

Apr 19, 2021 Dy Email Dy Email

> \$50 COM

April 27, 2021 Justice Neufeld

COURT FILE NUMBER

1501-12220

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

ALBERTA TREASURY BRANCHES

CALGARY

APPLICANT

RESPONDENTS

JUDICIAL CENTRE

COGI LIMITED PARTNERSHIP, CANADIAN OIL & GAS INTERNATIONAL INC., AND CONSERVE OIL GROUP INC. and CONSERVE OIL 1st CORPORATION

DOCUMENT

APPLICATION

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT G. Brian Davison, Q.C. DLA Piper (Canada) LLP Barristers and Solicitors Suite 1000, 250 2nd Street S.W. Calgary, Alberta T2P 0C1 Phone No.: 403-294-3590 Fax No.: 403-776-8864 E-mail: brian.davison@dlapiper.com File No.: 16155-00002

NOTICE TO RESPONDENTS

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the judge.

To do so, you must be in Court when the application is heard as shown below:Date:April 27, 2021Time:10: 00 amWhere:Calgary Courts Centre, 601 5th Street SW, Calgary, AlbertaBefore Whom:Justice R.A. Neufeld, on the Commercial List

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

- 1. MNP Ltd., in its capacity as the Receiver and Manager of the Respondents ("**MNP**" or the "**Receiver**"), hereby seeks the following relief:
 - a) an Approval and Vesting Order substantially in the form attached hereto as **Appendix** "**A**", among other things:
 - i. abridging, if necessary, the time for service of this Application and deeming service good and sufficient;
 - ii. approving the transaction (the "Transaction") contemplated by the Purchase and Sale Agreement (the "PSA") entered into between the Receiver, as seller, and DEL Canada Limited Partnership ("DEL"), as purchaser, described in, and to which redacted copies are attached to, the Receiver's Seventeenth Report dated April 19, 2021 (the "Seventeenth Report") and unredacted copies of which are attached to the Confidential Supplement to the Seventeenth Report dated April 19, 2021 (the "Confidential Supplement");
 - iii. directing that, upon the Receiver delivering a closing certificate substantially in the form attached hereto as **Appendix "B"** (a "**Receiver's Certificate**") to DEL, all of Conserve's right, title and interest in and to the assets purchased pursuant to the DEL PSA (the "**Holdco Shares**") shall vest absolutely in DEL, free and clear of all interests, liens, charges and encumbrances; and
 - iv. authorizing MNP to take all necessary steps in order to complete the DEL Transaction and proceed with the transfer of the Holdco Shares to DEL.
 - b) an Order substantially in the form attached hereto as **Appendix "C"**, sealing the Confidential Supplement on the Court record (the "**Sealing Order**"); and
 - c) such further and other relief as this Honourable Court may deem just in all of the circumstances.

Grounds for making this application:

2. On October 26, 2015, the Receiver was appointed the receiver and manager of COGI Limited Partnership ("COGI LP"), its General Partner Canadian Oil and Gas International Inc. ("COGI Inc."), and Conserve Oil Group Inc. ("Conserve"). On November 10, 2015, pursuant to an Order of Justice Jeffrey, the Receiver's powers were expanded to include management powers over a number of Conserve's subsidiaries.

On January 6, 2016, the Receiver was appointed as the Receiver and Manager of Conserve Oil 1st Corporation ("COC 1" and together with COGI LP, COGI Inc. and Conserve, "COGI"").
COGI's assets consist primarily of oil and gas assets in Alberta and Saskatchewan.

Sale

- 4. The Ninth Report outlined the Receiver's intention to sell the shares of the German Holdcos ("Holdco Shares") to POC Holding GmbH. However, at the application, February 13, 2018, counsel to Monika Galba ("Ms. Galba") indicated she was interested in making an offer to acquire the shares.
- 5. As a result of the expression of interest from Ms. Galba, the Receiver adjourned the application *sine die* and agreed to give notice to counsel for Ms. Galba and counsel for POC Holding GmbH of the Receiver's intention to sell the shares of the German Holdcos, and to give each an opportunity to submit an offer to acquire same;
- On December 22, 2020, The Receiver provided a letter to counsel for Ms. Galba and counsel to POC Holding GmbH, outlining the Holdco Share sale process, a copy of which is attached as Appendix "C" to Receivers Seventeenth Report;
- 7. On February 1, 2021, the Received received offers to acquire the Holdco Shares from Can Direct Inter GmbH, ("**Can Direct**"), a company in which Ms. Galba is the managing director, and DEL.

