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COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE
A PROPOSAL OF VERTEX DOWNHOLE LTD.

DOCUMENT **FIRST REPORT OF MNP LTD. AS RECEIVER OF VERTEX
DOWNHOLE LTD.**

FILED July 15, 2022

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING
THIS DOCUMENT

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Appendices

Appendix 1 Asset Sale Agreement between MNP as Receiver of Vertex Downhole Ltd. and 2435819 Alberta Ltd., dated July 13, 2022 – Redacted

Appendix 2 Email from counsel for HSBC Bank of Canada dated July 12, 2022.

Appendix 3 Email from counsel for HSBC Bank of Canada dated July 12, 2022.

INTRODUCTION AND BACKGROUND

1. On February 4, 2022, Vertex Downhole Ltd. ("**Vertex**" or the "**Company**") filed a Notice of Intention to Make a Proposal pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* ("**BIA**").
2. On July 13, 2022, MNP Ltd. was appointed by the Court of Queen's Bench of Alberta (the "**Court**") as receiver of Vertex (the "**Receiver**") upon an application by HSBC Bank Canada ("**HSBC**"). MNP Ltd. was previously the proposal trustee until the stay of proceedings lapsed on July 14, 2022. As a result, MNP Ltd. is also the Trustee of the bankrupt estate.
3. On July 13, 2022, the Court granted a sale approval and vesting order ("**SAVO**") approving an Asset Sale Agreement ("**Sale Agreement**") between the Receiver and the purchaser 2435819 Alberta Ltd. (the "**Purchaser**") for certain assets of Vertex. The Sale Agreement was executed by the Receiver and the Purchaser on July 13, 2022. The transaction contemplated in the Sale Agreement is scheduled to close on July 25, 2022.
4. The Sale Agreement contemplates four material contracts (the "**Material Contracts**") being assigned to the Purchaser by the Receiver. The Receiver has filed an application seeking an assignment Order for the Material Contracts.
5. This is the Receiver's first report to the Court (the "**First Receiver's Report**").
6. Some of the information in the First Receiver's Report repeats information from the Fourth Report of the Proposal Trustee dated July 11, 2022 and has been repeated for ease of reference to the Court to avoid the Court needing to review multiple court officer reports.
7. Copies of the relevant documents relating to these proceedings are available on the Receiver's website at <https://mnpdebt.ca/en/corporate/corporate-engagements/vertex-downhole-ltd>

RESTRICTIONS AND LIMITATIONS

8. In preparing its First Receiver's Report, the Receiver has relied upon unaudited financial information, the Company's records, financial information, and discussions with the Company's management. While the Receiver reviewed various documents provided by the Company and believes that the information therein provides a fair summary of the transactions

and material, as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness, or compliance with Generally Accepted Accounting Principles (“GAAP”), International Financial Reporting Standards (“IFRS”), or Generally Accepted Auditing Standards (“GAAS”). Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to GAAP, IFRS or GAAS with respect to such information.

9. The First Receiver’s Report has been prepared for the purpose described below. Accordingly, the reader is cautioned that the First Receiver’s Report may not be appropriate for any other purpose. The Receiver will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of the First Receiver’s Report contrary to the provisions of this paragraph.
10. All amounts included herein are in Canadian dollars unless otherwise stated.

PURPOSE OF THE REPORT

11. The purpose of the First Receiver’s Report is to provide the Court and other interested parties with information regarding its application seeking an Order for the assignment of the Material Contracts to the Purchaser.

ASSIGNMENT OF MATERIAL CONTRACTS

12. The Sale Agreement approved under the SAVO contemplates the assignment of the Material Contracts from the Receiver to the Purchaser. A redacted version of the Sale Agreement is attached hereto as “**Appendix 1**”. An unredacted draft version of the Sale Agreement was attached as Appendix 9 of the First Confidential Report of the Proposal Trustee and was subject to a sealing Order granted by the Court dated July 13, 2022 .
13. Pursuant to the Sale Agreement, the Receiver is contractually obligated to attempt to obtain an Order from the Court assigning over the Material Contracts from the Receiver to the Purchaser upon request by the Purchaser. The Purchaser has requested that the Receiver seek such an Order for the Material Contracts.
14. The Material Contracts were previously sealed by the Court under a Sealing Order dated July 11, 2022 and are found in Appendix 1 through 4 of the Second Confidential Supplement to

the Fourth Report of MNP Ltd. as Proposal Trustee of Vertex, dated July 11, 2022.

