

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-2719774  
Estate No. 25-2719774

FORM 92  
Notice of Proposal to Creditors  
(Section 51 of the Act)

In the matter of the proposal of  
GS E&R Canada Inc.  
of the City of Calgary, in the Province of Alberta

Take notice that GS E&R Canada Inc. of the City of Calgary in the Province of Alberta has lodged with me a proposal under the *Bankruptcy and Insolvency Act*.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed.

A general meeting of the creditors will be held on the 7th day of September 2021 at 3:00 PM.

**The meeting will be convened solely via teleconference.  
To attend the meeting please call the number below at the appointed time:  
1 (877) 252-9279 (conference ID: 131 717 547#).**

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Dated at the City of Calgary in the Province of Alberta, this 17th day of August 2021.

MNP Ltd. - Licensed Insolvency Trustee

Suite 1500, 640 – 5<sup>th</sup> SW  
Calgary, AB T2P 3G4

(A form of proof of claim, a form of proxy and a voting letter should be enclosed with each notice.)

ALBERTA  
COURT OF QUEEN'S BENCH  
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF GS E&R CANADA  
INC. WITH A HEAD OFFICE IN THE CITY CALGARY, IN THE PROVINCE OF ALBERTA

PROPOSAL OF GS E&R CANADA INC.

GS E&R CANADA INC. submits the following Proposal to its Creditors pursuant to Part III, Division I of the BIA.

ARTICLE 1

DEFINITIONS

1.1 Definitions

In this Proposal:

- (a) **"Administrative Charge"** means the priority Administration Charge over the Property in favour of the Company's counsel and the Trustee and Trustee's counsel in the maximum amount of \$300,000 as granted by the Court of Queen's Bench of Alberta pursuant to the Order dated March 24, 2021;
- (b) **"Administrative Fees and Expenses"** means the proper fees, expenses, including legal fees and disbursements, of the Trustee and the Debtor, including the fees and disbursements of Stikeman, on and incidental to the negotiation, preparation, presentation, consideration and implementation of the Proposal, and all proceedings and matters relating to or arising out of the Proposal;
- (c) **"Approval"** means:
  - (i) Acceptance of this Proposal by the statutory majority of Creditors in the Unsecured Creditor Class entitled to vote thereon in accordance with the relevant provisions of the BIA; and
  - (ii) The approval of this Proposal by the Court by the granting of the Approval Order, which is a Final Order.
- (d) **"Approval Order"** means an Order of the Court approving the Proposal;
- (e) **"BIA"** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and in force as at the Filing Date;
- (f) **"Business Day"** means a day, other than a Saturday or Sunday, on which banks are generally open for business in Calgary, Alberta;
- (g) **"Canada Pension Plan"** means the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended;

- (h) **"Claim"** means a claim provable in bankruptcy against the company or the Directors and includes any indebtedness, liability, action, cause of action, suit, debt, account, bond covenant, counterclaim, demand, claim, right and obligation of any kind of the Company to any person, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, by surety or otherwise and whether or not such a right is executory in nature, including, without limitation, the right or ability of any Person to make a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which existed prior to or as of the Filing Date and a reference to a "Claim" or "Claims": shall include, as the case may be, Convenience Claims, Preferred Claims; D&O Claims; Lienholder Claims; and Restructuring Claims;
- (i) **"Company"** means GS E&R CANADA INC.;
- (j) **"Court"** means the Alberta Court of Queen's Bench (in Bankruptcy and Insolvency);
- (k) **"Creditor"** means any Person, having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person;
- (l) **"Creditors' Meeting"** means the meeting of the Unsecured Creditors called for the purpose of considering and voting upon the Proposal;
- (m) **"Creditors' Meeting Date"** means the date and time as may be called by the Trustee for the meeting of creditors to consider this Proposal, but in any event will be no later than twenty-one (21) days following the Proposal Date;
- (n) **"Debtor"** means GS E&R CANADA INC.;
- (o) **"Disputed Claim"** means any Claim that has been received by the Proposal Trustee in accordance with the terms of this Proposal and the BIA but has not been accepted as proven or which is being disputed in whole or in part by the Trustee, or any other person entitled to do so and has not been resolved by agreement or by Order of the Court.
- (p) **"Disputed Creditor"** means a person holding a Disputed Claim to the extent of its Disputed Claim.
- (q) **"D&O Claim"** means the right of any Person against one or more of the Directors or Officers howsoever arising, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to make a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, including any right of contribution or indemnity, for which any Director or Officer is alleged to be, by statute or otherwise by law or equity, liable to pay in his or her capacity as a Director or Officer;
- (r) **"Directors"** means all current and former directors (or their estates) of the Debtor, in such capacity, and "Director" means any one of them;
- (s) **"Employee Creditors"** means employees and former employees of the Debtor, if any, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under **paragraph 136(l)(d)** of the BIA

if the Debtor became bankrupt on the Filing Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor's business during the same period;

- (t) "**Employment Insurance Act**" means the *Employment Insurance Act*, S.C. 1996 c. 23, as amended;
- (u) "**Filing Date**" means March 11, 2021 (the date the Debtor filed a Notice of Intention to Make a Proposal);
- (v) "**Implementation Date**" means the date upon which the conditions set forth in **Section 7.4** have been satisfied or, if applicable, waived;
- (w) "**Income Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5<sup>th</sup> Supp.), as amended;
- (x) "**Officer**" means all current and former officers (or their estates) of the Debtor, in such capacity, and "Officer" means any one of them;
- (y) "**Official Receiver**" will have the meaning ascribed thereto in the BIA;
- (z) "**Person**" means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (aa) "**Post-Filing Claim**" means any Claims arising in respect of services rendered, goods supplied or other consideration given to the Debtor after the Filing Date;
- (bb) "**Preferred Claim**" means that portion of a Claim that is accepted by the Proposal Trustee as entitling the Creditor to receive payment in priority to other Creditors as provided in section 136 of the BIA;
- (cc) "**Preferred Creditors**" means holders of Preferred Claims and includes Employee Creditors;
- (dd) "**Proof of Claim**" will mean the proof of claim required by the BIA to be mailed to each known Creditor prior to the Creditors' Meeting;
- (ee) "**Proposal**" means this proposal together with any amendments or additions thereto;
- (ff) "**Proposal Date**" means the date of the filing of the Proposal with the Official Receiver;
- (gg) "**Proposal Proceeds**" has the meaning ascribed in **Section 5.1**;
- (hh) "**Proven Claim**" of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the BIA;
- (ii) "**Related Creditor**" means GS E&R INC. which is considered a related person to the Debtor pursuant to **section 4.2** of the BIA.
- (jj) "**Restructuring Claims**" mean claims arising as a result of the restructuring including the claims of terminated employees for severance and termination and claims arising as a result of the Debtor's repudiation or disclaimer of a contract after the Filing Date pursuant to **section 65.11** of the BIA;

- (kk) **"Source Deduction Creditors"** means Her Majesty in Right of Canada or a Province for all amounts that were outstanding at the time of the Filing Date and are of a kind that could be subject to a demand under,
- (i) **subsection 224(1.2)** of the *Income Tax Act*;
  - (ii) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to **subsection 224(1.2)** of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or
  - (iii) any provision of provincial legislation that has a similar purpose to **subsection 224(1.2)** of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum;
    - (A) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
    - (B) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in **subsection 3(1)** of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection;
- (ll) **"Secured Creditor"** means a person holding a mortgage, hypothec, charge, pledge, charge or lien on or against the property or assets of the Debtor as security for a debt due or accruing due to the person from the Debtor;
- (mm) **"Stikeman"** means Stikeman Elliott LLP, legal counsel to the Debtor;
- (nn) **"Trustee"** means MNP Ltd., solely in its capacity as the proposal trustee of the Debtor, or its duly appointed successor or successors and not in its personal capacity;
- (oo) **"Unaffected Creditors"** means the British Columbia Oil and Gas Commission, to the extent they are a creditor for Abandonment, Reclamation and other regulated obligations;
- (pp) **"Unsecured Claim"** means the amount of an Unsecured Creditor's Claim, as determined under Article 3, and includes any Preferred Claim, Convenience Claim, D&O Claim and Restructuring Claim;
- (qq) **"Unsecured Creditors"** means Creditors with Unsecured Claims;
- (rr) **"Voting Letter"** will mean the voting letter required by **section 51(1)** of the BIA to be mailed to each known Creditor prior to the Unsecured Creditors' Meeting.

## 1.2 Articles of Reference

The terms "hereof", "hereunder", "herein" and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

### **1.3 Interpretation Not Affected by Headings**

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of a table of contents and headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

### **1.4 Date for Any Action**

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day.

### **1.5 Time**

All times expressed herein are local times in Calgary, Alberta, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time will be deemed to be 5:00 p.m. local time in Calgary, Alberta, Canada.

### **1.6 Numbers**

In the Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

### **1.7 Currency**

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

### **1.8 Statutory References**

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

### **1.9 Successors and Assigns**

The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

## **ARTICLE 2**

### **PURPOSE AND EFFECT OF PROPOSAL**

#### **2.1 Purpose**

The purpose of this Proposal is to deal with the obligations of the Company following the sale of its assets. It is believed that all stakeholders of the Company including its Creditors and government regulators will derive a greater benefit from distributions made under this Proposal, rather than distributions (if any) under a bankruptcy. This Proposal will also provide for a full and final satisfaction of all Unsecured Claims and releases of third parties.

This Proposal applies to all Unsecured Creditors, but does not apply to Secured Creditors, or Unaffected Creditors, who are unaffected by the Proposal.

For the purpose of voting on the Proposal, the Unsecured Creditors of the Debtor shall be comprised of and vote in a single class of Unsecured Creditors.

## **Effect of Proposal**

This Proposal will, be binding on the Debtor and all Unsecured Creditors, and effective on the Implementation Date, all Unsecured Claims shall be discharged and the Company shall thereon be released from all Unsecured Claims, other than the obligation to make payment in the manner and to the extent described in this Proposal, which payment shall be effected by the Trustee under enhanced powers granted by the Court.

### **2.2 Secured Creditors**

The Claim of each Secured Creditor will be paid by the Debtor in accordance with agreements between the Debtor and the Secured Creditor or as otherwise agreed between the Secured Creditor and the Debtor. The Claims of Secured Creditors are not affected by this Proposal.

### **2.3 Administrative Fees and Expenses**

The Administrative Fees and Expenses will be paid in full by the Debtor from operations, and the Administrative Charge acts as security for such fees and expenses, in accordance with the terms of the March 24 Order.

### **2.4 Preferred Creditors**

The Proven Claims of the Preferred Creditors (excluding the Employee Claims) of the Debtor will be paid in full in priority to the Proven Claims of other Unsecured Creditors in accordance with the BIA and the Proposal.

### **2.5 Employee Creditors**

The Proven Claims of the Employee Creditors, if any, will be satisfied or paid as provided by Article 6.

### **2.6 Unsecured Creditors**

The Proven Claims of the Unsecured Creditors of the Debtor will be satisfied or paid as provided by Article 6.

### **2.7 Post-Filing Claims**

Post-Filing Claims will be paid in full by the Debtor in the ordinary course of business and on regular trade terms, or as may otherwise be arranged with the holders of such Post-Filing Claims.

## **ARTICLE 3**

### **PROCEDURE FOR VALIDATION AND VALUATION OF CLAIMS**

#### **3.1 Filing of Proofs of Claim**

In order to vote on, or to receive a distribution under this Proposal, each Unsecured Creditor must file a Proof of Claim with the Trustee as required by the BIA. Unsecured Creditors who have filed a Proof of Claim will receive a distribution in accordance with Article 6 based on their Proven Claims.

#### **3.2 Allowance of Claims**

Upon receipt of a completed Proof of Claim, the Trustee will examine the Proof of Claim and will, in consultation with the Debtor, deal with each Proof of Claim in accordance with the provisions of the BIA.

### **3.3 Procedure for the Valuation of Claims**

The procedure for: (a) determining and valuing Claims of the Unsecured Creditors that are contingent or unliquidated; and (b) disallowing and resolving disputes with respect to Claims will be as set forth in Section 135 of the BIA.

The Proposal Trustee reserves the right to seek the assistance of the Court in valuing the claim of any Unsecured Creditor, if required, to ascertain the result of any vote on this Proposal or the amount payable or to be distributed to such Creditor under this Proposal, as the case may be.

## **ARTICLE 4**

### **MEETING OF CREDITORS**

#### **4.1 Unsecured Creditors' Meeting**

On the Creditors' Meeting Date, the Trustee will hold a Creditors' Meeting in order for the Creditors to consider and vote upon the Proposal.

#### **4.2 Time and Place of Meeting**

The Creditors Meeting will be held on the Creditors' Meeting Date. Due to the social distancing measures currently mandated by provincial governments in response to the Covid-19 epidemic, the Creditors Meeting will be held virtually, on such terms and parameters as the Trustee considers appropriate, with video and teleconference access for any Creditors who wish to virtually attend. The Trustee may engage a third-party service provider to virtually host the Creditors Meeting. The Trustee shall provide all known Creditors with the necessary connection, dial-in and other information about the Creditors Meeting. Unless otherwise ordered by the Court, the Creditors' Meeting will be held at a time to be established by the Official Receiver, or the nominee thereof, and confirmed in the notice of Creditors' Meeting to be mailed to Creditors pursuant to the BIA.

#### **4.3 Conduct of Meetings**

The Official Receiver or the nominee thereof, will preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only persons entitled to attend the Creditors' Meeting are those persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, and their respective legal counsel, if any, and the officers, directors, auditors and legal counsel of the Debtor, together with such representatives of the Trustee as the Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other person may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Unsecured Creditors.

#### **4.4 Adjournment of Meetings**

The Creditors' Meeting may be adjourned in accordance with section 52 of the BIA.

#### **4.5 Voting by Creditors**

Persons virtually in attendance at the Creditors Meeting by video or teleconference who are eligible to vote shall cast their vote in the manner prescribed by the Trustee. All votes will be recorded and tabulated by the Trustee, who may seek the assistance of the Court with respect to any dispute arising from or out of the tabulation of votes. Any Proof of Claim in respect of a Claim of an Unsecured Creditor that is not a Proven Claim as at the Creditors' Meeting Date will be marked as objected to in accordance with section 108(3) of the BIA. Related Creditors and Secured Creditors will not be entitled to vote at the Creditors' Meeting.



#### **4.6 Approval by Creditors**

In order that the Proposal be binding on all of the Unsecured Creditors of a Debtor in accordance with the BIA, it must first be accepted by the Unsecured Creditors of the Debtor by a majority in number of the Unsecured Creditors with Proven Claims who actually vote upon the Proposal (in person or by proxy) at the Creditors' Meeting or by a Voting Letter, which represent two-thirds in value of the Proven Claims of the Unsecured Creditors who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

Voting Letters as provided for in the BIA submitted to the Trustee prior to the Creditors' Meeting must indicate whether the Unsecured Creditors wishes to cast its vote in favour of or against the Proposal. Voting Letters that do not indicate any preference **will be deemed to indicate a vote in favour of the Proposal.**

#### **4.7 Appointment of Inspectors**

At the Meeting of Creditors the Unsecured Creditors may appoint up to five (5) Inspectors whose powers will be limited to: (a) advising the Trustee concerning any dispute which may arise as to the validity or valuation of Claims; and (b) advising the Trustee from time to time with respect to any other matter that the Trustee may refer to them. Any decision, direction or act of the Inspectors may be referred to the Court by the Proposal Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such order as it deems just. The authority and term of office of the Inspectors will terminate upon the discharge of the Proposal Trustee.

