

ESTATE NUMBER 25-2906009
COURT COURT OF KING'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL CENTRE CALGARY

Clerk's Stamp

IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF
GOLDENKEY OIL INC.

DOCUMENT **SISP APPROVAL ORDER**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS DOCUMENT
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DATE ON WHICH ORDER WAS PRONOUNCED: April 13, 2023
LOCATION OF HEARING OR TRIAL: Edmonton, Alberta
NAME OF JUDGE WHO MADE THIS ORDER: Justice M.J. Lema

UPON the Amended Application of Goldenkey Oil Inc. (the "**Company**"), filed on April 3, 2023 (the "**Application**"); **AND UPON** having read Affidavit #1 of James Dai, sworn on February 17, 2023 (the "**First Dai Affidavit**"), Affidavit #2 of James Dai, sworn on April 3, 2023 (the "**Second Dai Affidavit**"), the First Report of PricewaterhouseCoopers Inc., in its capacity as the proposal trustee (the "**Proposal Trustee**") of the Company, dated February 23, 2023 (the "**Proposal Trustee's First Report**"), and the Second Report of the Proposal Trustee, dated April 6, 2023 (the "**Proposal Trustee's Second Report**"); **AND UPON** having read the Brief of Law and Argument of the Company; **AND UPON** having read the Affidavit #1 of Shougen Song, sworn on February 23, 2023 and the Affidavit #2 of Shougen Song, sworn on April 6, 2023; **AND UPON** having read the Brief of Argument of Indepth Energy Inc.; **AND UPON** having read the Affidavit of Service of Katie Hynne, sworn on April 11, 2023 (the "**Service Affidavit**"); **AND UPON** hearing counsel for the Company, counsel for the Proposal Trustee, counsel for Baytech Energy Investment Inc. ("**Baytech**"), counsel for Indepth Energy Inc., counsel for Alberta Energy

Regulator, counsel for the Shell Companies (as defined in the First Dai Affidavit), counsel to Qiping Men Professional Services Ltd., *et al.*, counsel to LJ Resources Co., Ltd., and counsel present for any other parties;

DEFINITIONS

1. Capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them under the Procedures for the Sale and Investment Solicitation Process (the “**SISP**”) attached hereto as Schedule “**A**” (the “**SISP Procedures**”).

APPROVAL OF SALES ADVISOR AGREEMENT AND SALES ADVISOR CHARGE

2. The amended engagement letter dated March 20, 2023 (the “**Amended Sales Advisor Agreement**”) between the Company and Sayer Energy Advisors Inc., as sales advisor under the SISP (in such capacity, the “**Sales Advisor**”), is hereby authorized and approved, *nunc pro tunc*, including, without limitation, the payment by the Company of the portion of the fees and expenses set out therein for which the Company is responsible and the Company is authorized, *nunc pro tunc*, to enter into, execute, and perform its obligations under the Amended Sales Advisor Agreement.

3. The Sales Advisor, as security for the professional fees and disbursements incurred pursuant to and in connection with the Amended Sales Advisor Agreement, shall be entitled to the benefits of and is hereby granted a charge (the “**Sales Advisor Charge**”) over the Company’s Property (as defined in the SISP Procedures), which charge shall not exceed an aggregate amount of \$75,000, as security for the Sales Advisor’s professional fees and disbursements incurred pursuant to the Amended Sales Advisor Agreement, both before and after the making of this Order in respect of these proceedings.

4. The Sales Advisor Charge shall have the priority set out in paragraphs 6 and 8 of the Order (Charging), pronounced by the Honourable Justice M.J. Lema on April 13, 2023 (the “**Charging Order**”) in the within proceedings, and shall be subject to all of the protections and provisions set out in paragraphs 5, 6, 7, 8, and 9 of the Charging Order.

APPROVAL OF THE SISP AND THE SISP PROCEDURES

5. The SISP and the SISP Procedures, substantially in the form attached hereto, are hereby approved, and the Proposal Trustee, the Company, and the Sales Advisor are authorized and

directed to carry out the SISP in accordance with the SISP Procedures and this Order, and are hereby authorized and directed to take such steps as they consider necessary or desirable in carrying out each of their obligations thereunder, subject to prior approval of this Court being obtained before the completion of any transaction(s) under the SISP.

6. The Company, the Proposal Trustee, the Sales Advisor and their respective affiliates, partners, directors, employees, advisors, lawyers, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing their duties under the SISP, except to the extent such losses, claims, damages or liabilities arise or result from the gross negligence or wilful misconduct of the Company, the Sales Advisor or the Proposal Trustee, as applicable, as determined by the Court in a final order that is not subject to appeal or other review.

7. Notwithstanding anything contained herein or in the SISP, the Proposal Trustee shall not take possession of or be deemed to take possession of, any of the Company's current and future assets, undertakings or properties of any nature and kind whatsoever, and wherever situate, including or proceeds thereof.

8. The Proposal Trustee, or any other interested party on at least five (5) Business Days' notice to the lawyers for each of the Company, the Sales Advisor and all other parties on the service list established in these proceedings, may apply to this Court for directions with respect to the SISP at any time.

