

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

Canadian Overseas Petroleum Limited, *et al.*,<sup>1</sup>

Debtors in a foreign proceeding.

Chapter 15

Case No. 24-10376 (JTD)

(Jointly Administered)

**DECLARATION OF PETER KRAVITZ IN SUPPORT OF THE MOTION OF  
THE FOREIGN REPRESENTATIVE FOR ENTRY OF AN ORDER (I) RECOGNIZING  
AND ENFORCING THE SISF ORDER AND (II) GRANTING RELATED RELIEF**

I, Peter Kravitz, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury under the law of the United States, as follows:

1. Between January 18, 2024 and the entry of the Initial Order (defined below) on March 11, 2024, I served as the Interim Chief Executive Officer (“Interim CEO”) of Canadian Overseas Petroleum Limited (“COPL”), which is the duly appointed foreign representative (“Foreign Representative”) of the above captioned debtors (collectively, the “Debtors” and together with those other Non-Filing Affiliates (defined below) attached hereto, the “COPL Group”) in Canadian proceedings (the “Canadian Proceedings”) commenced under the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the “CCAA”), pending before the Court of King’s Bench of Alberta in Calgary (the “Canadian Court”). I

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<sup>1</sup> 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 (0925). 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.

currently serve as the Chief Restructuring Officer (“CRO”) of the COPL Group and am authorized to provide this declaration on behalf of the Foreign Representative and each of the Debtors.

2. I was appointed as CRO of the COPL Group on December 29, 2023. 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 Debtors and have relied upon the books and records of COPL and my personal experiences with the Debtors. As such, I have personal knowledge of the matters set forth herein and, if called as a witness, I could and would testify thereto. 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 declaration (this “Declaration”), I have also consulted with members of the senior management teams of the COPL Group and the Debtors’ financial and legal advisors. The Debtors do not waive or intend to waive any applicable privilege by any statement herein.

3. I respectfully submit this Declaration in support of the *Motion of the Foreign Representative for Entry of an Order (I) Recognizing and Enforcing the SISP Order and (II) Granting Related Relief* [Docket No. 33] (the “SISP Recognition Motion”).<sup>2</sup>

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the SISP Recognition Motion, the Kravitz Declaration (defined below), or the SISP Order (defined below), as applicable.

4. Additional factual background regarding the Debtors, including their business operations, their corporate and capital structure, and the events leading to the filing of these Chapter 15 Cases is set forth in detail in the *Declaration of Peter Kravitz in Support of the Debtors' Verified Petition for (I) Recognition of Foreign Main Proceedings, or, in the Alternative, Foreign Non-Main Proceedings, (II) Recognition of Foreign Representative, and (III) Related Relief Under Chapter 15 of the Bankruptcy Code* [Docket No. 11] (the "Kravitz Declaration"), which is incorporated by reference herein.

**I. Background of the Debtors' Activities Following Entry of the Initial Order**

**A. The Canadian Proceedings**

5. On March 11, 2024, the Canadian Court entered an initial order (the "Initial Order"),<sup>3</sup> *inter alia*, (a) declaring that the Debtors are companies to which the CCAA applies; (b) appointing KSV Restructuring Inc. as the Debtors' Monitor in the Canadian Proceedings; (c) granting a stay of proceedings in respect of the Debtors up to and including March 18, 2024; (d) extending the stay of proceedings to the Non-Filing Affiliates; (e) authorizing the Debtors 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; (f) granting a charge as security for the respective fees and disbursements of counsel to the Debtors, the Monitor and the Monitor's Counsel, and the Financial Advisor relating to services rendered in respect of the Debtors; (g) granting a charge in favor of the directors and officers of the Debtors; and (h) granting a charge in favor of the CRO to secure its fees and disbursements.

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<sup>3</sup> A certified copy of the Initial Order is attached as Exhibit 1 to the Provisional Relief Order (defined below).

6. Since the Initial Order was granted by the Canadian Court, the Debtors, 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 the Canadian Proceedings;
- (b) advise its stakeholders of the granting of the Initial Order;
- (c) commence these Chapter 15 Cases;
- (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 the Canadian Proceedings and these Chapter 15 Cases.

