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COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
	IN THE MATTER OF *THE BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED
	AND IN THE MATTER OF THE RECEIVERSHIP OF THE HALO CREDITOR TRUST
DOCUMENT	THIRD REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS COURT APPOINTED RECEIVER AND MANAGER AND TRUSTEE OF THE HALO CREDITOR TRUST
	August 14, 2026
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**RECEIVER** FTI Consulting Canada Inc. Suite 1610, 520 - 5th Ave 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** Burnet, Duckworth & Palmer LLP 525 8 Ave SW, Suite 2400 Calgary, AB T2P 1G1 Ryan Algar / Jessica MacKinnon Telephone: (403) 260-0126 / (403) 260-0112 Fax: (403) 260-0332 E-mail: ralgar@bdplaw.com / jmackinnon@bdplaw.com

THIRD REPORT OF THE RECEIVER

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INTRODUCTION

1. On February 10, 2026 (the "**Date of Appointment**"), FTI Consulting Canada Inc. was appointed as receiver and manager (the "**Receiver**") of all of the current and future assets, undertakings and properties (the "**Property**") of Halo Exploration Ltd. ("**Halo**", the "**Company**" or the "**Debtor**") pursuant to an Order of the Honourable Justice C.C.J. Feasby (the "**Receivership Order**") of the Court of King's Bench of Alberta (the "**Court**").

2. Concurrent with the Receivership Order, the Court granted an Order (the "**SISP**") approving a Sale and Investment Solicitation Process (the "**SISP**").

3. On April 7, 2026, the Court granted an order which, among other things:

   (a) approved the actions, conduct and activities of the Receiver since the Date of Appointment, including the receipts and disbursements set out in the first report of the Receiver dated March 30, 2026 (the "**First Report**");

   (b) approved the Key Employee Retention Plan ("**KERP**") and the KERP Charges; and

   (c) sealed Confidential Appendix "**A**" to the First Report in accordance with the terms of a restricted Court access order.

4. On June 16, 2026, the Court granted various Orders which, among other things:

   (a) approved the Receiver's actions and activities as set out in the Second Report dated June 8, 2026 (the "**Second Report**"), including its interim statement of receipts and disbursements;

(b) authorized and approved the Receiver to complete the proposed reverse vesting transaction in respect of Halo, contemplated by the subscription agreement between the Receiver and Saturn Oil and Gas Inc. dated June 8, 2026 (the "**Transaction**") and granted an approval and reverse vesting order ("**RVO**") in respect of the Transaction;

(c) substituted the Halo Creditor Trust (the "**Creditor Trust**") as the respondent in these Receivership Proceedings in place of Halo; and

(d) authorized and directed the Receiver to make (i) an interim distribution (the "**Interim Distribution**") to Invico Diversified LP, by its general partner, Invico Diversified Income Managing GP Inc. ("**Invico**") in partial satisfaction of the Debtor's outstanding secured indebtedness owing to Invico (the "**Invico Secured Debt**") and (ii) distributions to those creditors with claims in priority to Invico (collectively with the Interim Distribution, the "**Distributions**"), (and such relief being the "**Distribution Order**").

5. The Receivership Order and other publicly available information in respect of these proceedings (the "**Receivership Proceedings**") are posted on the Receiver's website at http://cfcanada.fticonsulting.com/Halo.

PURPOSE

6. The purpose of this report (this "**Report**") is to inform the Court of the following:

(a) the activities of the Receiver since the date of the Second Report;

(b) the Receiver's interim statement of receipts and disbursements from the Date of Appointment to August 14, 2026;

(c) the Receiver's proposed distribution to Invico in its capacity as secured lender to Halo and hold back required to complete the administration of the Receivership Proceedings;

(d) a summary of the Receiver's fees and expenses (the "**Receiver's Fees**") and the Receiver's Counsel's (as defined below) fees and disbursements (the "**Receiver's Counsel's Fees**"); and

(e) the Receiver's recommendations with respect to the above.

7. The Receiver is requesting orders from this Honourable Court granting the following relief at the application returnable on August 20, 2026 (the "**August 20 Application**"):

(a) approving of the Receiver's activities since the date of the Second Report, including its interim statement of receipts and disbursements;

(b) authorizing for the Receiver to make the proposed distribution to Invico and hold back certain funds to complete the administration of these Receivership Proceedings, as set out in paragraph 24 below;

(c) approving the Receiver's Fees and the Receiver's Counsel's Fees without the necessity of a formal passing of accounts or a formal assessment of accounts; and

(d) discharging the Receiver upon completing certain actions and filing a completion certificate with the Court.

TERMS OF REFERENCE

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

9. Except as described in this Report:

(a) the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Auditing Standards pursuant to the *Chartered Professional Accountants of Canada Handbook* (the "**Handbook**") and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information; and

(b) the Receiver has not examined or reviewed any financial forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the Handbook.

10. Future oriented financial information reported or relied on in preparing this Report is based on assumptions regarding future events. Actual results may vary from forecasts and such variations may be material.

