



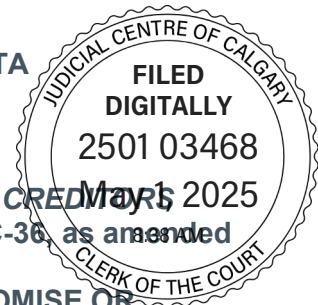
COURT FILE NUMBER      **2501 03468**

COURT      **COURT OF KING'S BENCH OF ALBERTA**

JUDICIAL CENTRE      **CALGARY**

PROCEEDING      **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 ERIKSON NATIONAL ENERGY INC.**

DOCUMENT      **FIRST REPORT OF THE MONITOR**  
**APRIL 30, 2025**



ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

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## 1.0 Introduction

1. On October 1, 2024 (the “**Filing Date**”), Erikson National Energy Inc. (“**Erikson**”) filed a Notice of Intention to Make a Proposal (“**NOI**”), pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) (the “**NOI Proceedings**”). KSV Restructuring Inc. (“**KSV**”) consented to act as proposal trustee (in such capacity, the “**Proposal Trustee**”) in the NOI Proceedings.
2. On March 11, 2025, Erikson sought and obtained an initial order (the “**Initial Order**”) from the Court of King’s Bench of Alberta (the “**Court**”) granting, among other things, a continuation of the NOI Proceedings under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c C-36, as amended (the “**CCAA**”) (the “**CCAA Proceedings**”). This report (the “**First Report**”) is filed by KSV in its capacity as monitor (in such capacity, the “**Monitor**”) in the CCAA Proceedings. A copy of the Initial Order is attached as **Appendix “A”**.
3. The NOI Proceedings were commenced and subsequently continued under the CCAA to enable Erikson to maintain its oil and gas assets while it negotiated a sale or other strategic transaction in respect of Erikson and/or its assets.

### 1.1 NOI Proceedings

1. On October 21, 2024, on application by Erikson, the Court granted:
  - a) an order, among other things:
    - i. extending the time for Erikson to file a proposal to its creditors and the stay of proceedings up to and including November 30, 2024;
    - ii. approving the sale and investment solicitation process (the “**SISP**”) and Sayer Energy Services’ (“**Sayer**”) engagement letter dated October 15, 2024, including the fees payable to Sayer; and

- iii. granting a first-priority charge in the maximum amount of \$200,000 (the “**Administration Charge**”) on all of Erikson’s current and future assets, undertakings and properties of every nature and kind whatsoever (collectively, the “**Property**”) for the fees and disbursements of Erikson’s legal counsel, Bennett Jones LLP (“**Bennett Jones**”), the Proposal Trustee, and the Proposal Trustee’s legal counsel, Fasken Martineau DuMoulin LLP (“**Fasken**”); and
- b) an interim financing order, among other things:
  - i. authorizing Erikson to obtain and borrow under a credit facility (as amended from time to time, the “**Interim Financing Facility**”) from Third Eye Capital Corporation (“**TEC**” and in such capacity, the “**Interim Lender**”) in the maximum principal amount of \$250,000, subject to the terms (including priority for Permitted Priority Liens) and conditions set forth in the term sheet and granting a charge in favor of the Interim Lender (the “**Interim Lender’s Charge**”) to secure the advances made under the Interim Financing Facility; and
  - ii. ranking the Court-ordered charges in the NOI Proceedings as follows: (1) first, the Administration Charge; and (2) second, the Interim Lender’s Charge.
- 2. On November 21, 2024, on application by Erikson, the Court granted an order, among other things:
  - a) extending the time for Erikson to file a proposal to its creditors and the stay of proceedings up to and including December 10, 2024; and
  - b) approving an amended and restated interim financing term sheet dated November 21, 2024, and increasing the Interim Lender’s Charge from \$250,000 to \$550,000.
- 3. On December 9, 2024, on application by Erikson, the Court granted:
  - a) an order, among other things:
    - i. extending the time for Erikson to file a proposal to its creditors and the stay of proceedings up to and including January 23, 2025; and
    - ii. approving a further amended and restated interim financing term sheet dated December 9, 2024, and increasing the Interim Lender’s Charge from \$550,000 to \$1.5 million; and

- b) a sale approval and vesting order (the “**AVO**”):
  - i. approving an asset purchase agreement (the “**APA**”) between Erikson and Gryphon Digital Mining Inc. (“**Gryphon**”) (the “**Gryphon Transaction**”); and
  - ii. ordering that: (1) subject only to approval by the British Columbia Energy Regulator (the “**BCER**”) of transfer of any applicable licenses, permits, and approvals pursuant to section 29 of the *Energy Resource Activities Act*, SBC 2008, c 36; and (2) upon the Proposal Trustee delivering a certificate substantially in the form of Schedule “B” to the AVO, all of Erikson’s right, title and interest in and to the Assets shall vest in Gryphon free and clear of any and all Encumbrances, other than the Permitted Encumbrances (all as defined in the AVO).
- 4. On January 22 and February 20, 2025, on application by Erikson, the Court granted orders, among other things:
  - a) extending the time for Erikson to file a proposal to its creditors and the stay of proceedings up to and including March 12, 2025; and
  - b) approving two (2) further amended and restated interim financing term sheets dated January 22 and February 20, 2025, and increasing the Interim Lender’s Charge from \$1.5 million to \$2.15 million.

## 1.2 CCAA Proceedings

- 1. On March 11, 2025, on application by Erikson, the Court granted:
  - a) the Initial Order, among other things:
    - i. declaring the NOI Proceedings is taken up and continued under the CCAA, pursuant to section 11.6(a) of the CCAA;
    - ii. terminating the NOI Proceedings;
    - iii. granting a stay of all proceedings, rights, and remedies against or in respect of Erikson; and

- iv. confirming the granting and priority of the Administration Charge and the Interim Lender's Charge pursuant to the Order granted by the Court in the NOI Proceedings on February 20, 2025; and
- b) an amended and restated Initial Order (the "**ARIO**"), a copy of which is attached as **Appendix "B"**, among other things:
  - i. extending the stay of proceedings granted under the Initial Order up to and including May 5, 2025, or such further or other date as this Court may consider appropriate; and
  - ii. increasing the amount of the Interim Lender's Charge from \$2.15 million to \$2.70 million.

### 1.3 Purposes of this First Report

1. The purposes of this First Report are to:

- a) provide an update on these CCAA Proceedings;
- b) discuss the basis on which it is proposed that these CCAA Proceedings be terminated and the Monitor discharged;
- c) summarize the fees and disbursements of KSV, in its capacity as Proposal Trustee and Monitor, and Fasken, its legal counsel in both capacities, plus a collective fee estimate of \$25,000, inclusive of GST and disbursements (the "**Remaining Fee Estimate**") for the remainder of these CCAA Proceedings until they are terminated; and
- d) provide the Monitor's recommendation that the Court issue an order (the "**CCAA Termination Order**"), among other things:
  - i. discharging KSV in its capacity as the Monitor of Erikson effective upon the service by the Monitor of an executed copy of a certificate in substantially the form attached as Schedule "A" to the CCAA Termination Order (the "**Monitor's Certificate**", and the time of service thereof being the "**CCAA Termination Time**");

- ii. releasing KSV, in its capacity as both Proposal Trustee and Monitor, and Fasken, its legal counsel in both capacities, from any and all liability that it now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Monitor and the Proposal Trustee, save and except for its gross negligence or willful misconduct;
- iii. approving the fees and disbursements of KSV, in its capacity as Proposal Trustee and Monitor, and Fasken as described in this First Report, including the Remaining Fee Estimate; and
- iv. approving this First Report and all Previous Reports (as defined below) and the actions, conduct and activities of the Monitor and the Proposal Trustee described herein and therein.

#### **1.4 Scope and Terms of Reference**

1. In preparing this First Report, the Monitor has relied upon Erikson's unaudited financial information, books and records, information available in the public domain, and discussions with: (i) Erikson's management and legal counsel; and (ii) TEC, the agent for Erikson's secured lenders and Interim Lenders.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this First Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own due diligence.
3. This First Report should be read in conjunction with: (i) the First Report of the Proposal Trustee dated October 18, 2024, the Second Report of the Proposal Trustee dated November 18, 2024, the Third Report of the Proposal Trustee dated December 6, 2024, the Fourth Report of the Proposal Trustee dated January 16, 2025, the Fifth Report of the Proposal Trustee dated February 18, 2025, and the Sixth Report of the Proposal Trustee and the Pre-Filing Report of the Proposed Monitor dated March 6, 2025 (collectively, the "**Previous Reports**"); (ii) the affidavits of Mark Horrox sworn October 15, October 18, and November 15, 2024; (iii) the affidavits of Peter Neelands sworn December 3, 2024, January

13, February 10, March 3, and April 30, 2025; and (iv) the materials filed by Erikson in support of the Application.

4. Court materials filed in the NOI Proceedings and the CCAA Proceedings are available at: [www.ksvadvisory.com/experience/case/erikson](http://www.ksvadvisory.com/experience/case/erikson) (the “**Case Website**”).

## 1.5 Currency

1. Unless otherwise noted, all currency references in this First Report are in Canadian dollars.

## 2.0 Background

1. Erikson is an Alberta-based junior oil and natural gas company with assets in the Fort Nelson and Greater Fort St. John areas of British Columbia. Erikson was established to own and operate certain assets, which were acquired through the Ranch Energy Corp. receivership proceedings. Erikson holds licenses issued by the BCER for 414 wells, 346 pipelines, and 20 facilities (collectively, the “**Oil & Gas Assets**”). Certain of the Oil & Gas Assets consist of sour gas wells.
2. As of the Filing Date, the Oil & Gas Assets were shut-in and not producing and remain shut-in, except for intermittent production required in respect of the Wildboy Gas Plant (discussed below). While the Oil & Gas Assets are shut-in, Erikson maintains certain employees and contractors to perform routine well site and facilities inspections to ensure that its Oil & Gas Assets are maintained in a safe manner.

### 2.1 Wildboy Gas Plant

1. Prior to commencing the NOI Proceedings and shutting in the Oil & Gas Assets, Erikson produced gas and packed its own sales pipeline with this gas to provide the necessary fuel to heat Erikson’s “Wildboy Gas Plant” and associated work camp (the “**Wildboy Gas Plant**”).



2. On December 4, 2024, Erikson discovered that a metering discrepancy revealed that the available gas quantities were substantially below Erikson's required gas needs for the foreseeable future, resulting in it only having approximately five days of fuel remaining. To ensure Erikson was able to adequately heat the Wildboy Gas Plant, on December 6, 2024, Erikson obtained an emergency order from the Court (the "**Emergency Order**")<sup>1</sup>, which enabled Erikson to produce its own gas for a limited period of time in order to re-stack the sales pipeline and sustain heating at the Wildboy Gas Plant. After the issuance of the Emergency Order, the BCER issued a General Order 2024-0156-01 dated December 6, 2024 (the "**BCER General Order**"), directing Erikson to maintain the Oil & Gas Assets in a safe manner, including heating and maintaining the Wildboy Gas Plant.
3. Following the issuance of the Emergency Order and BCER General Order, the Monitor understands from Erikson that the company produced natural gas from two wells on: (a) December 7 to 9, 2024; (b) January 9 and 10, 2025; (c) February 24 to 28, 2025; and (d) April 10 to 13, 2025.

## 2.2 Gryphon Transaction

1. After conducting the SISP, on December 9, 2024, Erikson sought and obtained approval of the APA and Gryphon Transaction, which provided for a purchase price of \$2 million, assumption of all of the Oil & Gas Assets and associated cure costs, and Gryphon's participation in funding the NOI Proceedings<sup>2</sup>. The APA also included conditions to closing, including, among other things, that:
  - a) the Petroleum and Natural Gas Rights shall have been transferred by the British Columbia Tenure and Resource Stewardship Branch ("**BC Tenure Ministry**") pursuant to section 117.1 of the *Petroleum and Natural Gas Act* (British Columbia) to Gryphon;
  - b) the Crown permits and related surface rights shall have been transferred to Gryphon;

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<sup>1</sup> On December 13, 2024, the Attorney General of British Columbia (the "**BC Attorney General**") filed a notice of appeal of the Emergency Order. The Monitor understands that discussions between Bennett Jones and the BC Attorney General remain ongoing.

<sup>2</sup> In addition to the APA, pursuant to an agency agreement dated December 9, 2024 between Gryphon and TEC (the "**Agency Agreement**"), Gryphon agreed to fund the incremental interim financing on a *pari passu* basis for the period from December 9, 2024 to January 31, 2025, subject to an option exercisable by Gryphon at any time prior to January 31, 2025, to extend such period to March 31, 2025. Gryphon did not exercise the option to extend the Agency Agreement and ceased funding the NOI Proceedings on January 30, 2025.

- c) the license, permit, and approval transfers shall have been approved by the BCER with any conditions satisfactory to Gryphon; and
  - d) Gryphon shall have completed its due diligence.
- 2. To allow for further assessment of the Oil & Gas Assets, the outside date under the APA (January 31, 2025) was extended twice. On March 3, 2025, Gryphon filed a disclosure statement with the United States Securities and Exchange Commission advising of its termination of the Gryphon Transaction and that it planned to continue to evaluate the purchase of a subset of the Oil & Gas Assets. Erikson received notice of the termination on March 6, 2025.

### 3.0 Erikson's Effort to Sell the Oil & Gas Assets

- 1. Since the Initial Order, the Monitor understands that Erikson has continued its efforts to sell all or a subset of the Oil & Gas Assets, primarily to reduce the number of assets that will ultimately become orphaned following Erikson's restructuring proceedings. Erikson's efforts included pursuing:
  - a) an alternative transaction with Gryphon whereby Gryphon would acquire a subset of the Oil & Gas Assets; and
  - b) other alternative transactions (collectively, the "**Alternative Transactions**") with certain potential purchasers who had previously expressed an interest in acquiring certain of the Oil & Gas Assets, including Canadian Natural Resources Limited, Kingscrest Acquisition Corp., and Bench Creek Resources Ltd.
- 2. Notwithstanding its efforts, Erikson has been unable to substantially advance any transaction for all or a portion of the Oil & Gas Assets. As a result, the Proposal Trustee was advised by Erikson that TEC, as the Interim Lender, is not prepared to continue funding under the Interim Financing Facility in support of advancing one or more transactions for Erikson or the Oil & Gas Assets within the CCAA Proceedings.

3. Additionally, on March 28, 2025, the BCER orphaned 61 wells, 10 facilities, and 81 pipeline segments of Erikson (collectively, the “**Orphaned Sites**”). At this time, the BCER also drew on the sole letter of credit posted by Erikson as a security deposit to the BCER in the amount of \$3,937,243.93. The BCER did so on the basis that its estimated liability respecting the Orphaned Sites is approximately \$12.7 million. The Monitor understands from the BCER that the intention is to apply the security to a portion of Erikson’s anticipated regulatory and decommissioning obligations respecting these Orphaned Sites. A copy of the BCER’s Orphan Report dated March 28, 2025 is attached as **Appendix “C”**.
4. Prior to the BCER’s decision with respect to the Orphaned Sites, on March 21, 2025, Erikson and TEC offered to work with the BCER to develop a transition plan respecting the remaining unorphaned Oil & Gas Assets whereby the BCER would be the party responsible for the continued care and custody of the Oil & Gas Assets, including the management of the ongoing gas supply issues to the Wildboy Gas Plant. The BCER has advised that it is in a position to take over care and custody of Erikson’s Oil & Gas Assets as of May 5, 2025.

