COURT FILE NUMBER:	2401-03404
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
	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 CANADIAN OVERSEAS PETROLEUM LIMITED AND THOSE ENTITIES LISTED IN SCHEDULE "A"
DOCUMENT:	**AFFIDAVIT #2 OF PETER KRAVITZ**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**OSLER, HOSKIN & HARCOURT LLP** 6200 - 1 First Canadian Place Toronto, Ontario M5X 1B8 Solicitor: Marc Wasserman / Shawn Irving / Dave Rosenblat Telephone: 416.862.4908 / 4733 / 5673 Facsimile: 416.862.6666 Email: mwasserman@osler.com / sirving@osler.com / drosenblat@osler.com File Number: 1252079

Clerk's Stamp

AFFIDAVIT #2 OF PETER KRAVITZ
(Affirmed March 14, 2024)

I, Peter Kravitz, of 2360 Corporate Circle, Suite 340, Henderson, Nevada, Chief Restructuring Officer ("**CRO**") of Canadian Overseas Petroleum Limited ("**COPL**" or the "**Company**"), AFFIRM THAT:

1. I am the CRO of COPL and those entities listed in Schedule "A" (collectively, the "**Applicants**"). In my capacity as CRO of the Applicants, I have become familiar with the business, day-to-day operations and financial affairs of the Applicants, and have relied upon the books and records of COPL and my personal experiences with the Applicants. As such, I have personal

knowledge of the matters deposed to herein. Where I have relied on other sources of information, I have so stated, and I believe them to be true and accurate. In preparing this affidavit, I have also consulted with members of the senior management teams of the Applicants and their financial and legal advisors. The Applicants do not waive or intend to waive any applicable privilege by any statement herein.

2. I swear this Affidavit in support of the Applicants' application for:

(a) an Amended and Restated Initial Order ("**ARIO**") including, without limitation:

(i) extending the stay of proceedings, including the extension of the stay of proceedings to the Non-Filing Affiliates, until May 20, 2024, and granting other customary Comeback Hearing relief under the CCAA;

(ii) approving the agreement between the Applicants and Province Fiduciary Services ("**Province**"), pursuant to which, among other things, Province will act as the Chief Restructuring Officer ("**CRO**") of the Applicants during these CCAA proceedings through the services of Peter Kravitz, authorizing and directing the CRO to carry out the terms of the CRO Engagement Letter (as defined below), and approving the payment of fees contemplated under the CRO Engagement Letter;

(iii) ratifying and approving the agreement between the Applicants and Province, LLC ("**Province LLC**"), pursuant to which, among other things, Province LLC will act as financial advisor (the "**Financial Advisor**"), and authorizing and directing the Applicants to make the payments contemplated in the FA Engagement Letter (defined below);

(iv) approving and authorizing and empowering the Applicants and the Lender, *nunc pro tunc*, to enter into, the support agreement dated March 7, 2024 among the Applicants and the Lender (the "**Restructuring Support Agreement**") pursuant to which, and subject to the terms and conditions set out therein, the Lender has agreed to support these CCAA proceedings and the Chapter 15 Case (as defined below), including the requested SISP, the Stalking Horse Purchase Agreement, and the SISP Approval Order (both as defined below);

(v) increasing the maximum principal amount on which the Applicants can draw under the DIP Loan (as defined below) to $11 million and, to the extent drawn either in whole or in part, a corresponding increase in the amount secured by the DIP Lenders' Charge (as defined below);

(vi) increasing the maximum amounts secured by the Administration Charge to CAD $2.5 million, and the Directors' Charge to CAD $1 million;

(vii) directing that the CRO Charge now secure all fees, including hourly, monthly and the Transaction Fee; and

(viii) providing that the Applicants shall not be required to incur any further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents, and press releases (collectively, the "**Securities Filings**") that may be required by any law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, provided that no securities regulator or stock exchange will be prohibited from taking any action or exercising any discretion

that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicants to make any Securities Filings.

(b) a Sale and Investment Solicitation Process Order (the "**SISP Order**"), approving the proposed sale and investment solicitation process (the "**SISP**"), including, without limitation:

(i) authorizing and directing the Applicants to negotiate and finalize a definitive stalking horse transaction agreement (such definitive agreement being the "**Stalking Horse Purchase Agreement**") with the Lender, or its designated nominee (the "**Stalking Horse Purchaser**") in respect of a transaction as described in and substantially in accordance with the terms of the Restructuring Term Sheet (defined below) negotiated among the Applicants and the Lender;

(ii) approving an expense reimbursement for the Stalking Horse Purchaser's reasonable costs and expenses incurred in connection with the transactions contemplated in the Stalking Horse Purchase Agreement (the "**Expense Reimbursement**") and a break fee equal to $350,000 (the "**Break Fee**" and, together with the Expense Reimbursement, the "**Bid Protections**");

(iii) granting a Court-ordered charge (the "**Bid Protections Charge**") of up to $500,000 over the Property in favour of the Stalking Horse Purchaser as security for payment of the Bid Protections, in the manner and circumstances described in the Stalking Horse Purchase Agreement; and

(iv) approving a sale and investment solicitation process (the "**SISP**") in which the Stalking Horse Purchase Agreement will serve as the "**Stalking Horse Bid**", and authorizing the Applicants to implement the SISP pursuant to its terms.

3. The purpose of this Affidavit is to inform the Court and all stakeholders about certain activities of the Applicants since the granting of the Initial Order and to provide additional information responsive to certain questions raised at the initial hearing about some of the relief requested by the Applicants. This Affidavit should be read in conjunction with the affidavit that I affirmed on March 7, 2024 (the "**Kravitz Affidavit #1**"), and the affidavit of Thomas Richardson, affirmed on March 14, 2024 (The "**Richardson Affidavit #1**"), which also contain information relevant to the relief sought through the ARIO. A copy of the Kravitz Affidavit #1 is attached hereto (without exhibits) as **Exhibit "A"** to this Affidavit.

4. Unless otherwise noted, all references to monetary amounts in this Affidavit are in U.S. dollars. Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Kravitz Affidavit #1.

A. Overview of the Applicants' Activities since the Initial Application

5. On March 8, 2024, this Court granted the Initial Order, *inter alia*, (i) declaring the Applicants are companies to which the CCAA applies; (ii) appointing KSV Restructuring Inc. as Monitor of the Applicants in these proceedings; (iii) granting a stay of proceedings in respect of the Applicants up to and including March 18, 2024; (iv) extending the stay of proceedings to the Non-Filing Affiliates; (v) authorizing the Applicants to obtain and borrow under a senior secured, super priority loan (the "**DIP Loan**"), with borrowings not to exceed US $1.5 million and, to the extent drawn either in whole or in part, a corresponding charge in favour of the DIP Lender; (vi)

granting a charge as security for the respective fees and disbursements of counsel to the Applicants, the Monitor and the Monitor's Counsel and the Financial Advisor relating to services rendered in respect of the Applicants; (vii) granting a charge in favour of the directors and officers of the Applicants; and (viii) granting a charge in favour of the CRO to secure its fees and disbursements.

6. Since the granting of the Initial Order, the Applicants, in close consultation and with the assistance of the Monitor, have been working in good faith and with due diligence to:

(a) stabilize the COPL Group's business and operations as part of these CCAA proceedings;

(b) advise its stakeholders of the granting of the Initial Order;

(c) work with U.S. counsel to the Foreign Representative to commence the Chapter 15 Case;

(d) continue to advance discussions with the Lender and DIP Lender regarding the Stalking Horse Purchase Agreement; and

(e) respond to certain employee, shareholder and vendor inquiries regarding these CCAA proceedings and the Chapter 15 Case.

7. More specifically, the Applicants have conducted a meeting with the COPL and COPL America finance teams to discuss the consolidated management of DIP funds and identification of critical accounts payable.

8. I have also responded to inbound shareholder emails received since the issuance of the Initial Order, including several emails from retail investors regarding allegations of prior short selling by a party that is not the Lender, DIP Lender nor Stalking Horse Bidder.

9. On March 11, 2024, COPL issued a press release announcing that it had commenced these CCAA proceedings and had obtained the Initial Order. COPL also requested a suspension of trading in COPL's common shares on both the London Stock Exchange ("**LSE**") and the Canadian Securities Exchange ("**CSE**"). The UK securities regulator confirmed that the shares of COPL were suspended on the LSE. To date, the CSE has not delisted or suspended trading of COPL's common shares on the CSE.

10. Further, in accordance with the Initial Order:

(a) On March 11, 2024, the Monitor posted the Initial Order and related application materials on the Monitor's website: http://www.ksvadvisory.com/experience/case/canadian-overseas-petroleum;

(b) On March 14, 2024, the Monitor issued a notice to creditors of the Applicants, advising creditors of the commencement of these CCAA proceeding, the issuance of the Initial Order, and the use of the Monitor's website to access information relating to these CCAA proceedings;

(c) the Monitor will publish a notice in the *New York Times*, the *Calgary Herald* and the *Globe and Mail* containing the information prescribed under the CCAA on March 19, 2024; and

(d) the Monitor provided notice of this CCAA proceeding to the Non-Filing Affiliates.

B. Update to Kravitz Affidavit #1

11. Following the hearing of the Initial Application, it has come to the Applicants' attention that the Kravitz Affidavit #1 contains an error where it states that there were eight (8) full-time employees in the United Kingdom. This was historically the case, but I understand that there are now no longer any full-time employees in the United Kingdom.

12. As noted in Kravitz Affidavit #1, in October 2023, the COPL Group raised $3.5 million in equity financing. I understand that in connection therewith, pursuant to a Purchase Agreement dated October 5, 2023 (the "**October Purchase Agreement**"), COPL and Anavio Equity Capital Markets Master Fund Limited ("**Anavio**") executed a share pledge agreement (the "**Share Pledge Agreement**") pursuant to which, among other things, COPL pledged the common shares of COPL America Holding as security for COPL's obligations to Anavio under applicable bonds and warrants and purchase agreements executed in connection therewith. Copies of the October Purchase Agreement and the Share Pledge Agreement are attached hereto as **Exhibits "B"** and **"C"**, respectively.

C. Chapter 15 Case

13. On March 11, 2024, COPL, as Foreign Representative of the Applicants, commenced proceedings in the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**") seeking the recognition of these CCAA proceedings under chapter 15 of Title 11 of the U.S. Bankruptcy Code (the "**Chapter 15 Case**").

14. On March 12, 2024, the U.S. Court granted the Order Granting Provisional Relief, a copy of which is attached hereto as **Exhibit "D".**

D. Further Information Regarding the Non-Filing Affiliates

15. Although Shoreline Canoverseas Petroleum Development Corporation Limited ("**ShoreCan**") and Essar Exploration and Production Limited, Nigeria ("**Essar Nigeria**", and together with ShoreCan, the "**Non-Filing Affiliates**") are not applicants to these CCAA proceedings, their business is intertwined with the rest of the Applicants' business. The Applicants are of the view that the Applicants' shared interest in the Non-Filing Affiliates is an important and potentially valuable asset for the estate.

16. Through ShoreCan, the Applicants participate in a joint venture with Shoreline Energy International Limited ("**Shoreline**"). This joint venture allows the Applicants to combine their industry experience with Shoreline's local positioning to acquire upstream oil and gas exploration, development and producing assets in sub-Saharan Africa. The Applicants have been substantially involved in the management, direction and operations of ShoreCan. COPL Technical Services Limited ("**COPL Technical**") is ShoreCan's primary source of engineering, geological, geophysical and legal and accounting services. These services, in turn, flow through to Essar Nigeria. Meanwhile, Shoreline provides ShoreCan with local expertise, particularly in-country Nigerian legal and accounting services and government relations management throughout sub-Saharan Africa. Neither party has a veto right or equivalent "golden share" with respect to ShoreCan.

17. COPL management employees have historically participated in the strategic decision-making and direction of the Non-Filing Affiliates. Arthur Millholland and John Cowan, both former CEOs of COPL, currently serve as Directors of ShoreCan. In addition, Mr. Millholland, who is also the current President of COPL America, continues to serve as a Director and Chief

Operating Officer of Essar Nigeria. Messrs Millholland and Cowan have advised that they support the extension of the stay of proceedings to the Non-Filing Affiliates.

18. Essar Nigeria holds a 100% interest and operatorship of an oil prospecting license, located about 50 kilometres offshore in the central area of the Niger Delta ("**OPL 226**"). I understand that OPL 226 is expected to be a productive asset, with a best estimate of 2C contingent resources of 16 million barrels (gross) and unrisked prospective resources of 533 million barrels (gross) of oil. ShoreCan's shareholding interest in Essar Nigeria is the subject of unresolved litigation in the High Court of Justice of England and Wales, commenced by Essar Mauritius.

19. The Applicants remain of the view that extending the stay to the Non-Filing Affiliates is necessary to help maintain stability and value to the estate during these CCAA proceedings and to prevent any realization and enforcement attempts from being made in Nigeria or elsewhere. Extending the stay will prevent any potential cross-defaults from being declared in the Non-Filing Affiliates' agreements that may arise from the Applicants' insolvency. At present, the Applicants are not in possession of all contracts between ShoreCan and external third parties and contracts between Essar Nigeria and external third parties and therefore do not have visibility on what cross-default provisions, if any, may be contained in those contracts; however, there is concern that such provisions may exist in third party agreements given that these entities are affiliates of the Applicants by virtue of their significant equity interests. Any enforcement action against the Non-Filing Affiliates could lead to immediate loss of value for the Applicants and their stakeholders.

E. Stay of Proceedings

20. The Applicants continue to require a stay of proceedings to maintain stability during these CCAA proceedings and the proposed SISP. At the comeback hearing, the Applicants will seek an

extension of the stay of proceedings until May 20, 2024. I understand that a full comeback hearing could only be scheduled on March 19, 2024. Since the stay period under the Initial Order expires on March 18, 2024, the Applicants will seek an interim one-day extension of the stay of proceedings on March 18, 2024 to ensure they are able to maintain stability until the comeback hearing can be heard on March 19, 2024.

21. It is my belief that the Applicants have acted, and are acting, in good faith and with due diligence so far in these CCAA proceedings. The extension of the Stay Period is necessary and appropriate in the circumstances to provide the Applicants with continued breathing space, to stabilize operations and to conduct the SISP (as described below).

F. Amended and Restated Initial Order

(a) Relief from Certain Securities Filing Requirements and in Respect of Annual or Other Meetings of the Shareholders

22. COPL is a publicly-traded corporation. The Applicants seek authorization to dispense with certain securities filing requirements. In particular, the Applicants seek authorization for the Applicants to incur no further expenses in relation to the Securities Filings that may be required by any federal, provincial, or other law respecting securities or capital markets in Canada or the United Kingdom, or by the rules and regulations of a stock exchange, including the CSE and the LSE.

23. It is the Applicants' view that incurring the time and costs associated with preparing the Securities Filings will detract from their successful restructuring. Further, there is no prejudice to stakeholders given that detailed financial information and other information regarding the

Applicants will continue to be made publicly available through the materials filed in these CCAA proceedings and published on the Monitor's Website.

24. The Applicants further seek authorization to postpone the requirement for any future annual or other meetings of the shareholders of COPL. The Applicants believe that conducting any annual or other meetings of shareholders during these ongoing CCAA proceedings would be a distraction and an inappropriate use of resources in the circumstances where they are already subject to creditor protection.

(b) Charges

25. The Initial Order granted charges (the "**Charges**") on all of the present and future assets, property and undertaking of the Applicants (the "**Property**"). The Applicants propose the following increases or amendments to the Charges in the ARIO.

(i) Administration Charge

26. The Initial Order granted a charge on the Property in favour of the Monitor, its counsel, counsel to the Applicants, and the Financial Advisor, as security for their respective fees and disbursements relating to services rendered in respect of the Applicants (the "**Administration Charge**"). The Administration Charge was initially set at CAD $1.5 million, an amount which the Applicants determined was appropriate for the first 10 days of these proceedings. The Applicants now propose that the amount of the Administration Charge be increased to CAD $2.5 million to secure the fees and disbursements of the beneficiaries of the Administration Charge that will be incurred for the remainder of these CCAA proceedings. The proposed Administration Charge has been sized in consultation with the Monitor.

(ii) Directors' Charge

27. A successful restructuring of the Applicants will only be possible with the continued participation of its directors and officers. These personnel are essential to the viability of the Applicants' continuing business and the preservation of enterprise value. The Initial Order granted a charge in favour of the directors and officers of the Applicants on the Property (the "**Directors' Charge**"). The Directors' Charge is subordinate to the Administration Charge and the CRO Charge (which rank *pari passu* with one another) but ranks in priority to all the other charges. The Directors' Charge is necessary so that the Applicants may benefit from their directors' and officers' experience with the Applicants' business and industry. The Directors' Charge was initially set at CAD $500,000, an amount which the Applicants determined was appropriate for the first ten days of these CCAA proceedings. The Applicants now propose that the amount of the Directors' Charge be increased to CAD $1 million so that its directors and officers can guide the Applicants' restructuring efforts throughout the remainder of these CCAA proceedings. The Director's Charge has been sized in consultation with the Monitor to account for, among other things, one month of unpaid accrued wages, unpaid accrued vacation pay, and two months of unremitted sales, goods and services, and harmonized sales taxes.

(iii) The DIP Lenders' Charge

28. The Initial Order granted a charge on the Property securing the DIP Loan (the "**DIP Lenders' Charge**"). The DIP Lenders' Charge does not secure any obligation that existed before the Initial Order was made. The DIP Lenders' Charge has priority over all other security interests, charges and liens, except the Administration Charge and the CRO Charge (which will rank *pari passu* with one another) and the Directors' Charge. The Initial Order authorized the Applicants to

request an initial draw of $1.5 million to enable them to pay specified amounts that were known to be due during the first 10 days of these CCAA proceedings.

29. In the ARIO, the Applicants request the authority to draw down the remainder of the DIP Facility. The Applicants are also seeking a corresponding increase to the DIP Lender's Charge for the full amount of the principal borrowings under the Commitment Letter, plus all interest, fees (including solicitor-client legal fees on a full-indemnity basis) and costs. Based on the Cash Flow Forecast, the DIP Loan is expected to provide the Applicants with sufficient liquidity to continue their business operations during these CCAA proceedings and to implement the SISP. The proposed increase to the DIP Lenders' Charge is intended to secure the increased availability being sought.

G. The SISP Order

30. The Applicants seek approval of the proposed SISP which, together with the Stalking Horse Purchase Agreement, establishes a process to canvass the market for the best possible transaction for the sale of all or substantially all of the Applicants' business for the benefit of stakeholders.

31. As described in the Kravitz Affidavit #1, on March 7, 2024, the COPL Group and the Lender executed the Restructuring Support Agreement, a copy of which is attached as Exhibit P to the Kravitz Affidavit #1. The Restructuring Support Agreement appends a term sheet (the "**Restructuring Term Sheet**") that sets out the key terms to be included in a Stalking Horse Purchase Agreement, which will support the proposed SISP and may ultimately serve as the basis for the restructuring of the COPL Group.

32. The proposed restructuring of the COPL Group contemplated in the Restructuring Term Sheet is compromised of the following significant aspects:

(a) the applicable Applicants will enter into the Stalking Horse Purchase Agreement with the Lender (or their assignee(s)), in such capacity the "**Bidder**"). Among other things, the Stalking Horse Purchase Agreement will provide for:

(i) a credit bid of the DIP Loan for all or substantially all of the assets (excluding the Excluded Assets (as defined therein)) and/or equity, as applicable and as determined by the Bidder, of the COPL Group, excluding COPL;

(ii) the assumption of the obligations under the Credit Agreement, to the extent not the subject of the credit bid;

(iii) the requirement that a SISP be completed in accordance with the terms set forth therein and in the Stalking Horse Purchase Agreement;

(iv) the requirement that the Applicants reimburse the Bidder for its reasonable costs and expenses incurred in connection with the Stalking Horse Purchase Agreement; and

(v) a break fee in the amount of $350,000;[1] and

(b) these CCAA proceedings, the SISP and the SISP Approval Order will be recognized in the Chapter 15 Case.

[1] I am advised by the Monitor that it intends to comment on the reasonableness of the Break Fee in its First Report.

33. The Restructuring Support Agreement provides that the parties agree to negotiate in good faith to enter into the Stalking Horse Purchase Agreement on or prior to March 22, 2024, such Stalking Horse Purchase Agreement to be substantially on the terms set out in the Restructuring Term Sheet, acting reasonably, with the approval of the Monitor.

34. The Applicants have developed the proposed SISP in consultation with the Monitor and the Lender. The SISP sets out the manner in which (a) binding bids for executable transaction alternatives that are superior to the transaction to be provided for in the Stalking Horse Purchase Agreement involving the shares and/or business and assets of some or all of the COPL Group will be solicited from interested parties; (b) any such bids received will be addressed; (c) any Successful Bid (as defined below) will be selected; and d) Court approval of any Successful Bid will be sought.

35. The Kravitz Affidavit #1 included a comprehensive summary of the proposed SISP appended to the Restructuring Support Agreement. Subsequent to delivery of that affidavit, and following further consultation with the Monitor, the Applicants and the Lender agreed to modify the terms of the SISP. The modified SISP, for which the Applicants are seeking approval pursuant to the proposed SISP Approval Order, is attached hereto as Exhibit "E", along with a blackline to the form appended to the Restructuring Support Agreement. For convenience, I have reiterated the key points below:

(a) Pursuant to the proposed SISP, interested parties must enter into a non-disclosure agreement in form and substance satisfactory to the Applicants and submit a letter of intent to bid (each, an "**LOI**") that identifies the potential purchaser and a general description of the assets and/or business(es) of the COPL Group that would be the

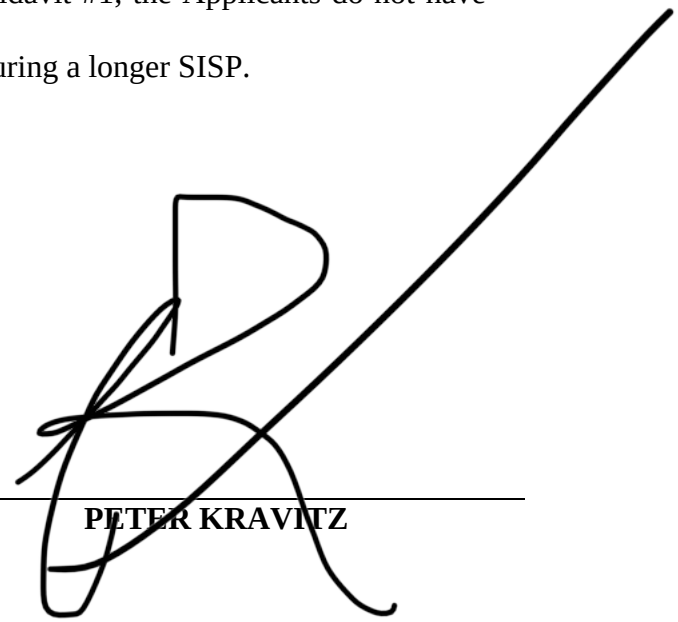
subject of the bid and that reflects a reasonably likely prospect of culminating in a Qualified Bid (as defined below), as determined by the Applicants in consultation with the Monitor and Consenting Lenders within 30 days after commencement of the SISP (the "**LOI Deadline**"). If, by the LOI Deadline, no LOI has been received, the SISP will be terminated and the Stalking Horse Transaction will be the Successful Bid (as defined below) and, subject to the Court issuing the Vesting Order, will be consummated in accordance with the RSA and the Stalking Horse Transaction Agreement.

(b) If one or more Qualified Bids (other than the Stalking Horse Transaction) has been received by the Applicants on or before the Qualified Bid Deadline, the Applicants will proceed with an auction process to determine the successful bid(s) (the "**Auction**"). The Auction will be conducted in accordance with the requirements and process appended at Schedule "A" to the SISP. The successful bid(s) selected within the Auction shall constitute the Successful Bid.

(c) Following selection of the Successful Bid and finalization of all definitive agreements, the Applicants will apply to the CCAA Court for an order or orders approving such Successful Bid and/or the mechanics to authorize the COPL Group to complete the transactions contemplated thereby, as applicable, and authorizing the Applicants to: (a) enter into any and all necessary agreements and related documentation with respect to the Successful Bid; (b) undertake such other actions as may be necessary to give effect to such Successful Bid, and (c) implement the transaction(s) contemplated in such Successful Bid.

36. The Applicants are of the view that the proposed SISP provides a fair and reasonable process that will adequately canvass the market. In my experience and based on my knowledge of the COPL Group's business, I am of the view that the timelines and terms in the proposed SISP are fair, reasonable and appropriate in the circumstances, and provide sufficient time to allow interested parties to fully participate in the SISP (to the extent desired). Importantly, as reflected in the Cash Flow Forecast at Exhibit T of the Kravitz Affidavit #1, the Applicants do not have sufficient cash or access to funding to support operations during a longer SISP.

AFFIRMED REMOTELY BEFORE ME at the City of Kingston in the province of Ontario with the deponent stated as being located at the City of Las Vegas in the State of Nevada, on March 14, 2024, in accordance with *O. Reg. 431/20: Administering Oath or Declaration Remotely*.



Commissioner for Taking Affidavits
(or as may be)
VIKTOR NIKOLOV
LSO# 85403P

PETER KRAVITZ

SCHEDULE "A"

1. Canadian Overseas Petroleum Limited
2. COPL Technical Services Limited
3. Canadian Overseas Petroleum (UK) Limited
4. Canadian Overseas Petroleum (Bermuda) Limited
5. Canadian Overseas Petroleum (Bermuda Holdings) Limited
6. Canadian Overseas Petroleum (Ontario) Limited
7. COPL America Holding Inc.
8. COPL America Inc.
9. Atomic Oil & Gas LLC
10. Southwestern Production Corp.
11. Pipeco LLC

SCHEDULE “B”

1. Shoreline Canoverseas Development Corporation Limited
2. Essar Exploration and Production Limited

THIS IS EXHIBIT “A” REFERRED TO IN

THE AFFIDAVIT OF PETER KRAVITZ

SWORN BEFORE ME THIS 14th DAY

OF MARCH, 2024

A Commissioner for Taking Affidavits

Viktor V. Nikolov
(LSO#84503P)

COM March 18, 2024

NB
C30813

COURT FILE NUMBER	2401 03404
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
	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 CANADIAN OVERSEAS PETROLEUM LIMITED AND THOSE ENTITIES LISTED IN SCHEDULE "A"
DOCUMENT	**AFFIDAVIT OF PETER KRAVITZ**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**OSLER, HOSKIN & HARCOURT LLP** 6200 - 1 First Canadian Place Toronto, Ontario M5X 1B8 Solicitor: Marc Wasserman / Shawn Irving / Dave Rosenblat Telephone: 416.862.4908 / 4733 / 5673 Facsimile: 416.862.6666 Email: mwasserman@osler.com / sirving@osler.com / drosenblat@osler.com File Number: 1252079

AFFIDAVIT OF PETER KRAVITZ
(Affirmed March 7, 2024)

I, Peter Kravitz, of 2360 Corporate Circle, Suite 340, Henderson, Nevada, Interim Chief Executive Officer ("**Interim CEO**") and Chief Restructuring Officer ("**CRO**") of Canadian Overseas Petroleum Limited ("**COPL**" or the "**Company**"), AFFIRM THAT:

1. This affidavit is made in support of an application by COPL and those entities listed in Schedule "A" (collectively, the "**Applicants**" and together with those other Non-Filing Affiliates (as defined below) listed in Schedule "B", the "**COPL Group**") for an initial order (the "**Initial Order**") and related relief under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-

36, as amended (the "**CCAA**"). This affidavit is also made in support of an amended and restated Initial Order (the "**Amended and Restated Initial Order**") that will be sought at a hearing within 10 days of an Initial Order being granted (the "**Comeback Hearing**").

2. I currently serve as the CRO and Interim CEO of the COPL Group. I was appointed as CRO of the COPL Group on December 29, 2023. I was named Interim CEO on January 18, 2024. I am also a founding principal at Province, LLC as well as Province Fiduciary Services, LLC (collectively, "**Province**"). Province is a leading restructuring advisory firm. During my time at Province, I have served in a multitude of roles, including as chief restructuring officer to a number of distressed companies, advisor to and member of bankruptcy oversight, equity and creditor committees, as a Chapter 11 Liquidating Trustee and Plan Administrator, and as a member of numerous boards of directors. In my capacity as CRO and Interim CEO of the COPL Group, I have become familiar with the business and affairs of the Applicants, and have relied upon the books and records of COPL and my personal experiences with the Company. As such, I have personal knowledge of the matters deposed to herein. Where I have relied on other sources of information, I have so stated, and I believe them to be true and accurate. In preparing this affidavit, I have also consulted with members of the senior management teams of the COPL Group and the Applicants' financial and legal advisors. The Applicants do not waive or intend to waive any applicable privilege by any statement herein.

3. COPL is a publicly traded international oil and gas exploration, development and production company headquartered in Calgary, Alberta.

4. Operational and financial control of the COPL Group is based out of the head office in Calgary and all geological and other technical services are provided from that office and remotely

in Calgary. The COPL Group's main oil producing assets and reserves are in the State of Wyoming, USA, where the COPL Group is the operator, and majority working interest owner, of three oil producing units (defined below as the "**Wyoming Assets**"). The COPL Group also has a 50% interest in a joint venture company in Nigeria, which it formed several years ago as part of its strategy to diversify its asset portfolio. Almost exclusively, the COPL Group's revenues relate to oil production in Wyoming.

5. Operational and working interest control over the Wyoming Assets was acquired through two significant acquisitions in 2021 and 2022. In March 2021, COPL, through its subsidiary COPL America (as defined below), acquired all of the membership interests in Atomic Oil and Gas LLC ("**Atomic**"), including its wholly owned subsidiary Pipeco LLC ("**Pipeco**") and the entire share capital of SouthWestern Production Corp. ("**SWP**") (together the "**Atomic Acquisition**"). At the time, Atomic's assets were principally comprised of working interests in three federal oil producing units located in the Powder River Basin in Converse County, Wyoming: the Barron Flats (Shannon) Unit ("**BFSU**") (58% working interest), Barron Flats (Deep) Unit ("**BFDU**") (55.56 % working interest) and the Cole Creek Unit ("**CCU**") (66.7% working interest).

6. In July 2022, COPL America completed an acquisition of substantially all of the assets of Cuda Oil and Gas Inc. ("**Cuda**") (the "**Cuda Acquisition**", and together with the Atomic Acquisition, the "**Acquisitions**"). At the time of the Cuda Acquisition, Cuda had a 27% working interest in the BFSU, a 27.5% working interest in the BFDU and a 33.33% working interest in the CCU. Following closing of the Cuda Acquisition, COPL America now has an 85-100% working interest across these three oil producing units in Wyoming, and through SWP acting as the operator for each unit.

7. With the acquisition of the Cuda assets and those working interests wholly owned by COPL America, the COPL Group set upon a strategy to optimize and increase oil production in the Wyoming Assets and embark on future development.

8. Unfortunately, since the Acquisitions, the COPL Group's financial and operational performance has struggled. The COPL Group has failed to deliver free cash flow in any single quarter over the past 18 months and COPL America has laboured to service its debt. This has led to repeated requests by COPL America for waivers, amendments and improved credit terms from the Lender (as defined below) and repeated small equity and convertible debt "rescue" financings by COPL. In addition, over the past 12-18 months, a series of operational challenges and market conditions, as well as weather-related interruptions have significantly curtailed the Wyoming Assets' oil production, leading to decreased sales, increased capital expenditure and higher production costs. These production-related interruptions, combined with the escalating cost of injectants, a challenging inflationary and high interest rate environment and accumulated hedging losses, which until recently needed to be cash settled monthly, have further strained the COPL Group's liquidity.

9. In addition, in late 2023, the COPL Group announced the termination of a potentially promising joint venture opportunity with an established energy company. The announcement had a materially negative impact on the trading price of COPL's common equity.

10. The COPL Group has undertaken a number of cost reduction and restructuring initiatives over the past several months in an effort to address these issues and preserve capital. Among other things, the COPL Group has undertaken significant efforts to reduce its annual G&A costs, facilitated amendments to its convertible bonds, mitigated the accumulated hedging losses with a

new secured swap loan with its derivatives counterparty, and temporarily suspended the purchase of gas and liquids used for injection in connection with its miscible flood program used in the BFSU.

11. However, despite these operational restructuring and cost reduction initiatives and the recent modest increase in oil production, the COPL Group has continued to struggle to generate free cash flow to support its ongoing working capital requirements (including the related costs of being a public reporting entity), leading to increasingly strained liquidity. In addition, as a result of certain technical defaults occurring under the Senior Credit Facility (as defined below), since August 2022, COPL America has been almost entirely prevented from disbursing funds to COPL for general and administrative (G&A) expenses and other services that are provided by COPL to COPL America and its subsidiaries.

12. On or about December 20, 2023, COPL America received a Notice of Default from its Lender (as defined below) under the Senior Credit Facility in respect of COPL America's failure to comply with certain financial covenants. Despite a last-minute forbearance from the Lender, which forbearance (which was continued once) will expire on March 9 at 12:01 AM, and the closing of a $2.5 million emergency equity placement in January with its Lead Bondholder (as defined below), the COPL Group expects that its available cash reserves will be fully depleted by no later than the early-middle of March and that it will require additional funding to be able to continue operations beyond such date.

13. Given the COPL Group's limited remaining cash on hand, in recent weeks, COPL (with the assistance of its Financial Advisor (as defined below)), began exploring debtor-in-possession ("**DIP**") financing options from its key stakeholders and other third parties that either regularly

provide such financings or may have a strategic interest in the Wyoming Assets in anticipation of an insolvency proceeding. At the same time, COPL also engaged in discussions with the Lender regarding the terms on which it would support a restructuring of the COPL Group.

14. Following careful consideration of available options and alternatives, and in light of the imminent expiry of the forbearance, the COPL Group has determined with the assistance of its financial and legal advisors and indications of potential value from third-party sources that the best path to stabilize its business, preserve it as a going concern, and maximize stakeholder value is to commence these CCAA proceedings, obtain urgently needed DIP financing from certain entities comprising the Lender, and to effect a restructuring of the COPL Group through the proposed SISP (as defined below), which would be supported by the transactions contemplated under the Stalking Horse Purchase Agreement (as defined below).

15. Accordingly, the Applicants are seeking an Initial Order, providing for, among other things, the following relief:

(a) a stay of proceedings against the Applicants and a limited stay of proceedings against the Non-Filing Affiliates for an initial 10-day period (the "**Initial Stay Period**");

(b) authorization to enter into the DIP Term Sheet and borrow under the DIP Loan (each as defined below) in the maximum principal amount of $11 million, with a maximum of $1.5 million to be advanced for the Initial Stay Period (as defined below);

(c) authorization, with the written consent of the Monitor, to pay pre-filing amounts owing to suppliers of good and services, if in the opinion of the Applicants, the supplier is critical to the business or operations of the Applicants;

(d) approving the engagement between the COPL Group and Province, pursuant to which, among other things, Province will act as the CRO of the COPL Group during these CCAA proceedings through the services of Peter Kravitz, authorizing and directing the CRO to carry out the terms of the CRO Engagement Letter (as defined below), and approving the payment of fees contemplated under the CRO Engagement Letter;

(e) approving the engagement between the COPL Group and Province, pursuant to which, among other things, Province will act as financial advisor (the "**Financial Advisor**"), authorizing and directing the COPL Group to make the payments contemplated in the FA Engagement Letter (defined below);

(f) the granting of the following priority charges (collectively, the "**Charges**") over the Property (as defined in the Initial Order), listed in order of priority:

(i) the Administration Charge (as defined below), up to a maximum amount of CAD$1.5 million, and the CRO Charge (as defined below), up to a maximum amount of $500,000, ranking *pari passu* with each other;

(ii) the Directors' Charge (as defined below) up to a maximum amount of CAD$500,000; and

(iii) the DIP Lenders' Charge (as defined below) up to a maximum amount of $1.5 million (plus accrued and unpaid interest, fees and expenses); and

(g) authorization for COPL to act as the foreign representative in respect of the within proceeding for the purpose of having this CCAA proceeding recognized and approved in a jurisdiction outside of Canada, and authorizing COPL to apply for foreign

recognition and approval of this CCAA proceeding, as necessary, in the United States Bankruptcy Court for the District of Delaware pursuant to Chapter 15 of title 15 of the United States Bankruptcy Code (the "**Bankruptcy Code**"), 11 U.S.C. §§ 101-1532.

16. If the proposed Initial Order is granted, the Applicants intend to bring an application to be heard at the Comeback Hearing seeking the Amended and Restated Initial Order, which will include the following relief:

(a) extending the stay of proceedings until March 18, 2024, and granting other customary Comeback Hearing relief under the CCAA;

(b) approving and authorizing and empowering the Applicants and the Lender, *nunc pro tunc*, to enter into, the support agreement dated March 7, 2024 among the COPL Group and the Lender (the "**Restructuring Support Agreement**") pursuant to which, and subject to the terms and conditions set out therein, the Lender has agreed to support these CCAA proceedings and the Chapter 15 Cases (as defined below), including the requested SISP, the Stalking Horse Purchase Agreement, and the SISP Approval Order (both as defined below);

(c) increasing the maximum principal amount that the Applicants can borrow under the DIP Loan to $11 million;

(d) increasing the maximum amounts secured by the Administration Charge to CAD$2.5 million, the CRO Charge to $500,000, and the DIP Lenders' Charge to $11 million (plus accrued and unpaid interest, fees and expenses); and

(e) authorizing the decision by the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents, and press releases that may be required by any federal, provincial or other laws respecting securities or capital markets in Canada, the United States or the United Kingdom or by the rules and regulations of a stock exchange, provided that any securities regulator or stock exchange shall not be prohibited from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicant.

17. In addition, at the Comeback Hearing, the Applicants also intend to seek an order (the "**SISP Approval Order**"), among other things:

(a) authorizing and directing the Applicants to negotiate and finalize a definitive stalking horse transaction agreement (such definitive agreement being the "**Stalking Horse Purchase Agreement**" with the Lender, or its designated nominee (the "**Stalking Horse Purchaser**") in respect of a transaction as described in and substantially in accordance with the terms of the Restructuring Term Sheet (as defined below)) negotiated among the COPL Group and the Lender;

(b) approving the Bid Protections (as defined below) set forth in the

(c) approving the Bid Protections (as defined below) set forth in the Restructuring Term Sheet and authorizing the COPL Group to pay the amounts in respect of the same to the Stalking Horse Purchaser (or as it may direct) in the circumstances and manner described in the Restructuring Term Sheet;

(d) approving a sale and investment solicitation process (the "**SISP**") in which the Stalking Horse Purchase Agreement will serve as the "**Stalking Horse Bid**", and authorizing the Applicants to implement the SISP pursuant to its terms;

(e) authorizing and directing the Applicants and the Monitor to perform their respective obligations and do all things necessary to perform their obligations under the SISP; and

(f) declaring that the Monitor and its affiliates, partners, directors, legal counsel, employees, agents, and controlling persons shall have no liability with respect to any losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the SISP, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Monitor in performing its obligations under the SISP, as determined by this Court.

18. All references to monetary amounts in this affidavit are in U.S. dollars unless noted otherwise, and do not represent amounts or measures prepared in accordance with US GAAP.

19. This affidavit is organized into the following sections:

A. Background Regarding the COPL Group

20. COPL, the parent of the COPL Group, is incorporated pursuant to the laws of Canada. COPL's head office is located at Suite 3200, 715-5 Avenue SW, Calgary, Alberta and its registered office is located at Suite 400, 444-7 Avenue SW, Calgary, Alberta.

21. COPL is publicly listed on the Canadian Stock Exchange ("**CSE**") under the symbol "XOP" and the London Stock Exchange ("**LSE**") under the symbol "COPL".

B. Corporate Structure

22. COPL is the holding company for the following ten wholly-owned direct and indirect subsidiaries, each of whom is an Applicant in this CCAA proceeding:

(a) COPL Technical Services Limited ("**COPL Technical**"), incorporated pursuant to the laws of Alberta, performs geological, geophysical, engineering, accounting and administration functions for the COPL Group;

(b) Canadian Overseas Petroleum (UK) Limited ("**COPL UK**"), registered under the laws of England and Wales, performs certain technical and project-related functions for the COPL Group;

(c) Canadian Overseas Petroleum (Bermuda) Limited ("**COPL Bermuda**"), registered under the laws of Bermuda;

(d) Canadian Overseas Petroleum (Bermuda Holdings) Limited ("**COPL Bermuda Holdings**"), registered under the laws of Bermuda; which, together with COPL Bermuda, was incorporated for potential opportunities in Africa, and holds a 50% interest in a joint venture company called Shoreline Canoverseas Petroleum Development Corporation Limited ("**ShoreCan**") (described further below);

(e) Canadian Overseas Petroleum (Ontario) Limited ("**COPL Ontario**"), registered under the laws of Ontario for the purposes of providing COPL with a vehicle with which it may act on potential acquisition opportunities in Canada;

(f) COPL America Holding Inc. ("**COPL America Holding**"), registered under the laws of the State of Delaware;

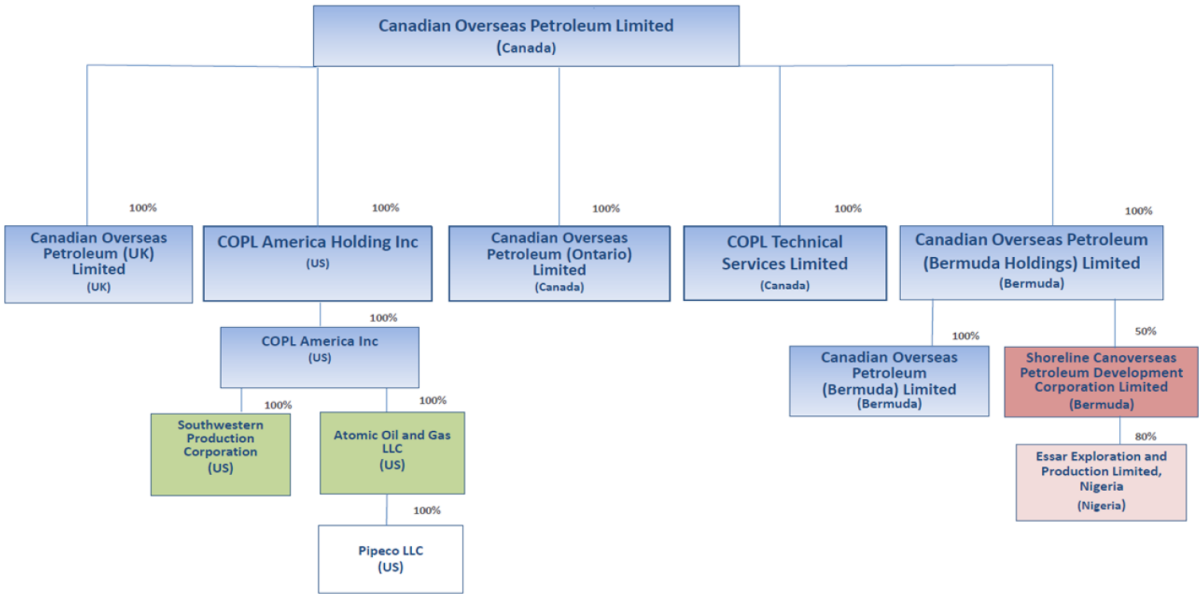
(g) COPL America Inc. ("**COPL America**"), registered under the laws of the State of Delaware, which, together with COPL America Holding, was incorporated for the purpose of oil and gas operations in the United States in connection with the Atomic Acquisition;

(h) Atomic, registered under the laws of the State of Colorado, is the titled interest holder for the COPL Group's working interest share of the Wyoming Assets;

(i) SWP, registered under the laws of the State of Colorado, is an operating company designated by Atomic and its agent, and the non-operating working interest partners, to operate the Wyoming Assets on behalf of Atomic and the non-operating working interest partners; and

(j) Pipeco, registered under the laws of the State of Wyoming, which together with Atomic and SWP, was acquired by COPL, through its wholly-owned subsidiary COPL America, in the Atomic Acquisition.

