

## APPENDIX “A”

### SALES SOLICITATION PROCESS

#### Preamble

1. MNP Ltd. (the “**Receiver**”) was appointed as receiver of all the assets, undertakings, and properties of Abbey Resources Corp. (the “**Debtor**”) pursuant to an Order of the Court of King’s Bench for Saskatchewan (the “**Court**”) dated February 28, 2022 (the “**Receivership Order**”) in KBG-SA-00151-2022 (the “**Receivership Proceedings**”).
2. This sales solicitation process (the “**SSP**”) for the Debtor’s natural gas wells, facilities, pipelines, mineral and surface leases (the “**Surface Leases**”), and the associated licences, permits, and approvals, and related property (collectively, the “**Natural Gas Assets**”) was approved by an order of the Court dated October 11, 2022 (the “**Approval Order**”) on application by the Receiver.
3. The Approval Order, the procedures in respect of the SSP as contained herein (the “**Procedures**”), and any subsequent order issued by the Court pertaining to the Procedures shall exclusively govern the process for soliciting and selecting bids for the sale of the Debtor’s Natural Gas Assets (each a “**Transaction**” and, collectively, the “**Transactions**”).
4. All dollar amounts expressed herein are in Canadian currency. Unless otherwise indicated herein, any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.

#### Defined Terms

5. All capitalized terms used and not otherwise defined herein shall have the meanings given to them in **Schedule “A”** hereto.

#### Acknowledgements

6. Any interested party (each a “**Potential Bidder**”) participating in the SSP understands and acknowledges that:
    - (a) the Receiver’s ability to conclude any Transaction is subject to obtaining Court approval of the Transaction;
    - (b) the Receiver’s ability to convey certain of the Natural Gas Assets is dependant upon the Potential Bidder:
      - i) obtaining approvals from regulatory, governmental, or other entities pursuant to the applicable legislation;
      - ii) negotiating the assignment of any Surface Leases, or new surface lease agreements to be concluded in lieu of such an assignment, with the affected counterparties; and
      - iii) following the prescribed assignment process set out in section 25 of the *Indian Oil and Gas Regulations*, SOR/2019-196;
- (collectively, the “**Conditions Precedent**”)

- (c) it is the Potential Bidder's responsibility to satisfy any Conditions Precedent required to conclude any Transaction; and
- (d) the Receiver, the Marketing Agent, and their respective professionals and advisors are not responsible for, and shall have no liability with respect to, the Potential Bidder's inability or failure to satisfy any Conditions Precedent, including, but not limited to, any Conditions Precedent required by:
  - i) the Minister of Indigenous Services, as represented by Indian Oil and Gas Canada, pursuant to the *Indian Oil and Gas Act*, RSC 1985, c I-7 and the *Indian Oil and Gas Regulations*, SOR/2019-196;
  - ii) section 25 of the Indian Oil and Gas Regulations, SOR/2019-196;
  - iii) the Government of Saskatchewan, as represented by the Ministry of Energy and Resources ("MER"), pursuant to *The Oil and Gas Conservation Act*, RSS 1978, c O-2 and *The Pipelines Act, 1998*, SS 1998, c P-12.1;
  - iv) counterparties to the Surface Leases; and
  - v) such further and other Conditions Precedent that may apply to any given Transaction.

#### **Sales Solicitation Process**

- 7. These Procedures describe, among other things:
  - (a) the manner and timelines by which any Potential Bidder may gain access to due diligence materials concerning the Debtor, the Natural Gas Assets, and the Debtor's business;
  - (b) the manner and timelines by which Potential Bidders may submit an offer to purchase some or all of the Natural Gas Assets;
  - (c) the manner and timelines for a Qualified LOI to be submitted for participation in the SSP and the required content of a Qualified LOI;
  - (d) the manner and timelines for Qualified Phase 2 Binding Bids to be submitted for participation in Phase 2 of the SSP and the required content of Qualified Phase 2 Binding Bids; and
  - (e) the process for obtaining Court approval of one or more Successful Bids.
- 8. The closing of any Transactions may involve additional intermediate steps or Transactions to facilitate consummation of such Transaction, including additional Court filings.
- 9. In the event that there is a disagreement or clarification is required as to the interpretation or application of the Procedures or the responsibilities of any Person hereunder, the Court will have the jurisdiction to resolve such dispute or provide such clarification, and provide any advice or directions as is necessary, upon application of the Receiver or any other interested Person.

### Appointment of Marketing Agent

10. Sayer Energy Advisors (the "**Marketing Agent**") is engaged as marketing agent to administer these Procedures with the Receiver supervising and assisting as necessary.