PIPEDA and PIPA

9. Pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, and 20(e) of the *Alberta Personal Information Protection Act*, the Proposal Trustee is hereby authorized and permitted to disclose and provide to each Qualified Bidder, personal information of identifiable individuals, including employees of the Company, but only to the extent desirable or required to negotiate or attempt to complete a transaction pursuant to the SISP (a "**Transaction**"). Each Qualified Bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and if it does not complete a Transaction, shall return all such information to the Proposal Trustee, or, in the alternative, destroy all such information and provide confirmation of its destruction to the Proposal Trustee. The Successful Bidder shall maintain the privacy of such information and, upon closing of the Transaction

contemplated in the Successful Bid, shall be entitled to use the personal information provided to it that is related to the Business and/or Property (as defined in the SISP Procedures) acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the Company, and shall return all other personal information to the Proposal Trustee, or ensure that all other personal information is destroyed and provide confirmation of its destruction to the Proposal Trustee.

GENERAL

10. 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 Company, the Proposal Trustee, the Sales Advisor 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 Company and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company, the Sales Advisor and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

11. Until further Order of this Court, no distributions of any net proceeds attributed to or obtained, as a result of the sale of any of the Company's Property, shall be made. For clarity, nothing in this paragraph shall apply to or restrict the distribution of any net proceeds payable or allocated to Baytech, following the sale of any of Baytech's property, assets, or undertakings, under or in connection with the SISP.

12. Each of the Company and the Proposal Trustee be at liberty and is 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 Proposal Trustee is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

13. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard/Daylight Time on the date of this Order.

J.C.C.K.B.A.

SCHEDULE "A"
SISP PROCEDURES

[See attached]

PROCEDURES FOR THE SALE AND INVESTMENT SOLICITATION PROCESS

Introduction

- A. On January 29, 2023, Goldenkey Oil Inc. (the “**Company**”) filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”). PricewaterhouseCoopers Inc., LIT, (the “**Proposal Trustee**”) was appointed as the Company’s proposal trustee under the NOI (the “**NOI Proceedings**”)
- B. On April 13, 2023, the Court of King’s Bench of Alberta (the “**Court**”) granted an order (the “**SISP Order**”), among other things, authorizing a sale and investment solicitation process (the “**SISP**”), appointing Sayer Energy Advisors Inc. (the “**Sales Advisor**”) as the sales advisor to the Company, and approving the procedures set out herein (the “**SISP Procedures**”);
- C. The purpose of these SISP Procedures is to set out terms and procedures for a transparent, fair and efficient solicitation process to obtain the highest or otherwise best offer for the Company’s equity, assets, rights, undertakings and properties, but excluding all of the Debtor’s right, title, and interest, in and to the claims and causes of action asserted, contemplated, or alleged in the Amended Statement of Claim, filed on February 19, 2016, in Court of King’s Bench of Alberta File Number 1601-02031 (collectively, the “**Fraud Claim**”, and the corresponding action being, the “**Fraud Action**”), along with all corresponding choses in action, rights, interests, claims, and privileges, and all documents, artifacts, certificates, instruments, or other indicia of title representing or evidencing any claims, right, title, estate, or interest in, to, or otherwise related to the Fraud Claim or the Fraud Action, including, among others, all proceeds and benefits thereof (collectively, but exclusive of the aforementioned Fraud Claim, Fraud Action, and all proceeds thereof (the “**Property**”); and
- D. Accordingly, these SISP Procedures describe, among other things: (a) the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property and the Business, (b) the manner in which bidders and bids become Qualified Bidders, Qualified Bids, and Auction Bidders, as applicable, (c) the evaluation of bids received, (d) the guidelines for the ultimate selection of the Successful Bid and/or Back-up Bid, and (e) the process for obtaining such approvals (including the approval of the Court) as may be necessary or appropriate in respect of a Successful Bid.

Defined Terms

1. Capitalized terms used in these SISP Procedures and not otherwise defined have the meanings given to them below:
- (b) “**AER**” means the Alberta Energy Regulator or any successor thereto having comparable jurisdiction.
- (c) “**AER Directives**” means any applicable directive issued by the AER.
- (d) “**AER Orders**” means any order issued by the AER that formally permit, direct or prohibit a specific action or actions of a Qualified Bidder, including but not limited

to, compliance orders, administrative penalties, costs orders, interim shut-in orders, oil sands area orders, commingling and development entity orders, gas allowable orders , maximum rate limitation orders.