## **4.0 CCAA Termination Order**

1. As Erikson does not have a viable transaction for its business or assets, it is not expected to make a plan to its creditors, and does not have the requisite financing to continue these CCAA Proceedings. As a result, Erikson is seeking the proposed CCAA Termination Order. Pursuant to the proposed CCAA Termination Order, the Monitor will be authorized to issue the Monitor’s Certificate following the completion of any other matters necessary to conclude these CCAA Proceedings. The Monitor will have the authority to carry out, complete, or address any matters in its role as Monitor that are ancillary or incidental to these CCAA Proceedings following the CCAA Termination Time, as may be required.
2. The Monitor’s recommendation with respect to certain of the relief sought under the proposed CCAA Termination Order is detailed in the sections below.

## 4.1 Releases

1. The proposed CCAA Termination Order provides for third party releases in favour of the current director and officer of Erikson, KSV, in its capacity as both Proposal Trustee and Monitor, Fasken, and each of their respective affiliates, officers, directors, partners, employees, and agents (collectively, the “**Released Parties**” and each a “**Released Party**”). There are two proposed forms of releases, one referred to as the Monitor’s Released Claims, and the other the D&O Released Claims. The Monitor’s Released Claims include claims of any kind whatsoever based on any act or omission, transaction, dealing, or other occurrence existing or taking place on or prior to the CCAA Termination Time in any way relating to, arising out of, or in respect of, the NOI Proceedings or these CCAA Proceedings or with respect to their respective conduct in the NOI Proceedings or these CCAA Proceedings (collectively, the “**Monitor’s Released Claims**”).
2. The D&O Released Claims include claims of any kind whatsoever based on any act or omission, dealing, transaction or other occurrence existing or taking place prior to the CCAA Termination Time in respect of Erikson, the business, operations, assets, property and affairs of Erikson and/or the Proposal Proceedings or these CCAA Proceedings (collectively, the “**D&O Released Claims**”).
3. Each of the Monitor’s Released Claims and the D&O Released Claims shall not include any claim against a Released Party with respect to any act or omission of a Released Party that is determined to have constituted actual fraud, willful misconduct or gross negligence. Further, the D&O Released Claims shall not include: (i) any claim against a Released Party that is not permitted to be released pursuant to subsection 5.1(2) of the CCAA, or (ii) an Insured Claim, as discussed in further detail below.
4. The Discharge Order provides that any person may continue an action or other proceeding in respect of a claim which is an insured claim under an insurance policy maintained by Erikson (an “**Insured Claim**”) to the point of determination of liability of Erikson. Additionally, a claimant in respect of an Insured Claim shall be entitled to recover solely from the proceeds of Erikson’s insurance policies, to the extent available.

5. Further, no action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to the NOI Proceedings or these CCAA Proceedings except with prior leave of this Court on not less than fifteen (15) days prior written notice to the applicable Released Party and upon further order securing, as security for costs, the full indemnity costs of the applicable Released Party in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.
6. In the Monitor's view:
  - a) the Released Parties have contributed to the NOI Proceedings and these CCAA Proceedings;
  - b) the Monitor's Released Claims are appropriately limited in scope and tailored given the exclusions noted above; and
  - c) with respect to the proposed D&O Released Claims, the Monitor notes that Erikson has limited the releases sought to the current director of Erikson for anything pre-dating the CCAA Termination Time. In the Monitor's view, it is appropriate to approve a release with respect to the current director for the period of time from the filing of the NOI to the CCAA Termination Time, as their involvement was necessary in an effort to attempt to advance a transaction. However, the Monitor is unable to comment on the appropriateness of the requested director release prior to the filing of the NOI, which pre-dates KSV's involvement in this matter.

## **5.0 Activities of the Proposal Trustee and the Monitor**

1. This First Report and the Previous Reports describe the activities undertaken by KSV, in its capacity as Proposal Trustee and Monitor in respect of the NOI Proceedings and the CCAA Proceedings. The Monitor is seeking an order approving the Proposal Trustee's and the Monitor's activities and conduct and the Previous Reports from the commencement of the NOI Proceedings. A high-level overview of the activities of the Proposal Trustee and the Monitor is provided below and can be further ascertained by a review of the Previous Reports, which will be provided to the Court under separate cover. The activities of the

Proposal Trustee and the Monitor have included<sup>3</sup>:

- a) assisting Erikson in its communications to both internal and external stakeholders;
- b) filing the necessary prescribed forms required pursuant to the BIA for the NOI;
- c) complying with the statutory and reporting obligations of the Proposal Trustee and the Monitor under the BIA and CCAA;
- d) assisting Erikson in preparing the six (6) cash flow forecasts filed in the NOI Proceedings and CCAA Proceedings;
- e) monitoring the affairs of Erikson's business including reviewing financial information with management;
- f) assisting Erikson in its discussions with stakeholders with respect to resolving the Wildboy Gas Plant gas supply issues;
- g) responding to calls and emails from creditors, suppliers, and other stakeholders;
- h) assisting Erikson and Sayer in responding to due diligence questions raised by potential bidders during the SISP;
- i) reviewing bids received following the completion of the SISP;
- j) attending meetings between Gryphon and the BCER with respect to the Gryphon Transaction;
- k) reviewing and commenting on the APA;
- l) corresponding and holding numerous discussions with Erikson, Bennett Jones, and Fasken with respect to general matters and specific matters related to:
  - i. Erikson's operations, including the Wildboy Gas Plant gas supply issues;
  - ii. the SISP and APA;

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<sup>3</sup> As neither a proposal in the NOI Proceedings nor a plan of arrangement in the CCAA Proceedings have been filed by Erikson, the Monitor has not, nor is it intending to, conduct a transaction review to file a report in support of a plan of arrangement as required under section 23(1)(d.1) of the CCAA.

- iii. reinstatement of Erikson's cancelled crown mineral leases;
- iv. closing of the Gryphon Transaction; and
- v. pursuit of the Alternative Transactions;
- m) engaging in extensive correspondence with the BCER, the BC Tenure Ministry, and legal counsel to same;
- n) reviewing and commenting on all materials filed by Erikson in the NOI Proceedings and CCAA Proceedings;
- o) attending the various hearings in these NOI Proceedings and CCAA Proceedings;
- p) drafting the Previous Reports and this First Report; and
- q) maintaining the Case Website.

## **6.0 Professional Fees**

1. Pursuant to paragraph 27 of the ARIO, the Monitor and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges.
2. The CCAA Termination Order seeks to have the fees and disbursements of KSV, in its capacity as Proposal Trustee and Monitor, including those of its legal counsel, approved by the Court.
3. KSV, in its capacity as Proposal Trustee and Monitor, and Fasken have maintained detailed records of their professional time and costs.
4. KSV's fees, in its capacity as Proposal Trustee and Monitor, from September 9, 2024, to April 28, 2025, were \$242,110.25, plus disbursements of \$1,187.26, plus GST of \$12,164.90, for a total of \$255,462.41.
5. Fasken's fees from October 7, 2024, to April 28, 2025, were \$117,113.51, plus disbursements of \$7,410.73, plus GST of \$6,187.61, for a total of \$130,711.85.

6. A summary of the accounts rendered by KSV, in its capacity as Proposal Trustee and Monitor, and Fasken is attached as **Appendix “D”**. The Monitor will send the detailed accounts for each of KSV and Fasken to the Court in advance of Erikson’s May 5<sup>th</sup> application.
7. The amount of the fees is based on the hourly rates of the professionals involved in this matter multiplied by actual time spent on this matter.
8. It is the Monitor’s opinion that the fees and disbursements of KSV, in its capacity as Proposal Trustee and Monitor, and Fasken accurately reflect the work performed by the Proposal Trustee, the Monitor, and on behalf of the Proposal Trustee and the Monitor by Fasken, in connection with the administration of the NOI Proceedings and the CCAA Proceedings for the dates of their respective invoices.
9. It is the Monitor’s opinion that the fees and disbursements of Fasken are fair and reasonable and justified in the circumstances. The Monitor recommends approval of Fasken’s accounts by this Court.

