

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

In re: Canadian Overseas Petroleum Limited, <i>et al.</i> , ¹ Debtors in a foreign proceeding.	Chapter 15 Case No. 24-[]() (Joint Administration Requested)
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**EX PARTE MOTION FOR RELIEF IN THE FORM OF
A TEMPORARY RESTRAINING ORDER AND, AFTER
NOTICE AND A HEARING, AN ORDER FOR PROVISIONAL
RELIEF UNDER SECTION 1519 OF THE BANKRUPTCY CODE**

Canadian Overseas Petroleum Limited (“COPL”), in its capacity as the duly-appointed foreign representative (the “Foreign Representative”) for the above-captioned debtors (collectively, the “Debtors” or the “Company”), in the proceedings (the “Canadian Proceedings”) currently pending before the Court of King’s Bench of Alberta in Calgary (the “Canadian Court”), initiated under the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36 (as amended, the “CCAA”), by and through its undersigned counsel, respectfully submits this motion (the “Motion”), under rule 65 of the Federal Rules of Civil Procedure (“FRCP”) made applicable to this proceeding by rule 7065 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for relief available under sections 105(a), 1507, 1517, 1519, and 1521 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) for entry of two orders to maintain the status quo pending this Court’s hearing on recognition of the Canadian Proceedings:

(i) a temporary restraining order (a “TRO”) in the proposed form of order attached hereto as

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.

Exhibit A (the “Proposed TRO”) on an *ex parte* basis staying execution against any assets of the Debtors in the United States and prohibiting all persons or entities from commencing or continuing any litigation or any other proceeding, including, without limitation, arbitrations, appeals, mediation or any judicial, quasi-judicial, administrative or regulatory action, proceeding or process whatsoever, or taking any other action against or involving the Foreign Representative, the Debtors, or any of the assets of the Debtors located within the territorial jurisdiction of the United States; and (ii) after notice and a hearing, an order in the form attached hereto as **Exhibit B** (the “Proposed Provisional Relief Order”, collectively with the Proposed TRO, the “Provisional Relief Orders” and the relief sought thereunder, the “Provisional Relief”) for relief on a provisional basis pending this Court’s entry of an order recognizing the Canadian Proceedings. The Provisional Relief Orders are necessary to maintain the *status quo* pending this Court’s hearing on recognition of the Canadian Proceedings.

PRELIMINARY STATEMENT AND GENERAL BACKGROUND

1. It is essential to the Debtors’ business and sale process that the Debtors have the immediate benefit of a stay against creditor actions to ensure that there is no disruption to the Canadian Proceedings and the Debtors’ restructuring efforts. Accordingly, by this Motion the Debtors seek entry of an immediate TRO until the provisional relief hearing can be held. Thereafter, the Debtors anticipate having the standard “first-day” type hearing for full provisional relief at the Court’s earliest availability so that the formal provisional order can be entered pending a final hearing on recognition of the Canadian Proceedings.

2. In support of the requested relief, the Foreign Representative respectfully refers the Court to and incorporates the following into this Motion by reference: the (a) *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 (the “Verified Petition”); (b) *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* (the “Kravitz Declaration”);² (c) *Declaration of David Rosenblat as Canadian Counsel to the Debtors in Support of the Debtors’ Chapter 15 Petitions and Requests for Certain Related Relief Pursuant to Chapter 15 of the Bankruptcy Code* (the “Rosenblat Declaration”); and (d) *Declaration of L. Katherine Good in Support of Ex Parte Motion for Relief in the Form of a Temporary Restraining Order and, After Notice and a Hearing, an Order for Provisional Relief Under Section 1519 of the Bankruptcy Code* (the “Good Declaration”), filed concurrently herewith. The Foreign Representative further represents as follows:

3. On the date hereof (the “Petition Date”), the Foreign Representative filed the Verified Petition and *Motion of the Foreign Representative for Entry of an Order (I) Recognizing Canadian Proceeding as a Foreign Main Proceeding and (II) Granting Related Relief* (the “Recognition Motion”) seeking, among other things, recognition by this Court of the Canadian Proceedings as “foreign main proceedings” or, in the alternative, “foreign non-main proceedings” and certain related relief (the “Recognition Order”). Entry of an order granting the relief requested in this Motion is a condition precedent to the Restructuring Support Agreement entered into by and between the Debtors and their lenders (the “RSA”) and the Debtors’ ability to obtain essential financing pending the Recognition Order. *See RSA* ¶ 4(c) and (d). Entry of the Recognition Order is a condition precedent to the Debtors obtaining the further financing available under the DIP

² Capitalized terms used in this section but not otherwise defined herein shall have the meaning ascribed to them in the Verified Petition, the Initial Order (defined herein), and the Kravitz Declaration, as applicable.

Term Sheet (as defined below). DIP Term Sheet ¶ 8(a). The Provisional Relief requested in this Motion and the entry of the Recognition Order will provide essential protection of the Debtors and their property located within the territorial jurisdiction of the United States, grant certain charges over the Property of the Debtors, and enable them to maintain their operations and work constructively with their stakeholders regarding the proposed restructuring.