7. More specifically, the Debtors 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 third-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 the Canadian 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 Debtors, advising creditors of the commencement of the Canadian Proceedings, the issuance of the Initial Order, and the use of the Monitor's website to access information relating to the Canadian Proceedings;
- (c) the Monitor published 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 the Canadian Proceedings to the Non-Filing Affiliates.

11. On March 19, 2024, the Canadian Court granted the *Amended and Restated Initial Order* (the "ARIO"), which approved, among other things, the Debtors' entry into the RSA, as well as the SISP Order,<sup>4</sup> which, among other things, approved the entry into the Stalking Horse Purchase Agreement subject to the terms therein.

**B. The Chapter 15 Cases**

12. On March 11, 2024, the Foreign Representative commenced these cases (the "Chapter 15 Cases") with the United States Bankruptcy Court for the District of Delaware (the "Court") seeking the recognition of the Canadian Proceedings under chapter 15 of Title 11 of the U.S. Bankruptcy Code.

13. On March 12, 2024, the Court granted the *Order Granting Provisional Relief Pursuant to Section 1519 of the Bankruptcy Code* [Docket No. 28] (the "Provisional Relief Order").

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<sup>4</sup> A certified copy of the SISP Order is attached as Exhibit 1 to the Proposed Order granting the SISP Recognition Motion.

14. On March 21, 2024, the Foreign Representative filed the SISP Recognition Motion in the Chapter 15 Cases seeking recognition and enforcement of the SISP Order, which approves, among other things:

- (a) the Sale Procedures and implementation thereof;
- (b) the Debtors' entry into the Stalking Horse Purchase Agreement, substantially on the terms set forth in the RSA; and
- (c) the Break-Up Fee (defined below).

## **II. The RSA**

15. On March 7, 2024, the COPL Group and the Lender executed the RSA. The RSA appends a term sheet (the "Restructuring Term Sheet") that sets the key terms to be included in a Stalking Horse Purchase Agreement, which supports the Sale Procedures and may ultimately serve as the basis for the restructuring of COPL.

16. Under the terms of the RSA, the Lender and the Debtors 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 applicable Debtors and the Lender (or its assignee(s)) agreed to negotiate in good faith to enter into the Stalking Horse Purchase Agreement, 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.

17. The RSA, as extended by written agreement of the Lender, required the Debtors to seek the Canadian Court's approval of the Sale Procedures by no later than March 18, 2024. The Canadian Court granted such approval on March 19, 2024 with the entry of the SISP Order.

18. The RSA establishes the following milestones (the “Milestones”), as extended by written agreement of the Lender:

<b>Milestone</b>	<b>Date</b>
The Debtors shall obtain an order from the Canadian Court approving the Sale Procedures	March 19, 2024
The Foreign Representative shall file a motion with the U.S. Bankruptcy Court for an order recognizing and enforcing the SISP Order	2 business days after entry of the SISP Order (March 21, 2024)
The Foreign Representative shall obtain an order recognizing and enforcing the Initial Order	April 9, 2024
The Foreign Representative shall obtain an order recognizing and enforcing the SISP Order	April 9, 2024
The Debtors shall obtain a vesting order (the “ <u>Vesting Order</u> ”) from the Canadian 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 the Vesting Order
The Foreign Representative shall obtain the Vesting Recognition Order	14 days after the entry of the Vesting Order
The Restructuring shall close, provided that to the extent the only condition to the closing of the Restructuring that remains outstanding is the receipt of regulatory approval(s), the Outside Date shall automatically be extended for another 60 days	14 days after the date that the Foreign Representative obtains the Vesting Recognition Order or such later dates as may be determined by the Required Consenting Lenders on written notice to the other Parties (the “ <u>Outside Date</u> ”)

19. Meeting the Milestones (a) is necessary to ensure compliance with the RSA and to preserve and facilitate the Stalking Horse Transaction, (b) will facilitate an expeditious resolution to the Debtors’ insolvency proceedings, and (c) will minimize expenses and additional employee loss.

20. The RSA does not contain any provisions restricting the ability of the Debtors to solicit superior offers to the Stalking Horse Transaction. Consequently, the Debtors have been and are actively soliciting bids and working to cultivate interest in the Sale Procedures from potential participants.

21. The Debtors can terminate the RSA in certain circumstances, including if the board of directors determines, upon the advice of outside legal counsel and financial advisors, that proceeding with the Restructuring would be inconsistent with the exercise of their fiduciary duties or applicable law (the “Fiduciary Termination Right”). The Fiduciary Termination Right ceases to apply if no other qualified bid is received by the applicable deadline or if the Stalking Horse Transaction is declared the Successful Bid.

22. Together, the protections under the RSA ensure that the sale process undertaken by the Debtors in accordance with the Sale Procedures is fair, provides the opportunity for interested parties to submit a bid, and positions the Debtors for the achievement of the best transaction possible in the circumstances for the benefit of all stakeholders.

23. The Canadian Court approved the RSA with the entry of the ARIO.

### **III. The SISP Order, Sale Procedures, and Stalking Horse Transaction**

#### **A. The Sale Procedures**

24. The Sale Procedures, attached as Schedule B to the SISP Order, set out the manner in which (a) the Debtors will canvass the market for the best possible transaction for the sale of substantially all of the Debtors’ assets, (b) any bids will be received, (c) any Successful Bid will be selected, and (d) Court approval of any Successful Bid will be sought. Under the Sale Procedures, the terms of the stalking horse transaction (the “Stalking Horse Transaction”) will be subject to a full marketing process.



25. The Debtors have developed the Sale Procedures in consultation with the Monitor and the Lender. The Sale Procedures set 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 will be selected; and (d) court approval of any Successful Bid will be sought.

26. Pursuant to the Sale Procedures, 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 Sale Procedures (the “LOI Deadline”). If, by the LOI Deadline, no LOI has been received, the Sale Procedures will be terminated and the Stalking Horse Transaction will be the Successful Bid (as defined below) and, subject to the Canadian Court issuing the Vesting Order, will be consummated in accordance with the RSA and the Stalking Horse Purchase Agreement.

27. 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”).

28. Following selection of the Successful Bid and finalization of all definitive agreements, the Debtors will apply to the Canadian 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.

29. The Sale Procedures, together with the Stalking Horse Transaction, and with financing made available through the DIP Loan, will reduce liquidity constraints and allow the Debtors to market their assets and maximize their value, while also minimizing risks to the Debtors of undertaking the Sale Procedures without the certainty of a going concern transaction. This process will reassure the Debtors' employees, suppliers, and other interested parties that a going-concern solution will be achieved in the near term.

30. The key terms of the Stalking Horse Transaction,<sup>5</sup> which shall be substantially on the terms set out in the Restructuring Term Sheet attached to the RSA, are as follows:

Term	Details
<b>Sellers</b>	The following entities, or a subset thereof: COPL, 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, SWP, Atomic, and Pipeco (collectively with COPL, the " <u>COPL Entities</u> " and each a " <u>COPL Entity</u> ")
<b>Purchasers</b>	Lenders under the Senior Credit Facility (in such capacity, the " <u>Stalking Horse Purchaser</u> ")

<sup>5</sup> While Local Rule 6004-1(b)(iv) contains certain provisions to be highlighted in a sale motion, since the SISP Recognition Motion seeks enforcement and recognition of the SISP Order this Local Rule should not apply; nonetheless, the summary of the Sale Procedures is set forth and this summary is qualified in full by reference to the SISP Order, the Sale Procedures, and the Stalking Horse Purchase Agreement.

Term	Details
<b>Purchase Price</b>	<p>A credit bid of the DIP Loan for all or substantially all of the assets (excluding the “Excluded Assets”, as defined below) or equity, as applicable and as determined by the Bidder, of the COPL Entities, excluding COPL; provided that the Bidder may subsequently increase its credit bid to include a portion or all of the principal amount of debt outstanding under the Credit Agreement; and</p> <p>The assumption of the obligations under the Credit Agreement, to the extent not the subject of the credit bid.</p>
<b>Transaction Structure</b>	<p>The Stalking Horse Purchase Agreement will include standard representations and warranties, covenants and conditions precedent for transactions of this nature and provide for an outside date of June 7, 2024.</p>
<b>Excluded Assets</b>	<p>Such assets as agreed upon by the COPL Entities and the Bidder and shall include an amount to be agreed to between the COPL Entities and the Bidder, each acting reasonably, to fund any professional fees incurred in connection with post-closing matters and/or to wind-up and terminate the Canadian Proceedings, the Chapter 15 proceedings, and any further proceedings involving the Filing Entities.</p>

