

COM June 6, 2024



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COURT FILE NUMBER 2401-02680  
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 RAZOR ENERGY CORP.,  
RAZOR HOLDINGS GP CORP., AND BLADE ENERGY  
SERVICES CORP.

DOCUMENT **FOURTH REPORT TO COURT OF FTI  
CONSULTING CANADA INC., IN ITS CAPACITY  
AS MONITOR OF RAZOR ENERGY CORP.,  
RAZOR HOLDINGS GP CORP., AND BLADE  
ENERGY SERVICES CORP.**

**May 30, 2024**

ADDRESS FOR SERVICE AND  
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Appendix “A” – Fifth Cash Flow Forecast for the period ending August 4, 2024

## INTRODUCTION

1. On January 30, 2024, Razor Energy Corp. (“**Razor Energy**”), Razor Holdings GP Corp. (“**Razor Holdings**”), Razor Royalties Limited Partnership (“**Razor Royalties LP**”), and Blade Energy Services Corp. (“**Blade**” and collectively with Razor Energy, Razor Holdings and Razor Royalties LP, the “**Razor Entities**”) filed Notices of Intention to Make a Proposal (“**NOI**”), pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the “**BIA**”). FTI Consulting Canada Inc. (“**FTI**”) consented to act as proposal trustee (the “**Proposal Trustee**”) in the NOI proceedings (the “**NOI Proceedings**”) of the Razor Entities.
2. On February 16, 2024, the Honourable Justice M.J. Lema of the Court of King’s Bench of Alberta (the “**Court**”) heard an application (the “**Supply Application**”) in respect of a dispute between Razor Energy and Conifer Energy Inc. (“**Conifer**”) regarding amongst other things, access to the Judy Creek Conversion Gas Plant (“**JCGP**”) in which Razor Energy holds an ownership interest, which has impacted the assets related to the Swan Hills Beaverhill Lake formation, including the South Swan Hills assets (the “**South Swan Hills Assets**”). The Reasons for Judgment (the “**Lema Decision**”) of Justice Lema were released on February 21, 2024. On February 23, 2024, Conifer filed notice to appeal the Lema Decision.
3. On February 28, 2024, (the “**Filing Date**”), Razor Energy, Razor Holdings, and Blade (collectively referred to as, the “**Applicants**”) sought and obtained an initial order (the “**Initial Order**”) from the Court granting, among other things, a continuation of the NOI Proceedings under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c C-36, as amended (the “**CCAA**” and the “**CCAA Proceedings**”).
4. The Initial Order granted, among other things, the following relief within the CCAA Proceedings:
  - (a) a stay of proceedings until March 8, 2024 (the “**Stay Period**”);

- (b) an extension of the stay of proceedings to Razor Royalties LP for the duration of the Stay Period;
  - (c) the appointment of FTI as monitor (FTI in such capacity, the “**Monitor**”) of the Razor Entities;
  - (d) approval of the sale and investment solicitation process (the “**SISP**”);
  - (e) approval of the engagement letter dated January 25, 2024 (the “**Sales Agent Agreement**”) between Razor Energy and Peters & Co. Limited (the “**Sales Agent**”);
  - (f) a sealing order in respect of an unredacted copy of the Sales Agent Agreement; and
  - (g) approval of the priority and amount of the charges in favour of: (i) the Monitor, the Monitor’s counsel, and the Applicants’ legal counsel (the “**Administration Charge**”) in the amount of \$100,000; and (ii) the Applicants’ obligations to indemnify the Applicants’ directors and officers for liabilities they may incur after the Filing Date (the “**Directors’ Charge**”) in the amount of \$335,000 (together, the “**Initial Order Charges**”).
5. On March 6, 2024 (the “**Comeback Hearing**”), the Applicants sought and obtained an Order from the Court (the “**Amended and Restated Initial Order**” or the “**ARIO**”). The ARIO granted, among other things, the following relief within the CCAA Proceedings:
- (a) an extension of the Stay Period up to and including March 29, 2024;
  - (b) confirmed the quantum and priority of the Initial Order Charges as provided in the Initial Order;

- (c) authorized the Applicants' decision to incur no further expenses during the stay of proceedings, in relation to certain securities or capital markets reporting obligations;
  - (d) relieved Razor Energy of any obligations to call or hold its next annual general meeting of shareholders until further Order of this Court; and
  - (e) a sealing order in respect of the desktop appraisal conducted by McDougall Auctioneers Ltd. of the equipment in the possession of Blade.
6. On March 25, 2024, the Applicants sought and obtained an Order from the Court (the "**March 25 Order**"). The March 25 Order granted, among other things, an extension of the Stay Period up to and including May 3, 2024.
  7. On April 10, 2024, Justice M.E. Burns of this Court heard an application of Alberta Petroleum Marketing Commission ("**APMC**") with respect to outstanding pre-filing royalties (the "**January Royalty Amounts**"). To date, no decision on the January Royalty Amounts has been rendered.
  8. On May 3, 2024, the Applicants sought and obtained an Order from the Court (the "**May 3 Order**"). The May 3 Order granted, among other things, an extension of the Stay Period up to and including June 7, 2024.
  9. This report (this "**Report**") is being delivered in connection with the Applicants' application currently scheduled to be heard on June 6, 2024 (the "**June 6 Application**"), seeking an Order (the "**Fourth Stay Extension Order**") from the Court, among other things, extending the Stay Period up to and including August 2, 2024.
  10. This Report should be read in conjunction with Affidavit #7 of Doug Bailey sworn on May 29, 2024 (the "**Seventh Bailey Affidavit**"), which provides further background information concerning the June 6 Application.

11. Electronic copies of all materials filed by the Razor Entities in connection with the June 6 Application and other materials are available on the Monitor's website at: <http://cfcanada.fticonsulting.com/razor-blade> (the "**Website**").

## PURPOSE

12. The Monitor has reviewed the application materials filed by the Applicants in support of the June 6 Application. The purpose of this Report is to provide the Court and the Razor Entities' stakeholders with information and the Monitor's comments with respect to the following:
  - (a) the activities of the Monitor since its report dated April 25, 2024 (the "**Third Monitor's Report**");
  - (b) an update on the status of the SISP;
  - (c) the budget to actual cash flow results for the five-week period ending May 26, 2024;
  - (d) an overview of the Razor Entities' revised cash flow forecast (the "**Fifth Cash Flow Forecast**") for the ten-week period ending August 4, 2024 (the "**Forecast Period**") as well as the key assumptions which the Fifth Cash Flow Forecast are based on; and
  - (e) the Monitor's recommendations with respect to the relief requested at the June 6 Application.

## TERMS OF REFERENCE

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

14. 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.
15. The Monitor has prepared this Report in connection with the June 6 Application. This Report should not be relied on for other purposes.
16. Information and advice described in this Report that has been provided to the Monitor by its legal counsel, Blake, Cassels & Graydon LLP (the “**Monitor’s 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.
17. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms used but not defined herein are given the meaning ascribed to them in the Seventh Bailey Affidavit.

## **BACKGROUND**

18. Detailed information with respect to the Razor Entities' business, operations and causes of financial difficulty are described in the Affidavit of Doug Bailey sworn on February 20, 2024.
19. Additional background information on the Razor Entities and the CCAA Proceedings is available on the Monitor's Website.

## **ACTIVITIES OF THE MONITOR**

20. The Monitor's activities since the date of the Third Monitor's Report include the following:
  - (a) monitoring the Razor Entities' finances (including cash flows) and operations;
  - (b) participating in discussions with Razor Energy and the Sales Agent to conduct and carry out the SISP and assisting with due diligence requests in respect of the same;
  - (c) consulting with stakeholders including, the Alberta Energy Regulator ("AER") and Orphan Well Association ("OWA") with respect to the SISP;
  - (d) assisting the Razor Entities in preparing the Fifth Cash Flow Forecast;
  - (e) responding to inquiries from suppliers and creditors who contacted the Monitor in connection with these CCAA Proceedings; and
  - (f) preparing this Report.