- (e) **“AER Licensee”** means a holder of a license pursuant to AER Directive 067, April 1, 2021.
- (f) **“Approval Hearing”** is defined in paragraph 2.
- (g) **“Approval Application”** is defined in paragraph 26.
- (h) **“Auction”** is defined in paragraph 22.
- (i) **“Auction Bidders”** is defined in paragraph 24.
- (j) **“Auction Date”** is defined in paragraph 2.
- (k) **“Back-Up Bid”** is defined in paragraph 25(i).
- (l) **“Back-Up Bidder”** is defined in paragraph 25(i).
- (m) **“BIA”** is defined in the introduction.
- (n) **“Bid”** is defined in paragraph 18.
- (o) **“Bid Deadline”** is defined in paragraph 2.
- (p) **“Business”** means the Company’s business and activities as at Filing Date.
- (q) **“Business Day”** means a day (other than Saturday or Sunday) on which banks are generally open for business in Calgary, Alberta.
- (r) **“Closing”** means the completion of the transaction contemplated by the Successful Bid.
- (s) **“Company”** is defined in the introduction.
- (t) **“Data Room”** is defined in paragraph 11.
- (u) **“Deposit”** is defined in paragraph 18(p).
- (v) **“Filing Date”** is defined in the introduction.
- (w) **“ICA”** means the *Investment Canada Act*, R.S.C., 1985, c. 28 (1st Supp.), as amended.
- (x) **“Known Potential Bidder”** means any party identified as a potential bidder by the Company, in consultation with the Proposal Trustee and the Sales Advisor.
- (y) **“LCA”** means a licensee capability assessment issued by the AER pursuant to AER Directive 088, December 1, 2021.

- (z) **“NDA”** means a non-disclosure agreement in form and substance satisfactory to the Proposal Trustee, in consultation with the Sales Advisor.
- (aa) **“NOI Proceedings”** is defined in the introduction.
- (bb) **“Opening Bid”** is defined in paragraph 25(b).
- (cc) **“Overbid”** is defined in paragraph 25(e).
- (dd) **“Overbid Amount”** means \$50,000 or such higher amount as the Proposal Trustee, in consultation with the Sales Advisor, may determine in advance of any round of bidding in the Auction to be applicable for that round of the Auction.
- (ee) **“Participation Letter”** is defined in paragraph 8(a).
- (ff) **“Potential Bidder”** is defined in paragraph 5.
- (gg) **“Property”** is defined in the introduction.
- (hh) **“Proposal Trustee”** is defined in the introduction.
- (ii) **“Proposal Trustee’s Website”** means www.pwc.com/ca/goldenkey.
- (jj) **“Qualified Bid”** is defined in paragraph 18.
- (kk) **“Qualified Bidder”** is defined in paragraph 10.
- (ll) **“Required Acknowledgement”** means the written acknowledgement in the form attached hereto as Schedule **“B”** to be executed by a party wishing to participate in the SISP.
- (mm) **“Sales Advisor”** is defined in the introduction.
- (nn) **“SISP”** is defined in the introduction.
- (oo) **“SISP Order”** is defined in the introduction.
- (pp) **“SISP Procedures”** is defined in the introduction.
- (qq) **“Solicitation Materials Distribution Date”** is defined in paragraph 2.
- (rr) **“Solicitation Notice”** means a notice describing the opportunity to participate in the SISP.
- (ss) **“Subscription Agreement”** means the template subscription agreement, to be placed in the Data Room.
- (tt) **“Successful Bid”** is defined in paragraph 25(i).
- (uu) **“Successful Bidder”** is defined in paragraph 25(i).

Key Dates

2. The key dates for the SISP are as follows:

DATE	MILESTONE
By no later than 1 day following the issuance by the Court of the SISP Order (“Solicitation Materials Distribution Date”)	Distribution by the Sales Advisor of the Solicitation Notice and the Required Acknowledgment to the Known Potential Bidders
May 26, 2023 at 5:00 p.m. (prevailing Mountain Standard Time) (“Bid Deadline”)	The deadline for the receipt by the Proposal Trustee of Bids and Deposits
By no later than June 2, 2023 (“Auction Date”)	Date of the Auction (if any)
Subject to the availability of the Court, no later than seven (7) calendar days following either the conclusion of the Auction or the date on which a determination is made by the Proposal Trustee, in consultation with the Sales Advisor, not to proceed with an Auction in accordance with paragraph 22. (“Approval Hearing”)	Hearing of the Approval Application

Supervision of the SISP

3. The Proposal Trustee shall supervise the Company’s and the Sales Advisor’s conduct of the SISP as outlined herein. In the event that there is disagreement or clarification is required as to the interpretation or application of this SISP or the responsibilities of the Proposal Trustee, the Sales Advisor or the Company hereunder, the Court will have jurisdiction to hear such matter and provide advice and directions, upon application of the Proposal Trustee, or any other interested party with a hearing which shall be scheduled on not less than three (3) Business Days’ notice.
4. The Company’s involvement in the SISP is limited to those actions expressly set out herein. To the extent that additional involvement by the Company is required or otherwise advisable, a special committee shall be formed, by and upon request by the Proposal Trustee, to address any real or perceived conflict which may occur as a result of such proposed involvement by the Company, in the event that any persons or entities related to the Company decide to participate, as Potential Bidders or otherwise, in the SISP.