### **ARTICLE 5**

#### **FUNDING OF PROPOSAL**

##### **5.1 Funding of the Proposal**

Conditional only on: (a) the approval of the Proposal by the Unsecured Creditors of the Debtor and; (b) the making of the Approval Order, the Debtor will assign to the Trustee the sum total of funds remaining in the Company after closing of the Transaction with Bench Creek Resources Ltd., after deduction for amounts representing administrative and professional fees and costs for the Proposal Proceedings and payment of post filing creditors, including the SISP and the anticipated costs for administration of the Proposal ("**Proposal Proceeds**") for distribution to the Unsecured and Preferred Creditors of the Debtor with Proven Claims in accordance with Article 6.

##### **5.2 Holding of Proposal Proceeds**

The Proposal Proceeds will be held by the Trustee for distribution to the Unsecured Creditors of the Debtor in accordance with **Section 6.5**

### **ARTICLE 6**

#### **DISTRIBUTION**

##### **6.1 Payment of Administrative Fees and Expenses**

The Administrative Fees and Expenses up to and including the making of the Approval Order and a further amount for estimated expenses of administering the Proposal proceeding until distribution, will be paid in full by the Debtor on the Business Date that is no later than ten (10) Business Days after the Implementation Date.

## 6.2 Payment of Employee Creditors

The Claims, if any, of the Employee Creditors with Proven Claims will be paid or satisfied immediately after the making of the Approval Order from funds on hand in the ordinary course.

## 6.3 Payment of Source Deduction Creditors

Unless Her Majesty agrees otherwise, the Proven Claims, if any, of the Source Deduction Creditors will be paid or satisfied immediately after the making of the Approval Order from funds on hand in the ordinary course.

## 6.4 Requirement to File Proofs of Claim

On or before the Implementation Date the Trustee will deliver notice pursuant to **section 149(1)** of the BIA requiring that any of the Debtor's Unsecured Creditors that have not filed a Proof of Claim to file a Proof of Claim within thirty (30) days ("**Claims Deadline**").

## 6.5 Distribution to Unsecured Creditors

Distribution to unsecured Creditors following the Claim Deadline and the determination of Proven Claims, the Proposal Proceeds will be distributed by the Trustee as follows:

- (a) First, to each Preferred Creditor of the Debtor in respect of its Proven Claim in the priority established by the BIA;
- (b) Second, the remaining Proposal Proceeds will be paid to each Unsecured Creditor, *pro rata* based on the proportion that the Proven Claim of such Unsecured Creditor bears to the total Proven Claims of all Unsecured Creditors, up to the full amount of that Unsecured Creditor's Proven Claim, together with interest after the filing date at the rate of 5% per annum, if applicable; and
- (c) Third, if the Proposal Proceeds exceed the amount necessary to pay all of the Unsecured Creditors' Proven Claims in full (the "Surplus Proposal Proceeds"), each Unsecured Creditor will receive interest of 5% per annum on their Proven Claim to the date of payment, provided that if the Surplus Proposal Proceeds are not sufficient to pay 5% per annum on each Unsecured Creditor's Proven Claim to the date of payment, the Surplus Proposal Proceeds will be paid to each Unsecured Creditor *pro rata* based on the proportion that the Proven Claim of such Unsecured Creditor bears to the total Proven Claims of all Unsecured Creditors.

## 6.6 Levy

Payments to each Creditor in respect of Proven Claims will be net of any applicable levy payable to the Office of the Superintendent of Bankruptcy as required by the BIA and the Trustee will remit the amount of such levy to the Office of the Superintendent of Bankruptcy contemporaneous with the distributions to Unsecured Creditors.

## 6.7 Discharge of Trustee

Upon the payment and distribution by the Trustee of the amounts contemplated in this **Article 6**, the Trustee will have discharged its duties as Trustee and the Trustee will be entitled to apply for its discharge as Trustee. For greater certainty, the Trustee will not be responsible or liable for any obligations of the Debtor and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred

upon it by this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default.

## ARTICLE 7

### MISCELLANEOUS

#### 7.1 Compromise Effective for all Purposes

The provisions of this Proposal will be binding upon each Creditor, their heirs, executors, administrators, successors and assigns, for all purposes.

#### 7.2 Modification of Proposal

The Debtor may propose an alteration or modification to the Proposal prior to the vote taking place on the Proposal. After the Creditors Meeting (and both prior to and subsequent to the issuance of the Approval Order) and subject to the consent of the Trustee, the Debtor may at any time and from time to time vary, amend, modify or supplement the Proposal if the Court determines that such variation, amendment, modification or supplement is of a minor, immaterial or technical nature or would not be materially prejudicial to the interest of any of the Creditors under the Proposal and is necessary in order to give effect to the substance of the Proposal or the Approval Order.

#### 7.3 Consents, Waivers and Releases

As at 12:01 a.m. on the Implementation Date, each Unsecured Creditor and Unaffected Creditor will be deemed:

- (a) to have executed and delivered to the Debtor all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;
- (b) to have waived any default by the Debtor in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Unsecured Creditor and Unaffected Creditor and the Debtor that has occurred on or prior to the Implementation Date;
- (c) to have agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Unsecured Creditor and Unaffected Creditor and the Debtor as at the Implementation Date (other than those entered into by the Debtor on, or with effect from, the Implementation Date) and the provisions of this Proposal, that the provisions of this Proposal will take precedence and priority and the provisions of such agreement or other arrangement will be amended accordingly; and
- (d) to have released the Debtor, the Trustee and all of their respective affiliates, employees, agents, directors, officers, shareholders, advisors, consultants and solicitors from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgements, expenses, executions, liens, set off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with the matters herein, including any liabilities relating to sections 45 and 62 of the *Oil and Gas Activities Act*, SBC 2008 Ch. 36.

- (e) to have released the Directors and Officers of the Debtor of all D&O Claims, and any claims pursuant to section 50(13) of the BIA.

provided that nothing herein will release the Debtor of its obligation to make the payments contemplated in this Proposal or to comply with any of its obligations thereunder.

#### **7.4 Conditions to Proposal Implementation**

The implementation of the Proposal by the Debtor will be conditional upon the fulfilment or satisfaction of the following conditions:

- (a) The acceptance of the Proposal by the Unsecured Creditors of the Debtor; and
- (b) The making of an Approval Order in respect of the Debtor and the expiry of all appeal periods, provided that the Debtor may agree to waive the expiry of the appeal period in respect of the Approval Order.

#### **7.5 Effect of Proposal Generally**

As at 12:01 a.m. on the Implementation Date:

- (a) The treatment of all Claims under the Proposal will be final and binding on the Debtor and all Unsecured Creditors (along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns); and
- (b) The Proposal will constitute: (i) a full, final and absolute settlement of all rights of the holders of the Claims affected hereby; and (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Debtor of or in respect of said Claims,

provided that nothing herein will release the Debtor of its obligation to make the payments contemplated in this Proposal or to comply with any of its obligations thereunder.

#### **7.6 Conduct of Debtor's Business**

Subject to any Order made by the Court, the Debtor will remain in possession and control of its property and assets at all times, both before and after implementation of this Proposal.

### **ARTICLE 8**

#### **AVOIDANCE OF TRANSACTION**

##### **8.1 Avoidance Proceedings**

Sections 95 to 101 of the BIA will not apply in respect of the Debtor or this Proposal.