## **SALE AND INVESTMENT SOLICITATION PROCESS**

21. The details of the SISP have been previously disclosed to this Honourable Court, however the Monitor notes the following highlights:



- (a) notice of the SISP was published in the Daily Oil Bulletin on February 7 and February 8, 2024, and the BOE Report on February 7, 2024;
  - (b) a virtual data room (“**VDR**”) was prepared containing financial and technical information regarding Razor Energy’s petroleum and natural gas assets;
  - (c) 53 confidentiality agreements (“**CA**”) were executed and parties to CAs were provided access to the VDR;
  - (d) 20 offers were received to purchase various asset packages; and
  - (e) 1 en bloc corporate offer was received.
22. Razor Energy, after consultation with the Sales Agent and the Monitor, executed two letters of intent (collectively, the “**LOIs**”), one of which contemplates a corporate transaction (the “**Corporate Transaction**”) wherein the counterparty would acquire all of Razor Energy’s issued and outstanding shares, by way of a reverse vesting order, allowing it to continue to operate the business as a going concern and the other an asset sale (the “**Asset Sale**” and with the Corporate Transaction, collectively, the “**Potential Transactions**”) which contemplates a counterparty acquiring non-operated assets which are excluded as part of the Corporate Transaction.
23. The proceeds from the Potential Transactions will not be sufficient to repay creditors of the Razor Entities including those who hold consensual or statutory security interests. As a result, on May 22, 2024, Razor Energy, in consultation with the Monitor, arranged for a virtual meeting (the “**Virtual Meeting**”) to present the Potential Transactions to key affected creditors and stakeholders (the “**Key Stakeholders**”) with material interest in the outcome of the restructuring, to outline the framework of the Potential Transactions, the proposed distributions and alternatives if the Potential Transactions do not proceed.

24. On May 16, 2024, the Applicants' counsel sent an email to eleven Key Stakeholders identifying the confidentiality terms that the counterparties must agree to prior to attending the Virtual Meeting. The Virtual Meeting was attended by the following nine Key Stakeholders who agreed to the confidentiality terms:
- (a) the AER, OWA and APMC;
  - (b) working interest partners, Conifer and Canadian Natural Resources Ltd. (“CNRL”) along with their respective counsel;
  - (c) counsel to the municipalities of Big Lakes County and Vulcan County; and
  - (d) counsel to Arena Investors, LP and counsel to the counterparty to the Corporate Transaction.
25. The purpose of the Virtual Meeting was to provide an outline and key details of the Potential Transactions and to address the implications, forecasts, potential allocations, and path's forward.
26. As of the date of this Report, the Applicants have not received any material feedback from the Key Stakeholders on the Potential Transactions. However, counsel to Conifer and Big Lakes County have requested additional information. The Applicants are considering the requests and will respond to in due course.

**The Monitor's Comments on the SISP**

27. The Sales Agent has indicated that the offerors of the executed LOIs have the financial capacity to fund the acquisitions contemplated by the Potential Transactions. Further, the offeror of the Corporate Transaction continues to engage in discussions and conduct due diligence on the properties and infrastructure.

28. The Potential Transactions would result in all of Razor Energy’s operated and non-operated interests in its petroleum and natural gas assets being acquired by parties who would assume the abandonment and reclamation obligations associated with such assets.
29. In the Monitor’s view, the Potential Transactions represent the best overall recovery in the circumstances and the Monitor is supportive of the Applicants’ continuing to advance the Potential Transactions and ongoing discussions with the Key Stakeholders.

## BUDGET TO ACTUAL RESULTS

30. The Razor Entities, in consultation with the Monitor, prepared the cash flow statement (the “**Fourth Cash Flow Statement**”) which was appended to the Third Monitor’s Report.
31. Actual cash flows as compared to those contained in the Fourth Cash Flow Statement for the five-week period of April 22, 2024, to May 26, 2024, are summarized below.

<b>The Razor Entities</b>			
For the 5 week period of April 22, 2024 to May 26, 2024			
<b>Budget to Actual Results</b>			
(C\$ 000s)	Actual	Budget	Variance
<b>Receipts</b>			
Net production revenue	\$ 4,568	\$ 4,442	\$ 126
Other receipts	51	125	(74)
<b>Total - Receipts</b>	<b>4,619</b>	<b>4,567</b>	<b>53</b>
<b>Disbursements</b>			
Operating expenses	(1,667)	(1,526)	(141)
Transportation costs	-	(150)	150
Lease rentals	(53)	(53)	(0)
Insurance	(448)	(448)	(0)
Payroll	(426)	(430)	4
Professional & sales agent fees	(100)	(345)	245
G&A expense	(258)	(204)	(54)
<b>Total - Disbursements</b>	<b>(2,952)</b>	<b>(3,156)</b>	<b>204</b>
<b>Net cash flow</b>	<b>1,667</b>	<b>1,411</b>	<b>257</b>
<b>Opening cash balance</b>	<b>1,062</b>	<b>1,062</b>	<b>-</b>
<b>Ending cash balance</b>	<b>\$ 2,730</b>	<b>\$ 2,473</b>	<b>\$ 257</b>

32. The variances in actual receipts and disbursements are primarily due to the following:
- (a) Net production revenue – positive variance of approximately \$126,000 due to slightly higher than anticipated realized pricing;
  - (b) Other receipts – negative variance of approximately \$74,000 due to lower than anticipated miscellaneous other receipts such as third-party road use fees;
  - (c) Operating expenses – negative variance of approximately \$141,000 primarily due to timing variances related to payments to suppliers. Overall operating expenses paid to critical suppliers have been substantially in line with forecast;
  - (d) Transportation costs – positive variance of approximately \$150,000 a portion of which is timing related and is also anticipated to be lower than previously forecast;
  - (e) Lease rentals – substantially in line with forecast and relates to payment of crown rentals only;
  - (f) Insurance – substantially in line with forecast and includes payment of the directors and officers run-off insurance premium;
  - (g) Payroll – substantially in line with forecast;
  - (h) Professional & Sales Agent fees – positive variance of \$245,000 due to timing of receipt and payment of invoices and expected to reverse in future periods. Overall professional fees have been in line with forecast; and
  - (i) G&A expense – negative variance of \$54,000 due to timing of payments particularly related to certain software invoices.

33. The cash balance at the end of the period is approximately \$2.7 million which is higher than previously forecast by approximately \$257,000 and was primarily driven by timing variances related to transportation costs and professional & Sales Agent fees over the period.

### CASH FLOW FORECAST

34. The Razor Entities, in consultation with the Monitor, have prepared the Fifth Cash Flow Forecast to estimate the liquidity for the Forecast Period, a summary of which is presented below and attached hereto as Appendix “A”.

<b>The Razor Entities</b>	
For the 10 week period of May 27, 2024 to August 4, 2024	
<b>Cash Flow Forecast</b>	<b>10 Week</b>
(C\$ 000s)	Total
<b>Receipts</b>	
Net production revenue	\$ 4,355
Other receipts	300
<b>Total - Receipts</b>	<b>4,655</b>
<b>Disbursements</b>	
Operating expenses	(3,818)
Transportation and processing costs	(225)
Lease rentals	(90)
Insurance	(409)
Payroll	(975)
Professional & sales agent fees	(563)
G&A expense	(412)
<b>Total - Disbursements</b>	<b>(6,492)</b>
<b>Net cash flow</b>	<b>(1,837)</b>
<b>Opening cash balance</b>	<b>2,730</b>
<b>Ending cash balance</b>	<b>\$ 893</b>

35. The Fifth Cash Flow Forecast projects a negative net cashflow of approximately \$1.8 million over the Forecast Period, which includes the following assumptions:
- (a) Net production revenue receipts are derived from petroleum and natural gas sales based on forecast production and third-party pricing. Crown royalties are paid in kind and included within this amount;
  - (b) Other receipts primary consists of third-party road use fees, partner joint interest billings, monthly payments from Swan Hills Geothermal Power Corp. to settle an outstanding receivable owing to Blade, and other miscellaneous collections;
  - (c) Operating expenses based on critical payments to suppliers to maintain the operation of oil and natural gas wells. Payments to the AER and OWA for annual administration fees and orphan fund levy are not included within the Forecast Period. Razor Energy does not dispute the amounts and intends to make payments as its cash flow permits;
  - (d) Transportation and processing costs associated with the transportation of petroleum and natural gas production from well head to market. This does not include payments to Conifer related to the JCGP as Razor Energy is disputing these charges given Conifer has not processed gas from the South Swan Hills Assets given its appeal of the Lema Decision;
  - (e) Lease rentals are based on the annual budget and exclude freehold rentals;
  - (f) Insurance is based on current premium installments;
  - (g) Payroll is based on payroll registers and includes costs related to employees including payroll, benefits, and payroll remittances;