Solicitation of Interest

5. For all purposes of this SISP, the following persons shall be considered as potential bidders (each, a **"Potential Bidder"**): (i) the Known Potential Bidders, and (ii) any other party that executes a Required Acknowledgement and is permitted by the Proposal Trustee, in consultation with the Sales Advisor, to participate in the SISP.
6. As soon as reasonably practicable after the granting of the SISP Order:
 - (a) the Proposal Trustee will post the SISP Order and the SISP Procedures on the Proposal Trustee's Website; and
 - (b) the Sales Advisor will advertise the opportunity to participate in the SISP and an overview of the SISP Procedures in the Daily Oil Bulletin and the BOE Report and post the opportunity on their website.
7. By no later than the Solicitation Materials Distribution Date, the Proposal Trustee, on behalf of the Company, shall distribute the Solicitation Notice and form of Required Acknowledgement to Known Potential Bidders inviting the Known Potential Bidders to submit a bid pursuant to these SISP Procedures.

Participation Requirements

8. Subject to paragraph 9, in order to participate in the SISP, each Potential Bidder must deliver the following information and executed documents to the Proposal Trustee, on behalf of the Company, at the email addresses specified in **Schedule A** hereto:
 - (a) a letter (a **"Participation Letter"**) setting forth (i) the identity, the type and the jurisdiction of organization of the Potential Bidder, (ii) the contact information for such Potential Bidder, (iii) full disclosure of the direct and indirect owners and principals of the Potential Bidder, and (iv) such financial disclosure and credit quality support or enhancement that allows the Proposal Trustee, in consultation with the Sales Advisor, to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a transaction;
 - (b) an executed NDA; and
 - (c) a copy of the Required Acknowledgment executed by the Potential Bidder.
9. The Proposal Trustee, in consultation with the Sales Advisor, may waive compliance with paragraph 8(a) of these SISP Procedures for any Potential Bidder that is deemed by the Proposal Trustee, in consultation with the Sales Advisor, to have adequately satisfied the requirements set forth in paragraph 8(a), as applicable.
10. A Potential Bidder that has delivered the necessary documents and information in accordance with paragraphs 8 and 9 and that the Proposal Trustee, in its reasonable business judgment, in consultation with the Sales Advisor determines is likely, based on the availability of financing, experience and other considerations, to be able to submit a viable Qualified Bid, by the Bid Deadline, will be deemed to be a "Qualified Bidder".

Access to Data Room

11. The Proposal Trustee, with the assistance of the Sales Advisor, shall provide each Qualified Bidder with access to a secure online electronic data room (the “**Data Room**”) containing due diligence information.
12. The Proposal Trustee, shall coordinate all reasonable requests from Qualified Bidders for additional information and due diligence access; provided that the Proposal Trustee may decline to provide (or elect to withdraw access to) due diligence information to any Qualified Bidder who, at such time and in the reasonable business judgment of the Proposal Trustee, after consultation with the Sales Advisor, has not established (or there is otherwise a reasonable basis to doubt), that such Qualified Bidder intends in good faith to, or has the capacity to, consummate a transaction.
13. The Company shall, at the request of the Proposal Trustee, provide additional information and due diligence access to the Proposal Trustee or the Qualified Bidders as may be requested by the Proposal Trustee.
14. All due diligence and information requests must be directed to the Proposal Trustee at the email addresses specified in **Schedule A** hereto.
15. The Company, the Proposal Trustee, the Sales Advisor and their respective employees, officers, directors, agents, advisors and other representatives make no promise, representation, warranty, condition or guarantee of any kind, nature or description as to the information (a) contained in the Data Room, or (b) otherwise made available in connection with this SISP, except, in the case of the Company only, to the extent expressly contemplated in any executed definitive sale or investment agreement with a Successful Bidder.
16. Without limiting the generality of any term or condition of any NDA between the Company and any Potential Bidder or Qualified Bidder, unless otherwise agreed by the Proposal Trustee or ordered by the Court, no Potential Bidder or Qualified Bidder shall be permitted to have any discussions (other than with any counterparties under any pre-existing contractual relationship) with (a) any counterparty to any contract with the Company, any current or former director, manager, shareholder, officer, member or employee of the Company, other than in the normal course of business and wholly unrelated to the Company, the potential transaction, and any due diligence conducted in relation thereto, the Confidential Information (as defined in the NDA), the SISP or the NOI Proceedings, and (b) any other Potential Bidder or Qualified Bidder regarding the SISP or any bids submitted or contemplated to be submitted pursuant thereto.

Qualified Bids

17. A Qualified Bidder that wishes to make a bid must deliver their bid to the Proposal Trustee, on behalf of the Company, at the email addresses specified in **Schedule A** hereto so as to be actually received by the Proposal Trustee not later than the Bid Deadline.
18. All offers submitted to the Proposal Trustee (“**Bids**”) for consideration in accordance with paragraph 17, must comply with all of the following requirements (any such complying Bid, a “**Qualified Bid**”):

- (a) Subscription/Purchase Price: Each Bid must clearly set forth the subscription/purchase price in Canadian dollars, stated on a total enterprise value basis, (including the cash and non-cash components thereof, the sources of such capital, evidence of the availability of such capital and the steps necessary and associated timing to obtain the capital and consummate the proposed transaction and any related contingencies, as applicable);
- (b) Executed Subscription Agreement or other Transaction Agreement: Each bid must be made by way of the submission of (a) a Subscription Agreement or (b) or such other form of transaction document as the Qualified Bidder may choose, in each case executed by the Qualified Bidder;
- (c) Mark-up: Each Bid must include a full mark-up comparison of their executed Subscription Agreement or other form of transaction document against the form of Subscription Agreement (including all schedules and exhibits thereto) included in the Data Room, as well as any proposed forms of Orders to be sought from the Court.
- (d) Bid Deadline: Each Bid must be received by the Bid Deadline as set forth herein;
- (e) Capital Structure: Each Bid must include information to enable the Proposal Trustee and the Sales Advisor to review and assess the financing/cash available post-closing to fund the business, and implement post-closing measures and transactions.
- (f) Irrevocable Offer: Each Bid must be irrevocable until the earlier of (A) the approval by the Court of a Successful Bid (and the Back-Up Bid) and (B) 45 days following the Bid Deadline, provided that if such bidder is selected as the Successful Bidder, its offer will remain irrevocable until the Closing (or the outside date as set forth therein);
- (g) Executed Documents: Each Bid must be accompanied by a duly authorized and executed Subscription Agreement or other form of transaction document and an electronic copy of such agreement, as well as duly authorized and executed transaction documents necessary to effectuate the transactions contemplated thereby;
- (h) Financial Wherewithal: Each Bid must include (A) written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the Proposal Trustee, in consultation with the Sales Advisor, to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction, and (B) the identification of any person or entity who may provide debt or equity financing for the Bid and any material conditions to be satisfied in connection with such financing;
- (i) Authorization: Each Bid must include evidence, in form and substance reasonably satisfactory to the Proposal Trustee, in consultation with the Sales Advisor, of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Bid;

- (j) No Other Authorization, Diligence, Financing Conditions: Each Bid must not be conditional upon the following:
 - (i) any internal approval(s);
 - (ii) the outcome of unperformed due diligence by the Qualified Bidder; or
 - (iii) obtaining financing;
- (k) Identity: Each Bid must fully disclose the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of such participation;
- (l) Contact Information: Each Bid must contain contact information for any business, financial or legal advisors retained or to be retained in connection with the proposed transaction;
- (m) Regulatory Approvals: Each Bid must: (i) contain the AER Licensee status of the Qualified Bidder and an indication of the Qualified Bidder's current status with the AER, including, without limitation, LCAs, AER Orders, AER Directives or any other enforcement actions; and, (ii) outline any regulatory and other approvals that are anticipated to be necessary in order to close the transaction, including, any approvals from the AER and any approvals under the ICA. Further, the Bid must outline the anticipated time frame and any anticipated impediments for obtaining any required such approvals, including any and all approvals from the AER and confirmation that the Qualified Bidder will make and submit all necessary and applicable regulatory filings and pay all fees associated therewith;
- (n) Disclaimer of Fees: Each Bid must disclaim any right to receive a fee analogous to a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation;
- (o) Timeline: Each Bid must provide a timeline to closing with critical milestones;
- (p) Deposit: Each Bid, must be accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer to an account specified by the Proposal Trustee, payable to the order of the Proposal Trustee, on behalf of the Company, in trust, in an amount equal to five percent (5%) of the cash consideration contemplated by the Bid or as otherwise contemplated in any fully executed Subscription Agreement or other form of transaction document to be held and dealt with in accordance with the terms of this SISP;
- (q) Terms of Court Order(s): Each Bid must describe the key terms and provisions to be included in any order of the Court approving the contemplated transaction;
- (r) Confirmation of no Collusion: Each Bid should include confirmation by the Qualified Bidder that it has not engaged in any discussions or any other collusive behaviour with any other Potential Bidder or Qualified Bidder regarding the SISP or any bids submitted or contemplated to be submitted in the SISP; and
- (s) Other Information: Each Bid must contain such other information as may be reasonably requested by Proposal Trustee from time to time.

19. Notwithstanding anything herein to the contrary, the Proposal Trustee, in consultation with the Sales Advisor, will review and assess each Bid to determine whether such Bid is a Qualified Bid. In performing such review and assessment, the Proposal Trustee, in consultation with the Sales Advisor, may evaluate the following non-exhaustive list of considerations: (a) the subscription/purchase price and net value (including assumed liabilities and other obligations to be performed by the bidder); (b) the firm, irrevocable commitment for financing of the transaction; (c) the claims likely to be created by such Bid in relation to other Bids; (d) the counterparties to the transaction; (e) the terms of transaction documents; (f) the closing conditions and other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals required to close the transaction); (g) planned treatment of stakeholders; (h) the assets included or excluded from the Bid; (i) any restructuring costs that would arise from the Bid; (j) the likelihood and timing of consummating the transaction, (k) the financing or cash pro forma available post-closing to fund the Company's Business; (l) the capital sufficient to implement post-closing measures and transactions; and (m) the AER Licensee status of the Qualified Bidder, and the likelihood of such Qualified Bidder obtaining AER consents or other approvals.
20. For the purposes of assessing the information and or factors listed in paragraphs 18(m), and 19(m), the Proposal Trustee, shall consult with the AER, with the assistance of the Qualified Bidder, and the Sales Advisor.
21. The Proposal Trustee, in consultation with the Sales Advisor, may reject any Bid that is (i) inadequate or insufficient; (ii) not in conformity with the requirements pursuant to these SISP Procedures; (iii) contrary to the best interest of the Company; or (iv) not a Qualified Bid; provided that the Proposal Trustee may, in consultation with the Sales Advisor, waive strict compliance with any one or more of the requirements specified in paragraph 18 above and deem a non-compliant Bid to be a Qualified Bid.