4. COPL is a publicly traded international oil and gas exploration, development and production company headquartered in Calgary, Alberta. 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. 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 (the "Wyoming Assets"). Predominantly all of the COPL Group's revenues relate to oil production in Wyoming. Due to the Debtors' business in the United States, the Debtors need the Provisional Relief to preserve the value of their operations and businesses while they implement a restructuring of those operations and businesses in the Canadian Proceedings.

5. The RSA requires, *inter alia*, (a) commencement of the Canadian Proceedings; (b) commencement of these Chapter 15 cases and recognition of the Canadian Proceedings as foreign proceedings; and (c) the Canadian Court's supervision of a sales process for the Debtors' assets.

6. On the March 11, 2024, the Canadian Court entered the CCAA Initial Order (the "Initial Order"),³ authorizing, among other things, the Debtors to obtain credit (the "DIP Facility") under a debtor in possession facility loan agreement memorialized in a term sheet attached to the

³ The Initial Order is attached to the Proposed Provisional Relief Order as Exhibit 1.

Initial Order (the “DIP Facility Agreement” and the loans made available thereunder, the “DIP Loans”). The Debtors made a good-faith business decision to enter into the DIP Facility Agreement, documenting the terms of the DIP Facility from Summit Partners Credit Fund II, L.P.; Summit Investors Credit III, LLC and Summit Investors Credit III (UK), L.P. (collectively, the “DIP Lenders”) after arm’s-length negotiations (such memorialized terms, the “DIP Term Sheet”). The DIP Facility is conditioned upon, among other things, the entry of the Initial Order, the granting of a priority charge over the Property (as defined in the Initial Order) in favor of the DIP Lenders to secure the amounts borrowed under the DIP Facility (the “DIP Lenders’ Charge”), and entry of an order by this Court recognizing the Initial Order. *See generally* DIP Term Sheet ¶ 8; Initial Order ¶¶ 36, 40, and 42. The DIP Facility was approved, on an interim basis, by the Canadian Court, and the Foreign Representative seeks recognition and enforcement of the approvals granted under the Initial Order, and certain additional protections for the DIP Lenders, pursuant to section 364(e) of the Bankruptcy Code. Initial Order ¶ 33 (approving DIP Facility on an interim basis).

7. The DIP Term Sheet provides for a senior secured, super-priority, interim, non-revolving credit facility up to a maximum principal amount of \$11,000,000. Under the DIP Term Sheet and the Initial Order, the Debtors may draw the DIP Loans in multiple advances (each an “Advance”), with the timing and amount of each Advance determined by the funding needs of the Debtors and subject to certain conditions precedent. DIP Term Sheet ¶ 6.

8. This Motion also seeks interim application in the territorial jurisdiction of the United States of the following charges against the Debtors’ assets in priority to other claims in the Canadian Proceedings (*i.e.*, the equivalent of administrative expenses in a chapter 11 case) granted in the Initial Order during the period between the filing of these cases and final recognition: (a) a

charge in favor of the Monitor, counsel to the Monitor, and counsel to the Debtors and the Foreign Representative (“Administration Charge”), Initial Order ¶ 39; (b) a charge in favor of the directors and officers of the Debtors (“Directors’ Charge”), Initial Order ¶ 22; and (c) a charge in favor of the Debtors’ Chief Restructuring Officer (“CRO Charge” collectively with the Administration Charge and the Directors’ Charge, the “Charges”). Initial Order ¶ 32. The Charges are essential to protect the interests of the Debtors as these provide critical parties in the Canadian Proceedings and these Chapter 15 Cases with a right of payment in order to continue the reorganization of the Debtors without disruptions.

9. The Initial Order stays the continuation or commencement of actions and proceedings against the Debtors and their directors and officers, including any actions or proceedings that may be brought in these Chapter 15 Cases, to ensure that dissident creditors or stakeholders cannot bypass the Canadian Proceedings by commencing litigation or taking other actions outside of Canada to obtain a greater recovery than other, similarly situated creditors. Initial Order, ¶¶ 12-18. As further explained in the Kravitz Declaration, the Debtors’ directors and officers are integral to their restructuring efforts, may have certain rights of indemnification against the Debtors, and benefit from the Directors’ Charge, such that any judgments obtained against the directors and officers would be a de facto judgment against the Debtors. *See* Kravitz Decl. ¶¶ 158-162.

10. Without the Provisional Relief, during the gap period between the Petition Date and approval of the Recognition Order, parties in the United States might commence proceedings against the Debtors and disrupt the restructuring efforts of the Debtors.

11. In addition, the Debtors have counterparties and creditors in the United States. Without the Provisional Relief, the Debtors run the risk that these counterparties and creditors might not perform their obligations or may seek to exercise remedies prejudicial to the creditors.

12. The Canadian Proceedings enable the Debtors to continue to operate their businesses in the ordinary course. The Provisional Relief will provide the Debtors with sufficient ancillary relief that will further the purpose of the Canadian Proceedings and provide significant assistance to the Canadian Court.

13. The Provisional Relief will also, among other things, ensure that creditors within the territorial jurisdiction of the United States do not “race to the courthouse,” which would be to the detriment of the Debtors and their creditors. The Provisional Relief provides the Debtors with the necessary breathing room and stability to effectuate the proposed Canadian restructuring during the gap-period between the commencement of these cases and the hearing on the recognition.

JURISDICTION AND VENUE

14. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference of the United States District Court for the District of Delaware*, dated February 29, 2012.

15. The Foreign Representative has properly commenced these chapter 15 cases under sections 1504 and 1515 of the Bankruptcy Code. This is a core proceeding under 28 U.S.C. § 157(b)(2).

16. Venue for these cases is proper in this Court under 28 U.S.C. § 1410 because COPL has its principal assets in the United States – its equity ownership in COPL America Holdings, Inc., a Delaware corporation – located in Delaware. Each Debtor also has an interest in a retainer on deposit with Potter Anderson & Corroon LLP, in which each Debtor has an ownership interest.

These funds are held in a bank account at Wells Fargo Bank, N.A. in accordance with Delaware Rule of Professional Responsibility 1.5. *See* Kravitz Decl. ¶ 54.

17. Pursuant to rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (“Local Rules”), the Foreign Representative consents to the entry of final orders or judgments by the Court if it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

18. The bases for the relief requested in this Motion are sections 105(a), 362, 364, 1507, 1517, 1519, and 1521 of the Bankruptcy Code and Local Rule 9013-1(m).

BACKGROUND

I. Effect of Canadian Proceedings and Chapter 15.

19. The Initial Order granted under the Canadian Proceedings is not automatically enforceable in the United States. Chapter 15 of the Bankruptcy Code promotes cooperation between this Court and the Canadian Court to preserve and protect the interests of the Debtors. Upon recognition of the Canadian Proceedings by way of a Recognition Order from the Court, the Debtors’ interests in the United States will be protected and they will be authorized to seek additional relief and assistance from this Court in furtherance of implementing the Canadian Proceedings.

20. Provisional relief is needed here to protect the Debtors’ assets and the interests of all stakeholders. See 11 U.S.C. § 1519(a). Although a “petition for recognition of a foreign proceeding shall be decided upon at the earliest possible time,” there is necessarily a gap between the time the petition for recognition is filed and the time the court makes a decision on whether a proceeding should be recognized. 11 U.S.C. § 1517(c). Provisional relief should be granted

“where relief is urgently needed to protect the assets of the debtor or the interests of the creditors.”

11 U.S.C. § 1519(a).

21. Without the Provisional Relief in place, the commencement of the Canadian Proceedings and chapter 15 cases could have severe adverse consequences to the Debtors and any property or interests of the Debtors located within the territorial jurisdiction of the United States. As noted in the Kravitz Declaration, the Debtors hold a number of business interests in the United States including:

- a. COPL America Holding Inc. (“COPL America Holding”), incorporated under the laws of the State of Delaware;
- b. COPL America Inc. (“COPL America”), incorporated under the laws of the State of Delaware;
- c. Atomic Oil and Gas LLC (“Atomic”), registered under the laws of the State of Colorado;
- d. SouthWestern Production Corp. (“SWP”), incorporated under the laws of the State of Colorado;
- e. Pipeco LLC (“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.

22. 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. 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 the Wyoming Assets.

23. The Company is a consolidated business, with operations in both Canada and the United States and exploration and investments abroad as well. Those operations, however, are functionally and operationally integrated such that the U.S. business cannot operate independently of the Canadian business and the key services provided by COPL for the benefit of the entire COPL Group. *See* Kravitz Decl. ¶ 169. The Debtors’ center 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 conducted 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 Services Limited, a member of the COPL Group, also based out of Calgary, provides 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:

See Kravitz Decl. ¶ 169.

24. As of September 30, 2023, the Debtors owed approximately \$92,022,000 to creditors, including approximately \$20,461,000 in current liabilities and \$71,561,000 in long-term liabilities. *See* Kravitz Decl. ¶¶ 58-59.

25. The Debtors have negotiated with their secured creditors regarding various possible restructuring alternatives to effectuate a value-maximizing sale transaction through the Canadian Proceedings, as documented in the RSA. However, there remain both secured and unsecured creditors located within and subject to the jurisdiction of the United States that are not party to the RSA and could initiate enforcement action against the Debtors in the United States notwithstanding the stay imposed on them by the Initial Order. Consequently, without the protections granted under the Provisional Relief, such creditors would be able to commence proceedings against the Debtors. In addition to any secured creditors, the Debtors may face actions from their unsecured creditors. The Debtors may find themselves in a situation defending numerous creditor actions in various states or addressing attempts by counterparties to terminate contracts or otherwise assert leverage available in the absence of the Provisional Relief, which will be costly and disruptive to their reorganization efforts in Canada.

26. As discussed above, the Debtors have entered into a DIP Term Sheet in order to facilitate the efficient prosecution of Canadian Proceedings. Entry of the Provisional Relief and the Recognition Order are conditions precedent to the Debtors' access to the essential financing provided through the DIP Facility. *See* DIP Term Sheet ¶ 8(a).