- (h) Professional & Sales Agent fees are costs and disbursements of the Monitor, the Monitor's Counsel, the Razor Entities' legal counsel, and the Sales Agent including payment of arrears for prior periods; and
  - (i) G&A expense includes overhead costs such as rent and other similar expenses, in addition to amounts to cover the margin call expense on hedging contracts.
36. The Fifth Cash Flow Forecast does not include payments with respect to a key employee retention plan or the receipt of any interim financing. However, as the Potential Transactions are advanced, interim financing may be required, and the Applicants are in consultation with counterparties to obtain the necessary financing.
37. The Monitor is aware that certain joint venture parties, including Conifer and CNRL have not been paid post-filing obligations. These amounts relate to properties where Razor is a non-operated working interest partner and Razor Energy has disputed certain of these charges. The Fifth Cash Flow Forecast does not contemplate payment of these amounts.

**The Monitor's Comments on the Cash Flow Forecast**

38. Pursuant to section 23(1)(b) of the CCAA and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standard of Practice 09-1, the Monitor hereby reports as follows:
- (a) the Fifth Cash Flow Forecast has been prepared by management of the Razor Entities, for the purpose described in the notes to the Fifth Cash Flow Forecast, using probable and hypothetical assumptions set out therein;

- (b) the Monitor's review of the Fifth Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to the Information supplied to it by the Razor Entities. Since hypothetical assumptions need not be supported, the Monitor's procedures were limited to evaluating whether they were consistent with the purpose of the Fifth Cash Flow Forecast, and there are no material assumptions contained therein which seem unreasonable in the circumstances. The Monitor has also reviewed the support provided by management for the probable assumptions, and the preparation and presentation of the Fifth Cash Flow Forecast;
- (c) based on the Monitor's review, as at the date of this Report, nothing has come to its attention that causes it to believe that, in all material respects:
  - (i) the hypothetical assumptions are not consistent with the purpose of the Fifth Cash Flow Forecast;
  - (ii) the probable assumptions developed by management are not supported and consistent with the plan of the Razor Entities or do not provide a reasonable basis for the Fifth Cash Flow Forecast, given the hypothetical assumptions;  
or
  - (iii) the Fifth Cash Flow Forecast does not reflect the probable and hypothetical assumptions;
- (d) since the Fifth Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Fifth Cash Flow Forecast will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information present in this Report, or relied upon by the Monitor in preparing this Report; and



- (e) the Fifth Cash Flow Forecast has been prepared solely for the purpose described in the notes to the Fifth Cash Flow Forecast and readers are cautioned that it may not be appropriate for other purposes.

## **REQUEST TO EXTEND THE STAY OF PROCEEDINGS**

39. The Monitor has considered the Applicants' request to extend the Stay Period up to and including August 2, 2024, and has the following comments:
- (a) while certain creditors have not and may not be paid, during the proposed extension of the Stay Period, for certain post-filing obligations, the proposed extension of the Stay Period will allow the Razor Entities to advance the Potential Transactions, which, if successful would preserve the most value to all stakeholders and avoid licensed assets being turned over to the OWA;
  - (b) if the proposed extension of the Stay Period is not granted, parties may exercise self-help remedies which would erode any potential value that could have been preserved by the Potential Transactions and would be detrimental to the stakeholders of the Razor Entities;
  - (c) the Fifth Cash Flow Forecast indicates that the Razor Entities will have sufficient liquidity to continue to fund critical operations and the cost of these CCAA Proceedings for the duration of the proposed extension of the Stay Period; and
  - (d) the Applicants 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

40. Based on the foregoing, the Monitor is of the view that the relief being sought by the Applicants 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 August 2, 2024.

All of which is respectfully submitted this 30th day of May 2024.

FTI Consulting Canada Inc.,  
 Licensed Insolvency Trustee in its capacity as  
 Monitor of Razor Energy Corp., Razor Holdings  
 GP Corp., and Blade Energy Services Corp., and  
 not in its personal or corporate capacity.

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

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

## **Appendix “A” – Cash Flow Forecast for the period ending August 4, 2024**

Razor Energy Corp., Razor Royalties Limited Partnership, Razor Holdings GP Corp., and Blade Energy Services Corp. (the "Razor Entities")  
 Projected Cash Flow Forecast for the Period of May 27, 2024 to August 4, 2024

Cash Flow Forecast (C\$ 000s)	Week Ending	Week 1 2-Jun	Week 2 9-Jun	Week 3 16-Jun	Week 4 23-Jun	Week 5 30-Jun	Week 6 7-Jul	Week 7 14-Jul	Week 8 21-Jul	Week 9 28-Jul	Week 10 4-Aug	Total
<b>Receipts</b>												
Net production revenue	1	\$ -	\$ -	\$ -	\$ -	\$ 2,053	\$ -	\$ -	\$ -	\$ 2,302	\$ -	\$ 4,355
Other receipts	2	65	15	15	15	65	15	15	15	15	65	300
<b>Total - Receipts</b>		<b>65</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>2,118</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>2,317</b>	<b>65</b>	<b>4,655</b>
<b>Disbursements</b>												
Operating expenses	3	(318)	(296)	(194)	(251)	(878)	(427)	(194)	(184)	(741)	(333)	(3,818)
Transportation and processing costs	4	(75)	-	-	-	(75)	-	-	-	-	(75)	(225)
Lease rentals	5	-	-	(37)	-	-	-	-	(53)	-	-	(90)
Insurance	6	(355)	-	(27)	-	-	-	(27)	-	-	-	(409)
Payroll	7	(215)	-	(190)	-	(190)	-	(190)	-	(150)	(40)	(975)
Professional & sales agent fees	8	(263)	-	-	-	(150)	-	-	-	(150)	-	(563)
G&A expense	9	(74)	(40)	(40)	(40)	-	(69)	(30)	(30)	(20)	(69)	(412)
<b>Total - Disbursements</b>		<b>(1,300)</b>	<b>(336)</b>	<b>(488)</b>	<b>(291)</b>	<b>(1,293)</b>	<b>(496)</b>	<b>(441)</b>	<b>(267)</b>	<b>(1,061)</b>	<b>(517)</b>	<b>(6,492)</b>
<b>Net cash flow</b>		<b>(1,235)</b>	<b>(321)</b>	<b>(473)</b>	<b>(276)</b>	<b>825</b>	<b>(481)</b>	<b>(426)</b>	<b>(252)</b>	<b>1,256</b>	<b>(452)</b>	<b>(1,837)</b>
<b>Opening cash balance</b>		<b>2,730</b>	<b>1,495</b>	<b>1,174</b>	<b>701</b>	<b>424</b>	<b>1,249</b>	<b>768</b>	<b>341</b>	<b>89</b>	<b>1,345</b>	<b>2,730</b>
<b>Ending cash balance</b>		<b>\$ 1,495</b>	<b>\$ 1,174</b>	<b>\$ 701</b>	<b>\$ 424</b>	<b>\$ 1,249</b>	<b>\$ 768</b>	<b>\$ 341</b>	<b>\$ 89</b>	<b>\$ 1,345</b>	<b>\$ 893</b>	<b>\$ 893</b>



RAZOR ENTITIES

Per: Doug Bailey, President and CEO

**Notes:**

Management of the Razor Entities has prepared this Projected Cash Flow Forecast solely for the purposes of determining the liquidity requirements of the Razor Entities during the period of May 27, 2024 to August 4, 2024. This Projected Cash Flow Forecast is based on probable and hypothetical assumptions detailed in the notes below. Consequently, actual results will likely vary from actual performance and such variances may be material.

- Net production revenue relates to the sale of Razor Energy Corp's petroleum and natural gas production and is based on forecast production volumes and third-party pricing. Further, it assumes no operated production can be sent to the Judy Creek Gas Plant and no additional net revenue received from non-operated production. Crown royalties for oil production are paid in kind.
- Other receipts consist of third-party road use fees, partner joint interest billings, the SHGPC payments, etc.
- Operating expenses are based on the annual operating budget and relates to the costs associated with the operation of oil and natural gas wells.
- Transportation and processing costs relate to transporting petroleum and natural gas production from well head to market and is based on projected production volumes and transportation rates.
- Lease rentals are based on annual budget (excluding freehold).
- Insurance is based on current policy premiums.
- Payroll is based on the most recent payroll registers.
- Professional fees include estimates for the Monitor, the Monitor's legal counsel, Razor Entities' legal counsel, and Sales Agent.
- G&A expense includes overhead costs based on the annual budget and margin call on hedging contracts.