### **ARTICLE 9**

#### **GENERAL**

##### **9.1 Notices**

Any notices or communication to be made or given hereunder will be in writing and will refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail, telecopier or by email addressed to the respective parties as follows:

- (a) if to the Debtor

GS E&R Canada Inc.,  
c/o Stikeman Elliott LLP  
Attention: Karen Fellowes  
Telephone: 1 403 724 9469  
Email: kfellowes@stikeman.com

- (b) if to an Unsecured Creditor, to the address, telecopier number or email address for such Unsecured Creditor specified in the Proof of Claim filed by such Unsecured Creditor or, if no Proof of Claim has been filed, to such other address, telecopier number or email address at which the notifying party may reasonably believe that the Unsecured Creditor may be contacted; and

- (c) if to the Trustee:

MNP Ltd.  
Proposal Trustee of GS E&R CANADA INC.  
Attention: Victor Kroeger  
Telephone: 1 403 298 8479  
Email: vic.kroeger@mnp.ca

or to such other address or email address as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or email and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by email or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in to case of notice mailed as aforesaid, on the fifth (5<sup>th</sup>) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

## **9.2 Notice of Presentation of Approval Application**

Each of the Creditors and the Official Receiver (as defined by and appointed under the BIA) are hereby given notice that, after acceptance of this Proposal by the Creditors in accordance with the relevant provisions of the BIA, the Company will present an application to the Court seeking the Approval Order on September 17, 2021 or so soon thereafter as counsel may be heard.

## **9.3 Foreign Currency Obligations**

For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the Filing Date.

## **9.4 Applicable Law**

This Proposal will be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and will be treated in all respects as an Alberta contract.

**9.5 Deeming Provisions**

In this Proposal the deeming provisions are not rebuttable and are conclusive and irrevocable.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]**

DATED at the City of Calgary, in the Province of Alberta, this 17 day of AUGUST 2021.

**GS E&R Canada Inc.**

Per: Jungho Park  
Name: Jungho Park

Title: Managing Director

I have authority to bind the corporation.

District of: Alberta  
 Division No. 02 - Calgary  
 Court No. 25-2719774  
 Estate No. 25-2719774

Original  Amended

-- Form 78 --  
 Statement of Affairs (Business Proposal) made by an entity  
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the of  
 GS E&R Canada Inc.  
 of the city of Calgary, in the Province of Alberta

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 11th day of March 2021. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	ASSETS (as stated and estimated by the officer)
1. Unsecured creditors as per list "A" .....	1. Inventory .....
5,285,996.10	0.00
Balance of secured claims as per list "B" .....	2. Trade fixtures, etc. ....
0.00	0.00
Total unsecured creditors .....	3. Accounts receivable and other receivables, as per list "E"
5,285,996.10	Good .....
2. Secured creditors as per list "B" .....	0.00
2.00	Doubtful .....
3. Preferred creditors as per list "C" .....	0.00
0.00	Bad .....
4. Contingent, trust claims or other liabilities as per list "D"	0.00
estimated to be reclaimable for .....	Estimated to produce .....
140,947.56	0.00
Total liabilities .....	4. Bills of exchange, promissory note, etc., as per list "F" .....
5,426,945.66	0.00
Surplus .....	5. Deposits in financial institutions .....
NIL	0.00
	6. Cash .....
	0.00
	7. Livestock .....
	0.00
	8. Machinery, equipment and plant .....
	0.00
	9. Real property or immovable as per list "G" .....
	0.00
	10. Furniture .....
	0.00
	11. RRSPs, RRFIs, life insurance, etc. ....
	0.00
	12. Securities (shares, bonds, debentures, etc.) .....
	475,000.00
	13. Interests under wills .....
	0.00
	14. Vehicles .....
	0.00
	15. Other property, as per list "H" .....
	237,397.00
	If debtor is a corporation, add:
	Amount of subscribed capital .....
	0.00
	Amount paid on capital .....
	0.00
	Balance subscribed and unpaid .....
	0.00
	Estimated to produce .....
	0.00
	Total assets .....
	712,397.00
	Deficiency .....
	4,714,548.66

I, Junggho Park, of the city of Calgary in the Province of Alberta, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 11th day of March 2021 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)  
 before me at the city of Calgary in the Province of Alberta, on this 16th day of August 2021.

\_\_\_\_\_  
 A Commissioner of Oaths in and for the  
 Province of Alberta

*Junggho Park*  
 \_\_\_\_\_  
 Junggho Park



District of: Alberta  
 Division No. 02 - Calgary  
 Court No. 25-2719774  
 Estate No. 25-2719774

FORM 78 - Continued

List "A"  
 Unsecured Creditors  
 GS E&R Canada Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	AGAT Laboratories	2905 - 12 Street NE C Calgary AB T2E 7J2	2,977.70	0.00	2,977.70
2	Air Liquide	101, 3750 - 46 Ave SE Calgary AB T2B 0L1	50.72	0.00	50.72
3	Barlon Oilfield Supply Ltd.	PO Box 1600 Fort Nelson BC V0C 1R0	20.54	0.00	20.54
4	BC Ministry of Finance	PO BOX 9443 STN PROV GOVT Victoria BC V8W 9N3	1.00	0.00	1.00
5	BC Ministry of Finance	PO BOX 9328 STN PROV GOVT Victoria BC V8W 9N3	37,387.77	0.00	37,387.77
6	BC Ministry of Finance	PO BOX 9447 STN PROV GOVT Victoria BC V8W 9N3	8,281.52	0.00	8,281.52
7	BC Oil and Gas Commission	PO BOX 9331 STN PROV GOVT Victoria BC V8W 9N3	4,748,309.29	0.00	4,748,309.29
8	Corpro Canada Inc.	8607 101st Street Fort St. John BC V1J 5K4	10,419.15	0.00	10,419.15
9	CRA - Service Canada	140 Promenade Du Portage Phase IV 2nd Flr. Gatineau QC K1A 0J9	1.00	0.00	1.00
10	CRA - Tax - Pacific	Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1	1.00	0.00	1.00
11	Cross North Communications Ltd	PO Box 1083 Fort Nelson BC V0C 1R0	288.31	0.00	288.31
12	Distinction Energy Corp.	2300, 333 - 7th Ave SW Calgary AB T2P 2Z1	236.43	0.00	236.43
13	Energetic Services Inc	PO Box 6639 Fort St. John BC V1J 4J1	4,735.50	0.00	4,735.50
14	Gasfield Energy Services	Box 1079 Fort Nelson BC V0C 1R0	4,840.08	0.00	4,840.08
15	Gowling WLG (Canada) LLP (formerly Gowling LaFleur Henderson LLP) - Calgary Office Attn: Mercy Robertshaw	1600 - 421 7th Ave SW Calgary AB T2P 4K9	2,152.46	0.00	2,152.46
16	IGA Fort Nelson	Box 1050 Fort Nelson BC V0C 1R0	926.37	0.00	926.37
17	Ketek Group Inc.	20204-110 Avenue Edmonton AB T5S 1X8	851.20	0.00	851.20
18	Linde Canada Inc.	PO Box 2531 STN M Calgary AB T2P 0S6	64.75	0.00	64.75
19	Northern Metallic Sales (FT. NELSON) Ltd.	PO Box 987, 4604-49 Ave Fort Nelson BC V0C 1R0	475.44	0.00	475.44
20	Northern Rockies Regional Municipality	Bag Service 399 Fort Nelson BC V0C 1R0	440,955.38	0.00	440,955.38
21	Save on Foods Fort Nelson	PO Box 570, 5104 Airport Road Fort Nelson BC V0C 1R0	2,547.25	0.00	2,547.25
22	Secure Energy Services Inc.	Brookfield Place, 2300-225 6th Ave SW Calgary AB T2P 1N2	588.00	0.00	588.00
23	Vision Integrity Engineering Ltd	Suite 301, 620-12 Avenue SW Calgary AB T2R 0H5	15,201.38	0.00	15,201.38

16-Aug-2021

Date

  
 Jyngho Park

JP

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-2719774  
Estate No. 25-2719774