Auction; Successful Bid

22. In the event that only one Qualified Bid is received, then (a) there will be no auction, (b) the Qualified Bid will be deemed to be the Successful Bid, the Qualified Bidder will be the Successful Bidder, and (c) the Proposal Trustee shall seek approval and authority to consummate the Successful Bid and the transactions provided for therein at the Approval Hearing.
23. If more than one Qualified Bid is received, then the Proposal Trustee, in consultation with the Sales Advisor, shall conduct an auction to determine the highest or otherwise best Qualified Bid (the "**Auction**").
24. If the Auction is to take place, then as soon as practicable prior to the Auction, the Proposal Trustee shall provide all Qualified Bidders having submitted a Qualified Bid (the "**Auction Bidders**") with details of the time and place for the Auction and a copy of the Opening Bid for the Auction.
25. The Auction shall commence on the Auction Date and shall be held at the Calgary office of Fasken Martineau Dumoulin LLP or by videoconference or such other arrangement acceptable to the Proposal Trustee. If the Auction is held at the Calgary office of Fasken Martineau Dumoulin LLP and any Auction Bidder requests to participate by

videoconference, the Proposal Trustee shall facilitate participation by videoconference. The Auction shall be conducted according to the following procedures:

- (a) Participation: The Proposal Trustee, in consultation with the Sales Advisor, shall direct and preside over the Auction. Only Auction Bidders are eligible to participate in the Auction. Each Auction Bidder must have, present or available, the individual or individuals with the necessary decision-making authority to submit Overbids and to make such necessary and ancillary decisions as may be required during the Auction. Only the authorized representatives, including counsel and other advisors, of the Proposal Trustee, the Company, and the Sales Advisor and each of the Auction Bidders shall be permitted to attend the Auction.
- (b) Rounds: Bidding at the Auction shall be conducted in rounds. The Qualified Bid determined by the Proposal Trustee, in consultation with the Sales Advisor, to have the highest and/or best value shall constitute the “**Opening Bid**” for the first round of bidding. The highest and/or best Overbid at the end of each round shall constitute the “**Opening Bid**” for the following round. The Proposal Trustee, in consultation with the Sales Advisor, shall determine what constitutes the Opening Bid for each round in accordance with the assessment criteria set out in paragraph 25(d) below. In each round, an Auction Bidder may submit no more than one Overbid. The Proposal Trustee, in consultation with the Sales Advisor, may impose such time limits for the submission of Overbids as it deems reasonable.
- (c) Failure to Submit an Overbid: If, at the end of any round of bidding, an Auction Bidder (other than the Auction Bidder that submitted the Opening Bid for such round) fails to submit an Overbid, then such Auction Bidder may not participate in any future round of bidding at the Auction. Any Auction Bidder that submits an Overbid during a round (including the Auction Bidder that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction. Any Auction Bidder that fails to submit an Overbid in a round (other than the Auction Bidder that submitted the Opening Bid for such round) may be required by the Proposal Trustee and the Sales Advisor to leave the Auction.
- (d) Bid Assessment Criteria: The Proposal Trustee, in consultation with the Sales Advisor, shall determine which Qualified Bid constitutes the Opening Bid for the first round of bidding and the determination of which Overbid constitutes the Opening Bid for each subsequent round of bidding, taking into account all factors that the Proposal Trustee and the Sales Advisor with the assistance of their advisors, reasonably deem relevant to the value of such bid, including, among other things, those considerations listed in paragraph 19, above.
- (e) Overbids: All bids made during the Auction must be Overbids and shall be submitted in a form to be determined by the Proposal Trustee, in consultation with the Sales Advisor. The identity of each Auction Bidder and all material terms of each Overbid may be fully disclosed by the Proposal Trustee to all other Auction Bidders participating in the Auction. The Proposal Trustee shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction, including the Successful Bid (as defined below) and the Back-Up Bid. To be considered an “**Overbid**”, a bid made during the Auction must satisfy the following criteria:

