 either corporate defendant that relate to the
6 transactions reflected in the statement, and if
7 those documents or if that search reveals
8 documents related to those transfers, that those
9 records be produced. To the extent that a search
10 be done for any records relating to the transfers
11 reflected in CSI-004839 and CSI-004843, and if
12 those records, including communications as the
13 reason for these transfers is found, that those be
14 produced. To clarify, for some of the relevant,
15 in the sense that they're not redacted
16 transactions, they're described as customer
17 transfer, that would form part of the undertaking
18
19 UNDERTAKING NO. 7 - to produce any documents in 24
20 the possession of the corporate defendants that
21 relate to the York City Enterprises Limited
22 transactions reflected in Schedule 'A' of the
23 shareholder declaration
24
25

1 UNDERTAKING NO. 8 - to search for any e-mails or 25
2 other documents that relate to the indemnity
3 agreement, production LRE-0014, and if those are
4 discovered and material and relevant, to produce
5 them in this action, subject to solicitor-client
6 privilege
7
8 UNDERTAKING NO. 9 - to search for any records 26
9 relating to the shareholder declaration at
10 LRE-0012, including any e-mails to which it may
11 have been an attachment, or other documents
12 related to the shareholder declaration be produced
13
14 UNDERTAKING NO. 10 - any records relating to the 27
15 LRE-0013 document, including non-privileged
16 e-mails where this document was sent or received,
17 or other documents in the Long Run or Calgary Sino
18 system that relate to this document LRE-0013, be
19 produced
20
21 UNDERTAKING NO. 11 - in relation to Long Run 28
22 production documents 0019 to Long Run 0058, that
23 related documents to the wires in and wires out
24 that haven't been produced be produced.
25

1 UNDERTAKING NO. 15 - relating to the original, 33
2 which is to say the Chinese version, that a search
3 be done for any documents relating to the letter
4 at LRE-0067, and if there is any metadata that
5 reflects who created it and when that that also be
6 provided. Including in the related documents to
7 that letter as if it's an attachment to any
8 e-mails that those e-mails be produced, subject to
9 privilege
10
11 UNDERTAKING NO. 16 - to do a search for all 34
12 documents related to or that provide the source
13 information for the document at LRE-0068 and those
14 records be produced, subject to relevance and
15 materiality
16
17 UNDERTAKING NO. 17 - to provide any documents 35
18 related to transactions under the related party
19 West Lake and Henenghaixin Corp. or that form the
20 source information for the creation of LRE-0069
21 that haven't been produced be produced
22
23
24
25

1 UNDERTAKING NO. 18 - any documents related to or 36
2 that form the source information of LRE-0070 that
3 haven't been produced be produced
4
5 UNDERTAKING NO. 19 - any documents related to and 36
6 that form the source information for the
7 transactions reflected in LRE-0073 that haven't
8 been produced be produced
9
10 UNDERTAKING NO. 20 - any documents related to the 37
11 non-redacted transactions reflected on LRE-0074,
12 including the source information for those
13 transactions, if it's not been produced that it be
14 produced
15
16 UNDERTAKING NO. 21 - if there is a debit and 38
17 credit transaction sales summary for 2017 and
18 2018, and if either of those documents contain
19 relevant and material information, that that
20 information be produced. If there are relevant
21 material transactions inside those documents, then
22 any documents related to those transactions,
23 including the source documentation for the
24 transaction also be produced
25

1	UNDERTAKING NO. 22 - to the extent there are	39
2	transactions reflected in LRE-0075 that any	
3	related documents for those transactions,	
4	including the source information for those	
5	transactions be disclosed	
6		
7	UNDERTAKING NO. 23 - to do a review of the annual	40
8	and quarterly financial statements for Calgary	
9	Sino from 2017 to the present, and to the extent	
10	that they're relevant and material to this action	
11	they be produced	
12		
13	UNDERTAKING NO. 24 - if the annual and quarterly	41
14	financial statements for Long Run have been	
15	produced to identify them. If they have not been	
16	produced, to do a review and any relevant and	
17	material documents arising from review of those	
18	quarterly or annual financial statements be	
19	disclosed	
20		
21	UNDERTAKING NO. 25 - to do a review of the MD&A	42
22	documents from 2017 to present and if they contain	
23	relevant and material information that those be	
24	produced	
25		

1 UNDERTAKING NO. 29 - to confirm the status of the 50
2 cell phone and laptop, and if the laptop hard
3 drive has been imaged, when it was imaged and by
4 what process and where that image resides - TAKEN
5 UNDER ADVISEMENT
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Exhibit "30"

Emails, JSS to Caron Partners, Redacted

9 pages

THIS IS EXHIBIT " 30 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 2026

From: [Andrew Wilson KC](#)
To: [Aidan Henderson](#)
Subject: RE: H Corp
Date: Wednesday, March 27, 2024 8:35:43 AM
Attachments: [image001.png](#)

Aidan,

Can you please provide a follow up on the undertaking responses, with a firm date by which they will be delivered?

