

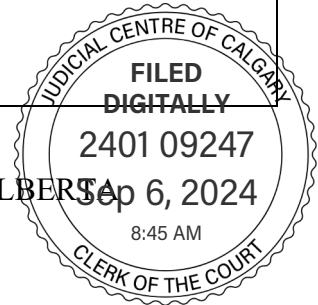
FORM 27
[RULES 6.3 AND 10.52(1)]

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

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
Telephone No.: 403-298-3323 / 3311
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: Monday, September 9, 2024
Time: 3:00 p.m.
Where: Edmonton Law Courts
Before Whom: The Honourable Justice D. R. Mah, 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. FTI Consulting Canada Inc., the court-appointed monitor with enhanced powers (the “**Monitor**”) of the debtors, Long Run Exploration Ltd. and Calgary Sinoenergy Investment Corp. (the “**Debtors**”), brings an application, in accordance with paragraph 56 of the Second Amended and Restated Initial Order granted July 30, 2024 (the “**SARIO**”), for advice and directions and, subject to the same, for an Order substantially in the form attached hereto as **Schedule "1"** for the following relief:
 - (a) abridging the time for service of this application and declaring that it is properly returnable on September 9, 2024, and dispensing with further notice of this application;
 - (b) declaring that Bennett Jones LLP is not conflicted from acting as counsel for the Monitor in these *Companies' Creditors Arrangement Act* proceedings, as a result of or in any way in relation to the claim advanced by Henenghaixin Corp. (“**H Corp.**”) in Court of King’s Bench of Alberta Action No. 2001-03353 (the “**H Corp. Action**”) against, *inter alia*, the Debtors; or
 - (c) in the alternative, directing that the Monitor retain special legal counsel to advise and represent the Monitor in relation to the H Corp. Action, including as the H Corp. Action relates to the stalking horse sale and investment solicitation process (the “**SISP**”) approved by this Honourable Court pursuant to the SARIO;
 - (d) sealing Confidential Appendix “J” to the Third Report of the Monitor dated September 5, 2024 (the “**Third Report**”) on the Court’s file; and
 - (e) such further and other relief as counsel may advise and this Honourable Court may deem appropriate.

Grounds for making this application:

The CCAA Proceedings

2. 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.

3. Pursuant to the Initial Order, FTI Consulting Canada Inc. was appointed Monitor of the Debtors, with enhanced powers.
4. 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 (the "**ARIO**").
5. On July 30, 2024, upon the application of the Monitor, the Honourable Justice J. S. Little of this Honourable Court granted the SARIO, which, *inter alia*, approved a stalking horse subscription agreement (the "**Stalking Horse Bid**"), a stalking horse sale and investment solicitation process ("**SISP**"), and interim financing. The lender of the interim financing, Hiking Group Shandong Jinyu Int't Trading Corporation ("**Hiking**") is also the stalking horse bidder pursuant to the Stalking Horse Bid.

Assertion of Conflict by H Corp.

6. Counsel for H Corp. attended at and made submissions opposing the granting of certain of the relief sought at the hearing of the application for the SARIO before Justice Little. Specifically, counsel for H Corp. objected to the Stalking Horse Bid being approved, in the circumstances that if the Stalking Horse Bid ultimately became the Successful Bid as defined in the SISP, the Stalking Horse Bid contemplates that upon the granting of a reverse vesting order (to be applied for), the H Corp. Action would become one of the "Transferred Liabilities" transferred to a proposed Creditor Trust, and the stalking horse bidder would not assume any liability in relation to the same. H Corp. objected to the H Corp. Action vesting in the Creditor Trust in those circumstances. H Corp.'s objections were dismissed, in part on the basis that its objections were premature.
7. Pursuant to the Court-approved SISP, the Phase 1 Bid Deadline is September 5, 2024.
8. On August 28, 2024 (one week before the Phase 1 Bid Deadline), new legal counsel for H Corp. asserted, for the first time, that Bennett Jones LLP had previously acted for H

Corp., and that Bennett Jones LLP is conflicted from acting for the Monitor. Counsel for H Corp. requested that Bennett Jones LLP cease to act for the Monitor.

9. Bennett Jones LLP has advised counsel for H Corp. that it denies the assertion that it previously acted for H Corp. At no time was Bennett Jones LLP retained by H Corp. to provide legal advice to it, in relation to the causes of action particularized in the H Corp. Action, or at all.
10. If no Qualified Bids (other than the Stalking Horse Bid) are received by the Phase 1 Bid Deadline, the Monitor has scheduled an application to be heard by the Honourable Justice Lema on the Commercial List on October 1, 2024 for approval of a reverse vesting order in relation to the Stalking Horse Bid. If Qualified Bids are received by the Phase 1 Bid Deadline, then the SISP will continue in accordance with its terms, and an application is scheduled to be heard by the Honourable Justice Marion on the Commercial List on October 28, 2024, for approval of the Successful Bid pursuant to the SISP. The Court-approved interim financing provided by Hiking is in contemplation of the Debtors' cash flow forecast, which contemplates the Successful Bid being approved by this Honourable Court by October 31, 2024. If the SISP is not complete and the transaction contemplated by the Successful Bid pursuant to the SISP is not approved by this Honourable Court and closed by October 31, 2024, the Debtors may not have sufficient funds to continue to carry on operations, and these CCAA proceedings, after that date. The DIP Financing matures on November 14, 2024 (or such earlier date as specified in the DIP Term Sheet).
11. As a result, H Corp.'s request that Bennett Jones LLP cease to act for the Monitor on these CCAA proceedings, and any delay to the SISP and its outcome as a result, has potential serious and significant implications for the Stalking Horse Bid, the SISP, the interim financing, and the entirety of the CCAA proceedings.
12. In consideration of this, the Monitor seeks this Court's advice and directions, as it is authorized to do in accordance with paragraph 56 of the SARIO.

Sealing Order

13. Confidential Appendix “J” to the Third Report includes solicitor-client privileged information of third parties, the privilege over which has not been waived, and as such, the Monitor seeks a sealing order over that information.
14. Sealing of Confidential Appendix “J” on the Court’s file is the least restrictive means of ensuring the confidentiality and protection of that solicitor-client privilege.

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

15. The Affidavit of Ziqing (Eddie) Zou affirmed July 2, 2024, filed;
16. The Second Report of the Monitor, filed July 24, 2024;
17. The SARIO granted July 30, 2024;
18. The Third Report of the Monitor, filed herewith (save and except Confidential Appendix “J” thereto);
19. Confidential Appendix “J” to the Third Report of the Monitor, unfiled and over which a sealing order is sought;
20. Affidavit of Justin Lambert sworn September 5, 2024, unfiled and over which a sealing order will be sought by special counsel for Bennett Jones LLP; and
21. The Bench Brief of the Monitor, filed herewith;
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:

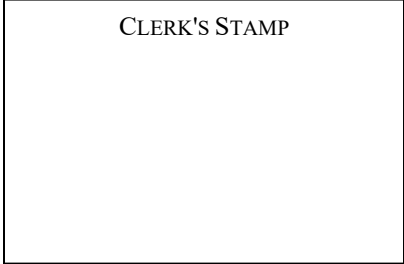
27. Via Webex, on the Calgary Commercial List before the Honourable Justice D. R. Mah.

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"



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 THE COMPROMISE OR ARRANGEMENT OF LONG RUN EXPLORATION LTD. AND CALGARY SINOENERGY INVESTMENT CORP.

DOCUMENT **ORDER**

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
Telephone No.: 403-298-3323 / 3311
Fax No.: 403-265-7219
Client File No.: 76142.18

DATE ON WHICH ORDER WAS PRONOUNCED: Monday, September 9, 2024

LOCATION OF HEARING OR TRIAL: Calgary Courts Centre

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice D. R. Mah

UPON THE APPLICATION of FTI Consulting Canada Inc., the Court-appointed monitor (“**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 September 5, 2024, the Second Report of the Monitor dated July 23, 2024, the Affidavit of Ziqing (Eddie) Zou affirmed July 2, 2024, the Third Report of the Monitor filed September 5, 2024 (the “**Third Report**”), the Affidavit of Justin Lambert sworn September 5, 2024, the Bench Brief of the Monitor dated September 5, 2024, and the Affidavit of Service of Jeanie Wong sworn September [•], 2024; AND UPON reviewing the Second Amended and Restated Initial Order granted by the Honourable Justice J. R. Little in these proceedings on July 30, 2024 (the “**SARIO**”); AND UPON hearing counsel for the Monitor, counsel for Henenghaixin Corp. (“**H Corp.**”), counsel for China Construction Bank Toronto Branch, and counsel 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.

DECLARATION

2. This Honourable Court declares that Bennett Jones LLP is not conflicted from acting as counsel for the Monitor in these *Companies’ Creditors Arrangement Act* proceedings, as a result of or in any way in relation to the claim advanced by H Corp. in Court of King’s Bench of Alberta Action No. 2001-03353, against, *inter alia*, the Debtors.

SEALING ORDER

3. Confidential Appendix “J” to the Third Report (the “**Confidential Materials**”) shall be sealed on the Court File in these CCAA Proceedings until further Order of the Court.
4. The Clerk of the Court shall file the Confidential Materials in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states that:

THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS, BEING CONFIDENTIAL APPENDIX “J” TO THE THIRD REPORT OF THE MONITOR, FTI CONSULTING CANADA INC., DATED SEPTEMBER 5, 2024, PURSUANT TO THE SEALING ORDER GRANTED BY THE HONOURABLE JUSTICE D. R. MAH ON SEPTEMBER 9, 2024. THE CLERK OF THE COURT SHALL NOT RELEASE THE CONFIDENTIAL

MATERIALS TO THE PUBLIC UNLESS OR UNTIL FURTHER ORDER OF THE COURT.

5. Leave is hereby granted to any person affected by this Order to apply to this Honourable Court for a further order modifying or varying the terms of this Order, with such application to be brought on no less than 5 days' notice in accordance with the Alberta Rules of Court.
6. Service of this Order shall be deemed good and sufficient by serving same on the Service List maintained for this Action. No other persons are entitled to be served with a copy of this Order.

J.C.K.B.A.