FORM 78 - Continued

List "A"  
Unsecured Creditors  
GS E&R Canada Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
24	Westcoast Energy Inc. (Enbridge)	200 - 425 First Street SW Calgary AB T2P 3L8	2,498.20	0.00	2,498.20
25	Wide Sky Disposal (1989) Ltd.	Box 1570 Fort Nelson BC V0C 1R0	280.00	0.00	280.00
26	Worksafe BC	PO Box 5350 St Terminal Vancouver BC V6B 5L5	1,905.66	0.00	1,905.66
Total:			5,285,996.10	0.00	5,285,996.10

16-Aug-2021

Date

  
Jungho Park

District of: Alberta  
 Division No. 02 - Calgary  
 Court No. 25-2719774  
 Estate No. 25-2719774

FORM 78 – Continued

List 'B'  
 Secured Creditors

GS E&R Canada Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	NorthRiver Midstream Operations LP	888 3 ST SW #1400 Calgary AB T2P 5C5	1.00	Securities - Other		1.00	349,999.00	
2	TD Canada Trust C/O FCT Default Solutions	PO Box 2514, Station B London ON N6A 4G9	1.00	Securities - Other		1.00	124,999.00	
Total:			2.00			2.00	474,998.00	0.00

16-Aug-2021

Date

*Junglio*  
 Junglio Park

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-2719774  
Estate No. 25-2719774

FORM 78 - Continued

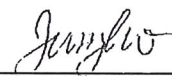
List 'C'  
Preferred Creditors for Wages, Rent, etc.

GS E&R Canada Inc.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

16-Aug-2021

Date



Jungho Park

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District of: Alberta  
 Division No. 02 - Calgary  
 Court No. 25-2719774  
 Estate No. 25-2719774

FORM 78 -- Continued

List "D"  
 Contingent or Other Liabilities

GS E&R Canada Inc.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
1	Adam Arsenaull	PO Box 1978 Fort Nelson BC V0C 1R0	9,800.00	0.00		Termination Pay
2	Christine Capot-Blanc	PO Box 953 Fort Nelson BC V0C 1R0	9,800.00	0.00		Termination Pay
3	Frazer Myram	PO Box 3174 Fort Nelson BC V0C 1R0	9,940.00	0.00		Termination Pay
4	Hyeonghoon Lee	405-3820 Brentwood Rd NW Calgary AB T2L 2L5	5,827.50	0.00		Termination Pay
5	Ken Walker	PO Box 795 Nanton AB T0L 1R0	9,800.00	0.00		Termination Pay
6	Kevin Davis	927 St. David Street Nanaimo BC V9S 2H8	8,400.00	0.00		Termination Pay
7	Lindsey Wood	RR#1 Mile 308 Box 27 Fort Nelson BC V0C 1R0	2,480.00	0.00		Termination Pay
8	Matt Parker	#2 Southridge F Fort Nelson BC V0C 1R0	8,400.00	0.00		Termination Pay
9	Sheldon Sandau	226 Hawkville Close NW Calgary AB T3G 3N6	76,500.06	0.00		Termination Pay
Total:			140,947.56	0.00		

16-Aug-2021

Date

  
 Jung Ho Park

District of: Alberta  
 Division No. 02 - Calgary  
 Court No. 25-2719774  
 Estate No. 25-2719774

FORM 78 - Continued

List "E"  
 Debts Due to the Debtor  
 GS E&R Canada Inc.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
			Total:	0.00 0.00 0.00			0.00	

16-Aug-2021

Date

*Junglio*

Junglio Park

JP

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-2719774  
Estate No. 25-2719774

FORM 78 - Continued

List "F"

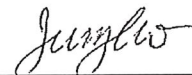
Bills of Exchange, Promissory Notes, Lien Notes, Chattel  
Mortgages, etc., Available as Assets

GS E&R Canada Inc.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
				Total:		0.00	
				0.00		0.00	

16-Aug-2021

Date



Jungho Park

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-2719774  
Estate No. 25-2719774

FORM 78 - Continued

List 'G'  
Real Property or Immovables Owned by Debtor

GS E&R Canada Inc.

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

16-Aug-2021

Date

*Junglio*

Junglio Park

JP



District of: Alberta  
 Division No. 02 - Calgary  
 Court No. 25-2719774  
 Estate No. 25-2719774

FORM 78 - Concluded

List "H"  
 Property

GS E&R Canada Inc.  
 FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities		Other	0.00	125,000.00
		Other	0.00	350,000.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other		Well and Plant Facility	1.00	1.00
		Baron Oilfield Supply	3,000.00	3,000.00
		Enerflex Ltd.	26,487.09	26,487.09
		Energetic Services Inc.	25,000.00	25,000.00
		Gasfield Energy Services Ltd.	12,000.00	12,000.00
		Northriver Midstream Inc.	170,908.91	170,908.91
<b>Total:</b>				<b>712,397.00</b>

16-Aug-2021

Date

*Junglo*

Junglo Park

Court No. 25-2719774

File No. 25-2719774

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In the matter of the of  
GS E&R Canada Inc.  
of the city of Calgary, in the Province of Alberta

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Form 78 (Bill C-12)  
Statement of affairs (Business bankruptcy)

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MNP Ltd. - Licensed Insolvency Trustee  
Per:

---

Victor Kroeger - Licensed Insolvency Trustee  
1500, 640 - 5 Avenue SW  
Calgary AB T2P 3G4  
Phone: (403) 538-3187 Fax: (403) 537-8437

JP

District of: Alberta  
 Division No. 02 - Calgary  
 Court No. 25-2719774  
 Estate No. 25-2719774

Original  Amended

-- Form 78 --

Statement of Affairs (Business Proposal) made by an entity  
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the of  
 GS E&R Canada Inc.  
 of the city of Calgary, in the Province of Alberta

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 11th day of March 2021. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	ASSETS (as stated and estimated by the officer)
1. Unsecured creditors as per list "A" . . . . .	1. Inventory . . . . .
5,285,996.10	0.00
Balance of secured claims as per list "B" . . . . .	2. Trade fixtures, etc. . . . .
0.00	0.00
Total unsecured creditors . . . . .	3. Accounts receivable and other receivables, as per list "E"
5,285,996.10	Good . . . . .
2. Secured creditors as per list "B" . . . . .	0.00
2.00	Doubtful . . . . .
3. Preferred creditors as per list "C" . . . . .	0.00
0.00	Bad . . . . .
4. Contingent, trust claims or other liabilities as per list "D"	0.00
estimated to be reclaimable for . . . . .	Estimated to produce . . . . .
140,947.56	0.00
Total liabilities . . . . .	4. Bills of exchange, promissory note, etc., as per list "F" . . . . .
5,426,945.66	0.00
Surplus . . . . .	5. Deposits in financial institutions . . . . .
NIL	0.00
	6. Cash . . . . .
	0.00
	7. Livestock . . . . .
	0.00
	8. Machinery, equipment and plant . . . . .
	0.00
	9. Real property or immovable as per list "G" . . . . .
	0.00
	10. Furniture . . . . .
	0.00
	11. RRSPs, RRIFs, life insurance, etc. . . . .
	0.00
	12. Securities (shares, bonds, debentures, etc.) . . . . .
	475,000.00
	13. Interests under wills . . . . .
	0.00
	14. Vehicles . . . . .
	0.00
	15. Other property, as per list "H" . . . . .
	237,397.00
	If debtor is a corporation, add:
	Amount of subscribed capital . . . . .
	0.00
	Amount paid on capital . . . . .
	0.00
	Balance subscribed and unpaid . . . . .
	0.00
	Estimated to produce . . . . .
	0.00
	Total assets . . . . .
	712,397.00
	Deficiency . . . . .
	4,714,548.66

I, Jungho Park, of the city of Calgary in the Province of Alberta, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 11th day of March 2021 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)  
 before me at the city of Calgary in the Province of Alberta, on this 16th day of August 2021.