- (i) Minimum Consideration: The overall amount of consideration of any Overbid shall not be less than the value of the Opening Bid of the applicable round of bidding, plus the Overbid Amount; and
- (ii) Remaining terms are the same as for Qualified Bids: Except as modified herein, an Overbid must comply with the conditions for a Bid set forth in paragraph 18 above (provided, for greater certainty, that the Bid Deadline shall not apply and Overbids need not be accompanied by additional cash deposits (subject to subsection (h) hereof)). To the extent not previously provided (which shall be determined by the Proposal Trustee, in consultation with the Sales Advisor), an Auction Bidder submitting an Overbid must submit, as part of its Overbid, evidence acceptable to the Proposal Trustee, in consultation with the Sales Advisor, demonstrating such Auction Bidder's ability (including financial ability) to close the transaction contemplated by its Overbid;
- (f) Overbid Alterations: An applicable Overbid may contain alterations, modifications, additions, or deletions of any terms of the prior Overbid so long as, after giving effect to the same, the terms of the new Overbid are no less favorable than any prior Overbid of such Auction Bidder, as determined by the Proposal Trustee, in consultation with the Sales Advisor.
- (g) Announcing Highest Overbids: At the end of each round of bidding, the Proposal Trustee, in consultation with the Sales Advisor, shall (i) review each Overbid made in such round; (ii) identify the highest and/or best Overbid; and (iii) announce the terms of such highest and/or best Overbid to all Auction Bidders entitled to participate in the next round of bidding. Such highest and/or best Overbid shall be the Opening Bid for the next round of the Auction.
- (h) Adjournments: The Proposal Trustee, in consultation with the Sales Advisor, may, in its reasonable business judgment, make one or more adjournments in the Auction to, among other things: (i) facilitate discussions with individual Auction Bidders, including any discussion, negotiation or clarification of any Overbid; (ii) allow individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and/or best Overbid at any given time during the Auction; (iv) give Auction Bidders the opportunity to provide such additional evidence as the Proposal Trustee may require, in its reasonable business judgment, that the Auction Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed transaction at the Overbid Amount; and (v) subject to such rules and guidelines as the Proposal Trustee, in consultation with the Sales Advisor, may consider appropriate, facilitate any appropriate consultation by the Auction Bidders with third party stakeholders.
- (i) Closing the Auction: If, in any round of bidding, no Overbid is made, the Auction shall be closed and the Proposal Trustee, in consultation with the Sales Advisor, and legal advisors: (i) declare the last Opening Bid as the successful Bid (the "**Successful Bid**") and the party submitting such Successful Bid, the "**Successful Bidder**"; (ii) immediately review the other Overbids made in the previous round (or the Qualified Bid if no Overbids were made at the Auction) and identify and record the next highest and/or best Overbid (or Qualified Bid) (the "**Back-Up Bid**")

and the party submitting such Back-Up Bid, the “**Back-Up Bidder**”); and (iii) advise the Successful Bidder and the Back-Up Bidder of such determinations and all other Auction Bidders that they are not a Successful Bidder or a Back-Up Bidder. If a Back-up Bid is identified in accordance with this SISP, then such Back-up Bid shall remain open until the closing of the transaction contemplated by the Successful Bid.

- (j) Executed Documentation: The Successful Bidder and the Back-up Bidder (if any) shall, within two (2) Business Days after the conclusion of the Auction, or such longer delay acceptable to the Proposal Trustee, in consultation with the Sales Advisor, submit to the Proposal Trustee executed revised documentation memorializing the terms of the Successful Bid and the Back-up Bid (if any). Unless otherwise contemplated in any fully executed Subscription Agreement or other form of transaction document the Successful Bid and the Back-up Bid may not be assigned to any party without the consent of the Proposal Trustee.
- (k) Reservation of Rights:
 - (i) Notwithstanding anything herein to the contrary, the Proposal Trustee shall be under no obligation to accept the highest or the best Overbid or any Qualified Bid or to pursue or hold an Auction or to select any Successful Bid and/or Back-up Bid.
 - (ii) The Proposal Trustee reserves its rights to modify the conduct of the Auction at any time, acting reasonably, in any manner that would best promote the goals of the Auction process, including to select the Successful Bid and/or Back-up Bid prior to the completion of the Auction.
- (l) No Collusion: Each Auction Bidder shall be required to confirm that it has not engaged in any discussions or any other collusive behaviour with respect to the submissions of Overbids. The Proposal Trustee, in consultation with the Sales Advisor, may permit discussions between Auction Bidders at the Auction, subject to such rules and guidelines as the Proposal Trustee, in consultation with the Sales Advisor, considers appropriate.
- (m) Additional Rules: The Proposal Trustee may impose additional rules for the conduct of the Auction which shall be circulated to each Auction Bidder no later than 24 hours prior to the Auction.

Approval Application

- 26. The Proposal Trustee shall apply to the Court (the “**Approval Application**”) for an order approving the Successful Bid and authorizing the Company to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid. Such order shall also approve the Back-Up Bid, if any, in the event that the Successful Bid does not close for any reason.
- 27. The hearing of the Approval Application will be held on the date of the Approval Hearing. The Approval Application may be adjourned or rescheduled by the Proposal Trustee, in consultation with the Successful Bidder, without further notice by an announcement of the

adjourned date at the Approval Application, or by notice to the service list in the NOI Proceedings.

28. All Qualified Bids (other than the Successful Bid and the Back-Up Bid) will be deemed rejected on the date of approval of the Successful Bid by the Court.

