

COURT OF APPEAL OF ALBERTA

FORM AP-3
[RULE 14.53]

COURT OF APPEAL FILE NUMBER: **APPEAL NO.: 2501-0324AC**

TRIAL COURT FILE NUMBER: 2401-05179

REGISTRY OFFICE: 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
ALPHABOW ENERGY LTD.

DOCUMENT:

**APPLICATION FOR PERMISSION TO
APPEAL**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT:

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Service List in Court of King's Bench
Action 2401-05179

NOTICE TO RESPONDENT(S):

WARNING

If you do not come to Court on the date and time shown below either in person or by your lawyer, the Court may give the applicant what it wants in your absence. You will be bound by any order that the Court makes. If you intend to rely on other evidence or a memorandum in support of your position when the application is heard or considered, you must file and serve those documents in compliance with the Rules. (Rule 14.41 and 14.43)

NOTICE TO RESPONDENT(S):

You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Date:
Time: 9:30 a.m.
Where: TransCanada Pipelines Tower
Suites 2600, 450 – 1 Street SW
Calgary AB T2P 5H1
Before: A single judge of the Court (Rule 14.37)

Nature of Application and Relief Sought:

1. AlphaBow Energy Ltd., seeks leave from this Honourable Court to appeal the order of the Honourable Justice Bourque (the "**Chambers Justice**") of the Court of King's Bench (the "**Lower Court**") dismissing the application of AlphaBow filed on September 15, 2025 (the "**Application**"), for a declaration that any request by the Alberta Energy Regulator ("**AER**") for a security deposit ("**AER Security Request**") is stayed and the failure of AlphaBow to pay security cannot be relied upon for the purposes of considering whether to approve a license transfer application (the "**Decision**"), on the basis that the Chambers Justice erred as follows:

- (a) The Chambers Justice erred in law interpreting and applying section 11.1 of the *Companies Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "CCAA").
 - (b) The Chambers Justice erred in law in finding that the AER Security Request is not captured by the stay under the CCAA or the Amended and Restated Initial Order ("ARIO"), granted on April 26, 2024.
 - (c) The Chambers Justice erred in law failing to conclude that the AER's request for security was a collateral attack on the Reverse Vesting Order ("RVO"), pronounced on December 19, 2024.
 - (d) The Chambers Justice erred in law in finding AlphaBow will fail post insolvency and seemingly basing the Decision on this unsubstantiated finding.
2. Such further and other relief as counsel may request and this Honourable Court may grant.

Grounds for making this application:

3. The AER's ability to require security from a debtor in insolvency has significant implications for the insolvency practice generally as it relates to the interpretation of section 11.1 of the *CCAA* and the oil and gas industry specifically. Allowing the AER to require security in amounts it knows a debtor cannot pay frustrates restructuring efforts, discourages participation in sales processes, and creates substantial risk for lenders who advance funds on the assumption that they will be repaid provided environmental obligations will be transferred to third parties. The proposed appeal holds considerable precedential value, as there is no appellate authority on point.
4. The points of appeal are of significance to the action itself and other parties within the action. The Decision has resulted in a roadblock to the completion of the sales approved by the Court almost a year ago and the points on appeal are critical to the success or failure of these proceedings. A determination of this Appeal will establish whether the AER can collect security from AlphaBow in addition to purchasers in respect of the three remaining

transfer applications and materially impact AlphaBow's ultimate ability to exit the CCAA proceedings.

5. The appeal is *prima facie* meritorious and is not frivolous.
6. The appeal will not unduly hinder the progress of the action but rather is critical to advancing the proceedings.
7. The Decision is contrary to law and/or involves an obvious error causing prejudice to AlphaBow for which there is no other remedy.
8. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

9. AlphaBow intends to rely upon the following:
 - (a) The record or portions of the record that was before the Honourable Justice M. H. Bourque at the hearing on September 22, 2025.
 - (b) The transcript of the hearing on September 22, 2025.
 - (c) The written decision of Justice M. H. Bourque filed on October 29, 2025.
 - (d) Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable Acts, Regulations and Rules:

10. Part 14, Division 4 of the *Alberta Rules of Court*;
11. The *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended, and in particular, sections 11, 11.01 and 13;
12. *Judicature Act*, RSA 2000, c J-2; and

13. Such further and other Acts, Regulations and Rules as counsel may advise and this Honourable Court may permit.