### As Is, Where Is

11. Any Transaction will be on an "**as is, where is**" basis and without surviving representations, warranties, covenants, or indemnities of any kind, nature, or description by the Receiver, the Marketing Agent, or any of their respective agents, estates, advisors, professionals, or otherwise, except to the extent set forth in a written agreement with the Person who is a counterparty to such a Transaction.

### Solicitation of Interest

12. As soon as reasonably practicable after the granting of the Approval Order, the Marketing Agent, in consultation with the Receiver, will prepare:
  - (a) a list of prospective bidders. Such list will include both strategic and financial parties who, in the reasonable business judgment of the Marketing Agent and the Receiver, may be interested in and have the financial capacity to make a bid ("**Prospective Bidders**"); and
  - (b) an initial offering summary (the "**Teaser**") describing and outlining the SSP and inviting Prospective Bidders to express their interest in making a bid.
13. After the issuance of the Approval Order, the Receiver shall instruct the Marketing Agent to:
  - (a) cause a notice regarding the SSP and such other relevant information which the Receiver, considers appropriate to be published in the BOE Report and Daily Oil Bulletin; and
  - (b) distribute to Prospective Bidders the Teaser and a Confidentiality Agreement among any Prospective Bidder and the Receiver in a form that is satisfactory to the Receiver.

### Participation Requirements

14. Unless otherwise ordered by the Court, any Person who wishes to participate in this SSP must deliver the following to the Marketing Agent and the Receiver:
  - (a) an executed Confidentiality Agreement; and
  - (b) an executed letter acknowledging receipt of a copy of the Approval Order (including these Procedures) and agreeing to accept and be bound by the provisions contained therein and herein.
15. If, in the opinion of the Receiver, a Person has complied with each of the requirements described in section **14** hereof, such Person shall be deemed a "**Potential Bidder**" hereunder.
16. The Marketing Agent will provide to each Potential Bidder the Teaser, the Confidentiality Agreement, and access to an online database created for the SSP for Potential Bidders due diligence purposes ("**Data Room**"). Each Potential Bidder shall have such access in the Data Room to materials and financial, tax, and other information relating to the Natural Gas Assets and the

business of the Debtor as the Receiver, in its reasonable business judgment and in consultation with the Marketing Agent, deems appropriate for Potential Bidders to conduct their due diligence.

17. At the discretion of the Receiver, in consultation with the Marketing Agent, due diligence access may also include access to physical data rooms, on-site inspections, and such other items as a Potential Bidder may reasonably request.
18. The Receiver, the Marketing Agent, and their respective professionals and advisors are not responsible for, and shall have no liability with respect to, any information obtained by any Potential Bidder. The Receiver, the Marketing Agent, and their respective advisors do not make any representations or warranties whatsoever as to the information or the materials provided, including as to the accuracy of same.

#### **Phase 1 Bid Deadline**

19. A Potential Bidder will be deemed a "**Qualified Bidder**" if, in the opinion of the Receiver, such Potential Bidder submits a non-binding, qualified letter of intent (a "**Qualified LOI**") to the Receiver at anytime before 12:00 pm (Saskatchewan time) on **December 15, 2022** (the "**Phase 1 Bid Deadline**"). A letter of intent will only qualify as a Qualified LOI if it meets all of the following conditions:
  - (a) it is received by the Receiver on or before the Phase 1 Bid Deadline;
  - (b) it includes a summary of:
    - i) the type and amount of consideration to be paid by the Qualified Bidder;
    - ii) the Natural Gas Assets to be included in the Transaction;
    - iii) a specific indication of the anticipated sources of capital and/or credit for such Person and satisfactory evidence of the availability of such capital and/or credit so as to demonstrate that such Person has the financial capacity to complete a Transaction;
    - iv) the structure and financing of the Transaction (including, but not limited to, the sources of financing and evidence of the availability of such financing);
    - v) any anticipated corporate, shareholder, internal, or other approvals required to close the Transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
    - vi) any additional due diligence required or desired to be conducted prior to the Phase 2 Binding Bid Deadline (as defined below), if any;
    - vii) any conditions to closing that the Qualified Bidder may wish to impose; and
    - viii) any other terms or conditions of the Transaction which the Qualified Bidder believes are material to the Transaction;

- (c) it fully discloses the identity of each Person that is bidding or that will otherwise be sponsoring or participating in the forthcoming Qualified Phase 2 Binding Bid, including the identification of the Qualified Bidder's:
    - i) directors, officers, and shareholders, and their contact information; and
    - ii) indirect owners, their principals, and the full and complete terms of any such participation;
  - (d) it includes such other information reasonably requested by the Receiver.
20. The Receiver may waive non-compliance with any one or more of the requirements specified in paragraph **19** of these Procedures and may deem any non-compliant letter of intent to be a Qualified LOI.
21. The Receiver, in consultation with the Marketing Agent, will assess any Qualified LOIs received and determine whether or not there is a reasonable prospect that one or more of the Transactions that are the subject of the Qualified LOIs are likely to close. Such assessment will be made within five (5) Business Days following the Phase 1 Bid Deadline (or such other deadline as the Receiver may determine). In the event that the Receiver determines that one or more Qualified LOIs contemplate Transactions that are likely to close, the SSP shall proceed to the next phase as described below.