THE GERMAN HOLDCOS

- 8. COGI LP is a partnership formed pursuant to the laws of Alberta whose general partner is COGI Inc. COGI LP's limited partners are themselves a group of several limited partnerships formed pursuant to the laws of Germany (each a "KG").Conserve owns all of the issued and outstanding shares of COGI Inc.
- 9. Conserve, owns the shares of the German Holdcos. In turn, the German Holdcos, own all of the outstanding shares of each of the KG's general partners. A copy of the German organizational structure prepared by counsel to the Receiver, is attached as **Appendix "A"** to the Receiver's Seventeenth Report.
- 10. The Receiver understands that the administrative, accounting and investor relation functions of the KG's were performed by the German Holdcos. Until February 2017, Ms. Galba was the managing director of the German Holdcos and was familiar with the business and financial affairs of the German Holdcos, as well as the KGs.

- 11. The German investors (the "**Investors**") suffered a significant loss of their investment in the KGs.
- 12. The Receiver understands there is litigation underway in Germany between the Investors, and Ms. Galba.
- 13. Ms. Galba and the Investors are the parties most interested in acquiring the Holdco Shares.
- A redacted copy of the DEL offer is attached to the Receiver's Seventeenth Report as Appendix "E" and an unredacted copy is attached to the Confidential Supplement to the Receiver's Seventeenth Report as Appendix "A".
- 15. A redacted copy of the Can Direct offer is attached to the Receiver's Seventeenth Report as Appendix "D" and an unredacted copy it attached as Appendix "B" to the Confidential Supplement to the Receiver's Seventeenth Report.
- 16. The Receiver has reviewed both offers and accepted the DEL offer. The Receiver seeks Court approval of the sale to DEL.
- 17. In the event that the sale of the Holdco shares to DEL does not close, the Receiver respectfully requests and recommends that the offers be sealed for a period of 10 days following the delivery of the Receiver's Certificate confirming the closing of the sale of the Holdco Shares to DEL.

The Sealing Order

- 18. The Confidential Supplement contains a copy of the DEL PSA and the Can Direct PSA which are of a sensitive commercial nature. Its publication before this approval Application and closing of the Transaction could result in serious commercial damage to COGI and, in the event that the sale to DEL does not close, could prejudice any future sales process to the detriment of COGI's stakeholders.
- 19. The Sealing Order is the least restrictive and prejudicial alternative to prevent the dissemination of commercially sensitive information about the Transaction and the agreements related to the Transaction, and contain commercially sensitive information about the offers, COGI and their respective stakeholders.
- 20. It is fair and just in the circumstances to restrict public access to the Confidential Supplement until a Receiver's Certificate has been delivered with respect to each Transaction.
- 21. Such further and other grounds as this Honourable Court as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

- 22. The pleadings and proceedings had and taken in this Action;
- 23. The Seventeenth Report of the Receiver;
- 24. The Confidential Supplement to the Seventeenth Report of the Receiver; and
- 25. Such further or other material or evidence as counsel may advise and this Honourable Court may permit.

Applicable Rules:

- 26. Part 6, Division I and Rule 11.27 of the Alberta Rules of Court; and
- 27. Such further and other rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and Regulations:

- 28. Bankruptcy and Insolvency Act, RSC 1985, c B13-3;
- 29. Judicature Act, RSA 2000, c. J-2, s. 13(2); and
- 30. Such further and other Acts and Regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

31. None

How the application is proposed to be heard or considered:

32. In person before the presiding Justice on the Commercial List.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes.

If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

APPENDIX A

PROPOSED POC APPROVAL AND VESTING ORDER

COURT FILE NUMBER

1501-12220

Clerk's Stamp

COURT JUDICIAL CENTRE COURT OF QUEEN'S BENCH OF ALBERTA

APPLICANT ALBERTA TREASURY BRANCHES

	COGI LIMITED PARTNERSHIP, CANADIAN
RESPONDENTS	OIL & GAS INTERNATIONAL INC.,
	CONSERVE OIL GROUP INC. AND
	CONSERVE OIL 1 st CORPORATION

DOCUMENT APPROVAL AND VESTING ORDER (Sale by Receiver)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	G. Brian Da DLA Piper Barristers a 1000 250 2
	Phone: 403

G. Brian Davison, Q.C. DLA Piper (Canada) LLP Barristers and Solicitors 1000 250 2 St. S.W. Phone: 403.294-3590 Fax: 403-213-4481 Email: brian.davison@dlapiper.com File No.: 16155-00002