II. The SISP.

27. 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 will support the proposed sale and investment solicitation process (the "SISP") and may ultimately serve as the basis for the restructuring of COPL.

28. The Debtors 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.

29. The Debtors intend to seek approval of the proposed SISP at the Comeback Hearing in the Canadian Proceedings, 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 Debtors' Property for the benefit of stakeholders. The approval by the Canadian Court of the SISP in the form attached to the RSA and entry by this Court of the Recognition Order are both milestones under the RSA.

III. The Canadian Proceedings' Stay Period Provisions.

30. On March 8, 2024, each of the Debtors commenced the Canadian Proceedings under the CCAA with the goal of effectuating the restructuring described in the RSA, all while continuing ordinary course operations. On March 11, 2024, the Canadian Court granted the Initial Order.

31. The Initial Order provides "Stay Period" provisions. Paragraphs 12 through 18 of the Initial Order provide as follows:

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 [Debtors] 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 [Debtors] and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the [Debtors], 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 [Debtors] and the Monitor.

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 [Debtors];
- (b) any of the [Debtors] having made an application to this Court under the CCAA;
- (c) any of the [Debtors] being a party to these proceedings;
- (d) any of the [Debtors] 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 [Debtors] breaching or failing to perform any contractual or other obligations (collectively, the “Non-Filing Affiliates’ Default Events”)

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 [Debtors] 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 [Debtors] and the Monitor, or leave of this Court

15. Nothing in this Order shall prevent any party from taking an action against the [Debtors], 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 [Debtors] 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

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 [Debtors], or the Non-Filing Affiliates (as a result of a Non-Filing Affiliates’ Default Event), except with the written consent of the [Debtors] and the Monitor, or leave of this Court.

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 [Debtors] (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 [Debtors]

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 [Debtors] or exercising any other remedy provided under such agreements or arrangements. The [Debtors] 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 [Debtors] in accordance with the payment practices of the [Debtors], or such other practices as may be agreed upon by the supplier or service provider and each of the [Debtors] and the Monitor, or as may be ordered by this Court.

Initial Order, ¶¶ 12-18.

RELIEF REQUESTED

32. The Debtors respectfully request that the Court enter the Proposed TRO, attached to this Motion as **Exhibit A**, pursuant to sections 105(a), 1519, and 1521 of the Bankruptcy Code and Bankruptcy Rule 7065 implementing FRCP 65.

33. The Debtors also request that the Court enter the Proposed Provisional Relief Order, substantially in the form attached to this Motion as **Exhibit B**, granting provisional relief, from the Petition Date through the date of entry of the Recognition Order, including:

- a. Recognition and enforcement of the Initial Order in the United States, on a provisional basis, providing for, among other things:
 - i staying all proceedings, investigations, and remedies taken or that might be taken in respect of the Debtors or any of their property for the Stay Period (as defined in the Initial Order), to the same extent provided in the Initial Order;

- ii granting the DIP Lenders' Charge with respect to the Debtors' property located in the territorial jurisdiction of the United States to the same extent provided in the Initial Order;
 - iii granting the CRO Charge against the Debtors' property in the territorial jurisdiction of the United States to the same extent provided in the Initial Order for an aggregate amount of \$500,000;
 - iv granting the Directors' Charge against the Debtors' property in the territorial jurisdiction of the United States to the same extent provided in the Initial Order for an aggregate amount of CAD \$500,000 (as security for the Directors' indemnification obligations owed to the Debtors' directors and officers in their capacity as such); and
 - v granting the Administration Charge against the Debtors' property in the territorial jurisdiction of the United States to the same extent provided in the Initial Order for an aggregate amount of CAD \$1,500,000.
- b. Recognizing the Foreign Representative as the representative of the Debtors within this chapter 15 proceeding with authority to administer the Debtors' assets and affairs in the United States as set forth in the orders entered by this Court.
- c. Applying section 362 of the Bankruptcy Code to each of the Debtors and the property of each of the Debtors within the territorial jurisdiction of the United States. For the avoidance of doubt and without limiting the generality of the foregoing, the Proposed Provisional Relief Order shall impose a stay within the territorial jurisdiction of the United States of:
- i The execution of the Debtors' assets;
 - ii The commencement or continuation, including the issuance or employment of process of, any judicial, administrative, investigatory 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 in 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 of the Debtors.
- d. Finding section 364 of the Bankruptcy Code 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, the Provisional Relief Order shall, without limitation:
- i. 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. find that any loans made by the DIP Lender in accordance with the DIP Term Sheet prior to the entry of the Recognition Order shall be extended in "good faith" as contemplated by 364(e) of the Bankruptcy Code, 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 shall not be affected by any reversal or modification of the Proposed Provisional Relief Order on appeal or the entry of an order denying the Debtors' request for entry of the Recognition Order.
- e. Granting the Foreign Representative 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.
- f. Providing that notwithstanding any provision in the Bankruptcy Rules to the contrary, (i) the Proposed Provisional Relief 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 the Proposed Provisional Relief 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 Proposed Provisional Relief Order.