Closing the Successful Bid

29. The Company and the Successful Bidder shall take all reasonable steps to complete the transaction contemplated by the Successful Bid as soon as possible after the Successful Bid is approved by the Court. If the transaction contemplated by the Successful Bid has not closed by the outside date provided for in the Successful Bid or the Successful Bid is terminated for any reason prior to the outside date provided for in the Successful Bid, the Proposal Trustee, may elect to seek to complete the transaction contemplated by the Back-Up Bid, and will promptly seek to close the transaction contemplated by the Back-Up Bid. The Back-Up Bid will be deemed to be the Successful Bid and the Proposal Trustee will be deemed to have accepted the Back-Up Bid only when the Proposal Trustee has made such election and provided written notice of such determination to the Successful Bidder and the Back-Up Bidder.

General

30. All Deposits will be retained by the Proposal Trustee and deposited in a trust account. The Deposit (without interest thereon) paid by the Successful Bidder and Back-Up Bidder whose bid(s) is/are approved at the Approval Application will be applied to the subscription/purchase price to be paid or investment amount to be made by the Successful Bidder and/or Back-Up Bidder, as applicable upon closing of the approved transaction and will be non-refundable, other than in the circumstances set out in the Successful Bid or the Back-Up Bid, as applicable. The Deposits (without interest) of Qualified Bidders and Auction Bidders not selected as the Successful Bidder and Back-Up Bidder will be returned to such bidders within five (5) Business Days after the selection of the Successful Bidder and Back-Up Bidder or any earlier date as may be determined by the Proposal Trustee, in consultation with the Sales Advisor. The Deposit of the Back-Up Bidder, if any, shall be returned to such Back-Up Bidder no later than five (5) Business Days after Closing.
31. If a Successful Bidder breaches its obligations under the terms of the SISP, its Deposit shall be forfeited as liquidated damages and not as a penalty.
32. All bidders (including Auction Bidders and Qualified Bidders) shall be deemed to have consented to the exclusive jurisdiction of the Court and waived any right to apply to another jurisdiction in connection with any disputes relating to the SISP, including the qualification of bids, the Auction, if any, the construction and enforcement of the SISP, the transaction documents and the Closing, as applicable.
33. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the BIA or any other statute or as otherwise required at law in order to implement a Successful Bid.
34. The Proposal Trustee, in consultation with the Sales Advisor and the Company, may amend the terms of this SISP, including but not limited to the key dates contemplated in

Section 2 hereof, if doing so may, in the opinion of the Proposal Trustee, be beneficial to the stakeholders in these proceedings, provided however, that if the amendments materially deviate from the dates currently contemplated, the Proposal Trustee shall also obtain the approval of the Court.

35. This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between the Company and any Qualified Bidder or Auction Bidder, or any obligation to enter into any contractual or other legal relationship between the Company and any Qualified Bidder or Auction Bidder, other than as specifically set forth in a definitive agreement that may be signed with the Company.
36. Neither the Company nor the Proposal Trustee shall be liable for any claim for a brokerage commission, finder's fee or like payment in respect of the consummation of any of the transactions contemplated under the SISP arising out of any agreement or arrangement entered into by the parties that submitted the Successful Bid and Back-Up Bid and the Proposal Trustee shall be at liberty to charge its standard rates in conducting its duties hereunder.

SCHEDULE A

Contact Information

Proposal Trustee

PricewaterhouseCoopers Inc.

Suncor Energy Centre
111 - 5th Avenue SW, Suite 3100, East Tower
Calgary, AB T2P 5L3

Attention: Dana Gaspar
Phone: 403 509 7500
Email: dana.gaspar@pwc.com

With a copy to:

Fasken Martineau Dumoulin LLP

First Canadian Centre
350 - 7th Avenue SW, Suite 3400
Calgary, AB T2P 3N9

Attention: Robyn Gurofsky
Email: rgurofsky@fasken.com

SCHEDULE B
Required Acknowledgement

[See attached]

Acknowledgement of the Sale And Investment Solicitation Process

TO: PricewaterhouseCoopers Inc. in its capacity as Proposal Trustee of Goldenkey Oil Inc., and not in its personal or corporate capacity

RE: Sale and Investment Solicitation Process in respect of Goldenkey Oil Inc.

On January 29, 2023, Goldenkey Oil Inc. (the “**Company**”) filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”). PricewaterhouseCoopers Inc., LIT, (the “**Proposal Trustee**”) was appointed as the Company’s proposal trustee under the NOI (the “**NOI Proceedings**”).

On April 13, 2023, the Court of King’s Bench of Alberta (the “**Court**”) granted an order (the “**SISP Order**”), approving the conduct of a sale and solicitation process (the “**SISP**”) by the Proposal Trustee, with the assistance of the Sales Advisor (as defined in the SISP Order), in accordance with the procedures attached to the SISP Order (the “**SISP Procedures**”).

The undersigned hereby acknowledges having received a copy of the SISP Order and of the SISP Procedures, and that in order to participate in the SISP and submit a Bid (as defined in the SISP Procedures) that will be considered by the Proposal Trustee, in consultation with the Sales Advisor (as defined in the SISP Procedures) and their respective advisors, the undersigned must comply with the terms and provisions of the SISP Order and the SISP Procedures, which the undersigned hereby agrees to do.

This ____ day of _____, 2023.

[Insert Interested Party name]

By:
Title: