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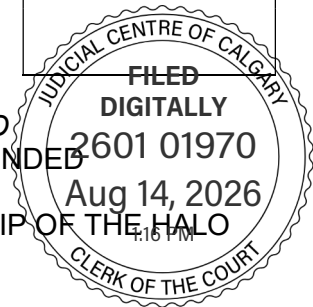
COURT COURT OF KING'S BENCH OF ALBERTA

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

Clerk's Stamp



DOCUMENT **BRIEF OF LAW**

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File No.: 75459-4

**APPLICATION BEFORE THE HONOURABLE JUSTICE C.C.J. FEASBY AT 10:00 A.M. ON
AUGUST 20, 2026 ON THE COMMERCIAL LIST**

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I. OVERVIEW

1. This Brief is submitted on behalf of FTI Consulting Canada Inc. ("**FTI**") in its capacity as the Court-appointed Receiver (FTI in such capacity, the "**Receiver**") and Trustee of the Halo Creditor Trust, in support of its application (the "**Application**") in support of an Order in substantially the form attached as **Schedule "A"** to its Application (the "**Discharge Order**"), granting the following relief and directions:
 - (a) abridging the time for service of this Application and deeming service good and sufficient;
 - (b) approving the actions, conduct and activities of the Receiver;
 - (c) approving the professional fees, receipts and disbursements of the Receiver, and those of its legal counsel, Burnet, Duckworth & Palmer LLP (the "**Receiver's Counsel**"), as set out in the Third Report;
 - (d) authorizing and directing the Receiver to make the distributions as proposed in the Third Report; and
 - (e) discharging FTI as Receiver and terminating these proceedings, upon the conclusion of the remaining specified and administrative duties as described in the Third Report.

II. FACTUAL BACKGROUND

2. The facts and background for the Application are set out more fully in the third report of the Receiver (the "**Third Report**") and are summarized below.
3. Capitalized terms used herein that are not otherwise defined have the meaning ascribed to them in the Third Report.
4. Pursuant to an Order of the Honourable Justice C.C.J. Feasby granted on February 10, 2026 (the "**Receivership Order**"), the Receiver was appointed as receiver, without security, of all of the current and future assets, undertakings and property of Halo Exploration Ltd. ("**Halo**").

5. Pursuant to an Order of the Honourable Justice R.W. Armstrong granted on June 16, 2026 (the "**RVO**"), the Court approved a reverse vesting transaction contemplated by a subscription agreement between the Receiver and Saturn Oil & Gas Inc. dated June 8, 2026.
6. Pursuant to the RVO, the Creditor Trust was substituted as the Respondent in the within proceedings in place of Halo and the Receiver was appointed as the Trustee of the Creditor's Trust.
7. The Receiver has completed, or is about to complete, all aspects concerning the administration of the within proceedings.
8. The Receiver proposes to make distributions using the remaining funds in the receivership estate, subject to the Holdback to finish the administration of the proceedings (the "**Distributions**").
9. Following the completion of the proposed Distributions, the Receiver will have substantially completed all aspects concerning the administration of the within receivership proceedings.
10. All of the actions in respect of the fees and disbursements incurred by the Receiver and its legal counsel during the course of the administration of the within proceedings (as further set forth in the Third Report) are reasonable and have been validly incurred in connection with the conduct of the Receiver's obligations herein.
11. The Receiver is not aware of any reason that it should be required for any further purposes and should be discharged as Receiver of the Property.
12. The discharge of the Receiver as proposed is just, appropriate and in the best interest of the administration of the receivership estate and the stakeholders affected thereby.

III. ISSUES

13. The issues to be determined by the Court at the Application are whether:
 - (a) the Receiver's conduct, actions, activities and fees should be approved;
 - (b) the Receiver's counsel's fees should be approved;
 - (c) the Receiver should be authorized to make the Distributions; and

- (d) the Receiver should be discharged and these proceedings should be terminated.

IV. LAW AND ARGUMENT

A. The Receiver's Fees and those of its Legal Counsel Should be Approved

- 14. The Receivership Order provides that the Receiver and its counsel shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges.¹
- 15. In determining whether to approve the accounts of a Court-appointed receiver and its counsel, the Court will consider whether the claimed amounts are fair and reasonable, taking into account:
 - (a) the nature, extent, and value of the assets;
 - (b) the complications encountered;
 - (c) the degree of assistance provided by the debtor;
 - (d) the time spent;
 - (e) the receiver's knowledge, experience and skill;
 - (f) the diligence and thoroughness displayed;
 - (g) the responsibilities assumed;
 - (h) the results of the receiver's efforts; and
 - (i) the cost of comparable services when performed in a prudent and economical manner.²
- 16. The activities of the Receiver following the RVO and the accrued fees of the Receiver and its legal counsel during these proceedings are set out in the Third Report.³

¹ [Receivership Order](#) at para 18.

² *Servus Credit Union Ltd v Trimove Inc.*, [2015 ABQB 745](#), at para 28.

³ See paragraphs 30-31 of the Third Report.

17. The Receiver's accounts are fair and reasonable and commensurate with the work required and performed. Similarly, the Receiver is of the view that the fees of its legal counsel are fair and reasonable.

B. The Receiver's Activities Should be Approved

18. The Third Report outlines the activities taken by the Receiver for which the Receiver seeks approval.⁴
19. As noted by Regional Senior Justice Morawetz (as he then was) in *Target*, there are good policy and practical reasons for the court to approve of a Court officer's activities, including providing a level of protection for a Court officer during the insolvency proceeding.⁵
20. By proceeding in this manner, Court approval serves the purposes set out by Justice Morawetz above. Specifically, Court approval:⁶
 - (a) allows the Receiver to move forward with the next steps in the Receivership Proceedings;
 - (b) brings the Receiver's activities before the Court;
 - (c) allows an opportunity for the concerns of the stakeholders to be addressed and any problems to be rectified;
 - (d) enables the Court to satisfy itself that the Receiver's activities have been conducted in a prudent and diligent manner;
 - (e) provides protection for the Receiver not otherwise provided by the BIA; and
 - (f) protects the creditors from the delay and distribution that would be caused by:
 - (i) re-litigation of steps taken to date; and
 - (ii) potential indemnity claims by the Receiver.

⁴ See paragraph 21 of the Third Report.

⁵ *Target Canada Co. (Re)*, [2015 ONSC 7574](#) at para [22](#). [*Target*]

⁶ *Ibid* at paras [12](#) and [23](#).

21. As detailed in the Third Report, the Receiver has undertaken efforts to carry out its mandate since the Second Report. Among other things, the Receiver has worked to close the Transaction, complete the Distributions as set out in the Distribution Order and managing the Debtor's finances and operations. The Receiver respectfully submits that its actions and activities are reasonable and prudent, consistent with its mandate, and should be approved together with the Receiver's interim statement of receipts and disbursements as provided for in the Third Report.

C. The Distributions Should be Authorized

22. 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.
23. The Receiver is proposing to make a second and final distribution to Invico from the remaining funds (the "**Final Invico Distribution**").
24. As of the date of this Report, Invico is still 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.
25. If any residual funds remain from the Receiver's Charge Holdback, they will be distributed to Invico and will not exceed the remaining outstanding indebtedness.
26. As a result of the Shortfall, no distributions to unsecured creditors are anticipated.
27. The Receiver submits that the proposed Distributions are fair and reasonable and respectfully requests that this Honourable Court approve the Distributions as set out in the Third Report.

D. The Discharge and Termination of these Proceedings

28. 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 distribution, if approved by the Court, and completion of other minor administrative matters (the "**Remaining Administrative Matters**").

29. 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.

V. RELIEF SOUGHT

30. The Receiver submits that it has met all of the requirements to obtain the requested relief and respectfully requests that this Court grant the proposed forms of Order. Accordingly, 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 the Third Report, including the statement of receipts and disbursements;
- (b) authorization for the Receiver to make the proposed Final Invico Distribution and maintain the Holdback to pay final operating costs and administrative costs to conclude the proceedings;
- (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 THIS 13th DAY OF AUGUST, 2026.

BURNET, DUCKWORTH & PALMER LLP



Ryan Algar / Jessica MacKinnon
Solicitors for the Receiver

LIST OF AUTHORITIES

1.	<i>Servus Credit Union Ltd v Trimove Inc.</i> , 2015 ABQB 745
2.	<i>Target Canada Co. (Re)</i> , 2015 ONSC 7574