BASIS FOR RELIEF

34. The Foreign Representative has contemporaneously filed the Verified Petition and a motion for entry of a final order that the Canadian Proceedings are foreign main proceedings or, in the alternative, foreign non-main proceedings under section 1517 of the Bankruptcy Code. Section 1519 of the Bankruptcy Code permits the Court “[F]rom the time of filing a petition for recognition until [it] rules on the petition” to grant provisional relief pending recognition of the foreign proceeding where such relief is “urgently needed to protect the assets of the debtor or the interests of the creditors.” 11 U.S.C. § 1519(a) (emphasis added). Sections 1519(a)(1)–(3) of the Bankruptcy Code define the scope of available provisional relief, which includes:

- a. staying execution of the Debtors’ assets;
- b. entrusting the administration or realization of all or part of the Debtors’ assets located in the United States to the foreign representative, or another person authorized by the court, including an examiner, in order to protect and preserve the value of assets that, by their nature or because of other circumstances, are perishable, susceptible to devaluation or otherwise in jeopardy; and
- c. any relief referred to in paragraph (3), (4), or (7) of section 1521(a).⁴

⁴ Upon recognition of a foreign proceeding, whether main or nonmain, where necessary to effectuate the purpose of this chapter and to protect the assets of the debtor or the interests of the creditors, the court may, at the request of the foreign representative, grant any appropriate relief, including—

* * *

(3) suspending the right to transfer, encumber or otherwise dispose of any assets of the debtor to the extent this right has not been suspended under section 1520(a);

(4) providing for the examination of witnesses, the taking of evidence or the delivery of information concerning the debtor’s assets, affairs, rights, obligations or liabilities; and

* * *

(7) granting any additional relief that may be available to a trustee, except for relief available under sections 522, 544, 545, 547, 548, 550, and 724(a).

11 U.S.C. §1521(a).

35. The Foreign Representative seeks provisional relief under sections 105(a) and 1519 of the Bankruptcy Code. Among other things, the Foreign Representative seeks imposition of sections 362 of the Bankruptcy Code for the purpose of maintaining the *status quo* until the Court rules on the Recognition Motion.

36. The Provisional Relief requested here is an “effective mechanism” to implement the chapter 15 policies of promoting cooperation between courts of the United States and courts of foreign countries involved in cross-border restructuring cases. The “fair and efficient administration of cross border [cases] that protects the interest of all creditors, and other interested entities,” including the Debtors, is essential to the “protection and maximization of the value of the [Debtors’] assets.” 11 U.S.C. § 1501(a).

37. Furthermore, bankruptcy courts have imposed the section 362 stay or ordered similar relief to maintain the *status quo* pending recognition or disposition of foreign proceedings in ancillary cases under both chapter 15 of the Bankruptcy Code, including in respect of recognition proceedings that relate to restructurings of corporations in Canadian courts. *See, e.g., In re NextPoint Fin. Inc.*, No. 23-10983 (TMH) (Bankr. D. Del. July 27, 2023) [D.I. 39] (granting provisional relief under section 362 of the Bankruptcy Code) *In re Acerus Pharms. Corp.*, No. 23-10111 (MFW) (Bankr. D. Del. Jan. 31, 2023) [D.I. 25] (same); *In re Yatsen Grp. of Cos. Inc.*, No. 21-10073 (BLS) (Bankr. D. Del. Jan. 27, 2021) [D.I. 23] (same); *In re Hematite Holdings Inc.*, No. 2012387 (MFW) (Bankr. D. Del. Sept. 23, 2020) [D.I. 10] (same); *In re DAVIDsTEA Inc.*, No. 20-11802 (JTD) (Bankr. D. Del. July 9, 2020) [D.I. 21] (same).⁵

⁵ Because of the voluminous nature of the unpublished orders cited in this Motion, such orders have not been attached hereto. Copies of these orders are available upon request.

I. The Court Should Grant the Debtors' *Ex Parte* Provisional Relief Pending a Hearing for the Proposed Provisional Relief Order.

38. This Motion seeks a TRO to protect the Debtors and their assets during the period between the commencement of this case and entry of the Proposed Provisional Relief Order. The United States Supreme Court has held that *ex parte* restraining orders may be issued to preserve “the status quo and preventing irreparable harm just so long as is necessary to hold a hearing and no longer.” *Granny Goose Foods, Inc. v. Brotherhood of Teamsters and Auto Truck Drivers*, 415 U.S. 423, 439 (1974). FRCP 65(b), made applicable by Bankruptcy Rule 7065, requires that to obtain an *ex parte* temporary restraining order, the applicant must show that “immediate and irreparable injury, loss or damage would result to the applicant before the adverse party or that party’s attorney can be heard in opposition.” *In re Vuitton et Fils S.A.* 606 F.2d 1, 4 (2d Cir. 1979); *see also In re Prudential Lines, Inc.*, 107 B.R. 832, 835 n.4 (Bankr. S.D.N.Y. 1989) (granting temporary restraining order where the moving party established a “summary showing of its necessity in order to prevent immediate and irreparable injury”).

