

ESTATE NUMBER **25-2802560**

COURT Court of Queen's Bench of Alberta

JUDICIAL CENTRE Calgary

MATTER IN THE MATTER OF THE *BANKRUPTCY AND*
 INSOLVENCY ACT, RSC 1985, C B-3, AS AMENDED
 AND IN THE MATTER OF THE NOTICE OF INTENTION
 TO MAKE A PROPOSAL OF VERTEX DOWNHOLE LTD.

APPLICANT **HSBC BANK CANADA**

DOCUMENT **SALE APPROVAL AND VESTING ORDER**

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF
PARTY FILING THIS
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 File No.: 245056.00321

Date on which Order was pronounced: July 13, 2022

Location where Order was pronounced: Calgary, Alberta

Name of the Justice who made this order: The Honourable Justice P.R. Jeffrey

UPON the application by HSBC Bank Canada ("**HSBC**"), for an order approving the sale transaction (the "**Transaction**") contemplated by an asset sale agreement attached an Appendix to the Confidential Supplement (as defined below) between MNP Ltd. in its capacity as the Court-appointed receiver and receiver-manager (the "**Receiver**") of the undertakings, property and assets of Vertex Downhole Ltd. (the "**Debtor**") and 2435819 Alberta Ltd. (the "**Purchaser**") dated July 2022 (the "**Sale Agreement**"), and vesting in the Purchaser (or its nominee) the

Debtor's right, title and interest in and to the Assets (as such term is defined in the Sale Agreement); **AND UPON HAVING READ** the Receivership Order dated July 13, 2022 (the "**Receivership Order**"), the Fourth Report of the Proposal Trustee dated July 7, 2022 (the "**Fourth Report**"), Confidential Supplement to the Fourth Report dated July 2022, the Second Confidential Supplement to the Fourth Report, and the First Supplement to the Fourth Report of the Receiver dated July 11, 2022, and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for HSBC, the Receiver and any other counsel in attendance; **IT IS HEREBY ORDERED AND DECLARED THAT:**

GENERAL

1. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Fourth Report.

SERVICE OF APPLICATION

2. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

APPROVAL OF TRANSACTION

3. The Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver and the Purchaser are hereby authorized and directed to take such additional steps and execute the Sale Agreement and such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Assets to the Purchaser (or its nominee).

VESTING OF PROPERTY

4. Upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in Schedule "A" hereto (the "**Receiver's Closing Certificate**"), all of the Debtor's right, title and interest in and to the Assets shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security

interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, “**Claims**”) including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act*, (Alberta) or any other personal property registry system; and
- (c) the Administration Charge, as such term is defined in paragraph 4 of the Order (Extension of Time to File Proposal, Approval of Administration Charge, and Substitution of Proposal Trustee) granted by The Honourable Justice K.M. Horner in the within proceedings on March 4, 2022,

(all of which are collectively referred to as the “**Encumbrances**”).

For greater certainty, this Court orders that all Claims affecting or relating to the Assets are hereby expunged, discharged and terminated as against the Assets.

- 5. This Order is not an Assignment Order (as defined in the Sale Agreement) and is without prejudice to the rights of any parties to Material Contracts to oppose the granting of any Assignment Order.
- 6. Upon delivery of the Receiver’s Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, “**Governmental Authorities**”) are hereby authorized, requested and directed to accept delivery of such Receiver’s Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge

statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Assets. Without limiting the foregoing, the Registrar of the Alberta Personal Property Registry shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests in the estate or interest of the Debtor in any of the Assets which are of a kind prescribed by applicable regulations as serial-number goods. In addition, the Canadian Intellectual Property Office (“**CIPO**”) or any similar Governmental Authority or organization is hereby directed to (i) transfer any applications or registrations currently in the name of the Debtor to the name of the Purchaser or its nominee and (ii) amend all applicable registries at CIPO or similar registry by deleting the name of the Debtor and replacing it with the name of the Purchaser or its nominee.

7. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver’s Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Assets of any Claims including Encumbrances.
8. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
9. Upon the filing of a certified copy of this order and a filed copy of the Receiver’s Closing Certificate, the Alberta Registrar of Corporations shall cause the Debtor’s name to be changed to the name of a new Alberta numbered corporation, as such name will be randomly assigned to the Debtor by the Alberta Registrar of Corporations.
10. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Assets, and from and after the delivery of the

Receiver's Closing Certificate all Claims shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Assets and may be asserted against the net proceeds from the sale of the Assets with the same priority as they had with respect to the Assets immediately prior to the sale, as if the Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

11. Except as expressly provided for in the Sale Agreement or by section 5 of the *Alberta Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
12. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Assets shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all, right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Assets and to the extent that any such persons or entities remain in the possession or control of any of the Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
13. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through, or against the Debtor.
14. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
15. Notwithstanding:
 - (a) the pendency of these proceedings and any declaration of insolvency made herein;

- (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c B-3, as amended (the “BIA”) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Debtor; and
- (d) the provisions of any federal or provincial statute,

the vesting of the Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- 16. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.

MISCELLANEOUS MATTERS


- 17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

18. Service of this Order shall be deemed good and sufficient by serving the same on:

- (a) the persons listed on the service list created in these proceedings;
- (b) any other person served with notice of the application for this Order;
- (c) any other parties attending or represented at the application for this Order;
- (d) the Purchaser or the Purchaser's solicitors; and
- (e) posting a copy of this Order on the Receiver's website,

and service of this Order on any other person is hereby dispensed with.

19. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.


Justice of the Court of Queen's Bench of Alberta

Schedule "A"

Form of Receiver's Closing Certificate

ESTATE NUMBER	25-2802560
COURT	Court of Queen's Bench of Alberta
JUDICIAL CENTRE	Calgary
MATTER	IN THE MATTER OF THE <i>BANKRUPTCY AND INSOLVENCY ACT</i> , RSC 1985, C B-3, AS AMENDED AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF VERTEX DOWNHOLE LTD.
APPLICANT	HSBC BANK CANADA
DOCUMENT	RECEIVER'S CERTIFICATE
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Fasken Martineau DuMoulin LLP 550 Burrard Street, Suite 2900 Vancouver, British Columbia, V6C 0A3 Attention: Kibben Jackson / Mihai Tomos Tel: (403) 261- 5350 / (403) 261 7386 Email: kjackson@fasken.com / mtomos@fasken.com Facsimile: 604-631-4786 / 403-261-5351 File No.: 245056.00321

RECITALS

- A. Pursuant to an Order of the Honourable Justice P.R. Jeffrey of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated July 13, 2022, MNP Ltd. was appointed receiver and receiver-manager (the "**Receiver**") of the undertaking, property and assets of Vertex Downhole Ltd. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated July 13, 2022, the Court approved the asset sale agreement made as of July [●], 2022 (the "**Sale Agreement**") between the Receiver and 2435819 Alberta Ltd. (the "**Purchaser**") and provided for the vesting in the Purchaser of

the Debtor's right, title and interest in and to the Assets, which vesting is to be effective with respect to the Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Assets; (ii) that the conditions to closing of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Assets payable on the Closing Date pursuant to the Sale Agreement.
2. The conditions to closing of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee).
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at [●] on [●].

MNP LTD., in its capacity as court-appointed receiver and receiver-manager of **VERTEX DOWNHOLE LTD.**, and not in its personal capacity

By: _____

Name:

Title: