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, R.S.C. 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	**SIXTH REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS MONITOR OF LONG RUN EXPLORATION LTD. AND CALGARY SINOENERGY INVESTMENT CORP.** **December 9, 2024**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MONITOR** FTI Consulting Canada Inc. Suite 1610, 520 Fifth Avenue S.W. Calgary, AB T2P 3R7 Dustin Olver / Brett Wilson Telephone: (403) 454-6032 / (403) 454-6033 Fax: (403) 232-6116 E-mail: dustin.olver@fticonsulting.com brett.wilson@fticonsulting.com **COUNSEL** Bennett Jones LLP Suite 4500, Bankers Hall East 855 2nd Street S.W. Calgary, AB T2P 4K7 Kelsey Meyer / Michael Selnes / Kaamil Khalfan Telephone: (403) 298-3323 / (403) 298-3311 / (403) 298-3117 Fax: (403) 265-7219 E-mail: meyerk@bennettjones.com / selnesm@bennettjones.com / khalfank@bennettjones.com

SIXTH REPORT OF THE MONITOR

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INTRODUCTION

1. On July 4, 2024 (the "**Filing Date**"), China Construction Bank Toronto Branch ("**CCBT**" or the "**Applicant**"), in its capacity as collateral agent, sought and obtained an initial order (the "**Initial Order**") from the Court of King's Bench of Alberta (the "**Court**") to commence proceedings under the *Companies' Creditors Arrangement Act,* RSC 1985, c C-36, as amended (the "**CCAA**") in respect of Long Run Exploration Ltd. ("**Long Run**") and Calgary Sinoenergy Investment Corp. (the "**Guarantor**" and collectively with Long Run, the "**Debtors**"). The Initial Order, among other things, established a stay of proceedings in favour of the Debtors for an initial stay period up to and including July 14, 2024 (the "**Stay Period**"), and appointed FTI Consulting Canada Inc. as Monitor (the "**Monitor**"), with enhanced powers, pursuant to the provisions of the CCAA.

2. On July 12, 2024, this Honourable Court granted an amended and restated initial order (the "**ARIO**") in the CCAA Proceedings. The ARIO granted, among other things, an extension to the Stay Period in favour of the Debtors to July 31, 2024;

3. On July 30, 2024, this Honourable Court grated a Second Amended and Restated Initial Order ("**SARIO**") in the CCAA Proceedings. The SARIO granted, among other things, the following relief within the CCAA Proceedings:

   (a) an extension of the Stay Period from July 31, 2024 to October 31, 2024;

   (b) authorized the Debtors to obtain interim financing pursuant to terms of the DIP Financing Agreement (as defined in Schedule "A" to the SARIO), up to an amount equal to $7.0 million, and granting a DIP Lender's Charge (as defined in the SARIO) against the property of the Debtors, on the terms and priority in the proposed SARIO;

   (c) amending the ARIO granted in these proceedings on July 12, 2024, to reflect the DIP Lender's Charge (as defined in the SARIO) and the priority thereof;

(d) approving the terms of a stalking horse subscription agreement entered between the Monitor (in accordance with its court-ordered enhanced powers) on behalf of Long Run and Hiking Group Shandong Jinyue Int't Trading Corporation ("**Hiking**" or the "**Stalking Horse Bidder**") dated July 23, 2024 (the "**Stalking Horse Subscription Agreement**");

(e) approving a stalking horse sale and investment solicitation process in relation to the assets, property, and undertakings and/or business operations of the Debtors (the "**SISP**");

(f) authorizing the Debtors to reimburse the Stalking Horse Bidder for certain fees incurred by it in connection with the negotiation of the Stalking Horse Subscription Agreement and the SISP and approving certain bid protections in favour of the Stalking Horse Bidder should a bid superior to that of the Stalking Horse Subscription Agreement be selected in accordance with the SISP; and

(g) such further and other relief as counsel may advise and this Honourable Court may deem appropriate.

4. Counsel for Henenghaixin Corp. ("**H Corp.**") attended the July 30 Application and opposed certain of the relief sought. Specifically, counsel for H Corp. objected to the Stalking Horse Bid being approved, on the basis 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 vesting of the H Corp. Action in the Creditor Trust in those circumstances. H Corp.'s objections were dismissed, in part on the basis that its objections were premature.

5. On August 28, 2024, counsel for H Corp. wrote to counsel for the Monitor and to a service list it had prepared, asserting for the first time that the Monitor's legal counsel, Bennett Jones LLP, had previously acted for H Corp. and was in a conflict of interest. In its letter to counsel for the Monitor, counsel for H Corp. requested that Bennett Jones LLP cease to act as counsel for the Monitor.

6. On September 9, 2024, this Honourable Court granted a consent Order which directed the Monitor to retain special legal counsel to advise and represent the Monitor in relation to the claim advanced by H Corp. in Court of King's Bench Action No. 2001-03353 (the "**H Corp. Action**").

7. On October 18, 2024, this Honourable Court granted an Order which extended the Stay Period to December 31, 2024 and the outside date in the DIP Financing Agreement from November 14, 2024 to November 30, 2024 or such other date as may be agreed upon between the Monitor and the DIP Lender.

8. On November 14, 2024, this Honourable Court heard the Monitor's application for approval of a transaction contemplated by an amendment of the Stalking Horse Subscription Agreement (the "**Transaction**") and for a reverse vesting order and sealing order. On November 21, 2024, the Honourable Justice Mah granted the Transaction Approval and Reverse Vesting Order (the "**RVO**") and a Sealing Order. Reasons for Decision of Justice Mah were filed November 29, 2024.

9. The purchaser with respect to the Transaction is 2657493 Alberta Ltd., a wholly-owned subsidiary of Hiking (the "**Purchaser**"). The Purchaser and the Monitor are working toward closing the Transaction.

10. Hiking and the Monitor have agreed, via their respective legal counsel, to extend the outside date of the DIP Financing to January 31, 2025, and that amendment is currently being papered.

11. On December 6, 2024, counsel for H Corp. wrote to counsel for the Monitor, counsel for CCBT and counsel for Canadian Natural Resources Limited ("**CNRL**") and, separately, to the Honourable Justice Mah, to advise that H Corp. has instructed counsel to file an application for leave to appeal the RVO, and to request that Justice Mah grant an extension of time for the filing of H Corp.'s application for leave to appeal and related materials until December 23, 2024.

12. In those circumstances, the Monitor is filing an application for an extension of the Stay Period to January 31, 2025. The Monitor also seeks approval of this report and its activities as set out herein, and of the professional fees, disbursements and other charges of the Monitor and its legal counsel (collectively, the "**December Application**").

13. Electronic copies of all materials filed in connection with the Monitor's December Application and other statutory materials are available on the Monitor's website at: http://cfcanada.fticonsulting.com/longrun/.

PURPOSE

14. The purpose of this report (this "**Report**") is to provide this Honourable Court and the Debtors' stakeholders with information and the Monitor's comments with respect to the following:

    (a) the activities of the Monitor since the Fifth Report of the Monitor dated October 30, 2024 (the "**Fifth Report**");

    (b) the status of the Debtors' restructuring efforts;

    (c) budget to actual cash flow results for the period ended December 1, 2024;

    (d) the cash flow statement (the "**CFS#5**") for the 9-week period ending February 2, 2025, as well as the key assumptions on which the CFS#5 is based;

    (e) the request for an extension to the Stay Period up to and including January 31, 2025;

(f) the application for approval of the professional fees, disbursements and other charges of the Monitor and its legal counsel; and

(g) the Monitor's recommendations with respect to the above.

TERMS OF REFERENCE

15. Capitalized terms used but not defined herein are given the meaning ascribed to them in the SARIO.

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

17. Except as described in this Report:

(a) the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*;

(b) the Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the *Chartered Professional Accountants of Canada Handbook*; and

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

18. The Monitor has prepared this Report in connection with the December Application. This Report should not be relied on for other purposes.

19. Information and advice described in this Report that has been provided to the Monitor by its legal counsel, Bennett Jones LLP (the "**Monitor's Counsel**") and by its special legal counsel, Torys LLP (the "**Monitor's Special Counsel**"), was provided to assist the Monitor in considering its course of action, is not intended as legal or other advice to, and may not be relied upon by, any other person.

20. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

ACTIVITIES OF THE MONITOR

21. The Monitor's activities since the date of the Fifth Report include the following:

   (a) considering various steps to be taken within these proceedings pursuant to the CCAA (the "**CCAA Proceedings**") in connection with the restructuring efforts in relation to the Debtors;

   (b) administering the SISP including discussions with the Purchaser;

   (c) attending to numerous telephone and email inquiries from various customers and suppliers;

   (d) responding to numerous enquiries from the Debtors' creditors and other stakeholders;

   (e) corresponding and working with the Purchaser and stakeholders with respect to the application for this Honourable Court's approval of the Transaction and of the RVO;

   (f) working with the Monitor's Counsel and the Monitor's Special Counsel with respect to the Monitor's review and analysis of objections to certain relief sought by the Monitor from this Court in relation to its application for approval of the Transaction and of the RVO;

   (g) working with the Monitor's Special Counsel upon approval of the Transaction and the RVO with respect to H Corp.'s advice of its intention to seek leave to appeal the RVO and its request for an extension of time to do so;

(h) working with the Purchaser and CCBT with respect to closing of the Transaction;

(i) preparing budget to actual cash flow variance reports and the CFS#5; and

(j) preparing this Report.

BACKGROUND INFORMATION

22. Detailed information with respect to the Debtors' business, operations and causes of financial difficulty are described in the Affidavit of Ziqing (Eddie) Zou, affirmed on July 2, 2024.

23. Long Run is a private corporation formed under the laws of Alberta. Long Run's petroleum and natural gas assets ("**P&NG Assets**") are located primarily in Central and Northwest Alberta. Long Run is headquartered in Calgary, Alberta and has approximately 38 employees and contractors in its head office and 78 employees and contractor in the field.

24. Long Run is a wholly owned subsidiary of the Guarantor, which is also a privately owned Alberta corporation. The Monitor was advised that the Guarantor has no operation or assets other than its investment in Long Run. The Guarantor acquired all of the issued and outstanding shares of Long Run in 2016.

25. Operation of the P&NG Assets has continued in the normal course since the Filing Date and Long Run's current production is approximately 5,800 barrels of oil equivalent per day.

BUDGET TO ACTUAL RESULTS

26. The Monitor has reviewed the operations and cash flow of Long Run since the date of the Fourth Monitor's Report. The actual cash flow results for Long Run for the 8-week period of October 7, 2024, through to December 1, 2024, are presented below. These actual results have been compared to the cash flow statement ("**CFS#4**") outlined in the Fourth Report of the Monitor filed October 9, 2024 (the "**Fourth Report**").

Budget to Actual Results October 7, 2024 to December 1, 2024	Budget	Actual	Variance
($MM)			$
Receipts			
Revenue	$ 8.3	$ 8.5	**$ 0.2**
New Star Energy operations	0.0	(0.2)	**(0.2)**
Other Receipts	0.2	0.8	**0.7**
Total - receipts	**8.5**	**9.1**	**0.6**
Disbursements			
Royalties	(0.3)	(0.2)	**0.1**
Processing and transportation	(2.5)	(0.9)	**1.6**
Operating expense	(8.1)	(5.7)	**2.4**
Lease rentals	(1.2)	(0.8)	**0.4**
G&A expense	(1.9)	(1.8)	**0.1**
Insurance	(0.3)	(0.1)	**0.3**
Property taxes	(0.8)	(0.8)	**0.0**
Abandonment costs	(0.8)	(0.3)	**0.5**
Professional fees	(2.3)	(1.0)	**1.3**
GST	(0.4)	(0.1)	**0.3**
Total - disbursements	**(18.5)**	**(11.6)**	**7.0**
Net cash flow	**(10.1)**	**(2.5)**	**7.6**
Opening cash	6.5	6.5	**-**
Net cash flow	(10.1)	(2.5)	**7.6**
DIP Funding Required	5.0	-	**(5.0)**
Ending cash	**$ 1.4**	**$ 3.9**	**$ 2.6**

27. The variances in actual receipts and disbursements as compared to the Cash Flow Statement are primarily due to the following:

(a) Receipts: positive variance of approximately $600,000 primarily due to 'other receipts' that were not including in the forecast for joint venture receivables and proceeds from the sale of seismic license agreements for non-producing properties;

(b) Disbursements: positive variance of approximately $7.0 million primarily comprised of the following:

(i) Processing and transportation, positive variance of $1.6 million due to the timing of certain joint venture payables including turnaround costs at one of Long Run's non-operated facilities and cash security deposit required for a revised processing agreement. A portion of these variances are expected to reverse in future periods;

(ii) Operating expense, positive variance of $2.4 million which primarily timing related due to the receipt and payment of invoices and certain expenditures that were deferred to future periods; and

(iii) Professional fees, positive variance of $1.3 million a portion of which is timing related and expected to reverse in future periods based on the timing of receipt and payment of invoices.

28. As at December 1, 2024, Long Run had approximately $3.9 million of cash on hand.

CASH FLOW STATEMENT

29. Long Run, in consultation with the Monitor, prepared the CFS#5 to estimate the Debtors' liquidity for the period from December 2, 2024, to February 2, 2025 (the "**Forecast Period**"), a summary of which is presented below. A copy of the Cash Flow Statement is attached hereto as Appendix "**A**".

Cash Flow Statement December 2, 2024 to February 2, 2025	9 Week
($MM) Week Beginning	Total
Receipts	
Revenue	**$ 9.4**
New Star Energy operations	**0.0**
Other Receipts	**0.3**
Total - receipts	**9.7**
Disbursements	
Royalties	**(0.2)**
Processing and transportation	**(2.6)**
Operating expense	**(7.2)**
Lease rentals	**(2.0)**
G&A expense	**(1.9)**
Insurance	**(0.5)**
Property taxes	**(0.6)**
Abandonment costs	**(0.4)**
Professional fees	**(1.2)**
GST	**(0.2)**
Total - disbursements	**(16.8)**
Net cash flow	**(7.1)**
Opening cash	**3.9**
Net cash flow	**(7.1)**
DIP Funding Required	**5.0**
Ending cash	**$ 1.8**
DIP Funding Opening Balance	**2.0**
DIP Funding Required	**5.0**
DIP Funding Ending Balance	**$ 7.0**

30. The CFS#5 projects Long Run will have net cash flow of approximately negative $7.1 million over the Forecast Period, including:

(a) cash receipts of approximately $9.4 million, primarily related to the collections from the sale of petroleum and natural gas substances;

(b) cash disbursements of approximately $16.8 million primarily related to trade payments, payroll and benefits, other operating disbursements and professional fees.

31. The Monitor expects to draw on the remaining $5.0 million authorized amount under the DIP Financing Agreement during the Forecast Period. To date, the Monitor has drawn a total of $2.0 under the DIP Facility Agreement. On or about October 7, 2024, the Monitor requested a draw of $3.0 million under the DIP Financing Agreement. To date, Hiking has not advanced that draw to the Monitor. The delay in the funding is causing stress on Long Run's operations. To date, the Monitor and Long Run have been able to manage the liquidity constraints, however, the Monitor cautions that the funding is required imminently to avoid operational issues.

32. The CFS#5 has been prepared by Long Run using probable and hypothetical assumptions set out in the notes to the CFS#5, including assumptions that goods and services incurred after the Filing Date are paid when incurred.

33. The Monitor's review of the CFS#5 consisted of inquiries, analytical procedures and discussions related to the Information supplied to it by Long Run. Since probable and hypothetical assumptions need not be supported, the Monitor's procedures were limited to evaluating whether they were consistent with the purpose of the CFS#5, and there are no material assumptions contained therein which seem unreasonable in the circumstances.

34. Based on the Monitor's review, as at the date of this Sixth Report, nothing has come to its attention that causes it to believe that, in all material respects:

(a) the probable and hypothetical assumptions are not consistent with the purpose of the CFS#5; and

(b) the probable and hypothetical assumptions developed by Long Run are not supported and consistent with the plan of the Debtors or do not provide a reasonable basis for the CFS#5.

35. For illustrative purposes the CFS#5 shows normal course operations until February 2, 2025. The Monitor notes that the CFS#5 projects the Debtors requiring additional liquidity in the amount of approximately $5.0 million in week of January 6, 2024 (as shown in Appendix "**A**").

APPROVAL OF PROFESSIONAL FEES

36. The professional fees and disbursements of the Monitor, the Monitor's Counsel and the Monitor's Special Counsel for the period ending October 31, 2024, are set out in the table below.

Summary of Professional Fees For the period ending October 31, 2024					
(C$)	**Role**	**Fees**	**Costs**	**GST**	**Total**
FTI Consulting Canada Inc.	Monitor	$ 544,795	$ 8,515	$ 39,106	**$ 592,416**
Bennett Jones LLP	Monitor's Counsel	380,066	4,383	19,212	**403,660**
Torys LLP	Monitor's Special Counsel	109,762	27	5,488	**115,277**
Total - Professional Fees		**$ 1,034,622**	**$ 12,924**	**$ 63,807**	**$ 1,111,353**

37. The Monitor considers that the fees and disbursements charged by the Monitor, Monitor's Counsel, and Monitor's Special Counsel have been necessarily incurred and that the hours and rates charged are fair and reasonable in light of the length of the CCAA Proceedings, including the assistance of the Monitor in administering the SISP and the enhanced power in the CCAA, the complexity of the CCAA Proceedings including the HCorp Action.

38. Copies of the invoices of FTI Consulting and its legal counsel are available to this Honourable Court upon request.

CONCLUSIONS AND RECOMMENDATIONS

39. The Stay Period expires on December 31, 2024. At the December Application, the Monitor is requesting an extension of the stay of proceedings to January 31, 2025.

40. The Monitor has considered the impact of extending the Stay Period up to and including January 31, 2025, and has the following comments:

    (a) the Monitor is of the view that no creditor will be materially prejudiced by an extension of the Stay Period;

    (b) the CFS#5 indicates that the Debtors will have sufficient liquidity, subject to receiving the $5.0 million requested under the DIP Financing Agreement, to continue to fund critical operations and the cost of these CCAA Proceedings until January 31, 2025, and to allow for the anticipated closing of the Transaction. The CFS#5 does not include any professional fees for any potential application for leave to appeal the RVO; and

    (c) the Debtors and their management have and continue to act in good faith and with due diligence in taking steps to facilitate a restructuring of the business.

RECOMMENDATIONS

41. Based on the foregoing, the Monitor is of the view that the relief being sought is reasonable and justified in the circumstances and respectfully recommends that this Honourable Court approve the extension of the Stay Period up to and including January 31, 2025, the approval of the activities of the Monitor, and the approval of the professional fees, disbursements and other charges of the Monitor and its legal counsel.

All of which is respectfully submitted this 9th day of December, 2024.

FTI Consulting Canada Inc., LIT, in its capacity as Monitor of Long Run Exploration Ltd. and Calgary Sinoenergy Investment Corp., not in its personal or corporate capacity

Name: Dustin Olver, CPA, CA, CIRP, LIT
Title: Senior Managing Director
FTI Consulting Canada Inc.

Name: Brett Wilson, CFA
Title: Managing Director
FTI Consulting Canada Inc.

Appendix "A" – Cash Flow Statement for the period ending February 2, 2025

Long Run Exploration Ltd,
Cash Flow Statement
For the 9 week period ending February 2, 2025

Cash Flow Statement December 2, 2024 to February 2, 2025		Forecast Week 1	Forecast Week 2	Forecast Week 3	Forecast Week 4	Forecast Week 5	Forecast Week 6	Forecast Week 7	Forecast Week 8	Forecast Week 9	9 Week
($MM)	**Week Beginning**	**2-Dec**	**9-Dec**	**16-Dec**	**23-Dec**	**30-Dec**	**6-Jan**	**13-Jan**	**20-Jan**	**27-Jan**	**Total**
Receipts											
Revenue		$ -	$ -	$ -	$ -	$ 4.4	$ -	$ -	$ -	$ 5.0	**$ 9.4**
New Star Energy operations		(0.1)	-	-	-	0.1	(0.1)	-	-	0.1	**0.0**
Other Receipts		0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	**0.3**
Total - receipts		**0.1**	**0.0**	**0.0**	**0.0**	**4.5**	**(0.1)**	**0.0**	**0.0**	**5.1**	**9.7**
Disbursements											
Royalties		-	(0.1)	-	-	-	-	(0.1)	-	-	**(0.2)**
Processing and transportation		-	-	-	(0.1)	(1.4)	(0.5)	-	(0.1)	(0.6)	**(2.6)**
Operating expense		(0.6)	(0.9)	(0.2)	-	(1.7)	(0.8)	(0.7)	(0.5)	(1.7)	**(7.2)**
Lease rentals		-	-	(0.6)	-	(0.4)	-	(0.2)	-	(0.8)	**(2.0)**
G&A expense		(0.0)	(0.4)	(0.1)	(0.4)	(0.1)	(0.0)	(0.5)	-	(0.4)	**(1.9)**
Insurance		-	-	-	-	-	(0.2)	(0.3)	-	-	**(0.5)**
Property taxes		(0.1)	-	-	-	(0.3)	(0.1)	-	-	(0.2)	**(0.6)**
Abandonment costs		(0.1)	(0.0)	-	-	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	**(0.4)**
Professional fees		-	(0.6)	-	-	-	-	-	(0.7)	-	**(1.2)**
GST		-	-	(0.1)	-	-	-	-	-	(0.1)	**(0.2)**
Total - disbursements		**(0.8)**	**(2.0)**	**(0.9)**	**(0.5)**	**(3.9)**	**(1.6)**	**(1.9)**	**(1.3)**	**(3.9)**	**(16.8)**
Net cash flow		**(0.7)**	**(2.0)**	**(0.9)**	**(0.4)**	**0.6**	**(1.6)**	**(1.9)**	**(1.3)**	**1.2**	**(7.1)**
Opening cash		3.9	3.2	1.2	0.3	(0.2)	0.4	3.8	1.9	0.7	**3.9**
Net cash flow		(0.7)	(2.0)	(0.9)	(0.4)	0.6	(1.6)	(1.9)	(1.3)	1.2	**(7.1)**
DIP Funding Required		-	-	-	-	-	5.0	-	-	-	**5.0**
Ending cash		**$ 3.2**	**$ 1.2**	**$ 0.3**	**$ (0.2)**	**$ 0.4**	**$ 3.8**	**$ 1.9**	**$ 0.7**	**$ 1.8**	**$ 1.8**
DIP Funding Opening Balance		2.0	2.0	2.0	2.0	2.0	2.0	7.0	7.0	7.0	**2.0**
DIP Funding Required		-	-	-	-	-	5.0	-	-	-	**5.0**
DIP Funding Ending Balance		**$ 2.0**	**$ 2.0**	**$ 2.0**	**$ 2.0**	**$ 2.0**	**$ 7.0**	**$ 7.0**	**$ 7.0**	**$ 7.0**	**$ 7.0**

Per: Wendy Barber, Interim CEO
Long Run Exploration Ltd.

Notes:

Management of Long Run Exploration Ltd. ("**Long Run**") has prepared this Projected Cash Flow Statement solely for the purposes of determining the liquidity requirements of Long Run during the period of December 2, 2024 to February 2, 2025. This Projected Cash Flow Statement is based on probable and hypothetical assumptions detailed in Note 1-12. Consequently, actual results will likely vary from actual performance and such variances may be material.

1 Revenue relates to the sale of Long Run's petroleum and natural gas production. Production is based on current forecast production. The forecast sales prices are based on third party price forecasts and Long Run's quality discount to benchmark pricing. Crown royalties on oil are paid in kind.

2 New Star Energy ("NSE") operations relates to Long Run's collection of revenue, payment of operating expenses of NSE as a sister company and management fee paid to Long Run from NSE.

3 Royalties expense relates to royalties paid to the crown and freehold land owners and are based on historical rates.

4 Processing and transportation relates to transmission tariffs and trucking fees of Long Run's petroleum and natural gas production. It is based on projected production volumes.

5 Operating expenses are based on Long Run's annual operating budget and relates to the costs associated with the operation of oil and natural gas wells and facilities.

6 Lease rentals relates to surface and mineral leases held by the crown and freehold for producing assets.

7 G&A expense relates costs associated with Long Run's head office, employees, field office lease and overhead based on its annual budget.

8 Insurance expense relates to Long Run's insurance premiums.

9 Property taxes relates to Long Run's property taxes with municipalities.

10 Abandonment costs relates to estimate cost to abandon/reclaim wells.

11 Professional fees include estimates for Long Run's legal counsel, the Monitor, the Monitor's Counsel, counsel to the Applicant and counsel to the Stalking Horse Bidder.

12 GST relates to goods and services tax incur by Long Run during the forecast period.