Thank you,

Andrew

From: Andrew Wilson KC <wilsona@jssbarristers.ca>
Sent: Thursday, March 14, 2024 11:57 AM
To: Aidan Henderson <ahenderson@caronpartners.com>
Subject: RE: H Corp

Aidan,

I hope matters have calmed down for you somewhat. I am just following up on the undertaking responses.

Thank you for the information about the phone and computer. I am still considering what may be possible to address this.

Thank you,

Andrew

From: Andrew Wilson KC <wilsona@jssbarristers.ca>
Sent: Friday, March 1, 2024 8:42 AM
To: Aidan Henderson <ahenderson@caronpartners.com>
Subject: RE: H Corp

Aidan,

Thank you and I am sorry I had to add to your pressures. I will follow up on the substance in due course (and noting your current constraints)

Regards,

Andrew

From: Aidan Henderson <ahenderson@caronpartners.com>
Sent: Thursday, February 29, 2024 9:45 AM
To: Andrew Wilson KC <wilsona@jssbarristers.ca>
Subject: RE: H Corp

Hi Andrew,

You are quite right on this and it's a fair comment.

Unfortunately, we've had some turnover here at the firm and I've inherited large parts of other lawyer's practices, so I have been under the gun on a host of other matters, but I will endeavor to get the Undertakings to you as soon as possible. The delay on this since my last email is solely my own, as it has been on me to finalize the undertaking responses and I haven't been able to do that. I will aim to get it done this weekend however.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

In any event, I will attempt to get you the undertaking responses ASAP. If you wish to discuss the computer/phone issue, please let me know.

Thanks,
Aidan

Aidan Henderson
Barrister & Solicitor

Caron & Partners LLP
Barristers & Solicitors
Fifth Avenue Place – West Tower
2120, 237 – 4th Avenue S.W.
Calgary, Alberta T2P 4K3
W: www.caronpartners.com
T: [403.262.3000](tel:403.262.3000)

My contact information:
D: [403.260.1578](tel:403.260.1578)
F: [403.237.0111](tel:403.237.0111)
E: ahenderson@caronpartners.com

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From: Andrew Wilson KC <wilsona@jssbarristers.ca>
Sent: Thursday, February 29, 2024 8:38 AM
To: Aidan Henderson <ahenderson@caronpartners.com>
Subject: RE: H Corp

Aidan,

You have not responded, by my count, to my last three emails on this issue.

Your client has now had more than ample time to produce the records that were undertaken to be produced. As such, please have them provided forthwith.

Please note we reserve the right to present this and earlier emails to the Court to address issues of production and costs.

Thank you,

Andrew

From: Andrew Wilson KC <wilsona@jssbarristers.ca>
Sent: Sunday, February 4, 2024 2:14 PM
To: Aidan Henderson <ahenderson@caronpartners.com>
Subject: RE: H Corp

Aidan,

I am again following up on my emails below. Can you please respond?

Thank you,

Andrew

From: Andrew Wilson KC <wilsona@jssbarristers.ca>
Sent: Thursday, January 18, 2024 9:06 AM

To: Aidan Henderson <ahenderson@caronpartners.com>

Subject: RE: H Corp

Aidan,

Happy new year. Hopefully you didn't freeze during the cold snap.

I am again following up on the below. I am starting to get significant pressure from my client, and would prefer not to have to file an application to compel. Can you please advise when we will receive the records?

At the same time, attached is the statement of debtor of Lake Deng. Lillian had clearly seen this through the course of the litigation, so I attach it here to save you digging for it. Note it is unsworn. From the file I cannot actually tell if we received a sworn copy at some later point.

Thank you,

Andrew

From: Andrew Wilson KC <wilsona@jssbarristers.ca>

Sent: Wednesday, November 29, 2023 9:23 AM

To: Aidan Henderson <ahenderson@caronpartners.com>

Subject: RE: H Corp

Aidan,

Thank you for the update.