23. A corporate chart depicting the structure of the COPL Group is set out below:



C. The Business of the Applicants

(a) Overview

24. As described in greater detail below, all or substantially of the senior management, strategic corporate functions and operational decision-making for the COPL Group is performed by and through COPL's head office in Calgary and/or by Canadian employees of the COPL Group. This includes, among other things, financial accounting, M&A and corporate strategy, legal and tax services. In addition, Canadian employees of COPL Technical, also based out of Calgary, have historically performed substantially all of the geoscience and engineering-related services for the COPL Group. Predominantly all of the operational and strategic decisions were directed by Canadians employees.

25. Over the past few years, the COPL Group has been directed and controlled by COPL's board and its executive officers, the majority of whom were Canadian residents. COPL's Canadian-resident management, including former President and CEO, Arthur Millholland, directs

the COPL Group's non-Canadian subsidiaries. Mr. Millholland is a resident of Calgary. He is currently the President of COPL America and a director of ShoreCan. Mr. Millholland's technical expertise has been instrumental in understanding the long-term value of the Barron Flats Unit miscible flood. COPL's specialized management team has been responsible for making decisions relating to petroleum engineering strategy, hiring, and financing for the entire COPL Group.

26. The COPL Group's exploration and development efforts are primarily based in the United States.

(i) Wyoming Assets

27. The COPL Group's oil producing assets and reserves are located in the State of Wyoming where the COPL Group, through COPL America and its direct subsidiaries, is the operator, and majority working interest owner, of the Wyoming Assets.

28. As noted above, on March 16, 2021, COPL America acquired 100% of privately-held Atomic, SWP and Pipeco for consideration of $54 million consisting of assumed debt, cash and common shares of COPL. COPL's wholly owned subsidiaries, COPL America and COPL America Holding entered into the Senior Credit Facility to help finance the Atomic Acquisition.

29. On July 26, 2022, COPL America completed the acquisition of the assets of Cuda for a total cash consideration of $19.15 million, plus assumed liabilities at closing which were estimated to be approximately $1.6 million, consisting primarily of outstanding obligations owing by Cuda to SWP under a Joint Interest Billing arrangement.

30. Following completion of the Acquisitions, the COPL Group has a significant operating interest in 42,415.55 acres (gross) of contiguous leasehold in the Powder River Basin ("**PRB**") in

Converse and Natrona Counties Wyoming, US, including the following three oil exploration units (collectively, the "**Wyoming Assets**"): (i) an 85.52% working interest in the BFDU[1]; (ii) a 100% average working interest in the CCU[2]; and (iii) an 85.7% working interest in the BFSU[3]. The COPL Group also has an interest in other non-utilized lands complimentary to the Wyoming Assets. The leaseholds are a combination of (i) fee simple freehold leases; (ii) State of Wyoming leases, and (iii) Federal leases.

31. The BFSU and CCU are at the beginning of their 40+ year life. The produced crude oil is light (40.6°API) and sweet.

32. The following table summarizes the COPL Group's proved and probable oil and gas reserves in the Wyoming Assets as of December 31, 2022, as evaluated by Ryder Scott Company – Canada ("**RS**"). RS is an independent qualified reserves evaluator and auditor:[4]

---

1 The primary working interest holders in the BFDU are: Atomic (55.55%), COPL America (27.77%) and China National Offshore Oil Corporation ("**CNOOC**") (16.66%). In March 2023, the BFDU lapsed as a result of missed drilling obligations within the unit. At the time the BFDU dissolved, 2,693 net acres of undeveloped land were lost, which consisted of leases that were not producing at the time of dissolution and/or did not overlap with the BFSU. However, the COPL Group continues to hold an additional 4,750 net acres of term leases in the Barron Flats Deep area that will expire in the first quarter of 2024 unless additional development is conducted in this area perpetuating the leases.

2 The CCU is situated within the PRB, directly west of the BFSU. The primary working interest holders in the CCU are: Atomic (66.67%) and COPL America (33.33%). The operator of the CCU is SWP.

3 The BFSU is situated within the PRB approximately 25 miles northeast of Casper, Wyoming. The primary working interest holders in the BFSU are: Atomic (58.05%), COPL America (27.09%) and CNOOC (14.43%).

4 The table is based on a report prepared in consultation with RS. The "Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. There is a 90% probability that the actual remaining quantities recovered will exceed the estimated proved reserves. "Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

SUMMARY OF OIL AND GAS RESERVES AS AT DECEMBER 31, 2022 (Forecast Prices and Costs)								
	Light / Medium Oil		Natural Gas		Natural Gas Liquids		Total	
Reserves Category	**Gross (Mbbl)**	**Net (Mbbl)**	**Gross (Mmcf)**	**Net (Mmcf)**	**Gross (Mbbl)**	**Net (Mbbl)**	**Gross (Mboe)**	**Net (Mboe)**
Proved								
Developed producing	9,204.2	7,191.2	5,077	3,968	564.1	440.9	10,614.6	8,293.4
Developed non-producing	160.4	124.0	-	-	-	-	160.4	124.0
Undeveloped	9,221.3	7,086.6	6,249	4,803	832.6	638.7	11,095.3	8,525.8
Total proved	18,585.9	14,401.8	11,326	8,771	1,396.7	1,079.6	21,870.3	16,943.2
Probable	15,211.9	11,726.6	8,643	6,647	1,211.8	931.0	17,864.3	13,765.4
Total proved plus probable	33,797.8	26,128.4	19,969	15,418	2,608.6	2,010.5	39,734.6	30,708.6

33. Predominantly all of the COPL Group's revenues relate to oil production in respect of the Wyoming Assets, which is currently sold under a contract with SWP and one purchaser, the price of which is based on the monthly average of West Texas Intermediate (WTI) for light sweet crude oil as quoted on the New York Mercantile Exchange. For the three months ended September 30, 2023, the total gross lease oil sales from the Wyoming Assets averaged 1,193 barrels per day (**bbls/d**), with 1,104 bbls/d in the BFSU, 76 bbls/d in the CCU and 13 bbls/d in the BFD area.

(ii) Nigeria Operations

34. In October 2014, COPL formed ShoreCan, a joint venture company with Shoreline Energy International Limited ("**Shoreline**). COPL and Shoreline each hold a 50% interest in ShoreCan. ShoreCan is focused on acquiring upstream oil and gas exploration, development and producing assets in Africa. ShoreCan presently holds 80% of the shares of Essar Exploration and Production Limited, Nigeria ("**Essar Nigeria**" and, together with ShoreCan, the "**Non-Filing Affiliates**"), which is registered under the laws of Nigeria. Essar Nigeria's sole asset is a disputed claim to a 100% interest and operatorship of an oil prospecting license, located about 50 kilometres offshore

in the central area of the Niger Delta ("**OPL 226**"). Essar Exploration and Production Limited (Mauritius) ("**Essar Mauritius**") holds the remaining 20% of the equity of Essar Nigeria.

35. COPL Technical provides ShoreCan with engineering, geological, geophysical and legal and accounting services, which in turn, flow through to Essar Nigeria. Shoreline provides ShoreCan with in-country Nigerian legal and accounting services and manages government relations.

36. On March 27, 2020, Essar Mauritius filed a claim in the High Court of Justice of England and Wales against ShoreCan seeking various relief, including to terminate the Shareholders' Agreement and the Share Purchase Agreement dated August 17, 2015 and the resulting transfer of its shares in Essar Nigeria to ShoreCan. Essar Mauritius also claimed damages in respect to historic amounts invested in Essar Nigeria for the OPL 226 project.

37. On August 4, 2020, COPL announced that ShoreCan and Essar Mauritius had reached a tentative settlement and, in connection therewith, entered into certain definitive agreements with respect to Essar Nigeria, including a sale and purchase agreement, which among other things, set out their respective obligations under the shareholder agreement with respect to Essar Nigeria. ShoreCan and Essar Mauritius have since, on separate occasions, agreed to the extend the completion date of the definitive agreements, most recently to December 31, 2021.

38. Since December 2021, there have been no further developments with the joint venture partners. The COPL Group's efforts in Nigeria are currently on hold.

39. As noted below, the Applicants are seeking in the proposed Initial Order to have the stay of proceedings extended over the Non-Filing Affiliates to prevent any realization and enforcement efforts that could compromise the joint venture business or the OPL 226 project.

(b) Employees and Employee Benefits

40. As of the date of this affidavit, the COPL Group has 23 full-time employees (**FTE**), one (1) part-time employee (**PTE**), and two (2) independent contractors. Of these employees, 8 FTEs are located in Calgary, AB, 8 FTEs in the United Kingdom, and 8 FTEs and 1 PTE in the United States. Historically, Canadian employees performed executive functions, whereas the US full-time employees were more focused on operations.

41. The COPL Group does not have any unionized employees and does not have any defined benefit or defined contribution pension plans for any of its directors, officers or employees.

42. SWP sponsors Fidelity Investments' Savings Incentive Match Plan for Employees IRA Plan (the "**Plan**") for its eligible employees. To be eligible for the Plan, employees must earn at least $5,000 annually from SWP. Eligible employees may opt to defer part of their compensation (up to the limits set out in the Internal Revenue Code) into an Individual Retirement Account ("**IRA**").

43. SWP may choose to make contributions to the Plan based on one of two options. Under the first option, SWP contributes 2% of an employee's compensation to their IRA, regardless of the employee's contributions. Under the second option, SWP matches the employee's contributions dollar-for-dollar, up to 3% of the employee's compensation for the Plan year, or the applicable limit, whichever is lower. If SWP chooses the first option, employees will be informed prior to the Plan's 60-day election period. In the absence of a specific election, SWP defaults to the matching contribution option. Distributions from the IRA are subject to federal and potentially state income taxes in the year they are withdrawn.

(c) Leases and Real Property

44. As discussed above, the COPL Group's most significant real property holding is the 42,415.55 acres (gross) of contiguous leasehold in relation to the Wyoming Assets. The leaseholds with respect to the BFDU, CCU and BFSU consist of (i) fee simple freehold leases, (ii) State of Wyoming leases, and (iii) Federal Leases.

45. Relationships between the lessees are governed by unit operating agreements ("**UOAs**"), which provide the underlying contractual framework for the operation of units in the oil and natural gas industry. There are UOAs for each of the three Unit areas.[5] In two of the UOAs (BFDU and BFSU), there is one main partner, being the CNOOC Group. In the Cole Creek UOA, nearly all interests are held by Atomic, SWP or Pipeco (collectively, the "**Atomic Group**"). In all three UOAs, the participating parties have appointed SWP as the operator of the Unit and as such SWP is also a party to the UOA. The Atomic Group's respective acreage interests in each Unit area as of 31 December 2022 are as follows:

Atomic Group Wyoming leases	Cole Creek Unit (96.05% average working interest)	BFDU (85.52% average working interest) and BFSU (85.68% average working interest)	Acreage outside unitized lands (average working interest 85.82%)	Total Acreage
Gross acres	6,000.00	24,458.04	11,957.51	42,415.55
Net acres	5,763.08	20,955.77	10,470.43	37,189.28

[5] The UOAs with respect to the Wyoming Assets are consistent with the typical UOAs, which include the following headings: Duration of the Agreement, Parties to the Agreement, Parties Participating Interests, Scope of Work, Exclusive Operations, Designated Operator, the Unit Operating Committee, Cost Control and Contracting, Hydrocarbon Allocation, Hydrocarbon Lifting and Disposal, Transfer of Interests, Withdrawal from UOA, Liabilities, Decommissioning, Default, Dispute resolution, and Accounting procedure.

46. With respect to its Nigerian property interest, the Company, through its joint venture ShoreCan, owns shares in Essar Nigeria, which in turn is the disputed license holder of OPL 226. ShoreCan has entered into the Essar Nigeria Shareholders Agreement to set out the rights, duties and understandings of ShoreCan and its partners, and to govern the expectations with respect to how the project will be carried out.

47. COPL leases an office in Calgary, Alberta. COPL America leases office space in Lakewood, Colorado. Neither COPL nor COPL America own any real property.

(d) Distribution & Suppliers

48. All of the oil produced by the Wyoming Assets is sold by SWP under a purchase agreement with a Denver based trading group/aggregator named Texon L.P. ("**Texon**"). Texon collects and transports the crude oil directly from the field and pays SPC weekly.

49. In terms of suppliers, COPL America, through SWP, is party to a Natural Gas Liquids Purchase Agreement (as amended, "**Tallgrass Agreements**") with Tallgrass Midstream, LLC ("**Tallgrass"**) whereby SWP has agreed to purchase all production of mixed natural gas liquids, consisting primarily of propane and butane, from a Tallgrass facility. These natural gas liquids purchased from Tallgrass are used as injectant liquid in the COPL Group's miscible flooding program.

50. The Tallgrass Agreements provide, among other things, that in the event SWP purchases less than all production during any month of the term of the Tallgrass Agreements, SWP shall pay to Tallgrass an additional payment in an amount equal to (a) the number of gallons not taken during such month, multiplied by (b) the difference between (i) the price SWP would have paid to Tallgrass for such product and (ii) the price Tallgrass received from selling the gallons not taken

into the local pipeline. The term of the Tallgrass Agreements is for five years, which commenced in October 2021.

51. It is vital to the preservation of the business of the COPL Group that it can continue its relationship with Tallgrass without disruption and on existing trade terms while the Applicants pursue their restructuring efforts pursuant to these proceedings. The proposed Initial Order authorizes the Applicants to pay pre-filing amounts to critical suppliers subject to the terms of the DIP Term Sheet and the Definitive Documents and with the consent of the Monitor. It is intended that Tallgrass would be paid pre-filing amounts pursuant to such proposed term in the Initial Order.

(e) Shared Services

52. As noted above, the COPL Group relies on COPL for certain administrative and business support services that are integral to the COPL Group's operations. These services include executive, M&A and strategic corporate, investigation of new projects and future development, capital expenditure review and approval, legal, tax, financial accounting, treasury, statutory reporting, Lender reporting, internal controls and tax, among other things (together, the "**Management Services**").

53. In addition, the COPL Group relies on COPL Technical for technical oil and gas operation services that are integral to the COPL Group's operation. These services include geological and geophysical services, engineering services and corporate development and land management services (together, the "**Technical Services**" and with the Management Services, the "**Shared Services**").

54. COPL and COPL Technical provide these Shared Services from the COPL Group's head office in Calgary. The COPL Group cannot operate or function, and a restructuring within these

proceedings could not occur, without the provision of the Shared Services from COPL and COPL Technical.

55. As described below, historically, COPL America was permitted under the Senior Credit Facility to disburse $166,666 per month to COPL on account of general and administrative expenses and Shared Services. Such payments were made until August 2022 when, due to certain technical defaults occurring under the Senior Credit Facility, COPL America was restricted from making any further disbursements to COPL.

56. In October 2023, in connection with a $3.5 million equity financing, COPL America was permitted to start making payments of $85,000 per month to COPL in consideration for the Shared Services. Draft shared services agreements were prepared between COPL and COPL America (in respect of the Management Services) and COPL Technical and COPL America (in respect of the Technical Services). However, these agreements were never executed. A second payment of $85,000 was made by COPL America in November 2023 for the Shared Services. However, these payments ceased in December upon the receipt by the COPL of the Default Notice (defined below). Since December 2023, no payments have been made by COPL America in respect of the Shared Services.

(f) Bank Accounts and Cash Management

57. The bank accounts maintained and administered in Canada by COPL (the "**COPL Bank Accounts**") consist of the following seven accounts maintained at National Bank in Calgary:

(a) COPL – Canadian dollar account

(b) COPL – US dollar account

(c) COPL – GBP account

(d) COPL Technical – Canadian dollar account

(e) COPL Technical – short term investment

(f) COPL Business Interest Account – Canadian dollar account

(g) COPL Business Interest Account – US dollar account

58. The non-Canadian Applicants have assets in Canada in the form of funds held in the trust account of their Canadian counsel and/or in Canadian bank accounts.

59. The COPL Bank Accounts also include two bank accounts at the Bank of Butterfield in Bermuda which are used in connection with the COPL Group's activities in Africa through COPL Bermuda Holdings and COPL Bermuda:

(a) COPL Bermuda Holdings – Account 8401565750013; and

(b) COPL Bermuda – Account 8400076300019.

60. The bank accounts maintained by COPL America (the "**COPL America Bank Accounts**") consists of nine accounts at PNC Bank, one account at Wells Fargo and one account at First Interstate Bank, as follows:

(a) PNC Bank holds the following accounts:

(i) COPL America Holding - depository account;

(ii) COPL America - depository account;

(iii) COPL America - G&A account;

(iv) COPL America - collateral account;

(v) SWP - depository account;

(vi) SWP - controlled disbursement account;

(vii) SWP - royalty holding account;

(viii) SWP - tax holding account;

(ix) Atomic - depository account;

(x) Atomic - controlled disbursement account; and

(xi) Pipeco - depository account .

(b) Wells Fargo maintains an account to hold certain Bond funds for the State of Wyoming; and

(c) First Interstate Bank maintains an account to hold certain Royalty amounts owed.

61. COPL America, through SWP, collects, transfers and disburses funds generated through the COPL Group's operations as required by the Joint Operating Agreements of which it is a part, and pursuant to COPL America's obligations under the Senior Credit Facility. COPL has designated control to COPL America to administer the COPL America Bank Accounts as a condition of the Senior Credit Facility.

62. In connection with these CCAA proceedings, the Applicants are seeking the authority to continue the cash management system described above (the "**Cash Management System**") to maintain the funding and banking arrangements already in place for the COPL Group. The Cash Management System includes the necessary accounting controls to enable the COPL to trace funds and ensure that all transactions are adequately documented and readily ascertainable. Any

disruption to the Cash Management System would be extremely detrimental to the COPL Group's operations.

D. Financial Position of the COPL Entities

63. As a publicly traded company, trading on the CSE and LSE, COPL files consolidated financial statements in accordance with its public disclosure obligations. COPL's subsidiaries do not file stand-alone financial statements. COPL's financial statements include the financial statements, include the financial statements of the entities within the COPL Group.

64. A copy of COPL's audited financial statements for the year ended December 31, 2022 is attached hereto as **Exhibit "A"**. A copy of COPL's most-recent unaudited financial statements for the quarter ending September 30, 2023 is attached hereto as **Exhibit "B"**.

(a) Assets

65. As at September 30, 2023, COPL had combined total assets with a book value of approximately $114,829,000, consisting of approximately $3,852,000 in current assets and approximately $110,977,000 in long-term assets.

(i) Current Assets

66. As at September 30, 2023, COPL's current assets consisted of the following (approximate values):

(a) Cash and cash equivalents – $2,168,000

(b) Revenue receivables – $413,000

(c) Joint interest receivables – $558,000

(d) Other receivables – $30,000

(e) Prepaid expenses – $234,000

(f) Deferred share issue costs – $70,000

(g) Deferred finance costs – $114,000

(h) Oil inventory – $244,000

(i) Condensate inventory – $11,000

(j) Short-term deposits – $10,000

67. The majority of COPL's current assets are therefore comprised of cash, cash equivalents, revenue and joint interest receivables.

(ii) Non-Current Assets

68. As at September 30, 2023, COPL's non-current assets consisted of the following (approximate values):

(a) Exploration and evaluation assets - $5,336,000

(b) Property and Equipment, net (relating primarily to two oil producing units) – $104,981,000

(c) Right of Use Assets – $57,000

(d) Long-term deposits – $603,000

69. COPL's property and equipment, relating to the two oil producing facilities in Wyoming, constitute the majority of COPL's non-current assets, and COPL's assets as a whole.

(b) Liabilities

70. As at September 30, 2023, COPL's total liabilities were approximately $92,022,000, consisting of current liabilities of approximately $20,461,000 and long-term liabilities of approximately $71,561,000.

(i) Current Liabilities

71. As at September 30, 2023, COPL's current liabilities (excluding operating leases) included (approximate values):

(a) Trade payables and accrued liabilities – $8,848,000

(b) Revenue related payable – $1,977,000

(c) Production taxes payable – $733,000

(d) Commodity derivative net liability – $8,828,000

(e) Current portion of lease liabilities – $75,000

(ii) Long-Term Liabilities

72. As at September 30, 2023, COPL's long-term liabilities included (approximate values):

(a) Convertible bonds – $17,742,000

(b) Senior credit facility – $37,779,000

(c) Derivative liabilities – $5,336,000

(d) Commodity derivative net liability – $1,764,000

(e) Ad valorem tax payable – $2,487,000

(f) Asset retirement obligations – $6,403,000

73. As described below, on October 4 and 13, 2023, COPL America terminated all the COPL Group's crude oil and butane hedging contracts and the outstanding obligations in respect of these contracts as at the date of signing were replaced with a loan (defined below as the "**Swap Loan**") with an initial principal amount of $11.9 million.

(c) Stockholders' Equity

74. As at September 30, 2023, the stockholders' equity in respect of COPL was $22,807,000, consisting of the following (approximate values):

(a) Share Capital – $244,307,000

(b) Conversion Rights of Bonds – $2,934,000

(c) Warrants – $226,000

(d) Contributed Capital Reserve – $54,965,000

(e) Accumulated Deficit – negative $257,727,000

(f) Accumulated other comprehensive loss – negative $1,898,000

E. COPL's Capital Structure

75. As at March 31, 2023, there were 345,4518,705 common shares outstanding, 139,807,388 purchase warrants outstanding, and 18,020,796 options outstanding. The chart below outlines the aggregate amount of the COPL Group's indebtedness:

Facility	Maturity	Rate	Amt. Outstanding
Secured Debt			
Summit Loan	March-25	12.50%	$44,459,592
BP Loan	March-25	10.50% + Adj. SOFR	11,988,132
Total Secured	-	-	**$56,447,724**
Convertible Notes[(1), (2)]			
2028 Outstanding Notes	January-28	0.00%	$10,600,000
2029 Outstanding Notes	January-29	0.00%	10,800,000
Total Convertible Notes	-	-	**$21,400,000**
Total Outstanding Debt	-	-	**$77,847,724**

(1) 107 total convertible notes are outstanding at $200,000 each
(2) There is an outstanding conversion payment liability of $8,636,762.49

(a) Senior Credit Facility

76. As discussed above, COPL America is a borrower under a senior secured loan agreement originally dated March 16, 2021 (the "**Senior Credit Agreement**") and as amended through Amendment No. 11 dated as of October 13, 2023 (as may be amended, restated, supplemented, or otherwise modified from time to time, the "**Senior Credit Facility**") entered into with the lender parties thereto (collectively, the "**Lender**") and ABC Funding, LLC as administrative and collateral agent (in such capacity, the "**Agent**"). A copy of the Senior Credit Agreement, with amendments, is attached hereto as **Exhibit** "**C**".

77. The Senior Credit Facility is repayable within a four-year term and provides for a base facility of $45 million, which was drawn by COPL America to fund, in part, the Atomic

Acquisition, and up to $20 million to fund future development, the approval of which is at the sole discretion of the Lender. The Senior Credit Facility is guaranteed by COPL America, COPL America Holding, SWP and Pipeco; however, it is not guaranteed by COPL or any of its subsidiaries outside of the US.

78. The Senior Credit Facility is subject to an interest rate of Secured Overnight Financing Rate ("**SOFR**") plus 0.11448% plus 10.5% per annum.

79. Under a separate warrant purchase agreement dated March 16, 2021, the Lender was granted warrants representing 5% of the fully diluted common shares of COPL America for an exercise price of $0.01 per share.

80. Pursuant to a third amending agreement to the Senior Credit Facility as of March 31, 2022 and a sixth amending agreement to the Senior Credit Facility as of March 24, 2023, the Lender was granted an additional 1% and 2.5% respectively of the fully diluted common shares of COPL America for an exercise price of $0.01 per share for a combined total warrant coverage of 8.5% of such fully diluted shares (collectively, the "**Lender Warrants**").

81. The Lender Warrants may be exercised, subject to the occurrence of certain trigger events, in whole or in part at any time and from time to time from and after March 16, 2021 until the later of: (a) the 60th day following the date on which the Senior Credit Facility is paid in full and (b) March 16, 2025.

82. Upon the occurrence of certain trigger events, the Lender would be entitled to redeem such Lender Warrants for an amount equal to the greater of 8.5% of COPL's market capitalization on a fully diluted basis or 8.5% of the net asset value of COPL America at such time, subject to certain adjustments. Trigger events include, among others: (i) the Maturity Date set out in the Senior

Credit Agreement or any date on which the Loans are repaid in full; (ii) acceleration under the Senior Credit Facility; (iii) a refinancing, repayment or other transaction or series of transactions which results in the aggregate principal amount of outstanding Obligations (as defined therein) decreasing to an amount equal to 50% or less of Obligations outstanding as of immediately after the issuance of the Warrants and consummation of the transactions contemplated by the Senior Credit Facility; (iv) a Liquidity Event; (v) the occurrence of a Change of Control; (vi) a Change of Control of a Material Subsidiary (as those terms are defined in the Senior Credit Facility).

83. On October 4, 2023, the Company signed a tenth amendment to the Senior Credit Facility that provides for the Company to be able to elect a payment-in-kind of interest by increasing the outstanding principal amount of the Senior Credit Facility, rather than paying such portion of the interest in cash ("**PIK Interest**"). In addition, the amendment provides that such PIK Interest capitalization applies for the interest payment dates ending October 31, 2023, November 30, 2023, December 31, 2023 and January 31, 2024.

(b) Swap Intercreditor Agreement

84. On March 15, 2021, as a condition of the Senior Credit Facility, and a means of mitigating exposure to commodity price risk volatility, COPL America entered into a master risk management agreement (as amended, restated, supplemented or otherwise modified from time to time, the "**BP Swap Counterparty Master Agreement**") with BP Energy Company ("**BP**").

85. In connection therewith, COPL America, BP and the Lender entered into an intercreditor agreement originally dated March 16, 2021 and as amended through the second amendment dated as of October 13, 2023 (as amended, restated, supplemented or otherwise modified from time to time, the "**Swap Intercreditor Agreement**"). The Lender was administrative agent and collateral

agent under the Swap Intercreditor Agreement. A copy of the Swap Intercreditor Agreement, with amendments, is attached hereto as **Exhibit** "**D**".

86. The Swap Intercreditor Agreement, among other things, provides that the obligations under the BP Swap Counterparty Master Agreement and the loan obligations under the Senior Credit Facility were to be secured on a first priority, *pari passu* basis by the Liens on the Collateral granted to the Lender under the Collateral Documents (in each case as such terms are defined in the Senior Credit Facility).

(c) Swap Loan

87. On October 4, 2023, COPL America and BP terminated all the COPL Group's crude oil and butane hedging contracts and the outstanding obligations under the BP Swap Counterparty Master Agreement, resulting in obligations due and owing to BP in an aggregate amount of $11,873,702.13 as of such date (collectively, the "**BP Specified Swap Obligations**") and memorialized in a letter agreement dated October 12, 2023 between and among COPL America, BP and the lender under the Senior Credit Facility (the "**BP Swap Termination Documentation**").

88. Pursuant to the BP Swap Termination Documentation, the BP Swap Obligations were replaced with a loan in the principal amount of $11,873,702.13 (the "**Swap Loan**"). The BP Swap Termination Documentation provided that the Swap Loan remained an obligation under the BP Swap Counterparty Master Agreement. A copy of the BP Swap Termination Document is attached hereto as **Exhibit** "**E**".

89. The Swap Loan bears interest at the same rate and calculation methodology as the Senior Credit Facility and has the same maturity date of March 16, 2025. The BP Swap Termination

Documentation provided for an initial principal repayment of $500,000, which was made in October 2023.

90. Further repayments of the Swap Loan or the Senior Credit Facility were to be made to both counterparties, in a ratio based on total obligations due to those parties, pursuant to the Swap Intercreditor Agreement.

91. The BP Swap Termination Documentation provides that the Swap Loan remains a "Swap Obligation" under the Swap Intercreditor Agreement and shall be treated as *pari passu* with the Loan Obligations (as defined in the Swap Intercreditor Agreement).

92. Copies of PPSA search results dated as of March 4, 2024 in the province of Alberta and UCC search results in the states of incorporation and operation dated as of February 28, 2024 are attached hereto as **Exhibit** "**F**".

93. Terminating the hedges and entering into the Swap Loan protected the Company's liquidity from monthly cash settlements of the swaps that could have resulted in further defaults under the Senior Credit Facility.

(d) Subordinated Credit Facility Agreement

94. COPL America is also a borrower pursuant to a subordinated credit facility agreement originally effective March 16, 2021 and as amended through the third amended and restated subordinated credit facility agreement effective March 21, 2023 (as may be amended, restated, supplemented or otherwise modified from time to time, the "**Subordinated Intercompany Credit Facility Agreement**") between COPL and COPL America. A copy of the Subordinated Intercompany Credit Facility Agreement, with amendments, is attached hereto as **Exhibit** "**G**".

95. Under the Subordinated Intercompany Credit Facility Agreement, COPL agreed to provide a credit facility (the "**Interco Credit Facility**") under which COPL America may borrow amounts up to the sum of $53 million. The full amount of the principal, accrued but unpaid interest, and any service charges under that certain shared services agreement with COPL UK are payable on the later of (i) March 16, 2026 and (ii) one year following the date that all Obligations (as defined in the Senior Credit Facility) under the Senior Credit Facility have been fully satisfied and paid in full in cash.

96. Until the Obligations (as defined therein) under the Senior Credit Facility have been fully satisfied: (i) the indebtedness under Interco Credit Facility is wholly subordinate and junior in payment to such Obligations; and (ii) COPL America is not permitted to make, and COPL is not permitted to accept or retain, any payments under the Subordinated Interco Credit Agreement.

97. The Interco Credit Facility is unsecured and unguaranteed and shall remain unsecured and unguaranteed.

(e) Convertible Bonds

(i) Bond Issuances

98. On July 26, 2022, COPL issued two series of unsecured convertible bonds with an aggregate principal face value amount of $25.2 million, the proceeds of which were used in part to fund the cash component on the Cuda Acquisition, as follows:

(a) $12.6 million principal amount of senior convertible bonds due July 26, 2024 (the "**2024 Bonds**"); and

(b) $12.6 million principal amount of Bonds due July 26, 2025 (the "**2025 Bonds**" and together with the 2024 Bonds, including all subsequently issued bonds consolidated therewith to form a single series, collectively, the "**Bonds**").

99. The bond instrument governing the 2024 Bonds was subsequently supplemented on March 24, 2023, October 10, 2023 and January 14, 2024 and the bond instrument governing the 2025 Bonds was subsequently supplemented on December 30, 2022, March 24, 2023, October 10, 2023 and January 15, 2024, in each case to reflect, among other things, an increase to the outstanding principal amount of the Bonds, a reduction in the conversion price per share, and to extend the maturity date of the Bonds.

100. The 2024 Bonds now have a maturity date of January 26, 2028 (hereinafter, the "**2028 Bonds**") and the 2025 Bonds now have a maturity date of January 26, 2029 (hereinafter, the "**2029 Bonds**"). Copies of the bond instrument in respect of the 2028 Bond and the bond instrument in respect of the 2029 Bond are attached hereto as **Exhibit** "**H**" and **Exhibit** "**I**", respectively.

101. For the purpose of interest calculations, the Bonds have a deemed issue date of July 26, 2022, whether or not they were actually issued on such date.

102. The Bonds are held in majority by one large institutional shareholder, being a UK-based fund (the "**Lead Bondholder**"), with the remainder held by other investors (all investors collectively, the "**Bondholders**").

103. As part of the issuance of certain of the Bonds, COPL has committed to certain undertakings and restrictions with the Lead Bondholder, including (among other things):

(a) the COPL Group shall not offer, issue or enter into any shares, convertible bonds or other convertible indebtedness without the prior written consent of the Lead Bondholder;

(b) COPL will not do any act or thing which would result in an adjustment of the Conversion Price, other than the issuance of shares in connection with the Lead Bondholder's purchase; and

(c) COPL shall not appoint or incur any costs and expenses relating to, any brokers or other financial or professional advisors in connection with any future equity or equity-linked financing, except with the prior written consent of the Lead Bondholder.

(ii) Commercial Terms of Bonds

104. The Bonds have the same commercial terms, other than in relation to their maturity dates. The Bonds are currently unsecured. However, the Bonds provide for the creation of a security interest in favour of the Bondholders in the following circumstances:

(a) the Bonds contain a negative pledge that while the Bonds are outstanding, COPL shall not grant any security, subject to certain exemptions, for financial indebtedness or financial indebtedness guarantees without, at the same time or before granting a *pari passu* equivalent security package to the relevant Bondholders; and

(b) the Bonds include a covenant that, upon security interests being granted in relation to a possible reserve-based loan ("**RBL**") facility that refinances the Senior Credit Facility, COPL and its subsidiaries must grant the Bondholders a customary second

ranking "security and guarantee package" covering the same security collateral as provided in relation to the RBL.

105. The Bonds have a 13.0% interest rate per annum, which increases by 0.75% per annum quarterly from the issue date (each such anniversary an "**Interest Payment Date**") until maturity or, until COPL gives notice to the relevant Bondholders that it shall pay all interest in cash for the relevant series of Bonds (each a "**Cash Payment Notice**"). COPL cannot issue a Cash Payment Notice until the Senior Credit Facility has been repaid and discharged. If it does so prior to the maturity of the Bonds, the interest rate applicable to the relevant series of Bonds will decrease by 2.0% per annum from the Cash Payment Notice date and no further quarterly increases will apply to the respective Bonds from that date.

106. Unless COPL provides a Cash Payment Notice to the relevant Bondholders, interest is accrued and its payment deferred until the earlier of:

(a) conversion of the relevant Bonds;

(b) maturity of the relevant Bonds; or

(c) certain contingent "early exit" type scenarios for the Bondholders.

However, if COPL provides a Cash Payment Notice, interest will be payable as follows:

(d) all accrued unpaid deferred interest must be paid by COPL on the first Interest Payment Date after the Cash Payment Notice;

(e) all interest relating to the interest period in which the Cash Payment Notice is given must be paid on the first Interest Payment Date after the Cash Payment Notice; and

(f) all interest relating to an interest period falling after when the Cash Payment Notice is given must be paid on the Interest Payment Date at the end of such interest period.

107. Bondholders have the right to convert their Bonds at anytime (the "**Conversion Option**") at a fixed conversion price per Common Share, which is subject to anti-dilution protections and price re-adjustments.

108. The conversion of the Bonds also results in a payment due to the Bondholders (the "**Conversion Payment**") that is calculated based on, among other things, the principal face value of the bond, the amount of interest payable from the conversion date to maturity and all accrued but unpaid interest to the conversion date. The Conversion Payment can, at the Bondholder's option, be settled in shares (the "**Share Settlement Option**").

109. At the relevant maturity date, any relevant Bonds outstanding, except for the Bonds in which the Conversion Option has been exercised, will be redeemed by COPL by a cash payment on the maturity date.

110. Subject to the right of each Bondholder to exercise its conversion rights, on notice to the Bondholders, COPL may at its option redeem all, but not some of the Bonds by cash payment, if certain conditions relating to the parity value of the relevant Bonds are met.

111. Subject to a fundamental change event or an event of default, in each case as defined in the relevant Bonds the Bondholder will have the right to require COPL to redeem in cash any of its Bonds (the "**Bondholders' Redemption Option**").

(iii) Bondholder Warrants

112. As additional compensation to the respective Bondholders at the respective dates of issue of the Bonds, COPL has issued a total of 137,810,188 Common Share purchase warrants to such Bondholders (collectively, the "**Bondholder Warrants**").

(iv) Current Outstanding Bonds and Conversion Payment Settlements

113. As at the date of this affidavit, the following Bonds are outstanding:

(a) 53 unconverted 2028 Bonds with an aggregate principal face value of $10.6 million outstanding; and

(b) 54 unconverted 2029 Bonds with an aggregate principal face value of $10.8 million outstanding.

114. Based on my review of the books and records of the Company, COPL would be contractually required to pay at maturities a maximum of $10.6 million in respect of the 2028 Bonds and $10.8 million in respect of the 2029 Bonds, assuming that the Bonds are not repaid in cash earlier than at maturity, that all outstanding Bonds are not converted before maturity, and that none of the Bondholders that already converted elects to receive its Conversion Payment in shares earlier than at maturity

115. As of February 2, 2024, COPL has issued 308,156,665 Common Shares to Bondholders who have converted their Bonds and 1,632,492,052 shares as a result of Bondholders' exercise of the Share Settlement Option.

F. Events leadings up to CCAA Filing

116. Following the Acquisitions, the COPL Group set upon a strategy to optimize and increase oil production in the Wyoming Assets and embark on future development. Since that time, however, COPL Group's financial and operational performance has struggled. The COPL Group has failed to deliver free cash flow in any single quarter over the past 18 months and COPL America has laboured to service its debt. This has led to repeated requests by COPL America for waivers and amendments from the Lender (as defined below) and repeated requests by COPL for additional funding from its Lead Bondholder. In addition, a series of operational challenges and weather-related interruptions, combined with a challenging inflationary and high interest rate environment, the accumulation of hedging losses which, until recently, needed to be cash settled monthly, and the termination of a promising joint venture partnership, has led to significant financial challenges and liquidity constraints.

(a) Production Challenges, Market Conditions and Weather-related Interruptions

117. Over the past two years, average daily oil production at the Wyoming Assets was significantly curtailed due to a series of operational interruptions related to the COPL Group's miscible flood program in the BFSU. Miscible flooding refers to a process used in the oil and gas industry whereby high-pressure solvent is injected into an oil reservoir, raising the reservoir pressure and mobilizing the oil in place, in order to increase oil recovery from the reservoir. The COPL Group introduced miscible flooding in the BFSU in 2021 to optimize the production rates in the field and take advantage of the oil production response to enriched gas injection. However, despite an initial positive reservoir response to the miscible flood program, over time, it was determined that the field's undersized low pressure gas gathering system ("**GGS**"), which was

constructed with high density polyethylene plastic material, was not capable of accommodating the high pressure and volume of gas arriving at the producing wellheads and delivering it back to the gas plant for recycle. This led to unsafe operations and working conditions.

118. In order to mitigate the unsafe conditions, the COPL Group was forced to take a series of temporary measures which caused oil production to be significantly curtailed, including by shutting down certain wells for a period of time, reducing and redistributing the gas injection volumes to bring down the working pressures, and modifying well configurations by removing the low-pressure pumping equipment and replacing it with a high-pressure flowing configuration. At the same time, COPL sought and received approval in October 2022 from the Wyoming Oil & Gas Conservation Commission ("**WOGCC**") to temporarily flare excess gas at the Wyoming Assets to ease the high pressures and gas volumes at certain producing wells until a field wide solution could be engineered and implemented.

119. Production interruptions were further exacerbated in late 2022 and early 2023 by severe winter weather conditions and record-breaking precipitation in the spring and summer. Frequent storms, temperature extremes and high snowfall caused field wide shut-ins due to road closures and blockages within the fields restricting access for crude oil offtake. The difficult winter conditions caused high impact producing wells to go offline for periods of time and substantially increased operating costs.

120. The COPL Group completed a series of capital-intensive upgrades to its GGS through 2022 and 2023, with accompanying changes to well site facilities to handle increased pressures, to resolve the production bottlenecks. By July 2023, the first phase of the GGS upgrade had been completed, which addressed much of the low-pressure gas gathering line restrictions in the centre

of the field. With the system commissioned, the COPL Group was able to conclude its permitted gas flaring program in late 2023 and slowly started to see an increase in the overall production from the BFSU. However, during this same period, the costs of enriching liquid purchases required for the higher injection rates increased significantly, to the point where the economic feasibility of the miscible flood program was being compromised.

121. The efforts to mitigate the GGS restrictions and address the production bottleneck led to significant increased operating costs over the past two years, and considerable production downtime from high rate producing wells. For the nine-months ended September 30, 2023, petroleum sales, net of royalties, were $16.5 million as compared to $21.3 million in the same period in 2022.

(b) High Inflation and Interest Rate Environment

122. In addition to production interruptions, since Russia's invasion of Ukraine in early 2022 and the recent conflict in the Middle East, there have been emerging global concerns over oil and natural gas supply, which has resulted in more volatile benchmark commodity prices, including the price of crude oil. These conflicts have contributed to increased inflationary pressures on governments and businesses, and a corresponding interest rate hikes by central banks. This has led to significantly increased borrowing costs for COPL America under the Senior Credit Facility, which (as above) has a variable interest rate based on SOFR.

(c) Hedging Losses

123. As noted above, as a condition of entering the Senior Credit Facility, COPL America was required to enter into certain hedging arrangements with BP. Until October 2023, COPL America

had in place certain hedges with respect to the sale of its crude oil production and the purchase of natural gas liquids (NGLs).

124. Through the course of 2023, COPL America experienced losses on its hedging contracts, which were required to be cash settled on a monthly basis.

125. More specifically, the COPL Group recognized an unrealized loss of $3.9 million and $2.1 million on crude oil contracts for the three and nine months ended September 30, 2023 and an unrealized gain of $0.6 million and unrealized loss of $1.6 million on butane contracts for the three and nine months ended September 30, 2023, respectively. As at September 30, 2023, the fair value of the hedging contracts had been recognized as a current commodity derivative liability of $8.8 million and a non-current commodity derivative liability of $1.8 million.

126. On October 4 and 13, 2023, all the COPL Group's crude oil and butane hedging contracts were terminated and the outstanding obligations in respect of these contracts as at the date of signing were replaced with the Swap Loan with an initial principal amount of $11.9 million.

(d) Cessation of G&A Expense Payments

127. Under the initial terms of the Senior Credit Agreement, COPL America was expressly permitted to disburse $166,666.66 per month for *bona fide* administrative expenses and G&A expenses of COPL for the first 24-months following the effective date of the Senior Credit Facility (the "**G&A Expense Payments**"). The G&A Expense Payments were conditional upon, among other things, (i) the disbursements being made solely from a segregated G&A account, which had been prefunded through equity contributions in the amount of $3,834,000; and (ii) no "Default" or "Event of Default" having occurred under the Senior Credit Facility.

128. On or about November 29, 2021, COPL and COPL America entered into the second amendment to the Subordinated Intercompany Credit Facility (the "**Second Amendment**") confirming, among other things, that COPL America was permitted to pay to COPL, and COPL could accept and retain, the G&A Expense Payments. The Second Amendment also provided that COPL America shall not be permitted to make any payments to COPL if, at the time of such payment, a "Default" or "Event of Default" existed under the Senior Credit Facility.

129. In or about August 2022, the Lender advised COPL America that it had committed certain technical defaults under the Senior Credit Facility and, as a result, COPL America was prohibited from disbursing any further amounts on account of the G&A Expense Payments or Shared Services. Since that time, the COPL Group's general and administrative expenses have been funded solely through equity financing and bond offerings which, as further discussed below, are no longer available in the absence of the relief being sought in the Proposed Initial Order by way of the DIP Loan.

(e) Termination of Joint Venture Opportunity

130. On July 24, 2023, the COPL Group announced that COPL America had executed a non-binding letter of intent with an established energy company (the "**JV Counterparty**") to develop and exploit its oil reserves and resources at the CCU area. The letter of intent granted exclusivity to the JV Counterparty for a period of time to allow for the negotiation of terms, and the structure of the joint venture to be agreed upon. At the time it was announced, the Company was optimistic

that the potential joint venture would lead to future development, and ultimately increased production and sales in the CCU.

131. However, on December 18, 2023, COPL announced that the JV counterparty had elected to terminate the letter of intent and that no further discussions were planned. This was a significant setback for the COPL Group, as reflected in the materially negative reaction of the trading price of COPL's common equity after the announcement. As a general matter, it will be difficult for the COPL Group to unlock value and develop the oil reserves in the CCU without a joint venture partner.

(f) Cost Reduction and Restructuring Initiatives

132. In light of the Company's liquidity constraints, operational interruptions and increasing borrowing costs, the COPL Group undertook a number of cost reduction initiatives to preserve capital while it attempted to increase oil recovery from the Wyoming Assets and restructure its business. Among other things, over the past twelve months, the COPL Group has implemented the following cost reduction initiatives:

(a) For about six months in 2023, the COPL Group "spiked" a slightly leaner 80% / 20% mixture of gas and liquids in the injectors, and then cut off for dry gas injection for the rest of the year. The purpose behind this cycling of mixtures was to reduce the purchased products costs of the liquid injectant;

(b) the COPL Group commenced the winding-up of its African subsidiary structures;

(c) the COPL Group reduced its annual G&A costs by over $2 million;

(d) the COPL Group restructured its debts by covering its hedging losses with the Swap Loan (described above), and by facilitating amendments to the Bonds and the Senior Credit Facility;

(e) During October and November of 2023, the COPL Group had increased its purchase of injectant to over $500,000 per month (more than double September's expenditure), but any corresponding increases in production and revenue were minimal, far below expectations and accordingly, did not merit continuing because they were outweighed by increased oilfield costs; and

(f) on December 29, 2023, in order to preserve liquidity, the COPL Group announced that it had stopped acquiring any propane or butane for injection in connection with the miscible flood program.

(g) COPL Defaults under the Senior Credit Facility

133. Notwithstanding these cost reduction initiatives, the financial performance of the COPL Group has continued to struggle. Province, in its capacity as financial advisor to the COPL Group, and to better understand historical performance and cost structure, prepared a variance report in February 2024 comparing the budgeted and actual financials of COPL in fiscal year 2023. Among other things, the variance report indicates that throughout 2023, actual revenue and operating income were consistently below budgeted amounts. A copy of this variance report is attached hereto as **Exhibit "J"**.

134. On or about December 20, 2023, COPL America received a Notice of Default (the "**Default Notice**") from the Lender due to COPL America's failure to comply with certain financial covenants pursuant to section 6.7 of the Senior Credit Facility.

135. At various times prior to the delivery of the Default Notice, the COPL Group had been in breach of the financial covenants and other requirements under the Senior Credit Facility. However, in each instance, COPL America had been successfully able to obtain waivers from the Lender for these breaches, as reflected in the series of amendments to the Senior Credit Facility. As a result of the waivers, the COPL Group had not previously defaulted under the Senior Credit Facility.

136. In the Default Notice, the Lender advised COPL America that it was unwilling to further amend or waive the terms of its Senior Credit Facility. Without an amendment or waiver, COPL America would be in default of the Senior Credit Facility on or before January 1, 2024. A copy of the COPL press release dated December 20, 2023 announcing the Default Notice is attached hereto as **Exhibit "K"**.

(h) Forbearance Agreement and Emergency Financing

137. On December 29, 2023, COPL America announced that it had entered into a Forbearance Agreement with the Lender (the "**December Forbearance Agreement**"), pursuant to which the Lender agreed not to enforce its rights and remedies under the Senior Credit Facility until the expiry of the agreement on February 29, 2024 subject to the satisfaction of certain conditions precedent. A copy of the December Forbearance Agreement is attached hereto as **Exhibit "L"**. At the same time, the COPL Group announced that the Company had received a proposal for $2.5 million in emergency equity financing from its principal Bondholder. The emergency funding was

designed to give the COPL Group an opportunity to remain listed while the COPL Group obtained an independent technical review of the assets, and approach investment banks with a view to obtaining indications as to the value of COPL's assets, in an effort to seek further funding. As a condition of the emergency financing, I was appointed as CRO with certain limitations in my authority as evidenced in an amendment to the engagement letter (see Exhibit "S" below).

138. On January 16, 2024, the Company closed the $2.5 million equity placement. A copy of the news release announcing the equity placement is attached hereto as **Exhibit "M"**.

139. On February 28, 2024, COPL America and the Lender entered into an amending agreement to the Forbearance Agreement, whereby the Lender agreed to further forbear until March 9, 2024 at 12:01 AM EST. A copy of the amending agreement to the Forbearance Agreement is attached hereto as **Exhibit "N"**.

(i) Special Meeting Requisition

140. On February 28, 2024, COPL received an email from a lawyer who claimed he was representing 10 members of a group referring to itself as the "COPL Shareholder Action Group" (the "**SAG**"), purporting to requisition a special meeting of the shareholders of COPL (the "**Requisition Notice**"). The members of the SAG alleged that they held the combined beneficial holding of 6.60% of COPL's issued share capital. A copy of the Requisition Notice is attached hereto as **Exhibit "O"**. I am advised by Ms. Kelsey Armstrong, a partner at Osler, Hoskin & Harcourt LLP ("**Osler**"), counsel for the Applicants and believe that the Requisition Notice is deficient for the purposes of requisitioning a special meeting of shareholders under section 143 of

the *Canada Business Corporations Act*. The lawyer representing SAG was notified of the deficiencies.

(j) Results of Third-Party Technical Review

141. On February 19, 2024, the results of the third-party technical review were received. At a high level, the review demonstrated the immediate need for short and long-term expenditures and the material risks related to the field at the Wyoming Assets. For proprietary and competitive reasons, the final report is not attached to this affidavit.

142. The COPL Group expects that its cash reserves will be fully depleted in the early-middle of March 2024 and that it will require additional funding to be able to continue operations beyond such date.

G. Urgent Need for Relief

143. Following the persistent production bottlenecks and simultaneous debt burden the Company has faced over the past several years, COPL faces significant liquidity challenges which threaten its ability to continue as a going concern. Despite obtaining emergency equity financing in early January 2024, the Company will have no cash by the early-middle of March 2024. The Applicants are therefore insolvent as they cannot meet their liabilities and obligations as they come due. In these circumstances, the Applicants require urgent relief under the CCAA to ensure that they can continue as a going concern, service their customer base, maintain employment for their employees, and preserve enterprise value while they pursue the SISP.

(a) Discussions with Stakeholders regarding DIP Financing

144. Given the COPL Group's limited remaining cash on hand, in recent weeks, the Company began exploring DIP financing options with its key stakeholders and other third parties that either regularly provide such financings or may have a strategic interest in the Wyoming Assets in anticipation of an insolvency proceeding. At the same time, COPL America also engaged in discussions with the Lender regarding the terms on which it would support a restructuring of the COPL Group and provide DIP financing. The Lender has worked in good faith with the COPL Group over the past several years to address the COPL's Group challenging financial situation and better position it for long term success. Such efforts have included the various amendments to the Senior Credit Facility discussed above and the Forbearance Agreement.

145. On February 20, 2024, I participated in a video conference with representatives from both the Lender and BP, as well as other members of the Province team. During this meeting, the COPL Group's dire liquidity situation and the pending expiration of the December Forbearance Agreement was discussed. I reviewed the proposed DIP loan budget and formally requested that BP participate in a proposed DIP loan at approximately its percentage of the senior secured *pari passu* debt. I also requested that BP participate in future funding of the business if its debt was made into equity as part of a reorganized capital structure in a potential post-CCAA emergence. I advised that the seniority of its debt would likely be impaired if it did not participate in the proposed DIP. BP's representative stated his appreciation for my directness and asked for a copy of Province's AP priority schedule, DIP budget and term sheet (which was subsequently provided by email). BP also informed the COPL Group that it understood bankruptcy priorities but was unlikely to fund the DIP or future operations as that was not part of its funds' mandate.

(b) Restructuring Term Sheet

146. These efforts were fruitful. On March 7, 2024, the COPL Group and the Lender executed the Restructuring Support Agreement, a copy of which is attached hereto as **Exhibit** "**P**".The Restructuring Support Agreement appends a term sheet (the "**Restructuring Term Sheet**") that sets the key terms to be included in a Stalking Horse Purchase Agreement, which will support the proposed SISP and may ultimately serve as the basis for the restructuring of COPL.

147. The proposed restructuring of the COPL Group provided for in the Restructuring Term Sheet is compromised of the following significant aspects:

(a) the COPL Group will seek Court approval of the SISP within 10 days of commencing these CCAA proceedings;

(b) the applicable Applicants will enter into the Stalking Horse Purchase Agreement with the Lender (or their assignee(s)), in such capacity the "**Bidder**". Among other things, the Stalking Horse Purchase Agreement will provide for:

(i) a credit bid of the DIP Loan for all or substantially all of the assets (excluding the "Excluded Assets" (as defined therein)) and/or equity, as applicable and as determined by the Bidder, of the COPL Group, excluding COPL;

(ii) the assumption of the obligations under the Credit Agreement, to the extent not credit bid;

(iii) the requirement that a SISP be completed in accordance with the terms set forth therein and in the Stalking Horse Purchase Agreement;

(iv) the requirement that the Applicants reimburse the Bidder for its reasonable costs and expenses incurred in connection with the Stalking Horse Purchase Agreement; and

(v) a break fee in the amount of $350,000; and

(c) the CCAA proceedings, the SISP and the SISP Approval Order will be recognized in the Chapter 15 Case.

H. Relief Sought

148. The Applicants will be seeking various forms of relief upon commencing these CCAA proceedings, including the following.

(a) Stay of Proceedings

149. The Applicants are insolvent and urgently require a broad stay of proceedings and other protections provided by the CCAA in order to preserve the status quo and secure breathing space to prevent the exercise of remedies by contractual counterparties and others. Additionally, the stay of proceedings will provide the Applicants the necessary time to finalize and complete a Transaction for a sale of some or all of the equity or assets of the COPL Group (following the conduct of the SISP).

(b) Extension of Stay of Proceedings to the Non-Filing Affiliates

150. The Applicants are seeking to extend the stay of proceedings to the two Non-Filing Affiliates: ShoreCan and Essar Nigeria. As noted above, ShoreCan is a joint venture company in which the Applicant COPL Bermuda Holdings has a 50% ownership interest with Shoreline

(which is not an Applicant in these CCAA proceedings). ShoreCan itself has an 80% equity interest in Essar Nigeria, whose sole asset is a 100% interest and operatorship of OPL 226. Extending the stay of proceedings to the Non-Filing Affiliates is necessary to prevent any default or cross-defaults from being declared in agreements of the Non-Filing Affiliates that may arise as a result of the insolvency of the Applicants, and to prevent any realization and enforcement attempts from being made in Nigeria or elsewhere. Such enforcement action could lead to the immediate loss of value of the COPL Group (including actions against the Non-Filing Affiliates that will directly impact the Applicants and/or distract their management) and their stakeholders.

(c) Appointment of Monitor

151. It is proposed that KSV Restructuring Inc. ("**KSV**") will act as monitor (in such capacity, the "**Monitor**") in respect of the Applicants in these CCAA proceedings if the proposed Initial Order is issued. I am advised by Mr. Noah Goldstein of KSV that KSV is a "trustee" within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA. I understand that KSV has extensive experience acting as monitor or financial advisor to debtor companies under the CCAA.

152. The Proposed Monitor has consented to act as the Monitor of COPL under the CCAA. A copy of the Proposed Monitor's consent to act as Monitor is attached hereto as **Exhibit "Q"**.

153. I understand that the Proposed Monitor will file a pre-filing report with the Court as Proposed Monitor in conjunction with the Applicants' request for relief under the CCAA.

(d) Appointment of Chief Restructuring Officer

154. As described above, the COPL Group has engaged Province, using my services, to act as the CRO. A copy of the executed engagement letter with amendments (the **"CRO Engagement Letter"**) is attached hereto as **Exhibit "R"**.

155. In the course of my duties as CRO, I have become and am familiar with the COPL Group's businesses, day-to-day operations, and financial affairs. I understand the COPL Group's financial situation and am well-positioned to lead the enterprise through the restructuring process and into the SISP.

156. I have significant restructuring advisory experience. I have acted on engagements for notable brands like NextPoint Financial (Liberty Tax), Circuit City, RESCAP, Fleetwood, Radio Shack, Aegean Marine Petroleum Network, Samson Resources, PetSmart, Core Media, Sable Permian, BoardRiders, Philadelphia Energy Solutions, Intelsat, Claire's and Washington Prime Group, among others. Notably, in NextPoint, I served as the CRO in a CCAA proceeding with a Delaware recognition.

157. The proposed Initial Order provides for the approval of the CRO Engagement Letter, as well as a court-ordered charge on the Property in respect of the Applicants (the "**CRO Charge**"). The CRO Charge is proposed to rank *pari passu* with the Administration Charge and in priority to all other charges. The Applicants are proposing that the CRO Charge for the first ten days be limited to $500,000 and will be seeking to increase the CRO Charge at the Comeback Hearing. The CRO Engagement Letter sets out the applicable fees and disbursements.

158. I am advised by Marc Wasserman, a partner at Osler, and believe that many of the CRO-related provisions in the proposed Initial Order are similar to protections afforded to chief restructuring officers in other CCAA proceedings. These protections include that:

(a) nothing in the proposed Initial Order shall be construed as resulting in the CRO being an employer, successor employer, a responsible person, operator or person with apparent authority within the meaning of any statute, regulation or rule of law, or equity for any purpose whatsoever; and

(b) no action or other proceeding shall be commenced directly, or by way of counterclaim, third-party claim or otherwise, against or in respect of the CRO and all rights and remedies of any Person against or in respect of the CRO are hereby stayed and suspended, except with the written consent of the CRO and the Monitor, or with leave of this Court on notice to the Applicants, the Monitor and the CRO. I believe that my appointment as CRO is in the best interests of the COPL Group and its stakeholders. I also understand that the proposed Monitor supports my appointment as CRO.

(e) Appointment of Financial Advisor

159. On December 19, 2023, the COPL Group engaged Province as Financial Advisor to assist the COPL Group in dealing with the liquidity challenges it was facing and to provide financial advisory services to, among other things, assist in evaluating the COPL Group's liquidity and in the preparation of short-term cash flow forecasts, assist in formulating, evaluating and implementing various contingency plans and financial alternatives, assist in negotiations with creditors and stakeholders, assist in developing business plans and evaluating potential restructuring alternatives. The proposed Monitor supports the engagement of Province as Financial

Advisor to the COPL Group. A copy of the engagement letter executed between the COPL Group and Province (the "**FA Engagement Letter**") is attached as **Exhibit "S"**. The Applicants are asking, as part of the proposed Initial Order, for the Court to approve the COPL Group's engagement of Province as Financial Advisor and directing it to make the payments contemplated by the FA Engagement Letter.

(f) Cash Flow Forecast

160. The Applicants have prepared 13-week cash flow projections and the underlying assumptions as required by the CCAA. A copy of the cash flow projections is attached hereto as **Exhibit** "**T**". The projections demonstrate that the Applicants require access to additional funding during these proceedings. The Applicants' principal use of cash during these CCAA proceedings will be the costs associated with the ongoing operation of the COPL Group business including, among other things, employee compensation, supplier payments, lease payments and general administrative expenses. In addition to these normal course operating expenditures, the Applicants will also incur professional fees and disbursements with these CCAA proceedings and the Chapter 15 Case, including the SISP and the negotiation, approval and implementation of a transaction.

(g) DIP Financing

161. Interim financing is needed to provide stability and fund operations and restructuring efforts for a limited period of time under CCAA protection which pursuing a Transaction.

162. In the lead-up to the commencement of these CCAA proceedings, I contacted a number of the COPL Group's large stakeholders and external parties, on behalf of the COPL Group, and provided them with information necessary to assess and evaluate an opportunity to provide debtor-in-possession financing. I provided information by way of a situation update presentation, and a

discussion of COPL's financial forecast. I also responded to information requests and facilitated access to a virtual data room upon the execution of the form of non-disclosure agreement ("**NDA**").

163. At the end of this process, only certain entities comprising the Lender were prepared to advance DIP funding. Accordingly, each of the Applicants, as borrowers, have entered into a term sheet dated March 7, 2024 (the "**DIP Term Sheet**") with Summit Partners Credit Fund II, L.P., Summit Investors Credit III, LLC,; and Summit Investors Credit III (UK), L.P. (together, the "**DIP Lender**"), pursuant to which the DIP Lender has agreed to fund a senior secured, super priority loan (the "**DIP Loan**") in a maximum principal amount of $11 million. A copy of the DIP Term Sheet is attached hereto as **Exhibit** "**U**".

164. Based on the Cash Flow Forecast, the DIP Loan is expected to provide the Applicants will sufficient liquidity to continue their business operating during these CCAA proceedings while completing a Transaction for the benefit of the Applicants and their stakeholders.

165. The DIP Term Sheet includes the following commercial terms:

(a) **Loan size**: $11 million fully-funded non-revolving term loan facility.

(b) **Outside Date**: August 30, 2024

(c) **Interest**: SOFR rate in effect on such day plus 5% *per annum*, payable in cash

(d) **Default rate**: 2% per annum, payable in cash

(e) **Fees:** Commitment Fee equal to 0.75% of commitments and Exit Fee equal to 0.75% of commitments.

(f) **Conditions Precedent to Initial Advance**: the CCAA Court issuing the Initial Order.

(g) **Conditions Precedent to Subsequent Advances**: (i) the CCAA Court issuing the Initial Order and the U.S. Bankruptcy Court recognizing the Initial Order; (ii) execution and delivery of the DIP Term Sheet; (iii) the CCAA Court issuing an amended and restated order and the U.S. Bankruptcy Court recognizing this amended and restated order; (iv) the parties acting in accordance with the SISP, (v) no order in the CCAA Proceedings or Chapter 15 Proceedings being stayed; (vi) no liens ranking in priority to or *pari passu* with the DIP Lenders' Charge (defined below), except for the Administration Charge and the CRO Charge; (vii) no Default or Events of Default (as defined therein); (viii) the Company delivering a written request for the advance; (ix) payment of all Interim Lender Expenses (as defined therein); and (x) entering into the RSA and, with respect to any advances after March 22, 2024, the Stalking Horse Purchase Agreement.

166. The DIP Loan is proposed to be secured by a Court-ordered charge (the "**DIP Lenders' Charge**") on all of the present and future assets, property and undertaking of the Applicants (the "**Property**"). The DIP Lenders' Charge will not secure any obligation that exists before the Initial Order is made. The DIP Lenders' Charge will have priority over all other security interests, charges and liens, except the Administration Charge and the CRO Charge (which will rank *pari passu* with one another) and the Directors' Charge. Given the current financial circumstances of the Applicants, the DIP Lender has indicated that it is not prepared to advance funds without the security of the DIP Lenders' Charge, including the proposed priority thereof.

167. In the Initial Order, the Applicants are seeking authorization to request an initial draw of $1.5 million to enable them to pay specified amounts that are known to be due during the first 10 days of the CCAA proceeding. The balance of funds will only be used if necessary, providing the

Applicants with flexibility to address additional liquidity demands made during the first 10 days of the CCAA proceeding given the nature of the Applicants' business, unforeseen liquidity demands that may need to be satisfied to ensure the Applicants' ability to operate as a going concern. At the Comeback Hearing, the Applicants intend to request the authority to draw down the remainder of the DIP Facility in accordance with the Cash Flow Forecast.

(h) Payments During this CCAA Proceeding

168. During the course of this CCAA proceeding, the Applicants intend to make payments for goods and services supplied post-filing in the ordinary course as set out in the Cash Flow Forecast described above and as permitted by the Initial Order.

169. Moreover, in order to ensure uninterrupted business operations during the CCAA proceeding, the Applicants are proposing in the Initial Order that they be authorized, with the consent of the Monitor, and in accordance with the DIP Term Sheet and the Definitive Documents, to make certain payments, including payments owing in arrears, to certain third parties that are critical to the COPL Group's business and ongoing operations.

170. I am advised by Marc Wasserman of Osler and believe that the nonpayment of certain taxes (including, without limitation, sales, use, withholding, unemployment, and excise) could result in a Director or Officer of COPL Entity being held personally liable in certain circumstances for such nonpayment as well as for taxes related to income or operations incurred or collected by a COPL Entity in the ordinary course of business. Accordingly, the proposed Initial Order provides that the COPL Entities are authorized to pay any such taxes.

(i) Chapter 15 Case

171. Because the COPL Group has operations, assets and valuable business and trade relationships in the U.S., contemporaneously with commencement of the CCAA proceeding, COPL intends to initiate a case under Chapter 15 of Title 11 of the Bankruptcy Code seeking an order to recognize and enforce the CCAA proceeding in the U.S. and protect against any potential adverse action taken by the COPL Group's U.S.-based parties (the "**Chapter 15 Case**").

172. COPL intends to file the Chapter 15 Case in the United States Bankruptcy Court for the District of Delaware.

173. As noted above, the COPL Group is a consolidated business, with operations in both Canada and the United States. Those operations, however, are functionally and operationally integrated such that the US business cannot operate independently of the Canadian business and the key services provided by COPL are for the benefit of the entire COPL Group. The Applicants' centre of main interest is in Canada:

(a) Operations, and operational control, of the COPL Group are directed from COPL's head office in Calgary, Alberta. In particular, decisions relating to the COPL Group's primary business and all major stakeholder negotiations are primarily made/done in Canada.

(b) All other members of the COPL Group report to COPL.

(c) COPL acts as a centralized entity providing operational, financial accounting and administrative functions for the COPL Group as a whole. These functions are

performed by COPL employees or COPL Group employees resident in Canada and include, among other things:

(i) Financial accounting;

(ii) planning and tax;

(iii) In-house legal services;

(iv) IT services; and

(v) M&A and corporate services

(d) COPL Technical, also based out of Calgary, provides the following services to the other companies within the COPL Group:

(i) Geological and geophysical services: coordination, management and implementation of seismic acquisition, processing and interpretation work, geological modeling, support to drilling operations, support to new prospect activities, etc);

(ii) Engineering services: coordination, management and implementation of reservoir engineering basics and modeling; reservoir volumetrics; drilling and testing operations support; coordination, management and implementation of surface facility and artificial lift studies; other engineering support; and

(iii) Corporate development and land management services: negotiation, management and implementation of new or existing farm-in opportunities; coordination/preparation of all necessary agreements.

(j) Administration Charge

174. The Applicants propose that the proposed Monitor, its Canadian and U.S. counsel, Canadian and U.S. counsel to the Applicants, and the Financial Advisor, be granted a court-ordered charge on the Property as security for their respective fees and disbursements relating to services rendered in respect of the Applicants (the "**Administration Charge**"). With the concurrence of the proposed Monitor, the Applicants are proposing that the Administration Charge for the first ten days be limited to CAD$1.5 million and will be seeking to increase the charge at the comeback hearing. The Administration Charge is proposed to rank *pari passu* with the CRO Charge and in priority to all other charges. The Administration Charge was developed in consultation with the proposed Monitor.

(k) Directors' Charge

175. A successful restructuring of the COPL Group will only be possible with the continued participation of its directors, officers, management, and employees. These personnel are essential to the viability of the Applicants' continuing business and the preservation of enterprise value.

176. I am advised by Marc Wasserman of Osler and believe that, in certain circumstances, directors of Canadian companies can be held liable for certain obligations of a company owing to employees and government entities, which may include unpaid accrued wages, unpaid accrued vacation pay, and unremitted sales, goods and services, and harmonized sales taxes. The Applicants estimate, with the assistance of KSV in its capacity as proposed Monitor, that these obligations may amount to as much as approximately CAD $200,000 during the Initial Stay Period.

177. I am also advised by Katherine Good at Potter, Anderson & Corroon LLP and believe that, in certain circumstances, directors of U.S. companies may be held liable for certain obligations of

a company owing to employees and government entities, which may include sales and use taxes, employee withholding and certain payroll taxes, state income taxes in a few states, 401(k) and other obligations withheld from employees, unpaid wages (including paid vacation), ERISA fiduciary obligations, and non payment of contractual obligations owed to suppliers of perishable agricultural commodities. The Applicants estimate, with the assistance of KSV in its capacity as proposed Monitor, that these obligations may amount to as much as approximately $250,000 during the Initial Stay Period.

178. It is my understanding that the COPL Group's present directors and officers are insureds under the Chubb Commercial Excess and Umbrella Insurance Policy (the "**D&O Insurance**") which covers an aggregate annual limit of approximately $10,000,000. I understand that any amounts paid under the COPL Umbrella Insurance, defined as Losses therein, reduces the amount of the aggregate limit available for any other payment and that the policy has various exceptions, exclusions and carve outs where coverage may not be available. Therefore, I do not believe that the D&O Insurance provides sufficient coverage against the potential liability that the directors and officers of the COPL Group could incur in relation to this CCAA proceeding.

179. In light of the complexity and scope of the overall enterprise and potential liabilities and the uncertainty surrounding available indemnities and insurance, the directors and officers have indicated to the Applicants that their continued service to the company and involvement in this proceeding is conditional upon the granting of an order under the CCAA which grants a charge in favour of the directors and officers of the COPL Group in the amount of CAD $500,000 on the Property (the "**Directors' Charge**"). The Directors' Charge is proposed to be subordinate to the Administration Charge and the CRO Charge (which rank *pari passu* with one another) but shall rank in priority to all the other charges. The Directors' Charge is necessary so that the Applicants

may benefit from their directors' and officers' experience with the Applicants' business and industry, and so that its directors and officers can guide the Applicants' restructuring efforts.

(l) Relief to be Sought at the Comeback Hearing

180. As noted above, the Applicants intend to seek the Amended and Restated Initial Order and the SISP Approval Order at the Comeback Hearing. The relief contemplated by each of the proposed orders is described below.

(i) Amended and Restated Initial Order

181. At the Comeback Hearing, the Applicants intend to seek an extension of the Stay Period up to and including March 18, 2024. The proposed extension of the stay of proceedings will enable the Applicants to continue to operate the COPL Group business, and close a Transaction following the SISP.

(ii) Restructuring Support Agreement

182. As discussed above, on March 7, 2024, the Consenting Lenders and the Applicants entered into a Restructuring and Support Agreement (the "**RSA**").

183. Under the terms of the RSA, the Lender and the Applicants have agreed to cooperate with each other in good faith and use commercially reasonable efforts with respect to the pursuit, approval, implementation and consummation of the transactions contemplated by the Restructuring Term Sheet (the "**Restructuring**") as well as the negotiation, drafting, execution and delivery of the Definitive Documents (as defined in the Restructuring Term Sheet) to implement the Restructuring. The parties agree to negotiate in good faith to enter into the Stalking Horse Purchase Agreement on or prior to March 22, 2024, such Stalking Horse Purchase

Agreement to be substantially on the terms set out in the Restructuring Term Sheet, acting reasonably, with the approval of the Monitor.

184. Under the RSA, and unless inconsistent with the Consenting Lenders' obligations or rights under the DIP Facility, the Consenting Lenders agreed, among other things, to:

(a) support the Restructuring and exercise any powers or rights available to them in favour of any matter requiring approval to the extent necessary to implement the Restructuring;

(b) use commercially reasonable efforts to cooperate with and assist the COPL Group in obtaining additional support for the Restructuring from their other stakeholders;

(c) act in good faith and take all actions that are reasonably necessary or appropriate, and all actions required by the CCAA Court and/or the US Bankruptcy Court, to support and achieve the consummation of the Restructuring;

(d) not object to, delay, impede, or take any other action to interfere with the consummation or implementation of the Restructuring;

(e) not directly or indirectly take any action that could reasonably be expected to or would interfere with, delay, impede, or postpone the transactions;

(f) not exercise, or direct any other person to exercise, any right or remedy for the enforcement, collection, or recovery of any claims or interests in the COPL Group, other than as set forth in the RSA;

(g) not file any application, motion, pleading, or other document with the U.S. Bankruptcy Court, the CCAA Court, or any other court that is materially inconsistent with the Restructuring;

(h) not initiate, or have initiated on its behalf, any litigation or proceeding of any kind with respect to the CCAA Proceedings, the Chapter 15 Cases, this Agreement, or the Restructuring, other than to enforce the RSA or any Definitive Documents (defined therein);

(i) not exercise, or direct any other person to exercise, any right or remedy for the enforcement, collection, or recovery of any Claims (defined therein) or interests in the COPL Group, other than as set forth in the RSA;

(j) not initiate, or have initiated on its behalf, not object to, delay, impede, or take any other action to interfere with the COPL Group's ownership and possession of their assets, wherever located, or interfere with the stay imposed by the CCAA Court and the US Bankruptcy Court; and

(k) provide reasonably prompt written notice of the occurrence, or failure to occur, of any event which would be reasonably likely to cause any representation of warranty contained in the RSA to be untrue or inaccurate in any material respect, any contained in the RSA not to be satisfied in any material respect, or any condition precedent contained in the Stalking Horse Purchase Agreement, the RSA, or a Definitive Document not to occur or become impossible to satisfy.

185. In turn, subject to the terms of the RSA, the COPL Group agreed, among other things, to:

(a) support and use commercially reasonable efforts to complete the Restructuring as set forth in the Stalking Horse Purchase Agreement and the RSA;

(b) negotiate in good faith and execute and deliver the Definitive Documents and take any and all steps reasonably necessary and appropriate in furtherance of the Restructuring, the Stalking Horse Purchase Agreement, and the RSA;

(c) take commercially reasonable efforts to complete the Restructuring in accordance with each Milestone set forth in the RSA;

(d) use commercially reasonable efforts to cure, vacate, reverse, set aside, or have overruled any ruling or order of the CCAA Court, the US Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction enjoining or rendering impossible the consummation or substantial consummation of the Restructuring;

(e) take commercially reasonable efforts to ensure that all consents and approvals necessary for the implementation of the Restructuring have been obtained to the satisfaction of the Consenting Lenders, the Credit Facility Agent and the COPL Group;

(f) pay the reasonable and documented fees and expenses of the Consenting Lenders and the Credit Facility Agent (as defined therein) incurred in connection with the Restructuring;

(g) operate the business of the COPL Group in the ordinary course in a manner that is consistent with the RSA;

(h) prepare or cause to be prepared the applicable Definitive Documents and provide draft copies of all documents that the COPL Group intend to file with the CCAA Court or the US Bankruptcy Court, in each case, to counsel to the Consenting Lenders at least three (3) calendar days before such documents are to be filed with the CCAA Court and/or the US Bankruptcy Court or as soon as practicable thereafter; and

(i) provide reasonably prompt written notice of (i) the occurrence, or failure to occur, of any event which would be reasonably likely to cause any representation of warranty contained in the RSA to be untrue or inaccurate in any material respect, any contained in the RSA not to be satisfied in any material respect, or any condition precedent contained in the Stalking Horse Purchase Agreement (as defined below), the RSA, or a Definitive Document not to occur or become impossible to satisfy (ii) any written notice from any third party alleging that the consent of such party is required as a condition precedent to the consummation of the transactions contemplated by the restructuring, (iii) receipt of any written notice from any governmental body that is material to the consummation of the transactions contemplated by the Restructuring, and (iv) to the extent involving the Company, any material governmental or third party complaints, litigations, investigations, or hearings (or communications indicating that the same is contemplated or threatened); and

In addition, pursuant to the RSA, the COPL Group has agreed to provide on a confidential basis:

(j) to the legal counsel of the Consenting Lenders, legal counsel to the Monitor, and the Monitor, copies of any bona fide written proposal for the sale, disposition, new-money

investment, restructuring, reorganization, merger, amalgamation, acquisition, consolidation, dissolution, debt investment, equity investment, liquidation, tender offer, recapitalization, plan of reorganization, share exchange, business combination, or similar transaction involving any one or more of the COPL Group entities, one or more of the COPL Group's material assets, or the debt, equity, or other interests in any one or more of the COPL Group entities that is an alternative to or otherwise inconsistent with the Restructuring (each, an "**Alternative Restructuring Proposal**") no later than two (2) calendar days following receipt thereof by the COPL Group or its advisors; and

(k) such other information as reasonably requested by the Consenting Lenders' and Monitor's legal counsel and financial advisors or as necessary to keep the Consenting Lenders and Monitor informed no later than two (2) calendar days after any such request or any material change to the proposed terms of any Alternative Restructuring Proposal and the status and substance of such discussions related thereto.

186. The RSA establishes the following milestones for the remainder of the CCAA and Chapter 15 Proceedings (as may be extended in accordance with the RSA):

Milestone	Date
The COPL Group shall commence proceedings on or before March 8, 2024 under the CCAA in the CCAA Court and obtain an Initial Order in form and substance satisfactory to the Consenting Lenders, acting reasonably	March 8, 2024
The foreign representative (the "**Foreign Representative**") of the COPL Group shall have commenced the Chapter 15 Proceedings.	Within 1 business day of the commencement of CCAA Proceeding

Milestone	Date
The COPL Group shall seek a temporary restraining order in the U.S. Bankruptcy Court to provide "stay" relief pending entry of the Initial Order Recognition Order (as defined below)	Within 2 business days of the commencement of CCAA Proceeding
Foreign Representative shall file a motion with the U.S. Bankruptcy Court for entry of an order recognizing and enforcing the Initial Order	2 business days after entry of the Initial Order.
The COPL Group shall obtain an order from the CCAA Court approving the SISP, subject to Court availability	March 18, 2024
The Foreign Representative shall file a motion with the U.S. Bankruptcy Court for an order recognizing and enforcing the SISP Order	1 business day after entry of the SISP Order
The Foreign Representative shall obtain an order recognizing and enforcing the Initial Order (the "**Initial Order Recognition Order**")	April 8, 2024
The Foreign Representative shall obtain an order recognizing and enforcing the SISP Order (the "**SISP Recognition Order**")	April 17, 2024
The COPL Group shall obtain a vesting order from the CCAA Court, subject to Court availability	9 days after the selection of the Successful Bid
The Foreign Representative shall file a motion with the U.S. Bankruptcy Court for an order recognizing and enforcing the Vesting Order	2 business days after entry of Vesting Order
The Foreign Representative shall obtain the Vesting Recognition Order	14 business days after the entry of the Vesting Order
The Restructuring shall close, provided, however, in the event the Initial Outside Date is not extended, the Initial Outside Date shall be the Outside Date.	14 days after the date that the Foreign Representative obtains the Vesting Recognition Order (the "**Initial Outside Date**"), or a later date on notice by the Consenting Lenders.

187. The RSA may be terminated by mutual written agreement by the Consenting Lenders and the COPL Group, or:

(a) unilaterally by the Consenting Lenders, acting reasonably, upon the occurrence of certain specified events, including (i) the failure of the COPL Group to meet any of the milestones under the RSA, (ii) the termination of the Stalking Horse Purchase Agreement; (iii) if the CCAA Proceedings are dismissed, terminated, stayed, modified, or converted to a proceeding under the BIA or the *Winding-Up and Restructuring Act* (Canada), (iv) if the U.S. Bankruptcy Court enters an order dismissing the Chapter 15 Proceeding (or any portion thereof) or appointing a trustee or an examiner with expanded powers, (v) if any condition precedent contained in the RSA or any of the Definitive Documents becomes incapable of being satisfied, (vi) the COPL Group requests or the CCAA Court grants any amendments or modifications to the SISP Order that are not acceptable to the Consenting Lenders, (vii) if any of the milestones set out in the SISP are not met, (viii) if the COPL Group entities waive or seek authority to waive any of the requirements under the SISP that they are not permitted to waive, or (ix) a failure by the COPL Group to pay the fees and expenses of the Consenting Lenders, including but not limited to their legal advisors; or

(b) unilaterally by the COPL Group upon the occurrence of certain specified event, including (i) a material breach by one or more of the Consenting Lenders of any representation, warranty or covenant in the RSA, (ii) the failure to meet any of the milestones under the RSA unless such failure is the result of an act, omission or delay on the part of the COPL Group, (iii) the determination, upon the advice of outside legal counsel and financial advisors, by the board of directors, board of managers, or such similar governing body of any COPL Group, that proceeding with the

Restructuring would be inconsistent with the exercise of its fiduciary duties or applicable law, or (iv) any party terminates its obligations under the RSA and such termination renders the Restructuring incapable of consummation or materially changes the overall economic terms of the Restructuring in a manner that is adverse to the COPL Group.

188. The Applicants intend to seek approval of the RSA and authorization to perform its obligations thereunder at the Comeback Hearing. In the Applicants' view, the RSA represents an important development in their ongoing efforts to restructure. The RSA facilitates consensus with the Applicants' most significant secured creditors and facilitates access to the DIP Facility, and the certainty and stability provided to the SISP by the Stalking Horse Transaction.

(iii) SISP

189. The Applicants intend to seek approval of the proposed SISP at the Comeback Hearing which, together with the Stalking Horse Purchase Agreement, will establish a process to canvass the market for the best possible transaction for the sale of all or substantially all of the Applicants' Property for the benefit of stakeholders. The approval by the CCAA Court of the SISP in the form attached as Exhibit A to the RSA and entry by the US Bankruptcy Court of the SISP Recognition Order are both milestones under the RSA. A copy of the SISP is attached hereto as **Exhibit** "**V**".

190. The Applicants have developed the proposed SISP in consultation with the proposed Monitor and the Lender. The SISP sets out the manner in which (a) binding bids for executable transaction alternatives that are superior to the transaction to be provided for in the Stalking Horse Purchase Agreement involving the shares and/or business and assets of some or all of the COPL Group will be solicited from interested parties; (b) any such bids received will be addressed; (c)

any Successful Bid (as defined below) will be selected; and d) Court approval of any Successful Bid will be sought.

191. Pursuant to the proposed SISP, interested parties must enter into a non-disclosure agreement in form and substance satisfactory to the COPL Group and submit a letter of intent to bid (each, an "**LOI**") that identifies the potential purchaser and a general description of the assets and/or business(es) of the COPL Group that would be the subject of the bid and that reflects a reasonably likely prospect of culminating in a Qualified Bid (as defined below), as determined by the COPL Group in consultation with the Monitor and Consenting Lenders within 30 days after commencement of the SISP (the "**LOI Deadline**"). If, by the LOI Deadline, no LOI has been received, the SISP will be terminated and the Stalking Horse Transaction will be the Successful Bid (as defined below) and, subject to the Court issuing the Vesting Order, will be consummated in accordance with the RSA and the Stalking Horse Transaction Agreement.

192. In order to constitute a Qualified Bid, each bid must:

(a) provide for (i) payment in full in cash on closing of the DIP Facility, the Expense Reimbursement, the Break Fee, plus cash consideration equal to at least $250,000; (ii) payment in full in cash of all amounts outstanding under the Senior Credit Facility, unless otherwise agreed to by the lenders thereunder in their sole discretion; and (iii) the payment in full in cash on closing of any claims ranking in priority to the foregoing claim, unless otherwise agreed to by the applicable holders thereof in their sole discretion;

(b) provides a detailed sources and uses schedule that identifies, with specificity, the amount of cash consideration (the "**Cash Consideration Value**") and any assumptions that could reduce the net consideration payable;

(c) be reasonably capable of being consummated within 30 days after completion of the Auction (as defined below) if selected as the Successful Bid;

(d) contain duly executed binding transaction documents, certain defined information regarding the bidder, a redline to the Stalking Horse Purchase Agreement (unless the bid is in the form of a plan of arrangement, in which case copies of the plan of arrangement and all documentation that is contemplated to be executed in connection therewith), evidence of authorization and approval from the bidder's board of directors, disclosure of any connections or agreements with the COPL Group, and such other information reasonably requested by the COPL Group or the Monitor;

(e) includes a letter stating that the bid is submitted in good faith, is binding and is irrevocable until the selection of the Successful Bid;

(f) provides written evidence of a bidder's ability to fully fund and consummate the transaction and satisfy its obligations under the transaction documents;

(g) does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;

(h) is not conditional upon approval from the bidder's board of directors or equity holders, the outcome of any due diligence by the bidder or the bidder obtaining financing;

(i) includes an acknowledgment and representation that the bidder has had an opportunity to conduct any and all required due diligence prior to making its bid;

(j) specifies any regulatory or other third-party approvals the party anticipates would be required to complete the transaction;

(k) includes full details of the bidder's intended treatment of the COPL Group's employees under the proposed bid;

(l) is accompanied by a cash deposit (the "**Deposit**") by wire transfer of immediately available funds equal to 10% of the Cash Consideration Value;

(m) includes a statement that the bidder will bear its own costs and expenses in connection with the proposed transaction; and

(n) is received by May 2, 2024 (the "**Qualified Bid Deadline**").

193. If one or more Qualified Bids (other than the Stalking Horse Transaction) has been received by the COPL Group on or before the Qualified Bid Deadline, the COPL Group will proceed with an auction process to determine the successful bid(s) (the "**Auction**"). The Auction will be conducted in accordance with the requirements and process appended at Schedule "A" to the SISP. The successful bid(s) selected within the Auction shall constitute the "Successful Bid".

194. Following selection of the Successful Bid and finalization of all definitive agreements, the Applicants will apply to the CCAA Court for an order or orders approving such Successful Bid and/or the mechanics to authorize the COPL Group to complete the transactions contemplated thereby, as applicable, and authorizing the COPL Group to: (a) enter into any and all necessary agreements and related documentation with respect to the Successful Bid; (b) undertake such other

actions as may be necessary to give effect to such Successful Bid, and (c) implement the transaction(s) contemplated in such Successful Bid.

195. All Deposits paid in accordance with the SISP will be retained by the Monitor in a noninterest-bearing trust account. If a Successful Bid is selected and either the Vesting Order or some other implementation order is granted, any Deposit paid in connection with such Successful Bid will be non-refundable and applied to the cash consideration to be paid in connection with the Successful Bid (or be dealt with as otherwise set out in the definitive agreements(s)). Any Deposit delivered with a Qualified Bid that is not selected as a Successful Bid, will be returned to the applicable bidder as soon as reasonably practicable after the Successful Bid is approved by Vesting Order or Implementation Order, as applicable, or such earlier date as may be determined by the COPL Group, in consultation with the Monitor.

196. The proposed SISP requires the Applicants to provide information in respect of the SISP to the Consenting Lenders on a confidential basis, including copies of any LOIs or bids received that are below the consideration contemplated for the Stalking Horse Purchase Agreement, and any other information reasonably requested by the Consenting Lenders or their legal or financial advisors or which may be necessary to keep the Consenting Lenders informed (including any material changes to the proposed terms of any bid received, including any Qualified Bid).

197. A summary of the significant dates and processes within the proposed SISP is as follows:

SISP Process	Deadline
CCAA Court approval of SISP and authorizing the applicable COPL Group entities to enter into the Stalking Horse Purchase Agreement, and commencement by COPL Entities of solicitation process	March 18, 2024

SISP Process	Deadline
LOI Deadline	April 17, 2024
Qualified Bid Deadline	May 2, 2024
Auction	May 3, 2024
Vesting Order or Implementation Order[6]	If no LOI is submitted, by no later than 9 days after the LOI Deadline subject to Court availability. If there is no Auction, by no later than 9 days after the Qualified Bid Deadline, subject to Court availability. If there is an Auction) – by no later than 9 days after completion of the Auction, subject to Court availability.

198. The Applicants are of the view that the timelines set out in the proposed SISP are appropriate, will allow interested parties to participate in the SISP, and will provide an appropriate test for whether the Stalking Horse Transaction delivers the best possible result for stakeholders. The Applicants are also of the view that the proposed SISP provides a fair and reasonable process that will adequately canvass the market. In my experience and based on my knowledge of the COPL Group's business, I am of the view that the timelines and terms in the proposed SISP are fair, reasonable and appropriate in the circumstances, and provide sufficient time to allow interested parties to fully participate in the SISP (to the extent desired). In addition, the Applicants do not have funds or access to DIP financing sufficient to extend the timelines for the proposed SISP any further.

(iv) Stalking Horse Transaction

[6] In all cases, the deadlines for obtaining the Vesting Order or Implementation Order are subject to Court availability.

199. The Applicants are of the view that the inclusion of the Stalking Horse Transaction as part of the SISP will benefit the COPL Group's efforts to maximize value for the benefit of all stakeholders by, among other things: (a) setting a "floor price" and commercial terms for a transaction involving the shares and/or the business and assets of some of the COPL Group entities; (b) helping to generate interest in the COPL Group among potential purchasers; and (c) providing a level of certainty, stability and efficiency during the SISP, both in terms of setting a baseline price and documentation for the SISP and assuring stakeholder groups that there will be a going concern sale of a significant portion of the COPL Group's business.

(v) Relief from Certain Securities Filing Requirements and in Respect of the AGM

200. As noted above, COPL is a publicly traded company and reporting issuer, whose common shares previously traded on the CSE under the trading symbol "XOP" as well as on the LSE under the trading symbol "COPL".

201. Given the COPL Group's significant liquidity constraints, the Applicants have determined that directing further time and resources to securities reporting is not appropriate or practical at this time. Accordingly, the Applicants will be seeking relief in the ARIO at the Comeback Hearing authorizing its decision to incur no further expenses in relation to any filings, disclosures, core or non-core documents, restatements, amendments to existing filings, press releases, financial reporting or any other actions that may be required by any federal, provincial or other law respecting securities or capital markets in Canada the United States, or the United Kingdom and other rules and policies of the CSE or LSE.

202. Additionally, the Applicants believe it would be a distraction and an unnecessary expense for it to hold an annual general meeting in the circumstances where it is subject to creditor

protection. As a result, the Applicants are also seeking to be relieved of any obligations to call and hold an annual general meeting until further Order of this Court.

203. I understand that the Proposed Monitor will post all Court materials, which will include the Applicants' cash flow projections and variance analyses, such that shareholders and other stakeholders will still have uninterrupted access to, among other things, the Applicants' operational and financial information.

I. Conclusion

204. The Applicants, with the assistance of their advisors, have reviewed and considered the potential options and alternatives available to them in the circumstances, taking into account, among other things, their limited remaining liquidity and current inability to repay their indebtedness. The Applicants have determined that it is in their best interests and those of their stakeholders to commence these CCAA proceedings with the support of the Lender. Without the relief requested, including the stay of proceedings and access to DIP financing, the COPL Group

faces an immediate cessation of going concern operations, the liquidation of its assets, and the loss of its employees' jobs.

AFFIRMED REMOTELY BEFORE ME at the City of Toronto in the province of Ontario with the deponent stated as being located at the City of Las Vegas in the State of Nevada, on March 7, 2024, in accordance with *O. Reg. 431/20: Administering Oath or Declaration Remotely*.

Commissioner for Taking Affidavits
(or as may be)
VIKTOR NIKOLOV
LSO# 85403P

PETER KRAVITZ

SCHEDULE "A"

1. Canadian Overseas Petroleum Limited
2. COPL Technical Services Limited
3. Canadian Overseas Petroleum (UK) Limited
4. Canadian Overseas Petroleum (Bermuda) Limited
5. Canadian Overseas Petroleum (Bermuda Holdings) Limited
6. Canadian Overseas Petroleum (Ontario) Limited
7. COPL America Holding Inc.
8. COPL America Inc.
9. Atomic Oil & Gas LLC
10. Southwestern Production Corp.
11. Pipeco LLC

SCHEDULE "B"

1. Shoreline Canoverseas Development Corporation Limited
2. Essar Exploration and Production Limited

THIS IS EXHIBIT “B” REFERRED TO IN

THE AFFIDAVIT OF PETER KRAVITZ

SWORN BEFORE ME THIS 14th DAY

OF MARCH, 2024

A Commissioner for Taking Affidavits

Viktor V. Nikolov
(LSO#84503P)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: Canadian Overseas Petroleum Limited, *et al.*,[1] Debtors in a foreign proceeding.	Chapter 15 Case No. 24-10376 (JTD) (Jointly Administered) **Re: Docket No. 5**

ORDER GRANTING PROVISIONAL RELIEF PURSUANT TO SECTION 1519 OF THE BANKRUPTCY CODE

Upon the motion for certain provisional and injunctive relief (the "Motion")[2] filed by the foreign representative (the "Foreign Representative") of the above-captioned debtors (collectively, the "Debtors") seeking entry of an order granting provisional relief (the "Order") under the Bankruptcy Code to protect the Debtors and their property within the territorial jurisdiction of the United States pending recognition of the Debtors' proceedings currently pending in Canada pursuant to the CCAA (the "Canadian Proceedings"); and upon this Court's review and consideration of the Motion, Verified Petition, Kravitz Declaration, and the Rosenblat Declaration; this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and 11 U.S.C. §§ 109 and 1501; consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); venue being proper before this Court pursuant to 28 U.S.C. § 1410(1) and (3); appropriate, sufficient and timely notice of the Motion and the hearing thereon having been given pursuant to Bankruptcy Rules

[1] The Debtors in these chapter 15 proceedings, together with the last four digits of their business identification numbers are: Canadian Overseas Petroleum Limited (8749); COPL Technical Services Limited. (1656); Canadian Overseas Petroleum (Ontario) Limited (8319); Canadian Overseas Petroleum (UK) Limited (7063); Canadian Overseas Petroleum (Bermuda Holdings) Limited (N/A); Canadian Overseas Petroleum (Bermuda) Limited (N/A); COPL America Holding Inc. (1334); COPL America Inc. (9018); Atomic Oil and Gas LLC (8233); Southwestern Production Corporation (8694); and Pipeco LLC (XXXX). The location of the Debtors' headquarters and the Debtors' duly appointed foreign representative is 715 5 Avenue SW, Suite 3200, Calgary, Alberta T2P 2X6, Canada.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

1011(b) and 2002(q) and Local Rule 9013-1(m); and upon the record established at such hearing; and it appearing that the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors; it appearing that the relief requested in the Motion is necessary and beneficial to the Debtors; and no objections or other responses having been filed that have not been overruled, withdrawn or otherwise resolved; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY FOUND AND DETERMINED THAT:

A. The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such.

B. There is a substantial likelihood that the Foreign Representative will successfully demonstrate that the Canadian Proceedings constitute a "foreign main proceeding" or, in the alternative, a "foreign nonmain proceeding" as defined in section 1502(4) and (5) of the Bankruptcy Code and that the Court will determine that the additional relief sought herein, including the relief under sections 362 and 364, is necessary to effectuate the purpose of chapter 15 and the assets of the Debtors and the interests of creditors as contemplated by section 1521 of the Bankruptcy Code.

C. The commencement or continuation of any action or proceeding in the United States against the Debtors should be enjoined pursuant to sections 105(a) and 1519 of the Bankruptcy Code to permit the expeditious and economical administration of the Canadian Proceedings, and such relief will either (a) not cause an undue hardship to other parties in interest or (b) any hardship to parties is outweighed by the benefits of the relief requested.

D. Consistent with findings by the Canadian Court and relief granted under the Initial Order, unless a preliminary injunction is issued with respect to the Debtors, and to the same extent provided in the Initial Order, there is a material risk that the Debtors' creditors or other parties-in-interest in the United States could use the Canadian Proceedings and these chapter 15 cases as a pretext to exercise certain remedies with respect to the Debtors.

E. Such acts could (a) interfere with the jurisdictional mandate of this Court under chapter 15 of the Bankruptcy Code, (b) interfere with and cause harm to the Debtors' efforts to administer the Canadian Proceedings, (c) interfere with the Debtors' operations, and (d) undermine the Debtors' efforts to achieve an equitable result for the benefit of all of the Debtors' creditors. Accordingly, there is a material risk that the Debtors may suffer immediate and irreparable injury, and it is therefore necessary that the Court enter this Order.

F. The Initial Order provides for, among other things, certain charges and security in the Debtors' Property, including an Administration Charge, a Directors Charge, CRO Charge, and the DIP Lenders' Charge. Further, the Initial Order authorizes the Debtors to borrow from the DIP Lenders such amounts from time to time as the Debtors may consider necessary and desirable up to an aggregate principal amount not exceeding $11,000,000 on the terms and conditions set forth in the DIP Term Sheet and provides that the Property of the Debtors is subject to the DIP Lenders' Charge as security for the DIP Loans.

G. Entry of an order of this Court recognizing and enforcing the Initial Order in the United States and applying the DIP Charges to the Debtors property located in the territorial jurisdiction of the United States, is necessary to give effect to the Initial Order as it relates to the Debtors and their Property in the United States and is required by the DIP Term Sheet.

H. The Foreign Representative has demonstrated that recognition, on a provisional basis, of the incurrence of the indebtedness under the DIP Facility and the granting of liens and charges negotiated in connection with the DIP Facility, as authorized by the Initial Order, is necessary to prevent irreparable harm to the Debtors. Without such financing, the Debtors will be unable to continue operations and fund their restructuring proceedings, which will significantly impair the value of the Debtors and their assets. Further, the amount that the Debtors have been authorized to borrow pursuant to the Initial Order is reasonably necessary for the continued operations of the Debtors in the ordinary course of business pending entry of the Recognition Order.

I. The Foreign Representative has further demonstrated that recognition of the Initial Order, on a provisional basis, is warranted and that, based on the record before this Court, including the Initial Order and the findings of the Canadian Court, the terms of the DIP Facility are fair and reasonable and were entered into in good faith by the Debtors and the DIP Lenders and that the DIP Lenders would not have extended financing without the protections provided by section 364 of the Bankruptcy Code, made applicable by section 1519(a)(3) of the Bankruptcy Code. The Foreign Representative has demonstrated that the terms of the DIP Facility are reasonable under the circumstances.

J. The Foreign Representative has demonstrated that, in the interest of comity, the purpose of chapter 15 is carried out by granting recognition and giving effect to the Initial Order.

K. The interest of the public will be served by this Court's entry of this Order.

L. The Foreign Representatives and the Debtors are entitled to the full protections and rights available pursuant to section 1519(a)(1)-(3) of the Bankruptcy Code.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. Beginning on the Petition Date and continuing until the date of the entry of an order of this Court recognizing the Canadian Proceedings as "foreign main proceedings" or in the alternative, "foreign non-main proceedings" as defined in section 1502(4) of the Bankruptcy Code and the Foreign Representative as a "foreign representative" as defined in section 101(24) of the Bankruptcy Code (unless otherwise extended pursuant to section 1519(b) of the Bankruptcy Code), with respect to the Debtors:

   a. The Foreign Representative shall be the representative of the Debtors with full authority to administer the Debtors' assets and affairs in the United States.

   b. Section 361 of the Bankruptcy Code shall apply with respect to each of the Debtors with full authority to administer the Debtors' assets and affairs in the United States.

   c. Section 362 of the Bankruptcy Code shall apply with respect to each of the Debtors and the property of each of the Debtors that is within the territorial jurisdiction of the United States. For the avoidance of doubt and without limiting the generality of the foregoing, this Order shall impose a stay within the territorial jurisdiction of the United States of:

      i. the execution against any of the Debtors' assets;

      ii. the commencement or continuation, including the issuance or employment of process of, any judicial, administrative or any other action or proceeding involving or against the Debtors or their assets or proceeds thereof, or to recover a claim or enforce any judicial, quasi-judicial, regulatory, administrative or other judgment, assessment, order, lien or arbitration award against the Debtors or their assets or proceeds thereof, or to exercise any control over the Debtors' assets, located in the United States except as authorized by the Debtors in writing;

      iii. except as permitted by the Initial Order, the creation, perfection, seizure, attachment, enforcement, or execution of liens or judgments against the Debtors' property in the United States or from transferring, encumbering or otherwise disposing of or interfering with the Debtors' assets or agreements in the United States without the express consent of the Foreign Representative;

iv. any act to collect, assess, or recover a claim against any of the Debtors that arose before the commencement of the Debtors' chapter 15 cases; and

v. the setoff of any debt owing to any of the Debtors that arose before the commencement of the Debtors' chapter 15 cases against any claim against of the Debtors.

d. Section 364 of the Bankruptcy Code is applicable with respect to each of the Debtors and the property of each of the Debtors that is within the territorial jurisdiction of the United States. For the avoidance of doubt and without limiting the generality of the foregoing, this Order, without limitation:

i. Shall grant liens and security interests in the Debtors' Property located within the territorial jurisdiction of the United States pursuant to section 364(d)(1) of the Bankruptcy Code in respect of, and in accordance with, the Administration Charge, Directors' Charge, CRO Charge and DIP Lenders' Charge; and

ii. finds any loans made by the DIP Lenders in accordance with the DIP Term Sheet prior to the entry of the Recognition Order are extended in "good faith" as contemplated by 364(e) of the Bankruptcy Code, such that the validity of the DIP Loans, and the priority of the DIP Lenders' Charge in respect of the Debtors' Property located within the territorial jurisdiction of the United States shall not be affected by any reversal or modification of this Order on appeal or the entry of an order denying the Debtors' request for entry of the Recognition Order.

e. for counterparties to certain of the Debtors' executory contracts and unexpired leases, section 365(e) of the Bankruptcy Code shall apply with respect to each of the Debtors and the property of each of the Debtors that is within the territorial jurisdiction of the United States.

f. the Foreign Representative shall have the rights and protections to which the Foreign Representative is entitled under chapter 15 of the Bankruptcy Code, including, but not limited to, the protections limiting the jurisdiction of United States Courts over the Foreign Representative in accordance with section 1510 of the Bankruptcy Code and the granting of additional relief in accordance with sections 1519(a)(3) and 1521 of the Bankruptcy Code; and

g. notwithstanding any provision in the Bankruptcy Rules to the contrary, (i) this Order shall be effective immediately and enforceable upon entry, (ii) the Foreign Representative is not subject to any stay in the implementation, enforcement, or realization of the relief granted in this

> Order, and (iii) the Foreign Representative is authorized and empowered, and may, in its discretion and without further delay, take any action and perform any act necessary to implement and effectuate the terms of the Provisional Relief Order.

2. The Foreign Representative, in connection with its appointment as the "foreign representative" in these cases, and the Debtors, are hereby granted the full protections and rights available pursuant to section 1519(a)(1)-(3) of the Bankruptcy Code.

3. Pursuant to sections 1519 and 364 of the Bankruptcy Code, to the extent authorized under the Initial Order, the Court grants, on a provisional basis, the Administration Charge, the Directors' Charge, the DIP Lenders' Charge and the CRO Charge on all the Debtors' Property located in the territorial jurisdiction of the United States in the same priority granted in the Canadian Proceedings.

4. The Initial Order (as entered by the Canadian Court), attached hereto as **Exhibit 1**, is hereby given full force and effect on a provisional basis with respect to the Debtors and their property located in the territorial jurisdiction of the United States, including, without limitation, the sections of the Initial Order (a) staying the commencement or continuation of any actions against the Debtors and their assets and (b) granting the Directors' Charge, the Administration Charge, the DIP Lenders' Charge and the CRO Charge.

5. Pending entry by this Court of the Recognition Order, the Foreign Representative and the Debtors are entitled to the benefits of, and may comply with, the terms and conditions of the Directors' Charge, the Administration Charge, the DIP Lenders' Charge and the CRO Charge, including, but not limited to, the payment of associated fees and expenses as they come due without further notice or order of this Court.

6. This Order shall be sufficient and conclusive notice and evidence of the grant, validity, perfection, and priority of the liens granted in the Canadian Proceedings as they apply to

the Debtors and their property located in the territorial jurisdiction of the United States in respect of the Administration Charge, the Directors' Charge, the CRO Charge and the DIP Lenders' Charge without the necessity of filing or recording this Order or any financing statement, mortgage, or other instrument or document which may otherwise be required under the law of any jurisdiction; provided that the Debtors are authorized to execute, and the DIP Lenders may file or record, any financing statements, mortgages, other instruments to further evidence the validity, perfection, and priority of the liens granted in the Canadian Proceedings as they apply to the Debtors and their property located in the territorial jurisdiction of the United States.

7. Any loans made by the DIP Lender in accordance with the DIP Loan Agreement prior to the entry of the Recognition Order are extended in 'good faith' as contemplated by 11 U.S.C. §§ 363(m) and 364(e), such that the validity of DIP Loans, and the priority of the DIP Lenders' Charge in respect of the Debtors' Property located within the territorial jurisdiction of the United States, as contemplated by 11 U.S.C. § 363(m), shall not be affected by any reversal or modification of this Order on appeal or the entry of an order denying the Foreign Representative's request for entry of the Recognition Order.

8. The security provisions of FRCP 65(c), made applicable herein pursuant to Bankruptcy Rule 7065, are hereby waived.

9. The service procedures as set forth in the Notice Procedures Motion shall be deemed good and sufficient service and adequate notice for all purposes. The Foreign Representative, the Debtors, and their respective agents are authorized to serve or provide any notices required under the FRCP, Bankruptcy Rules, or Local Rules.

10. The requirements set forth in Bankruptcy Rule 1007(a)(4)(B) are waived with respect to the Provisional Relief, to the extent such requirements have not already been satisfied by the Bankruptcy Disclosures.

11. The banks and financial institutions with which the Debtors maintain bank accounts or on which checks are drawn or electronic payment requests made in payment of prepetition or postpetition obligations are authorized and directed to continue to service and administer the Debtors' bank accounts without interruption and in the ordinary course and to receive, process, honor and pay any and all such checks, drafts, wires and automatic clearing house transfers issued, whether before or after the Petition Date and drawn on the Debtors' bank accounts by respective holders and makers thereof and at the direction of the Foreign Representative or the Debtors, as the case may be.

12. The Foreign Representative is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

13. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

14. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any requests for additional relief or any adversary proceeding brought in and through these chapter 15 cases, and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

Dated: March 12th, 2024
Wilmington, Delaware

JOHN T. DORSEY
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Initial Order

I hereby certify this to be a true copy of
the original CCAA INITIAL ORDER
Dated this 12 day of March, 2024
for Clerk of the Court

Clerk's Stamp:

JUDICIAL CENTRE OF CALGARY
FILED
Mar 11, 2024
by Email
CLERK OF THE COURT

COURT FILE NUMBER	2401-03404
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE OF	CALGARY
APPLICANTS:	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 CANADIAN OVERSEAS PETROLEUM LIMITED AND THOSE ENTITIES LISTED IN SCHEDULE "A"
DOCUMENT	**CCAA INITIAL ORDER**
CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT:	**OSLER, HOSKIN & HARCOURT LLP** 6200 - 1 First Canadian Place Toronto, Ontario M5X 1B8 Solicitor: Marc Wasserman / Shawn Irving / Dave Rosenblat Telephone: 416.862.4908 / 4733 / 5673 Facsimile: 416.862.6666 Email: mwasserman@osler.com / sirving@osler.com / drosenblat@osler.com File Number: 1252079
DATE ON WHICH ORDER WAS PRONOUNCED:	March 8, 2024
NAME OF JUDGE WHO MADE THIS ORDER:	The Honourable Justice Sidnell
LOCATION OF HEARING:	Calgary, Alberta

UPON THE APPLICATION of CANADIAN OVERSEAS PETROLEUM LIMITED and those entities listed in Schedule "A" hereto (collectively, the "**Applicants**"); **AND UPON** having read the Originating Application, the Affidavit of Peter Kravitz, sworn March 7, 2024 (the "**Kravitz Affidavit**"), and the Affidavit of Service of Viktor Nikolov, sworn March 8, 2024; **AND UPON** reading the consent of KSV Restructuring Inc. ("**KSV**") to act as Monitor; **AND UPON** being advised that the secured creditors who are likely to be affected by the charges created herein have been provided notice of this application and either do not oppose or alternatively consent to the within Order; **AND UPON** hearing counsel for the Applicants; **AND UPON** reading the Pre-Filing Report of KSV; **IT IS HEREBY ORDERED AND DECLARED THAT**:

SERVICE

1. The time for service of the notice of application for this order (the "**Order**") is hereby abridged and deemed good and sufficient and this application is properly returnable today.

APPLICATION

2. The Applicants are companies to which the *Companies' Creditors Arrangement Act* of Canada (the "**CCAA**") applies.

POSSESSION OF PROPERTY AND OPERATIONS

3. The Applicants shall:

   (a) remain in possession and control of their current and future assets, licenses, permits, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**");

   (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property;

   (c) be authorized and empowered to continue to retain and employ the employees, contractors, consultants, agents, advisors, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or

desirable in the ordinary course of business or for the carrying out of the terms of this Order; and

(d) be entitled to continue to utilize the central cash management system currently in place as described in the Affidavit of Peter Kravitz sworn March 7, 2024 or replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any plan of compromise or arrangement (a "**Plan**") with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

4. Subject to the terms of the Definitive Documents (as defined herein) and to the extent permitted by law, the Applicants shall be entitled but not required to make the following advances or payments of the following expenses, incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

(b) the reasonable fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order; and

(c) with the written consent of the Monitor, amounts owing for goods and services actually supplied to the Applicants prior to the date of this Order, if in the opinion of the Applicants the supplier is critical to the Business and ongoing operations of the Applicants.

5. Subject to the terms of the Definitive Documents and except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Applicants following the date of this Order.

6. The Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority that are required to be deducted from employees' wages, including, without limitation, amounts in respect of:

(i) employment insurance,

(ii) Canada Pension Plan, and

(iii) income taxes,

but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and

services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

(c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and that are attributable to or in respect of the carrying on of the Business by the Applicants.

7. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease, but for greater certainty, excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of any of the Applicants, the making of this Order or the commencement of any insolvency proceeding) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicants from time to time for the period commencing from and including the date of this Order ("**Rent**"), but shall not pay any rent in arrears.

8. Except as specifically permitted in this Order, the Applicants are hereby directed, until further order of this Court:

(a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their respective creditors as of the date of this Order;

(b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of the Property; and

(c) not to grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

9. The Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined in paragraph 35), have the right to:

(a) permanently or temporarily cease, downsize or shut down any portion of its business or operations and to dispose of redundant or non-material assets not exceeding CAD $150,000 in any one transaction or CAD $500,000 in the aggregate, provided that any sale that is either (i) in excess of the above thresholds, or (ii) in favour of a person related to the Applicants (within the meaning of section 36(5) of the CCAA), shall require authorization by this Court in accordance with section 36 of the CCAA;

(b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate on such terms as may be agreed upon between the Applicants and such employee, or failing such agreement, to deal with the consequences thereof in the Plan or a further Order of the Court;

(c) disclaim or resiliate, in whole or in part, with the prior consent of the Monitor (as defined below) or further Order of the Court, their arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the Applicants deem appropriate, in accordance with section 32 of the CCAA; and

(d) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

10. The Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to

the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further order of this Court upon application by the Applicants on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicants disclaim or resiliate the lease governing such leased premises in accordance with section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute other than Rent payable for the notice period provided for in section 32(5) of the CCAA, and the disclaimer or resiliation of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

11. If a notice of disclaimer or resiliation is delivered pursuant to section 32 of the CCAA, then:

(a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice; and

(b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

12. Until and including March 18, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, except with the prior written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants, or their employees or representatives acting in such capacities, or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court or the prior written consent of the Applicants and the Monitor.

NO PROCEEDINGS AGAINST THE NON-FILING AFFILIATES

13. During the Stay Period, no Proceeding shall be commenced or continued against or in respect of those entities listed in Schedule "B" hereto (the "**Non-Filing Affiliates**"), or any of their current and future assets, businesses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (collectively, the "**Non-Filing Affiliates' Property and Business**") by reason of:

    (a) the insolvency of the Applicants;

    (b) any of the Applicants having made an application to this Court under the CCAA;

    (c) any of the Applicants being a party to these proceedings;

    (d) any of the Applicants taking any step related to these CCAA proceedings; or

    (e) any default or cross-default arising from the matters set out in subparagraphs (a), (b), (c) or (d) above, or arising from the Applicants breaching or failing to perform any contractual or other obligations (collectively, the "**Non-Filing Affiliates' Default Events**"),

except with the prior written consent of the Applicants and the Monitor, or with leave of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**"), whether judicial or extra-judicial, statutory or non-statutory against or in respect of the Applicants or the Monitor or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall:

(a) empower the Applicants to carry on any business that the Applicants are not lawfully entitled to carry on;

(b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;

(c) prevent the filing of any registration to preserve or perfect a security interest;

(d) prevent the registration of a claim for lien; or

(e) exempt the Applicants from compliance with statutory or regulatory provisions relating to health, safety or the environment.

15. Nothing in this Order shall prevent any party from taking an action against the Applicants, or any of them, where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor and the Applicants at the first available opportunity.

16. During the Stay Period, all rights and remedies of any Person against or in respect of the Non-Filing Affiliates, or affecting the Non-Filing Affiliates' Property and Business, as a

result of a Non-Filing Affiliates' Default Event, are hereby stayed and suspended except with leave of this Court, provided that nothing in this Order shall:

(a) empower the Non-Filing Affiliates to carry on any business that the Non-Filing Affiliates are not lawfully entitled to carry on;

(b) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA;

(c) prevent the filing of any registration to preserve or perfect a security interest;

(d) prevent the registration of a claim for lien; or

(e) exempt the Non-Filing Affiliates from compliance with statutory or regulatory provisions relating to health, safety or the environment.

NO INTERFERENCE WITH RIGHTS

17. During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence or permit in favour of or held by the Applicants, or the Non-Filing Affiliates (as a result of a Non-Filing Affiliates' Default Event), except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. During the Stay Period, all persons having:

(a) statutory or regulatory mandates for the supply of goods and/or services; or

(b) oral or written agreements or arrangements with the Applicants (or any of them), including without limitation all supply arrangements pursuant to purchase orders and historical supply practices, computer software, communication and other data services, centralized banking services, cash management services, payroll and benefit services, insurance, transportation, services, logistics services, security services, management services, utility or other services to the Business or the Applicants

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Applicants or exercising any other remedy provided under such agreements or arrangements. The Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with the payment practices of the Applicants, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any person, other than the Interim Lender (as hereinafter defined) where applicable, be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 15 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date of this Order and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS INDEMNIFICATION AND CHARGE

21. The Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors and/or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

22. The directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of CAD $500,000, as security for the indemnity provided in paragraph 21 of this Order. The Directors' Charge shall have the priority set out in paragraphs 40 and 42 herein.

23. Notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 22 of this Order.

APPOINTMENT OF MONITOR

24. KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property, Business, and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein. The Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of their powers and discharge of their obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

25. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicants' receipts and disbursements, Business and dealings with the Property;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of the Applicants or any of them;

(c) assist the Applicants, to the extent required by the Applicants, in their dissemination to the Interim Lender and its counsel on a periodic basis as required by the Definitive Documents of financial and other information as agreed to between the Applicants and the Interim Lender which may be used in these proceedings, including reporting on a basis as reasonably required by the Interim Lender;

(d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the Interim Lender, which information shall be reviewed with the Monitor and delivered to the Interim Lender and its counsel on a periodic basis as required by the Definitive Documents;

(e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form and other financial documents of the Applicants to the extent that is necessary to adequately assess the Property, Business, and financial affairs of the Applicants or to perform its duties arising under this Order;

(f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(g) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicants and any other Person; and

(h) perform such other duties as are required by this Order or by this Court from time to time.

26. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination (the "**Environmental Legislation**"), provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation or regulation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order be deemed to be in Possession of any of the Property within the meaning of any federal or provincial environmental legislation.

27. The Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

28. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this Court, neither the Monitor nor its employees and representatives acting in such capacities shall incur any liability or obligation as a result of the Monitor's appointment or the carrying out by it of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

29. The Monitor, counsel to the Monitor, and counsel to the Applicants shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings), in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, and counsel for the Applicants on a bi-weekly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

30. The Monitor and its legal counsel shall pass their accounts from time to time.

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

31. A chief restructuring officer of the Applicants shall be appointed on the following terms:

(a) the CRO (as defined below) shall have the powers and obligations set out in the agreement dated as of December 19, 2023, as amended by agreements dated December 29, 2023 and January 17, 2024, pursuant to which Province Fiduciary Services, LLC ("**Province**") was engaged to provide the Applicants with services including the provision of Peter Kravitz to act as chief restructuring officer of the Applicants (the "**CRO**"), a copy of which is attached as Exhibit "R" to the Kravitz Affidavit (the "**CRO Engagement Letter**");

(b) Province shall be entitled, in accordance with the terms of the CRO Engagement Letter, to payment from the Applicants for obligations owing thereunder and the disbursements contemplated therein (collectively, the "**CRO Fees**");

(c) the CRO shall be responsible for performing its functions and obligations as set out in the CRO Engagement Letter for the benefit of the Applicants and shall provide timely updates to the Monitor in respect of such functions and obligations;

(d) in addition to the rights and protections afforded the CRO as an officer of this

Court, the CRO shall not be or be deemed to be a director, *de facto* director, or employee of any entity of the Applicants;

(e) nothing in this Order shall be construed as resulting in Province (or any director, officer or employee thereof) or the CRO being an employer, successor employer, a responsible person, operator or person with apparent authority within the meaning of any statute, regulation or rule of law, or equity (including any Environmental Legislation) for any purpose whatsoever;

(f) neither Province (nor any director, officer or employee thereof) nor the CRO shall, as a result of the performance of their respective obligations and duties in accordance with the terms of the CRO Engagement Letter, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation; provided however, if either of Province or the CRO are nevertheless later found to be in Possession of any Property under Environmental Legislation, then Province or the CRO, as the case may be, shall be entitled to the benefits and protections in relations to the Applicants and such Property as are provided to a monitor under section 11.8(3) of the CCAA; provided further however, that nothing in this sub-paragraph 31(f) shall exempt Province or the CRO from any duty to report or make disclosure imposed by a law and incorporated by reference in section 11.8(4) of the CCAA;

(g) Province and the CRO shall not incur any liability or obligation as a result of the appointment or carrying out duties as CRO, whether before or after the granting of this Order, save and except for any gross negligence or willful misconduct, provided that any liability of Province and the CRO with respect to carrying out duties as CRO shall in no event exceed the quantum of the fees paid under the CRO Agreement;

(h) no action or other proceeding shall be commenced in relation to the Applicants directly, or by way of counterclaim, third party claim or otherwise, against or in respect of Province, its officers, directors, employees, or the CRO, and all rights

and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of the CRO or with leave of this Court on notice to the Applicants, the Monitor and the CRO, provided, however, that nothing in this Order, including this subparagraph 31(h) shall affect such investigations, actions, suits or proceedings by a regulatory body that are permitted by section 11.1 of the CCAA or the ability of any interested party to apply to this Court to vary or amend this Order pursuant to paragraph 54. Notice of any such application seeking leave of this Court shall be served on the Applicants, the Monitor and the CRO at least seven (7) days prior to the return date of any such application for leave; and

(i) for the purpose of carrying out the functions and duties set out in the CRO Engagement Letter, the CRO (i) shall have full and complete access to the property of the Applicants, including the premises, books, records, data (including data in electronic format) and other financial documents of the Applicants, and (ii) is hereby authorized to meet with any employee, director, representative or agent of the Applicants. The employees, directors, representatives, and agents of the Applicants are hereby directed to fully cooperate with the CRO in connection with the functions and duties set out in the CRO Engagement Letter.

32. Province and the CRO shall be entitled to the benefit of an are hereby granted a charge on the Property (the "**CRO Charge**"), which shall not exceed an aggregate amount of USD $500,000, to secure the monthly and hourly fees and disbursements provided for under the CRO Engagement Letter, which, for the avoidance of doubt, excludes the Transaction Fee (as defined in the CRO Engagement Letter). The CRO Charge shall have the priority set out in paragraphs 40 and 42 hereof.

INTERIM FINANCING

33. The Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from Summit Partners Credit Fund III, L.P.; Summit Investors Credit III, LLC; and Summit Investors Credit III (UK), L.P. (collectively, the "**Interim Lender**") in order to

finance the Applicants' working capital requirements and other general corporate purposes (including payment of fees of the Applicant's counsel, the Monitor and its counsel, the Interim Lender's counsel, and the Financial Advisor) and capital expenditures, provided that borrowings under such credit facility shall not exceed US $1,500,000 unless permitted by further order of this Court.

34. Such credit facility shall be on the terms and subject to the conditions set forth in the Interim Financing Term Sheet between the Applicants and the Interim Lender dated as of March 7, 2024 (the "**Commitment Letter**"), filed.

35. The Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Commitment Letter or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the Interim Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

36. The Interim Lender shall be entitled to the benefits of and is hereby granted a charge (the "**Interim Lender's Charge**") on the Property to secure all obligations under the Definitive Documents incurred on or after the date of this Order which charge shall not exceed the aggregate amount advanced on or after the date of this Order under the Definitive Documents and interest, fees, and expenses accruing and/or becoming owing thereunder on or after the date of this Order. The Interim Lender's Charge shall not secure any obligation existing before the date this Order is made. The Interim Lender's Charge shall have the priority set out in paragraphs 40 and 42 hereof.

37. Notwithstanding any other provision of this Order:

(a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge or

any of the Definitive Documents;

(b) upon the occurrence of an event of default under the Definitive Documents or the Interim Lender's Charge, the Interim Lender, upon five (5) days' notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the Commitment Letter, Definitive Documents and the Interim Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the Interim Lender to the Applicants against the obligations of the Applicants to the Interim Lender under the Commitment Letter, the Definitive Documents or the Interim Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

(c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

38. The Interim Lender shall be treated as unaffected in any Plan filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Definitive Documents.

ADMINISTRATION CHARGE

39. The Monitor, counsel to the Monitor, the Applicants' counsel, and Province, LLC (as financial advisor to the Applicants pursuant to the agreement dated December 19, 2023 and attached as Appendix "S" to the Kravitz Affidavit, the "**Financial Advisor**"), as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge

(the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of CAD $1,500,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor, such counsel, and the Financial Advisor, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 40 and 42 hereof

VALIDITY AND PRIORITY OF CHARGES

40. The priorities of the Directors' Charge, the Administration Charge, the CRO Charge and the Interim Lender's Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of CAD $1,500,000) and the CRO Charge (to the maximum amount of USD $500,000), on a *pari passu* basis;

Second – Directors' Charge (to the maximum amount of CAD $500,000); and

Third – Interim Lender's Charge.

41. The filing, registration or perfection of the Directors' Charge, the Administration Charge, the CRO Charge or the Interim Lender's Charge (collectively, the "**Charges**") shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

42. Each of the Directors' Charge, the Administration Charge, the CRO Charge and the Interim Lender's Charge (all as constituted and defined herein) shall constitute a charge on the Property and subject always to section 34(11) of the CCAA such Charges shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person notwithstanding the order of perfection or attachment.

43. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to,

or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, the Interim Lender and the beneficiaries of the Charges, or further order of this Court.

44. The Charges and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the Interim Lender thereunder shall not otherwise be limited or impaired in any way by:

(a) the pendency of these proceedings and the declarations of insolvency made in this Order;

(b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications;

(c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;

(d) the provisions of any federal or provincial statutes; or

(e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") that binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, including the Commitment Letter or the Definitive Documents shall create or be deemed to constitute a new breach by any of the Applicants of any Agreement to which any of the Applicants is a party;

(ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges, the Applicants entering into the Commitment Letter or the execution, delivery or performance of the Definitive Documents; and

(iii) the payments made by the Applicants pursuant to this Order, including the Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

ALLOCATION

45. Any interested Person may apply to this Court on notice to any other party likely to be affected for an order to allocate the Charges amongst the various assets comprising the Property.

SERVICE AND NOTICE

46. The Monitor shall (i) without delay, provide notice of these proceedings to the Non-Filing Affiliates; (ii) without delay, publish in the New York Times, the Calgary Herald and the Globe and Mail a notice containing the information prescribed under the CCAA; (iii) within five (5) days after the date of this Order (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than CAD $1,000 and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder provided that the Monitor shall not make the claims, names and addresses of individuals who are creditors publicly available.

47. The Monitor shall establish a case website in respect of the within proceedings at www.ksvadvisory.com/experience/case/canadian-overseas-petroleum (the "**Monitor's Website**").

GENERAL

48. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

49. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Monitor will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Monitor's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.

50. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager or a trustee in bankruptcy of the Applicants, the Business or the Property.

51. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States of America, or in any foreign jurisdiction, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

52. Each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Monitor is authorized and empowered to act as a representative in

respect of the within proceeding for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

53. Subject to local laws, rules and regulations:

(a) Canadian Overseas Petroleum Limited is hereby authorized and empowered, but not required, to act as the foreign representative (in such capacity, the "**Foreign Representative**") in respect of these proceedings for the purpose of having these proceedings recognized and approved in a foreign jurisdiction.

(b) The Foreign Representative is hereby authorized to apply for foreign recognition and approval of these proceedings, as necessary, in any jurisdiction outside Canada, including in the United States pursuant to Chapter 15 of the *United State Bankruptcy Code*, 11 U.S.C. §§ 101 – 1532, as amended.

54. Any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

55. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.

Justice E. Sidnell

Justice of the Court of King's Bench of Alberta

SCHEDULE "A"

Applicants

Canadian Overseas Petroleum Limited

COPL America Holding Inc.

COPL America Inc.

Canadian Overseas Petroleum (UK) Limited

Canadian Overseas Petroleum (Ontario) Limited

COPL Technical Services Limited

Canadian Overseas Petroleum (Bermuda Holdings) Limited

Canadian Overseas Petroleum (Bermuda) Limited

Southwestern Production Corporation

Atomic Oil and Gas LLC

Pipeco LLC

SCHEDULE "B"

Non-filing Affiliates

Shoreline Canoverseas Development Corporation Limited

Essar Exploration and Production Limited

THIS IS EXHIBIT “C” REFERRED TO IN

THE AFFIDAVIT OF PETER KRAVITZ

SWORN BEFORE ME THIS 14th DAY OF

MARCH, 2024

A Commissioner for Taking Affidavits

Viktor V. Nikolov
(LSO#84503P)

WHITE & CASE

Dated 5 October 2023

Purchase Agreement

in respect of the commitment to purchase and the issuance of Sale Shares and Warrants respectively

by

Canadian Overseas Petroleum Limited

with

Anavio Equity Capital Markets Master Fund Limited
as Initial Purchaser

White & Case LLP
5 Old Broad Street
London EC2N 1DW

Table of Contents

Page

This Agreement is made on 5 October 2023

Between:

(1) **CANADIAN OVERSEAS PETROLEUM LIMITED**, a public company incorporated under the Canada Business Corporations Act and registered in Canada with registered number 420463-8 (LEI no: 213800QPF6H95J4ZAH31) whose registered office is at Suite 320, 715-5th Ave, SW, Calgary, Alberta T2P 2X6, Canada (the "**Company**"); and

(2) **ANAVIO EQUITY CAPITAL MARKETS MASTER FUND LIMITED** (the "**Initial Purchaser**"),

(each a "**Party**" and together the "**Parties**").

Whereas:

(A) The Company proposes, on the terms and subject to the conditions set out in this Agreement, to sell 126,182,965 new Shares (as defined below) (the "**Sale Shares**") to the Initial Purchaser and the Initial Purchaser proposes, also on the terms and subject to the conditions set out in this Agreement, to purchase the Sale Shares, on the Closing Date.

(B) On the Closing Date, the Company will also create, issue and deliver the Warrants (as defined below) to the Initial Purchaser on the terms and conditions set out in this Agreement and the Warrant Instrument (as defined below).

(C) The Company will also on the Closing Date enter into the Written Resolutions (as defined below) to effect certain waivers and amendments in relation to the Bond Instruments, the Existing Warrant Documents and the Bonds and Existing Warrants issued thereunder.

It is agreed as follows:

1. Definitions and Interpretation

1.1 Definitions

In this Agreement:

"**£**" means Pounds Sterling, the lawful currency of the United Kingdom of Great Britain and Northern Ireland.

"**2027 Bond Conditions**" means the terms and conditions of the 2027 Bonds set out in the 2027 Bond Instrument.

"**2028 Bond Conditions**" means the terms and conditions of the 2028 Bonds set out in the 2028 Bond Instrument.

"**2027 Bond Instrument**" means the bond instrument constituting the 2027 Bonds entered into by the Company and dated 26 July 2022 (as supplemented on 24 March 2023).

"**2028 Bond Instrument**" means the bond instrument constituting the 2028 Bonds entered into by the Company and dated 26 July 2022 (as supplemented on 30 December 2022 and 24 March 2023).

"**2027 Bonds**" means the U.S.$20,000,000 senior convertible bonds due 2027 issued by the Company pursuant to the 2027 Bond Instrument.

"**2028 Bonds**" means the U.S.$24,000,000 senior convertible bonds due 2028 issued by the Company pursuant to the 2028 Bond Instrument.

"**Additional Bonds**" has the meaning given in the March Purchase Agreement.

"**Additional Warrants**" has the meaning given in the March Purchase Agreement.

"**affiliate**" has the meaning given to it in Rule 501(b) of Regulation D under the Securities Act.

"**Anti-Bribery and Anti-Corruption Laws**" has the meaning given in Clause 7.1(v) (*Representations of the Company*).

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Bond Conditions**" means the 2027 Bond Conditions and the 2028 Bond Conditions.

"**Bond Instruments**" means each of the 2027 Bond Instrument and the 2028 Bond Instrument and "**Bond Instrument**" shall be construed to mean any of them.

"**Bonds**" means the 2027 Bonds and the 2028 Bonds.

"**Business Day**" means a day which is a business day in each of London, United Kingdom, New York City and Calgary, Canada.

"**C$**" means the lawful currency of Canada.