31. The Stalking Horse Purchase Agreement shall provide that COPL and various of its subsidiaries will pay \$350,000 from the proceeds of any Alternative Restructuring Proposal (the “Break-Up Fee”) and an expense reimbursement for the Stalking Horse Purchaser’s reasonable and documented legal and other costs incurred in connection with the transactions contemplated by the Stalking Horse Purchase Agreement (the “Expense Reimbursement”). The Break-Up Fee and Expense Reimbursement will be paid concurrently with the consummation of an Alternative Restructuring Proposal, following: (a) the Canadian Court approving an Alternative Restructuring Proposal that is not provided by the Stalking Horse Purchaser or any of their affiliates in accordance with the terms of the SISP Order, or (b) the Debtors exercise the Fiduciary Duty Right.

32. The execution of the Stalking Horse Purchase Agreement, as well as the Break-Up Fee and the Expense Reimbursement, were approved by the Canadian Court in the SISP Order.

33. The Debtors are of the view that the timelines set out in the Sale Procedures are appropriate, will allow interested parties to participate in the Sale Procedures, and will provide an appropriate test for whether the Stalking Horse Transaction delivers the best possible result for stakeholders. The Debtors are also of the view that the Sale Procedures provide 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 Sale Procedures are fair, reasonable and appropriate in the circumstances, and provide sufficient time to allow interested parties to fully participate in the Sale Procedures (to the extent desired). In addition, the Debtors do not have funds or access to DIP financing sufficient to extend the timelines for the Sale Procedures any further.

**B. The SISP Order**

34. As set forth above, on March 19, 2024, the Canadian Court granted the SISP Order. The Sale Procedures approved by the SISP Order are similar to bidding procedures approved in chapter 11 proceedings. The Sale Procedures establish a clear and transparent process for the solicitation, receipt, and evaluation of bids on a timeline that the Debtors and the Monitor believe is reasonable and will provide parties with sufficient time and information to submit competitive bids. The timeline under the Sale Procedures allows for a fair and reasonable process that will enable the Debtors to market their assets and maximize their value by both adequately testing the market and protecting against the significant risk of further market decline, while reducing liquidity constraints.

35. Generally, the Sale Procedures set out the parameters by which the Debtors, under the oversight of the Monitor and with the assistance of Province, will market their assets for sale, and contemplate the following timeline:

- (a) **April 17, 2024, at 11:59 p.m. (Mountain Time):** Bidders must submit a letter of intent (“LOI”) to bid that identifies the potential purchaser and a general description of the assets and/or business(es) of the Debtors that would be the subject of the bid;
- (b) **May 2, 2024, at 11:59 p.m. (Mountain Time):** Bidders to submit a binding offer meeting the requirements enumerated in the Sale Procedures, as determined by the Debtors in consultation with the Monitor;
- (c) **May 6, 2024, at 5:00 p.m. (Mountain Time):** The Debtors, in consultation with the Monitor, will determine if any bid(s) submitted are Qualified Bids;
- (d) **May 8, 2024, at 10:00 a.m. (Mountain Time):** the Debtors will hold an Auction, if applicable; and the Debtors will facilitate setting a hearing on the CCAA Implementation Order (as defined below) before the Canadian Court by no later than (subject to availability):
  - i. April 26, 2024, if no LOI is submitted;
  - ii. May 11, 2024, if there is no Auction; and
  - iii. Nine (9) days after completion of any Auction.

36. This Court’s recognition of the SISP Order and enforcement of it within the territorial jurisdiction of the United States will provide material assistance to the Canadian Court and the Debtors by allowing the Debtors to comply with the Milestones through the execution of the Stalking Horse Transaction or a superior proposal, which is in the best interests of the Debtors and their estates.

