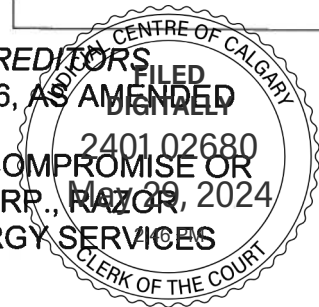


Clerk's Stamp

COURT FILE NUMBER 2401-02680
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

APPLICANTS IN THE MATTER OF THE COMPANIES' CREDITORS' ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF RAZOR ENERGY CORP., RAZOR HOLDINGS GP CORP., AND BLADE ENERGY SERVICES CORP.



DOCUMENT **AFFIDAVIT #7 OF DOUG BAILEY**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
McCarthy Tétrault LLP
4000, 421 – 7th Avenue SW
Calgary, AB T2P 4K9
Attention: Sean Collins / Pantelis Kyriakakis / Nathan Stewart
Tel: 403-260-3531 / 3536 / 3534
Fax: 403-260-3501
Email: scollins@mccarthy.ca / pkyriakakis@mccarthy.ca / nstewart@mccarthy.ca

AFFIDAVIT #7 OF DOUG BAILEY
Sworn on May 29, 2024

I, Doug Bailey, of the City of Calgary, of the Province of Alberta, **SWEAR AND SAY THAT:**

1. I am the CEO of Razor Energy Corp. ("**Razor Energy**"), Razor Holdings GP Corp. ("**Razor Holdings**"), and Blade Energy Services Corp. ("**Blade**", Razor Energy, Blade, and Razor Holdings, are collectively referred to as, the "**Applicants**"). Razor Energy is the sole limited partner, and Razor Holdings is the sole general partner, of Razor Royalties Limited Partnership ("**Razor Royalties LP**", and collectively with the Applicants, the "**Razor Entities**"). I am also a member of the board of directors of each of the Applicants. I have reviewed the books and records prepared and maintained by the Razor Entities, in the ordinary course of business. I have personal knowledge of the facts and matters sworn to in this Affidavit; except where information was received from someone else or some other source of information, as identified herein. Where the information contained herein was received from another source, I believe such information to be true.
2. On February 20, 2024, I swore an affidavit (the "**Initial Affidavit**"), filed in the within proceedings (the "**CCAA Proceedings**"). Among other things, the Initial Affidavit

COURT FILE NUMBER 2401-02680
 COURT COURT OF KING'S BENCH OF ALBERTA
 JUDICIAL CENTRE CALGARY

APPLICANTS IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF RAZOR ENERGY CORP., RAZOR HOLDINGS GP CORP., AND BLADE ENERGY SERVICES CORP.

DOCUMENT **AFFIDAVIT #7 OF DOUG BAILEY**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
 McCarthy Tétrault LLP
 4000, 421 – 7th Avenue SW
 Calgary, AB T2P 4K9
 Attention: Sean Collins / Pantelis Kyriakakis / Nathan Stewart
 Tel: 403-260-3531 / 3536 / 3534
 Fax: 403-260-3501
 Email: scollins@mccarthy.ca / pkyriakakis@mccarthy.ca / nstewart@mccarthy.ca

AFFIDAVIT #7 OF DOUG BAILEY
Sworn on May 29, 2024

I, Doug Bailey, of the City of Calgary, of the Province of Alberta, **SWEAR AND SAY THAT:**

1. I am the CEO of Razor Energy Corp. ("**Razor Energy**"), Razor Holdings GP Corp. ("**Razor Holdings**"), and Blade Energy Services Corp. ("**Blade**", Razor Energy, Blade, and Razor Holdings, are collectively referred to as, the "**Applicants**"). Razor Energy is the sole limited partner, and Razor Holdings is the sole general partner, of Razor Royalties Limited Partnership ("**Razor Royalties LP**", and collectively with the Applicants, the "**Razor Entities**"). I am also a member of the board of directors of each of the Applicants. I have reviewed the books and records prepared and maintained by the Razor Entities, in the ordinary course of business. I have personal knowledge of the facts and matters sworn to in this Affidavit; except where information was received from someone else or some other source of information, as identified herein. Where the information contained herein was received from another source, I believe such information to be true.
2. On February 20, 2024, I swore an affidavit (the "**Initial Affidavit**"), filed in the within proceedings (the "**CCAA Proceedings**"). Among other things, the Initial Affidavit

describes: (i) the background, with respect to the Razor Entities' assets, liabilities, and operations; and, (ii) details concerning the relief sought in connection with the Initial Order and the Amended and Restated Initial Order (each as defined below); including, the Applicants' sale and investment solicitation process (the "**SISP**").

3. On February 28, 2024, the Honourable Justice N.J. Whitting granted an initial order (the "**Initial Order**"), in respect of the Applicants, under the *Companies' Creditors Arrangement Act* (the "**CCAA**"). Among other things, the Initial Order: (i) established a stay of proceedings against the Applicants for ten (10) days (the "**Stay Period**") and extended the stay of proceedings to Razor Royalties LP, for the duration of the Stay Period; (ii) appointed FTI Consulting Canada Inc. ("**FTI**") as monitor (when referred to in such capacity, the "**Monitor**") of the Razor Entities; and, (iii) approved the SISP.
4. On March 6, 2024, the Honourable Justice M.E. Burns granted an order (the "**ARIO**"), amending and restating the Initial Order. The ARIO extended the Stay Period until and including March 29, 2024.
5. Most recently, on May 3, 2024, the Honourable Justice G.S. Dunlop granted an order further extending the Stay Period until and including June 7, 2024 (the "**May Extension Order**").

Summary of Relief Sought

6. This Affidavit is sworn in support of an application (the "**Application**"), seeking an Order extending the Stay Period, up to and including August 2, 2024.

SISP Summary

7. During the course of the CCAA Proceedings, the Applicants, the Monitor, and Peters & Co. Limited ("**Peters & Co.**") undertook the following steps, in connection with the SISP:
 - (a) on or around February 6, 2024, Peters & Co. began contacting a broad group of counterparties, including approximately 400 parties directly, inclusive of Canadian, American, and International oil and gas exploration, development, and production companies and financial sponsors;
 - (b) the Applicants and the Monitor worked with Peters & Co. to populate and establish a virtual data room (the "**VDR**");

- (c) on or around February 7, 2024, Peters & Co. began providing access to the VDR, containing information relating to the Applicants, in order to permit potentially interested parties to carry out their due diligence;
- (d) on or around February 7 and 8, 2024, Peters & Co. posted adverts in the Daily Oil Bulletin and the BOE Report; and,
- (e) on or around March 1, 2024, detailed bid instructions were posted in the VDR.

8. As a result of the aforementioned efforts:

- (a) approximately 53 parties entered into confidentiality agreements with the Applicants, in connection with the SISP, in order to access the VDR;
- (b) approximately 53 parties were provided access to the VDR;
- (c) 20 offers were received to purchase various assets of the Applicants; and,
- (d) 1 *en bloc* corporate offer was received, being the Corporate Transaction (as defined below).

The Applicants' Activities Since the May Extension Order

9. Since the granting of the May Extension Order, the Applicants have continued to advance their restructuring. Specifically, among other things, the Applicants:
- (a) worked with Peters & Co. and the Monitor, to review and engage with bidders and potential purchasers, following the March 12, 2024, bid deadline, under the SISP;
 - (b) upon review of the bids and offers provided during the SISP and subsequent discussions with prospective counterparties, the Applicants, the Monitor, and Peters & Co. identified the following two potential transactions (collectively, the "**Potential Transactions**") as being the highest and best available, in the circumstances:
 - (i) a corporate transaction (the "**Corporate Transaction**") wherein the prospective acquiror would acquire all of Razor Energy's issued and outstanding shares, by way of a reverse vesting order, which would enable the Applicants to continue their operations, as private companies and as

going concerns, with the corresponding resumption and payment, of all of the Applicants' post-closing obligations to creditors and counterparties, together with the continuation and assumption of all abandonment and reclamation obligations; and,

- (ii) a minor, non-operated asset sale (the "**Asset Sale**"), to be carved out of the Corporate Transaction,
- (c) entered into letters of intent with respect to both of the Corporate Transaction and the Asset Sale;
- (d) worked with Peters & Co. and the perspective purchaser, under the Asset Sale, diligently and in good faith, to negotiate a corresponding form of agreement of purchase and sale;
- (e) organized and worked with the Monitor and Peters & Co. to put together a virtual meeting (the "**Virtual Meeting**") with certain key affected creditors and stakeholders to present the Potential Transactions and provide estimates and forecasts with respect to same;
- (f) held the Virtual Meeting on May 22, 2024;
- (g) continued to provide information to the Monitor, as requested, and work with the Monitor and Peters & Co., to identify potential solutions to various issues arising under or in connection with the Applicants' CCAA Proceedings; and,
- (h) responded to questions and issues, from creditors and other stakeholders, concerning these CCAA Proceedings.

Presentation to Key Stakeholders

10. The cash proceeds to be derived from the Potential Transactions will be insufficient to repay creditors of the Applicants who hold consensual or statutory security; let alone the Applicants' unsecured creditors. The Applicants' creditors who hold consensual or statutory security are projected to suffer a material shortfall and there will be no recovery available for general unsecured creditors.

11. As a result, in order to build support and provide information, the Applicants, the Monitor and Peters & Co., advised certain key affected secured creditors and stakeholders, with a material interest in the outcome of the Applicants' restructuring (collectively, the "**Key Stakeholders**"), that the Applicants intended to hold the Virtual Meeting, for such Key Stakeholders, on Wednesday, March 22, 2024.
12. On May 16, 2024, counsel to the Applicants sent an email (the "**May 16 Email**") to eleven (11) Key Stakeholders. Attached hereto and marked as **Exhibit "A"** to this, my Affidavit, is a true copy of the May 16 Email.
13. In order to receive a link to the Virtual Meeting, the Key Stakeholders were asked to agree to certain confidentiality terms. Of the eleven (11) Key Stakeholders that were sent the May 16 Email, nine (9) agreed to the confidentiality terms and were sent a link to the Virtual Meeting.
14. On May 22, 2024, the Applicants, the Monitor, Peters & Co., and each of their counsel held a presentation for Key Stakeholders, which: (i) provided an outline and key details of the Potential Transactions; and, (ii) addressed the implications, forecasts, potential allocations, and paths forward.

Extension of Stay Period

15. The current Stay Period will expire on June 7, 2024, unless the Stay Period is extended by further order of this Honourable Court.
16. The Applicants seek an extension of the Stay Period, up to and including August 2, 2024, in order to, among other things, provide the Applicants with the time necessary:
 - (a) to pursue and advance the Corporate Transaction, to an executable deal and seek approval of same;
 - (b) to finalize the Asset Sale and corresponding asset purchase agreement, engage with affected counterparties, and seek approval of same; and,
 - (c) to take related steps in furtherance of these CCAA Proceedings.
17. The Applicants have sufficient liquidity to fund the necessary obligations and the costs of the CCAA Proceedings, as contemplated and in accordance with the Fifth Cash Flow

Forecast, to be attached to the Fourth Report of the Monitor, to be filed in connection with the Application, up to the end of the proposed extension of the Stay Period.

Conclusion

18. I make this Affidavit in support of the Application seeking an extension of the Stay Period, until and including August 2, 2024.

SWORN BEFORE ME in the City of)
Calgary, in the Province of Alberta, this)
29th day of May, 2024.)



_____)
A Commissioner for Oaths in and for the)
Province of Alberta)

John J. Corrigan
Student-At-Law



_____)
DOUG BAILEY

This is Exhibit "A" referred to in the Affidavit #7 of Doug Bailey
sworn before me this 29th day of May, 2024.

A handwritten signature in black ink, appearing to read "John J. Corrigan", written over a horizontal line.

A Commissioner for Oaths in and for the Province of Alberta

John J. Corrigan
Student-At-Law

Hynne, Katie

From: Hynne, Katie
Sent: Thursday, May 16, 2024 8:03 AM
Cc: Collins, Sean F.; Kyriakakis, Pantelis; Stewart, Nathan; deryck.helkaa@fticonsulting.com; Olver, Dustin; brett.wilson@fticonsulting.com; Browning, Cameron; Bourassa, Kelly; Keliher, Christopher; 'MacKinnon, Jessica'
Subject: ITMO the Plan of Compromise or Arrangement of Razor Energy Corp., Razor Holdings GP Corp., and Blade Energy Services Corp. [Court File No. 2401-02680]

We are counsel to Razor Energy Corp., Razor Holdings GP Corp., and Blade Energy Services Corp. (collectively, the "**Applicants**"), in the above-captioned proceedings. Please be advised that the Applicants intend to hold a virtual presentation for key affected stakeholders, with a material interest in the outcome of the Applicants' restructuring, next Wednesday, May 22, 2024, at 10:00 a.m. (the "**Virtual Meeting**"), wherein:

- (i) Peters & Co. Ltd. (the "**Sales Advisor**"), will present the results of the Applicants' court approved sale and investment solicitation process; and,
- (ii) FTI Consulting Canada Inc., in its capacity as the Applicants' court-appointed monitor (the "**Monitor**") and the Applicants, will outline and provide details concerning: (a) anticipated potential sale proceeds (in the event of a successful restructuring); and (b) a preliminary proposed potential allocation, treatment, and distribution, with respect to the various claims of creditors, counterparties, and stakeholders.

As the Virtual Meeting will involve discussions and disclosure of sensitive and confidential information, related to the Applicants' sales and investment solicitation process (the "**SISP**") and the various bids and offers received, any interested participants (each a "**Participant**") are required to acknowledge and agree to confidentiality conditions, in order to attend the Virtual Meeting. Specifically, we kindly request that each Participant agree and acknowledge, by way of a reply email cc'ing counsel to the Applicants and the Monitor, to the following:

1. The Participant will keep all information that is provided by the Applicants, the Sales Advisor, or the Monitor, to the Participant, during or in connection with the Virtual Meeting, whether provided before or after the date of this email, whether oral or written, regardless of the manner in which such information is provided and, including, without limitation, all information, analyses, compilations, evaluations, estimates, forecasts, interpretations, or other documents prepared or presented by the Monitor, the Sales Advisor, the Applicants, or any persons acting on their behalf, including, but not limited to, in connection with: (i) any and all of the Applicants present or after acquired property, assets, or undertakings; (ii) the results of the SISP and any offers, bids, or expressions of interests received in connection with or as a result of the SISP; or (iii) any distributions or allocations (both actual and estimated) to the various creditors and stakeholders of the Applicants (collectively, the "**Confidential Information**"), strictly confidential; except as otherwise contemplated below.
2. The Participant may disclose the Confidential Information to the Participant's officers, directors, employees, legal and other professional advisors, (collectively referred to as, the "**Representatives**") who the Participant determines require the Confidential Information for the purposes of evaluating the Participant's legal position, rights, or remedies, in connection with the Applicants' CCAA proceedings. Prior to disclosing the Confidential Information to any Representatives, the Participant shall issue appropriate instructions to such Representatives to satisfy the Participant's obligations herein and obtain such Representatives' agreement to receive and use the Confidential Information on a confidential basis on the same terms and conditions as contained herein. The Participant shall be liable and responsible for any breach of any term or condition of this Confidentiality Agreement by any of the Representatives.

3. If the Participant determines that any or all of the Confidential Information should be filed in the Applicant's CCAA proceedings, the Participant shall: (i) inform both the Applicants and the Monitor of its intention to do so; (ii) work with the Applicants and the Monitor to ensure that such Confidential Information is presented in a confidential manner, which will not prejudice the Applicants' CCAA proceedings, the Applicants, or the Applicants' creditors and stakeholders; and, (iii) only file such Confidential Information on the basis that the Participant filing such information also contemporaneously seeks a Sealing Order or other Order, as is agreed to by the Applicants, the Participant, and the Monitor, all acting reasonably.
4. The Confidential Information does not constitute any representation, warranty or guarantee with respect to the accuracy or completeness of the Confidential Information or any portion thereof and the Participant will not be entitled to rely on the accuracy or completeness of the Confidential Information or any portion thereof. None of the Applicants, the Monitor, the Sales Advisor, any of their directors, officers, employees, professional advisors (including, without limitation, financial advisors, lawyers, and accountants) or agents, will be held liable for any errors or omissions in the Confidential Information or the use or the results of the use of the Confidential Information.
5. Neither the Participant nor any of its affiliates, related persons, or Representatives shall, directly or indirectly, alone, jointly or in concert with any other person, bid or seek to purchase any of the property, shares, or assets subject to the SISF (and the Participant hereby confirms it has no interest and will not participate in any transaction concerning such property, shares, or assets, subject to the SISF), acquire a material portion of the assets, shares, or property of the Applicants or which is subject to or otherwise discussed in the Confidential Information, or enter into any merger, arrangement, amalgamation or other business combination involving the Applicants or advise, assist, or encourage any other person in connection with any of the foregoing.

Upon receiving each Participant's acknowledgement and agreement to the above confidentiality provisions, such Participant will receive a calendar invite and link to the Virtual Meeting.

Regards,



Katie Hynne

Legal Assistant | Adjointe juridique

Bankruptcy and Restructuring | Faillite et restructuration

Sean Collins, Walker MacLeod, Pantelis Kyriakakis, Nathan Stewart

T: 403-260-3560

E: khynne@mccarthy.ca

MT Services Limited Partnership

Administrative services provider for McCarthy Tétrault LLP

Suite 4000

421 - 7th Avenue SW

Calgary AB T2P 4K9

Please, think of the environment before printing this message.

Visit www.mccarthy.ca for strategic insights and client solutions.

