

COURT FILE NUMBER 2501-19519
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
MATTER IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED
AND IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF CABOT ENERGY INC.
APPLICANT CABOT ENERGY INC.
DOCUMENT AFFIDAVIT
ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT STIKEMAN ELLIOTT LLP
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File No.: 145811-1010

SECOND AFFIDAVIT OF SCOTT AITKEN

SWORN DECEMBER 12, 2025

I, **Scott Aitken**, of the City of Monaco in the State of Monaco, MAKE OATH AND SAY:

1. I am the sole Director of the Applicant, Cabot Energy Inc. ("**Cabot**").
2. I am responsible for governance, strategic direction, and liaising with shareholders for Cabot. I am not involved in day-to-day management or finances. Because of my involvement with the Applicant, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. I have also reviewed the records and have spoken with the officer and employee of the Applicant, as necessary. Where I have relied upon such information, I do verily believe such information to be true.



C120778

3. This affidavit is sworn in support of an originating application (the "**Application**") returnable before the Alberta Court of King's Bench (Commercial List) (the "**Court**") on December 18, 2025, for the following relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**");

- (a) An amended and restated initial order (the "**ARIO**") pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**"), among other things:
 - (i) abridging the time for serving and deeming service of the Application and supporting materials good and sufficient;
 - (ii) extending the stay of proceedings to and including March 30, 2026;
 - (iii) increasing the quantum of the Administration Charge to a maximum amount of \$300,000;
 - (iv) approving a DIP Term Sheet being negotiated between the Applicant and High Power Petroleum LLC (Delaware) (the "**DIP Lender**") concurrently with the commencement of these CCAA Proceedings (the "**DIP Term Sheet**"), and authorizing the Applicant to borrow thereunder an amount to be determined and provided as soon as available (the "**DIP Facility**"), to be secured by a super-priority charge against the proceeds of the SISF (as defined below), if any, in an initial amount to be determined and provided as soon as available (the "**DIP Charge**"), in all cases subject to the ranking set out in paragraphs 3(a)(ix) and 3(a)(x) hereof;
 - (v) establishing a priority charge in an initial amount of \$10,000 (the "**D&O Charge**") to secure the Applicant's indemnification obligations towards its D&Os in connection with potential liabilities that could arise as and from the issuance of the Initial Order (as applicable), to the extent that such potential liabilities are not covered by existing insurance policies, in all cases subject to the ranking set out in paragraphs 3(a)(ix) and 3(a)(x) hereof;
 - (vi) approving the key employee retention plan (the "**KERP**") for certain of the Applicant's employees (the "**Participating Employees**");
 - (vii) granting a priority charge in favour of the Participating Employees in the maximum amount of \$43,178 (the "**KERP Charge**"), in all cases subject to the ranking set out in paragraphs 3(a)(ix) and 3(a)(x) hereof;
 - (viii) sealing certain confidential KERP information, subject to further order of this Court;



- (ix) declaring that the KERP Charge shall rank in priority, to any and all other hypothecs, mortgages, liens, security interests, priorities, charges, deemed trusts, encumbrances or other lien of whatever nature or kind against the Property;
 - (x) declaring that each of the Administration Charge, the DIP Lender's Charge, the D&O Charge, shall rank in priority, and in that order, to any and all other hypothecs, mortgages, liens, security interests, priorities, charges, deemed trusts, encumbrances or other lien of whatever nature or kind against the proceeds of the SISP, if any;
- (b) an order (the "**SISP Approval Order**"), among other things:
- (i) appointing Sayer Energy Advisors as Sales Agent;
 - (ii) approving a sale and investment solicitation process (the "**SISP**"), as described below;
 - (iii) authorizing the Applicant and the Monitor to implement the SISP pursuant to its terms; and
 - (iv) authorizing and directing the Applicant and the Monitor to perform their respective obligations and do all things reasonably necessary to perform their obligations under the SISP.
- (c) such further and other relief as this Honourable Court deems just.

4. All references to currency in this affidavit are references to Canadian dollars, unless otherwise indicated.

A. OVERVIEW AND UPDATES SINCE THE INITIAL ORDER

5. The Applicant is a small upstream oil and gas operator and producer, with its sole operations in the Rainbow Lake area of Northern Alberta.