Robert Hamilton  
 A Commissioner of Oaths in and for the  
 Province of Alberta

Robert L.R. Hamilton  
 Barrister & Solicitor

\_\_\_\_\_  
 Jungho Park

District of: Alberta  
 Division No. 02 - Calgary  
 Court No. 25-2719774  
 Estate No. 25-2719774

FORM 78 -- Continued

List "A"  
 Unsecured Creditors  
 GS E&R Canada Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	AGAT Laboratories	2905 - 12 Street NE C Calgary AB T2E 7J2	2,977.70	0.00	2,977.70
2	Air Liquide	101, 3750 - 46 Ave SE Calgary AB T2B 0L1	50.72	0.00	50.72
3	Barlon Oilfield Supply Ltd.	PO Box 1600 Fort Nelson BC V0C 1R0	20.54	0.00	20.54
4	BC Ministry of Finance	PO BOX 9443 STN PROV GOVT Victoria BC V8W 9N3	1.00	0.00	1.00
5	BC Ministry of Finance	PO BOX 9328 STN PROV GOVT Victoria BC V8W 9N3	37,387.77	0.00	37,387.77
6	BC Ministry of Finance	PO BOX 9447 STN PROV GOVT Victoria BC V8W 9N3	8,281.52	0.00	8,281.52
7	BC Oil and Gas Comission	PO BOX 9331 STN PROV GOVT Victoria BC V8W 9N3	4,748,309.29	0.00	4,748,309.29
8	Corpro Canada Inc.	8607 101st Street Fort St. John BC V1J 5K4	10,419.15	0.00	10,419.15
9	CRA - Service Canada	140 Promenade Du Portage Phase IV 2nd Flr. Gatineau QC K1A 0J9	1.00	0.00	1.00
10	CRA - Tax - Pacific	Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1	1.00	0.00	1.00
11	Cross North Communications Ltd	PO Box 1083 Fort Nelson BC V0C 1R0	288.31	0.00	288.31
12	Distinction Energy Corp.	2300, 333 - 7th Ave SW Calgary AB T2P 2Z1	236.43	0.00	236.43
13	Energetic Services Inc	PO Box 6639 Fort St. John BC V1J 4J1	4,735.50	0.00	4,735.50
14	Gasfield Energy Services	Box 1079 Fort Nelson BC V0C 1R0	4,840.08	0.00	4,840.08
15	Gowling WLG (Canada) LLP (formerly Gowling LaFleur Henderson LLP) - Calgary Office Attn: Marcy Robertshaw	1600 - 421 7th Ave SW Calgary AB T2P 4K9	2,152.46	0.00	2,152.46
16	IGA Fort Nelson	Box 1050 Fort Nelson BC V0C 1R0	926.37	0.00	926.37
17	Ketek Group Inc.	20204-110 Avenue Edmonton AB T5S 1X8	851.20	0.00	851.20
18	Linde Canada Inc.	PO Box 2531 STN M Calgary AB T2P 0S6	64.75	0.00	64.75
19	Northern Metallic Sales (FT. NELSON) Ltd.	PO Box 987, 4604-49 Ave Fort Nelson BC V0C 1R0	475.44	0.00	475.44
20	Northern Rockies Regional Municipality	Bag Service 399 Fort Nelson BC V0C 1R0	440,955.38	0.00	440,955.38
21	Save on Foods Fort Nelson	PO Box 570, 5104 Airport Road Fort Nelson BC V0C 1R0	2,547.25	0.00	2,547.25
22	Secure Energy Services Inc.	Brookfield Place, 2300-225 6th Ave SW Calgary AB T2P 1N2	588.00	0.00	588.00
23	Vision Integrity Engineering Ltd	Suite 301, 620-12 Avenue SW Calgary AB T2R 0H5	15,201.38	0.00	15,201.38

16-Aug-2021

Date

Jungho Park

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-2719774  
Estate No. 25-2719774

FORM 78 -- Continued

List "A"  
Unsecured Creditors

GS E&R Canada Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
24	Westcoast Energy Inc. (Enbridge)	200 - 425 First Street SW Calgary AB T2P 3L8	2,498.20	0.00	2,498.20
25	Wide Sky Disposal (1989) Ltd.	Box 1570 Fort Nelson BC V0C 1R0	280.00	0.00	280.00
26	Worksafe BC	PO Box 5350 St Terminal Vancouver BC V6B 5L5	1,905.66	0.00	1,905.66
<b>Total:</b>			<b>5,285,996.10</b>	<b>0.00</b>	<b>5,285,996.10</b>

16-Aug-2021

Date

Junggho Park

District of: Alberta  
 Division No. 02 - Calgary  
 Court No. 25-2719774  
 Estate No. 25-2719774

FORM 78 -- Continued

List "B"  
 Secured Creditors

GS E&R Canada Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	NorthRiver Midstream Operations LP	888 3 ST SW #1400 Calgary AB T2P 5C5	1.00	Securities - Other		1.00	349,999.00	
2	TD Canada Trust C/O FCT Default Solutions	PO Box 2514, Station B London ON N6A 4G9	1.00	Securities - Other		1.00	124,999.00	
<b>Total:</b>			<b>2.00</b>			<b>2.00</b>	<b>474,998.00</b>	<b>0.00</b>

16-Aug-2021

Date

Jungho Park

RH

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-2719774  
Estate No. 25-2719774

FORM 78 -- Continued

List "C"  
Preferred Creditors for Wages, Rent, etc.

GS E&R Canada Inc.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

16-Aug-2021

Date

Jungho Park

District of: Alberta  
 Division No. 02 - Calgary  
 Court No. 25-2719774  
 Estate No. 25-2719774

FORM 78 -- Continued

List "D"  
 Contingent or Other Liabilities

GS E&R Canada Inc.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
1	Adam Arseneault	PO Box 1978 Fort Nelson BC V0C 1R0	9,800.00	0.00		Termination Pay
2	Christine Capot-Blanc	PO Box 953 Fort Nelson BC V0C 1R0	9,800.00	0.00		Termination Pay
3	Frazer Myram	PO Box 3174 Fort Nelson BC V0C 1R0	9,940.00	0.00		Termination Pay
4	Hyeonghoon Lee	405-3820 Brentwood Rd NW Calgary AB T2L 2L5	5,827.50	0.00		Termination Pay
5	Ken Walker	PO Box 795 Nanton AB T0L 1R0	9,800.00	0.00		Termination Pay
6	Kevin Davis	927 St. David Street Nanaimo BC V9S 2H8	8,400.00	0.00		Termination Pay
7	Lindsey Wood	RR#1 Mile 308 Box 27 Fort Nelson BC V0C 1R0	2,480.00	0.00		Termination Pay
8	Matt Parker	#2 Southridge F Fort Nelson BC V0C 1R0	8,400.00	0.00		Termination Pay
9	Sheldon Sandau	226 Hawkville Close NW Calgary AB T3G 3N6	76,500.06	0.00		Termination Pay
<b>Total:</b>			<b>140,947.56</b>	<b>0.00</b>		

16-Aug-2021

Date

Jungho Park

RH



District of: Alberta  
 Division No. 02 - Calgary  
 Court No. 25-2719774  
 Estate No. 25-2719774

FORM 78 -- Continued

List "E"  
 Debts Due to the Debtor

GS E&R Canada Inc.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
				0.00				
			Total:	0.00			0.00	
				0.00				

16-Aug-2021

Date

Jungho Park

RH

District of: Alberta  
 Division No. 02 - Calgary  
 Court No. 25-2719774  
 Estate No. 25-2719774

FORM 78 - Continued

List 'F'

Bills of Exchange, Promissory Notes, Lien Notes, Chattel  
 Mortgages, etc., Available as Assets

GS E&R Canada Inc.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

16-Aug-2021

Date

Jungho Park

RH

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-2719774  
Estate No. 25-2719774

FORM 78 -- Continued

List "G"  
Real Property or Immovables Owned by Debtor

GS E&R Canada Inc.

