

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 **ORDER (RETAINED CONTRACTS)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
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**DATE ON WHICH ORDER WAS PRONOUNCED:** **November 27, 2024**

**LOCATION OF HEARING OR TRIAL:** **Calgary, Alberta**

**NAME OF JUDGE WHO MADE THIS ORDER:** **Justice B.E.C. Romaine**

**UPON** the application (the "**Application**") of Razor Energy Corp. ("**Razor Energy**"), Razor Holdings GP Corp. ("**Razor Holdings**"), and Blade Energy Services Corp. ("**Blade**", Blade, Razor Holdings and Razor Energy are collectively referred to as, the "**Applicants**"), for, among other relief: (i) an order (the "**Reverse Vesting Order**") approving the sale transaction and other steps contemplated by the Subscription Agreement, dated October 27, 2024, as amended by the Subscription Agreement Amending Agreement, dated November 27, 2024 (collectively, as so amended, the "**Subscription Agreement**"), between Razor Energy, as vendor, and Texcal Energy Canada Inc. (the "**Purchaser**"), as purchaser; and, (ii) an Order declaring that the Retained Contracts and the Restricted Retained Contracts (each as defined in the Subscription Agreement) shall be retained, by the applicable Razor Entities, free and clear of all claims of the counterparties thereto, subject only to the payment of Cure Costs (as defined in the Subscription Agreement), and permanently staying, enjoining, barring, and estopping the counterparties to

such Retained Contracts and Restricted Retained Contracts, from making or pursuing any demand, claim, action, proceeding, or suit, or exercising any remedy or right under any Retained Contract, including any Restricted Retained Contract, which arises from or relates to certain circumstances or events;

**AND UPON HAVING READ** the Amended and Restated Initial Order pronounced by the Honourable Justice M.E. Burns on March 6, 2024 (the "**ARIO**"), the Eighth Report of FTI Consulting Canada Inc., in its capacity as the Court-appointed monitor (the "**Monitor**") of the Applicants, dated November 6, 2024, the Supplemental Report to the Eighth Report of the Monitor, dated November 26, 2024, the Affidavit #11 of Doug Bailey, sworn on October 28, 2024 (the "**Bailey #11 Affidavit**"), the Affidavit #4 of Heather Wilkins, affirmed on November 5, 2024, the Transcript of Questioning on Affidavit of Doug Bailey Conducted November 4, 2024, filed on November 5, 2024, the Replies to Undertakings Requested of Doug Bailey at Questioning on Affidavit Conducted November 4, 2024, filed on November 7, 2024, the Affidavit of Gregory White, sworn on November 5, 2024, the Affidavit of Ron K. Laing, sworn on November 6, 2024, the Supplemental Affidavit of Ron K. Laing, sworn on November 25, 2024, the Affidavit of Laura Chant, affirmed on November 25, 2024, the Affidavit of Service of Katie Hynne, sworn on November 6, 2024 (the "**Service Affidavit**"), and the Order (Extension of Stay Period and Adjournment), pronounced by the Honourable Justice M.H. Bourque on November 8, 2024, all filed; **AND UPON** hearing counsel for the Applicants, counsel for the Monitor, and counsel for any other parties who may be present;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. The time for service of the Application, the Bailey #11 Affidavit, and other related application materials, in the manner described in the Service Affidavit, is abridged, the Application is properly returnable today, service of the Application, the Bailey #11 Affidavit, and other related application materials, on the service list (the "**Service List**"), in the manner described in the Service Affidavit, is good and sufficient, and no other persons, other than those listed on the Service List, are entitled to service of the Application or the Bailey #11 Affidavit.

## **CAPITALIZED TERMS**

2. Capitalized terms used herein but not otherwise defined in this Order shall have the meaning given to such terms in the Subscription Agreement. In addition, the following capitalized terms shall have the following meanings:
  - (a) “**CCAA**” means the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;
  - (b) “**Monitor’s Certificate**” has the meaning given to it in the Reverse Vesting Order; and,
  - (c) “**Razor Entities**” means, collectively, the Applicants and Razor Resources Limited Partnership.