6. As discussed in my affidavit sworn November 28, 2025 (the "**First Aitken Affidavit**"), the Applicant has faced worldwide pressures and uncertainties, natural disasters including wildfires and floods, decreased oil prices and demand, and increasing pressures on micro-producers in Canada, particularly with respect to increasing asset retirement obligations. These circumstances contributed to a liquidity crisis in which the Applicant was unable to meet its immediate obligations as they came due.



7. On December 9, 2025, the Applicant sought and was granted protection from its creditors under the CCAA by Order of this Court (the "**Initial Order**"). The Initial Order, among other things:

- (a) Declared that Cabot is a party to which the CCAA applies;
- (b) Appointed KSV Restructuring Inc. as the monitor of Cabot (in such capacity, the "Monitor");
- (c) Granted an initial stay of proceedings in favour of Cabot until and including December 19, 2025; and
- (d) Granted the Administration Charge in the initial amount of \$100,000.

8. Since the granting of the Initial Order, the Applicant, in close consultation and with the assistance of the Monitor, have acted in good faith and with due diligence to stabilize its business and operations and consult with their stakeholders. Notice of these CCAA proceedings was given to employees, key suppliers, and other stakeholders.

9. In accordance with the Initial Order, the Monitor established a webpage where it has posted documents related to these proceedings: www.ksvadvisory.com/experience/case/cabot

B. THE AMENDED AND RESTATED INITIAL ORDER

(a) Stay Extension

10. The Initial Order granted a stay of proceedings for an initial ten days until and including December 19, 2025. The proposed ARIO contemplates an extension of the stay of proceedings up to and including March 30, 2026.

11. The extension to the stay of proceedings is necessary and appropriate in the circumstances to allow for the continued operation of the Applicant's business and enable the Applicant and the Monitor to carry out the SISP.

12. The Applicant has acted, and continues to act, in good faith and with due diligence during this proceeding. The cash flow forecast demonstrates that the Applicant will have sufficient liquidity to fund their business operations during the proposed extension to the stay of proceedings should the DIP Facility be granted.

13. The Applicant is of the view that no party will be materially prejudiced by the stay extension.

(b) Increasing Quantum of Administration Charge

14. The Administration Charge approved in the Initial Order was tailored to the initial ten-day stay period. The proposed ARIO provides an increase in the Administration Charge to a maximum of \$300,000.



15. The Applicant believes the amount of the proposed Administration Charge in the proposed ARIO is fair and reasonable in the circumstances. I understand that the Monitor is supportive of the proposed increase to the Administration Charge.

(c) DIP Financing

16. As shown in the Cash Flow Projections attached to my Supplementary Affidavit, sworn December 2, 2025, given its liquidity constraints, Cabot will require interim financing during these CCAA Proceedings in order to, amongst other things, conduct the contemplated SISP.

17. On the basis of these discussions, the DIP Lender has advised the Applicant that they were prepared to provide the above interim financing requested by the Applicant. The DIP Term Sheet is in the process of being finalized and will be filed with the Court once finalized.

18. I understand that, in discussions with the DIP Lender, the DIP Term Sheet will be conditional, *inter alia*, upon the granting of a priority charge over the proceeds of the SISP, if any, in favour of the DIP Lender to secure the amounts borrowed under the DIP Facility (the "**DIP Lender's Charge**").

19. Given the current financial situation of the Applicant, DIP Financing is the only feasible financing alternative available to the Applicant, and is on terms that are fair, reasonable and adequate.

20. The Applicant understands that the Monitor is supportive of this Court's approval of the DIP Term Sheet and the establishment of the DIP Lender's Charge.

(d) D&O Charge

21. In order to continue to carry on business during the CCAA Proceedings, Cabot will require the active and committed involvement of its directors, de facto directors, as well as certain senior officers (i.e. the D&Os).

22. Although Cabot intends to comply with all applicable laws and regulations, including the timely remittance of deductions at source and federal and provincial sales taxes, the D&Os are nevertheless concerned about the potential for their personal liability in the context of the present CCAA Proceedings.

23. Given the current financial situation of Cabot, these D&Os require the assurance that Cabot will be in a position to indemnify them for all liabilities which they may incur in their capacity as D&Os (if any), after the commencement of these CCAA Proceedings.

24. While Cabot maintains an insurance policy for the benefit of its D&Os (the "**D&O Insurance**"), the current amount of coverage provided by the D&O Insurance may ultimately not be sufficient to adequately protect the D&Os from potential liability.



25. Accordingly, the Applicant requests the establishment of an D&O Charge over the proceeds of the SISP, if any, in favour of the D&Os in an initial amount of \$10,000, in order to secure the Applicant's indemnification obligations towards them, for claims which could potentially arise during the CCAA Proceedings, to the extent that such claims are not covered by the D&O Insurance.

26. The Applicant submits that the requested D&O Charge is reasonable and adequate given, notably, the complexity of its business, and the corresponding potential exposure of the D&Os to personal liability. In fact, the proposed amounts of the D&O Charge have been discussed and established with KSV, in its capacity as proposed Monitor.

27. Absent the establishment of a D&O Charge, the Applicant is concerned that one or more of its D&Os will resign from their posts, which would, in all likelihood, jeopardize the continuation of the Applicant's business, to the detriment of its creditors and other stakeholders.

28. In addition, the Applicant further submits that the D&O Charge will provide assurances to its employees that their obligations towards them for accrued wages, termination and severance pay shall be satisfied. Indeed, while the insolvency of the Applicant and its non-payment of various employee obligations may trigger the personal liability of the D&Os, any recourse initiated by such employees against the D&Os does not guarantee them any recovery. Therefore, the creation of a super-priority security in favour of the D&Os for sums for which they may be held liable to employees (but for which the Applicant is ultimately liable) enhances such employees' chances of recovery by, in effect, creating a super-priority security for their claims.

(e) Key Employee Retention Plan and Sealing Order

29. The Applicant has identified certain key employees (collectively, the "**Key Employees**") who will be critical in the conduct of these CCAA Proceedings and the implementation of the restructuring efforts to be undertaken in the context thereof, including the conduct of the SISP.

30. Retaining these Key Employees during the CCAA Proceedings will provide critical stability in these otherwise uncertain times for the Applicant. It is anticipated that this stability will enable the Applicant to maintain orderly operations and existing customer relations, as well as maximize enterprise value throughout the course of these CCAA Proceedings.

31. Accordingly, in order to facilitate the above, and to maximize Cabot's business value, the Applicant is developing, in consultation with KSV, as Monitor, a KERP in order to ensure that Key Employees are retained throughout the CCAA Proceedings.

32. The KERP will provide a retention payment for Key Employees to continue to remain employed by the Applicant in the unusual circumstances that face these employees. Indeed, these Key Employees will



be asked to continue to work with the objective of implementing a restructuring plan for the Applicant, even if their continued employment is uncertain, as such restructuring plan may involve one or more sale transactions of some or all the Applicant's assets.

33. In order to secure the payment which may become owing to the above-mentioned Key Employees in accordance with the KERP, the Applicant is seeking the approval of the KERP and the establishment of a KERP Charge over the Property, in the amount of \$43,178, so as to secure its obligations towards the Key Employees under the KERP. The maximum aggregate amount payable under the KERP is \$43,178 and the proposed KERP Charge will be a priority Charge on the Property.

34. The unredacted Key Employee Retention Plan will be appended to the First Report of the Monitor as a confidential exhibit (the "**Confidential Exhibit**"). The Confidential Exhibit includes a list of KERP Employees and their Retention Payment.

35. Disclosure of the information contained in the Confidential Exhibit will be prejudicial to the Applicant, the KERP Employees, and others. Among other issues, disclosure of the Confidential Exhibit could (a) create morale and other issues as between employees or contractors who are either not subject to the KERP or are receiving different entitlements under the KERP; (b) allow the Applicant's business competitors and others to attempt to induce the KERP Employees to depart from their employment for more lucrative opportunities; and (c) make it more difficult for the Applicant to negotiate employment terms for replacement employees if required. In addition, and generally speaking, salary and compensation levels for employees is a particularly personal and private matter to employees.

36. The Applicant is proposing that the Confidential Exhibit appended to the First Report be sealed on the Court File and not form part of the public record. In doing so, the Applicant believes that (a) the Sealing Order is as narrow as possible and only seeks to maintain the confidentiality of the KERP Employees and the KERP; (b) the scope of the proposed Sealing Order is proportionate and restricted to only what is necessary; (c) there are no reasonable alternatives to the Sealing Order that will prevent the risk of disclosure; and (d) the benefits of the Sealing Order outweigh its risks.

C. SALE AND INVESTMENT SOLICITATION PROCESS

37. The Applicant and the Monitor, with the assistance of the Sales Agent, have prepared the SISP whereby interested parties will have the opportunity to submit an offer to: (i) purchase shares or assets of the Applicant, or (ii) make an investment in the Applicant's business by way of a refinancing, reorganization, recapitalization, restructuring or other business transaction involving the Applicant. The goal of the SISP is for the Applicant to complete one or more transactions as soon as practical (subject to Court approval).

38. The SISP contemplates the following key deadlines:

Milestone	Day
Commencement Date (prepare data room and associates documents)	January 9, 2026
Marketing Stage: Publication of Notice and Sending Teaser to Know Potential Buyers	January 9, 2026
Completion of "Phase I" – interested parties to submit a non-binding letter of intent	February 12, 2026 at 12:00 pm MST
Completion of "Phase II" – interested parties to submit a binding offer that meets at least the requirements set forth in the SISP	February 26, 2025 at 12:00 pm MST
Selection of the highest or otherwise best bid(s) (the "Successful Bid(s)")	March 12, 2025
Seek a Court order approving the Successful Bid(s)	As soon as practical
Close the transaction contemplated in the Successful Bid(s)	As soon as practical

39. The Applicant has been working in good faith and with due diligence in these proceedings and have developed the SISP to canvass the market for a value maximizing transaction involving the assets or shares of the Applicant or a refinancing of the Applicant. In developing the SISP, the Applicant has consulted with the Monitor and the Sales Agent and circulated the draft SISP to their key stakeholders for review and input.

40. The SISP is fair and reasonable and will be conducted and overseen by the Monitor. The SISP will allow the Applicant, Monitor and Sales Agent to broadly canvass the market for an executable and value maximizing transaction for the benefit of all stakeholders.

41. The Monitor supports the Applicant's request for approval of the SISP.

42. The Applicant requests that the engagement of Sayer Energy Advisors as Sales Agent be approved. The Sales Advisor is qualified and capable of performing the required tasks, and the terms of such engagement are fair and reasonable in the circumstances.

D. CONCLUSION

43. I make this Affidavit in support of the Applicant's Application for an Initial Order and for no other improper purpose.

SWORN at Calgary, Alberta, this 12th day of
December, 2025.

**A Commissioner for Oaths
in and for the Province of Alberta**



SCOTT AITKEN



COURT FILE NUMBER 2501-19519

Clerk's stamp

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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File No.: 145811-1010

SECOND AFFIDAVIT OF SCOTT AITKEN

SWORN DECEMBER 12, 2025

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25. Accordingly, the Applicant requests the establishment of an D&O Charge over the proceeds of the SISF, if any, in favour of the D&Os in an initial amount of \$10,000, in order to secure the Applicant's indemnification obligations towards them, for claims which could potentially arise during the CCAA Proceedings, to the extent that such claims are not covered by the D&O Insurance.

26. The Applicant submits that the requested D&O Charge is reasonable and adequate given, notably, the complexity of its business, and the corresponding potential exposure of the D&Os to personal liability. In fact, the proposed amounts of the D&O Charge have been discussed and established with KSV, in its capacity as proposed Monitor.

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(e) Key Employee Retention Plan and Sealing Order

29. The Applicant has identified certain key employees (collectively, the "**Key Employees**") who will be critical in the conduct of these CCAA Proceedings and the implementation of the restructuring efforts to be undertaken in the context thereof, including the conduct of the SISF.

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36. The Applicant is proposing that the Confidential Exhibit appended to the First Report be sealed on the Court File and not form part of the public record. In doing so, the Applicant believes that (a) the Sealing Order is as narrow as possible and only seeks to maintain the confidentiality of the KERP Employees and the KERP; (b) the scope of the proposed Sealing Order is proportionate and restricted to only what is necessary; (c) there are no reasonable alternatives to the Sealing Order that will prevent the risk of disclosure; and (d) the benefits of the Sealing Order outweigh its risks.

C. SALE AND INVESTMENT SOLICITATION PROCESS

37. The Applicant and the Monitor, with the assistance of the Sales Agent, have prepared the SISP whereby interested parties will have the opportunity to submit an offer to: (i) purchase shares or assets of the Applicant, or (ii) make an investment in the Applicant's business by way of a refinancing, reorganization, recapitalization, restructuring or other business transaction involving the Applicant. The goal of the SISP is for the Applicant to complete one or more transactions as soon as practical (subject to Court approval).

38. The SISP contemplates the following key deadlines:

Milestone	Day
Commencement Date (prepare data room and associates documents)	January 9, 2026
Marketing Stage: Publication of Notice and Sending Teaser to Know Potential Buyers	January 9, 2026
Completion of "Phase I" – interested parties to submit a non-binding letter of intent	February 12, 2026 at 12:00 pm MST
Completion of "Phase II" – interested parties to submit a binding offer that meets at least the requirements set forth in the SISP	February 26, 2025 at 12:00 pm MST
Selection of the highest or otherwise best bid(s) (the "Successful Bid(s)")	March 12, 2025
Seek a Court order approving the Successful Bid(s)	As soon as practical
Close the transaction contemplated in the Successful Bid(s)	As soon as practical

39. The Applicant has been working in good faith and with due diligence in these proceedings and have developed the SISP to canvass the market for a value maximizing transaction involving the assets or shares of the Applicant or a refinancing of the Applicant. In developing the SISP, the Applicant has consulted with the Monitor and the Sales Agent and circulated the draft SISP to their key stakeholders for review and input.

40. The SISP is fair and reasonable and will be conducted and overseen by the Monitor. The SISP will allow the Applicant, Monitor and Sales Agent to broadly canvass the market for an executable and value maximizing transaction for the benefit of all stakeholders.

41. The Monitor supports the Applicant's request for approval of the SISP.

42. The Applicant requests that the engagement of Sayer Energy Advisors as Sales Agent be approved. The Sales Advisor is qualified and capable of performing the required tasks, and the terms of such engagement are fair and reasonable in the circumstances.

D. CONCLUSION

43. I make this Affidavit in support of the Applicant's Application for an Initial Order and for no other improper purpose.

SWORN at Calgary, Alberta, this 12th day of
December, 2025.



A Commissioner for Oaths
in and for the Province of Alberta

SCOTT AITKEN

Isis Tse
Barrister ; solicitor.
No expiring



CERTIFICATE OF COMMISSIONER

I, Isis Tse, of the City Calgary, in the Province of Alberta, do hereby certify that:

1. On December 12, 2025, I was present by video technology and did see the affiant, Scott Aitken (the "Affiant"), swear and sign the Affidavit annexed hereto;
2. The Affiant showed me the front and back of his current government-issued photo identification, his driver's license, and I have taken a screenshot of same;
3. I have compared the video image of the Affiant and information on the said photo identification, and believe it to be the same person and that the photo identification is valid and current;
4. Both the Affiant and I had a paper copy of the Affidavit, including all exhibits, before us while connected via video technology. The Affiant and I reviewed each page of our respective copy of the Affidavit, including the exhibits, together and verified that they are identical. Both the Affiant and I initialed each page of our respective copy of the Affidavit in the lower right corner;
5. The Affidavit was sworn and signed by the Affiant at the City of Monaco, in the State of Monaco, and I am the COMMISSIONER thereof; and
6. The steps taken by myself as COMMISSIONER follows the process for remote commissioning of affidavits as set out in the Notice to the Profession & Public – Remote Commissioning, issued by the Court of Queen's Bench of Alberta on March 25, 2020. This process was necessary as it is unsafe, for medical reasons, for the Affiant and I to be physically present together.

DATED on the 12th day of December 2025, in the City of Calgary, in the Province of Alberta



Isis Tse

Isis Tse
Barrister & Solicitor
no expiry