"**Calculation Agency Agreements**" means each of:

(a) the calculation agency agreement between the Company and the Calculation Agent in relation to the 2027 Bonds dated 26 July 2022 as supplemented on 24 March 2023 and as further supplemented, changed and/or varied by a supplemental agreement to be entered into not later than the Closing Date between the Company and the Calculation Agent;

(b) the calculation agency agreement between the Company and the Calculation Agent in relation to the 2028 Bonds dated 26 July 2022 as supplemented on 30 December 2022 and 24 March 2023 and as further supplemented, changed and/or varied by a supplemental agreement to be entered into not later than the Closing Date between the Company and the Calculation Agent;

(c) the calculation agency agreement between the Company and the Calculation Agent dated 26 July 2022 (relating to the warrants referred to in (a) of the definition of Existing Warrants) as supplemented on 24 March 2023 and as further supplemented, changed and/or varied by a supplemental agreement dated 30 December 2022 and by a supplemental agreement to be entered into not later than the Closing Date between the Company and the Calculation Agent;

(d) the calculation agency agreement between the Company and the Calculation Agent dated 30 December 2022 (relating to the warrants referred to in (b) of the definition of Existing Warrants) as supplemented on 24 March 2023 and as further supplemented, changed and/or varied by a supplemental agreement to be entered into not later than the Closing Date between the Company and the Calculation Agent;

(e) the calculation agency agreement between the Company and the Calculation Agent dated 24 March 2023 (relating to the warrants referred to in (c) of the definition of Existing Warrants) as supplemented, changed and/or varied by a supplemental agreement to be entered into not later than the Closing Date between the Company and the Calculation Agent; and

(f) the calculation agency agreement in relation to the Warrants to be entered into not later than the Closing Date between the Company and the Calculation Agent.

"**Calculation Agent**" means Conv-Ex Advisors Limited.

"**Closing**" means the closing of the issue of the Sale Shares and the Warrants to the Initial Purchaser.

"**Closing Date**" means on or before 10 October 2023 or such other date as may be agreed in writing (including, but not limited to, by way of email) between the Parties in their absolute discretion.

"**Commitment Letter**" means the commitment letter dated 5 September 2023 between the Company and the Initial Purchaser.

"**Confidential Information**" has the meaning given in Clause 17.1 (*Confidentiality*).

"**Control**" means, in relation to any person (being the "**Controlled Person**"), a person being:

(a) entitled to exercise, or control the exercise of (directly or indirectly) 50 per cent. or more of the voting power at any general meeting of the shareholders, members or partners or other equity holders (and including, in the case of a limited partnership, of the limited partners of) in respect of all or substantially all matters falling to be decided by resolution or meeting of such persons;

(b) entitled to appoint or remove or control the appointment or removal of:

(i) directors on the Controlled Person's board of directors or its other governing body (or, in the case of a limited partnership, of the board or other governing body of its general partner) who are able (in the aggregate) to exercise 50 per cent. or more of the voting power at meetings of that board or governing body in respect of all or substantially all matters; and/or

(ii) any managing member of such Controlled Person;

(iii) in the case of a limited partnership, its general partner; or

(c) entitled to exercise a dominant influence over the Controlled Person (otherwise than solely as a fiduciary) by virtue of the provisions contained in its constitutional documents or, in the case of a trust, trust deed or pursuant to an agreement with other shareholders, partners, members of the Controlled Person,

(for the avoidance of doubt, ignoring any holding of Bonds or Additional Bonds or Existing Warrants, Warrants, Additional Warrants or similar securities issued by the Company from time to time which do not, by the holding thereof, confer on the holder any right or ability to exercise any voting or other rights of a shareholder or to appoint or remove or control the appointment or removal of directors of the Company or otherwise direct or control the directors of the Company, prior to the conversion or exercise of such securities for Shares, and ignoring any right under Clause 12) and "**Controller**", "**Controlled**" and "**Controlling**" shall be construed accordingly; and where one person is Controlled by the same Controller as another person those two persons shall be under common Control.

"**COPL Bank Account**" means the bank account held in the Company's name with the details set out in the email sent by the Company to the Initial Purchaser's Solicitors on 3 March 2023 (or such account of the Company as the Company designates to the Initial Bondholder in writing at least one Business Day prior to the Closing Date).

"**Court**" has the meaning given in Clause 7.1(z) (*Representations of the Company).*

"**CREST**" means the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear UK & Ireland Limited, a company incorporated in England and Wales with registered number 2878738.

"**December 2022 Warrant Instrument**" has the meaning given to it in the defined term "Existing Warrants".

"**December Purchase Agreement**" means the purchase agreement dated 30 December 2022 between the Initial Purchaser and the Company.

"**Default**" means an Event of Default or any event or circumstance specified in Condition 10 (*Events of Default*) of each of the Bond Conditions which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Bond Instruments, the Bond Conditions or any combination of any of the foregoing) be an Event of Default.

"**End Date**" means 26 January 2028.

"**Environmental Laws**" has the meaning given in Clause 7.1(n)(i) (*Representations of the Company*).

"**EUWA**" means the European Union (Withdrawal) Act 2018.

"**Existing Warrant Documents**" means: (a) the July 2022 Warrant Instrument; (b) the December 2022 Warrant Instrument, and (c) the March 2023 Warrant Instrument, in each case, as amended, changed, altered, varied, restated and/or supplemented from time to time (including (but not limited to) by way of any of the Written Resolutions, and each warrant certificate issued in relation thereto.

"**Existing Warrants**" means:

(a) the 54,792,590 warrants issued or issuable by the Company pursuant to the terms of the warrant instrument (the "**July 2022 Warrant Instrument**"), dated 26 July 2022 entered into by the Company as amended, altered, changed, supplemented and/or varied from time to time (including (but not limited to) pursuant to written resolution and agreements dated 30 December 2022 and 24 March 2023);

(b) the 12,760,572 warrants issued or issuable by the Company pursuant to the terms of the warrant instrument (the "**December 2022 Warrant Instrument**"), dated 30 December 2022 entered into by the Company as amended, altered, changed, supplemented and/or varied from time to time (including (but not limited to) pursuant to written resolution and agreements dated 24 March 2023); and

(c) the 70,257,026 warrants issued or issuable by the Company pursuant to the terms of the warrant instrument (the "**March 2023 Warrant Instrument**"), dated 24 March 2023 as amended, altered, changed, supplemented and/or varied from time to time.

"**Expenses**" has the meaning given to it in Clause 6.1(b) (*Transaction Expenses*).

"**FSMA**" means the Financial Services and Markets Act 2000.

"**G&A Spreadsheet**" has the meaning given in paragraph 3(f) of Schedule 1 (*Conditions Precedent*).

"**Governmental Authority**" means the government of any nation, or of any political subdivision thereof, whether state, regional or local, and any agency, authority, branch, department, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government or any subdivision thereof (including any supra-national bodies).

"**Group**" means the Company and its consolidated Subsidiaries from time to time taken as a whole and references to a member of the Group means any of the Company or any of its consolidated Subsidiaries from time to time.

"**Hazardous Materials**" has the meaning given in Clause 7.1(n)(i) (*Representations of the Company*).

"**Historic Purchase Agreements**" means the July Purchase Agreement, the December Purchase Agreement and the March Purchase Agreement and "**Historic Purchase Agreement**" shall mean any one of them.

"**IFRS**" means International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time).

"**Indemnified Person**" has the meaning given to it in Clause 5.1 (*Indemnity*).

"**Initial Purchaser's Solicitors**" means White & Case LLP.

"**Intellectual Property Rights**" means, collectively, trademarks, trade names and other rights to inventions, know-how, patents, copyrights, confidential information and other intellectual property.

"**July 2022 Warrant Instrument**" has the meaning given to it in the defined term "Existing Warrants".

"**July Purchase Agreement**" means the purchase agreement dated 22 July 2022 between the Initial Purchaser and the Company.

"**Legal Opinion**" has the meaning given to it in Schedule 1 (*Conditions Precedent*).

"**Licenses**" has the meaning given to it in Clause 7.1(k) (*Representations of the Company*).

"**March Purchase Agreement**" means the purchase agreement dated 19 March 2023 (as supplemented on 20 March 2023) between the Initial Purchaser and the Company.

"**March 2023 Warrant Instrument**" has the meaning given to it in the defined term "Existing Warrants".

"**Material Adverse Effect**" means, (a) with respect to the Company and each member of the Group: (i) it is in breach of the terms of, or in default under, any indenture, mortgage, deed of trust, loan or credit agreement, lease, licence, order or other agreement or instrument to which it is a party or by which it or its property is bound or an event has occurred which with the giving of notice or lapse of time or other condition would constitute a default under any such indenture, mortgage, deed of trust, loan or credit agreement, lease, licence, order or other agreement or instrument, except for any such breach or default which either individually or in the aggregate would not reasonably be expected to be material in the context of the issue and offering of the Sale Shares and the Warrants; or (ii) it is engaged (whether as defendant or otherwise) in, or the Company has knowledge of the existence of, or any threat of, any legal, arbitration, administrative, governmental or other proceedings an adverse result of which would reasonably be expected to be material in the context of the issue and offering of the Sale Shares and the Warrants, or (iii) it has taken any action or any steps have been taken or legal proceedings commenced for the winding up or dissolution of the Company or any member of the Group, or (b) any adverse change or any development or event, in each case when compared to the position which had been publicly disclosed by the Company as at the date immediately prior to this Agreement, which could be reasonably expected to, individually or in aggregate, result in a prospective change which is materially adverse to the condition (financial or otherwise), prospects, business or general affairs, results of operations, properties or profitability of the Company or the Group or (c) any development of which the Company is, or might reasonably be expected to be, aware of that could be reasonably expected to materially

adversely affect the ability of the Company to perform its obligations under the Transaction Documents, the Bonds, the Existing Warrants or the Warrants.

"**Money Laundering Laws**" has the meaning given in Clause 7.1(x) (*Representations of the Company*).

"**New 2028 Bonds**" has the meaning given in Clause 11 (*Approval of the Proposed New 2028 Bonds*).

"**New Governance Framework** means the governance framework entitled "COPL Group Approval Matrix" dated 4 September 2023 in the form approved by the Initial Purchaser.

"**New NED**" has the meaning given in Clause 12.1 (*Appointment of Board Observer and Non-Executive Directors*).

"**Proceedings**" has the meaning given in Clause 24.2 (*Jurisdiction*).

"**Prohibited Payment**" has the meaning given in Clause 7.1(v) (*Representations of the Company*).

"**Public Statements**" means any information in any press release issued via the Regulatory News Service of each Stock Exchange or any successor thereof or similar regulatory information service, as the case may be, by or on behalf of the Company or any member of the Group, whether such information was required to be made public by applicable law and regulation (including, but not limited to, all filings required by each Stock Exchange and/or Canadian law and/or English law) or otherwise, on or after 31 December 2022.

"**Regulation S**" means Regulation S under the Securities Act.

"**Related Parties**" has the meaning given to it in Clause 5.1 (*Indemnity*).

"**Relevant Person**" means any of the Initial Purchaser, Anavio Capital Partners LLP or any of their respective affiliates or concert parties or any entity in respect of which Anavio Capital Partners LLP provides investment advice or invests on behalf of.

"**Relevant Securities**" means any participation certificates and any depositary or other receipt, instrument, rights or entitlement representing Shares.

"**Restricted Information**" means any information that is or may be material non-public and price-sensitive information regarding the Bonds, the Existing Warrants, the Warrants, any Additional Bonds, any Additional Warrants, the Shares (including the Sale Shares), the Company or the Group or is otherwise insider information within the meaning of applicable insider dealing or market abuse law (including but not limited to Regulation 596/2014/EU, including as it forms part of United Kingdom domestic law by virtue of the EUWA).

"**Sale Shares**" has the meaning given in Recital (A).

"**Sanctions**" means any sanctions administered, imposed or enforced by any of the Office of Foreign Assets Control of the U.S. Department of Treasury, the U.S. State Department, any other agency of the U.S. government, the United Nations, the European Union (including any present or future member states), the United Kingdom, Canada or any other governmental institution or agency with responsibility for imposing, administering or enforcing Sanctions with jurisdiction over the Initial Purchaser, the Company or any member of the Group.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**September Term Sheet**" means the term sheet dated 30 September 2023 between the Company and the Initial Purchaser, as amended between the Parties on 4 and 5 October 2023 such that:

(a) the number of Sale Shares and Warrants to be issued shall be 126,182,965, respectively;

(b) the subscription price per Sale Share shall be U.S.$0.0317;

(c) the exercise price for each Warrant upon issue shall be £0.026;

(d) the modified conversion price for each of the 2027 Bonds and the 2028 Bonds as at the Closing Date shall be U.S.$0.0317; and

(e) the modified exercise price for each Existing Warrant as at the Closing Date shall be £0.026.

"**Share Pledge**" means the share pledge agreement to be entered into not later than the Closing Date between the Company (as grantor) and the Initial Purchaser.

"**Share Settlement Option**" has the meaning given to it in each of the Bond Conditions.

"**Shares**" means common shares of no par value of the Company listed on the London Stock Exchange.

"**Stock Exchange**" means each of the Main Market of the London Stock Exchange plc (the "**London Stock Exchange**") and the Canadian Securities Exchange.

"**Stock Option Plan**" means the Company's employee equity and stock option plan as described in and effected by a Notice of Meeting and Information Circular dated 28 March 2019 and published by the Company in connection with an annual and special meeting of shareholders held on 4 June 2019.

"**Subscription Price**" means U.S.$4,000,000, being an amount equal to U.S.$0.0317 per Sale Share to be subscribed by the Initial Purchaser.

"**Subsidiary**" means, in relation to any person (the "**first Person**") at any particular time, any other person (the "**second Person**") (i) whose affairs and policies the first Person Controls or has the power to Control, or (ii) whose assets, liabilities, equity, income, expenses and cash flows are, in accordance with applicable law and IFRS, consolidated with those of the first Person in the consolidated financial statements of such Person.

"**Summit Waiver and Amendment**" means the tenth amendment and limited waiver to the credit agreement to be dated on or around the date of this Agreement among COPL America Holding Inc. as parent, COPL America Inc. as borrower, ABC Funding, LLC as Administrative and Collateral Agent and the Lenders named therein, in such form as the Initial Purchaser may reasonably require.

"**Supplemental 2027 Bond Instrument**" means the supplemental deed to the 2027 Bond Instrument to be entered into by the Company not later than the Closing Date for the purposes of evidencing the amendments approved pursuant to the Written Resolution relating to the 2027 Bond Instrument and the 2027 Bonds.

"**Supplemental 2028 Bond Instrument**" means the supplemental deed to the 2028 Bond Instrument to be entered into by the Company not later than the Closing Date for the purposes of evidencing the amendments approved pursuant to the Written Resolution relating to the 2028 Bond Instrument and the 2028 Bonds.

"**Transaction Documents**" means:

(a) the Supplemental 2027 Bond Instrument;

(b) the Supplemental 2028 Bond Instrument;

(c) the Share Pledge;

(d) the Warrant Documents;

(e) the Existing Warrant Documents;

(f) the Calculation Agency Agreements; and

(g) each of the Written Resolutions.

"**uncertificated form**" a share or shares recorded in the register of members as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations may be transferred by means of CREST.

"**U.S. Dollars**" or "**U.S.$**" means the lawful currency of the United States of America.

"**Unsecured Debt**" has the meaning given to it in Clause 15.1 (*Unsecured Debt Equitisation*).

"**Unsecured Debt Equitisation**" has the meaning given to it in Clause 15.2 (*Unsecured Debt Equitisation*).

"**Warrant Certificate**" means a Warrant certificate in or in substantially the form set out in the Warrant Instrument, including any replacement Warrant Certificate issued pursuant to the terms of the Warrant Instrument issued in favour of the Initial Purchaser as holder of the Warrants.

"**Warrant Documents**" means the Warrant Instrument and the initial Warrant Certificate, as further amended, changed, restated and/or supplemented from time to time.

"**Warrant Instrument**" means the warrant instrument relating to the Warrants to be entered into not later than the Closing Date by the Company in substantially the form agreed as at the date hereof (and identified as being in agreed form by exchange of emails between the parties hereto or their legal counsels).

"**Warrant Register**" means the register of entitlements to the Warrants as maintained by the Company in accordance with the Warrant Instrument.

"**Warrants**" means the 126,182,965 warrants to be issued by the Company pursuant to the terms of the Warrant Instrument, each Warrant entitling the holder thereof, upon exercise of its rights thereunder, to subscribe for one new Share.

"**Written Resolutions**" means each of:

(a) the written resolutions and agreements with the holder or holders of at least 75 per cent. of the principal amount outstanding of the bonds issued under the 2027 Bond Instrument to effect certain waivers and amendments in relation to the 2027 Bond Instrument and/or the 2027 Bonds issued thereunder;

(b) the written resolutions and agreements with the holder or holders of at least 75 per cent. of the principal amount outstanding of the bonds issued under the 2028 Bond Instrument to effect certain waivers and amendments in relation to the 2028 Bond Instrument and/or the 2028 Bonds issued thereunder;

(c) the written resolutions and agreements with the holder or holders of at least 75 per cent. of the principal amount outstanding of the warrants issued under the July 2022 Warrant Instrument to effect certain waivers and amendments in relation to the July 2022 Warrant Instrument and/or the warrants issued thereunder;

(d) the written resolutions and agreements with the holder or holders of at least 75 per cent. of the principal amount outstanding of the warrants issued under the December 2022 Warrant Instrument to effect certain waivers and amendments in relation to the December 2022 Warrant Instrument and/or the warrants issued thereunder; and

(e) the written resolutions and agreements with the holder or holders of at least 75 per cent. of the principal amount outstanding of the warrants issued under the March 2023 Warrant Instrument to effect certain waivers and amendments in relation to the March 2023 Warrant Instrument and/or the warrants issued thereunder.

1.2 **Construction**

(a) Unless a contrary indication appears, any reference in this Agreement to:

(i) any "**Party**" shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the relevant Transaction Documents;

(ii) "**assets**" includes present and future properties, revenues and rights of every description;

(iii) a "**Transaction Document**" or any other agreement, document or instrument is a reference to that Transaction Document or other agreement or document or instrument as amended, changed, varied, novated, supplemented, extended and/or restated from time to time (other than in relation to the New Governance Framework and the G&A Spreadsheet, unless agreed in writing by the Initial Purchaser in its absolute discretion);

(iv) a "**Person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);

(v) a "**regulation**" includes any regulation, rule, official directive, or official guidance of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other Governmental Authority;

(vi) a provision of law is a reference to that provision as amended or re-enacted from time to time;

(vii) a time of day is a reference to London time;

(viii) an "amendment" includes a change, alteration, restatement, amendment and restatement, novation, re-enactment, extension, supplement and/or variation no matter how fundamental (and "amended", "amend" (and any cognate terms and expressions) shall be construed, accordingly); and

(ix) words denoting the singular number only shall include the plural number and vice versa.

(b) Time shall be of the essence in this Agreement.

(c) Headings and the table of contents are for ease of reference only and shall not affect the construction of this Agreement.

(d) Any reference in this Agreement to a Clause or a Schedule is, unless otherwise stated, to a Clause or a Schedule hereof. The Schedules form an integral part of this Agreement.

2. Amendment to the March Purchase Agreement

2.1 Each of the Company and Initial Purchaser hereby affirm and agree that the provisions of the Historic Purchase Agreements (including, for the avoidance of doubt and without limitation,

the Company's undertakings and obligations in clauses 8(b), 10 and 11 of the March Purchase Agreement and the rights of the Initial Purchaser under each of the Historic Purchase Agreements) shall continue to have full force and effect, except as specified in and amended by Clauses 2.2 and 12.7 of this Agreement and as otherwise agreed by the Parties in writing.

2.2 Notwithstanding the foregoing, each of the Company and the Initial Purchaser agree that:

(a) clause 1.1 of the March Purchase Agreement shall be amended to include the following definition:

""**September Term Sheet**" means the term sheet dated 30 September 2023 between the Company and the Initial Purchaser, as amended between the Parties on 4 and 5 October 2023 such that: (i) the number of New Shares and New Warrants to be issued shall be 126,182,965, respectively; (ii) the subscription price per New Share shall be U.S.$0.0317; (iii) the exercise price for each New Warrant upon issue shall be £0.026; (iv) the modified conversion price for the Bonds shall be U.S.$0.0317; and (v) the modified exercise price for the Warrant shall be £0.026 (as each foregoing term is defined in such term sheet)."

(b) clause 2.4 of the March Purchase Agreement shall be amended so that that the reference in clause 2.4(a) to "31 December 2023" shall be replaced with "30 June 2024";

(c) clause 11 of the March Purchase Agreement shall be amended so that each reference to "30 September 2023" shall be replaced with "31 March 2024"; and

(d) clause 11.2(a) of the March Purchase Agreement shall be amended so that the words "in relation to the subscription for and issuance of convertible bonds and warrants in the Term Sheet" are replaced with "in relation to the subscription for and issuance of convertible bonds in the Term Sheet (but based on the amended conversion price set out in the September Term Sheet) and the subscription for and issuance of warrants and shares in the September Term Sheet".

3. Issue and Subscription

3.1 Undertaking to Issue Sale Shares and Warrants

With effect from the date of this Agreement, the Company undertakes to the Initial Purchaser that:

(a) subject to and in accordance with the terms and conditions of this Agreement, the Company will on the Closing Date:

(i) issue and deliver the Sale Shares to the Initial Purchaser;

(ii) execute the Written Resolutions, the Supplemental 2027 Bond Instrument, the Supplemental 2028 Bond Instrument, the Share Pledge, the supplemental agreements referred to in paragraph (a) to (e) inclusive of the definition of Calculation Agency Agreements, the calculation agency agreement referred to in paragraph (f) of the definition of Calculation Agency Agreements and such other documents necessary for the consummation of the transaction contemplated hereby; and

(b) subject to and in accordance with the terms and conditions of this Agreement and the Warrant Instrument, the Company will: (i) issue the Warrants on the Closing Date, and (ii) execute the Warrant Instrument, the Warrant Certificate in respect of the Initial Purchaser and such other documents necessary for the constitution and issuance of the Warrants.

3.2 **Undertaking to Subscribe for Sale Shares and Warrants**

With effect from the date of this Agreement, the Initial Purchaser undertakes to the Company that, subject to and in accordance with the terms and conditions of this Agreement, it will subscribe for the Sale Shares and the Warrants on the Closing Date at the Subscription Price. If Closing occurs, it is agreed that the Expenses will be deducted from the Subscription Price by the Initial Purchaser pursuant to and in accordance with Clause 6.1(b) (*Transaction Expenses*).

4. Completion and Settlement

4.1 **Conditions Precedent to Closing**

(a) The Initial Purchaser will only be obliged to subscribe for the Sale Shares and the Warrants if:

(i) on or prior to the Closing, the Initial Purchaser (or the Initial Purchaser's Solicitors) have received all of the documents and other evidence listed in Schedule 1 (*Conditions Precedent*) in form and substance reasonably satisfactory to it;

(ii) on each of the date hereof and on the Closing Date (A) the representations and warranties of the Company in this Agreement being true, accurate and correct at, and as if made on, such date, (B) the Company having performed all of its obligations under this Agreement to be performed on or before such date and on the Closing Date, and (C) there being no material breach of any of the obligations of the Company under this Agreement;

(iii) on the Closing Date, no Default is continuing or would result from the issue of the Sale Shares and the Warrants;

(iv) there has been no Material Adverse Effect; and

(v) on or prior to the Closing, the Company has not received a written notice from the Initial Purchaser (which may be by email) that in the Initial Purchaser's good faith opinion, since the date of this Agreement there has been an adverse change in the financial markets in the United Kingdom, the United States, Canada, the European Economic Area or the international financial markets, any outbreak of hostilities or escalation thereof, any act of terrorism or war or any declaration of emergency or martial law or other calamity or crisis (including without limitation, a material escalation in any pandemic or conflict on or after the date of this Agreement) or any change or development involving a prospective change in national or international political, financial or economic conditions, currency exchange rates or exchange controls, whether or not foreseeable at the date of this Agreement, which would reasonably be considered material in the context of the issue of the Sale Shares or the Warrants and the purchase thereof by the Initial Purchaser.

(b) The Initial Purchaser (or the Initial Purchaser's Solicitors in its behalf) shall notify the Company as soon as reasonably practicable upon receipt of all of the documents and other evidence listed in Schedule 1 (*Conditions Precedent*) in form and substance satisfactory to the Initial Purchaser.

(c) The Initial Purchaser may, in its absolute discretion and upon such terms as it thinks fit, waive compliance with the whole or any part of this Clause 4.1 (*Conditions Precedent to Closing*).

(d) If, on the Closing Date, any of the conditions precedent provided in Clause 4.1(a) have not been satisfied, nor waived as provided in Clause 4.1(c), then the Initial Purchaser shall, at its election, be relieved of all its obligations under Clause 3.2 (*Undertaking to Subscribe*) to subscribe for the Sale Shares and the Warrants under this Agreement.

(e) An election by the Initial Purchaser under Clause 4.1(d) above shall not operate as a waiver of any rights the Initial Purchaser may have by reason of such failure or such non-fulfilment.

4.2 **Closing Procedure**

(a) Following the notification to the Company referred to in Clause 4.1(b) above, and by no later than the Closing Date:

(i) subject to receipt by the Company of the Initial Purchaser's Subscription Price (after deducting any Expenses therefrom) into the COPL Bank Account, the Company shall:

(A) credit (free of charge) the Sale Shares in uncertificated form to the designated CREST account of the Initial Purchaser (details of which shall have been separately communicated in writing (which may be by email) to the Company no later than the Closing Date; and

(B) make (or shall procure the making of) the appropriate entry in the Warrant Register showing the Initial Purchaser as the registered owner of the Warrants;

(ii) the Company shall issue and deliver to the Initial Purchasers' Solicitors:

(A) the initial Warrant Certificate dated the Closing Date;

(B) a certified excerpt of the Warrant Register updated to reflect the entry referred to in paragraph (i) above,

such documents to be held in escrow to the Company's order or until such time as they are deemed to be released pursuant to Clause 4.2(b) below.

(b) On the Closing Date, and subject to the Initial Purchaser's receipt of confirmation of receipt from the Initial Purchasers' Solicitors of the documents specified in Clause 4.2(a)(ii) above, the Initial Purchaser shall pay or procure the payment of its Subscription Price (after deducting any Expenses therefrom) into the COPL Bank Account in immediately available funds and shall notify the Company thereof and provide evidence or a receipt of such payment transfer.

(c) Upon receipt by the Company of the Initial Purchaser's Subscription Price (minus any Expenses deducted therefrom), the Company shall promptly on or before the Closing Date furnish a written confirmation by way of email (and/or one or more attachments to email) to the Initial Purchaser of such receipt of the relevant net subscription monies, and immediately upon such receipt of such Subscription Price (minus any Expenses deducted therefrom) the documents referred to in Clause 4.2(a)(ii) above shall be deemed to be released by the Company to or to the order of the Initial Purchaser.

5. Indemnity

5.1 **Indemnity**

(a) The Company agrees to indemnify and hold harmless the Initial Purchaser and each of its affiliates and all their respective officers, directors, general partners, employees,

Anavio Capital Partners LLP, Anavio Capital Partner Services (UK) Limited, shareholders and representatives and each of their respective successors (but, for the avoidance of doubt, not including any permitted transferee or assignee of the Initial Purchaser) (each, an "**Indemnified Person**") from and against any and all actions, suits, investigation, inquiry, claims, losses, damages, liabilities, proceedings and reasonable and documented related out-of-pocket fees and expenses (including legal fees) of any kind or nature (a "**Loss**") (subject to the limitations set forth in this Clause 5) which may be incurred by any such Indemnified Person as a result of or arising out of or in connection with or based on:

(i) *Misrepresentation*: any breach or alleged breach of the representations and warranties contained in, or made or deemed to be made by the Company under, this Agreement by reference to the facts and circumstances then subsisting; or

(ii) *Breach*: any breach or alleged breach by the Company of any of its obligations in this Agreement or the Transaction Documents (including, without limitation, the failure by the Company to issue the Sale Shares and/or the Warrants on the Closing Date); or

(iii) *Announcements*: any untrue statement contained in the Company's press release dated 6 September 2023 and/or 2 October 2023 in connection with the transaction contemplated hereby and/or any announcement or press release published following the date hereof by or on behalf of the Company or any member of the Group in connection with the initial offering of and/or initial issue of the Sale Shares and the Warrants or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they are made, not misleading.

(b) The Company shall pay to the relevant Indemnified Person within 30 days of written demand therefor (provided that such demand is made together with such reasonable backup documentation supporting such reimbursement request as the Company may reasonably require) for all reasonable, documented, out-of-pocket fees and expenses of one firm of outside legal counsel for all of the Indemnified Persons collectively (and, if reasonably necessary or advisable, of one local and/or special counsel in each relevant jurisdiction for all of the Indemnified Persons collectively (which may include a single special counsel acting in multiple jurisdictions)) (and, in the case of an actual or perceived conflict of interest where the Indemnified Person affected by such conflict notifies the Company of the existence of such conflict and thereafter retains its own counsel, by one additional firm of counsel for all such affected Indemnified Person(s)) and other documented, fees and out-of-pocket expenses reasonably incurred by such Indemnified Person in connection with investigating, preparing to defend, defending or participating in any lawsuit, investigation, claim or other proceeding relating to any of the foregoing (including, without limitation, in connection with the enforcement of the indemnification obligations set forth herein); *provided, however*, that no Indemnified Person will be entitled to indemnity hereunder in respect of any Loss to the extent that it is finally judicially determined by a court of competent jurisdiction that such loss, claim, damage, liability or expense resulted from the negligence, bad faith or wilful misconduct of such Indemnified Person or its affiliates, officers, directors, partners, trustees, employees, shareholders, agents or controlling persons (all such persons "**Related Parties**").

(c) This Agreement shall not cause the Initial Purchaser to have any duty or obligation, whether as fiduciary or trustee for any Indemnified Person or Related Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this Clause 5.

5.2 **Conduct of Claims**

(a) In case any action or claim shall be brought against any Indemnified Person in respect of which recovery may be sought from the Company under this Clause 5, the relevant Indemnified Person shall promptly notify the Company in writing of such fact, but failure to do so will not relieve the Company from any liability under this Agreement and in any event shall not relieve it from any liability which it may have otherwise than on account of the indemnities contained in this Agreement.

(b) Each Indemnified Person shall thereafter, subject to any requirement imposed by an insurer of the Indemnified Person and to the extent permitted by applicable law or regulation:

(i) at reasonable intervals keep the Company informed of the progress of the claim or action;

(ii) provide the Company with copies of such documentation relating to the claim or action as the Company may reasonably request; and

(iii) maintain reasonable consultation with the Company regarding decisions concerning the claim or action,

subject in each case to the Indemnified Person being indemnified and secured to its reasonable satisfaction against all Losses incurred by it in consequence of its compliance with this Clause 5, and provided that nothing in this Clause 5 shall:

(i) require any Indemnified Person to provide the Company with a copy of any document which it, in good faith, considers to be held by it subject to a duty of confidentiality or to be privileged whether in the context of any litigation connected with the claim or otherwise; or

(ii) require an Indemnified Person to do, or refrain from doing, anything which would, or which the Company considers might, either prejudice any insurance cover to which it or any other Indemnified Person may from time to time be entitled, or from which it or any of them may benefit or which may prejudice the reputation or standing of such Indemnified Person or of any other Indemnified Person.

(c) The Company may participate at its own expense in the defence of any such action; *provided, however, that* legal advisers to the Company shall not (except with the consent of the relevant Indemnified Person) also be legal advisers to the Indemnified Person. The Company shall not, without the prior written consent of the relevant Indemnified Person, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification could be sought under this Clause 5 (whether or not the Indemnified Person(s) are actual or potential parties thereto), unless such settlement, compromise or consent:

(i) includes an unconditional release of each Indemnified Person from all liability arising out of such litigation, investigation, proceeding or claim; and

(ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

5.3 **Limitations**

The maximum aggregate liability of the Company pursuant to this Clause 5 shall not exceed the Subscription Price.

6. Costs and Expenses

6.1 **Transaction Expenses**

With effect from the date hereof:

(a) the Company shall be responsible for its own expenses and the fees and expenses of all third parties (including the Calculation Agent and each Stock Exchange) appointed under or in connection with the Sale Shares and the Warrants, in connection with the preparation and execution of the Transaction Documents and the issue and performance of the Sale Shares and the Warrants;

(b) irrespective of whether the Closing has occurred pursuant to the terms of this Agreement, the Company shall pay in cash to the Initial Purchaser within three Business Days of demand the amount of any and all costs and expenses incurred by the Initial Purchaser (including, without limitation, any due diligence fees, legal fees and out-of-pocket expenses) (the "**Expenses**") in connection with the preparation, negotiation and execution of the Transaction Documents. In full satisfaction of the Company's obligations under this Clause 6.1(b), such Expenses shall (if Closing occurs) be deducted by the Initial Purchaser from the Subscription Price payable in accordance with Clause 3.2 (*Undertaking to Subscribe for Bonds and Warrants*); and

(c) subject to Clause 5 (*Indemnity*), paragraphs (a) and (b) above, and Clauses 6.2 to 6.4 below, and unless otherwise agreed by the Company (in its discretion), the Initial Purchaser shall otherwise be responsible for any other costs and expenses incurred by it in connection with the Sale Shares and the Warrants.

6.2 **Compliance Costs**

(a) Subject to paragraph (b) below, the Company shall, within three Business Days of demand, pay to the Initial Purchaser the amount of all costs and expenses incurred from time to time by the Initial Purchaser in connection with the making of notifications, announcements, filings or registrations in connection with the subscription for and/or holding of or control in respect of the Sale Shares, any Warrants and/or Shares issued upon conversion of the Bonds (including any Share Settlement Option under the Bonds) or exercise of Warrants, that the Initial Purchaser considers in its sole discretion to be required by applicable law or appropriate or desirable in the circumstances. Such costs and expenses shall include all legal fees incurred in connection with the preparation and making of any such notifications, announcements, filings or registrations and/or to assist the Initial Purchaser and its affiliates and/or any entity in respect of which Anavio Capital Partners LLP acts as the investment manager with determining relevant thresholds of holdings or control and advice in connection therewith.

(b) Each of the Company and the Initial Purchaser agree that the amount payable by the Company under paragraph (a) shall not exceed C$3,000 (or its equivalent in any other currency or currencies) during any 30-day period. The Company shall have no liability whatsoever under this Clause 6.2: (i) at any time on or after the End Date, save for any accrued liabilities arising prior to the End Date; and (ii) for any costs and/or expenses incurred by the Initial Purchaser on or after the End Date.

(c) The Company shall pay in cash to the Initial Purchaser within three Business Days of demand the amount of any and all Expenses incurred by the Initial Purchaser in connection with its entry into a relationship agreement and any and all matters relating thereto pursuant to Clause 10 (*Undertakings by the Initial Purchaser*).

6.3 **Amendment Costs**

If the Company requests an amendment, waiver or consent in respect of the Transaction Documents and such requests for amendments, waivers or consents, in the opinion of the Initial Purchaser, require any legal fees and/or other expenses to be incurred by the Initial Purchaser, the Company shall, within five Business Days of demand, reimburse the Initial Purchaser for the amount of such legal costs and expenses incurred by it in responding to, evaluating, negotiating or complying with that request or requirement provided that such legal costs and expenses shall be agreed with the Company in advance.

6.4 **Enforcement Costs**

The Company shall, within three Business Days of demand, pay to the Initial Purchaser the amount of all costs and expenses (including legal fees) incurred by the Initial Purchaser in connection with the enforcement of, or the preservation of any rights under, this Agreement or any of the Transaction Documents.

7. Representations of the Company

7.1 The Company makes the representations and warranties set out below in this Clause 7.1 to the Initial Purchaser on the date of this Agreement and to the Initial Purchaser, by reference to the facts and circumstances then subsisting, on each day commencing from the date hereof to the Closing Date (inclusive):

(a) that:

(i) no Public Statement that is material in the context of the Company, the Group, the Shares, the Bonds, the Existing Warrants or the issue of the Sale Shares and the Warrants (save as modified, supplemented or superseded by any other Public Statement) contained an untrue statement of material fact or omitted to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(ii) all expressions of opinion, forecasts or estimates of the Company and/or its Group contained in any such Public Statements were made in good faith on reasonable grounds after due and careful consideration and all such forecasts, estimates and expressions of opinion, intention or expectation remain truly and honestly held;

(iii) other than in respect of the matters which are the subject of this Agreement, the Company is not aware, after due and careful consideration, of any information relating to the Company or any member of the Group which the Company or any member of the Group is required or obliged to publish or make available to the public pursuant to applicable laws (including under applicable listing requirements), whether to correct a misleading impression or otherwise to avoid behaviour which would constitute market abuse (in contravention of Regulation 596/2014/EU, including as it forms part of United Kingdom domestic law by virtue of the EUWA) which has not been published;

(iv) other than in respect of the matters which are the subject of this Agreement, neither the Company nor any of its directors or officers is aware of any non-public fact or circumstance that, if made public, would be likely to have a

significant effect upon the market price of the Bonds, the Existing Warrants, the Warrants or the Shares (including the Sale Shares), and in respect of which the Company has delayed disclosure in compliance with applicable law; and

(v) the Company is in compliance with the rules and regulations of each Stock Exchange (including, but not limited to, continuing disclosure obligations);

(b) that:

(i) the annual audited consolidated financial statements of the Company as of and for the years ended 31 December 2021 and 2022 were prepared in accordance with the requirements of law and with IFRS accounting principles generally accepted in Canada consistently applied and that they present fairly, in all material respects, the financial position of the Company, its financial performance and cash flows (in each case on a consolidated basis) as at the dates indicated;

(ii) the Company does not have any contingent obligations, liabilities for taxes or other outstanding obligations or liabilities, fixed or contingent, which are material in the aggregate, except as disclosed in the annual audited consolidated financial statements of the Company;

(iii) since 31 December 2022, other than as disclosed in any Public Statements published thereafter or any interim financial statements published by the Company, there has been no change nor any development or event involving a prospective change which is materially adverse to the condition (financial or otherwise), prospects, business or general affairs, results of operations, properties or profitability of the Company or the Group or the ability of the Company to perform its obligations under the Transaction Documents, the Bonds, the Existing Warrants or the Warrants; and

(iv) none of the Company and, to the best of the Company's knowledge, any of its Subsidiaries, has any material off-balance sheet financing, investments or liabilities to be disclosed in accordance with applicable laws or financial reporting rules, including any material relationships with non-consolidated entities that are contractually limited to activities that facilitate the transfer of or access to assets by the Company;

(c) that each of the Company and its Subsidiaries is a company duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is not in liquidation, receivership or bankruptcy and has full power and authority to own, lease and operate its properties and conduct its business and, in the case of the Company only, to execute and perform its obligations under the Transaction Documents, the Bonds, the Existing Warrants and the Warrants;

(d) that the issue of the Warrants, the issue and delivery of Sale Shares, the issue and delivery of Shares on conversion of the Bonds or upon any Share Settlement Option under the Bonds, the issue and delivery of Shares on exercise of the Existing Warrants and the Warrants and the execution and delivery of the Transaction Documents have been duly authorised by the Company and, in the case of the Warrants, upon due execution, issue and delivery in accordance with the Warrant Instrument will constitute, and, in the case of the Transaction Documents, upon due execution and delivery (as applicable), constitute, legal, valid and binding obligations of the Company enforceable in accordance with their respective terms, subject to the laws of bankruptcy and other laws affecting the rights of creditors generally;

(e) that the execution and delivery of the Transaction Documents, the issue and distribution of the Warrants, the issuance and delivery of the Sale Shares, the issue and delivery of Shares on conversion of the Bonds or upon any Share Settlement Option under the Bonds, the issue and delivery of Shares on exercise of the Existing Warrants and the Warrants and the performance of the terms of the Bonds, the Existing Warrants, the Warrants and the Transaction Documents will not:

(i) conflict with, or result in a breach of or constitute a default under, any of the terms or provisions of the documents governing the Company or any agreement, instrument or order to which the Company or any of its Subsidiaries is a party or by which any of them or any of their respective properties or assets are bound and will not infringe any existing applicable law, rule, regulation, judgment, order, authorisation or decree of any government, governmental or regulatory body or court, domestic or foreign, having jurisdiction over the Company or any of its Subsidiaries or any of their respective properties or assets or infringe the rules of any stock exchange on which securities of the Company are listed or contravene Canadian public policy, or

(ii) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan or credit agreement, lease, licence, order or other agreement or instrument to which the Company and any member of the Group is a party or by which the Company and any member of the Group is bound or to which any of the property or assets of the Company and any member of the Group is subject, or

(iii) result in any violation of the provisions of the constitutional documents of the Company;

(f) that no event has occurred which would constitute (if the Transaction Documents had been duly executed and the Sale Shares and the Warrants were issued and outstanding) an Event of Default, a Potential Event of Default, De-Listing Event, Free Float Event or a Change of Control (each as defined in the Bond Conditions);

(g) that the Company and each member of the Group:

(i) is not in violation of its certification of incorporation or bylaws (or similar organisational documents);

(ii) is not in breach of the terms of, or in default under, any indenture, mortgage, deed of trust, loan or credit agreement, lease, licence, order or other agreement or instrument to which it is a party or by which it or its property is bound and no event has occurred which with the giving of notice or lapse of time or other condition would constitute a default under any such indenture, mortgage, deed of trust, loan or credit agreement, lease, licence, order or other agreement or instrument, except for any such breach or default which either individually or in the aggregate would not reasonably be expected to be material in the context of the issue of the Sale Shares and the Warrants and the purchase thereof by the Initial Purchaser;

(iii) is not engaged (whether as defendant or otherwise) in, nor has the Company knowledge of the existence of, or any threat of, any legal, arbitration, administrative, governmental or other proceedings an adverse result of which is reasonably likely to have or have had a Material Adverse Effect; and

(iv) has not taken any action nor, to the best of their knowledge or belief having made all reasonable enquiries, have any steps been taken or legal proceedings

commenced for the winding up or dissolution of the Company or any member of the Group;

(h) that save for any Shares to be issued in the future pursuant to the exercise of any conversion rights or subscription rights in the Transaction Documents and to the extent required as of the Closing Date:

(i) all required consents, approvals, authorisations, orders, filings, registrations or qualifications of or with any court or Governmental Authority or stock exchange or regulator have been given, fulfilled or done; and

(ii) no other action or thing (including, without limitation, the payment of any stamp or other similar tax or duty is required to be taken, fulfilled or done by the Company for or in connection with (x) the execution, issue and distribution of the Sale Shares and the Warrants, (y) the execution and delivery of, and compliance by the Company with the terms of, the Transaction Documents;

(i) that:

(i) the Company has 714,020,561 fully paid and issued Shares as at the date of this Agreement;

(ii) the Shares currently in issue are freely tradeable and fully fungible (interchangeable) with one another (whether or not at such time admitted to trading on each Stock Exchange) in compliance with all applicable listing rules and the Company is in compliance with all applicable listing rules relating to the Shares, and it has made and will continue to make all applicable regulatory filings in respect of the listing and admission to trading of the Shares (including the Sale Shares) with each Stock Exchange (including, in respect of any Shares in issue which are not admitted to listing on the London Stock Exchange, publishing a prospectus and obtaining admission to listing on the London Stock Exchange as soon as possible and in any event not later than twelve calendar months after the issue of such Shares, as required by Listing Rule 14.3.4R or any requirement that succeeds or replaces the same);

(iii) the subscription of the Sale Shares, the Warrants and all Shares to be issued and/or delivered on conversion of the Bonds or upon any Share Settlement Option under the Bonds and/or on exercise of the Existing Warrants and the Warrants will not be subject to any pre-emptive, first-refusal or similar rights arising under applicable law or under the constitutional documents of the Company, and is not subject to other similar rights arising under applicable law or under the constitutional documents of the Company;

(iv) the Company has available for issue and authority to allot, free from pre-emption rights, sufficient authorised but unissued Shares to enable the issue of the Sale Shares, the conversion rights under the Bonds and the exercise rights under the Existing Warrants and the Warrants to be satisfied in full, and all other rights of subscription and conversion into Shares to be satisfied in full in accordance with their terms;

(v) the Sale Shares and any Shares to be issued upon conversion of the Bonds or upon any Share Settlement Option under the Bonds or on exercise of the Existing Warrants and the Warrants by payment of the relevant exercise price pursuant to the Warrant Documents and the Existing Warrant Documents, as the case may be, will be fully paid and will not be subject to calls for further funds;

(vi) the Sale Shares and any Shares to be issued upon conversion of the Bonds or upon any Share Settlement Option under the Bonds or on exercise of the Existing Warrants and the Warrants will rank *pari passu* with, and be freely tradeable and fully fungible (interchangeable) with (whether or not at such time admitted to trading on each Stock Exchange), the then outstanding Shares, and will be free and clear of all liens, charges, pledges, encumbrances, security interests, claims and other third party rights;

(vii) except for 139,807,388 warrants and 18,020,796 stock options, the Bonds and/or the Existing Warrants, there are no outstanding securities convertible into or exchangeable for, or warrants, rights or options to purchase from the Company or any member of the Group, or obligations or commitments of the Company or any member of the Group to issue, sell or otherwise dispose of, any shares of the Company;

(viii) there are no restrictions upon the voting or transfer of any of the Shares whether pursuant to any law or any agreement or otherwise; and

(ix) subject to general provisions of law relating to the distribution of profits, there are no restrictions on the payment of dividends or distributions in respect of the Sale Shares or any of the Shares to be delivered upon conversion of the Bonds, upon any Share Settlement Option under the Bonds or on exercise of the Existing Warrants and the Warrants;

(j) all real estate necessary and material for the carrying on of the businesses and operations of the Company and each member of the Group currently owned, occupied or leased by the Company or any member of the Group is lawfully owned, occupied or leased by it and any real property held under lease by the Company or any member of the Group is held by them under valid, existing and enforceable leases and does not interfere with the use made or proposed to be made of such property and buildings by the Company or any member of the Group;

(k) all statutory, municipal and other licences, franchises, consents, permits, approvals, orders, authorities and other concessions necessary and material for the carrying on of the businesses and operations of the Company and each member of the Group as now carried on, as previously carried on and as proposed to be carried on have been obtained (collectively, "**Licences**") and are (or were at the relevant time) valid and subsisting;

(l) all conditions applicable to any such Licence have been and are complied with and no member of the Group is in breach of any such Licence;

(m) there are no circumstances or proceedings of which the Company is aware which indicate that:

(i) any such Licence may be; or

(ii) if determined adversely to any member of the Group, may cause any such Licence to be,

revoked, rescinded, modified, avoided or repudiated or not renewed, in whole or in part, in the ordinary course of events;

(n) save in each case where it would not have, individually or in aggregate, a Material Adverse Effect:

(i) neither the Company nor any member of the Group is in violation of any applicable statute, law, rule, regulation, ordinance or rule of civil or common law or any judicial or administrative interpretation thereof, including any

judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products, asbestos-containing materials or mould (collectively, "**Hazardous Materials**") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "**Environmental Laws**");

(ii) the Company and each member of the Group has all Authorisations required under any applicable Environmental Laws and is in compliance with their requirements;

(iii) there are no pending or, to the knowledge and belief of the Company, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Law against it or any member of the Group; and

(iv) to the best of the Company's knowledge, there are no events or circumstances that would reasonably be expected to form the basis of an order for clean-up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Company or any member of the Group relating to Hazardous Materials or Environmental Laws;

(o) the Company and its Subsidiaries own, possess or can acquire on reasonable terms, adequate Intellectual Property Rights necessary to conduct the business now operated by them, or presently employed by them, and have not received any notice of infringement of or conflict with asserted rights of others with respect to any Intellectual Property Rights that, if determined adversely to the Company or any of its Subsidiaries, would individually or in the aggregate would have a Material Adverse Effect;

(p) no labour dispute with the employees of the Company or any Subsidiary exists or, to the best knowledge of the Company, is imminent that might have a Material Adverse Effect;

(q) that (i) the Company and each member of the Group has in place all policies of insurance which in the reasonable opinion of the directors of the Company are sufficient and are customary for the conduct of their respective businesses as, and in the jurisdiction in which they are, currently operated and for compliance with all applicable requirements of law, (ii) such policies are in full force and effect, (iii) all premiums with respect to such policies which are due have been paid, (iv) no notice of cancellation or termination has been received with respect to any such policy, and (v) the Company and each member of the Group has complied with the terms and conditions of such policies, otherwise than, in each case, where the failure to maintain such insurance, pay such premiums or comply with such terms would not, individually or in the aggregate, have a Material Adverse Effect;

(r) that (i) there are no claims by the Company or any member of the Group under any policy or instrument of insurance as to which any insurance company is denying liability or defending under a reservation of rights clause, and neither the Company nor any member of the Group has been refused any insurance coverage sought or applied for, in any such case, where the denial of liability in respect of such claim or refusal to provide insurance coverage, as the case may be, would reasonably be expected individually or in the aggregate to have a Material Adverse Effect and (ii) neither the

Company nor any member of the Group has reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect;

(s) that (i) neither the Company nor, to the best of the Company's knowledge, any other member of the Group is overdue in the filing with the appropriate taxing authorities of any tax returns, reports and other information required to be filed by it, and the Company and, to the best of the Company's knowledge, each other member of the Group has paid all taxes due thereon, except where any such failure to file such tax returns, reports and information or to pay such taxes could be reasonably expected to not have a Material Adverse Effect or where payment of such taxes is being contested in good faith, and each such tax return, report or other information was, when filed, accurate and complete in all material respects and there is no tax liability that has been asserted against the Company or any member of the Group which could be reasonably expected to have a Material Adverse Effect; (ii) neither the Company nor, to the best of the Company's knowledge, any other member of the Group has incurred any liability (or has committed any actions, or events have occurred, which would, to the best of the Company's knowledge, subject the Company or any other member of the Group to a liability) in respect of any tax which would reasonably be considered material in the context of the issue of the Bonds and the Warrants and the purchase thereof by the Initial Purchaser, other than any such liabilities arising in the ordinary course of the business of the Company and the Group and any such liabilities which have been publicly announced prior to the date hereof; and (iii) neither the Company nor, to the best of the Company's knowledge, any member of the Group has paid nor is liable to pay nor has acted (directly or through an agent or other representative) in such manner as to incur a liability (or potential liability) to pay any interest or penalty in connection with any tax or otherwise paid any tax after its due date for payment or become liable to pay any tax, in each case, which would reasonably be expected to be material in the context of the issue of the Sale Shares and the Warrants and the purchase thereof by the Initial Purchaser;

(t) that the Company and each other member of the Group maintains a system of internal accounting controls which, in the reasonable opinion of the Company, is sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorisations; (ii) transactions are recorded as necessary to (A) permit preparation of financial statements in conformity with IFRS or where applicable, its local applicable accounting standards and (B) maintain accountability for assets; and (iii) the Company and each other member of the Group has made and kept books, records and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of such entity and provide a sufficient basis for the preparation of the Company's consolidated financial statements in accordance with IFRS or where applicable, its local applicable accounting standards;

(u) that neither the Company nor any other member of the Group nor any director, officer, agent, employee or affiliate of the Company or any other member of the Group is currently the subject or the target of any Sanctions or conducting business with any person, entity or country which is the subject or target of any Sanctions in a manner which is prohibited by such Sanctions, provided that (for the purposes of this Clause 7.1(u) only) it is deemed and agreed that each and any agent of the Company is only "conducting business" to the extent the same comprises solely of such agent performing agreed obligations it owes to the Company;

(v) that neither the Company nor any other member of the Group, nor, to the best of the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or any other member of the Group:

(i) has engaged in any activity or conduct which would violate any applicable anti-bribery or anti-corruption laws or regulations (including. without limitation. to the extent applicable. the U.S. Foreign Corrupt Practices Act of 1977 or the rules and regulations promulgated thereunder. or under the UK Bribery Act 2010) ("**Anti-Bribery and Anti-Corruption Laws**");

(ii) has offered, promised, paid, received, requested or agreed to receive a bribe or other unlawful payment nor offered, promised or given any financial or other advantage to a public official (or to a third party) at the request or acquiescence of the public official) in an attempt to influence them in their capacity as a public official to obtain or retain business, or to obtain an advantage in the conduct of business, where such offer, promise or payment is not permitted under applicable laws (a "**Prohibited Payment**");

(iii) has, to the best of the Company's knowledge, been subject to any investigation by any governmental entity, or any action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator, with regard to any actual or alleged Prohibited Payment or violation of Anti-Bribery and Anti-Corruption Laws; or

(iv) is, to the best of the Company's knowledge, subject to any investigation by any governmental entity, or any action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator with regard to any actual or alleged Prohibited Payment or violation of Anti-Bribery and Anti-Corruption Laws, and, to the best of the Company's knowledge, no such actions, suits or proceedings are threatened or contemplated,

provided that it is deemed and agreed that each and any agent of the Company and/or any other member of the Group: (A) in the case of Clause 7.1(v)(i) above, is only "engaged in any activity or conduct" to the extent the same comprises solely of such agent performing agreed obligations it owes to the Company and/or any other member of the Group; and (B) in the case of Clause 7.1(v)(ii) above, is only "offered, promised, paid, received, requested or agreed to receive" and/or "offered, promised or given" to the extent the same comprises solely of such agent performing agreed obligations it owes to the Company and/or any other member of the Group;

(w) the Company and each member of the Group has instituted, maintains and enforces systems, controls, policies, procedures and legal processes for the purpose of preventing it and its directors and officers, employees and any other persons acting on its or their behalf from engaging in any action in breach of Anti-Bribery and Anti-Corruption Laws;

(x) that the operations of the Company and each other member of the Group are and have been conducted at all times in compliance with applicable financial record keeping and reporting requirements and money laundering statutes in Canada and of all jurisdictions in which the Company and each other member of the Group conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency and which is binding on the Company or a member of the Group (collectively, "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any other member of the Group with respect to Money Laundering Laws is pending and, to the best of the

Company's knowledge, no such actions, suits or proceedings are threatened or contemplated;

(y) that no stamp or other duty or similar tax is assessable or payable in Canada or other sub-division of or authority therein or thereof having power to tax, in each case in connection with the authorisation, execution or delivery of the Transaction Documents, the authorisation, execution, issue or delivery of the Sale Shares and the Warrants, the issue and delivery of Shares on conversion of the Bonds or upon any Share Settlement Option under the Bonds, the issuance and delivery of the Shares to be issued on exercise of the Existing Warrants and the Warrants, or the performance of the obligations of the Company under the Transaction Documents and the Warrants;

(z) subject to the Legal Opinion, a court of competent jurisdiction in the Province of Alberta (a "**Court**") would recognise the choice of English law (or, in respect of the Share Pledge, the laws of the State of New York) as the law governing the Transaction Documents and any non-contractual obligations arising out of or in connection with the Transaction Documents and the Warrants, provided that such choice of law is *bona fide* (in the sense that it was not made with a view to avoiding the consequences of the laws of any other jurisdiction) and provided that (i) none of the provisions of the Transaction Documents and any non-contractual obligations arising out of or in connection with the Transaction Documents and the Warrants are contrary to public policy as that term is applied by a Court, (ii) a Court will not apply those provisions of English law (or, in respect of the Share Pledge, the laws of the State of New York) which are regarded under the law of the Province of Alberta as relating to foreign revenue law or as being penal or expropriatory in nature, (iii) in matters of procedure, the laws of the Province of Alberta will be applied, (iv) laws of the Province of Alberta that have overriding effect, such laws of the Province of Alberta (including federal laws applicable therein) will be applied, and (v) a Court will retain discretion to decline to hear such action if it is contrary to public policy for it to do so, or if it is not the proper forum to hear such an action, or if concurrent proceedings are being brought elsewhere;

(aa) subject to the Legal Opinion, for the purposes of enforcement of a judgment granted in respect of the Transaction Documents or any non-contractual obligations arising out of or in connection with the Transaction Documents and the Warrants, a Court (A) would not refuse to recognise the jurisdiction of an English (or, in respect of the Share Pledge, the laws of the State of New York) rendering such judgment on the basis that service of process on the Company was effected in England (or, in respect of the Share Pledge, New York) pursuant to provisions relating to service of process of the relevant agreement and (B) would give effect to the submission of the Company to the authority of the English courts (or, in respect of the Share Pledge, the courts of the State of New York) pursuant to the jurisdiction election provisions in the relevant Transaction Documents;

(bb) the Company has not entered, and will not enter, into any contractual arrangement with respect to the distribution of the Sale Shares and the Warrants except for this Agreement;

(cc) that the Sale Shares and the Warrants have not been and will not be registered under the Securities Act and have not been registered or qualified under any state securities or "Blue Sky" laws of the states of the United States and, accordingly, the Company acknowledges that the Sale Shares and the Warrants may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except in accordance with Regulation S or pursuant to another exemption from the registration requirements of the Securities Act (terms used in this paragraph have the meaning given to them by Regulation S);

(dd) that the Company is a "foreign issuer" (as such term is defined in Regulation S) which reasonably believes that there is no "substantial U.S. market interest" (as such term is defined in Regulation S) in its respective debt or equity securities;

(ee) that none of the Company nor any of its respective affiliates, nor any persons acting on any of their behalf, has engaged or will engage in any directed selling efforts (as defined in Rule 902(c) under the Securities Act) with respect to the Sale Shares and the Warrants; and

(ff) on the Closing Date:

(i) the provisions of the Share Pledge will be effective to create valid and enforceable security interests on or over all of the relevant assets which is intended to be created thereby;

(ii) all necessary filings, notarisations and recordings will have been made in all necessary public offices and all other necessary and appropriate action will have been taken so that the security interests created by the Share Pledge will constitute valid and perfected security interests on and in the relevant assets which is intended to be created thereby; and

(iii) all necessary consents to the creation, validity, effectiveness, priority and perfection of each such security interests will have been obtained.

7.2 Other than as expressly set out in Clause 7.1, the Company makes no representations or warranties and no statement is made by the Company whether written or oral shall be construed as such.

8. Representations of the Initial Purchaser

The Initial Purchaser represents, warrants and confirms to the Company:

(a) that it has been duly incorporated and is validly existing and registered in its jurisdiction of incorporation and is not in liquidation, receivership or bankruptcy and it has full power and authority to execute and perform its obligations under this Agreement;

(b) that the execution and delivery of this Agreement and the performance of the terms of this Agreement (i) to the best of the Initial Purchaser's knowledge, will not infringe any law, regulation, order, rule, decree or statute applicable to the Initial Purchaser or to which its property may be subject, (ii) are not contrary to the provisions of the constitutional documents of the Initial Purchaser and (iii) will not result in any breach of the terms of, or constitute a default under, any instrument, agreement or order to which the Initial Purchaser is a party or by which the Initial Purchaser or any of its property is bound;

(c) that it understands that the Sale Shares and the Warrants have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, that any offer and sale of the Sale Shares and the Warrants to it is being made in reliance on an exemption from, or is a transaction not subject to, the registration requirements of the Securities Act in a transaction not involving any public offering in the United States;

(d) that its purchase of the Sale Shares and the Warrants is lawful under the laws of the jurisdiction of its incorporation and the jurisdiction in which it operates (if different), and that such acquisition will not contravene any law, regulation or regulatory policy applicable to it;

(e) that it is an investment professional within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005;

(f) that it is acquiring the Sale Shares and the Warrants for its own account, or for one or more accounts in respect of which it has authority to acquire the Sale Shares and the Warrants, and such acquisition is not with a view to, or for resale in connection with, the distribution thereof, directly or indirectly, in whole or in part, in the United States in violation of the Securities Act;

(g) that it, and any account it is acquiring the Sale Shares and the Warrants for, is either (i) a "qualified institutional buyer" (as such term is defined under Rule 144A of the Securities Act), or (ii) not a "U.S. Person" and is purchasing the Bonds and the Warrants in an "offshore transaction" (as such terms are defined under Regulation S);

(h) that it understands that the Sale Shares and the Warrants may only be resold or otherwise transferred in a transaction exempt from, or not subject to, the registration requirements of the Securities Act, and in compliance with applicable state securities law, and that the Company is not required to register the Sale Shares and the Warrants under the Securities Act; and

(i) that, without prejudice to the Initial Purchaser's rights against the Company in respect of the representations and warranties given by the Company pursuant to Clause 7 (*Representations of the Company*), it understands and acknowledges (A) that, as the subject of this Agreement is a private placement of securities, it is responsible for conducting its own due diligence in connection with the matters which are the subject of this Agreement and any purchase of Sale Shares and the Warrants by it, (B) that it is aware and understands that an investment in the Sale Shares and the Warrants involves a considerable degree of risk and that no U.S. federal or state or non-U.S. agency has made any finding or determination as to the fairness for investment or any recommendation or endorsement of any such investment and (C) that it has made its own assessment concerning the relevant tax, legal, economic and other considerations relevant to its investment in the Sale Shares and the Warrants.

9. Undertakings by the Company

For so long as any Bond, Existing Warrant, Warrant or Share is registered in the name of any Relevant Person and is outstanding, the Company undertakes with the Initial Purchaser as follows:

(a) it will forthwith notify the Initial Purchaser if at any time prior to payment of the subscription monies for the Sale Shares and the Warrants on the Closing Date anything occurs which renders or which they are aware is likely to render untrue or incorrect in any respect any of the representations and warranties contained in Clause 7 (*Representations of the Company*);

(b) from the date hereof until 1 January 2024, and save for:

(i) any issue of Shares in connection with any Unsecured Debt Equitisation;

(ii) any grant and/or consummation of a Summit Option in accordance with the terms of the March Purchase Agreement; and

(iii) the contemplated issue of the New 2028 Bonds in accordance with Clause 11 (*Approval of the Proposed New 2028 Bonds*), the Commitment Letter and the September Term Sheet,

it shall not, and it shall procure that its Subsidiaries do not, directly or indirectly, offer, issue or enter into (as the case may be) any Shares, any convertible bonds (including any Further Bonds (as such term is defined in each of the Bond Conditions)) or indebtedness or other instrument of the Company which is convertible or exchangeable into Shares or other equity of the Company, unless the prior written consent of the Initial Purchaser has been obtained;

(c) between the date hereof and the Closing Date (both dates inclusive), it will not do any act or thing which would result in an adjustment to the Conversion Price (as defined in each of the Bond Conditions), other than the issuance of the Sale Shares and/or the Warrants;

(d) it will use the proceeds from the issue of the Sale Shares and the Warrants as specified in the Commitment Letter and the September Term Sheet;

(e) it will comply with all applicable Money Laundering Laws and Anti-Bribery and Anti-Corruption Laws;

(f) it will not, and it shall procure that its Subsidiaries will not, directly or indirectly use the proceeds of the offering of the Sale Shares and the Warrants, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person:

(i) to fund or facilitate any activities of or business with any Person that, at the time of such funding or facilitation, is the subject or the target of applicable Sanctions;

(ii) to fund or facilitate any activities of or business in any country or territory, that is, or whose government is, the subject of any Sanctions at the time of such funding or financing; or

(iii) in any other manner that will result in a violation by any member of the Group of applicable Sanctions;

(g) it shall publish, on or prior to 31 December 2023, an operations update which shall include (at minimum): (i) an indication of the Group's daily production volumes per field for the year-to-date; (ii) the Company's guidance on its expected production volumes for 2024; (iii) the disclosure of the Group's reduction of general and administrative expenses (as compared to the amount of such expenses as reported in its financial statements for the year ending 31 December 2022); and (iv) an update on any gains or losses realised in respect of its hedge contracts up to the date of such publication;

(h) on or prior to the earlier of:

(i) the date of completion of the Company's negotiations relating to its contemplated joint venture; and

(ii) 31 December 2023 (or such other date as may be agreed in writing between the Parties in their absolute discretion),

it shall initiate a strategic review by the board of directors of the Company (in consultation with a financial or strategic advisor engaged by the Company at a reasonable cost) of the Group's asset disposal and funding options and potential strategies, and promptly announce the initiation of such strategic review (including the appointment of a financial or strategic advisor). The Company shall take all actions necessary to: (A) complete such strategic review as soon as practicable after its commencement and in any event by no later than 22 March 2024 (or such other date as

may be agreed in writing between the Parties in their absolute discretion), and (B) announce the outcome of such strategic review upon the earlier of: (I) 22 March 2024 (or such other date as may be agreed in writing between the Parties in their absolute discretion), and (II) the date falling five Business Days after the completion of such strategic review;

(i) it shall not at any time from the date hereof, without the prior written consent of the Initial Purchaser (such consent not to be unreasonably withheld and/or delayed), appoint, or otherwise incur any costs and expenses relating to, any brokers or other financial or professional advisors in connection with any future Equity or Equity-Linked Financing (as defined in the March Purchase Agreement), except for legal, banking and accounting advisors in connection with the offering of the Sale Shares and the Warrants, the contemplated issue of the New 2028 Bonds, and any asset sale and/or strategic advisory matters;

(j) subject to paragraph (g) above, it shall not incur or pay (in cash or in kind) any fees to any broker or financial advisor in connection with the offering of the Sale Shares and the Warrants and the contemplated issue of the New 2028 Bonds;

(a) it shall not, and shall procure that its Subsidiaries do not: (i) make, approve or otherwise consent to any changes, modifications, amendments or variations of any term of the existing Stock Option Plan, and (ii) propose, adopt or otherwise approve any new employee equity and stock option plans (including in respect of any senior management of the Company or any of its Subsidiaries), in each case without the prior written approval of the Initial Purchaser; and

(k) it shall make or cause to be made on its behalf an application for the Sale Shares to be admitted to listing on the Stock Exchange so that such listing is obtained on or prior to 22 March 2024.

Without prejudice to any accrued liabilities arising prior to the End Date, the Company shall have no liability whatsoever under this Clause 9 at any time on or after the End Date.

10. Undertakings by the Initial Purchaser

For so long as the Initial Purchaser (together with any persons acting jointly or in concert with the Initial Purchaser) owns at least 20 per cent. of the total Shares in issue (for the avoidance of doubt, excluding the rights to receive Shares upon conversion or exercise of rights under any Bonds, Additional Bonds, Existing Warrants, Warrants or Additional Warrants, or any other warrants, convertible bonds, options or similar instruments granting rights to receive Shares), the Initial Purchaser shall enter into a relationship agreement with the Company on customary terms in the London market (consistent with and no more extensive than the terms required in respect of a Premium listing) on terms reasonably acceptable to the Initial Purchaser.

11. Approval of the Proposed New 2028 Bonds

Notwithstanding clause 11 of the March Purchase Agreement or any other provision of this Agreement or the Historic Purchase Agreements, the Initial Purchaser hereby consents to and approves the Company's contemplated issuance of up to U.S.$600,000 in aggregate principal amount of 2028 Bonds (the "**New 2028 Bonds**") that will be Further Bonds (as defined in the terms and conditions of the 2028 Bonds) and consolidated and form a single series with the outstanding 2028 Bonds in accordance with the terms of the 2028 Bond Instrument and 2028 Bond Conditions, *provided that* such New 2028 Bonds:

(a) may only be issued to the non-executive directors of the Company as at the date of the Commitment Letter (being Robert Chenery, John Cowan and Thomas Richardson) in

the amount of one 2028 Bond each, in full satisfaction of all and any remuneration due from the Company to each such director for the year ending 31 December 2023;

(b) shall not have the benefit of any rights granted to the Initial Purchaser in this Agreement and/or the Historic Purchase Agreements; and

(c) shall be constituted by a supplemental bond instrument to be entered into by the Company by no later than 31 December 2023 in substantially the form agreed between the Parties on or prior to the Closing Date (and identified as being in agreed form by exchange of emails between the Parties hereto or their legal counsels).

The Company acknowledges and agrees that if the New 2028 Bonds have not been issued on or before 31 December 2023 the Initial Purchaser's consent and approval hereunder shall expire on 1 January 2024, or such later date agreed or confirmed in writing in the absolute discretion of the Initial Purchaser.

12. Appointment of Non-Executive Directors

12.1 Subject to Clause 12.7, at any time after the Closing Date and up to (and including) 1 November 2023, the Initial Purchaser may in its sole and absolute discretion nominate up to two non-executive directors to the board of directors of the Company (each a "**New NED**").

12.2 As soon as reasonably practicable following its nomination of a New NED, the Initial Purchaser shall notify the Company in accordance with Clause 13 (*Notices*). Following receipt of such notice from the Initial Purchaser, the Company shall promptly (and in any case no later than one Business day following such notification) approve the nomination of the Initial Purchaser's proposed New NED, unless doing so would contravene applicable law or regulations, in which case the Company shall confirm any such contravention by furnishing to the Initial Purchaser an opinion or confirmation in writing of legal counsel in a form satisfactory to the Initial Purchaser. In the case of any such contravention, the Initial Purchaser shall have the right to nominate another person as a New NED in accordance with this Clause 11 and which nomination may, for the avoidance of doubt, occur on any number of successive occasions (but only in respect of two New NEDs of the Company at any time).

12.3 Upon approval of the nomination of a New NED, the Company shall use all reasonable endeavours (at its own cost) to formalise and complete the appointment of such New NED with such appointment taking effect by no later than the date that is 15 London business days after the date on which such New NED's nomination is approved under Clause 12.2 above (or such other date as may be agreed in writing between the Initial Purchaser and the Company). The compensation payable to the relevant New NED (which, by reference to contract or interim directors having extensive expertise in the sector, shall be on reasonable terms approved by the Initial Purchaser, having regard to market rates) shall be borne by the Company.

12.4 The Company shall notify the Initial Purchaser in writing promptly upon determining the date of any shareholder meeting at which directors are to be elected and, if the Initial Purchaser desires to nominate a New NED pursuant to Clause 12.1, the Initial Purchaser shall advise the Company of the name of the such nominee within 10 London business days after receiving such notice. If the Initial Purchaser does not advise the Company of the name of a New NED to be nominated within such 10 London business day period, then the Initial Purchaser will be deemed to have designated the incumbent New NED for nomination for election at the relevant shareholder meeting (unless the Initial Purchaser otherwise notifies the Company within such period).

12.5 The Company shall, in accordance with its bylaws and subject to applicable law and the fiduciary duties of the directors, recommend to the shareholders of the Company that they vote to elect the relevant New NED. If the re-appointment of the relevant New NED is not approved

by the shareholders of the Company at the relevant shareholder meeting at which directors are to be elected, that individual shall no longer be eligible to be appointed as a New NED and, for the avoidance of doubt, the Initial Purchaser shall be entitled to nominate an alternate New NED in accordance with Clause 11, including for appointment by the Company prior to the next shareholder meeting at which directors are to be elected, as provided for in Clause 12.3. The right of the Initial Purchaser to nominate a New NED shall be exercisable at any time and on any number of successive occasions until a New NED nominee has been duly appointed or elected.

12.6 The Company shall treat each New NED as a director and cooperate fully with each New NED, including providing each New NED with all requested information on a timely basis and inviting each New NED to all meetings of directors.

12.7 On and from the date hereof the Company shall have no obligations under clause 12 of the March Purchase Agreement, provided that this shall not release the Company from liability or claim in respect of the occurrence of any breach of such obligations prior to the date hereof. As at the date of this Agreement, the Company has previously effected the appointment of Thomas Richardson as a New NED in accordance with and satisfaction of the terms of the March Purchase Agreement and this Agreement. It is agreed and accepted that such appointment means that one of the two non-executive directors referred to in Clause 12.1 above has been nominated and appointed in accordance with and satisfaction of the provisions of this Clause 12. With effect from the date of this Agreement, any renewal or replacement of the appointment of such New NED shall be subject only to the terms of this Clause and not any other agreement.

13. Undertaking to Comply with Certain Matters

13.1 For so long as any Bond, Existing Warrant, Warrant or Share is registered in the name of any Relevant Person and is outstanding, the Company undertakes with the Initial Purchaser that it shall, and shall procure that each of its Subsidiaries (as applicable) shall:

(a) in respect of the Company and COPL America Inc., ensure the monthly payment of U.S.$85,000 by COPL America Inc. to the Company (or such other amount as may be agreed with the prior written consent of the Initial Purchaser in respect of any one or more monthly payment(s)) for the purposes of discharging all of the compensation and employment costs and expenses of the Company (as explicitly identified in schedule 6.24 (*Allocated General and Administrative Costs*) in the Summit Waiver and Amendment) in respect of each month commencing from (and including) the Closing Date until the earlier of: (A) 4 October 2024, and (B) the consummation of the Company's contemplated joint venture, unless otherwise extended pursuant to the terms of the Summit Waiver and Amendment;

(b) comply with and implement the New Governance Framework;

(c) take all necessary actions to comply with and give effect to the proposed reductions to its general and administrative expenses in the manner set out in the G&A Spreadsheet that is identified on or prior to the Closing Date as being in agreed form by exchange of emails between the Parties hereto or their legal counsels; and

(d) promptly notify the Initial Purchaser in writing (including by way of email) if at any time it breaches the undertakings set out in paragraphs (a), (b) or (c) above or if any fact or matter arises that it reasonably expects will impair the Company's ability to comply with such undertakings.

13.2 At any time following a breach by the Company of any of its obligations in Clause 13.1 above, the Initial Purchaser shall have the right by giving notice (a "**Specified Breach Notice**") to require the Company, by the date falling not less than 15 London business days' after such

notice, to issue and deliver 126,182,965 new warrants to the Initial Purchaser for no consideration (the "**Default Warrants**") on the same terms and conditions as the Warrants. The Default Warrants shall entitle the holder thereof, upon exercise of its rights thereunder, to subscribe for one new Share for each Default Warrant.

13.3 Upon receipt of a Specified Breach Notice, the Company shall (at its own cost):

(a) execute a new warrant instrument on substantially the same terms as the Warrant Instrument;

(b) deliver any documentary or other conditions precedent in relation to the issue of the Default Warrants as may be reasonably required by the Initial Purchaser and in a form reasonably satisfactory to it (which shall include, without limitation, a resolution signed by the requisite majority of holders of the Existing Warrants, the Warrants and the Bonds for the purposes of waiving any adjustment to the exercise or conversion price thereunder as a result of the issue of the Default Warrants);

(c) use all reasonable efforts to obtain all consents, approvals, authorisations, orders, filings, registrations or qualification of or with any court or Governmental Authority or stock exchange or regulatory that are required to be given, fulfilled or done in connection with the issue of the Default Warrants and/or any matters contemplated by this Clause 13; and

(d) do all such acts and things necessary and that are in the reasonable control of the Company to issue the Default Warrants by no later than the date specified in the Specified Breach Notice (or such other date as may be agreed in writing between the Parties in their absolute discretion).

14. Share Pledge

14.1 The Company will:

(a) by no later than the Closing Date and at its own expense:

(i) duly and validly authorise (and take all necessary corporate or other actions), execute and deliver the Share Pledge such that the obligations expressed to be assumed by it are legal, valid, binding and enforceable obligations of the Company; and

(ii) make all filings and take all other actions necessary or expedient to perfect and protect the security interests on or over all of the assets which is intended to be created under the Share Pledge in accordance with the terms of the Share Pledge;

(b) take all actions necessary (at its own expense) to maintain and perfect the security interests under the Share Pledge after its signing date as and to the extent contemplated by the Share Pledge;

(c) upon any transfer by the Initial Purchaser of its Bonds, whether in whole or in part, to any New Holder(s) (as defined in the Bond Instruments), and upon demand by the Initial Purchaser, do all such acts and things necessary (at its own expense) to grant the security interests under the Share Pledge in favour of any such New Holder(s); and

(d) not do or omit to do anything that would prejudice the enforceability and/or enforcement of the security interests on or over all of the assets which is intended to be created under the Share Pledge.

14.2 Each of the Company and the Initial Purchaser agree that any failure by the Company to comply with the terms of Clause 14.1 above and/or the Share Pledge shall constitute a default as if there had occurred an Event of Default under Condition 10 of the Bonds, and (without prejudice to any other rights of the Initial Purchaser) the Company shall pay immediately upon demand from, and to the order of, the Initial Purchaser an amount in cash equal to the Relevant Amount (as defined in Condition 10 of the Bonds).

15. Unsecured Debt Equitisation

15.1 As at the date hereof, the Company has incurred certain liabilities owed to various unsecured creditors (the "**Unsecured Debt**").

15.2 Notwithstanding any other provisions of this Agreement or the Historic Purchase Agreements, the Initial Purchaser agrees that the Company may on one or more occasions issue Shares in lieu of cash to satisfy its liabilities under the Unsecured Debt up to a maximum aggregate amount of U.S.$500,000, with such Shares to be issued at a price being the higher of (i) £0.026 per Share, and (ii) the Current Market Price per Share on the Relevant LE Date (each as defined in the Conditions) ("**Unsecured Debt Equitisation**").

15.3 The Company may at any time take such steps or actions that are necessary to consummate any Unsecured Debt Equitisation, *provided that*, subject to Clause 17.3 (*Restricted Information*), the Company shall obtain the prior written approval of the Initial Purchaser (such approval not to be unreasonably withheld or delayed) in respect of any Unsecured Debt Equitisation of any Unsecured Debt that exceeds, individually or in aggregate, U.S.$50,000.

15.4 The Initial Purchaser and the Company agree that the consummation of any Unsecured Debt Equitisation shall at all times be subject to receipt of all consents, approvals, authorisations, orders, filings, registrations or qualifications of or with any court or Governmental Authority or stock exchange or regulator that are required to be given, fulfilled or done in connection with the issue of the Shares contemplated in this Clause 15, provided that the Company shall use all reasonable efforts to obtain the foregoing.

16. Notices

16.1 **Communications in Writing**

Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by email or letter.

16.2 **Addresses**

The address and email address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Agreement is:

(a) in the case of the Company:

Canadian Overseas Petroleum Limited
Address: [Redacted: Address]

Email: [Redacted: Email address]
Attention: [Redacted: Name]

(b) In the case of the Initial Purchaser:

c/o Anavio Capital Partners LLP
Address: [Redacted: Address]

Email: [Redacted: Email address]
Attention: [Redacted: Name]

or any substitute address or email address or department or officer as the Party may notify to the other Parties by not less than five Business Days' notice. Any such notice shall take effect, in the case of a letter, at the time of delivery, or in the case of email transmission, at the time of receipt.

If such delivery or receipt (as applicable) is after 5:00 p.m. (London time) or on a day which is not a London business day (in respect of matters where only London business days are specified) or Business Day (in respect of all other matters), such delivery shall be deemed to have been made on the next following London business day or Business Day, as applicable.

17. Confidential Information

17.1 Confidentiality

Each Party agrees to keep all Transaction Documents and their contents (the "**Confidential Information**") strictly confidential and not to disclose it to anyone, save to the extent permitted by Clause 17.2 (*Disclosure of Confidential Information*).

17.2 Disclosure of Confidential Information

(a) Each Party may disclose Confidential Information on a confidential basis to the accountants, legal counsels and other professional advisors retained by the Company (or its advisors who are subject to a duty of confidentiality) and the Initial Purchaser, respectively, or to any other agent, clearing system or other third party proposed by the Parties to be involved in the transaction contemplated hereby, or as required by applicable law, regulation, stock exchange rules, judicial or regulatory order, or any tax authority or other Governmental Authority or to the extent that one of the Parties needs to disclose the same for the exercise, protection of enforcement of its rights under this Agreement or the Bonds, but Confidential Information shall not otherwise be disclosed to any other Person (other than, in the case of the Initial Purchaser, any of their affiliates, agents, management entities or funds under common management or control) without the prior written consent of the other Party.

(b) The Initial Purchaser may disclose Confidential Information to any Person in connection with the potential assignment or novation their rights, benefits and/or obligations under the Transaction Documents and the Bonds, the Existing Warrants and/or the Warrants (or discussions in relation thereto), or to any prospective transferee.

17.3 Restricted Information

(a) Except as provided in clause 10 of the March Purchase Agreement, the Company shall not (without first entering into a separate confidentiality agreement with the Initial Purchaser) provide the Initial Purchaser with any Restricted Information.

(b) Without prejudice to paragraph (a) above, in respect of any Restricted Information that may be furnished or delivered (whether in writing, orally or otherwise) by the Company at any time to the Initial Purchaser, it shall (unless the Company, acting reasonably, determines that to do so would be prejudicial to the Company's commercial interests)

promptly upon demand by the Initial Purchaser (acting reasonably) do whatever is necessary, but having first consulted the Initial Purchaser in respect of the form and content of such public disclosure prior to its publication, to ensure all such Restricted Information is publicly disclosed to the market promptly following such demand by the Initial Purchaser and in accordance with applicable laws, regulations or rules (including any stock exchange rules) or as otherwise may be effective so as to further ensure that the Initial Purchaser is no longer restricted from trading in any securities, equity or other instruments of the Company or any other member of the Group (including, without limitation, in respect of the Bonds, the Existing Warrants, the Warrants, any Additional Bonds, any Additional Warrants, any Shares (including the Sale Shares), any Relevant Securities or any other warrants, convertible bonds, options or similar instruments granting rights to receive Shares) by reason of receipt of that Restricted Information.

(c) In the event that the Company determines any Restricted Information to be prejudicial to the Company's commercial interests, it shall promptly notify the Initial Purchaser thereof and consult with the Initial Purchaser in good faith to determine the terms, timing, methods, form and/or content of any necessary public disclosure of such Restricted Information.

17.4 **Announcements**

The Company will ensure that all announcements and documents published or statements made by it or on its behalf, which refer to the Initial Purchaser by name will only be made or published with the prior written consent of the Initial Purchaser and will be true and accurate and not misleading in any material respect and, where appropriate, will contain all information necessary for legal or regulatory purposes and all opinions included will be honestly held and given after due and careful consideration. Nothing in this Clause 17.4 shall restrict the Company from at any time making any disclosure or announcement which is required by any applicable law, regulation, stock exchange rule, judicial or regulatory order, or any tax authority or other Governmental Authority.

18. Payments

All payments in respect of the obligations of the Company under this Agreement (including, for the avoidance of doubt, the issuance and delivery of the Sale Shares and the Warrants to the Initial Purchaser) shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Canada and/or such other taxing jurisdiction which the Company may be subject to, or (in each case) any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Company shall pay such additional amounts as will result in the receipt by the Initial Purchaser of such amounts as would have been received by it if no such withholding or deduction had been required.

19. Severability

If any provision in or obligation under this Agreement is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair (i) the validity, legality or enforceability under the law of that jurisdiction of any other provision in or obligation under this Agreement, and (ii) the validity, legality or enforceability under the law of any other jurisdiction of that or any other provision in or obligation under this Agreement.

20. Remedies and Waivers

No failure or delay by either Party to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

21. Amendments and Waivers

The Parties may, if agreed in writing by each of them (each acting in its absolute discretion), agree to any modification, alteration or addition to this Agreement.

22. Counterparts

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

23. Contracts (Rights of Third Parties) Act 1999

Other than in respect of Clause 5 (*Indemnity*), a Person who is not a Party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third Party which exists or is available apart from that Act.

24. Governing Law and Jurisdiction

24.1 Governing Law

This Agreement, and any non-contractual obligations arising out of or in connection with it, are and shall be governed by, and construed in accordance with, English law.

24.2 Jurisdiction

The Company agrees for the benefit of the Initial Purchaser that the courts of England shall have exclusive jurisdiction to hear and determine any suit, action or proceedings arising out of or in connection with this Agreement (including any non-contractual obligations arising out of or in connection with this Agreement) ("**Proceedings**") and, for such purposes, irrevocably submits to the jurisdiction of such courts. Nothing in this paragraph shall (or shall be construed so as to) limit the right of the Initial Purchaser to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings by the Initial Purchaser in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

24.3 Appropriate Forum

For the purpose of Clause 24.2 (*Jurisdiction*), the Company irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and agrees not to claim that any such court is not a convenient or appropriate forum.

24.4 Service of Process

The Company agrees that the process by which any Proceedings are commenced in England pursuant to Clause 24.2 (*Jurisdiction*) may be served on it by being delivered to the attention of Robert Brant of McCarthy Tétrault at 18th floor, 1 Angel Ct, London EC2R 7HJ. If such

person is not or ceases to be effectively appointed to accept service of process on behalf of the Company, the Company shall promptly appoint a further person in England to accept service of process on its behalf. Nothing in this paragraph shall affect the right of the Initial Purchaser to serve process in any other manner permitted by law.

Schedule 1

Conditions Precedent

1. The Company

(a) A certified copy of the constitutional documents of the Company.

(b) A certified copy of a resolution of the board of directors of the Company:

(i) approving and ratifying the execution of the Transaction Documents, the issue of the Sale Shares, the Warrants and the Default Warrants and the consummation of the transactions contemplated by the Transaction Documents;

(ii) authorising a specified person or persons to execute the Transaction Documents to which it is a party on its behalf;

(iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Transaction Documents to which it is a party;

(iv) approving and ratifying the appointment of John Cowan as Chief Executive Officer of the Company and the appointment of Thomas Richardson as Chairman of the board of directors of the Company; and

(v) approving and adopting the New Governance Framework.

2. Legal opinions

(a) A legal opinion of McCarthy Tétrault LLP (the "**Legal Opinion**"), legal advisers to the Company as to Canadian law, substantially in the form distributed to the Initial Purchaser prior to signing this Agreement.

(b) A legal opinion of David Graham & Stubbs LLP, legal advisers to the Company as to the laws of the State of New York, substantially in the form distributed to the Initial Purchaser prior to signing this Agreement.

3. Other documents and evidence

(a) An executed copy of each of the Transaction Documents.

(b) An executed copy of the Summit Waiver and Amendment. The Summit Waiver and Amendment shall include (without limitation) a provision that permits COPL America Inc. to pay to the Company an aggregate amount of up to U.S.$85,000 per fiscal month to discharge certain general and administrative costs of the Company until the earlier of: (i) 4 October 2024, and (ii) consummation of the Company's contemplated joint venture, unless otherwise extended pursuant to the terms of the Summit Waiver and Amendment.

(c) Evidence of the Company's approvals and authorisations (including any court or Governmental Authority or stock exchange or regulatory approvals) that permit the issue of the Sale Shares and the Warrants.

(d) Evidence of the resignation of Arthur Millholland as Chief Executive Officer of the Company and his appointment as President of COPL America Inc. on terms satisfactory to the Initial Purchaser.

(e) Evidence that any process agent referred to in Clause 24.4 (*Service of Process*) has accepted its appointment.

(f) A final copy of the breakdown of the reductions to be made to the Group's general and administrative expenses and non-operational costs in form and substance reasonably satisfactory to the Initial Purchaser and identified on or prior to the Closing Date as being in agreed form by exchange of emails between the Parties hereto or their legal counsels (the "**G&A Spreadsheet**").

(g) Evidence (including by way of email) to the reasonable satisfaction of the Initial Purchaser of an agreement by the Company's lender(s) to an offsetting swap agreement with BP Energy Company which has the effect of crystallising certain hedged amounts as further described in the September Term Sheet.