39. Courts have not required full or literal compliance with FRCP 65(b) requirements in order to obtain provisional relief under Bankruptcy Code section 1519. For example, provisional relief can be ordered on an *ex parte* basis at case commencement through and pending recognition without the need for a preliminary injunction hearing or the filing of an adversary. *See In re Daehan Shipbuilding Co., Ltd.*, No. 14-12391 (SHL) (Bankr. S.D.N.Y. August 21, 2014) [D.I. 8] (provisional relief ordered in a single step within three days of chapter 15 commencement through recognition); *In re Electro Sonic Inc.*, No. 14-10240 (MFW) (Bankr. D. Del. Feb. 11, 2014) [D.I. 18] (*ex parte* provisional relief ordered to stay actions against U.S. assets of Canadian debtor from chapter 15 case commencement through recognition); *see also In re Pro-Fit Holdings, Ltd.*, 391 B.R. 850, 860-65 (Bankr. C.D. Cal. 2008) (applying Bankruptcy Code section 362

provisionally, pending recognition, and noting that because section 362 relief was being sought, no adversary was required and the rules applicable to the ordinary issuance of an injunction were inapplicable).

40. The issuance of an *ex parte* temporary restraining order is appropriate in this case because the Debtors need immediate relief following the issuance of the Initial Order. Without a provisional stay of all proceedings against the Debtors and their assets in the territory of the United States, the purpose of the Canadian Proceedings will be frustrated by allowing certain creditors to be improperly preferred and by interfering with the Debtors' assets and business operations in violation of the stay granted under the Initial Order by the Canadian Court.

41. Although certain of the Debtors' secured lenders have entered into forbearance agreements and the RSA, there remain both secured and unsecured creditors who are aware of the Debtors' now-public circumstances and have the ability to initiate an enforcement action against the Debtors. Further, the Debtors have significant valuable assets and business operations in the United States. Absent the Provisional Relief, certain secured and unsecured creditors of the Debtors who are aware of the Canadian Proceedings may initiate action against the Debtors' assets in the United States (or other legal action) or counterparties to contracts may seek to terminate them or commence remedial or actions to rescind those contracts in violation of the stay in the Canadian Proceedings. Any additional actions by creditors, counterparties, or any other legal action against the Debtors will further restrict the Debtors' control over their business, thereby hindering progress in the Canadian Proceedings.

42. In addition, continuation or commencement of litigation against the Debtors in the United States will distract the Debtors' management at a critical juncture in the Debtors' restructuring and increase defense costs.

43. In light of these risks, the Initial Order imposed a broad stay to protect the Debtors and their assets. Commencement or continuation of litigation against the Debtors and their assets in the United States violates this stay. The requested relief is, therefore, among other things, in aid of the requirements of the Initial Order granted in the Canadian Proceedings by the Canadian Court.

44. Furthermore, the Provisional Relief in the form and manner requested in this Motion has been granted in chapter 15 cases in this district. *See, e.g., In re: Black Press Ltd.*, No. 24-10044 (MFW) (Bankr. D. Del. Jan. 16, 2024) [D.I. 13] (entering *ex parte* temporary restraining order); *In re NextPoint Fin. Inc.*, No. 23-10983 (TMH) (Bankr. D. Del. July 27, 2023) [D.I. 39] (order granting provisional relief without first entering temporary restraining order); *NewSat Limited*, No. 15-10810 (KJC) (Bankr. D. Del. April 16, 2015) [D.I. 21] (entering *ex parte* temporary restraining order); *In re Electro Sonic Inc.*, No. 14-10240 (MFW) (Bankr. D. Del. Feb. 11, 2014) [D.I. 18] (*ex parte* provisional relief ordered to stay actions against U.S. assets of Canadian debtor from chapter 15 case commencement through recognition).

II. The Proposed Provisional Relief Order is Urgently Needed to Protect the Debtors' Assets and Restructuring Efforts.

45. The Debtors seek entry of the Proposed Provisional Relief Order to protect their assets and the interests of their creditors as a whole until a Recognition Order is granted by this Court. *See* 11 U.S.C. § 1519(a). Because a chapter 15 debtor is not automatically entitled to the protection of the automatic stay under section 362 of the Bankruptcy Code or any other provisions of the Bankruptcy Code, the Debtors urgently need an order granting provisional relief. Without the limited application of section 362, there is a real and significant risk that certain of the Debtors' stakeholders, many of whom are located within the United States and are subject to personal jurisdiction of this Court but who may not be subject to the personal jurisdiction of the Canadian

Court, may commence actions in the United States that are more properly the subject of the Canadian Proceedings or that could interfere with the Canadian Proceedings.

46. In particular, the Foreign Representative is concerned that creditors may try to take advantage of the Debtors' connections to the United States to take actions in the United States that would interfere with the Canadian Court's ability to adjudicate the Canadian Proceedings, which would not only hinder the orderly administration of the debtors' affairs but threaten to unravel the restructuring efforts that the Debtors seek to implement pursuant to the Canadian Proceedings. These risks are precisely what provisional relief under section 1519 of the Bankruptcy Code is intended to address. *See, e.g., In re Calpine Corp.*, 354 B.R. 45, 48–50 (Bankr. S.D.N.Y. 2006) (finding the debtor would suffer irreparable harm to its reorganization if litigation was not stayed); *In re Petition of Garcia Avila*, 296 B.R. 95, 114 (Bankr. S.D.N.Y. 2003) (finding that the debtors would suffer irreparable harm if local creditors sought to interfere with the reorganization process); *In re MMG, LLC*, 256 B.R. 544, 555 (Bankr. S.D.N.Y. 2000) (“[I]rreparable harm exists whenever local creditors of the foreign debtor seek to collect their claims or obtain preferred positions to the detriment of other creditors.”).

47. An action against any of the Debtors at this time would severely impair the Debtors' restructuring efforts and result in damage to the value of their assets and harm to other creditors and other stakeholders. If any litigation is commenced before the recognition of these foreign proceedings, they may subject the Debtors to continued costs and potential judgments that would be detrimental to the Debtors and, ultimately, the Debtors' creditors. Any judgements against any of the Debtors at this time would severely impair the Debtors' restructuring efforts and result in damage to the value of their assets and harm to other creditors and other stakeholders.

III. The Requested Relief Meets the Standard for a Preliminary Injunction.

48. Provisional relief under chapter 15 of the Bankruptcy Code is conditioned on a foreign representative demonstrating that a debtor meets the standards applicable to an injunction. *See* 11 U.S.C. § 1519(e). Courts have held that “[w]here there is a showing that the action sought to be enjoined would burden, delay or otherwise impede the reorganization proceedings or if the stay is necessary to preserve or protect the debtor’s estate or reorganization prospects, the Court may issue injunctive relief.” *See Rosetta Res. Operating LP v. Pogo Producing Co. (In re Calpine Corp.)*, No. 05-60200, 2007 WL 1302604, at *3 (Bankr. S.D.N.Y, Apr. 30, 2007) (*citing In re Alert Holdings Inc.*, 148 B.R. 194 (Bankr. S.D.N.Y. 1992)); *see also, In re Innua Canada Ltd.*, No. 09-16362 (DHS), 2009 WL 1025088, at *4 (Bankr. D.N.J. Mar. 25, 2009) (ordering provisional stay applying Bankruptcy Code section 362(a) where provisional stay necessary to prevent “further dissipation of assets”). In the Third Circuit, that standard requires a movant to show that: (a) it has a likelihood of success on the merits; (b) it will suffer irreparable harm if the requested injunction is denied; (c) granting preliminary relief will not result in greater harm to the nonmoving party; and (d) the public interest favors such relief. *In re Nortel Networks UK Ltd.*, 538 B.R. 699, 704–05 (Bankr. D. Del. 2015) (citing *U.S. v. Bell*, 414 F.3d 474, 478 n.2 (3d Cir. 2005)); (*see also Rogers v. Corbett*, 468 F.3d 188, 192 (3d Cir. 2006) (citations omitted); *Kos Pharm., Inc. v. Andrx Corp.*, 369 F.3d 700, 708 (3d Cir. 2004) (citations omitted). The granting of immediate provisional relief is appropriate here as the Debtors satisfy the applicable standard as set forth in the memorandum of law in support of this Motion filed concurrently herewith.

SECURITY

49. The Debtors are not required to provide any security in connection with this injunction. *See* Fed. R. Bankr. P. 7065 (“Rule 65 . . . applies in adversary proceedings, except that

a temporary restraining order or preliminary injunction may be issued on application of a debtor, trustee, or debtor in possession without compliance with Rule 65(c).”).

WAIVER OF BANKRUPTCY RULE 1007(A)(4)(B)

50. Contemporaneously with the filing of this Motion, the Foreign Representative filed the Lists Pursuant to Federal Rules of Bankruptcy Procedure 1007(a)(4) and 7007.1 (the “Bankruptcy Disclosures”). Among other things, Bankruptcy Rule 1007(a)(4)(B) requires a list of all entities against whom provisional relief is being sought under section 1519 of the Bankruptcy Code, unless the court orders otherwise. As set forth in this Motion and as reflected in the Bankruptcy Disclosures, the Foreign Representative seeks provisional application of the stay similar to that available under section 362 of the Bankruptcy Code that would specifically, but not exclusively, affect those parties. The relief sought herein could likewise affect other parties to the extent any party might commence litigation against the Debtors or enforce against their property.

51. The disclosure provided in the Rule 1007 statement with respect to this Motion is sufficient to satisfy Bankruptcy Rule 1007(a)(4)(B). However, and given that other, unknown parties may be affected, the Foreign Representative also requests that the Court waive any further requirement under Bankruptcy Rule 1007(a)(4)(B) with respect to the provisional relief sought by this Motion as applied to parties that will be generally affected by the Proposed Provisional Relief Order especially in light of the extensive number of parties that the Debtors did include in the Bankruptcy Disclosures.