## **RETENTION OF RETAINED CONTRACTS AND RESTRICTED RETAINED CONTRACTS**

3. Upon the filing by the Monitor of the Monitor’s Certificate:
  - (a) all of the Restricted Retained Contracts, together with all of the rights and obligations of the applicable Razor Entities under the Restricted Retained Contracts, shall be retained, by the applicable Razor Entities, and such Restricted Retained Contracts shall, subject only to the payment of any applicable Cure Costs in accordance with paragraph 4 hereof, remain in full force and effect; and,
  - (b) all of the Retained Contracts which are not Restricted Retained Contracts, together with all of the rights and obligations of the applicable Razor Entities under such Retained Contracts, shall be retained, by the applicable Razor Entities, and such Retained Contracts shall remain in full force and effect, free and clear of any claims of the counterparties to such Retained Contracts, other than claims related to the Assumed Liabilities.
4. Following the filing by the Monitor of the Monitor’s Certificate, all Cure Costs in respect of the Restricted Retained Contracts shall be and shall be deemed to be fully and finally satisfied by and upon the payment, by the Monitor, for and on behalf of the Razor Entities, of the following amounts to the following persons:

- (a) \$3,904 (three thousand, nine hundred and four Canadian dollars), to Forty Mile Gas Co-Op Ltd.;
- (b) \$273,648 (two hundred and seventy-three thousand, six hundred and forty-eight Canadian dollars), to PGI Processing ULC;
- (c) \$37,102 (thirty-seven thousand, one hundred and two Canadian dollars) to Enercapita Energy Ltd.;
- (d) \$224,661 (two-hundred and twenty-four thousand, six hundred and sixty-one Canadian dollars), to TAQA North, an Alberta general partnership, represented by its managing partner, TAQA North Ltd.;
- (e) \$487,849.95 (four hundred and eighty-seven thousand, eight hundred and forty-nine Canadian dollars and ninety-five cents), to Canadian Natural Resources Limited;
- (f) \$34,627.19 (thirty-four thousand, six hundred and twenty-seven Canadian dollars and nineteen cents) to Paramount Resources Ltd.; and,
- (g) *\$nil*, in the case of all other Restricted Retained Contracts,

in respect of all Restricted Retained Contracts identified in the Subscription Agreement.

5. Effective immediately upon the filing of the Monitor's Certificate:

- (a) the retention, by the applicable Razor Entities, of the Retained Contracts which are not Restricted Retained Contracts, is hereby declared to be valid and binding upon all of the counterparties to such Retained Contracts; and,
- (b) such Retained Contracts shall be subject to all provisions of the Reverse Vesting Order including in relation to the vesting, in the applicable Razor Entities, of the Retained Contracts, free and clear of all Claims, Liabilities (other than Assumed Liabilities), and Encumbrances (all as defined in the Reverse Vesting Order).

6. Effective immediately upon the payment of the Cure Costs, to the persons and in the amounts set forth in paragraph 4 hereof:

- (a) the retention, by the applicable Razor Entities, of the Restricted Retained Contracts, is hereby declared to be valid and binding upon all of the counterparties to such Restricted Retained Contracts, notwithstanding any restriction, condition or prohibition contained in any such Restricted Retained Contract relating to the assignment thereof, including any provision requiring the consent of any party to the assignment; and,
  - (b) the Restricted Retained Contracts shall be subject to all provisions of the Reverse Vesting Order in relation to the vesting, in the applicable Razor Entities, of the Restricted Retained Contracts, free and clear of all Claims, Liabilities (other than Assumed Liabilities), and Encumbrances (all as defined in the Reverse Vesting Order).
7. From and after the time specified in the Closing Sequence, as set forth in paragraph 4(h) of the Reverse Vesting Order, no counterparty under any Retained Contract (including any Restricted Retained Contract), nor any other person, upon the retention by the applicable Razor Entity of any Retained Contract (including any Restricted Retained Contract) hereunder, shall make or pursue any demand, claim, action or suit or exercise any right or remedy under such Retained Contract or Restricted Retained Contract against any Razor Entity relating to:
- (a) the Razor Entities have sought or obtained relief under the CCAA, or having filed Notices of Intention to Make a Proposal pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”);
  - (b) the insolvency of the Razor Entities; or,
  - (c) any failure by the Razor Entities to perform a non-monetary obligation under any Retained Contract (including any Restricted Retained Contract);
- and, all such counterparties and persons shall be permanently and forever stayed, enjoined, barred, and estopped from taking such action (all of the foregoing is collectively, the “**Retained Contracts Stay**”). For greater certainty:
- (d) nothing herein shall limit or exempt any of the Razor Entities in respect of the Assumed Liabilities and obligations accruing, arising, or continuing after the applicable time specified in paragraph 5 of this Order, with respect to any Retained

Contract which is not a Restricted Retained Contract, or paragraph 6 of this Order, with respect to any Restricted Retained Contract; and,

- (e) any Permitted Encumbrances (as such term is defined in the Reverse Vesting Order) shall continue to have the priority and entitlement attaching thereto notwithstanding this paragraph 7.
8. Provided that an amount in respect of the Cure Costs is paid to the Monitor as part of the Closing Sequence, as contemplated by the Reverse Vesting Order, then the Monitor shall, and is hereby authorized and directed to, make payment of Cure Costs to the counterparties to the Restricted Retained Contracts, in accordance with and in the amounts set out in paragraph 4 hereof, within twenty (20) days of the filing of the Monitor's Certificate. The Monitor shall incur no liability, whatsoever, as a result of any steps taken in furtherance of its duties under this Order, including, without limitation, the payment of Cure Costs to any counterparty to a Restricted Retained Contract.

#### **MISCELLANEOUS**

9. Notwithstanding:
- (a) the pendency of these proceedings under the CCAA and any declaration of insolvency made herein;
  - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the BIA, in respect of ResidualCo or the Applicants, and any bankruptcy order issued pursuant to any such applications;
  - (c) any assignment in bankruptcy made in respect of ResidualCo or the Applicants; and
  - (d) the provisions of any federal or provincial statute,

the retention of the Retained Contracts (including the Restricted Retained Contracts, as applicable) shall be binding on any trustee in bankruptcy that may be appointed in respect of ResidualCo or the Applicants, and shall not be void or voidable by creditors of ResidualCo or the Applicants, nor shall they constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or

other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

10. Notwithstanding any other provisions of this Order, the Razor Entities shall continue to be entitled to exercise all of their rights to set-off (or any other contractual rights) and apply any and all post-filing amounts that the Razor Entities owe or may come to owe, as the case may be, to any party in relation to an Assumed Liability.
11. The Monitor, the Applicants, ResidualCo and the Purchaser shall each be at liberty to apply for further advice, assistance and direction as may be necessary or desirable in order to give full force and effect to the terms of this Order.
12. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to assist the Monitor and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any proceeding, or to assist the Monitor and its agents in carrying out the terms of this Order.
13. Service of this Order shall be deemed good and sufficient by:
  - (a) serving the same on:
    - (i) the persons listed on the Service List created in these proceedings or otherwise served with notice of these proceedings;
    - (ii) any other person served with notice of the application for this Order;
    - (iii) any other parties attending or represented at the application for this Order;and,
  - (b) posting a copy of this Order on the Monitor's website at <http://cfcanada.fticonsulting.com/razor-blade/>,

and service on any other person is hereby dispensed with.

14. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

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Justice of the Court of King's Bench of Alberta