37. Following the bidding procedures contemplated by the Sale Procedures, the Debtors will seek an order from this Court recognizing and enforcing the Successful Bid and consummation of any transactions approved by the Canadian Court in the Canadian Proceedings (the “CCAA Implementation Order”), whereby parties wishing to oppose the entry of the CCAA

Implementation Order will have the opportunity to object and be heard in the Canadian Proceeding, similar to a sale hearing in a chapter 11 proceedings. At such time, the Foreign Representative will provide additional detail on the approved transactions and carry its burden for recognition thereof under applicable law.

**C. The Stalking Horse Transaction and Stalking Horse Purchase Agreement**

38. The Debtors are of the view that the inclusion of the Stalking Horse Transaction as part of the Sale Procedures will benefit the COPL Group's efforts to maximize value for the benefit of all stakeholders by, among other thing, (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 supporting the Sale Procedures, both in terms of setting a baseline price and documentation for the Sale Procedures and assuring stakeholder groups that there will be a going concern sale of a significant portion of the COPL Group's business.

39. In short, the Debtors believe that the Sale Procedures are designed to produce a fair and transparent competitive bidding process that will yield the highest or otherwise best value for the Debtors' assets. Any asset purchase agreement with a Successful Bidder, including the Stalking Horse Purchase Agreement, executed by the Debtors will be negotiated at arm's-length and in good faith.

40. The Debtors and the Lender have been in discussions regarding the proposed Restructuring contemplated in the RSA and the Stalking Horse Purchase Agreement since late December 2023. As set forth above and in more detail in the Kravitz Declaration, those efforts were fruitful. On March 7, 2024, the COPL Group and the Lender executed the RSA, which attaches the Restructuring Term Sheet that provides the key terms to be included in a Stalking Horse

Purchase Agreement. The RSA, Restructuring Term Sheet, and key terms of the Stalking Horse Purchase Agreement were the result of arms-length, good faith negotiations, between the Debtors and the Lender.

41. As set forth above, the RSA provides that the applicable Debtors and the Lender (or its assignee(s)) agree to negotiate in good faith to enter into the Stalking Horse Purchase Agreement, such Stalking Horse Purchase Agreement to be substantially on the terms set out in the Restructuring Term Sheet attached to the RSA, acting reasonably, with the approval of the Monitor.

42. The parties have continued their discussions regarding the Stalking Horse Purchase Agreement and the bid for the Debtors' assets. These discussions have been, and will continue to be, the result of extensive arms-length, good-faith negotiations between the Debtors and the Lender, with the approval of the Monitor.

43. Neither I nor the Debtors, nor, to my knowledge, the Lender have engaged in any collusive or improper conduct, including without limitation any efforts to manipulate the sale process under the Sale Procedures, SISP Order, RSA, or the Stalking Horse Purchase Agreement, and to my knowledge, there were no agreements among potential bidders. To the best of my knowledge, information, and belief, no party has engaged in any conduct that would cause or permit the Restructuring to be set aside because of a lack of good faith. I therefore submit that the Stalking Horse Transaction under the RSA has been proposed in good faith.

#### **IV. Conclusion.**

44. I submit that recognition and enforcement of the SISP Order is reasonable under the circumstances. Among other things, the Sale Procedures will establish a floor for further bidding that may result in an enhanced proposal, which will inure to the benefit of the Debtors'

estates. By inducing the Lender to hold its proposal open as a baseline from which other potential bidders can submit higher or better offers on the Debtors' assets, the Sale Procedures will serve to encourage more competitive bidding, which will hopefully increase the consideration provided to all stakeholders. Moreover, the Break-Up Fee is within the range of such protections for deals of this size and is a necessary inducement for the Lender's entry into the Stalking Horse Purchase Agreement. Therefore, I submit that the proposed Bid Protections are a sound exercise of the Debtors' business judgment and are in the best interest of the Debtors, their estates, and all stakeholders. Accordingly, I submit that the Court should approve the SISP Recognition Motion.



Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: April 2, 2024

/s/ Peter Kravitz

Name: Peter Kravitz

Title: CRO of Canadian Overseas Petroleum Limited