DATE ON WHICH ORDER WAS PRONOUNCED: April 27, 2021

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary Courts Centre

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice R.A. Neufeld

UPON THE APPLICATION by MNP Ltd., in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the assets, undertakings and properties of COGI Limited Partnership, Canadian Oil & Gas International Inc., Conserve Oil Group Inc. and Conserve Oil 1st Corporation (collectively, the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by the asset purchase and sale agreement all dated February 1, 2021 between the Receiver and DEL Canada Limited Partnership ("**DEL**" or the "**Purchaser**", and the purchase and sale agreement, as amended, the "**Sale Agreement**"), which Sale Agreement is appended as **Appendix "A"** to Confidential Supplement to the Seventeenth Report of the Receiver dated April 19, 2021 (the "**Confidential Supplement**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the Purchased Assets listed in **Schedule "B"** hereto (the "**Purchased Assets**");

AND UPON HAVING READ the Receivership Order dated October 26, 2015 (the "Receivership Order"), the Application, the Seventeenth Report and the Confidential Supplement to the Seventeenth Report, and such other materials filed in the within proceedings; AND UPON HAVING READ the Affidavit of Service; AND UPON HEARING the submissions of counsel for the Receiver, and counsel for other interested parties; AND UPON NOTING no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

- 1. All capitalized terms in this Order and the Appendices that are not otherwise defined herein shall have the meaning ascribed to them in the Sale Agreement.
- 2. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and 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 TRANSACTIONS

3. The Transaction and Sale Agreement are 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 is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser.

VESTING OF PROPERTY

- 4. Upon the delivery of a Receiver's certificate to the Purchaser substantially in the form set out in Schedule "A" hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement referenced in Schedule "B" hereto shall vest absolutely in the name of the Purchaser free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, caveats, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing:
 - (a) any encumbrances or charges created by the Receivership Order or any other Orders granted in these proceedings; and

for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

- 5. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased 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.
- 6. The Purchaser shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against the Debtor.
- 7. The Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such persons remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.
- 8. The Purchaser shall be entitled to hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by or through or against the Debtor.
- 9. The Receiver is to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof to the Purchaser.
- 10. Notwithstanding:
 - (a) the pendency of these proceedings;
 - (b) any applications for a bankruptcy order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act, RSC 1985, c B-3 ("BIA") in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made in respect of the Debtor,

the vesting of the Purchased Assets in the Purchaser 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 settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, 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.

11. The Receiver, the Purchaser and any other interested party, shall be at liberty to apply for further advice, assistance and directions 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

- 12. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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 orders as to provide such assistance to the Receiver, as an officer of this 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.
- 13. This Order must be served only upon those interested parties attending or represented at the within application and service 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.
- 14. Service of this Order on any party not attending this application is hereby dispensed with.

J.C.C.Q.B.A.

Schedule "A"

Form of Receiver's Certificate

FORM OF RECEIVER'S CERTIFICATE

COURT FILE NUMBER	1501-12220
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ALBERTA TREASURY BRANCHES
RESPONDENTS	COGI LIMITED PARTNERSHIP, CANADIAN OIL & GAS INTERNATIONAL INC., AND CONSERVE OIL GROUP INC. and CONSERVE OIL 1 st CORPORATION
DOCUMENT	RECEIVER'S CERTIFICATE
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	G. Brian Davison, Q.C. DLA Piper (Canada) LLP Barristers and Solicitors Suite 1000, 250 2 nd Street S.W. Calgary, Alberta T2P 0C1 Phone No.: 403-294-3590 Fax No.: 403-776-8864 E-mail: brian.davison@dlapiper.com File No.: 16155-00002

RECITALS

- A. On October 26, 2015, MNP Ltd. was appointed as the Receiver (the "Receiver") of the undertaking, shares of the German Holdcos (the "Purchased Assets"), property and assets of the Respondents (collectively, "COGI").
- B. Pursuant to an Order of the Court dated April 27, 2021, the Court approved the purchase and sale agreement made as of February 1, 2021, (the "**PSA**") between the Receiver and DEL Canada Limited Partnership (the "**Purchaser**") and provided for the vesting in the Purchaser of COGI's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased 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 Purchased Assets; (ii) that the conditions to Closing as set out in Article 3 of the PSA (and defined therein)

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, terms with initial capitals have the meanings set out in the PSA.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the PSA;

2. The conditions to Closing as set out in Article 3 of the PSA have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and

- 3. The Transaction has been completed to the satisfaction of the Receiver.
- 4. This Certificate was delivered by the Receiver at [Time] on [Date].

MNP Ltd., in its capacity as Receiver of COGI Limited Partnership, Canadian Oil and Gas Internal Inc. and Conserve Oil Group Inc. and not in its personal capacity.

Per:

Name:

Title:

Schedule "B"

Holdco Shares

All of the issued and outstanding shares of:

- 1. POC Energy Solutions GmbH;
- 2. POC Management GmbH; and
- 3. POC GmbH.

APPENDIX B

FORM OF RECEIVER'S CERTIFICATE

COURT FILE NUMBER	1501-12220
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ALBERTA TREASURY BRANCHES
RESPONDENTS	COGI LIMITED PARTNERSHIP, CANADIAN OIL & GAS INTERNATIONAL INC., AND CONSERVE OIL GROUP INC. and CONSERVE OIL 1 st CORPORATION
DOCUMENT	RECEIVER'S CERTIFICATE

RECITALS

- A. On October 26, 2015, MNP Ltd. was appointed as the Receiver (the "Receiver") of the undertaking, shares of the German Holdcos (the "Purchased Assets"), property and assets of the Respondents (collectively, "COGI").
- B. Pursuant to an Order of the Court dated April 27, 2021, the Court approved the purchase and sale agreement made as of February 1, 2021, (the "**PSA**") between the Receiver and DEL Canada Limited Partnership (the "**Purchaser**") and provided for the vesting in the Purchaser of COGI's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased 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 Purchased Assets; (ii) that the conditions to Closing as set out in Article 3 of the PSA (and defined therein) 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, terms with initial capitals have the meanings set out in the PSA.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the PSA;

2. The conditions to Closing as set out in Article 3 of the PSA have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and

- 3. The Transaction has been completed to the satisfaction of the Receiver.
- 4. This Certificate was delivered by the Receiver at [Time] on [Date].

MNP Ltd., in its capacity as Receiver of COGI Limited Partnership, Canadian Oil and Gas Internal Inc. and Conserve Oil Group Inc. and not in its personal capacity.

Per:

Name:

Title:

APPENDIX C

PROPOSED SEALING ORDER

Clerk's Stamp

COURT FIL	E NUMBER
-----------	----------

1501-12220

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT ALBERTA TREASURY BRANCHES

RESPONDENTS COGI LIMITED PARTNERSHIP, CANADIAN OIL & GAS INTERNATIONAL INC., AND CONSERVE OIL GROUP INC. and CONSERVE OIL 1ST CORPORATION

SEALING ORDER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

G. Brian Davison, Q.C. DLA Piper (Canada) LLP Barristers and Solicitors Suite 1000, 250 2nd Street S.W. Calgary, Alberta T2P 0C1 Phone No.: 403-294-3590 Fax No.: 403-776-8864 E-mail: brian.davison@dlapiper.com File No.: 16155-00002

DATE ON WHICH ORDER WAS PRONOUNCED:	April 27, 2021
LOCATION WHERE ORDER WAS PRONOUNCED:	Calgary

NAME OF JUSTICE WHO MADE THIS ORDER:

The Honourable Justice R.A. Neufeld

UPON THE APPLICATION of MNP Ltd. (the "**Receiver**"), acting in its capacity as receiver and manager to COGI Limited Partnership; **AND UPON** reading the Application of the Application filed April 19, 2021, the Receiver's Seventeenth Report dated April 19, 2021, (the "**Seventeenth Report**") and the Confidential Supplement to the Receiver's Seventeenth Report dated April 19, 2021, (the "**Confidential Report**"), **AND UPON** hearing the submissions of counsel for the Receiver, and any other parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

- 1. Capitalized terms not defined herein shall have the meaning set forth in the Seventeenth Report.
- 2. Service of the Notice of Application for this Order is hereby validated and deemed good and sufficient, this application is properly returnable today, and no person other than those persons served is entitled to service of the Notice of Application.
- 3. The Confidential Report shall be sealed on the Court file and shall not form part of the public record, notwithstanding Division 4, Part 6 of the *Alberta Rules of Court*.
- 4. The Clerk of this Honourable Court shall file the Confidential Report in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states that:

THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED BY MNP LTD. THE CONFIDENTIAL MATERIALS ARE SEALED PURSUANT TO THE SEALING ORDER ISSUED BY JUSTICE R.A. NEUFELD ON APRIL 27, 2021.

- 5. The Confidential Report shall be filed with the Court within 10 days following the delivery of the Receiver's Certificates to the purchasers in the Transactions.
- 6. The Receiver shall serve by courier, fax transmission, email transmission or ordinary post, a copy of this Order on all parties present at this Application and such service shall be deemed good and sufficient for all purposes.

J.C.Q.B.A or Clerk of the Court