11. Information and advice described in this Report that has been provided to the Receiver by its legal counsel, Burnet, Duckworth & Palmer LLP (the "**Receiver's Counsel**"), was provided to assist the Receiver in considering its course of action, is subject to solicitor client privilege, and is not intended as legal or other advice to, and may not be relied upon by, any other person.

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

13. Capitalized terms used herein but not otherwise defined have the meanings ascribed to them in the Receivership Order, the SISP Approval Order, and the RVO, as applicable.

BACKGROUND

14. Prior to being substituted by the Creditor Trust in these proceedings, Halo was engaged in the acquisition, development and production of petroleum and natural gas reserves in the Greater Kaybob area of Alberta, with exposures to the Montney and Duvernay lands (the "**P&NG Assets**").

15. The Transaction closed on June 25, 2026, and on June 26, 2026, the Receiver made the Interim Distribution in partial satisfaction of the Invico Secured Debt.

16. The Creditor Trust was established upon closing the Transaction. Because the Purchase Price was transferred to the Creditor Trust (the "**Settlement Funds**"), the Receiver, as trustee of the Creditor Trust, is now holding funds for distribution to the beneficiaries of the Creditor Trust, being the creditors of Halo. Pursuant to the RVO, the beneficiaries of the Creditor Trust have retained the same priorities, rights, and entitlements against the Transferred Assets as they had Halo immediately prior to closing the Transaction.

RECEIVER'S ACTIVITIES

17. The Receiver's activities since the date of the Second Report have included the following:

(a) managing the Debtor's finances (including cash flows) and operations;

(b) closing the Transaction on June 25, 2026;

(c) completing the Distributions set out paragraph 3 of the Distribution Order;

(d) responding to enquiries from the Debtor's creditors and other stakeholders; and

(e) preparing this Report.

18. Prior to closing the Transaction, the Receiver became aware that Trican Well Service Ltd. ("**Trican**") filed a certificate of lis pendens at the Alberta Land Titles Office against certain of Halo's leasehold interests and registered a lien against Halo's mineral interests at the Ministry of Energy and Minerals (collectively, the "**Trican Lien**"). The Receiver investigated the status of the Trican Lien including consultation with Halo management to confirm the details of the work completed by Trican and with the Receiver's Counsel with respect to the timeline of Trican filing the Trican Lien.

19. After reviewing the available information, and in consultation with the Receiver's Counsel, the Receiver determined that the Trican Lien was, on its face, valid and properly registered.

20. Following further discussion with the Receiver's Counsel and Invico, the Receiver entered settlement discussions with Trican to, among other things, avoid a lengthy dispute between Trican and Invico over the value of the lien and the allocation of costs and proceeds from the Transaction. As a result, the Receiver and Trican entered into a Mutual Release and Settlement Agreement (the "**Settlement Agreement**") dated August 14, 2026. Prior to entering into the Settlement Agreement, the Receiver consulted with Invico as the senior secured and fulcrum creditor in these proceedings, who was supportive of the Receiver entering into the Settlement Agreement. The Settlement Agreement provides for resolution of the matter and release of the Lien upon payment of the settlement amount. The settlement amount was paid to Trican following execution of the Settlement Agreement. Trican has committed to discharging the Trican Lien within five business days following its receipt of the settlement amount.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

21. The table below represents the Receiver's interim statement of receipts and disbursements from the Date of Appointment to August 14, 2026:

Interim Statement of Receipts and Disbursements for the period of February 10, 2026 to August 14, 2026 $CAD	
Receipts	
Revenue and Transaction proceeds	$ 17,999,458
GST Collected	123,023
Receiver's Borrowings	100,000
Opening Cash	60,303
Other Receipts	10,983
Total Receipts	**18,293,768**
Disbursements	
Distributions	14,193,635
Operating Expenses	1,648,309
Professional Fees	689,548
Payroll and Benefits	245,475
Property Taxes	204,696
Repayment of Receiver's Borrowings	105,219
GST Paid	103,743
Consultants & Contractors	88,340
Rent and utilities	25,683
Bank Fees and Other	1,121
Total Disbursements	**17,305,770**
Net Cash on Hand	**$ 987,998**

(a) Revenue related to operation of the P&NG Assets (net of crown royalties paid in kind) and proceeds from the Transaction;

(b) Receiver's Borrowings of $100,000 advanced by Invico and secured under the Receiver's Borrowing Charge;

(c) cash balance in Halo's bank account at the Date of Appointment was transferred to Receiver's trust account;

(d) Distributions set out paragraph 3 of the Distribution Order including the Interim Distribution to Invico in partial satisfaction of the Invico Secured Debt and the amount paid under the Settlement Agreement;

(e) Operating Expenses relate to P&NG Assets including road use, contract operator, other operating costs;

(f) Professional Fees paid to the Receiver and the Receiver's Counsel to administer the Receivership Proceedings pursuant to paragraphs 18 to 20 of the Receivership Order;

(g) Payroll and Benefits relate to employee wages, payroll remittances and benefits;

(h) 2026 property taxes paid to Municipal District of Greenview No. 16;

(i) Repayment of the Receiver's Borrowings of $100,000 plus interest advanced by Invico and secured under the Receiver's Borrowing Charge;

(j) Consultants including contract operators for the operation of the P&NG Assets; and

(k) Occupation rent and utilities for the Debtor's leased premises.

22. As of August 14, 2026, the Receiver held approximately $0.9 million in cash on hand in its trust accounts. This amount includes amounts in the Receiver's trust account and the Creditor Trust account.

PROPOSED DISTRIBUTION

23. Pursuant to the RVO, the Settlement Funds are being held and administered by the Receiver, for and on behalf of the Creditor Trust, pending further Order of the Court. The Receiver previously maintained a holdback for the Receiver's Charge, pre-receivership royalties, and operation of the oil and gas assets until closing the Transaction.

24. As indicated above, the Receiver is currently holding approximately $0.9 million in cash on hand in its trust accounts. Below is a summary of the holdback and proposed distribution of the remaining Settlement Funds:

Final Invico Distribution $CAD	
Cash on Hand	$ 987,998
Receiver's Charge Holdback	(75,000)
Estimated Final GST Remittance	(27,998)
Final Invico Distribution	**$ 885,000**

25. Holdback of $75,000 for estimated professional fees and administration costs to complete the administration of the Receivership Proceedings (including the costs associated with preparing for and attending this application and administering the proposed distribution) and estimated final GST remittances for the Receivership Proceedings (the "**Holdback**"). The recoveries from the administration of the Receivership Proceedings are not sufficient to result in a recovery for unsecured creditors after giving consideration to Court-ordered charges (including the Receiver's Charge, the Receiver's Borrowing Charge and the KERP Charges) and the Invico Secured Debt.

26. The Receiver is proposing to make a second and final distribution to Invico from the remaining funds in the amount of $885,000 ("**Final Invico Distribution**").

27. As of the date of this Report, Invico is owed approximately $1.1 million and accordingly, the Final Invico Distribution will result in a shortfall of approximately $300,000 inclusive of principal, interest and fees under the Invico Secured Debt.

28. If any residual funds remain from the Holdback, they will be distributed to Invico and will not exceed the remaining outstanding indebtedness.

THE RECEIVER'S ACTIVITIES AND FEE APPROVAL

29. Pursuant to paragraph 19 of the Receivership Order, the Receiver and the Receiver's Counsel are required to pass their accounts from time to time.

30. The professional fees and disbursements incurred for the Receiver for the period of February 10, 2026, to July 31, 2026, total $414,546.69 (exclusive of GST). If the relief sought by the Receiver is granted at the August 20 Application, the Receiver anticipates having additional fees and disbursements of approximately $50,000 (including costs associated with preparing materials and attending the August 20 Application and administering the proposed distributions).

31. The professional fees and disbursements incurred for Receiver's Counsel for the period of February 10, 2026, to July 31, 2026, total $275,710.78 (exclusive of GST). If the relief sought by the Receiver is granted at the August 20 Application, the Receiver's Counsel anticipates having additional fees and disbursements of approximately $25,000 (inclusive of the costs associated with preparing materials and attending the August 20 Application).

32. Copies of the invoices of the Receiver and the Receiver's Counsel are available to this Court upon request.

33. The Receivership Proceedings have lasted approximately seven months and included administering the SISP and negotiating and completing the Transaction. Following Closing of the Transaction, the Receiver and the Receiver's Counsel were required to administer the Creditor Trust. Due to the length and complexity of the proceedings, the Receiver considers the fees and disbursements charged by it and the Receiver's Counsel to be necessarily incurred and the hours and rates charged to be fair and reasonable in the circumstances.

DISCHARGE OF THE RECEIVER

34. Subject to approval from this Court to make the Final Invico Distribution, the administration of these Receivership Proceedings is substantially complete, except for certain matters which are administrative in nature. This includes making the Final Invico Distribution, if approved by the Court, and completion of other minor administrative matters (the "**Remaining Administrative Matters**").

35. To avoid the additional costs associated with subsequent Court appearances the Receiver is seeking an Order discharging the Receiver of its duties and obligations under the Receivership Order upon filing a completion certificate (the "**Receiver's Completion Certificate**") with this Honourable Court certifying that all Remaining Administrative Matters have been concluded and terminating the Creditor Trust.

RECOMMENDATIONS

36. The Receiver respectfully requests that this Honourable Court grant the following relief:

    (a) approval of the Receiver's conduct and activities as set out in this Third Report, including the interim statement of receipts and disbursements;

    (b) authorization for the Receiver to make the proposed Final Invico Distribution and maintain the Holdback for the Remaining Administrative Matters;

    (c) approval of the Receiver's Fees and the Receiver's Counsel's Fees without the necessity of a formal passing of accounts or a formal assessment of accounts; and

(d) the discharge of the Receiver upon the Receiver filing with the Court the Receiver's Completion Certificate.

All of which is respectfully submitted on this 14th day of August 2026.

FTI Consulting Canada Inc., LIT
in its capacity as Trustee of the Halo Creditor Trust,
and not in its personal or corporate capacity

Dustin Olver, LIT
Senior Managing Director

Brett Wilson
Managing Director