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

16-Aug-2021

Date

Jungho Park

RH

District of: Alberta  
 Division No. 02 - Calgary  
 Court No. 25-2719774  
 Estate No. 25-2719774

FORM 78 -- Concluded

List "H"  
 Property

GS E&R Canada Inc.

FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc			0.00	0.00
(i) Securities		Other	0.00	125,000.00
		Other	0.00	350,000.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other		Well and Plant Facility	1.00	1.00
		Baron Oilfield Supply	3,000.00	3,000.00
		Enerflex Ltd.	26,487.09	26,487.09
		Energetic Services Inc.	25,000.00	25,000.00
		Gasfield Energy Services Ltd.	12,000.00	12,000.00
		Northriver Midstream Inc.	170,908.91	170,908.91
<b>Total:</b>				<b>712,397.00</b>

16-Aug-2021

Date

Jungho Park

RH

Court No. 25-2719774

File No. 25-2719774

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In the matter of the of  
GS E&R Canada Inc.  
of the city of Calgary, in the Province of Alberta

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Form 78 (Bill C-12)  
Statement of affairs (Business bankruptcy)

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MNP Ltd. - Licensed Insolvency Trustee  
Per:

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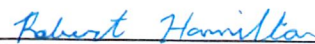
Victor Kroeger - Licensed Insolvency Trustee  
1500, 640 - 5 Avenue SW  
Calgary AB T2P 3G4  
Phone: (403) 538-3187 Fax: (403) 537-8437

RH

## CERTIFICATE OF COMMISSIONER OF OATHS

As described by the Alberta Chief Justice and Associate Chief Justices in the Notice to the Profession and Public dated March 25, 2020 (NPP#2020-02), the process I followed for commissioning the attached Form 78 Statement of affairs (Business Proposal) in Court File No. 25-2719774 in the matter of the Notice of Intention of GS E&R Canada Inc., sworn by Jungho Park on August 16, 2021 is as follows:

1. Jungho Park (the "**Deponent**") appeared in front of me by way of video technology (the "**Video Call**") on August 16, 2021.
2. While connected by way of the Video Call:
  - a. The Deponent and I each had a paper copy of the Form 78 before each of us, during the Video Call.
  - b. The Deponent and I reviewed each page of our Form 78 to ensure that both my paper copy and the Deponent's paper copy of the Form 78 were identical. Both the Deponent and I initialled each page of our respective copies when satisfied that they were identical.
  - c. Upon the conclusion of reviewing and initialling each page of the Form 78, I administered the solemn declaration and the Deponent swore the solemn declaration. I then witnessed the Deponent sign their paper copy of the Form 78.
3. Immediately following the Video call, the Deponent sent me the electronic copy of their sworn Form 78, which I compared to my initialed paper copy of the Form 78. Upon my review, I am satisfied that the two versions of the Form 78 are identical.
4. Upon being satisfied that the electronic copy from the Deponent was identical to the initialed copy I had before me during the Video Call, I affixed my name to the jurat.
5. I, Robert Hamilton, a Commissioner of Oaths in and for the Province of Alberta am satisfied that the process of utilizing video technology for remote commissioning was necessary because it was impossible or unsafe, for medical reasons, for the Deponent and any commissioner of oaths to be physical present together.



Robert Hamilton

Robert L.R. Hamilton  
Barrister & Solicitor

District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-2719774  
Estate No. 25-2719774

- FORM 31 / 36 -  
Proof of Claim / Proxy  
In the matter of the of  
GS E&R Canada Inc.  
of the city of Calgary, in the Province of Alberta

All notices or correspondence regarding this claim must be forwarded to the following address:

\_\_\_\_\_  
\_\_\_\_\_

In the matter of the proposal of GS E&R Canada Inc. of the city of Calgary in the Province of Alberta and the claim of \_\_\_\_\_, creditor.

I, \_\_\_\_\_, of the city of \_\_\_\_\_, a creditor in the above matter, hereby appoint \_\_\_\_\_, of \_\_\_\_\_, to be my proxyholder in the above matter, except as to the receipt of dividends, \_\_\_\_\_ (with or without) power to appoint another proxyholder in his or her place.

I, \_\_\_\_\_ (name of creditor or representative of the creditor), of the city of \_\_\_\_\_ in the province of \_\_\_\_\_ do hereby certify:

1. That I am a creditor of the above named debtor (or I am \_\_\_\_\_ (position/title) of \_\_\_\_\_, creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of proposal, namely the 11th day of March 2021, and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_, as specified in the statement of account (or affidavit or solemn declaration) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ \_\_\_\_\_  
(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and

(Check appropriate description.)

Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority.  
(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ \_\_\_\_\_

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ \_\_\_\_\_

That in respect of this debt, I hold assets of the debtor valued at \$ \_\_\_\_\_ as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ \_\_\_\_\_

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_

(Attach a copy of sales agreement and delivery receipts.)

E. CLAIM BY WAGE EARNER OF \$ \_\_\_\_\_

That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ \_\_\_\_\_,

That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ \_\_\_\_\_,

F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ \_\_\_\_\_

That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ \_\_\_\_\_,

That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ \_\_\_\_\_.

G. CLAIM AGAINST DIRECTOR \$ \_\_\_\_\_

*(To be completed when a proposal provides for the compromise of claims against directors.)*

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:

*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ \_\_\_\_\_

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:

*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

5. That, to the best of my knowledge, I \_\_\_\_\_ (am/am not) (or the above-named creditor \_\_\_\_\_ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and \_\_\_\_\_ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

7. *(Applicable only in the case of the bankruptcy of an individual.)*

Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.

I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

Per \_\_\_\_\_  
Name and Title of Signing Officer

Return To:

Phone Number: \_\_\_\_\_  
Fax Number: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

MNP Ltd. - Licensed Insolvency Trustee  
Per:

\_\_\_\_\_  
Victor Kroeger - Licensed Insolvency Trustee  
1500, 640 - 5 Avenue SW  
Calgary AB T2P 3G4  
Fax: (403) 537-8437  
E-mail: calgary.insolvency@mnp.ca

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.



District of: Alberta  
Division No. 02 - Calgary  
Court No. 25-2719774  
Estate No. 25-2719774

- FORM 37 -

Voting Letter  
(Paragraph 51(1)(f) of the Act)

In the matter of the of  
GS E&R Canada Inc.  
of the city of Calgary, in the Province of Alberta

I, \_\_\_\_\_, creditor (or I, \_\_\_\_\_, representative of \_\_\_\_\_, creditor), of \_\_\_\_\_, a creditor in the above matter for the sum of \$ \_\_\_\_\_, hereby request the trustee acting with respect to the proposal of GS E&R Canada Inc., to record my vote \_\_\_\_\_ (for or against) the acceptance of the proposal as made on the 11th day of March 2021.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

Per \_\_\_\_\_

\_\_\_\_\_  
Name and Title of Signing Officer

Return To:  
MNP Ltd. - Licensed Insolvency Trustee  
Per:

\_\_\_\_\_  
Victor Kroeger - Licensed Insolvency Trustee  
1500, 640 - 5 Avenue SW  
Calgary AB T2P 3G4  
Fax: (403) 537-8437  
E-mail: calgary.insolvency@mnp.ca



**IN THE MATTER OF THE PROPOSAL OF  
GS E&R CANADA INC.  
REPORT OF TRUSTEE ON THE PROPOSAL**

**Background**

1. GS E&R Canada Inc. (the “Company”) is a privately-owned company, incorporated under the *Business Corporations Act (Alberta)* and extra-provincially registered in British Columbia.
2. The Company is engaged in energy exploration and production. The Company’s head office is in Calgary, Alberta, and its operations are located chiefly in Fort Nelson, British Columbia. The Company’s voting shares are entirely held by GS E&R Corp., a corporation with its registered office address at 508, Nonhyeon-Ro, Gangnam-GU, Seoul, Republic of Korea. (the “Parent”).
3. According to the Company, it has been experiencing financial difficulty over the past several years. The Company has not been profitable and has reported net losses on a consistent basis.
4. The Company’s losses have been due to a variety of factors, including significant reductions in oil and gas prices and commodity demand caused in part by the effects of the COVID-19 pandemic, declining production rates due to a lack of capital investment, and the inability to undertake certain repairs due to lack of funds.
5. Since 2019, the Company has attempted to restructure its financial affairs, including making several attempts to sell the Company or its assets *en bloc* in order to cease incurring losses and to assign any abandonment and reclamation obligations to a solvent purchaser. However, those efforts proved to be unsuccessful, as previous potential purchasers have failed to close a transaction with the Company. The Company’s ongoing losses and failed efforts to restructure led the Company to file a Notice of Intention to File a Proposal (“NOI”).
6. On March 11, 2021 the Company filed a NOI pursuant to Section 50.4 of the Bankruptcy and Insolvency Act (the “BIA”) with MNP Ltd. (the “Proposal Trustee”). On March 16, 2021 the Proposal Trustee sent to every known creditor a copy of the NOI.
7. On March 24, 2021, the Court granted an Order approving the Sales and Investment Solicitation Process (“SISP”) as described in the Proposal Trustee’s First Report. In accordance with the SISP, the Proposal Trustee retained the Services of Sayer Energy Advisors to conduct the SISP.
8. The Company obtained three Orders to extend the stay provided by the initial NOI until August 23, 2021.
9. On August 16, 2021, the Court Granted an Order (the “August 16 Order”) approving the Asset Purchase Agreement with the best offer arising from the SISP, being the offer from Bench Creek

Resources Ltd (“Bench Creek”) (the “Bench Creek Transaction”). The financial terms of the Bench Creek Transaction are sealed pursuant to a Sealing Order granted on August 16, 2021. In addition, the August 16 Order approving the granting of expanded powers of the Proposal Trustee that will only take effect once the Company’s officers and directors resign from the Company. This is expected to occur upon approval of the Proposal by the Court of Queen’s Bench of Alberta, which is expected to occur on September 17, 2021.

10. On August 17, 2021, the Company filed a Proposal with the Proposal Trustee and on the same day the Proposal Trustee sent a copy of the Proposal to all known creditors of the Company.
11. Also on August 17, 2021, the Proposal Trustee sent a claims package to all known creditors of the Company, to enable them to prove their claims against the Company, to confirm the number of creditors and amount of their respective claims against the Company for the purposes of the Proposal. The Proposal Trustee will consider all claims received in advance of the meeting of creditors to consider the Proposal, and if necessary, disallow or revise the claims received (the process described in this paragraph is referred to in this Report as the “**Claims Process**”).
12. Upon review of the Company’s financial and banking records in relation to preferential payments, reviewable transactions or transfers at undervalue, the Proposal Trustee advises the creditors that: (a) there do not appear to be any preferential transactions or transactions at undervalue; (b) the conduct of the Company is not subject to censure; and (c) no facts may be proved against the Company under section 173 of the BIA.
13. The potential creditor claims against the Company, based on the Proposal filing documents and on the assumption that the Bench Creek Transaction closes are summarized as follows:
  - a. Secured debt: \$125,000 (set off against Term Deposits)
  - b. Unsecured debt: \$96,731
  - c. Contingent debt: \$140,948
14. The Company’s assets remaining after the Bench Creek Transaction closes are summarized as follows:
  - a. Term Deposits: \$475,000
  - b. Prepaid expenses: \$237,397
  - c. Cash: Unknown

## Summary of Proposal

15. The following is a summary intended to assist creditors in their review of the Proposal. Please refer to the proposal for complete details.

16. The basic terms of the Proposal are as follows:

- a. The Company will assign to the Proposal Trustee all funds remaining in the Company after closing the Bench Creek Transaction and after the deducting amounts for administrative and professional fees and costs of the Proposal and the payment of post-filing creditors. The Company is of the belief that, subject to the Claims Process, all creditor claims will be paid in full;
- b. All sums payable under the Proposal will be paid to the Trustee, who will issue the dividend to creditors in accordance with the Proposal;
- c. Any Crown claims will be paid in full within six months of the date of approval by Court;
- d. Any preferred claims will be paid in full;
- e. Any employee claims that qualify under section 136(1)(d) of the BIA will be paid in full; and
- f. The claims of unsecured creditors will be paid from the residual funds remaining in the Company.

17. The approximately \$4.3 million claim of the BC Oil and Gas Commission (the "BCOGC") for the Company's abandonment and reclamation deposit obligations has been dealt with in the Bench Creek Transaction and will cease to be a liability of the Company upon closing of the Bench Creek Transaction, as Bench Creek has assumed this obligation as part of its purchase.

### **Proposal Trustee's Analysis of the Amended Proposal**

18. In the event that the creditors or the Court do not approve the Proposal or if the Company fails to fulfill its obligations under the Proposal, the Company will be deemed to have made an assignment in bankruptcy and the Trustee will liquidate the Company's assets.
19. The Company's assets have already been liquidated through the Court approved transaction with Bench Creek Resources Ltd. Therefore, if the Bench Creek Transaction closes successfully, but the Proposal is not approved, the expected realization for the unsecured creditors in a bankruptcy is anticipated to be equal to the expected realization under the contemplated Proposal. However, if the Bench Creek Transaction does not close then the Company's Proposal will fail, and the Company will likely be deemed bankrupt unless a further stay extension can be obtained prior to August 23, 2021. In that instance, creditors will likely not realize any recovery as the BCOGC will likely claim all the Company's funds.
20. Subject to the Claims Process and the closing of the Bench Creek Transaction, it is expected that all creditors affected by the Proposal will be paid in full plus 5% interest, in accordance with the BIA, accruing as of the date of the NOI. In the event the residual funds remaining in the Company after payment of the amounts set out in paragraph 15 of this Report are not sufficient to pay all

unsecured creditors 5% interest accruing after the date of the NOI, any surplus proceeds will be paid to unsecured creditors on a *pro rata* basis.

21. All dividends paid to unsecured creditors will be subject to a levy of 5% payable to the Office of the Superintendent of Bankruptcy.

### Proposal Trustee's Recommendation

22. The Proposal Trustee is of the opinion that the Proposal is advantageous for the Company's unsecured creditors and recommends that the unsecured creditors accept the Proposal as it provides for an efficient and timely resolution of their claims, and further, is expected to fully satisfy all claims of the unsecured creditors.

### Meeting of Creditors and Voting

23. If the Proposal is accepted by the creditors and the Court, the dividend payment will be made in accordance with the terms of the Proposal.
24. Any creditors wishing to vote prior to the meeting of creditors may complete the voting and claim forms included with the Notice of Proposal to Creditors and deliver them to the Proposal Trustee by mail or email (to [wendy.locke@mnp.ca](mailto:wendy.locke@mnp.ca)) prior to the meeting.

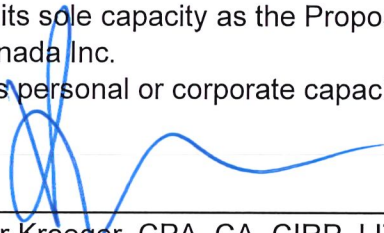
### Other

25. The Company has provided the Proposal Trustee with a \$210,000 retainer.
26. Information about the Proposal will be posted to the Proposal Trustee's website at <https://mnpdebt.ca/en/corporate/corporate-engagements/gs-eandr-canada>.

Dated at Calgary, Alberta, this 17th day of August, 2021

MNP Ltd. in its sole capacity as the Proposal Trustee of  
GS E&R Canada Inc.

And not in its personal or corporate capacity.

Per:   
\_\_\_\_\_  
Victor Kroeger, CPA, CA, CIRP, LIT, CFE  
Senior Vice President