In terms of the laptop, it was not a specific undertaking, but rather you had advised the relevant and material records from the review would be disclosed. Excerpt below. So that is what I was referring to.

There is also this exchange (page 51):

```
10 Q. MR. WILSON: And then further to some
11 off-the-record discussions, as I understand it, the
12 images and the process have been reviewed and relevant
13 and material records arising from that review process
14 will be disclosed?
15 MR. HENDERSON: Correct.
```

In terms of the stat dec, let me look into that. I think it might have earlier been provided to Dentons in which case I can just send it to you, but let me confirm.

Regards,

Andrew

From: Aidan Henderson <ahenderson@caronpartners.com>

Sent: November 28, 2023 1:05 PM

To: Andrew Wilson KC <wilsona@jssbarristers.ca>

Cc: Judy Verrall <jverrall@caronpartners.com>

Subject: RE: H Corp

Hi Andrew,

I can advise that my client has forwarded some undertaking responses to me this week, so we are presently working on compiling the responses we do have and hope to have them to you soon.

However, as far as your email below, I am not sure what undertaking request the records from Michael Lam's laptop would fall under, besides generally the requests for emails and potentially the request for metadata. Can you elaborate on which undertaking(s) you believe these records should be produced?

Without Prejudice

[REDACTED]

Thanks,

Aidan

Aidan Henderson

Barrister & Solicitor

Caron & Partners LLP
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Fifth Avenue Place – West Tower
2120, 237 – 4th Avenue S.W.
Calgary, Alberta T2P 4K3
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D: [403.260.1578](tel:403.260.1578)
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E: ahenderson@caronpartners.com

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From: Andrew Wilson KC <wilsona@jssbarristers.ca>

Sent: Wednesday, November 8, 2023 5:33 PM

To: Aidan Henderson <ahenderson@caronpartners.com>

Cc: Judy Verrall <jverrall@caronpartners.com>

Subject: RE: H Corp

Aidan,

Thank you for the update.

It occurs to me that, as I understood from our discussions at the questioning, the records from the Michael Lam laptop were in your firm's possession. As such, this should not be impacted by your client's IT issues, I wouldn't think? If you can please produce those records as soon as you are able, that would be helpful in moving this matter along.

Thank you,

Andrew

From: Aidan Henderson <ahenderson@caronpartners.com>

Sent: November 7, 2023 1:35 PM

To: Andrew Wilson KC <wilsona@jssbarristers.ca>

Cc: Judy Verrall <jverrall@caronpartners.com>

Subject: RE: H Corp

Hi Andrew,

Apologies for the delayed response on this and not keeping you updated.

Long Run has been working fairly diligently to try and locate the undertaking responses, however has run into some technical issues with accessing their server. They have terminated their former IT company and hired a new company to come in and attempt to access a lot of the data.

I did ask my client's rep last week to send me what she did have in regards to the undertakings so that we can potentially provide at least a smaller tranch of undertaking responses in the interim. However, she has not yet provided those and I know she is extremely busy having taken over the interim CEO role, as well as a couple others due to turnover there.

I will follow up again today and let you know when/if I hear anything further.

Thanks,

Aidan

Aidan Henderson

Barrister & Solicitor

Caron & Partners LLP
Barristers & Solicitors
Fifth Avenue Place – West Tower
2120, 237 – 4th Avenue S.W.
Calgary, Alberta T2P 4K3
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My contact information:

D: [403.260.1578](tel:403.260.1578)
F: [403.237.0111](tel:403.237.0111)
E: ahenderson@caronpartners.com

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From: Andrew Wilson KC <wilsona@jssbarristers.ca>
Sent: Thursday, October 26, 2023 10:52 AM
To: Aidan Henderson <ahenderson@caronpartners.com>
Cc: Judy Verrall <jverrall@caronpartners.com>; Judy Verrall <jverrall@caronpartners.com>
Subject: RE: H Corp

Aidan,

I appreciate your email advised you would let me know of any update. However, I have not heard in two weeks and am following up again. As I noted earlier, if there are tranches of responses or records you can provide, that would be appreciated to keep things moving.

Regards,

Andrew

From: Aidan Henderson <ahenderson@caronpartners.com>
Sent: October 12, 2023 6:49 PM
To: Andrew Wilson KC <wilsona@jssbarristers.ca>
Cc: Judy Verrall <jverrall@caronpartners.com>; Judy Verrall <jverrall@caronpartners.com>
Subject: RE: H Corp

Hi Andrew,

I have written my client for an update and as soon as I know anything further, I will let you know.

Thanks,
Aidan

Aidan Henderson

Barrister & Solicitor

Caron & Partners LLP
Barristers & Solicitors
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F: [403.237.0111](tel:403.237.0111)
E: ahenderson@caronpartners.com

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From: Andrew Wilson KC <wilsona@jssbarristers.ca>
Sent: Thursday, October 12, 2023 9:43 AM
To: Aidan Henderson <ahenderson@caronpartners.com>
Cc: Judy Verrall <jverrall@caronpartners.com>; Judy Verrall <jverrall@caronpartners.com>

Subject: RE: H Corp

Aidan,

Can you please provide an update on the undertakings / disclosure from your client?

Thank you,

Andrew

From: Andrew Wilson KC <wilsona@jssbarristers.ca>

Sent: September 29, 2023 12:55 PM

To: Aidan Henderson <ahenderson@caronpartners.com>

Cc: Judy Verrall <jverrall@caronpartners.com>; Judy Verrall <jverrall@caronpartners.com>

Subject: RE: H Corp

Aidan,

No word yet from the Court. I will let you know when they contact us.

At the same time, since my client is bugging me about it, any update you can provide on the disclosure would be appreciated.

Thank you,

Andrew

From: Aidan Henderson <ahenderson@caronpartners.com>

Sent: September 29, 2023 12:53 PM

To: Andrew Wilson KC <wilsona@jssbarristers.ca>

Cc: Judy Verrall <jverrall@caronpartners.com>; Judy Verrall <jverrall@caronpartners.com>

Subject: RE: H Corp

Hi Andrew,

Just wanted to inquire if you had heard about a date for a decision from the Justice from the Special that occurred on September 8th. I'm assuming that we would be advised by the court of the date, but I haven't heard anything and wonder if because we did not take a position whether we weren't provided any notice.

If you could let me know when you get a chance, I'd appreciate it.

Thanks,

Aidan

Aidan Henderson

Barrister & Solicitor

Caron & Partners LLP

My contact information:

D: [403.260.1578](tel:403.260.1578)

Barristers & Solicitors
Fifth Avenue Place – West Tower
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F: [403.237.0111](tel:403.237.0111)
E: ahenderson@caronpartners.com

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From: Andrew Wilson KC <wilsona@jssbarristers.ca>
Sent: Wednesday, September 20, 2023 3:49 PM
To: Aidan Henderson <ahenderson@caronpartners.com>
Subject: H Corp

Aidan,

I hope you are well.

I am writing to see if you are able to provide a rough estimate of the delivery time for new Long Run / Calgary Sino records. If you can provide them in tranches, that is fine, as opposed to waiting for a complete bundle.

Thank you,

Andrew

Andrew Wilson KC
(he / him / his)
Firm Chairperson
Direct: 403 571 1058
Bio: [Andrew Wilson KC](#)

Jensen Shawa Solomon Duguid Hawkes LLP



T 403 571 1520 F 403 571 1528 800, 304 - 8 Avenue SW, Calgary, Alberta T2P 1C2 www.jssbarristers.ca

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Exhibit "31"

Email Andrew Wilson (JSS) to Kelsey Meyer (BJ LLP) Jul-28-24

3 pages

THIS IS EXHIBIT " 31 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024

A handwritten signature in blue ink that reads "Joyce Staroszik". The signature is written in a cursive style and is positioned above a horizontal line.

A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 2026

From: Andrew Wilson KC <wilsona@jssbarristers.ca>
Sent: July 28, 2024 7:03 PM
To: Jeanie Wong; Kelsey Meyer; selnesm@bennettjones.com
Cc: roger.song@songhowardlaw.com; Erin J. Baker
Subject: RE: In the Matter of a Plan of Compromise or Arrangement of Long Run Exploration Ltd. and Calgary Sinoenergy Investment Corp. - Court File No.: 2401-09247 [BJ-WSLegal.FID6492724]

Kelsey,

As you know, we are counsel for Henenghaixin Corporation (“H Corp”).

H Corp objects to the following relief sought in the Application returnable July 30, 2024:

“approving the terms of a stalking horse subscription agreement between the Debtor, Long Run Exploration Ltd. (“LRE”) and Hiking Group Shandong Jinyue Int’t Trading Corporation or its nominee (the “Stalking Horse Bidder”) dated July 23, 2024 (the “Stalking Horse Bid”), a copy of which is attached as Appendix “B” to the Second Report of the Monitor dated July 23, 2024”.

The proposed stalking horse subscription agreement completely ignores the rights of H Corp regarding its claim against Long Run Exploration and its parent company Calgary Sinoenergy Investment Corp. The stalking horse subscription agreement effectively extinguishes the \$44million H Corp claim. This is improper.

The H Corp claim specifically alleges fraud against Long Run and Calgary Sino, regarding the transfer of approximately \$44 million from H Corp to Long Run and Calgary Sino from April to September, 2017. I note in the H Corp action, Long Run does not deny receipt of the H Corp Diverted Funds, rather the basis of their receipt.

The transfers pre-date the debt claimed by CCB. Furthermore, if the funds were obtained by Long Run and Calgary Sino as a result of fraud, those entities never had title to the funds, and would have held them in trust for the benefit of H Corp, being the defrauded party. This is expressly claimed in the H Corp claim as part of the relief sought:

Judgment, or in the alternative damages, for the fraudulent taking of the Diverted Funds in the amount of \$44 million and such further amounts as will be discovered through the oral and documentary discovery process in the within Action and proven at Trial;

An Order declaring that any funds or benefits received by Calgary Sinoenergy and Long Run from the Diverted Funds are held in trust for H Corp. and that H Corp. is permitted to trace as follows the Diverted Funds that Calgary Sinoenergy and Long Run fraudulently obtained from H Corp. into and through any financial institution accounts or deposit facilities in the names of Calgary Sinoenergy or Long Run and into or through any assets purchased by Calgary Sinoenergy or Long Run or into the hands of any person or entity;

Such relief would give H Corp priority over CCBT of the Diverted Funds or their proceeds.

The nature of the H Corp claim and the relief sought are well known to both Long Run Exploration and also to Hiking Group Shandong Jinyue Int't Trading Corporation, through its principal Mr. Jason Ge. Mr. Ge was an officer of Long Run during the pendency of the H Corp claim, and had discussed the claim specifically with representatives of H Corp. In addition, Long Run and Calgary Sino are aware that one of their related companies, New Star Energy, is itself claiming fraud against Mr. Michael Lam, one of the alleged principals of the H Corp fraud.

I further note CCBT was expressly aware of the H Corp claim, as it is a defined term in the Amended and Restated Credit Agreement from CCBT dated October 27, 2020. CCBT was aware a Mareva injunction was in place at the time. (Affidavit of Mr. Zou, exhibit D).

The effective extinguishment of the H Corp claim, which if proven would rank ahead of the debt of CCT is improper, and would amount to an effective judicial whitewash of fraud. H Corp objects to any relief or process that effectively extinguishes its claim against Long Run and Calgary Sino.

H Corp intends to object to the proposed relief sought at the hearing set for July 30, 2024.

Regards,

Andrew Wilson KC
(he / him / his)
Firm Chairperson
Direct: 403 571 1058
Bio: [Andrew Wilson KC](#)

Jensen Shawa Solomon Duguid Hawkes LLP



T 403 571 1520 F 403 571 1528 800, 304 - 8 Avenue SW, Calgary, Alberta T2P 1C2 www.jssbarristers.ca

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From: Jeanie Wong <wongje@bennettjones.com>

Sent: Wednesday, July 24, 2024 11:22 AM

To: bennett.wong@dentons.com; brett.wilson@fticonsulting.com; bryan.walker@nortonrosefulbright.com; christopher.keliher@blakes.com; cms_alberta_notifications@teranet.ca; deryck.helkaa@fticonsulting.com; dm@gocip.com; dustin.olver@fticonsulting.com; eddiezou@ca.ccb.com; george.body@justice.gc.ca; insolvency@aer.ca; jdunne@ppr.ca; jenine.urquhart@nortonrosefulbright.com; jenna.oreilly@midstreamequipment.com; john.regush@dentons.com; kasydi.mack@justice.gc.ca; KBenders@brikoenergy.com; kelly.bourassa@blakes.com; kristopher.lensink@gov.ab.ca; legal-icengx-ppr@ice.com; legalnotices@pembina.com; maria.lavelle@aer.ca; Kelsey Meyer <MEYERK@bennettjones.com>; pb@gocip.com; rod@perronventures.com; rzahara@mltaikins.com; TBFParalegalServices@gov.ab.ca; tfc@ca.ccb.com; wbarber@longrunexploration.com; Michael Selnes <SelnesM@bennettjones.com>; brenda.thibodeau@officemovepro.com; Daniel.zahorchak@officemovepro.com; kristiant@kmsc.ca; ASkeith@rmrf.com; MSwanberg@rmrf.com; hailey.liu@fticonsulting.com; wilsona@jssbarristers.ca; bakere@jssbarristers.ca;

huangc@jssbarristers.ca; kfellowes@stikeman.com; dkearl@kaizenauto.com; pbamberger@summitfleet.com; SarahLi@triumphwells.com; Kenneth.Whitelaw@gov.ab.ca; jcameron@fasken.com; kwong@fasken.com; landcomplianceinquiries@prairiesky.com; james.nixon@prairiesky.com; lamantea@dsavocats.ca; cauch@brownleelaw.com; gplester@brownleelaw.com; sabih.fawad@gov.sk.ca; Candy.Dominique@gov.sk.ca; agentforservice@blakes.com; Taylor@vipondlaw.ca; Kaamil Khalfan <khalfank@bennettjones.com>; Kristos Iatridis <iatridisK@bennettjones.com>; djorgenson@cassels.com; dmarechal@cassels.com; joliver@cassels.com; elow@cassels.com; dkolesar@cassels.com; Jared.Young@Macquarie.com; TSandler@osler.com

Subject: In the Matter of a Plan of Compromise or Arrangement of Long Run Exploration Ltd. and Calgary Sinoenergy Investment Corp. - Court File No.: 2401-09247 [BJ-WSLegal.FID6492724]

SERVICE LIST

Further to our email yesterday, please find attached proof of filing.

Thank you,

Jeanie Wong, *Litigation Assistant to Kelsey Meyer, Tyler McDonough, and Adam Williams*, Bennett Jones SLP

T. 403 298 3193 | F. 403 265 7219

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Exhibit "32"

Letter, Andrew Wilson (JSS) to Justice Little, Jul-30-24

3 pages

THIS IS EXHIBIT " 32 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZYK
My Commission Expires May 21, 2026

Direct Line: (403)571-1058
Email: wilsona@jssbarristers.ca
Assistant - Michelle Rubianto (403)571-1506
File No: 14828.001

BY EMAIL to peggy.lewis@albertacourts.ca

July 30, 2024

The Honourable Justice Little
Court of King's Bench of Alberta
1A Sir Winston Churchill Square
Edmonton, AB T5J 0R2

My Lord:

**Re: In the Matter of a Plan of Compromise or Arrangement of Long Run Exploration Ltd.
and Calgary Sinoenergy Investment Corp.
Court File No.: 2401-09247**

We are counsel to Henenghaixin Corporation (“**H Corp**”). H Corp is an interested party in this matter.

On July 28, 2024 we provided the below email to counsel for the Monitor. For the ease of the Court's reference, we include it here. This forms the basis of our client's objection to the nature of the relief sought in the Application before you today.

Kelsey,

As you know, we are counsel for Henenghaixin Corporation (“**H Corp**”).

H Corp objects to the following relief sought in the Application returnable July 30, 2024:

“approving the terms of a stalking horse subscription agreement between the Debtor, Long Run Exploration Ltd. (“**LRE**”) and Hiking Group Shandong Jinyue Int't Trading Corporation or its nominee (the “**Stalking Horse Bidder**”) dated July 23, 2024 (the “**Stalking Horse Bid**”), a copy of which is attached as Appendix “**B**” to the Second Report of the Monitor dated July 23, 2024”.

The proposed stalking horse subscription agreement completely ignores the rights of H Corp regarding its claim against Long Run Exploration and its parent company Calgary Sinoenergy Investment Corp. The stalking horse subscription agreement effectively extinguishes the \$44million H Corp claim. This is improper.

The H Corp claim specifically alleges fraud against Long Run and Calgary Sino, regarding the transfer of approximately \$44 million from H Corp to Long Run and Calgary Sino from April to September, 2017. I note in the H Corp action, Long Run does not deny receipt of the H Corp Diverted Funds, rather the basis of their receipt.

The transfers pre-date the debt claimed by CCB. Furthermore, if the funds were obtained by Long Run and Calgary Sino as a result of fraud, those entities never had title to the funds, and would have held them in trust for the benefit of H Corp, being the defrauded party. This is expressly claimed in the H Corp claim as part of the relief sought:

Judgment, or in the alternative damages, for the fraudulent taking of the Diverted Funds in the amount of \$44 million and such further amounts as will be discovered through the oral and documentary discovery process in the within Action and proven at Trial;

An Order declaring that any funds or benefits received by Calgary Sinoenergy and Long Run from the Diverted Funds are held in trust for H Corp. and that H Corp. is permitted to trace as follows the Diverted Funds that Calgary Sinoenergy and Long Run fraudulently obtained from H Corp. into and through any financial institution accounts or deposit facilities in the names of Calgary Sinoenergy or Long Run and into or through any assets purchased by Calgary Sinoenergy or Long Run or into the hands of any person or entity;

Such relief would give H Corp priority over CCBT of the Diverted Funds or their proceeds.

The nature of the H Corp claim and the relief sought are well known to both Long Run Exploration and also to Hiking Group Shandong Jinyue Int't Trading Corporation, through its principal Mr. Jason Ge. Mr. Ge was an officer of Long Run during the pendency of the H Corp claim, and had discussed the claim specifically with representatives of H Corp. In addition, Long Run and Calgary Sino are aware that one of their related companies, New Star Energy, is itself claiming fraud against Mr. Michael Lam, one of the alleged principals of the H Corp fraud.

I further note CCBT was expressly aware of the H Corp claim, as it is a defined term in the Amended and Restated Credit Agreement from CCBT dated October 27, 2020. CCBT was aware a Mareva injunction was in place at the time. (Affidavit of Mr. Zou, exhibit D).

The effective extinguishment of the H Corp claim, which if proven would rank ahead of the debt of CCT is improper, and would amount to an effective judicial whitewash of fraud. H Corp objects to any relief or process that effectively extinguishes its claim against Long Run and Calgary Sino.

H Corp intends to object to the proposed relief sought at the hearing set for July 30, 2024.

Yours truly,
Jensen Shawa Solomon Duguid Hawkes LLP



For: Andrew Wilson KC
Firm Chairperson
AW:mr

cc Kelsey Meyer, Bennett Jones (meyerk@bennettjones.com)
Michael Selnes, Bennett Jones (selnesm@bennettjones.com)

Exhibit "33"

Letter, D. Nishimura (Field) to J. Oliver (Cassels), Sep-12-24

2 pages

THIS IS EXHIBIT " 33 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024

A handwritten signature in blue ink that reads "Joyce Staroszyk". The signature is written in a cursive style and is positioned above a horizontal line.

A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZYK
My Commission Expires May 21, 2026

Douglas Nishimura

Partner

T 403-260-8548

F 403-264-7084

dnishimura@fieldlaw.com

Assistant: Elvina Hussein

T 403-232-1797

ehussein@fieldlaw.com

September 12, 2024

VIA EMAILCassels Brock & Blackwell LLP
3810, 888 - 3 Street S.W.
Calgary, AB T2P 5C5**Attention: Jeffrey Oliver****Re: In the Matter of a Plan of Compromise and Arrangement of Long Run Exploration Ltd. ("Long Run") and Calgary Sinoenergy Investment Corp. ("Sinoenergy")
Court of King's Bench of Alberta File No. 2401 09247 (the "CCAA Proceedings")**

As you know, we are co-counsel for Henenghaixin Corp. ("**HCorp**") along with Mr. Roger Song and Wilson Laycraft LLP. We are all in receipt of your September 11, 2024 letter.

With respect, as an initial point, we note that your letter was directly copied to Bennett Jones. You will remember that Bennett Jones is not permitted to have involvement with matters involving HCorp in these proceedings, pursuant to the Consent Order granted Monday, September 9, 2024.

With respect, we disagree entirely with your assessment of the priorities the HCorp claim. Our client fully intends to prove both the fraud alleged in its Statement of Claim and its claim to a constructive trust over assets of Long Run and Sinoenergy. Further, a claim does not "unjustly deprived other creditors" including secured creditors of their rights. The funds which were wrongfully diverted from HCorp to Long Run were, we believe, directly involved in the acquisition of the assets over which secured creditors and other creditors claim rights. In any event, this is a matter for our client to establish, provided the Court allows it to do so.

The effect of the proposed transaction is clear - it is simply a method by which Long Run is divesting itself of all claims except for certain tax claims and the secured loan, to the detriment of all other creditors. To be clear - no other creditor will receive any compensation for their debts under the proposed transaction. We also note that your client, "Hiking Group", has significant ties to Long Run, particularly with respect to the involvement of Mr. Jason Ge, who has been a longtime director and officer of Long Run and is now a director and officer of Hiking Group. Given the value of the corporation as set out in the Affidavit filed by the secured creditor at the outset of these proceedings, such a sale cannot be justified at this early stage of CCAA proceedings. It is a misuse of the Reverse Vesting Order concept. This appears to be simply a case of a company misusing the CCAA process in an attempt to escape liability for fraud and misuse of funds.

Further, as you know, the CCAA prohibits the compromise of claims of fraud in a plan of arrangement. While we acknowledge that the proposed transaction is not a plan of arrangement, we admit that a party ought not to be able to create a transaction in the midst of a CCAA process, which it is not able to do in a plan of arrangement.

Your letter is a clear threat to the Court and other creditors that, barring a withdrawal by my client of its valid and substantial claim, your client will withdraw its bid. Given that the Reverse Vesting Order transaction appears to be inappropriate under the circumstances and would remove the ability of our client to even advance its claim in a meaningful way, as well as opposing of the claims of all other creditors save for a small handful, it is our view that the Court ought not to be persuaded by such a tactic.

If your client was serious about preserving the proposed transaction it would entertain discussions regarding a way with my client, or at least allow it to prove its claim in an expedited fashion. Indeed, my client has proposals which would allow for this to happen, without risk to your client. We have mentioned this in the past but have received no inquiries from any party. We note that the Subscription Agreement expressly contemplates modifications. The refusal to even discuss possible accommodations and the implied threat to the CCAA Proceedings, is, in our client's view, not in keeping with the spirit and purpose of the CCAA.

We are part that we remain open to further discussions but otherwise will be preparing to oppose the proposed transaction and the proposed Reverse Vesting Order.

Regards,

FIELD LLP



Douglas Nishimura
Partner

DSN/eh

Cc: *Wilson Laycraft, Attention: Robert Stark*
Song & Howard Law Office, Attention: Roger Song
Dentons LLP, Attention: John Regush
Blake Cassels & Graydon LLP, Attention: Kelly Bourassa
Bennett Jones LLP, Attention: Kelsey Meyer
FTI Consulting Canada Inc., Attention: Deryck Halka

Exhibit "34"

Draft Procedural Order, Sep-13-24

2 pages

THIS IS EXHIBIT " 34 "

Referred to in the Affidavit of

Gaoyong Zhang, also known as Frank Zhang

Affirmed before me this 13th Day of September, 2024



A handwritten signature in blue ink, reading "Joyce Staroszik", is written over a horizontal line.

A Commissioner for Oaths in and for the Province of Alberta

JOYCE STAROSZIK
My Commission Expires May 21, 2026

COURT FILE NUMBER 2001-03353

Clerk's Stamp

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF HENENGHAIXIN CORP.

DEFENDANTS TIANZHOU DENG, XIAOBO DENG aka LAKE DENG,
MICHAEL LAM, CALGARY SINOENERGY INVESTMENT
CORP., LONG RUN EXPLORATION LTD.; JOHN DOE
AND
ABC CORPORATION

DOCUMENT **PROCEDURAL ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	WILSON LAYCRAFT Barristers and Solicitors 650, 211 – 11 th Avenue SW Calgary, AB T2R 0C6 Attention: Robert J. Stack Phone: 403-476-0154 Fax: 403-290-0828 File No.: 5-1125 RJS
---------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

DATE ON WHICH ORDER WAS PRONOUNCED:

NAME OF APPLICATIONS JUDGE WHO MADE THIS ORDER:

LOCATION OF HEARING: Calgary, Alberta

UPON THE APPLICATION of the Plaintiff; AND UPON noting the consent of counsel for the Defendants;

IT IS HEREBY ORDERED THAT:

1. The Defendant Long Run Exploration Ltd. shall provide answers to undertakings given during questioning on affidavit on or before November 1, 2024.
2. Questioning by the Plaintiff of the Defendants shall be completed on or before December 15, 2024.

3. Responses to undertakings arising such Questioning shall be provided on or before February 28, 2025.
4. All Questioning on undertaking responses shall be completed on or before March 31, 2025.
5. Any expert reports of the Plaintiff shall be served on or before May 15, 2025.
6. Any expert reports of the Defendants shall be served on or before July 2, 2025.
7. Upon completion of the foregoing steps, the parties shall forthwith file a Form 37, provided however that any party shall have leave to apply for a trial date under Rule 8.5 at any time.
8. There shall be no costs associated with this Order.

Applications Judge of the Court of King's Bench of Alberta