

COURT FILE NUMBER B301-276975
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



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IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF BLUE SKY RESOURCES LTD.

DOCUMENT **ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **OSLER, HOSKIN & HARCOURT LLP**
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DATE ON WHICH ORDER WAS PRONOUNCED: January 26, 2026

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

JUSTICE WHO MADE THIS ORDER: The Honourable Justice Bourque

UPON THE APPLICATION of Canadian Natural Resources Limited (“**Canadian Natural**”); **AND UPON** reviewing the Affidavit of Erin Lunn, sworn November 14, 2025, the Affidavit of Wayne Taljit, sworn December 12, 2025, and the Supplemental Affidavit of Wayne Taljit, sworn January 8, 2026; **AND UPON** noting that on September 25, 2025, His Majesty the King in right of Alberta as represented by the Minister of Energy and Minerals (“**Alberta Energy**”) issued a Gas Royalty Arrears: Leaseholder Recourse Default Letter dated September 25, 2025 to, among others, Canadian Natural (the “**Royalty Default Letter**”) alleging that Canadian Natural and other lessees (each, a “**Lessee**”) were liable for \$1,872,563.84 (the “**Blue Sky Royalty Arrears**”) of gas royalty arrears due and owing by Blue Sky Resources Ltd. (“**Blue Sky**”); **AND UPON** hearing submissions by counsel for Canadian Natural, Ovintiv Canada ULC, Cenovus

Energy Inc., Alberta Energy, Indian Oil and Gas Canada and KSV Restructuring Inc., in its capacity as Proposal Trustee in these proceedings; **IT IS HEREBY ORDERED THAT:**

1. The Royalty Default Letter, and all demands for payment by Alberta Energy contained therein, constitutes a claim provable in bankruptcy against Blue Sky or exercise of a remedy by Alberta Energy against Blue Sky's property, which must be advanced by Alberta Energy in first instance within these ongoing proposal proceedings of Blue Sky (the "**NOI Proceedings**") prior to seeking any recoveries from Canadian Natural or any other leaseholder noted on the Royalty Default Letter.
2. The Royalty Default Letter, and all demands for payment by Alberta Energy contained therein, are subject to the stay of proceedings (as may be extended or continued, the "**Stay**") imposed by section 69 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**") in the NOI Proceedings, and any efforts by Alberta Energy to collect the Blue Sky Royalty Arrears from Canadian Natural or any other leaseholders, or exercise any remedies with respect thereto, constitutes a breach of the Stay and is prohibited by section 69 of the BIA.
3. Alberta Energy is precluded from collecting any payments related to the Blue Sky Royalty Arrears until such time as the Stay is terminated or expires, following which Alberta Energy is entitled to proceed in the normal course to recover any Blue Sky Royalty Arrears relating to the petroleum and natural gas leases ("**PNG Leases**") remaining in the Blue Sky estate, which have not been assigned to a purchaser in the NOI Proceedings, and which are not otherwise payable as "cure costs" pursuant to the terms of an Approval and Vesting Order, Reverse Vesting Order or such further or other order as may be granted by the Court in the NOI Proceedings.
4. Except as otherwise provided herein, nothing in this Order shall limit the rights and remedies provided to Alberta Energy to recover, or the liability imposed on Lessees for, the Blue Sky Royalty Arrears under the *Mines and Mines and Minerals Act* upon expiration or termination of the Stay.
5. Alberta Energy shall immediately return to all leaseholders, including Canadian Natural, any credits offset by Alberta Energy or any payments made to Alberta Energy by any leaseholder on account of the Blue Sky Royalty Arrears, plus interest accrued from the date

of payment by the applicable leaseholder until the date of repayment by Alberta Energy, calculated in accordance with section 37 of the *Natural Gas Royalty Regulation, 2017*, Alta Reg 211/2016 or such other basis as this Court deems just.

6. Alberta Energy shall provide to Canadian Natural and any other Lessee, upon request, with:
 - (a) a list of all petroleum and natural gas leases (each, a “PNG Lease”) in respect of which such party is a Lessee and that are included in the Royalty Default Letter, the amount of Blue Sky Royalty Arrears claimed against such Lessee, and if the Blue Sky Royalty Arrears relate to more than one period, the period to which such Blue Sky Royalty Arrears relate;
 - and (b) a list of all PNG Leases included in the Royalty Default Letter, regardless of leaseholder interest.
7. Canadian Natural and Alberta Energy may provide written submissions with respect to costs, in each case not to exceed two pages.
8. The terms of this Order shall be implemented forthwith notwithstanding any notice of appeal or application for leave to appeal that is filed, or may be filed, by Alberta Energy. For greater certainty, this Order is subject to provisional execution pursuant to section 195 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.


Justice of the Court of King's Bench of Alberta

APPROVED AS TO FORM AND CONTENT:

P2 REGULATORY SOLUTIONS



Evan W. Dixon / Sandy Carpenter

Counsel for His Majesty the King in right of Alberta as represented by the Minister of Energy and Minerals

BLAKE, CASSELS & GRAYDON LLP



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Counsel for Cenovus Energy Inc.

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