## **7.0 Conclusion and Recommendation**

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the relief sought by Erikson.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,  
solely in its capacity as Monitor of  
Erikson National Energy Inc., and  
not in its personal or corporate capacities**

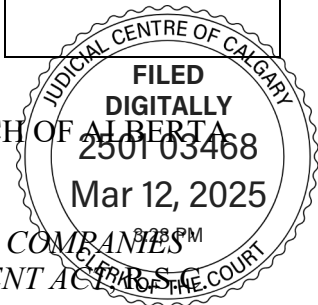


# **APPENDIX A**

**[ATTACHED]**

CERTIFIED *E. Wheaton*  
by the Court Clerk as a true copy of  
the document digitally filed on Mar  
12, 2025

Clerk's Stamp:



COURT FILE NUMBER

2501-03468

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE OF

CALGARY

IN THE MATTER OF THE COMPANIES  
CREDITORS ARRANGEMENT ACT  
1985, c. C-36, as amended

AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF  
ERIKSON NATIONAL ENERGY INC.

DOCUMENT

**CCAA INITIAL ORDER**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT:

**BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855 – 2nd Street S.W.  
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Attention: Keely Cameron / Luc Rollingson  
Telephone No.: 403-298-3324/7971  
Fax No.: 403-265-7219  
Client File No.: 87754.38

**DATE ON WHICH ORDER WAS  
PRONOUNCED:**

March 11, 2025

**NAME OF JUDGE WHO MADE**

**THIS ORDER:**

The Honourable Justice M. H. Bourque

**LOCATION OF HEARING:**

Calgary Law Centre

**UPON** the application of Erikson National Energy Inc. ( the "**Applicant**" or "**Erikson**");  
**AND UPON** having read the Originating Application, the Affidavit of Peter Neelands sworn on  
March 3, 2025 (the "**Neelands Affidavit**"); **AND UPON** having read the Affidavit of Service of  
Stephanie Dumoulin; **AND UPON** reading the consent of KSV Restructuring Inc. ("**KSV**") to act  
as Monitor; **AND UPON** having read the Sixth Report of the Proposal Trustee and Pre-Filing  
Report of the Proposed Monitor (the "**Pre-Filing Report**"); **AND UPON** noting that the Applicant

filed a notice of intention to file a proposal on October 1, 2024, in the Court of King's Bench of Alberta Action No. B301-135903 (the "**NOI Proceedings**"); **AND UPON** hearing counsel for the Applicant, and any other interested parties appearing at the application;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

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

**CAPITALIZED TERMS**

2. Capitalized terms used but not otherwise defined in this Order shall have the meaning given to such terms in the Neelands Affidavit.

**APPLICATION**

3. The Applicant is a company to which the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**") applies.
4. The Notice of Intention to File a Proposal under Part II of the *Bankruptcy and Insolvency Act* (the "**BIA**") filed by the Applicant on October 1, 2024, is and shall be deemed for all purposes to be withdrawn, and the NOI Proceedings are hereby terminated. The NOI Proceedings are hereby taken up and continued under the CCAA and the provisions of Division I of Part III of the BIA shall have no further application to the Applicant, save that any and all steps, agreements and procedures validly taken, done or entered into by the Applicant during the NOI Proceedings shall remain valid and binding notwithstanding the termination of the NOI Proceedings and the commencement of the within CCAA proceedings, including but not limited to all steps and procedures in connection with the Interim Financing Agreement (as defined in the Neelands Affidavit) which shall remain valid and binding. For certainty, the approval of the Monitor's and its counsel's fees and disbursements, and approval of the Monitor's activities in the CCAA Proceedings shall be deemed approval of the fees, disbursements and activities of KSV in its capacity as the

trustee of the proposal of the Applicant (in such capacity, the “**Proposal Trustee**”) and the fees and disbursements of the Proposal Trustee’s counsel in the NOI Proceedings. The Applicant is hereby authorized and directed to file a copy of this Order in the NOI Proceedings.

## **POSSESSION OF PROPERTY AND OPERATIONS**

5. The Applicant shall:

- (a) remain in possession and control of its current and future assets, 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 its business (the “**Business**”) and Property; and
- (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. To the extent permitted by law, the Applicant 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; and
- (b) the reasonable fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order.

7. Except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant 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 Applicant since the commencement of the NOI Proceedings.

8. The Applicant shall remit, in accordance with legal requirements, or pay:

- (a) all amounts which could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* (Canada) or any similar provision of the *Canada Pension Plan*, the *Employment Insurance Act*, or any provision of any provincial legislation that has a purpose similar to subsection 224(1.2) of the *Income Tax Act* or that refers to subsection 224(1.2) of the *Income Tax Act* in respect of any amounts that arise and are payable on or after the commencement of the NOI Proceedings;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the commencement of the NOI Proceedings; 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 Applicant.

9. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicant 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) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicant 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.

10. Except as specifically permitted in this Order, the Applicant is 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 Applicant to any of its creditors as of the date of the commencement of the NOI Proceedings;
- (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and
- (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

#### **NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY**

11. Until and including March 14, 2025, 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 Applicant or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court, with the exception of the proceedings commenced by the Attorney General of British Columbia by Notice of Appeal, filed December 13, 2024, in the Alberta Court of Appeal, File No. 2401-0345AC (the "**AGBC Appeal**") in respect of the Order granted December 6, 2024 by the Honourable Madam Justice Romaine in the NOI Proceedings. For greater certainty, neither the termination of the NOI Proceedings nor any other term of this Order shall be interpreted to stay the AGBC Appeal.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

12. 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 Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:

- (a) empower the Applicant to carry on any business that the Applicant is 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 Applicant from compliance with statutory or regulatory provisions relating to health, safety or the environment.
13. Nothing in this Order shall prevent any party from taking an action against the Applicant 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 at the first available opportunity.

#### **NO INTERFERENCE WITH RIGHTS**

14. 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, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

#### **CONTINUATION OF SERVICES**

15. 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 Applicant, including without limitation all computer software, communication and other data services,

centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Applicant;

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 Applicant or exercising any other remedy provided under such agreements or arrangements. The Applicant shall be entitled to the continued use of its 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 Applicant in accordance with the payment practices of the Applicant, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

#### **NON-DEROGATION OF RIGHTS**

16. 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, 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 Applicant.

#### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

17. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 13 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant 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 Applicant 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 Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.



## **APPOINTMENT OF MONITOR**

18. KSV Restructuring Inc. 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 Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall cooperate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.
19. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
  - (a) monitor the Applicant's 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 Applicant;
  - (c) assist the Applicant, to the extent required by the Applicant, in its dissemination to the Interim Lender and its counsel, financial and other information as agreed to between the Applicant 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 Applicant in its preparation of the Applicant's cash flow statements;
  - (e) advise the Applicant in its development of the Plan and any amendments to the Plan;
  - (f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

- (g) 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 Applicant to the extent that is necessary to adequately assess the Property, Business, and financial affairs of the Applicant or to perform its duties arising under this Order;
  - (h) 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;
  - (i) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicant and any other Person; and
  - (j) perform such other duties as are required by this Order or by this Court from time to time.
20. 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 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, 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.
21. The Monitor shall provide any creditor of the Applicant, with information provided by the Applicant 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 Applicant 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 Applicant may agree.

22. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, its appointment as the Proposal Trustee, or the carrying out of its role as the Proposal Trustee, 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 or the Proposal Trustee by the CCAA, the BIA, or any applicable legislation.
23. The Monitor, counsel to the Monitor, and counsel to the Applicant shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings or the NOI Proceedings), in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a bi-weekly basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in accordance with such parties' retainer agreements, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.
24. The Monitor and its legal counsel shall pass their accounts from time to time.
25. The Monitor, counsel to the Monitor, if any, and the Applicant's counsel, 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 \$200,000 as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, 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 26 and 28 hereof.

## **INTERIM FINANCING**

26. Pursuant to section 11.6 of the CCAA, the Interim Lender's Charge granted with respect to the Applicant in the NOI Proceedings on October 21, 2024 is hereby taken up and continued in these proceedings. Notwithstanding paragraph 4 of this Order, the Interim Lender's Charge shall remain in full force and effect as set out herein, and shall validly charge all amounts advanced to date pursuant to the Interim Facility, pending the Comeback Hearing (as defined below).
27. The Interim Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the BIA, with respect to any advances made under the amended and restated Interim Financing Term Sheet dated as of February 20, 2025 (the "**Interim Financing Agreement**") as between the Applicant and Third Eye Capital Corporation, as administrative and collateral agent (in such capacity, the "**Interim Lender**") or such credit agreements, mortgages, charges, hypothecs, security documents, guarantees and other definitive documents (the "**Definitive Documents**") as are contemplated by the Interim Financing Agreement or as may be reasonably required by the Interim Lender.

## **VALIDITY AND PRIORITY OF CHARGES**

28. The priority of the Administration Charge shall be as follows:  
  
First – Administration Charge (to the maximum amount of \$200,000).  
  
Second – Interim Lender's Charge (in the amount of \$2,150,000).
29. The filing, registration or perfection of the Administration Charge and 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.

30. Each of the Charges (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 the security of all secured creditors who have been given notice of this application, but behind all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person that has not been served with notice of this application. The Applicant and beneficiaries of the Charges shall be entitled to seek priority ahead of the Encumbrances on notice to those parties likely to be affected by such priority (it being the intention of the Applicant to seek priority of the Charges ahead of all such Encumbrances) at the Comeback Hearing (as defined below).
31. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or pari passu with, any of the Charges unless the Applicant also obtain the prior written consent of the Monitor and the beneficiaries of Charges, or further order of this Court.
32. The Administration Charge, the Definitive Documents, and the Interim Lender's Charge 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 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 Applicant, 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 Interim Financing Agreement or the Definitive Documents, shall create or be deemed to constitute a new breach by the Applicant of any Agreement to which it 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 Applicant execution, delivery or performance of the Interim Financing Agreement or the Definitive Documents; and
- (iii) payments made by the Applicant pursuant to this Order, including pursuant to the Interim Financing Agreement 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**

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

## **SERVICE AND NOTICE**

34. The Monitor shall (i) without delay, publish in the Daily Oil Bulletin a notice containing the information prescribed under the CCAA; (ii) 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 Applicant of more than \$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.

35. The Monitor shall establish a case website in respect of the within proceedings at [www.ksvadvisory.com/experience/case/Erikson](http://www.ksvadvisory.com/experience/case/Erikson) (the "**Monitor's Website**").
36. The Applicant and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing. Any person that wishes to be served with any application and other materials in these proceedings must deliver to the Applicant and the Monitor by way of ordinary mail, courier, or electronic transmission, a request to be added to the service list (the "**Service List**") to be maintained by the Monitor.
37. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsel's email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on the Monitor's website.
38. An application in these proceedings is hereby scheduled to be heard before this Honourable Court at 2:30 p.m. on March 11, 2025 (the "**Comeback Hearing**"). The Applicant is entitled to serve any court materials in connection with the Comeback Hearing on the Service List by courier, personal delivery or electronic transmission in accordance with this Order.

## GENERAL

39. The Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

40. 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.
41. 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 Applicant, the Business or the Property.
42. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this Order and to assist the Applicant, 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 Applicant 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 Applicant and the Monitor and their respective agents in carrying out the terms of this Order.
43. Each of the Applicant 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.
44. Any interested party (including the Applicant 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.



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

A handwritten signature in blue ink, reading "Michel Baughe".

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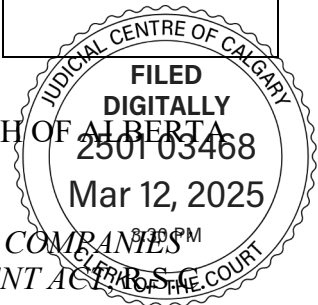
Justice of the Court of King's Bench of Alberta

# **APPENDIX B**

**[ATTACHED]**

CERTIFIED *E. Wheaton*  
by the Court Clerk as a true copy of  
the document digitally filed on Mar  
12, 2025

Clerk's Stamp:



COURT FILE NUMBER  
COURT  
JUDICIAL CENTRE OF

2501-03468

COURT OF KING'S BENCH OF ALBERTA  
CALGARY

IN THE MATTER OF THE COMPANIES  
CREDITORS ARRANGEMENT ACT  
1985, c. C-36, as amended

AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF  
ERIKSON NATIONAL ENERGY INC.

DOCUMENT

**CCAA AMENDED AND RESTATED**  
**ORDER**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT:

**BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855 – 2nd Street S.W.  
Calgary, Alberta T2P 4K7

Attention: Keely Cameron / Luc Rollingson  
Telephone No.: 403-298-3324/7971  
Fax No.: 403-265-7219  
Client File No.: 87754.38

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

March 11, 2025

The Honourable Justice M. H. Bourque  
Calgary Law Centre

**UPON** the application of Erikson National Energy Inc. ( the "**Applicant**" or "**Erikson**");  
**AND UPON** having read the Originating Application, the Affidavit of Peter Neelands sworn on  
March 3, 2025 (the "**Neelands Affidavit**"); **AND UPON** having read the Affidavit of Service of  
Stephanie Dumoulin; **AND UPON** reading the consent of KSV Restructuring Inc. ("**KSV**") to act

as Monitor; **AND UPON** having read the Sixth Report of the Proposal Trustee and Pre-Filing Report of the Proposed Monitor (the "**Pre-Filing Report**"); **AND UPON** noting that the Applicant filed a notice of intention to file a proposal on October 1, 2024, in the Court of King's Bench of Alberta Action No. B301-135903 (the "**NOI Proceedings**"); **AND UPON** being advised that the secured creditors who are likely to be affected by the charges created herein have been provided with notice of this application and either do not oppose or alternatively consent to the within Order; **AND UPON** hearing counsel for the Applicant, and any other interested parties appearing at the application;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

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

**CAPITALIZED TERMS**

2. Capitalized terms used but not otherwise defined in this Order shall have the meaning given to such terms in the Neelands Affidavit.

**APPLICATION**

3. The Applicant is a company to which the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**") applies.
4. The Notice of Intention to File a Proposal under Part II of the *Bankruptcy and Insolvency Act* (the "**BIA**") filed by the Applicant on October 1, 2024, is and shall be deemed for all purposes to be withdrawn, and the NOI Proceedings are hereby terminated. The NOI Proceedings are hereby taken up and continued under the CCAA and the provisions of Division I of Part III of the BIA shall have no further application to the Applicant, save that any and all steps, agreements and procedures validly taken, done or entered into by the Applicant during the NOI Proceedings shall remain valid and binding notwithstanding the termination of the NOI Proceedings and the commencement of the within CCAA

proceedings, including but not limited to all steps and procedures in connection with the Interim Financing Agreement (as defined in the Neelands Affidavit) which shall remain valid and binding. For certainty, the approval of the Monitor's and its counsel's fees and disbursements, and approval of the Monitor's activities in the CCAA Proceedings shall be deemed approval of the fees, disbursements and activities of KSV in its capacity as the trustee of the proposal of the Applicant (in such capacity, the "**Proposal Trustee**") and the fees and disbursements of the Proposal Trustee's counsel in the NOI Proceedings. The Applicant is hereby authorized and directed to file a copy of this Order in the NOI Proceedings.

#### **PLAN OF ARRANGEMENT**

5. The Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (the "**Plan**").

#### **POSSESSION OF PROPERTY AND OPERATIONS**

6. The Applicant shall:
  - (a) remain in possession and control of its current and future assets, 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 its business (the "**Business**") and Property; and
  - (c) be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.
7. To the extent permitted by law, the Applicant 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; and
  - (b) the reasonable fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges, including for periods prior to the date of this Order.
- 8. Except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant 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 Applicant since the commencement of the NOI Proceedings.
- 9. The Applicant shall remit, in accordance with legal requirements, or pay:
  - (a) all amounts which could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* (Canada) or any similar provision of the *Canada Pension Plan*, the *Employment Insurance Act*, or any provision of any provincial legislation that has a purpose similar to subsection 224(1.2) of the *Income Tax Act* or that refers to subsection 224(1.2) of the *Income Tax Act* in respect of any amounts that arise and are payable on or after the commencement of the NOI Proceedings;
  - (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the commencement of the NOI Proceedings; 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 Applicant.
- 10. Until such time as a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicant 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) based on the terms of existing lease arrangements or as otherwise may be negotiated by the Applicant 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.
- 11. Except as specifically permitted in this Order, the Applicant is 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 Applicant to any of its creditors as of the date of the commencement of the NOI Proceedings;
  - (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and
  - (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

- 12. The Applicant shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Interim Lending Agreement (as defined in the Neelands Affidavit) or Definitive Documents, 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 \$2 million in any one transaction or \$5 million 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 Applicant (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 its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between the Applicant and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;
- (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 Applicant deems appropriate, in accordance with section 32 of the CCAA; and
- (d) pursue all avenues of refinancing of its 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 Applicant to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

13. The Applicant shall provide each of the relevant landlords with notice of the Applicant's 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 Applicant's 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 Applicant, or by further order of this Court upon application by the Applicant on at least two (2) days' notice to such landlord and any such secured creditors. If the Applicant disclaims or resiliates the lease governing such leased premises in accordance with section 32 of the CCAA, it 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 Applicant's claim to the fixtures in dispute.

14. 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 Applicant 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 Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicant 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**

15. Until and including May 5, 2025, 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 Applicant or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court, with the exception of the proceedings commenced by the Attorney General of British Columbia by Notice of Appeal, filed December 13, 2024, in the Alberta Court of Appeal, File No. 2401-0345AC (the "**AGBC Appeal**") in respect of the Order granted December 6, 2024 by the Honourable Madam Justice Romaine in the NOI Proceedings. For greater certainty, neither the termination of the NOI Proceedings nor any other term of this Order shall be interpreted to stay the AGBC Appeal.

## **NO EXERCISE OF RIGHTS OR REMEDIES**

16. 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 Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:
- (a) empower the Applicant to carry on any business that the Applicant is 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 Applicant from compliance with statutory or regulatory provisions relating to health, safety or the environment.
17. Nothing in this Order shall prevent any party from taking an action against the Applicant 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 at the first available opportunity.

## **NO INTERFERENCE WITH RIGHTS**

18. 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, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

## **CONTINUATION OF SERVICES**

19. 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 Applicant, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Applicant;

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 Applicant or exercising any other remedy provided under such agreements or arrangements. The Applicant shall be entitled to the continued use of its 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 Applicant in accordance with the payment practices of the Applicant, or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

## **NON-DEROGATION OF RIGHTS**

20. 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, 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 Applicant.

## **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

21. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA and paragraph 16 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant 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 Applicant 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 Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

#### **APPOINTMENT OF MONITOR**

22. KSV Restructuring Inc. 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 Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.
23. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
  - (a) monitor the Applicant's 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 Applicant;
  - (c) assist the Applicant, to the extent required by the Applicant, in its dissemination to the Interim Lender and its counsel, financial and other information as agreed to between the Applicant 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 Applicant in its preparation of the Applicant's cash flow statements;

- (e) advise the Applicant in its development of the Plan and any amendments to the Plan;
  - (f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
  - (g) 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 Applicant to the extent that is necessary to adequately assess the Property, Business, and financial affairs of the Applicant or to perform its duties arising under this Order;
  - (h) 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;
  - (i) hold funds in trust or in escrow, to the extent required, to facilitate settlements between the Applicant and any other Person; and
  - (j) perform such other duties as are required by this Order or by this Court from time to time.
24. 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 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, 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.

25. The Monitor shall provide any creditor of the Applicant, with information provided by the Applicant 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 Applicant 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 Applicant may agree.
26. In addition to the rights and protections afforded the Monitor under the CCAA or as an Officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, its appointment as the Proposal Trustee, or the carrying out of its role as the Proposal Trustee, 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 or the Proposal Trustee by the CCAA, the BIA, or any applicable legislation.
27. The Monitor, counsel to the Monitor, and counsel to the Applicant shall be paid their reasonable fees and disbursements (including any pre-filing fees and disbursements related to these CCAA proceedings or the NOI Proceedings), in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a bi-weekly basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in accordance with such parties' retainer agreements, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.
28. The Monitor and its legal counsel shall pass their accounts from time to time.

29. The Monitor, counsel to the Monitor, if any, and the Applicant's counsel, 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 \$200,000 as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, 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 26 and 28 hereof.

### INTERIM FINANCING

30. Pursuant to section 11.6 of the CCAA, the Interim Lender's Charge granted with respect to the Applicant in the NOI Proceedings on October 21, 2024 is hereby taken up and continued in these proceedings. Notwithstanding paragraph 4 of this Order, the Interim Lender's Charge shall remain in full force and effect as set out herein, and shall validly charge all amounts advanced to date pursuant to the Interim Facility, pending the Comeback Hearing (as defined below).
31. The Applicant is hereby authorized and empowered to obtain and borrow under the existing amended and restated Interim Financing Term Sheet dated as of February 20, 2025 or such further amended and restated Interim Financing Term Sheet (the "**Interim Financing Agreement**"), as between the Applicant and Third Eye Capital Corporation, as administrative and collateral agent (in such capacity, the "**Interim Lender**") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that the borrowings under such Interim Financing Agreement shall not exceed \$2.75 million, plus accrued and accruing interest at the rate set out in the Interim Financing Agreement, unless permitted by further order of this Court.
32. The Applicant is 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 Applicant is hereby authorized and directed to pay and perform

all of its 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.

33. 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 Interim Financing Agreement and Definitive Documents which charge shall not exceed the aggregate amount advanced under the Definitive Documents. The Interim Lender's Charge shall secure all obligations of the Applicant under the Interim Financing Agreement, including with respect to advances made thereunder prior to the date this Order is made. The Interim Lender's Charge shall have the priority set out in paragraphs 35 and 37 hereof. 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 [3] days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant 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 Applicant and set off and/or consolidate any amounts owing by the Interim Lender to the Applicant against the obligations of the Applicant 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 Applicant and for the appointment of a trustee in bankruptcy of the Applicant; 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 Applicant or the Property.
- 34. The Interim Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the *BIA*, with respect to any advances made under the Definitive Documents.

## **VALIDITY AND PRIORITY OF CHARGES**

- 35. The priority of the Administration Charge shall be as follows:
  - First – Administration Charge (to the maximum amount of \$200,000).
  - Second – Interim Lender's Charge (in the amount of \$2,750,000).
- 36. The filing, registration or perfection of the Administration Charge and 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.
- 37. Each of the Charges (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 the security of all secured creditors who have been given notice of this application, but behind all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person that has not been served with notice of this application. The Applicant and beneficiaries of the Charges shall be entitled to seek priority ahead of the Encumbrances on notice to those parties likely to be affected by such priority (it being the intention of the Applicant to seek priority of the Charges ahead of all such Encumbrances) at the Comeback Hearing (as defined below).
- 38. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to,

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

39. The Administration Charge, the Definitive Documents, and the Interim Lender's Charge 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 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 Applicant, 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 Interim Financing Agreement or the Definitive Documents, shall create or be deemed to constitute a new breach by the Applicant of any Agreement to which it 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 Applicant execution, delivery or performance

of the Interim Financing Agreement or the Definitive Documents; and

- (iii) payments made by the Applicant pursuant to this Order, including pursuant to the Interim Financing Agreement 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

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

## SERVICE AND NOTICE

- 41. The Monitor shall (i) without delay, publish in the Daily Oil Bulletin a notice containing the information prescribed under the CCAA; (ii) 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 Applicant of more than \$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.
- 42. The Monitor shall establish a case website in respect of the within proceedings at [www.ksvadvisory.com/experience/case/Erikson](http://www.ksvadvisory.com/experience/case/Erikson) (the "**Monitor's Website**").
- 43. The Applicant and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next

business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing. Any person that wishes to be served with any application and other materials in these proceedings must deliver to the Applicant and the Monitor by way of ordinary mail, courier, or electronic transmission, a request to be added to the service list (the "**Service List**") to be maintained by the Monitor.


44. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsel's email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on the Monitor's website.

#### **GENERAL**

45. The Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.
46. 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.
47. 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 Applicant, the Business or the Property.
48. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction, to give effect to this Order and to assist the Applicant, 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 Applicant 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 Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

49. Each of the Applicant 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.
50. Any interested party (including the Applicant 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.
51. This Order and all of its provisions are effective as of 12:01 a.m. Mountain Daylight Time on the date of this Order.

  
Justice of the Court of King's Bench of Alberta

# **APPENDIX C**

**[ATTACHED]**

# ORPHAN REPORT for Erikson National Energy Inc.

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**Date: March 28, 2025**

Insolvency proceedings for Erikson National Energy Inc. (Erikson) have not resulted in divestment of any permitted oil and gas infrastructure to other parties. While proceedings continue, it is evident that select assets will not be acquired by any interested parties. As such, sites that are not anticipated to be divested and are to remain under permit to Erikson are being considered for orphan designation. This designation will permit the BC Energy Regulator (Regulator) to manage site obligations under the Orphan Site Reclamation Fund (OSRF).

The list of the unrestored Erikson sites to be considered for orphan designation, herein referred to as the sites, can be found in Appendix A. There are 61 wells, 10 facilities, and 81 pipeline segments. The sites are located across Northeast BC, largely in the Peace region, and one site in Helmet northeast of Fort Nelson.

## **Eligibility for Designation**

Section 45(2)(a)(i) of ERAA states “The regulator may designate as an orphan site a well, facility, pipeline or energy resource road if the permit holder or former permit holder with respect to the well, facility, pipeline or energy resource road is insolvent”. Section 45(6) provides that a permit holder must be considered insolvent if it has filed for protection under the *Companies’ Creditors Arrangement Act* (CCAA). On March 11, 2025, Erikson received court approval to convert to a proceeding under the CCAA. Erikson must be considered insolvent due to section 45(6) and therefore all its assets are eligible for designation at the discretion of the Regulator.

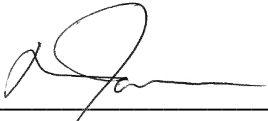
## **Risk Management and Restoration**

The Regulator has reviewed the sites to identify near-term work that is to be prioritized to mitigate risk. This review has identified 70 pipeline segments requiring inspection and/or deactivation, as well as 11 wells that are a high priority for decommissioning. A frac water storage site has been largely decommissioned and will require work in spring of 2025, which involves meltwater disposal, soil removal and backfilling. This work will be performed in the first 12 months following designation to protect public safety and the environment. Over the coming years, well decommissioning and remediation is required for multiple sites. The determination for completion of any outstanding surface restoration work can be made at the Regulator’s discretion.

## **Financial Impact to the Orphan Fund**

Public Sector Accounting Standards, which are the standards for both the Regulator and the Provincial Government of British Columbia, are used to identify the financial obligations of the OSRF. Liability associated with protection of public health and safety and the environment is booked as obligatory liability. The obligatory costs in accordance with the standards are related to infrastructure deactivation, high-risk well suspension/decommissioning, and/or assessment and remediation of site contamination.

Utilizing the Regulator's audited process for estimating liability, the obligatory liability for the sites is estimated at \$12,734,658.



Mike Janzen, Executive Director, Orphans & Restoration

March 31, 2025

Date signed

**Commissioner sign-off:**

I hereby designate the sites listed in Appendix A as orphans



I do not designate the sites listed in Appendix A as orphans



Comments:

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Michelle Carr, Commissioner and CEO

March 31, 2025

Date signed



## Appendix A: List of Erikson Sites

Well Authorization	Asset Name	Status
76	ERIKSON FT ST JOHN 14-22-083-18	ABNZ
82	ERIKSON FT ST JOHN 13-23-083-18	ABNZ
89	ERIKSON ET AL W BUICK B- 078-C/094-A-14	SUSP
170	ERIKSON FT ST JOHN 08-20-083-18	ABAN
178	ERIKSON FT ST JOHN A14-21-083-18	ABNZ
179	ERIKSON FT ST JOHN B03-29-083-18	SUSP
184	ERIKSON FT ST JOHN SE A04-10-083-17	SUSP
186	ERIKSON FT ST JOHN C03-29-083-18	SUSP
194	ERIKSON FT ST JOHN 13-14-083-18	SUSP
212	ERIKSON FT ST JOHN A06-16-083-18	ABAN
239	ERIKSON ET AL W BUICK C- 002-E/094-A-14	SUSP
255	ERIKSON ET AL W BUICK B- 091-D/094-A-14	SUSP
268	ERIKSON ET AL W BUICK D- 089-C/094-A-14	SUSP
384	ERIKSON ET AL W BUICK D- 017-C/094-A-14	SUSP
455	ERIKSON ET AL FIREWEED C-A001-H/094-A-13	ACT
1370	ERIKSON NFA ET AL RIGEL A- 028-K/094-A-10	SUSP
1753	ERIKSON ET AL N BUICK C- 022-F/094-A-14	SUSP
1799	ERIKSON ET AL N BUICK B- 044-F/094-A-14	SUSP
2026	ERIKSON ET AL N BUICK B- 002-F/094-A-14	SUSP
3152	ERIKSON ET AL FIREWEED A- 007-H/094-A-13	SUSP
3160	ERIKSON RIGEL 10-24-088-19	SUSP
3203	ERIKSON ET AL FIREWEED B- 042-A/094-A-13	ACT
3813	ERIKSON ET AL FIREWEED B- 044-A/094-A-13	ACT
5023	ERIKSON ET AL W BUICK A- 025-E/094-A-14	SUSP
5754	ERIKSON ET AL W BUICK D- 004-E/094-A-14	SUSP
7379	ERIKSON BUICK 11-26-088-19	ACT
7435	ERIKSON BUICK 11-23-088-19	ACT
7507	ERIKSON BUICK A10-22-088-19	ACT
7534	ERIKSON ET AL BUICK A07-24-088-20	ACT
7724	ERIKSON ET AL BUICK 07-25-088-19	SUSP
8166	ERIKSON BUICK 04-28-088-19	ACT
8255	ERIKSON BUICK 16-30-088-19	ACT
8567	ERIKSON HZ FIREWEED C- 024-A/094-A-13	ACT
8889	ERIKSON ET AL HZ W BUICK B-A023-E/094-A-14	SUSP
9263	ERIKSON ET AL FIREWEED A- 033-A/094-A-13	ACT
9499	ERIKSON HZ FT ST JOHN SE 14-04-083-17	SUSP
9560	ERIKSON FT ST JOHN SE A04-09-083-17	SUSP
9655	ERIKSON STODDART 06-12-086-19	SUSP
9710	ERIKSON HZ FT ST JOHN SE 15-32-082-17	SUSP
9930	ERIKSON HZ W BUICK A- 034-E/094-A-14	SUSP
10274	ERIKSON HZ FIREWEED D- 067-A/094-A-13	ACT
10275	ERIKSON BUICK 14-14-088-19	SUSP