#### **Phase 2 Binding Bid Deadline**

22. In order to continue to participate in the SSP after the Phase 1 Bid Deadline, a Qualified Bidder must deliver a binding offer to the Receiver by no later than 12:00 p.m. (Saskatchewan time) on **January 31, 2023** (or such other deadline as the Receiver may determine) (the "**Phase 2 Binding Bid Deadline**"). A binding offer will only qualify as a qualified phase 2 bid (a "**Qualified Phase 2 Bid**") in the event that it meets the following conditions:
- (a) it is received by the Receiver on or before the Phase 2 Binding Bid Deadline;
  - (b) it includes the sources of capital and/or credit for such Person and definitive evidence of the availability of such capital and/or credit so as to demonstrate that such Person shall have the financial capacity to complete a Transaction;
  - (c) it includes a fully binding, duly authorized, and executed purchase and sale agreement, together with all exhibits and schedules thereto, and such ancillary agreements as may be required with all exhibits and schedules thereto, which agreement will be substantially in the form of the sample asset purchase agreement deposited by the Receiver in the Data Room, with any proposed changes identified in the form of blackline (a "**Definitive Agreement**")
  - (d) it is irrevocable for a minimum of thirty-five (35) days following the Phase 2 Binding Bid Deadline;
  - (e) it is not conditional on (i) the outcome of unperformed due diligence; or (ii) obtaining any credit, capital, or other form of financing;

- (f) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a trust account specified by the Receiver) payable to the Receiver, in trust, in an amount equal to ten percent (10%) of the cash consideration or other consideration to be paid pursuant to the Qualified Phase 2 Bid, to be held and dealt with in accordance with these Procedures;
  - (g) it fully discloses the identity of each Person that is bidding or that will otherwise be sponsoring or participating in the Qualified Phase 2 Bid, including the identification of the Qualified Bidder's:
    - i) directors, officers, and shareholders, and their contact information; and
    - ii) any indirect owners of the Qualified Bidder, their principals, and the full and complete terms of any such participation;
  - (h) it provides confirmation that it has submitted a pre-transfer liability assessment to the Ministry of Energy and Resources on the IRIS system and is aware of any security required to transfer the assets; and
  - (i) it includes such other information reasonably requested by the Receiver.
23. The Receiver may waive non-compliance with any one or more of the requirements specified in these Procedures and may deem any non-compliant Definitive Agreement, as the case may be, a Qualified Phase 2 Bid.
24. If the Receiver is not satisfied with the number or terms of the Qualified Phase 2 Bids, the Receiver may extend the Phase 2 Bid Deadline without Court approval.
25. The Receiver, in consultation with the Marketing Agent, will assess any Definitive Agreement and will determine whether any such Definitive Agreement constitutes a Qualified Phase 2 Bid. Such assessment will be made within five (5) Business Days after the Phase 2 Bid Deadline (or such other deadline as the Receiver may determine) (the "**Qualified Phase 2 Bid Assessment Deadline**").
26. The Receiver shall, subject to paragraph 36 of these Procedures, determine the Person who submitted the most favourable Qualified Phase 2 Bid or, in the event there are multiple Qualified Phase 2 Bids for different Natural Gas Assets, the Persons who submitted the most favourable Qualified Phase 2 Bids (each a "**Successful Bid**" and together the "**Successful Bids**") and file an application to the Court to approve such Successful Bid or Successful Bids within thirty (30) Business Days of the Qualified Phase 2 Bid Assessment Deadline (or such other deadline as the Receiver may determine), and seek a hearing of such application (the "**Approval Hearing**") as soon as practicable thereafter.
27. Should Court approval of any Successful Bid be obtained, the Receiver shall thereafter complete the Transaction(s) contemplated by the Successful Bid in accordance with the terms thereof and any order(s) issued by the Court.

#### **Court Approvals and Orders**

28. For greater certainty, the Court approvals and orders to be obtained by the Receiver at the Approval Hearing are in addition to, and not in substitution for, any Conditions Precedent required by the

applicable laws or any regulatory, governmental, or other entity, including, but not limited to, any Conditions Precedent required by:

- (a) the Minister of Indigenous Services, as represented by Indian Oil and Gas Canada, pursuant to the *Indian Oil and Gas Act*, RSC 1985, c I-7 and the *Indian Oil and Gas Regulations*, SOR/2019-196;
- (b) section 25 of the *Indian Oil and Gas Regulations*, SOR/2019-196;
- (c) the Government of Saskatchewan, as represented by the Ministry of Energy and Resources (“**MER**”), pursuant to *The Oil and Gas Conservation Act*, RSS 1978, c O-2 and *The Pipelines Act, 1998*, SS 1998, c P-12.1;
- (d) counterparties to the Surface Leases; and
- (e) such further and other regulatory, government, or other entities under any additional legislation that may apply to any given Transaction.

#### Deposits

- 29. All Deposits shall be retained, without interest, by the Receiver in a trust account located at a recognized financial institution in Canada.
- 30. All Qualified Phase 2 Bidders are to provide return wire instructions for their deposits in the event their bid is not successful.
- 31. If there is a Qualified Phase 2 Bid that constitutes a Successful Bid, the Deposit (plus accrued interest) paid by the Person making such Successful Bid shall be applied to the consideration to be paid by such Qualified Bidder upon closing of the Transaction constituting the Successful Bid.
- 32. The Deposit(s) from all Qualified Bidders submitting Qualified Phase 2 Bids that do not constitute a Successful Bid shall be returned to such Qualified Bidder within five (5) Business Days of the earlier of the date that the Receiver selects a Successful Bid or Successful Bids pursuant to section 26 hereof or the Court declares a Successful Bid or Successful Bids pursuant to section 27 hereof.
- 33. If the Qualified Bidder making a Qualified Phase 2 Bid is selected as a Successful Bid and breaches or defaults on its obligation to close the Transaction in respect of the Successful Bid, it shall forfeit its Deposit to the Receiver for the benefit of the creditors in the Receivership Proceedings.
- 34. If the Receiver is unable to complete a Successful Bid as a result of its own actions and not as a result of steps or conditions contained in the Successful Bid (or the actions of a Successful Bidder), then the Deposit shall be returned to the Successful Bidder.

#### Notice

- 35. The addresses used for delivering documents as prescribed by the terms and conditions of these Procedures are set out in **Schedule "B"** hereto. A bid and all associated documentation shall be delivered to the Receiver by electronic mail. Persons requesting information about these Procedures should contact the Receiver at the contact information contained in **Schedule "B"**.

**Reservation of Rights**

36. The Receiver, in its sole discretion, may at any time reject or choose not to accept any bid, offer, or proposal made in respect of the Natural Gas Assets.

**No Amendment**

37. Except for amendments which are: (i) non-substantive in nature and necessary to ensure the efficacy of the SSP and (ii) approved by the Receiver, there shall be no amendments to these Procedures unless ordered by the Court upon application by the Receiver.

**Further Orders**

38. At any time during the SSP, the Receiver may apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder.

## **Schedule "A" – Defined Terms**

**"Business Day"** means a day other than a Saturday, Sunday, or statutory holiday on which banks are open for business in the City of Saskatoon.

**"Confidentiality Agreement"** means a confidentiality agreement in favour of the Receiver executed by a Prospective Bidder, in form and substance satisfactory to the Receiver, which shall enure to the benefit of any Prospective Bidder.

**"Person"** means any individual, firm corporation, limited or unlimited liability company general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency or instrumentality thereof or any other entity.

## **Schedule "B"**

### **Address for Notices and Deliveries**

To the Receiver:

**MNP Ltd.**

1500, 640 - 5th Avenue SW  
Calgary, AB T2P 3G4

Attention: Victor P. Kroeger / Rick Anderson  
Email: [vic.kroeger@mnp.ca](mailto:vic.kroeger@mnp.ca) / [rick.anderson@mnp.ca](mailto:rick.anderson@mnp.ca)

With a copy to:

**McDougall Gauley LLP**

500 – 616 Main Street  
Saskatoon, SK S7H 0J6

Attention: Ian Sutherland / Craig Frith  
Email: [isutherland@mcdougallgauley.com](mailto:isutherland@mcdougallgauley.com) / [cfrith@mcdougallgauley.com](mailto:cfrith@mcdougallgauley.com)

To the Marketing Agent:

**Sayer Energy Advisors**

1620, 540 – 5<sup>th</sup> Avenue SW  
Calgary, AB T2P 0M2

Attention: Tom Pavic / Ben Rye  
Email: [tpavic@sayeradvisors.com](mailto:tpavic@sayeradvisors.com) / [brye@sayeradvisors.com](mailto:brye@sayeradvisors.com)