NOTICE

52. The Foreign Representative respectfully requests that this Court, by means of the Proposed TRO attached as **Exhibit A**, grant immediate injunctive relief to the Debtors in accordance with FRCP 65(b)(1), and the Good Declaration is submitted in support of the same. The Foreign Representative further respectfully requests that this Court schedule a hearing on entry

of the Proposed Provisional Relief Order in accordance with FRCP 65 (such date, the “Hearing Date”). The Foreign Representative proposes that once a Hearing Date has been set by the Court, the Foreign Representative will provide notice of this Motion consistent with Bankruptcy Rule 2002(q) and Local Rule 9013-1(m), as further set forth in the *Foreign Representative’s Motion for Order (A) Scheduling Hearing on Recognition of Chapter 15 Petition, (B) Specifying Form and Manner of Service of Notice, and (C) Authorizing Redaction of Certain Personally Identifiable Information of Individual Stakeholders* (the “Notice Procedures Motion”), filed contemporaneously with this Motion. The Foreign Representative submits that such notice is sufficient in view of the facts and circumstances, and no other or further notice need be provided.

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CONCLUSION

WHEREFORE, the Foreign Representative respectfully requests that this Court enter the Proposed TRO, substantially in the form attached hereto as **Exhibit A** and the Proposed Provisional Relief Order, substantially in the form attached hereto as **Exhibit B**, granting the requested relief and such other and further relief as may be just and proper.

Dated: March 11, 2024
Wilmington, Delaware

Respectfully submitted,

/s/ L. Katherine Good

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EXHIBIT A

Proposed TRO

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

In re: Canadian Overseas Petroleum Limited, <i>et al.</i> , ¹ Debtors in a foreign proceeding.	Chapter 15 Case No. 24-[]() (Joint Administration Requested) Re: Docket No. __
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TEMPORARY RESTRAINING ORDER

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 1011(b) and 2002(q) and Local Rule 9013-1(m); and upon the record established at such hearing;

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.

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 are made under Bankruptcy Rule 7052 and are applicable to this case under 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.

C. This Court, pursuant to sections 105(a), 1507, 1519, and 1521 of the Bankruptcy Code, Rule 7065 of the Bankruptcy Rules, and FRCP 65, may issue any order as may be necessary or appropriate to carry out the provisions of the Bankruptcy Code, including but not limited to issuing a temporary restraining order.

D. Consistent with findings by the Canadian Court and relief granted under the Initial Order, unless a temporary restraining order 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. From specific facts in the Verified Petition and by the Motion, it appears that:

- i. immediate and irreparable injury, loss or damage would result to the Debtors before the adverse parties or those parties' attorneys can be heard in opposition;
- ii. without the relief sought the Debtors will suffer litigation prejudice, distraction of key personnel, and diminution of property; and
- iii. the relief requested is in the best interests of the Debtors, its creditors and other parties in interest.

G. Appropriate notice of the filing of the Motion was given, which notice is deemed adequate in the manner described and for the reasons set forth in the Good Declaration.

H. 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.

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

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. A temporary restraining order is issued on this ___ day of March, 2024 at ___ a.m./p.m., without notice, applying Bankruptcy Code section 362(a) to the Debtors and their assets and enjoining all persons and entities, and all those acting for or on their behalf, from taking the following actions in the United States and its territories:

- i. executing against or further attaching or arresting any of the Debtors' assets;

- ii. commencing or continuing any litigation or any action or taking any other actions against or involving the Foreign Representative, the Debtors, or any of the Debtors' assets, rights, obligations or liabilities;
- iii. securing or enforcing any judicial, quasi-judicial, administrative or regulatory judgment, assessment, attachment, order or arbitration award against the Debtors, the Foreign Representative, or any Debtors' assets;
- iv. commencing or continuing any action to create, perfect or enforce any lien, setoff, attachment, or other claim against the Debtors, the Foreign Representative, or any of the Debtors' assets;
- v. continuing any litigation or commencing any additional actions in the United States, in any manner, which shall include issuing any discovery;
- vi. enforcing any judicial, quasi-judicial, administrative or regulatory judgment, assessment or order or arbitration award against the Debtors, the Foreign Representative or any of the Debtors' assets; and
- vii. taking any other action that would be in violation of any order of the Canadian Court or this Court,

until either (x) the Proposed Provisional Relief Order is entered by this Court at a hearing, or (y) if the Proposed Provisional Relief Order is not granted, for a period of fourteen (14) days from the TRO Date, without prejudice to the Debtors' ability to seek a further extension of time from this Court.

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

3. 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.

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

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

6. 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.

EXHIBIT B

Provisional Relief Order

**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-[]()

(Joint Administration Requested)

Re: Docket No. __

**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.

EXHIBIT 1

Initial Order

Clerk's Stamp:



COURT FILE NUMBER
COURT
JUDICIAL CENTRE OF

COURT OF KING'S BENCH OF ALBERTA
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
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT:

CCAA INITIAL ORDER

OSLER, HOSKIN & HARCOURT LLP

6200 - 1 First Canadian Place

Toronto, Ontario M5X 1B8

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drosenblat@osler.com

File Number: 1252079

**DATE ON WHICH ORDER
WAS PRONOUNCED:
NAME OF JUDGE WHO
MADE THIS ORDER:
LOCATION OF HEARING:**

March 8, 2024

The Honourable Justice Sidnell

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 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

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SCHEDULE "B"

Non-filing Affiliates

Shoreline Canoverseas Development Corporation Limited

Essar Exploration and Production Limited