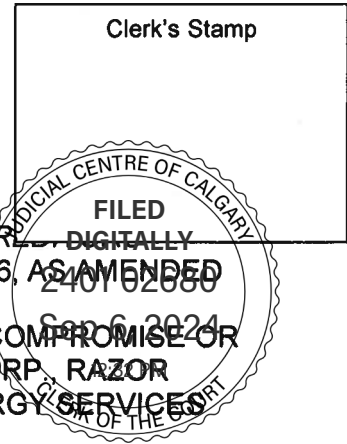


COURT FILE NUMBER 2401-02680
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



APPLICANTS IN THE MATTER OF THE COMPANIES' CREDIT 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 #9 OF DOUG BAILEY

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
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AFFIDAVIT #9 OF DOUG BAILEY
Sworn on September 6th, 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.

Summary of Relief Sought

2. This Affidavit is sworn in opposition to Conifer Energy Inc.'s ("Conifer") application, seeking, among other things, orders directing Razor to pay Conifer on September 20, 2024: (i) post-filing amounts owing Conifer; and, (ii) post-filing amounts owed by Razor to Canadian Natural Resources Inc. ("CNRL") that CNRL seeks payment of from Conifer, together with a court-ordered charge in favour of Conifer to secure all amounts owing to Conifer with respect to all goods and services provided by Conifer under the CO&O from the date of the initial order subordinate only to the Administration Charge and the Directors' Charge.

Corporate Transaction Status Update

3. On 30, 2024, I met with Mr. Patrick Manuel, the newly appointed CEO of Conifer. At the meeting, I advised Mr. Manuel that Razor Energy and the purchaser under the corporate transaction are negotiating the transaction documents in earnest. At present, there is a well-advanced draft Subscription Agreement that is subject to ongoing discussion between Razor Energy and the corporate offeror. As at today's date, there is a structuring matter under active discussion with the Orphan Well Association and CNRL.
4. In any event, of note, is that the current structure of the transaction contemplates payment of Conifer's post-filing claim, other than the \$680,000 deposit as referenced in the Affidavit of Heather Wilkins filed on September 3, 2024. I advised Mr. Manuel of this fact at our meeting noting that Razor Energy would not be able to pay pre-filing amounts and that payment of the post-filing amounts will be facilitated by and paid from the proceeds of the corporate transaction.
5. Mr. Manuel indicated to me that in concept the proposal was acceptable, subject to further details, and that receiving payment of the post-filing claim is a better outcome than that which will be available to Conifer in a receivership.
6. The corporate offeror has advised Razor Energy that definitive documentation must be executed and delivered, subject only to Court approval, by September 20, 2024.
7. Based on my discussions with the corporate offeror, I am reasonably confident that the agreement will be signed and delivered on or before September 20, 2024. In such event, Razor Energy will move promptly to secure a date to have the approval application heard.

Razor Has Continued Operations Despite Being Locked out of Judy Creek

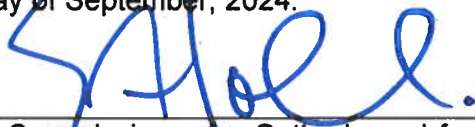
8. Following the decision of Lema, J. issued on February 21, 2024, Razor Energy and Conifer entered into discussions surrounding the bases upon which Conifer would resume processing Razor Energy's gas and NGL's. Conifer sought advance payment for services in the amount of \$680,000.00. Razor Energy disagreed with Conifer's calculation in this regard and, in any event, did not then have sufficient funds to make an advance payment in such amount. Rather than incurring the administrative time and additional cost and expense of continued litigation with Conifer, Razor Energy decided, in consultation with the Monitor, to forego access to the Judy Creek Gas Plant. Part of the rationale behind Razor's business decision in this regard is that Justice Lema's decision served to assuage potential purchaser's concerns around the ability to restore access to the Judy Creek Gas Plan in connection with any transaction.
9. Razor Energy has been able to continue in operations and its cash flow requirements as manifest in the cash flow forecasts it has filed in these proceedings are such that Razor Energy does not require revenue from the gas and NGL's that would otherwise be processed by Conifer at the Judy Creek Gas Plant.

Conifer's Post-Filing Claim

10. Conifer is making a deliberate choice and business decision to continue to process Razor Energy's gas, at a loss.
11. As has been reported in Razor Energy's cash-flow forecasts, Razor Energy, owing to its insolvency, does not have sufficient funds to pay Conifer. The most recent cash-flow forecast was attached as an Appendix to the Fifth Report of the Monitor. If Razor Energy is ordered to pay Conifer the amounts it is seeking in this application, then Razor Energy will not have sufficient cash to continue operations which will most certainly result in the collapse of the corporate transaction.
12. Razor Energy joins issue with Conifer's assertion that the post-filing amounts are in the nature of a post-filing supply of goods or services contemplated by section 11.01 of the *Companies' Creditors Arrangement Act* (the "CCAA").

13. Conifer is similarly situated to Canadian Natural Resources Limited. In both instances, Razor Energy is not receiving its share in cash of the post-filing production revenue. Rather, both Conifer and CNRL are withholding Razor Energy's production and marketing such production on Razor Energy's behalf, with the proceeds being set-off by both Conifer and CNRL as against the post-filing processing costs.
14. This is in distinction to the situation, for example, with Pembina Gas Infrastructure ("PGI"). In relation to PGI, PGI continues to process, at Razor Energy's request, Razor Energy's gas and NGL's in the approximate amount of 325 boe/day resulting in gross production revenue being paid to Razor Energy in the amount of approximately \$45,000 per month. Razor Energy receives the gross production revenue and remits payment to PGI for the invoiced amounts relative to the processing costs.
15. Razor Energy has been paying the suppliers of goods and services that are in the nature of supplies contemplated by section 11.01 of the CCAA. For example, during the month of July, 2024, Direct Energy Default Supply and Direct Energy Regulated Services supplied, at Razor Energy's request, electricity to power the Swan Hills and Kaybob areas. In this regard, Razor Energy owed a post-filing amount for the supply of such electricity in the aggregate amount of \$471,318.32 and Razor Energy paid such amount.
16. Accordingly, it is not accurate to assert that Razor Energy's is not making its post-filing payments to Conifer solely because it disputes Conifer's charges.

SWORN BEFORE ME in the City of
Calgary, in the Province of Alberta, this 6th
day of September, 2024.



A Commissioner for Oaths in and for the
Province of Alberta

Sean Collins, KC, Barrister and Solicitor



DOUG BAILEY