(h) A certificate dated the Closing Date and signed by the Chief Executive Officer and Chairman of the Board of Directors of the Company (acting in such capacities and not in their personal capacity) confirming:

(i) the matters specified in Clauses 4.1(a)(ii), 4.1(a)(iii) and 4.1(a)(iv) (*Conditions Precedent to Closing*) of this Agreement;

(ii) that after due and careful consideration, each is of the belief and it is his opinion that, following the consummation of the transaction contemplated by this Agreement and assuming satisfaction of any post-closing covenants and having regard to facts known to such officers on the Closing Date (and without regard to any facts after such date, including changes in facts which may affect any assumptions underlying this belief and opinion), the Company is and should be a going concern having sufficient working capital until 31 December 2023; and

(iii) that after due and careful consideration (including reviewing the terms of the Summit Waiver and Amendment), each is not aware of any reason why the Company and each member of its Group should not remain (until at least 30 December 2023) in compliance with all its contractual obligations in all material respects including but not limited to its obligations under the Summit Credit Agreement.

(i) Company's public announcement(s) in form and substance satisfactory to the Initial Purchaser in connection with (i) the completion of the issue of the Sale Shares and the Warrants, (ii) the contemplated Unsecured Debt Equitisation in respect of the total aggregate amount of Unsecured Debt, (iii) the Default Warrants, and (iv) such other information that may be reasonably required by the Initial Purchaser.

This Agreement has been entered into on the date stated at the beginning.

CANADIAN OVERSEAS PETROLEUM LIMITED

as ***Company***

By: [Redacted: Signature]
Name: [Redacted: Name]
Authorised Signatory

Anavio Capital Partners LLP acting in its capacity as investment manager for and on behalf of **ANAVIO EQUITY CAPITAL MARKETS MASTER FUND LIMITED**

as ***Initial Purchaser***

By: [Redacted: Signature]
Name: [Redacted: Name]
Title: [Redacted: Title]

THIS IS EXHIBIT “D” REFERRED TO IN

THE AFFIDAVIT OF PETER KRAVITZ

SWORN BEFORE ME THIS 14th DAY

OF MARCH, 2024

A Commissioner for Taking Affidavits

Viktor V. Nikolov
(LSO#84503P)

Execution version

SHARE PLEDGE AGREEMENT

dated as of

OCTOBER 10, 2023

among

CANADIAN OVERSEAS PETROLEUM LIMITED,

as Grantor,

in favor of

ANAVIO EQUITY CAPITAL MARKETS MASTER FUND LIMITED,

as Initial Purchaser

TABLE OF CONTENTS

SCHEDULES:

EXHIBIT:

This **SHARE PLEDGE AGREEMENT**, dated as of October 10, 2023, is made by **CANADIAN OVERSEAS PETROLEUM LIMITED**, a public company incorporated under the Canada Business Corporations Act whose registered office is at Suite 320, 715-5th Ave, SW, Calgary, Alberta T2P 2X6, Canada, as the grantor (the "**Grantor**"), in favor of **ANAVIO EQUITY CAPITAL MARKETS MASTER FUND LIMITED**, (together with its successors, the "**Initial Purchaser**").

R E C I T A L S

1. The Grantor and the Initial Purchaser have entered into various financing arrangements in connection with which the Grantor has issued the Bonds and the Existing Warrants, in each case as defined in that certain Purchase Agreement dated as of October 5, 2023 (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time, the "**Purchase Agreement**"), between the Grantor and the Initial Purchaser.

2. Pursuant to the Purchase Agreement, (i) the Grantor proposes to sell the Sale Shares (as defined therein) to the Initial Purchaser and the Initial Purchaser proposes to purchase such Sale Shares, in each case on the terms and subject to the conditions set out therein, and (ii) the Grantor will also create, issue, sell and deliver the Warrants (as defined therein) to the Initial Purchaser on the terms and conditions set out therein and in the Warrant Instrument (as defined therein);

3. It is a condition precedent to the obligation of the Initial Purchaser to purchase the Sale Shares and the Warrants under the Purchase Agreement that the Grantor shall have executed and delivered this Agreement to the Initial Purchaser; and

4. Now, therefore, in consideration of the premises herein and to induce the Initial Purchaser to enter into the Purchase Agreement, the Grantor hereby agrees with the Initial Purchaser as follows:

ARTICLE I
Definitions

Section 1.01 Definitions.

(a) As used in this Agreement, each term defined above shall have the meaning indicated above. Unless otherwise defined herein, terms defined in the Purchase Agreement and used herein shall have the meanings given to them in the Purchase Agreement, and the terms Records and Proceeds are used herein as defined in the UCC on the date hereof.

(b) The following terms shall have the following meanings:

"**Agreement**" shall mean this Share Pledge Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**Capital Stock**" means any stock, shares, partnership interests, membership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"**Collateral**" shall have the meaning assigned to such term in Section 3.01.

"**Grantor**" shall have the meaning assigned to such term in the preamble hereto.

"**Initial Purchaser**" shall have the meaning assigned to such term in the recitals hereto.

"**Lien**" means (i) any lien, mortgage, pledge, assignment, security interest, charge, production payment or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing, and (ii) in the case of Capital Stock, any purchase option, call or similar right of a third party with respect to such Capital Stock.

"**LLC**" means, with respect to the Grantor, each limited liability company described or referred to in Schedule 2 in which such Grantor has an interest.

"**LLC Agreement**" means each operating agreement relating to an LLC, as each such agreement has heretofore been, and may hereafter be, amended, restated, supplemented or otherwise modified.

"**Obligation Documents**" shall mean, collectively, the Bond Instruments, the Historic Purchase Agreements, the Purchase Agreement, the Existing Warrant Documents, the Warrant Documents and any additional agreements designated in writing by each of the Grantor and the Initial Purchaser as being an "Obligation Document" for the purposes of this Agreement.

"**Partnership**" means, with respect to the Grantor, each partnership described or referred to in Schedule 2 in which such Grantor has an interest.

"**Partnership Agreement**" means each operating agreement relating to a Partnership, as each such agreement has heretofore been, and may hereafter be, amended, restated, supplemented or otherwise modified.

"**Person**" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"**Pledged Entity**" means any issuer of a Pledged Security.

"**Pledged LLC Interests**" means, with respect to the Grantor, all right, title and interest of such Grantor as a member of all LLCs and all right, title and interest of such Grantor in, to and under the LLC Agreements.

"**Pledged Partnership Interests**" means, with respect to the Grantor, all right, title and interest of such Grantor as a limited or general partner in all Partnerships and all right, title and interest of such Grantor in, to and under the Partnership Agreement.

"**Pledged Securities**" means: (a) the Capital Stock described or referred to in Schedule 2 (as the same may be supplemented from time to time), including all Pledged LLC Interests and Pledged Partnership Interests; and (b) (i) the certificates or instruments, if any, representing such Capital Stock, Pledged LLC Interests or Pledged Partnership Interests, (ii) all dividends (cash, Capital Stock or otherwise), cash, instruments, rights to subscribe, purchase or sell and all other rights and property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such securities, (iii) all replacements, additions to and substitutions for any of the property referred to in this definition, including, without limitation, claims against third parties, (iv) all other Collateral constituting securities, (v) the

proceeds, interest, profits and other income of or on any of the property referred to in this definition, (vi) all security entitlements in respect of any of the foregoing, if any, and (vii) all books and records relating to any of the property referred to in this definition.

"**Purchase Agreement**" shall have the meaning assigned to such term in the recitals hereto.

"**Satisfied**" means the payment in full in cash when due or the performance or satisfaction of all Secured Obligations, but excluding contingent obligations in respect of indemnification, expense reimbursement, yield protection or tax gross up for which no claim has been made**.**

"**Secured Obligations**" shall mean, collectively, all of the Grantor's obligations and amounts or liabilities owing to, and all claims of, any Secured Party under the Obligation Documents, the Bonds, the Existing Warrants and the Warrants that are owed to any Secured Parties.

"**Secured Parties**" shall mean the Initial Purchaser and its successors.

"**UCC**" means the Uniform Commercial Code of the State of New York.

Section 1.02 Other Definitional Provisions; References. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms. The gender of all words shall include the masculine, feminine, and neuter, as appropriate. The words "herein," "hereof," "hereunder" and other words of similar import when used in this Agreement refer to this Agreement as a whole, and not to any particular article, section or subsection. Any reference herein to a Section shall be deemed to refer to the applicable Section of this Agreement unless otherwise stated herein. Any reference herein to an exhibit, schedule or annex shall be deemed to refer to the applicable exhibit, schedule or annex attached hereto unless otherwise stated herein. Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to the Grantor, shall refer to such Grantor's Collateral or the relevant part thereof. Any reference to any Obligation Document or other agreement, document or instrument is a reference to such Obligation Document or other agreement, document or instrument as amended, modified, varied, supplemented and/or amended and restated from time to time.

ARTICLE II
[Reserved]

ARTICLE III
Grant of Security Interest

Section 3.01 Grant of Security Interest. The Grantor hereby pledges, assigns and transfers to the Initial Purchaser, and grants to the Initial Purchaser, for the ratable benefit of the Secured Parties, a security interest in all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest and whether now existing or hereafter coming into existence (collectively, the "**Collateral**"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Secured Obligations:

(1) all Pledged Securities;

(2) all books and Records pertaining to the property described in this Section 3.01, all rights of access to the Grantor's books, Records and information, and all property in which such books, Records and information are stored, recorded, and maintained; and

(3) to the extent not otherwise included, all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, or in respect of, any of the foregoing, including any insurance, indemnity, warranty or guaranty payable to any Grantor from time to time with respect to the foregoing and all collateral security and guarantees given by any person with respect to any of the foregoing.

Section 3.02 Transfer of Pledged Securities. All original certificates and instruments representing or evidencing the Pledged Securities shall be delivered within 10 days after the date of this Agreement to and held pursuant hereto by, the Initial Purchaser or a Person designated by the Initial Purchaser and, in the case of an instrument or certificate in registered form, such instrument or certificate shall be duly indorsed to the Initial Purchaser or in blank by an effective indorsement (whether on the certificate or instrument or on a separate writing), and accompanied by any required transfer tax stamps to effect the pledge of the Pledged Securities to the Initial Purchaser. Notwithstanding the preceding sentence, all Pledged Securities must be delivered or transferred in such manner, and the Grantor shall take all such further action as may be reasonably requested by the Initial Purchaser, as to permit the Initial Purchaser to be a "protected purchaser" to the extent of its security interest as provided in Section 8-303 of the UCC (if the Initial Purchaser otherwise qualifies as a protected purchaser).

ARTICLE IV
Acknowledgments, Waivers and Consents

Section 4.01 Acknowledgments, Waivers and Consents.

(a) The Grantor acknowledges and agrees that such Grantor's provision of collateral security for the Secured Obligations are absolute, irrevocable and unconditional under any and all circumstances. In full recognition and furtherance of the foregoing, the Grantor understands and agrees, to the fullest extent permitted under applicable law and except as may otherwise be expressly and specifically provided in the Purchase Agreement or any other Obligation Document, that the Grantor shall remain obligated hereunder (including, without limitation, with respect to the collateral security provided by such Grantor herein) and the enforceability and effectiveness of this Agreement and the liability of such Grantor, and the rights, remedies, powers and privileges of the Initial Purchaser and the other Secured Parties under this Agreement, the other Obligation Documents shall not be affected, limited, reduced, discharged or terminated in any way:

(i) notwithstanding that, without any reservation of rights against the Grantor and without notice to or further assent by the Grantor, (A) any demand for payment of any of the Secured Obligations made by the Initial Purchaser or any other Secured Party may be rescinded by the Initial Purchaser or such other Secured Party and any of the Secured Obligations continued; (B) the Secured Obligations, the liability of any other Person upon or for any part thereof or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by, or any indulgence or forbearance in respect thereof granted by, the Initial Purchaser or any other Secured Party; (C) the Purchase Agreement, the other Obligation Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, in accordance with the terms thereof, as the Initial Purchaser, as applicable, and the Grantor, as applicable, may deem advisable from time to time; (D) the Grantor or any other Person may from time to time accept or enter into new or additional agreements, security documents, guarantees or other instruments in addition to, in exchange for or relative to, any Obligation Document, all or any part of the Secured Obligations or any Collateral now or in the future serving as security for the Secured Obligations, in each case pursuant to the terms and conditions thereof; (E) any collateral security, guarantee or right of offset at any time held by the Initial Purchaser or any other Secured Party for the payment of the Secured Obligations

may be sold, exchanged, waived, surrendered or released; and (F) any other event shall occur which constitutes a defense or release of sureties generally; and

(ii) without regard to, and the Grantor hereby expressly waives to the fullest extent permitted by law any defense now or in the future arising by reason of, (A) the illegality, invalidity or unenforceability against the Grantor of the Purchase Agreement, any other Obligation Document, any of the Secured Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Initial Purchaser or any other Secured Party, (B) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Grantor or any other Person against the Initial Purchaser or any other Secured Party, (C) the insolvency, bankruptcy arrangement, reorganization, adjustment, composition, liquidation, disability, dissolution or lack of power of the Grantor or any other Person at any time liable for the payment of all or part of the Secured Obligations or the failure of the Initial Purchaser or any other Secured Party to file or enforce a claim in bankruptcy or other proceeding with respect to any Person; or any sale, lease or transfer of any or all of the assets of the Grantor, or any changes in the shareholders of the Grantor; (D) the fact that any Collateral or Lien contemplated or intended to be given, created or granted as security for the repayment of the Secured Obligations shall not be properly perfected or created, or shall prove to be unenforceable or subordinate to any other Lien, it being recognized and agreed by the Grantor that it is not entering into this Agreement in reliance on, or in contemplation of the benefits of, the validity, enforceability, collectability or value of any of the Collateral for the Secured Obligations; (E) any failure of the Initial Purchaser or any other Secured Party to marshal assets in favor of the Grantor or any other Person, to exhaust any Collateral for all or any part of the Secured Obligations, to pursue or exhaust any right, remedy, power or privilege it may have against the Grantor or any other Person or to take any action whatsoever to mitigate or reduce the Grantor's liability under this Agreement or any other Obligation Document; (F) any law which provides that the obligation of a surety or guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal or which reduces a surety's or guarantor's obligation in proportion to the principal obligation; (G) the possibility that the Secured Obligations may at any time and from time to time exceed the aggregate liability of such Grantor under this Agreement; or (H) any other circumstance or act whatsoever, including any action or omission of the type described in this Section 4.01 (with or without notice to or knowledge of the Grantor), which constitutes, or might be construed to constitute, an equitable or legal discharge or defense of the Grantor for the Secured Obligations, or with respect to the collateral security provided by such Grantor herein, or which might be available to a surety or guarantor, in bankruptcy or in any other instance.

(b) The Grantor hereby waives to the extent permitted by law: (i) except as expressly provided otherwise in any Obligation Document, all notices to such Grantor, or to any other Person, including but not limited to, notices of the acceptance of this Agreement or the provision of collateral security provided herein, or the creation, renewal, extension, modification, accrual of any Secured Obligations, or notice of or proof of reliance by the Initial Purchaser or any other Secured Party upon the collateral security provided herein, or of default in the payment or performance of any of the Secured Obligations owed to the Initial Purchaser or any other Secured Party and enforcement of any right or remedy with respect thereto; or notice of any other matters relating thereto; the Secured Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the collateral security provided herein and no notice of creation of the Secured Obligations already or hereafter contracted by the Grantor need be given to the Grantor; and all dealings between the Grantor, on the one hand, and the Initial Purchaser and the other Secured Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance on the collateral security provided herein; (ii) diligence and demand of payment, presentment, protest, dishonor and notice of dishonor; (iii) all rights of revocation with respect to the Secured Obligations and the provision of collateral security herein; and (iv) all principles or provisions of law which conflict with the terms of this Agreement and which can, as a matter of law, be waived.

(c) When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against the Grantor, the Initial Purchaser or any other Secured Party may, but shall be under no obligation to, join or make a similar demand on or otherwise pursue or exhaust such rights and remedies as it may have against the Grantor or any other Person or against any collateral security or guarantee for the Secured Obligations or any right of offset with respect thereto, and any failure by the Initial Purchaser or any other Secured Party to make any such demand, to pursue such other rights or remedies or to collect any payments from the Grantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Grantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve the Grantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Initial Purchaser or any other Secured Party against the Grantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings. Neither the Initial Purchaser nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Secured Obligations or any property subject thereto.

ARTICLE V
Representations and Warranties

To induce the Initial Purchaser to enter into the Purchase Agreement, the Grantor hereby represents and warrants to the Initial Purchaser and each Secured Party that:

Section 5.01 Title. The Grantor owns or otherwise has rights in the Collateral, free and clear of any and all Liens, rights or claims of all other Persons. The Grantor has not filed or consented to any filing, which is still in effect, nor is any security agreement, financing statement or other public notice with respect to all or any part of the Collateral that evidences a Lien securing any indebtedness on file or of record in any public office.

Section 5.02 [Reserved].

Section 5.03 Perfected Liens. The security interests granted pursuant to this Agreement, upon filing of a UCC-1 financing statement containing an accurate description of the Collateral in the appropriate filing office listed on Schedule 3 , will constitute valid perfected first priority security interests in all of the Collateral which may be perfected by filing such financing statement in favor of the Initial Purchaser, for the ratable benefit of the Secured Parties, as collateral security for such Grantor's obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase any Collateral from such Grantor.

Section 5.04 Legal Name, Organizational Status, Chief Executive Office. On the date hereof, the correct legal name of such Grantor, such Grantor's jurisdiction of organization, type of organization, organizational number, taxpayer identification number and the location of such Grantor's chief executive office or sole place of business are specified on Schedule 4.

Section 5.05 Prior Names, Addresses. Schedule 5 correctly sets forth (a) all names and trade names that such Grantor has used in the last five (5) years, including any such changes effected through mergers, consolidations and acquisitions, along with any changes in the types of organization or jurisdictions of organization of such Grantor in such period and (b) the chief executive office or sole place of business location of such Grantor within the past four (4) months (if different from that which is set forth in Section 5.04 above).

Section 5.06 Pledged Securities.

(a) The shares (or such other interests) of Pledged Securities pledged by such Grantor hereunder constitute all the issued and outstanding shares (or such other interests) of all classes of the Capital Stock of each Pledged Entity owned by such Grantor. Schedule 2 correctly sets forth and describes all Pledged Securities and identifies any such Pledged Securities that are represented by certificates (including the certificate number, if any). The Grantor is the record and beneficial owner of, and has good title to, the Pledged Securities pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other Person.

(b) All the shares of the Pledged Securities have been duly and validly issued and are fully paid and nonassessable (or, with respect to the Pledged Securities that are Capital Stock in a partnership or limited liability company, has been duly and validly issued).

(c) There are no restrictions on transfer (that have not been waived or otherwise consented to) in the LLC Agreement governing any Pledged LLC Interest or the Partnership Agreement governing any Pledged Partnership Interest or any other agreement relating thereto which would limit or restrict: (i) the grant of a security interest in the Pledged LLC Interests or the Pledged Partnership Interests, (ii) the perfection of such security interest or (iii) the exercise of remedies in respect of such perfected security interest in the Pledged LLC Interests or the Pledged Partnership Interests, in each case, as contemplated by this Agreement. Upon the exercise of remedies in respect of the Pledged LLC Interests or the Pledged Partnership Interests, a transferee or assignee of a membership interest or a partnership interest, as the case may be, of such LLC or Partnership, as the case may be, shall become a member or partner, as the case may be, of such LLC or Partnership, as the case may be, entitled to participate in the management thereof and, upon the transfer of the entire interest of such Grantor, such Grantor shall cease to be a member or partner, as the case may be.

(d) No consent or approval of any Governmental Authority, any securities exchange or any other Person was or is necessary to the validity and perfection of the security interests created hereby in the Pledged Securities (other than such as have been obtained and are in full force and effect).

ARTICLE VI
Covenants

The Grantor covenants and agrees that, from and after the date of this Agreement until the Secured Obligations have been Satisfied:

Section 6.01 Change of Name; Place of Business. The Grantor shall provide the Initial Purchaser with prompt notice prior to the change of any of its legal name, jurisdiction of organization, type of organization, or chief executive office or sole place of business location. The Grantor shall promptly provide the Initial Purchaser with copies of organizational documents reflecting any of the changes described in the first sentence of this paragraph certified by a secretary of state or similar governmental official (to the extent such changes would be reflected within the organizational documents).

Section 6.02 Maintenance of Perfected Security Interest; Further Documentation.

(a) Such Grantor shall maintain the security interest created by this Agreement as a perfected security interest and shall defend such security interest against the claims and demands of all Persons whomsoever.

(b) At any time and from time to time, and at the sole expense of such Grantor, such Grantor hereby irrevocably authorizes the Initial Purchaser (or its designee) to file or record any and all financing statements, continuation statements, amendments, notices (including, without limitation,

notifications to financial institutions and any other Person), and will promptly and duly give, execute, deliver, indorse, file or record any and all financing statements, continuation statements, amendments, notices (including, without limitation, notifications to financial institutions and any other Person), contracts, agreements, assignments, certificates, stock powers or other instruments, obtain any and all governmental approvals and consents and take or cause to be taken any and all steps or acts as the Initial Purchaser may reasonably request to create, perfect, establish the priority of, or to preserve the validity, perfection or priority of, the Liens granted by this Agreement or to enable the Initial Purchaser to enforce its rights, remedies, powers and privileges under this Agreement with respect to such Liens or to otherwise obtain or preserve the full benefits of this Agreement and the rights, powers and privileges herein granted.

(c) Without limiting the obligations of the Grantor under Section 6.02(b), upon the request of the Initial Purchaser or any other Secured Party, such Grantor shall take or cause to be taken all actions reasonably requested by the Initial Purchaser to cause the Initial Purchaser to (A) have "control" (within the meaning of Section 9-106 of the UCC) over the Pledged Securities, including, without limitation, executing and delivering any agreements, in form and substance reasonably satisfactory to the Initial Purchaser, with securities intermediaries, issuers or other Persons in order to establish "control", and (B) be a "protected purchaser" (as defined in Section 8-303 of the UCC).

Section 6.03 [Reserved].

Section 6.04 Further Identification of Collateral. Such Grantor will furnish to the Initial Purchaser and the Secured Parties from time to time, at such Grantor's sole cost and expense, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Initial Purchaser may reasonably request, all in reasonable detail.

Section 6.05 Pledged Securities.

(a) If such Grantor shall become entitled to receive or shall receive any stock certificate or other instrument (including, without limitation, any certificate or instrument representing a dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate or instrument issued in connection with any reorganization), option or rights in respect of the Capital Stock of any Pledged Entity, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares (or such other interests) of the Pledged Securities, or otherwise in respect thereof, such Grantor shall accept the same as the agent of the Initial Purchaser and the other Secured Parties, hold the same in trust for the Initial Purchaser and the other Secured Parties and deliver the same forthwith to the Initial Purchaser in the exact form received, duly indorsed by such Grantor to the Initial Purchaser, if required, together with an undated stock power or other equivalent instrument of transfer reasonably acceptable to the Initial Purchaser covering such certificate or instrument duly executed in blank by such Grantor and with, if the Initial Purchaser so requests, signature guaranteed, to be held by the Initial Purchaser, subject to the terms hereof, as additional collateral security for the Secured Obligations.

(b) Except as set forth in Schedule 2, the Pledged Securities will at all times constitute not less than 100% of the Capital Stock of the Pledged Entity thereof owned by such Grantor. The Grantor will not permit any Pledged Entity of any of the Pledged Securities to issue any new shares (or other interests) of any class of Capital Stock of such Pledged Entity without the prior written consent of the Initial Purchaser or as may be permitted by the Obligation Documents.

(c) In the case of the Grantor that is a partner in a Partnership, such Grantor hereby consents to the extent required by the applicable Partnership Agreement to the pledge by each other Grantor, pursuant to the terms hereof, of the Pledged Partnership Interests in such Partnership and to the transfer of such Pledged Partnership Interests to the Initial Purchaser or its nominee (on behalf of the Secured Parties)

and to the substitution of the Initial Purchaser or its nominee as a substituted partner in such Partnership with all the rights, powers and duties of a general partner or a limited partner, as the case may be. In the case of the Grantor that is a member of an LLC, such Grantor hereby consents to the extent required by the applicable LLC Agreement to the pledge by each other Grantor, pursuant to the terms hereof, of the Pledged LLC Interests in such LLC and to the transfer of such Pledged LLC Interests to the Initial Purchaser or its nominee (on behalf of the Secured Parties) and to the substitution of the Initial Purchaser or its nominee as a substituted member of the LLC with all the rights, powers and duties of a member of such LLC.

(d) Such Grantor shall not agree to any amendment of a Partnership Agreement or an LLC Agreement that in any way adversely affects the perfection of the security interest of the Initial Purchaser in the Pledged Partnership Interests or Pledged LLC Interests pledged by such Grantor hereunder.

ARTICLE VII
Remedial Provisions

Section 7.01 Pledged Securities.

(a) Unless a Default shall have occurred and be continuing and the Initial Purchaser shall have given notice to the Grantor of the Initial Purchaser's intent to exercise its corresponding rights pursuant to Section 7.01(b) and/or Section 8.05, the Grantor shall be permitted to receive all cash dividends and distributions paid in respect of the Pledged Securities, to the extent permitted in the Purchase Agreement and by the terms of the applicable organizational documents, and to exercise all voting and corporate, membership or partnership rights with respect to the Pledged Securities.

(b) If a Default shall occur and be continuing, then at any time in the Initial Purchaser's discretion, (i) the Initial Purchaser shall have the right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Pledged Securities and make application thereof to the Secured Obligations in accordance with the applicable Obligation Document, and (ii) the Initial Purchaser or its nominee may thereafter exercise (x) all voting, corporate, membership, partnership and other rights pertaining to such Pledged Securities at any meeting of shareholders (or other equivalent body) of the relevant Pledged Entity or Pledged Entities or otherwise and (y) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Pledged Securities as if it were the absolute owner thereof (including, without limitation, the right to exchange at its discretion any and all of the Pledged Securities upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the organizational structure of any Pledged Entity, or upon the exercise by the Grantor or the Initial Purchaser of any right, privilege or option pertaining to such Pledged Securities, and in connection therewith, the right to deposit and deliver any and all of the Pledged Securities with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as the Initial Purchaser may determine), all without liability except to account for property actually received by it, but the Initial Purchaser shall have no duty to the Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(c) The Grantor hereby authorizes and instructs each Pledged Entity issuing any Pledged Securities pledged by such Grantor hereunder (and each Pledged Entity party hereto hereby agrees) to (i) comply with any instruction received by it from the Initial Purchaser in writing that (x) states that a Default has occurred and is continuing and (y) is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and the Grantor agrees that each Pledged Entity shall be fully protected in so complying, and (ii) unless otherwise expressly permitted hereby, upon and after receipt of the instruction described in clause (i), pay any dividends or other payments with respect to the Pledged Securities directly to the Initial Purchaser.

(d) After the occurrence and during the continuation of a Default, if the Pledged Entity issuing any Pledged Securities is the subject of bankruptcy, insolvency, receivership, custodianship or other proceedings under the supervision of any Governmental Authority, then all rights of the Grantor in respect thereof to exercise the voting and other consensual rights which such Grantor would otherwise be entitled to exercise with respect to the Pledged Securities issued by such Pledged Entity shall cease, and all such rights shall thereupon become vested in the Initial Purchaser who shall thereupon have the sole right to exercise, at the direction of the Secured Parties, such voting and other consensual rights, but the Initial Purchaser shall have no duty to exercise any such voting or other consensual rights and shall not be responsible for any failure to do so or delay in so doing.

Section 7.02 [Reserved].

Section 7.03 Proceeds. If required by the Initial Purchaser at any time after the occurrence and during the continuance of a Default, any cash or non-cash Proceeds received by the Grantor upon the sale or other disposition of any Collateral, shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Initial Purchaser if required, in a special collateral account maintained by the Initial Purchaser, subject to withdrawal by the Initial Purchaser for the ratable benefit of the Secured Parties only, as hereinafter provided, and, until so turned over, shall be held by such Grantor in trust for the Initial Purchaser for the ratable benefit of the Secured Parties, segregated from other funds of any such Grantor. Each deposit of any such Proceeds shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit. All Proceeds while held by the Initial Purchaser (or by the Grantor in trust for the Initial Purchaser for the ratable benefit of the Secured Parties) shall continue to be collateral security for all of the Secured Obligations and shall not constitute payment thereof until applied as hereinafter provided. If a Default shall have occurred and be continuing, the Initial Purchaser shall apply all or any part of the funds on deposit in said special collateral account on account of the Secured Obligations in accordance with the applicable Obligation Document.

Section 7.04 Remedies

(a) If a Default shall occur and be continuing, the Initial Purchaser, on behalf of the Secured Parties, may exercise in its discretion, in addition to all other rights, remedies, powers and privileges granted to them in this Agreement, the other Obligation Documents, and in any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights, remedies, powers and privileges of a secured party under applicable law or otherwise available at law or equity. Without limiting the generality of the foregoing, the Initial Purchaser, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon the Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Initial Purchaser or any other Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Initial Purchaser or any other Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in the Grantor, which right or equity is hereby waived and released. If a Default shall occur and be continuing, the Grantor further agrees, at the Initial Purchaser's request, to assemble the Collateral and make it available to the Initial Purchaser at places which the Initial Purchaser shall reasonably select, whether at such Grantor's premises or elsewhere. Any such sale or transfer by the Initial Purchaser either

to itself or to any other Person shall be absolutely free from any claim of right by Grantor, including any equity or right of redemption, stay or appraisal which Grantor has or may have under any rule of law, regulation or statute now existing or hereafter adopted. Upon any such sale or transfer, the Initial Purchaser shall have the right to deliver, assign and transfer to the purchaser or transferee thereof the Collateral so sold or transferred. The Initial Purchaser shall apply the net proceeds of any action taken by it pursuant to this Section 7.04, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Initial Purchaser and the other Secured Parties hereunder, including, without limitation, reasonable attorneys' fees and disbursements, in accordance with the applicable Obligation Document, and only after such application and after the payment by the Initial Purchaser of any other amount required by any provision of law, including, without limitation, Section 9-615 of the UCC, will the Initial Purchaser account for the surplus, if any, to the Grantor. To the extent permitted by applicable law, the Grantor waives all claims, damages and demands it may acquire against the Initial Purchaser or any other Secured Party arising out of the exercise by them of any rights hereunder, except to the extent caused by the gross negligence or willful misconduct of the Initial Purchaser or such Secured Parties or their respective agents. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 calendar days before such sale or other disposition.

(b) In the event that the Initial Purchaser elects not to sell the Collateral, the Initial Purchaser retains its rights to dispose of or utilize the Collateral or any part or parts thereof in any manner authorized or permitted by law or in equity, and to apply the proceeds of the same towards payment of the Secured Obligations. Each and every method of disposition of the Collateral described in this Agreement shall constitute disposition in a commercially reasonable manner. The Initial Purchaser may appoint any Person as agent to perform any act or acts necessary or incident to any sale or transfer of the Collateral.

Section 7.05 Private Sales of Pledged Securities. The Grantor recognizes that the Initial Purchaser may be unable to effect a public sale of any or all the Pledged Securities, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, or may determine that a public sale is impracticable or not commercially reasonable and, accordingly, may to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. The Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Initial Purchaser shall be under no obligation to delay a sale of any of the Pledged Securities for the period of time necessary to permit the relevant Pledged Entity to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if such Pledged Entity would agree to do so. The Grantor agrees to use its best efforts to do or cause to be done all such other acts as may reasonably be necessary to make such sale or sales of all or any portion of the Pledged Securities pursuant to this Section 7.05 valid and binding and in compliance with any and all other applicable requirements of Governmental Authorities. The Grantor further agrees that a breach of any of the covenants contained in this Section 7.05 will cause irreparable injury to the Initial Purchaser and the other Secured Parties, that the Initial Purchaser and the other Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 7.05 shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants, except for a defense that no Default has occurred under the Purchase Agreement.

Section 7.06 Deficiency. The Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Secured Obligations and the fees

and disbursements of any attorneys employed by the Initial Purchaser or any other Secured Party to collect such deficiency.

Section 7.07 Non-Judicial Enforcement. The Initial Purchaser may enforce its rights hereunder without prior judicial process or judicial hearing, and to the extent permitted by law, the Grantor expressly waives any and all legal rights which might otherwise require the Initial Purchaser to enforce its rights by judicial process. The proceeds of any sale of the Collateral or any part thereof and all other monies received by any Secured Party in any proceedings for the enforcement hereof or otherwise, whose application has not elsewhere herein been specifically provided for, shall be applied:

(a) First, to the payment of all documented expenses incurred by the Initial Purchaser or any Secured Party incident to the enforcement of this Agreement, the Purchase Agreement or any of the Secured Obligations (including, without limiting the generality of the foregoing, expenses of any entry or taking of possession, of any sale, of advertisement thereof, and of conveyances, and court costs, compensation of agents and employees and legal fees), and to the payment of all other documented charges, expenses, liabilities and advances incurred or made by the Initial Purchaser or any Secured Party under this Agreement or in executing any trust or power hereunder;

(b) Second, in accordance with the applicable Obligation Document.

ARTICLE VIII
The Initial Purchaser

Section 8.01 Initial Purchaser's Appointment as Attorney-in-Fact, Etc.

(a) The Grantor hereby irrevocably constitutes and appoints the Initial Purchaser and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all reasonably appropriate action and to execute any and all documents and instruments which may be reasonably necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, the Grantor hereby gives the Initial Purchaser the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any or all of the following:

(i) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(ii) execute, in connection with any sale provided for in Section 7.04 or Section 7.05, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(iii) (A) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Initial Purchaser or as the Initial Purchaser shall direct; (B) take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due with respect to any Collateral, and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Initial Purchaser for the purpose of collecting any all such moneys due with respect to any Collateral whenever payable; (C) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (D) sign and indorse any invoices, freight or express bills, bills of lading, storage or

warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (E) receive, change the address for delivery, open and dispose of mail addressed to the Grantor, and to execute, assign and indorse negotiable and other instruments for the payment of money, documents of title or other evidences of payment, shipment or storage for any form of Collateral on behalf of and in the name of the Grantor; (F) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (G) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (H) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Initial Purchaser may deem appropriate; and (I) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Initial Purchaser were the absolute owner thereof for all purposes, and do, at the Initial Purchaser's option, and such Grantor's expense, at any time, or from time to time, all acts and things which the Initial Purchaser deems necessary to protect, preserve or realize upon the Collateral and the Initial Purchaser's and the other Secured Parties' security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 8.01(a) to the contrary notwithstanding, the Initial Purchaser agrees that it will not exercise any rights under the power of attorney provided for in this Section 8.01(a) unless a Default shall have occurred and be continuing.

(b) If the Grantor fails to perform or comply with any of its agreements contained herein within the applicable grace periods, the Initial Purchaser may, at its option, but without any obligation so to do, perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The expenses of the Initial Purchaser incurred in connection with actions undertaken as provided in this Section 8.01 shall be reimbursed by the Grantor to the Initial Purchaser on demand.

(d) The Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue and in compliance hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

Section 8.02 Duty of Initial Purchaser. The Initial Purchaser's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Initial Purchaser deals with similar property for its own account and shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which comparable secured parties accord comparable collateral. Neither the Initial Purchaser, any other Secured Party nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Initial Purchaser and the other Secured Parties hereunder are solely to protect the Initial Purchaser's and the other Secured Parties' interests in the Collateral and shall not impose any duty upon the Initial Purchaser or any other Secured Party to exercise any such powers. The Initial Purchaser and the other Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to the Grantor for any act or failure to act hereunder, except for their own gross negligence or

willful misconduct. To the fullest extent permitted by applicable law, the Initial Purchaser and the Secured Parties shall be under no duty whatsoever to make or give any presentment, notice of dishonor, protest, demand for performance, notice of non-performance, notice of intent to accelerate, notice of acceleration, or other notice or demand in connection with any Collateral or the Secured Obligations, or to take any steps necessary to preserve any rights against the Grantor or other Person or ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not it has or is deemed to have knowledge of such matters. The Grantor, to the extent permitted by applicable law, waives any right of marshaling in respect of any and all Collateral, and waives any right to require the Initial Purchaser or any other Secured Party to proceed against the Grantor or other Person, exhaust any Collateral or enforce any other remedy which the Initial Purchaser or any other Secured Party now has or may hereafter have against the Grantor or other Person.

Section 8.03 Financing Statements. Pursuant to the UCC and any other applicable law, the Grantor authorizes the Initial Purchaser, its counsel or its representative, at any time and from time to time, to file or record financing statements, continuation statements, amendments thereto and other filing or recording documents or instruments with respect to the Collateral without the signature of such Grantor in such form and in such offices as the Initial Purchaser determines necessary or appropriate to perfect the security interests of the Initial Purchaser under this Agreement. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction.

Section 8.04 Authority of Initial Purchaser. The Grantor acknowledges that the rights and responsibilities of the Initial Purchaser under this Agreement with respect to any action taken by the Initial Purchaser or the exercise or non-exercise by the Initial Purchaser of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Initial Purchaser and the other Secured Parties, be governed by such other agreements with respect thereto as may exist from time to time among them, but, as between the Initial Purchaser and the Grantor, the Initial Purchaser shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

Section 8.05 PROXY. IN ADDITION TO ANY OTHER RIGHTS OF THE INITIAL PURCHASER AS SET FORTH HEREIN, IN THE PURCHASE AGREEMENT OR IN ANY OBLIGATION DOCUMENT, THE GRANTOR HEREBY GRANTS TO THE INITIAL PURCHASER (THROUGH ITSELF, ITS REPRESENTATIVES, DESIGNEES OR AGENTS), AN IRREVOCABLE PROXY TO VOTE (SUBJECT TO THE LAST SENTENCE OF THIS SECTION 8.05) IN RESPECT OF ALL OR ANY PART OF THE GRANTOR'S PLEDGED SECURITIES FROM TIME TO TIME, IN EACH CASE, IN ANY MANNER THE INITIAL PURCHASER DEEMS ADVISABLE IN ITS SOLE DISCRETION, EITHER FOR OR AGAINST ANY OR ALL MATTERS SUBMITTED, OR WHICH MAY BE SUBMITTED, TO A VOTE OF SHAREHOLDERS, PARTNERS, OR MEMBERS, AS THE CASE MAY BE, AND TO EXERCISE (SUBJECT TO THE LAST SENTENCE OF THIS SECTION 8.05) ALL OTHER RIGHTS, POWERS, PRIVILEGES, AND REMEDIES TO WHICH A HOLDER, PARTNER OR MEMBER OF SUCH PLEDGED SECURITIES WOULD BE ENTITLED (INCLUDING, WITHOUT LIMITATION, GIVING OR WITHHOLDING WRITTEN CONSENTS, RATIFICATIONS, AND WAIVERS WITH RESPECT TO THE PLEDGED SECURITIES, CALLING SPECIAL MEETINGS OF THE HOLDERS, PARTNERS, OR MEMBERS OF THE PLEDGED SECURITIES OF ANY ISSUER AND VOTING AT SUCH MEETINGS, AND REMOVING OR APPOINTING DIRECTORS, MEMBERS OR MANAGERS). TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE IRREVOCABLE PROXY GRANTED HEREBY IS EFFECTIVE AUTOMATICALLY AND WITHOUT THE NECESSITY OF ANY OTHER ACTION (INCLUDING, WITHOUT LIMITATION, THAT ANY TRANSFER OF ANY SUCH PLEDGED SECURITIES BE RECORDED ON THE BOOKS

OF THE GRANTOR OR ISSUER THEREOF) BEING TAKEN BY ANY PERSON (INCLUDING THE GRANTOR OR ISSUER OF SUCH PLEDGED SECURITIES OR ANY OFFICER OR AGENT THEREOF), IS COUPLED WITH AN INTEREST, AND SHALL SURVIVE THE BANKRUPTCY, DISSOLUTION OR WINDING UP OF THE GRANTOR, AND SHALL TERMINATE ONLY ON THE DATE ON WHICH THIS AGREEMENT IS TERMINATED IN ACCORDANCE WITH SECTION 10.15. NOTWITHSTANDING THE FOREGOING, THE INITIAL PURCHASER SHALL ONLY HAVE THE RIGHT TO EXERCISE THE IRREVOCABLE PROXY SET FORTH IN THIS SECTION 8.05 AFTER THE OCCURRENCE OF A DEFAULT. NOTWITHSTANDING ANYTHING CONTAINED HEREIN, NEITHER THE INITIAL PURCHASER, NOR ANY SECURED PARTY, NOR ANY OF THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES SHALL HAVE ANY DUTY TO EXERCISE ANY RIGHT OR POWER GRANTED HEREUNDER OR OTHERWISE OR TO PRESERVE THE SAME AND SHALL NOT BE LIABLE FOR ANY FAILURE TO DO SO OR FOR ANY DELAY IN DOING SO, EXCEPT TO THE EXTENT SUCH DAMAGES ARE ATTRIBUTABLE TO THEIR OWN GROSS NEGLIGENCE, BAD FAITH OR WILLFUL MISCONDUCT AS FINALLY DETERMINED BY A COURT OF COMPETENT JURISDICTION; PROVIDED THAT, IN NO EVENT SHALL THEY BE LIABLE FOR ANY PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES. THE GRANTOR COVENANTS AND AGREES THAT PRIOR TO THE EXPIRATION OF THE ABOVE IRREVOCABLE PROXY PURSUANT TO APPLICABLE LAW, IF APPLICABLE, THE GRANTOR WILL REAFFIRM SUCH IRREVOCABLE PROXY IN A MANNER REASONABLY SATISFACTORY TO THE INITIAL PURCHASER, AND IN ANY EVENT, THAT ON THE DATE THAT IS THIRTY (30) DAYS PRIOR TO THE DATE OF EXPIRATION (BY OPERATION OF APPLICABLE LAW) OF THE IRREVOCABLE PROXY GRANTED PURSUANT TO THIS SECTION 8.05, THE GRANTOR SHALL AUTOMATICALLY BE DEEMED TO GRANT THE INITIAL PURCHASER A NEW IRREVOCABLE PROXY, ON THE SAME TERMS AS THOSE PREVIOUSLY GRANTED PURSUANT TO THIS SECTION 8.05. UPON THE WRITTEN REQUEST OF THE INITIAL PURCHASER, THE GRANTOR AGREES TO DELIVER TO THE INITIAL PURCHASER, ON BEHALF OF THE SECURED PARTIES, SUCH FURTHER EVIDENCE OF SUCH IRREVOCABLE PROXY OR SUCH FURTHER IRREVOCABLE PROXIES TO ENABLE THE INITIAL PURCHASER TO VOTE THE PLEDGED SECURITIES AFTER THE OCCURRENCE OF A DEFAULT.

ARTICLE IX
[Reserved]

ARTICLE X
Miscellaneous

Section 10.01 Waiver. No failure on the part of the Initial Purchaser or any other Secured Party to exercise and no delay in exercising, and no course of dealing with respect to, any right, remedy, power or privilege under any of the Obligation Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under any of the Obligation Documents preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges provided herein are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law. The exercise by the Initial Purchaser or any Secured Party of any one or more of the rights, powers and remedies herein shall not be construed as a waiver of any other rights, powers and remedies, including, without limitation, any rights of set-off.

Section 10.02 Notices. All notices and other communications provided for herein shall be given in the manner and subject to the terms of Section 13 of the Purchase Agreement; provided that any such notice, request or demand to or upon the Grantor shall be addressed to such Grantor at its notice address set forth on Schedule 1.

Section 10.03 Payment of Expenses, Indemnities, Etc.

(a) The Grantor agrees to pay or promptly reimburse the Initial Purchaser and each other Secured Party for all advances, charges, costs and expenses (including, without limitation, all costs and expenses of holding, preparing for sale and selling, collecting or otherwise realizing upon the Collateral and all attorneys' fees, legal expenses and court costs) incurred by any Secured Party in connection with the exercise of its respective rights and remedies hereunder, including, without limitation, any advances, charges, costs and expenses that may be incurred in any effort to enforce any of the provisions of this Agreement or any obligation of the Grantor in respect of the Collateral or in connection with (i) the preservation of the Lien of, or the rights of the Initial Purchaser or any other Secured Party under this Agreement, (ii) any actual or attempted sale, lease, disposition, exchange, collection, compromise, settlement or other realization in respect of, or care of, the Collateral, including all such costs and expenses incurred in any bankruptcy, reorganization, workout or other similar proceeding, or (iii) enforcing or preserving any rights under this Agreement and the other Obligation Documents to which such Grantor is a party.

(b) The Grantor agrees to pay, and to save the Initial Purchaser and the other Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever of any kind or nature with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent the Grantor would be required to do so pursuant to Section 5 of the Purchase Agreement.

Section 10.04 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with the Purchase Agreement.

Section 10.05 Successors and Assigns. The provisions of this Agreement shall be binding upon the Grantor and its successors and assigns and shall inure to the benefit of the Initial Purchaser and the other Secured Parties and their respective successors and permitted assigns; provided that such transfers and assignments are permitted by and have been made pursuant to the Purchase Agreement.

Section 10.06 Invalidity. In the event that any one or more of the provisions contained in this Agreement or in any of the Obligation Documents to which the Grantor is a party shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or such other Obligation Document.

Section 10.07 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart. This Agreement may be validly executed and delivered by facsimile, portable document format (.pdf) or other electronic transmission, and a signature by facsimile, portable document format (.pdf) or other electronic transmission shall be as effective and binding as delivery of a manually executed original signature.

Section 10.08 Survival. The obligations of the parties under Section 10.03 shall survive the Secured Obligations being Satisfied. To the extent that any payments on the Secured Obligations or proceeds of any Collateral are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver or other Person under any bankruptcy law, common law or equitable cause, then to such extent, the Secured Obligations so satisfied shall be revived and continue as if such payment or proceeds had not been received and the Initial Purchaser's and the other Secured Parties' Liens, security interests, rights, powers and remedies under this Agreement shall

continue in full force and effect. In such event, this Agreement shall be automatically reinstated and the Grantor shall take such action as may be requested by the Initial Purchaser to effect such reinstatement.

Section 10.09 Captions. Captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

Section 10.10 No Oral Agreements. This Agreement, the Purchase Agreement and the other Obligation Documents embody the entire agreement and understanding between the parties and supersede all other agreements and understandings between such parties relating to the subject matter hereof and thereof. This Agreement, the Purchase Agreement and the other Obligation Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

Section 10.11 Governing Law; Submission to Jurisdiction.

(a) **THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

(b) **ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST THE GRANTOR ARISING OUT OF OR RELATING HERETO, ANY OTHER OBLIGATION DOCUMENT OR ANY OF THE SECURED OBLIGATIONS, MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, THE GRANTOR, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY (i) ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; (ii) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS; (iii) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE GRANTOR AT ITS ADDRESS PROVIDED ON THE SCHEDULES HERETO IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE GRANTOR IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (iv) AGREES THAT THE INITIAL PURCHASER AND THE SECURED PARTIES RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST THE GRANTOR IN THE COURTS OF ANY OTHER JURISDICTION.**

(c) **THE GRANTOR HEREBY AGREES TO WAIVE ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER, UNDER ANY OF THE OTHER OBLIGATION DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER HEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO**

FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS Section 10.11 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HEREOF OR HERETO. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

Section 10.12 Acknowledgments. The Grantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement;

(b) neither the Initial Purchaser nor any other Secured Party has any fiduciary relationship with or duty to the Grantor arising out of or in connection with this Agreement, the Purchase Agreement or any of the other Obligation Documents and the relationship between the Grantor, on the one hand, and the Initial Purchaser and the other Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby, by the Purchase Agreement or any other Obligation Document or by or otherwise exists by virtue of the transactions contemplated hereby among the Secured Parties or between the Grantor and the Initial Purchaser.

(d) **EACH PARTY HERETO AGREES AND COVENANTS THAT IT WILL NOT CONTEST THE VALIDITY OR ENFORCEABILITY OF ANY EXCULPATORY PROVISION OF THIS AGREEMENT ON THE BASIS THAT THE PARTY HAD NO NOTICE OR KNOWLEDGE OF SUCH PROVISION OR THAT THE PROVISION IS NOT "CONSPICUOUS."**

(e) The Grantor warrants and agrees that each of the waivers and consents set forth in this Agreement are made voluntarily and unconditionally after consultation with outside legal counsel and with full knowledge of their significance and consequences, with the understanding that events giving rise to any defense or right waived may diminish, destroy or otherwise adversely affect rights which such Grantor otherwise may have against the Grantor, the Initial Purchaser or the other Secured Parties or any other Person or against any collateral. If, notwithstanding the intent of the parties that the terms of this Agreement shall control in any and all circumstances, any such waivers or consents are determined to be unenforceable under applicable law, such waivers and consents shall be effective to the maximum extent permitted by law.

Section 10.13 [Reserved].

Section 10.14 [Reserved].

Section 10.15 Releases

(a) Release Upon Payment in Full. The grant of a security interest hereunder and all rights, powers and remedies in connection herewith shall, to the extent permitted by law, remain in full force and effect until the Secured Obligations have been Satisfied or in connection with a transaction

described in clause (b) below. When the Secured Obligations have been Satisfied or a transaction described in clause (b) below, the Initial Purchaser, at the written request and expense of the Grantor, will promptly release, reassign and transfer the Collateral to the Grantor and declare this Agreement to be of no further force or effect subject to the first sentence of Section 10.08 of this Agreement.

(b) Release of Liens. If any of the Collateral shall be sold, transferred or otherwise disposed of by the Grantor in a transaction permitted by the Purchase Agreement, then the Initial Purchaser, at the request and sole expense of such Grantor, shall promptly execute and deliver to such Grantor all releases or other documents necessary or desirable for the release of the Liens created hereby on such Collateral. At the request and sole expense of the Grantor, the Grantor shall be released from its obligations hereunder in the event that all the Capital Stock of such Grantor shall be sold, transferred or otherwise disposed of in a transaction permitted by the Purchase Agreement; provided that the Grantor shall have delivered to the Initial Purchaser, at least ten (10) Business Days prior to the date of the proposed release, a written request for release identifying the relevant Grantor and the terms of the sale or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a certification by the Grantor stating that such transaction is in compliance with the Purchase Agreement and the other Obligation Documents.

(c) Further Assurances. The Grantor agrees that, from time to time upon the written request of the Initial Purchaser, the Grantor will execute and deliver such further documents and do such other acts and things as the Initial Purchaser may reasonably request in order to fully effect the purposes of this Agreement.

(d) Retention in Satisfaction. Except as may be expressly applicable pursuant to Section 9-620 of the UCC, no action taken or omission to act by the Initial Purchaser or the other Secured Parties hereunder, including, without limitation, any exercise of voting or consensual rights or any other action taken or inaction, shall be deemed to constitute a retention of the Collateral in satisfaction of the Secured Obligations or otherwise to be in full satisfaction of the Secured Obligations, and the Secured Obligations shall remain in full force and effect, until the Initial Purchaser and the other Secured Parties shall have applied payments (including, without limitation, collections from Collateral) towards the Secured Obligations in the full amount then outstanding or until such subsequent time as is provided in Section 10.15(a).

Section 10.16 [Reserved].

Section 10.17 Reinstatement. The obligations of the Grantor under this Agreement (including, without limitation, with respect to the provision of Collateral herein) shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Secured Obligations is rescinded or must otherwise be restored or returned by the Initial Purchaser or any other Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Grantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Grantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

Section 10.18 Acceptance. The Grantor hereby expressly waives notice of acceptance of this Agreement, acceptance on the part of the Initial Purchaser and the other Secured Parties being conclusively presumed by their request for this Agreement and delivery of the same to the Initial Purchaser.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the undersigned has caused this Share Pledge Agreement to be duly executed and delivered as of the date first above written.

GRANTOR:

CANADIAN OVERSEAS PETROLEUM LIMITED

By: _____
Name: JOHN F. COWAN
Title: CEO + DIRECTOR

Acknowledged and Agreed to as of the date hereof by:

INITIAL PURCHASER:

ANAVIO EQUITY CAPITAL MARKETS MASTER FUND LIMITED

By: Anavio Capital Partners LLP
Its: Investment Manager

By: _____
Name: Jon Howard
Title: COO, Anavio Capital Partners LLP

ACKNOWLEDGMENT AND CONSENT

The undersigned hereby acknowledges receipt of a copy of the Share Pledge Agreement dated as of October 10, 2023 (the "**Agreement**"), made by the Grantor party thereto for the benefit of Anavio Equity Capital Markets Master Fund Limited, as Initial Purchaser. The undersigned agrees for the benefit of the Initial Purchaser and the Secured Parties (as defined in the Agreement) as follows:

1. The undersigned will be bound by the terms of the Agreement and will comply with such terms insofar as such terms are applicable to the undersigned.

2. The terms of Section 7.01(c) and Section 7.03 of the Agreement shall apply to it, *mutatis mutandis*, with respect to all actions that may be required of it pursuant to Section 7.01(c) or Section 7.03 of the Agreement.

COPL America Holding Inc.

By: _____

Name: John Cowan

Title: Director

Address for Notices:
390 Union Boulevard, Ste. 250
Lakewood, CO 80228

Email: jcowan@canoverseas.com

Schedule 1

NOTICE ADDRESSES OF GRANTOR

CANADIAN OVERSEAS PETROLEUM LIMITED

Suite 3200
715-5th Ave SW
Calgary
Alberta T2P 2XP

Schedule 2

DESCRIPTION OF PLEDGED SECURITIES

Owner/ Pledgor	Pledged Entity	Percentage Owned	Percentage Pledged	Class of Stock or other Capital Stock	Certificate No. (if any)
Canadian Overseas Petroleum Limited	**COPL America Holding Inc.**	**100%**	**100%**	**Common Shares**	**2**

Schedule 3

FILINGS AND OTHER ACTIONS
REQUIRED TO PERFECT SECURITY INTERESTS

1. Filing of UCC-1 Financing Statements with respect to the Collateral with the Recorder of Deeds of the District of Columbia.

2. Delivery to the Initial Purchaser of all Pledged Securities consisting of certificated securities, if any, in each case properly endorsed for transfer in blank.

Schedule 4

CORRECT LEGAL NAME, LOCATION OF JURISDICTION OF ORGANIZATION, TYPE OF ORGANIZATION, ORGANIZATIONAL IDENTIFICATION NUMBER, TAXPAYER IDENTIFICATION NUMBER AND CHIEF EXECUTIVE OFFICE

CANADIAN OVERSEAS PETROLEUM LIMITED

a. Jurisdiction of Organization: Canada
b. Type of Organization: public company
c. Organizational Identification Number: 420463-8
d. Taxpayer ID: BN 856798749RC0001
e. Chief Executive Office:
Suite 3200, 715 – 5th Avenue SW
Calgary, Alberta
Canada T2P 2X6

Schedule 5

PRIOR NAMES, PRIOR TYPES OF ORGANIZATION, PRIOR JURISDICTIONS OF ORGANIZATION AND PRIOR CHIEF EXECUTIVE OFFICES

1. **CANADIAN OVERSEAS PETROLEUM LIMITED**

   a. Prior Names: Aureus Ventures Inc., Velo Energy Inc.
   b. Prior Type of Organization: n/a
   c. Prior Jurisdiction of Organization: n/a
   d. Prior Chief Executive Offices: n/a

Exhibit A

ACKNOWLEDGMENT AND CONSENT

The undersigned hereby acknowledges receipt of a copy of the Share Pledge Agreement dated as of October 10, 2023 (the "**Agreement**"), made by the Grantor party thereto for the benefit of Anavio Equity Capital Markets Master Fund Limited, as Initial Purchaser. The undersigned agrees for the benefit of the Initial Purchaser and the Secured Parties (as defined in the Agreement) as follows:

1. The undersigned will be bound by the terms of the Agreement and will comply with such terms insofar as such terms are applicable to the undersigned.

2. The terms of Section 7.01(b) and Section 7.03 of the Agreement shall apply to it, *mutatis mutandis*, with respect to all actions that may be required of it pursuant to Section 7.01(b) or Section 7.03 of the Agreement.

[NAME OF PLEDGED ENTITY]

By: _____

Title: _____

Address for Notices: _____

_____

_____

Fax: _____

THIS IS EXHIBIT “E” REFERRED TO IN

THE AFFIDAVIT OF PETER KRAVITZ

SWORN BEFORE ME THIS 14th DAY

OF MARCH, 2024

A Commissioner for Taking Affidavits

Viktor V. Nikolov
(LSO#84503P)

Sale and Investment Solicitation Process

1. On March 19, 2024, the Alberta Court of King's Bench (the "**Court**") granted an order (the "**SISP Order**") that, among other things, (a) authorized the COPL Entities to implement a sale and investment solicitation process ("**SISP**") in accordance with the terms hereof, (b) approved the Support Agreement, (c) authorized and directed the COPL Entities to enter into the Stalking Horse Purchase Agreement, and (d) approved the Break-Up Fee. Capitalized terms that are not defined herein have the meanings ascribed thereto in the Amended & Restated Initial Order granted by the Court in the COPL Entities' proceedings under the *Companies' Creditors Arrangement Act* on March 19, 2024, as amended, restated or supplemented from time to time, or the SISP Order, as applicable.

2. This SISP sets out the manner in which (i) binding bids for executable transaction alternatives that are superior to the sale transaction provided for in the Stalking Horse Purchase Agreement involving the shares and/or the business and assets of the COPL Entities will be solicited from interested parties, (ii) any such bids received will be addressed, (iii) any Successful Bid (as defined below) will be selected, and (iv) Court approval of any Successful Bid will be sought. Such transaction alternatives may include, among other things, a sale of some or all of the COPL Entities' shares, assets and/or business and/or an investment in the COPL Entities, each of which shall be subject to all terms set forth in this SISP.

3. The SISP shall be conducted by the COPL Entities, with the assistance of the Financial Advisor and oversight of KSV Restructuring Inc., in its capacity as court-appointed monitor (the "**Monitor**").

4. Parties who wish to have their bids considered shall participate in the SISP in accordance with the terms herein.

5. The SISP will be conducted such that the COPL Entities will, with the assistance of the Financial Advisor and oversight of the Monitor:

    a) prepare marketing materials and a process letter;
    b) prepare and provide applicable parties with access to a data room containing diligence information;
    c) solicit interest from parties to enter into non-disclosure agreements (parties shall only obtain access to the data room and be permitted to participate in the SISP if they execute a non-disclosure agreement that is in form and substance satisfactory to the COPL Entities); and
    d) request that such parties (other than the Stalking Horse Bidder or its designee) submit (i) a letter of intent to bid that identifies the potential bidder (which, for the avoidance of doubt, may be a purchaser or an investor) and a general description of the assets and/or business(es) of the COPL Entities that would be the subject of the bid and that reflects a reasonable prospect of culminating in a Qualified Bid (as defined below), as determined by the COPL Entities in consultation with the Monitor and the Consenting Lenders (as defined in the Support Agreement) (a

"**LOI**") by the LOI Deadline (as defined below) and, if applicable, (ii) a binding offer meeting at least the requirements set forth in Section 7 below, as determined by the COPL Entities in consultation with the Monitor (a "**Qualified Bid**") by the Qualified Bid Deadline (as defined below).

6. The SISP shall be conducted subject to the terms hereof and the following key milestones:

    a) Court approval of SISP and authorizing the applicable COPL Entities to enter into the Stalking Horse Purchase Agreement, and commencement by COPL Entities of solicitation process – March 19, 2024;
    b) Deadline to submit LOI – 11:59 p.m. Mountain Time on April 17, 2024 (the "**LOI Deadline**");
    c) Deadline to submit a Qualified Bid – 11:59 p.m. Mountain Time on May 2, 2024 (the "**Qualified Bid Deadline**");
    d) Deadline to determine whether a bid is a Qualified Bid and, if applicable, to notify those parties who submitted a Qualified Bid of the Auction (as defined below) – 5:00 p.m. Mountain Time on May 6, 2024;
    e) The COPL Entities to hold Auction (if applicable) – 10:00 a.m. Mountain Time on May 8, 2024; and
    f) Implementation Order (as defined below) hearing:
        - (if no LOI is submitted) – by no later than 9 days after the LOI Deadline subject to Court availability.
        - (if there is no Auction) – by no later than 9 days after the Qualified Bid Deadline, subject to Court availability.
        - (if there is an Auction) – by no later than 9 days after completion of the Auction, subject to Court availability.

7. In order to constitute a Qualified Bid, a bid must comply with the following:

    a. it provides for (i) the payment in full in cash on closing of the DIP Financing (as defined in the Support Agreement), the Expense Reimbursement, and the Break-up Fee, plus cash consideration equal to at least $250,000; (ii) payment in full in cash of all amounts outstanding under the Credit Agreement, unless otherwise agreed to by the lenders thereunder in their sole discretion; (iii) the payment in full in cash on closing of any claims ranking in priority to the foregoing, including any claims secured by Court-ordered charges, unless otherwise agreed to by the applicable holders thereof in their sole discretion (the proposal set out above, a "**Superior Proposal**");
    b. it provides a detailed sources and uses schedule that identifies, with specificity, the amount of cash consideration (the "**Cash Consideration Value**") and any assumptions that could reduce the net consideration payable;

c. it is reasonably capable of being consummated within 30 days after completion of the Auction if selected as the Successful Bid;
d. it contains:
    i. duly executed binding transaction document(s);
    ii. the legal name and identity (including jurisdiction of existence) and contact information of the bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equityholder(s);
    iii. a redline to the Stalking Horse Purchase Agreement, unless the bid is in the form of a plan of arrangement, in which case copies of the plan of arrangement and all documentation that is contemplated to be executed in connection therewith shall be provided;
    iv. evidence of authorization and approval from the bidder's board of directors (or comparable governing body) and, if necessary to complete the transaction, the bidder's equityholder(s);
    v. disclosure of any connections or agreements with the COPL Entities or any of its affiliates, any known, potential, prospective bidder, or any officer, manager, director, or known equity security holder of the COPL Entities or any of its affiliates; and
    vi. such other information reasonably requested by the COPL Entities or the Monitor;
e. it includes a letter stating that the bid is submitted in good faith, is binding and is irrevocable until the selection of the Successful Bid; provided, however, that if such bid is selected as the Successful Bid, it shall remain irrevocable until the closing of the Successful Bid;
f. it provides written evidence of a bidder's ability to fully fund and consummate the transaction and satisfy its obligations under the transaction documents, including binding equity/debt commitment letters and/or guarantees covering the full value of all cash consideration and the additional items (in scope and amount) covered by the guarantees provided by affiliates of the Purchaser in connection with the Stalking Horse Purchase Agreement;
g. it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
h. it is not conditional upon:
    i. approval from the bidder's board of directors (or comparable governing body) or equityholder(s);
    ii. the outcome of any due diligence by the bidder; or
    iii. the bidder obtaining financing;
i. it includes an acknowledgment and representation that the bidder has had an opportunity to conduct any and all required due diligence prior to making its bid, and that the transaction that is the subject of the bid shall be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature or description by the COPL Entities, except to the extent set forth in a written agreement as between the Purchaser and the COPL Entities (as applicable).
j. it specifies any regulatory or other third-party approvals the party anticipates would be required to complete the transaction (including the anticipated timing necessary

to obtain such approvals and any approvals/authority to hold oil and gas licenses and permits);

k. it includes full details of the bidder's intended treatment of the COPL Entities' employees under the proposed bid;

l. it is accompanied by a cash deposit (the "**Deposit**") by wire transfer of immediately available funds equal to 10% of the Cash Consideration Value, which Deposit shall be retained by the Monitor in a non-interest bearing trust account in accordance with this SISP;

m. a statement that the bidder will bear its own costs and expenses (including legal and advisor fees) in connection with the proposed transaction, and by submitting its bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and

n. it is received by the Qualified Bid Deadline.

8. The COPL Entities, in consultation with the Monitor, may waive compliance with any one or more of the requirements specified in Section 7 above and deem a non-compliant bid to be a Qualified Bid, provided that the COPL Entities shall not waive compliance with the requirements specified in Subsections 7(a), (b), (d), (e), (f), (g), (i) or (l) without the prior written consent of the Stalking Horse Bidder and Consenting Lenders.

9. Notwithstanding the requirements specified in Section 7 above, the transaction contemplated by the Stalking Horse Purchase Agreement (the "**Stalking Horse Transaction**"), is deemed to be a Qualified Bid, provided that, for greater certainty, no Deposit shall be required to be submitted in connection with the Stalking Horse Transaction.

10. If one or more Qualified Bids (other than the Stalking Horse Transaction) has been received by the COPL Entities on or before the Qualified Bid Deadline, the COPL Entities shall proceed with an auction process to determine the successful bid(s) (the "**Auction**"), which Auction shall be administered in accordance with Schedule "A" hereto. The successful bid(s) selected within the Auction shall constitute the "**Successful Bid**". Forthwith upon determining to proceed with an Auction, the COPL Entities shall provide written notice to each party that submitted a Qualified Bid (including the Stalking Horse Transaction), along with copies of all Qualified Bids and a statement by the COPL Entities specifying which Qualified Bid is the leading bid.

11. If, by the LOI Deadline no LOI has been received, then the SISP shall be deemed to be terminated and the Stalking Horse Transaction shall be the Successful Bid and shall be consummated in accordance with and subject to the terms of the Support Agreement and the Stalking Horse Purchase Agreement. If no Qualified Bid (other than the Stalking Horse Transaction) has been received by the COPL Entities on or before the Qualified Bid Deadline, then the Stalking Horse Transaction shall be the Successful Bid and shall be consummated in accordance with and subject to the terms of the Support Agreement and the Stalking Horse Purchase Agreement.

12. Following selection of a Successful Bid, the COPL Entities, with the assistance of its advisors, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid in accordance with the key milestones set out in Section 6. Once the necessary definitive agreement(s) with respect to a Successful Bid have been finalized, as determined by the COPL Entities, in consultation with the Monitor, the COPL Entities shall apply to the Court for an order or orders approving such Successful Bid and/or the mechanics to authorize the COPL Entities to complete the transactions contemplated thereby, as applicable, and authorizing the COPL Entities to (i) enter into any and all necessary agreements and related documentation with respect to the Successful Bid, (ii) undertake such other actions as may be necessary to give effect to such Successful Bid, and (iii) implement the transaction(s) contemplated in such Successful Bid (each, an "**Implementation Order**").

13. All Deposits shall be retained by the Monitor in a non-interest bearing trust account. If a Successful Bid is selected and an Implementation Order authorizing the consummation of the transaction contemplated thereunder is granted, any Deposit paid in connection with such Successful Bid will be non-refundable and shall, upon closing of the transaction contemplated by such Successful Bid, be applied to the cash consideration to be paid in connection with such Successful Bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such Successful Bid. Any Deposit delivered with a Qualified Bid that is not selected as a Successful Bid, will be returned to the applicable bidder as soon as reasonably practicable (but not later than ten (10) business days) after the date upon which the Successful Bid is approved pursuant to an Implementation Order or such earlier date as may be determined by the COPL Entities, in consultation with the Monitor.

14. The COPL Entities shall provide the Consenting Lenders with such information relating to the SISP as is required under the Support Agreement.

15. Any amendments to this SISP may only be made by: (a) the COPL Entities with the written consent of the Monitor and after consultation with the Consenting Lenders, provided that the COPL Entities shall not amend Subsections 7(a), (b), (d), (e), (f), (g), (i) or (l) or Section 13 without the prior written consent of the Stalking Horse Bidder and the Consenting Lenders.

SCHEDULE "A": AUCTION PROCEDURES

1. **Auction.** If the COPL Entities receive at least one Qualified Bid (other than the Stalking Horse Transaction), the Monitor will conduct and administer the Auction in accordance with the terms of the SISP. Instructions to participate in the Auction, which will take place via video conferencing, will be provided to Qualified Parties (as defined below) not less than 24 hours prior to the Auction.

2. **Participation.** Only parties that provided a Qualified Bid by the Qualified Bid Deadline, including the Stalking Horse Transaction (collectively, the "**Qualified Parties**"), shall be eligible to participate in the Auction. No later than 5:00 p.m. Mountain Time on the day prior to the Auction, each Qualified Party (other than the Stalking Horse Bidder) must inform the Monitor and the COPL Entities whether it intends to participate in the Auction. The Monitor will promptly thereafter inform in writing each Qualified Party who has expressed its intent to participate in the Auction of the identity of all other Qualified Parties that have indicated their intent to participate in the Auction. If no Qualified Party provides such expression of intent, the Stalking Horse Transaction shall be the Successful Bid.

3. **Auction Procedures.** The Auction shall be governed by the following procedures:

a. **Attendance.** Only the COPL Entities, the Qualified Parties, the Monitor and each of their respective advisors will be entitled to attend the Auction, and only the Qualified Parties will be entitled to make any subsequent Overbids (as defined below) at the Auction;

b. **Minimum Overbid.** The Auction shall begin with the Qualified Bid that represents the highest or otherwise best Qualified Bid as determined by the COPL Entities, in consultation with the Monitor (the "**Initial Bid**"), and any bid made at the Auction by a Qualified Party subsequent to the COPL Entities' announcement of the Initial Bid (each, an "**Overbid**"), must proceed in minimum additional cash increments of $250,000;

c. **Bidding Disclosure.** The Auction shall be conducted such that all bids will be made and received in one group video-conference, on an open basis, and all Qualified Parties will be entitled to be present for all bidding with the understanding that the true identity of each Qualified Party will be fully disclosed to all other Qualified Parties and that all material terms of each subsequent bid will be fully disclosed to all other Qualified Parties throughout the entire Auction; provided, however, that the Monitor, in its discretion, may establish separate video conference rooms to permit interim discussions between the COPL Entities and individual Qualified Parties with the understanding that all formal bids will be delivered in one group video conference, on an open basis;

d. **Bidding Conclusion.** The Auction shall continue in one or more rounds and will conclude after each participating Qualified Party has had the

opportunity to submit one or more additional bids with full knowledge and written confirmation of the then-existing highest bid(s); and

e. **No Post-Auction Bids**. No bids will be considered for any purpose after the Auction has concluded.

f. **Auction Cancellation/Postponement**. The COPL Entities, in consultation with the Consenting Lenders, and with the approval of with the Monitor, reserve the right to cancel or postpone the Auction.

g. **Additional Rules**. Except as otherwise set forth herein, the COPL Entities may establish additional rules for conducting the Auction, provided that such rules are: (a) disclosed to each participating Qualified Party; (b) designed, in the COPL Entities' business judgment, to result in the highest and otherwise best offer; (c) approved by the Monitor; and (d) not contrary to any material term set out herein.

4. Selection. Before the conclusion of the Auction, the COPL Entities, in consultation with the Monitor, will: (a) review each Qualified Bid, considering the factors set out in Section 7 of the SISP and, among other things, (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same, (ii) the value of any assumption of liabilities or waiver of liabilities not otherwise accounted for in prong (i) above; (iii) the likelihood of the Qualified Party's ability to close a transaction within thirty (30) days after completion of the Auction and the timing thereof (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments; and required governmental or other approvals), (iv) the likelihood of the Court's approval of the Successful Bid, and (v) any other factors the COPL Entities may, consistent with its fiduciary duties, reasonably deem relevant; and (b) identify the highest or otherwise best bid received at the Auction (the "**Successful Bid**" and the Qualified Party making such bid, the "**Successful Party**").

5. Acknowledgement. The Successful Party shall complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid was made within one business day of the Successful Bid being selected as such, unless extended by the COPL Entities, after consultation with the Monitor, subject to the milestones set forth in Section 6 of the SISP.

Sale and Investment Solicitation Process

1. On March 1~~8~~9, 2024, the Alberta Court of King's Bench (the "**Court**") granted an order (the "**SISP Order**") that, among other things, (a) authorized the COPL Entities to implement a sale and investment solicitation process ("**SISP**") in accordance with the terms hereof, (b) approved the Support Agreement, (c) authorized and directed the COPL Entities to enter into the Stalking Horse Purchase Agreement, and (d) approved the Break-Up Fee. Capitalized terms that are not defined herein have the meanings ascribed thereto in the Amended & Restated Initial Order granted by the Court in the COPL Entities' proceedings under the *Companies' Creditors Arrangement Act* on March 1~~8~~9, 2024, as amended, restated or supplemented from time to time, or the SISP Order, as applicable.

2. This SISP sets out the manner in which (i) binding bids for executable transaction alternatives that are superior to the sale transaction ~~to be~~ provided for in the Stalking Horse Purchase Agreement involving the shares and/or the business and assets of the COPL Entities will be solicited from interested parties, (ii) any such bids received will be addressed, (iii) any Successful Bid (as defined below) will be selected, and (iv) Court approval of any Successful Bid will be sought. Such transaction alternatives may include, among other things, a sale of some or all of the COPL Entities' shares, assets and/or business and/or an investment in the COPL Entities, each of which shall be subject to all terms set forth in this SISP.

3. The SISP shall be conducted by the COPL Entities ~~under~~, with the assistance of the Financial Advisor and oversight of KSV Restructuring Inc., in its capacity as court-appointed monitor (the "**Monitor**").

4. Parties who wish to have their bids considered shall participate in the SISP in accordance with the terms herein.

5. The SISP will be conducted such that the COPL Entities will ~~(under~~, with the assistance of the Financial Advisor and oversight of the Monitor~~)~~:

    a) prepare marketing materials and a process letter;
    b) prepare and provide applicable parties with access to a data room containing diligence information;
    c) solicit interest from parties to enter into non-disclosure agreements (parties shall only obtain access to the data room and be permitted to participate in the SISP if they execute a non-disclosure agreement that is in form and substance satisfactory to the COPL Entities); and
    d) request that such parties (other than the Stalking Horse Bidder or its designee) submit (i) a letter of intent to bid that identifies the potential bidder (which, for the avoidance of doubt, may be a purchaser or an investor) and a general description of the assets and/or business(es) of the COPL Entities that would be the subject of the bid and that reflects a reasonable prospect of culminating in a Qualified Bid (as defined below), as determined by the COPL Entities in

consultation with the Monitor and the Consenting Lenders (as defined in the Support Agreement) (a "**LOI**") by the LOI Deadline (as defined below) and, if applicable, (ii) a binding offer meeting at least the requirements set forth in Section 7 below, as determined by the COPL Entities in consultation with the Monitor (a "**Qualified Bid**") by the Qualified Bid Deadline (as defined below).

6. The SISP shall be conducted subject to the terms hereof and the following key milestones:

   a) Court approval of SISP and authorizing the applicable COPL Entities to enter into the Stalking Horse Purchase Agreement, and commencement by COPL Entities of solicitation process – March 1~~8~~9, 2024;
   b) Deadline to submit LOI – 11:59 p.m. Mountain Time on April 17, 2024 (the "**LOI Deadline**");
   c) Deadline to submit a Qualified Bid – 11:59 p.m. Mountain Time on May 2, 2024 (the "**Qualified Bid Deadline**");
   d) Deadline to determine whether a bid is a Qualified Bid and, if applicable, to notify those parties who submitted a Qualified Bid of the Auction (as defined below) – 5:00 p.m. Mountain Time on May ~~3~~6, 2024;
   e) The COPL Entities to hold Auction (if applicable) – 10:00 a.m. Mountain Time on May ~~4~~8, 2024; and
   f) Implementation Order (as defined below) hearing:
      - (if no LOI is submitted) – by no later than 9 days after the LOI Deadline subject to Court availability.
      - (if there is no Auction) – by no later than 9 days after the Qualified Bid Deadline, subject to Court availability.
      - (if there is an Auction) – by no later than 9 days after completion of the Auction, subject to Court availability.

7. In order to constitute a Qualified Bid, a bid must comply with the following:

   a. it provides for (i) the payment in full in cash on closing of the DIP Financing (as defined in the Support Agreement), the Expense Reimbursement, and the Break-up Fee, plus cash consideration equal to at least $250,000; (ii) payment in full in cash of all amounts outstanding under the Credit Agreement, unless otherwise ~~agree~~agreed to by the lenders thereunder in their sole discretion; (iii) the payment in full in cash on closing of any claims ranking in priority to the foregoing, including any claims secured by Court-ordered charges, unless otherwise agreed to by the applicable holders thereof in their sole discretion (the proposal set out above, a "**Superior Proposal**");
   b. it provides a detailed sources and uses schedule that identifies, with specificity, the amount of cash consideration (the "**Cash Consideration Value**") and any assumptions that could reduce the net consideration payable;

c. it is reasonably capable of being consummated within 30 days after completion of the Auction if selected as the Successful Bid;
d. it contains:
    i. duly executed binding transaction document(s);
    ii. the legal name and identity (including jurisdiction of existence) and contact information of the bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equityholder(s);
    iii. a redline to the Stalking Horse Purchase Agreement, unless the bid is in the form of a plan of arrangement, in which case copies of the plan of arrangement and all documentation that is contemplated to be executed in connection therewith shall be provided;
    iv. evidence of authorization and approval from the bidder's board of directors (or comparable governing body) and, if necessary to complete the transaction, the bidder's equityholder(s);
    v. disclosure of any connections or agreements with the COPL Entities or any of its affiliates, any known, potential, prospective bidder, or any officer, manager, director, or known equity security holder of the COPL Entities or any of its affiliates; and
    vi. such other information reasonably requested by the COPL Entities or the Monitor;
e. it includes a letter stating that the bid is submitted in good faith, is binding and is irrevocable until the selection of the Successful Bid; provided, however, that if such bid is selected as the Successful Bid, it shall remain irrevocable until the closing of the Successful Bid;
f. it provides written evidence of a bidder's ability to fully fund and consummate the transaction and satisfy its obligations under the transaction documents, including binding equity/debt commitment letters and/or guarantees covering the full value of all cash consideration and the additional items (in scope and amount) covered by the guarantees provided by affiliates of the Purchaser in connection with the Stalking Horse Purchase Agreement;
g. it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
h. it is not conditional upon:
    i. approval from the bidder's board of directors (or comparable governing body) or equityholder(s);
    ii. the outcome of any due diligence by the bidder; or
    iii. the bidder obtaining financing;
i. it includes an acknowledgment and representation that the bidder has had an opportunity to conduct any and all required due diligence prior to making its bid~~;~~, and that the transaction that is the subject of the bid shall be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature or description by the COPL Entities, except to the extent set forth in a written agreement as between the Purchaser and the COPL Entities (as applicable).
j. it specifies any regulatory or other third-party approvals the party anticipates would be required to complete the transaction (including the anticipated timing

necessary to obtain such approvals and any approvals/authority to hold oil and gas licenses and permits);

k. it includes full details of the bidder's intended treatment of the COPL Entities' employees under the proposed bid;

l. it is accompanied by a cash deposit (the "**Deposit**") by wire transfer of immediately available funds equal to 10% of the Cash Consideration Value, which Deposit shall be retained by the Monitor in a non-interest bearing trust account in accordance with this SISP;

m. a statement that the bidder will bear its own costs and expenses (including legal and advisor fees) in connection with the proposed transaction, and by submitting its bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and

n. it is received by the Qualified Bid Deadline.

8. The COPL Entities, in consultation with the Monitor, may waive compliance with any one or more of the requirements specified in Section 7 above and deem a non-compliant bid to be a Qualified Bid, provided that the COPL Entities shall not waive compliance with the requirements specified in Subsections 7(a), (b), (d), (e), (f), (g), (i) or (l) without the prior written consent of the Stalking Horse Bidder and Consenting Lenders.

9. Notwithstanding the requirements specified in Section 7 above, the transaction contemplated by the Stalking Horse Purchase Agreement (the "**Stalking Horse Transaction**"), is deemed to be a Qualified Bid, provided that, for greater certainty, no Deposit shall be required to be submitted in connection with the Stalking Horse Transaction.

10. If one or more Qualified Bids (other than the Stalking Horse Transaction) has been received by the COPL Entities on or before the Qualified Bid Deadline, the COPL Entities ~~may~~shall proceed with an auction process to determine the successful bid(s) (the "**Auction**"), which Auction shall be administered in accordance with Schedule "A" hereto. The successful bid(s) selected within the Auction shall constitute the "**Successful Bid**". Forthwith upon determining to proceed with an Auction, the COPL Entities shall provide written notice to each party that submitted a Qualified Bid (including the Stalking Horse Transaction), along with copies of all Qualified Bids and a statement by the COPL Entities specifying which Qualified Bid is the leading bid.

11. If, by the LOI Deadline no LOI has been received, then the SISP shall be deemed to be terminated and the Stalking Horse Transaction shall be the Successful Bid and shall be consummated in accordance with and subject to the terms of the Support Agreement and the Stalking Horse Purchase Agreement. If no Qualified Bid (other than the Stalking Horse Transaction) has been received by the COPL Entities on or before the Qualified Bid Deadline, then the Stalking Horse Transaction shall be the Successful Bid and shall be consummated in accordance with and subject to the terms of the Support Agreement and the Stalking Horse Purchase Agreement.

12. Following selection of a Successful Bid, the COPL Entities, with the assistance of its advisors, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid in accordance with the key milestones set out in Section 6. Once the necessary definitive agreement(s) with respect to a Successful Bid have been finalized, as determined by the COPL Entities, in consultation with the Monitor, the COPL Entities shall apply to the Court for an order or orders approving such Successful Bid and/or the mechanics to authorize the COPL Entities to complete the transactions contemplated thereby, as applicable, and authorizing the COPL Entities to (i) enter into any and all necessary agreements and related documentation with respect to the Successful Bid, (ii) undertake such other actions as may be necessary to give effect to such Successful Bid, and (iii) implement the transaction(s) contemplated in such Successful Bid (each, an "**Implementation Order**").

13. All Deposits shall be retained by the Monitor in a non-interest bearing trust account. If a Successful Bid is selected and an Implementation Order authorizing the consummation of the transaction contemplated thereunder is granted, any Deposit paid in connection with such Successful Bid will be non-refundable and shall, upon closing of the transaction contemplated by such Successful Bid, be applied to the cash consideration to be paid in connection with such Successful Bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such Successful Bid. Any Deposit delivered with a Qualified Bid that is not selected as a Successful Bid, will be returned to the applicable bidder as soon as reasonably practicable (but not later than ten (10) business days) after the date upon which the Successful Bid is approved pursuant to an Implementation Order or such earlier date as may be determined by the COPL Entities, in consultation with the Monitor.

14. The COPL Entities shall provide the Consenting Lenders with such information relating to the SISP as is required under the Support Agreement.

15. Any amendments to this SISP may only be made by: (a) the COPL Entities with the written consent of the Monitor and after consultation with the Consenting Lenders, provided that the COPL Entities shall not amend Subsections 7(a), (b), (d), (e), (f), (g), (i) or (l) or Section 13 without the prior written consent of the Stalking Horse Bidder and the Consenting Lenders.

SCHEDULE "A": AUCTION PROCEDURES

1. Auction.

If the COPL Entities receive at least one Qualified Bid (other than the Stalking Horse Transaction), the ~~COPL Entities~~Monitor will conduct and administer the Auction in accordance with the terms of the SISP. Instructions to participate in the Auction, which will take place via video conferencing, will be provided to Qualified Parties (as defined below) not less than 24 hours prior to the Auction.

2. Participation.

Only parties that provided a Qualified Bid by the Qualified Bid Deadline, including the Stalking Horse Transaction (collectively, the "**Qualified Parties**"), shall be eligible to participate in the Auction. No later than 5:00 p.m. Mountain Time on the day prior to the Auction, each Qualified Party (other than the Stalking Horse Bidder) must inform the Monitor and the COPL Entities whether it intends to participate in the Auction. The ~~COPL Entities~~Monitor will promptly thereafter inform in writing each Qualified Party who has expressed its intent to participate in the Auction of the identity of all other Qualified Parties that have indicated their intent to participate in the Auction. If no Qualified Party provides such expression of intent, the Stalking Horse Transaction shall be the Successful Bid.

3. Auction Procedures.

The Auction shall be governed by the following procedures:

a. **Attendance.** Only the COPL Entities, the Qualified Parties, the Monitor and each of their respective advisors will be entitled to attend the Auction, and only the Qualified Parties will be entitled to make any subsequent Overbids (as defined below) at the Auction;

b. **Minimum Overbid.** The Auction shall begin with the Qualified Bid that represents the highest or otherwise best Qualified Bid as determined by the COPL Entities, in consultation with the Monitor (the "**Initial Bid**"), and any bid made at the Auction by a Qualified Party subsequent to the COPL Entities' announcement of the Initial Bid (each, an "**Overbid**"), must proceed in minimum additional cash increments of $250,000;

c. **Bidding Disclosure.** The Auction shall be conducted such that all bids will be made and received in one group video-conference, on an open basis, and all Qualified Parties will be entitled to be present for all bidding with the understanding that the true identity of each Qualified Party will be fully disclosed to all other Qualified Parties and that all material terms of each subsequent bid will be fully disclosed to all other Qualified Parties throughout the entire Auction; provided, however, that the ~~COPL Entities~~Monitor, in ~~their~~its discretion, may establish separate video conference rooms to permit interim discussions between the COPL

Entities and individual Qualified Parties with the understanding that all formal bids will be delivered in one group video conference, on an open basis;

d. **Bidding Conclusion.** The Auction shall continue in one or more rounds and will conclude after each participating Qualified Party has had the opportunity to submit one or more additional bids with full knowledge and written confirmation of the then-existing highest bid(s); and

e. **No Post-Auction Bids**. No bids will be considered for any purpose after the Auction has concluded.

f. **Auction Cancellation/Postponement**. The COPL Entities, in consultation with the Consenting Lenders, and with the approval of with the Monitor, reserve the right to cancel or postpone the Auction.

g. **Additional Rules**. Except as otherwise set forth herein, the COPL Entities may establish additional rules for conducting the Auction, provided that such rules are: (a) disclosed to each participating Qualified Party; (b) designed, in the COPL Entities' business judgment, to result in the highest and otherwise best offer; (c) approved by the Monitor; and (d) not contrary to any material term set out herein.

4. Selection.

Before the conclusion of the Auction, the COPL Entities, in consultation with the Monitor, will: (a) review each Qualified Bid, considering the factors set out in Section 7 of the SISP and, among other things, (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same, (ii) the value of any assumption of liabilities or waiver of liabilities not otherwise accounted for in prong (i) above; (iii) the likelihood of the Qualified Party's ability to close a transaction ~~by~~within thirty (30) days after completion of the Auction and the timing thereof (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments; and required governmental or other approvals), (iv) the likelihood of the Court's approval of the Successful Bid, and (v) any other factors the COPL Entities may, consistent with its fiduciary duties, reasonably deem relevant; and (b) identify the highest or otherwise best bid received at the Auction (the "**Successful Bid**" and the Qualified Party making such bid, the "**Successful Party**").

5. Acknowledgement.

The Successful Party shall complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid was made within one business day of the Successful Bid being selected as such, unless extended by the COPL Entities ~~in their sole discretion~~, after consultation with the Monitor, subject to the milestones set forth in Section 6 of the SISP.