

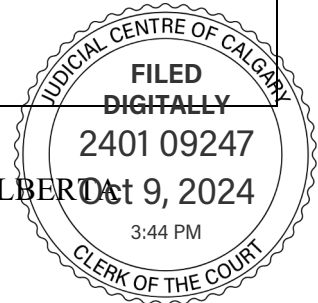
FORM 27
[RULES 6.3 AND 10.52(1)]

CLERK'S STAMP

COURT FILE NUMBER: 2401-09247

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY



IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT 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

APPLICATION (STAY EXTENSION ORDER AND EXTENSION OF DIP FACILITY MATURITY)

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

BENNETT JONES LLP
Suite 4500, 855 – 2nd Street S.W.
Calgary, AB T2P 4K7

Attention: Kelsey Meyer / Michael Selnes / Kaamil Khalfan
Telephone No.: 403-298-3323 / 3311 / 3117
Fax No.: 403-265-7219
Client File No.: 76142.18

NOTICE TO RESPONDENTS:

This application is made against you. You are a respondent. You have the right to state your side of this matter before the Court. To do so, you must join the Court proceedings when the application is heard as shown below:

Date: Friday, October 18, 2024
Time: 2:30 p.m.
Where: Edmonton Law Courts
Before Whom: The Honourable Justice J. S. Little via Webex

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

Remedy claimed or sought:

1. Capitalized terms used but not otherwise defined have the meaning ascribed to them in the Second Amended and Restated Initial Order granted by the Honourable Justice J. S. Little on July 30, 2024 (the "**SARIO**"), in the within CCAA Proceedings.
2. FTI Consulting Canada Inc., the court-appointed monitor with enhanced powers (the "**Monitor**") of the debtors, Long Run Exploration Ltd. ("**Long Run**") and Calgary Sinoenergy Investment Corp. (together with Long Run, the "**Debtors**") respectfully seeks from this Court under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"):
 - (a) An order substantially in the form attached as **Schedule "1"** granting the following relief:
 - (i) abridging the time for service of this Application and the supporting materials, if necessary, and deeming service to be good and sufficient;
 - (ii) extending the Stay Period (as such term is defined in paragraph 13 of the SARIO) up to and including December 31, 2024, or such other date as this Honourable Court may order;
 - (iii) authorizing and directing Hiking and the Monitor to extend the Outside Date as defined in the Term Sheet setting out the terms of the DIP Facility (as defined below) from November 14, 2024 to November 30, 2024 or such other date as may be agreed upon in writing between the Monitor and the DIP Lender, to allow a transaction to be approved and to close before the DIP Facility matures; and
 - (b) Such further and other relief as counsel may advise and this Honourable Court deems appropriate.

Grounds for making this application:

Background to Proceedings

3. On July 4, 2024, on the application of China Construction Bank Toronto Branch ("CCBT"), in its capacity as collateral agent for the senior secured creditors of the Debtors, the Honourable Justice K. M. Horner of this Honourable Court granted an Initial Order pursuant to the CCAA in relation to the Debtors, commencing these proceedings.
4. Pursuant to the Initial Order, among other things, FTI Consulting Canada Inc. was appointed Monitor of the Debtors, with enhanced powers, and a stay of proceedings was granted against the Debtors for an initial Stay Period of ten (10) days, up to and including July 14, 2024.
5. On July 12, 2024, on the application of CCBT, the Honourable Justice P. R. Jeffrey of this Honourable Court granted an Amended and Restated Initial Order which, among other things extended the Stay Period, up to and including July 31, 2024.
6. On July 30, 2024, upon the application of the Monitor, the Honourable Justice J. S. Little of this Honourable Court granted the SARIO, which, among other things extended the Stay Period, up to and including October 31, 2024 (the "**July Extension Order**"), approved a stalking horse subscription agreement, a stalking horse sale and investment solicitation process ("**SISP**"), and interim financing up to \$7,000,000 between Hiking and the Debtors (the "**DIP Facility**") in accordance with the Term Sheet. The DIP Lender, Hiking, is also the stalking horse bidder pursuant to the Stalking Horse Bid.
7. Due to a judicial conflict, the Monitor's application for an extension of the Stay Period and for approval of the Successful Bid pursuant to the SISP, scheduled for October 28, 2024, was required to be rescheduled to November 14, 2024, which date is after the expiry of the Stay Period pursuant to the July Extension Order, and is the same date as the Outside Date of the DIP Facility. The Monitor thus brings this application to

further extend the Stay Period, and to extend the Outside Date of the DIP Facility, prior to the expiry of the Stay Period and prior to the maturity of the DIP Facility.

The Monitor's Activities Since the July Extension Order

8. The Monitor has continued to advance the Debtors' restructuring since the granting of the July Extension Order. Specifically, among other things, the Monitor has:
 - (a) implemented the Court-approved SISF;
 - (b) identified potential solutions to various issues arising under or in connection with the within CCAA Proceedings;
 - (c) responded to questions and issues, from creditors to other stakeholders, concerning the CCAA Proceedings; and
 - (d) prepared the Fourth Report of the Monitor.

Extension of the Stay Period

9. The Stay will expire on October 31, 2024, unless extended by further order of this Honourable Court.
10. The Monitor states that the Debtors have acted in good faith and with due diligence.
11. The Monitor seeks an extension of the Stay Period, up to and including December 31, 2024, in order to, among other things, provide the Debtors with the necessary time to:
 - (a) seek Court approval of a transaction, which contemplates a going concern transaction, together with the continuation and assumption of all abandonment and reclamation obligations; and
 - (b) take related steps in furtherance of the CCAA Proceedings.
12. The Monitor is of the view that no creditor will be materially prejudiced by an extension of the Stay Period. The Monitor is also of the view that it is just, convenient,

necessary and in the best interest of the Debtors and their stakeholders that the Debtors be afforded an extension of the Stay Period.

13. The Monitor is supportive of a further extension of the Stay Period up to and including December 31, 2024.

Extension of the Maturity Date of the DIP Facility

14. Hiking and the Monitor have agreed to extend the Outside Date (as defined in the Term Sheet) of the DIP Facility from November 14, 2024 to November 30, 2024 or such other date as may be agreed upon in writing between the Monitor and the DIP Lender (i.e., Hiking), to extend the time to allow the stalking horse bid as the Successful Bid pursuant to the SISP to be approved and to close before the DIP Facility matures.
15. The Monitor is supportive of the extension of the maturity date of the DIP Facility.

Affidavits or other evidence to be used in support of this Application

16. The Initial Order granted on July 4, 2024;
17. The Amended and Restated Initial Order granted on July 12, 2024;
18. The SARIO granted on July 30, 2024;
19. First Report of the Monitor, filed July 10, 2024;
20. Second Report of the Monitor, filed July 23, 2024;
21. Fourth Report of the Monitor, dated October 9, 2024;
22. Such further and other material and evidence as counsel may advise and this Honourable Court permits.

Applicable rules:

23. *Alberta Rules of Court*, AR 124/2010.

Applicable Acts and regulations:

24. *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended.
25. Such further and other Acts and Regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

26. None.

How the application is proposed to be heard or considered:

27. Via Webex, on the Edmonton Commercial List before the Honourable Justice J. S. Little.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes.

If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

SCHEDULE "1"

CLERK'S STAMP

COURT FILE NUMBER: 2401-09247

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JUDICIAL CENTRE CALGARY

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ORDER (STAY EXTENSION ORDER AND EXTENSION OF DIP FACILITY MATURITY))

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Telephone No.: 403-298-3323 / 3311 / 3117
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Client File No.: 76142.18

DATE ON WHICH ORDER WAS PRONOUNCED: Friday, October 18, 2024

LOCATION OF HEARING OR TRIAL: Edmonton Law Courts, via Webex

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice J. S. Little

UPON THE APPLICATION of FTI Consulting Canada Inc., the Court-appointed monitor (the "**Monitor**") with enhanced powers of the debtors, Long Run Exploration Ltd. and Calgary Sinoenergy Investment Corp. (collectively, the "**Debtors**"); AND UPON having read the Application of the Monitor filed October 9, 2024, the Fourth Report of the Monitor dated

October 9, 2024, and the Affidavit of Service of Jeanie Wong sworn October [9], 2024; AND UPON reviewing the Second and Amended Restated Order granted by the Honourable Justice J. S. Little in these proceedings on July 30, 2024 (the "SARIO"); AND UPON hearing counsel for the Monitor and for other interested parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the application for this order is hereby abridged and deemed good and sufficient and this application is properly returnable today.

EXTENSION OF STAY PERIOD

2. The Stay Period (as defined in the SARIO) is hereby extended to and including December 31, 2024.

EXTENSION OF MATURITY DATE OF DIP FACILITY

3. The Court authorizes and directs Hiking and the Monitor to amend the Outside Date pursuant to the Term Sheet as defined in paragraph 35 of the SARIO, and pursuant to the Definitive Documents as defined in paragraph 36 of the SARIO, to November 30, 2024, or such further or other date as Hiking and the Monitor may agree to in writing.

J.C.K.B.A.