10594	ERIKSON FIREWEED C-A024-A/094-A-13	ACT
10597	ERIKSON HZ FT ST JOHN SE A08-05-083-17	ABAN
10718	ERIKSON STODDART 05-13-086-19	SUSP
11134	ERIKSON MONTNEY 11-31-086-18	SUSP
11257	ERIKSON STODDART 11-19-086-18	SUSP
14046	ERIKSON MONTNEY 16-26-086-19	SUSP
14062	ERIKSON ET AL FIREWEED A- 053-A/094-A-13	ACT
14270	ERIKSON MONTNEY 10-30-086-18	SUSP
14371	ERIKSON FT ST JOHN 10-20-083-18	ABNZ
15269	ERIKSON MONTNEY A16-30-086-18	SUSP
16092	ERIKSON FIREWEED A-A057-A/094-A-13	ACT
17911	ERIKSON OAK 13-32-086-18	SUSP
17912	ERIKSON OAK A13-32-086-18	SUSP
18788	ERIKSON ET AL W BUICK B- 088-C/094-A-14	SUSP
19683	ERIKSON FIREWEED C-B001-H/094-A-13	ACT
19756	ERIKSON MONTNEY 14-25-086-19	SUSP
20489	ERIKSON BUICK 05-30-088-19	ACT
21883	ERIKSON BUICK 13-19-088-19	ACT
21930	ERIKSON ET AL RIGEL 04-31-088-18	SUSP

Facility ID	Facility Type	Location	Facility Status
194	Processing Battery	06-11-086-19	Active
254	Compressor Dehydrator	10-23-083-18	Suspended
308	Compressor Station	C-022-F/094-A-14	Active
435	Compressor Dehydrator	D-093-K/094-A-11	Active
754	Compressor Dehydrator	11-23-088-19	Active
2118	Compressor Dehydrator	A-057-A/094-A-13	Active
2277	Compressor Dehydrator	04-09-083-17	Suspended
2336	Battery Site	06-12-086-19	Removed
2880	Battery Site	05-13-086-19	Removed
3171	Battery Site	11-19-086-18	Removed

Pipeline Project Number	Segment Number	Status
3605	1	Abandoned
22417	1	Abandoned
6811	1	Active
2756	1	Active
6812	1	Abandoned
6813	8	Active
7789	1	Active
229	1	Active
2499	2	Deactivated
25786	2	Active

7466	1	Active
6546	1	Active
1383	1	Active
25786	5	Deactivated
25595	4	Active
25597	1	Active
25592	12	Abandoned
5878	1	Active
5306	1	Active
7428	5	Abandoned
9819	1	Active
505	2	Active
867	1	Active
25598	4	Active
5621	1	Active
505	1	Active
9032	1	Active
25598	3	Active
25598	2	Active
25593	1	Active
25592	13	Abandoned
233	1	Active
3807	1	Active
6813	15	Active
7166	1	Active
7166	2	Active
4152	1	Abandoned
25592	9	Abandoned
5322	1	Active
505	3	Active
6818	1	Active
6813	12	Active
505	5	Active
505	4	Active
1703	1	Active
5871	1	Active
25596	5	Abandoned
25599	5	Active
3632	2	Active
3632	3	Active
5460	1	Active
7710	2	Active
7096	1	Active
9812	1	Active

25591	7	Active
1622	1	Active
7773	1	Active
6220	1	Active
6316	1	Active
25591	1	Active
25599	1	Active
2349	1	Active
25594	1	Active
25591	8	Active
4854	1	Active
7714	1	Active
7706	1	Active
25591	3	Active
1343	1	Active
6336	1	Active
7710	1	Active
5908	1	Active
6386	1	Active
23695	3	Active
25591	9	Active
1029	1	Active
25594	2	Active
7190	1	Active
7741	1	Active
25591	5	Active
9995	1	Active

Permit	Company Name	Surface Location	Asset
100073200	ERIKSON NATIONAL ENERGY INC	D-024-G/094P10	Frac Water Storage Pond

# **APPENDIX D**

**[ATTACHED]**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT PROCEEDINGS OF  
ERIKSON NATIONAL ENERGY INC.**

**SUMMARY OF PROFESSIONAL FEES  
FOR THE PERIOD OF SEPTEMBER 30, 2024 TO APRIL 28, 2025**

	Invoice	Fees [\$]	Costs [\$]	Sub-total [\$]	GST [\$]	Total [\$]
<b>Monitor's Fees</b>						
September 30, 2024 to October 21, 2024	3992	47,088.75	220.00	47,308.75	2,365.44	49,674.19
October 22, 2024 to October 31, 2024	4020	9,087.50	190.61	9,278.11	463.91	9,742.02
November 1, 2024 to November 17, 2024	4054	23,617.50	8.00	23,625.50	1,181.28	24,806.78
November 18, 2024 to November 30, 2024	4072	23,688.75	-	23,688.75	1,184.44	24,873.19
December 1, 2024 to December 31, 2024	4134	38,691.25	-	38,691.25	1,934.56	40,625.81
January 1, 2025 to January 31, 2025	4194	27,280.00	-	27,280.00	1,364.00	28,644.00
February 1, 2025 to February 28, 2025	4259	27,537.50	-	27,537.50	1,376.88	28,914.38
March 1, 2025 to March 31, 2025	4311	30,426.50	118.65	30,545.15	1,527.26	32,072.41
April 1, 2025 to April 28, 2025	4371	14,692.50	650.00	15,342.50	767.13	16,109.63
<b>Total Monitor's Fees</b>		<b>242,110.25</b>	<b>1,187.26</b>	<b>243,297.51</b>	<b>12,164.90</b>	<b>255,462.41</b>
<b>Monitor's Legal Counsel Fees</b>						
October 7, 2024 to October 20, 2024	2050198	17,865.00	28.88	17,893.88	894.69	18,788.57
October 21, 2024 to November 3, 2024	2055793	12,554.50	20.00	12,574.50	627.73	13,202.23
November 4, 2024 to November 19, 2024	2060830	8,181.50	958.96	9,140.46	453.52	9,593.98
November 20, 2024 to December 2, 2024	2068258	22,060.00	540.49	22,600.49	1,115.52	23,716.01
December 3, 2024 to December 16, 2024	2075703	15,917.50	1,089.39	17,006.89	845.84	17,852.73
December 17, 2024 to December 31, 2024	2087033	337.50	2,523.96	2,861.46	143.07	3,004.53
January 1, 2025 to January 19, 2025	2091750	2,850.00	726.97	3,576.97	177.85	3,754.82
January 20, 2025 to February 2, 2025	2093049	3,675.00	309.20	3,984.20	199.21	4,183.41
February 2, 2025 to February 23, 2025	2098601	7,875.00	278.33	8,153.33	401.15	8,554.48
February 24, 2025 to March 3, 2025	2103902	5,409.00	225.29	5,634.29	281.71	5,916.00
March 4, 2025 to March 13, 2025	2107466	10,041.00	228.28	10,269.28	506.89	10,776.17
March 14, 2025 to March 31, 2025	2119885	225.00	480.98	705.98	34.30	740.28
April 1, 2025 to April 28, 2025	2128407	10,122.51	-	10,122.51	506.13	10,628.64
<b>Total Monitor's Legal Counsel Fees</b>		<b>117,113.51</b>	<b>7,410.73</b>	<b>124,524.24</b>	<b>6,187.61</b>	<b>130,711.85</b>
<b>Total Professional Fees</b>		<b>359,223.76</b>	<b>8,597.99</b>	<b>367,821.75</b>	<b>18,352.51</b>	<b>386,174.26</b>