

**FORM 27**  
[RULES 6.3 AND 10.52(1)]

CLERK'S STAMP

COURT FILE NUMBER 2601-05153

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT ACES CANADA SPV III ULC

RESPONDENT BLUE SKY RESOURCES LTD.

DOCUMENT **APPLICATION BY RECEIVER**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**BENNETT JONES LLP**  
Barristers and Solicitors  
4500 Bankers Hall East  
855 – 2<sup>nd</sup> Street SW  
Calgary, Alberta T2P 4K7

Attention: Keely Cameron / Chyna Brown  
Telephone No.: (403) 298-3324 / 3244  
Email: [Cameronk@Bennettjones.com](mailto:Cameronk@Bennettjones.com) /  
[brownc@bennettjones.com](mailto:brownc@bennettjones.com)  
Fax No.: (403) 265-7219  
Client File No.: 69209.27

**NOTICE TO RESPONDENTS:**

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the master/judge.

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

Date: Friday, June 12, 2026  
Time: 10:00  
Where: Calgary Courts Centre by videoconference  
<https://albertacourts.webex.com/meet/virtual.courtroom86>  
Before Whom: The Honourable Justice J.S. Little

Go to the end of this document to see what else you can do and when you must do it.

**Remedy claimed or sought:**

1. KSV Restructuring Inc. (“**KSV**”), in its capacity as the Court-appointed receiver and manager (the “**Receiver**”), without security, of all of current and future assets, undertakings and properties of Blue Sky Resources Ltd. (“**Blue Sky**”) seeks the following:
  - (a) an order substantially in the form attached as **Schedule “A”** to the Application, among other things:
    - (i) abridging the time for service of this Application and the supporting materials, if necessary, and deeming service thereof to be good and sufficient;
    - (ii) sealing the Confidential Appendices to the Second Report of the Receiver dated June 5, 2026 (the “**Second Report**”) containing the unredacted copies of the purchase and sale agreements for the Archer Sale, Potts Sale and CNRL Sale (each as defined below);
  - (b) an order substantially in the form attached as **Schedule “B”** to the Application, approving and authorizing the sale and vesting of certain assets to Archer Exploration Corp. (the “**Archer Sale**”);
  - (c) an order substantially in the form attached as **Schedule “C”** to the Application, approving and authorizing the sale and vesting of certain assets to Potts Petroleum Inc. (the “**Potts Sale**”);
  - (d) an order substantially in the form attached as **Schedule “D”** to the Application, approving and authorizing the sale and vesting of certain assets to Canadian Natural Resources Limited (the “**CNRL Sale**”);
  - (e) a reverse vesting order substantially in the form attached as **Schedule “E”** to the Application, approving and authorizing the transaction (the “**RVO**”) contemplated in the subscription agreement between the Receiver and Aces Canada SPV III ULC (“**ACES**”) (the “**Subscription Agreement**”);
  - (f) to the extent finalized prior to the application, approval of a settlement agreement;
  - (g) granting such further and other relief as counsel may advise and this Honourable Court may permit.

### **Grounds for making this application:**

2. Blue Sky is a corporation registered in accordance with the laws of Alberta, Headquartered in Alberta. Blue Sky operates oil and gas assets throughout Alberta, British Columbia and Saskatchewan.
3. On September 24, 2025, Blue Sky filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended (the “**BIA**”) (the “**NOI Proceedings**”), and KSV consented to act as proposal trustee (in such capacity, the “**Proposal Trustee**”).
4. On November 20, 2025, the Honourable Justice B. Johnston granted an order (the “**SISP Order**”), approving a sales and investment solicitation process in respect of (the “**SISP**”), and appointing Sayer Energy Advisors as the sales agent tasked with administering the SISP (the “**Sales Agent**”).
5. On March 23, 2026, the Honourable Justice J.S. Little granted an order (the “**Receivership Order**”), among other things, appointing KSV as the Receiver over all of the property of Blue Sky and declaring the NOI Proceedings of no force and terminated (the “**Receivership Proceedings**”).

### *Approval of the Asset Sales*

6. The Receiver is seeking approval of asset sales pursuant to the SISP (collectively, the “**Asset Sales**”). The SISP was Court-approved and undertaken by the Receiver in consultation with the sales agent, Sayer Energy Advisors (“**Sayer**” or the “**Sales Agent**”).
7. The Asset Sales are set out in detail in the Second Report.
8. The Asset Sales offer fair and reasonable consideration and are the best overall bids received in the SISP for the respective assets when considering their purchase prices, assumption of liability, certainty of the purchasers’ ability to close, and other material terms of the transactions.
9. The Asset Sales satisfy the *Soundair* principles for the reasons set out in the Second Report and will provide funds to offset outstanding environmental obligations as the net proceeds are anticipated to be posted as security with the Alberta Energy Regulator to offset Blue Sky's security obligations.

*Approval of the Subscription Agreement and the RVO*

10. The SISP did not result in any transaction that would result in all of Blue Sky's environmental obligations being assumed. Once this became apparent, Blue Sky's secured lender agreed to step in and assume all of Blue Sky's oil and gas assets, excluding a subset for which it agreed to support sales to third parties by way of the Subscription Agreement.
11. The Receiver is also seeking approval of the Subscription Agreement, which will result in the existing equity interests of Blue Sky being redeemed and cancelled for nominal consideration; all of the enumerated transferred liabilities and assets being transferred from Blue Sky to the Blue Sky ResidualCo; and ACES acquiring all of the newly issued shares of Blue Sky, such that at the conclusion of the transaction it will be the sole shareholder of Blue Sky.
12. The Subscription Agreement is the best overall consideration received, taking into account the purchase price and amount of liabilities being assumed.
13. The Subscription Agreement is to be implemented by way of an RVO.
14. An RVO maximizes the value of Blue Sky for the benefit of its creditors as it will expedite the time to get the Assets in the hands of a party that can address the outstanding regulatory issues and get the assets up and running. In the absence of an RVO, assets in three separate provinces would need to be transferred and the process at least in Alberta would take approximately 60 business days. The RVO structure expedites this process, avoiding delays which in turn maximizes the amounts of funds that will be available to pay to the AER as security.
15. The RVO further enables the preservation of tax pools and produces an economic result more favorable than any other viable alternative, and no stakeholder is worse off than they would have been under an alternative sale structure.

*Sealing Order*

16. The Confidential Appendices "1" and "2" of the Second Report contain commercially sensitive information. The unredacted purchase agreements contain the purchase price for the assets. This information is routinely redacted pending the completion of the sales process and closing of the transactions.

17. The salutary effects of the sealing order, which protect the general commercial interests of maintaining confidentiality and commercially sensitive information, far outweigh the deleterious effects of restricting the accessibility of court proceedings. It is therefore reasonable and appropriate to grant the requested sealing order in the circumstances, sealing Confidential Appendices “1”, “2”, and “3”.
18. The sealing sought is time limited and does provide for the ability of the parties to seek to vary the order.
19. Notice to the media was provided on June 2, 2026.

*Potential Additional Relief*

20. The Receiver has been reviewing certain non-arm's length transactions entered into by Blue Sky prior to the NOI Proceedings. Following several discussions amongst the parties, the Receiver and Saba have an agreement in principle for resolution of a dispute regarding certain transactions between Blue Sky and Saba, including the Purchase and Sale Agreement dated January 1, 2024 (the “**2024 PSA**”), the Share Purchase Agreement between Blue Sky and Chaudhary Family Trust dated June 30, 2024 (the “**SPA**”), and the Purchase and Sale Agreement dated August 15, 2025 (the “**2025 PSA**”), together with its First and Second Amendments (collectively, the “**Transactions**”).
21. The resolution of this matter is important as it may return productive assets to the Blue Sky estate while avoiding costly and timely litigation and is supported ACES, Blue Sky’s primary secured creditor.

*General*

22. Such further and other grounds as counsel for the Receiver may advise and this Honourable Court may permit.

**Material or evidence to be relied on:**

23. The Receivership Order filed March 24, 2026.
24. First Report of the Receiver dated May 7, 2026.
25. The Second Report of the Receiver dated June 5, 2026.

26. Such further and other materials as counsel for the Receiver may advise and this Honourable Court may permit.

**Applicable rules:**

27. *Alberta Rules of Court*, AR 124/2010.
28. Such further and other rules as counsel may advise and this Honourable Court permits.

**Applicable Acts and regulations:**

29. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.
30. Such further and other acts and regulations as Counsel may advise and this Honourable Court permit.

**Any irregularity complained of or objection relied on:**

31. None.

**How the application is proposed to be heard or considered:**

32. Before the Honourable Justice J.S. Little.

**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

## **SCHEDULE "A"**