15. The Material Contracts are summarized below:

Category	Description	Parties	Date
Customer	Master Purchase Agreement For Goods and Services Agreement No. 9610034368 “Agreement 1”	Halliburton Energy Services Inc. - Vertex Downhole Ltd.	Effective November 1, 2017
Customer	General Service Agreement Contract number JZ200968 “Agreement 2”	Sichuan Honghua Petroleum Equipment Co. - Vertex Downhole Ltd.	July 28, 2020
Sales Representative Agreement	Non-Exclusive Sales Representation Agreement “Agreement 3”	Vertex Downhole Trading LLC - HPC Energy Technologies Ltd., assigned to Vertex Downhole Ltd.	July 1, 2015
Sales Representative Agreement	Guarantee of Performance and Payment “Agreement 4”	Jeremy Lorenowicz for the benefit of HPC Energy Technologies Ltd., assigned to Vertex Downhole Ltd.	July 1, 2015

16. The Receiver has been advised by the Purchaser that it intends to operate the Vertex business, under the Vertex Downhole name, upon purchasing the Assets (as defined under the Sale Agreement). The Receiver has further been advised by the Purchaser that the Material Contracts are extremely important to it for its successful operation of the Vertex business.

17. The Receiver understands that no amendments are being sought to the Material Contracts by the Purchaser.

Halliburton – Agreement 1

18. This is a Master Purchase Agreement for Goods and Services whereby Vertex is the “Seller”. Agreement 1 sets out the terms for the ordering of goods and services by Halliburton from Vertex.
19. The Receiver has been advised by the Purchaser, that in particular, this agreement with Halliburton represents a significant portion of the monthly revenues generated by Vertex. The Company’s records indicates that the monthly revenues with Halliburton are in excess of \$200,000. Therefore, according to the Purchaser, this agreement is integral to the successful operation of the Vertex business by the Purchaser and ensuring a smooth and successful business transition from Vertex to the Purchaser. The Receiver understands that there is approximately a five month term remaining under this agreement. The Receiver understands from the Purchaser that the Purchaser wants to continue carrying on the engagement with Halliburton.
20. The Receiver understands through discussions with the Purchaser and Halliburton that Halliburton has not agreed to an assignment of this agreement and that the Purchaser and Halliburton are in discussions to negotiate a new contract.
21. The assignment clause in this agreement states the following:

*3.25 Seller will not sell, assign, or transfer all or any part of this Agreement, or subcontract all or any part of Seller’s obligations hereunder, without the prior written consent of Halliburton, **which consent will not be unreasonably withheld, delayed or conditioned**. Halliburton’s approval of any such sale, assignment, transfer or subcontract will not relieve Seller from any obligations imposed upon Seller by this Agreement. Seller warrants and represents that any assignee or subcontractor shall comply with all Applicable Laws and the Ethical Business Conduct requirements imposed by this Agreement and shall promptly disclose any violations thereof.*

Sichuan Honghua Petroleum Equipment Co. – Agreement 2

22. This agreement engages Vertex to provide Sichuan Honghua Petroleum Co (“Sichuan”) with services investigating, planning and completing integration measuring, as well as drilling services. Vertex has agreed to integrate the Vertex products into the Sichuan drilling

equipment; however, the integration program is still in process and is not complete. This agreement provides Vertex with global drilling opportunities with Sichuan.

23. The Receiver understands from speaking to the Purchaser that the Purchaser wants to continue carrying on with Sichuan under this agreement.

24. The assignment clause in this agreement states the following:

*26. Neither this Agreement, nor any right or interest in this Agreement may be assigned by a Party without the express written consent of another Party, **which consent shall not be unreasonably withheld.** Any assignment without such consent shall be null and void.*

25. By email on July 12, 2022, counsel for HSBC requested that Sichuan agree to an assignment of this agreement to the Purchaser. Attached hereto as **Appendix 2** is a copy of the HSBC email.

26. The Receiver is not aware whether Sichuan has agreed with the Purchaser to an assignment of this agreement or have responded to the July 12, 2022 HSBC request.

Non-Exclusive Sales Representation Agreement – Agreement 3

27. The Company had previously advised the Proposal Trustee, now, the Receiver, that this agreement reflects Vertex appointing Vertex Downhole Trading LLC (Vertex has no ownership interest in this entity) to act as Vertex's non-exclusive sales representative for the marketing, promotion and sale of Vertex's products in the Middle East and North Africa. This agreement was originally between HPC ME Equipment Trading LLC, which was a predecessor company to Vertex Downhole Trading LLC.

28. The Receiver understands from speaking to Vertex that this agreement was assigned to Vertex by operation of law as follows:

- a) HPC Energy Technologies Ltd. entered into this agreement with HPC ME Equipment Trading LLC. in 2015;

- b) HPC Energy Technologies Ltd. transferred all assets (including Agreements 3 and 4, as defined in the schedule above and referred to below) to Nuera Tools Ltd. in January 1, 2017 pursuant to a Purchase and Sale Agreement dated January 1, 2017 between HPC Energy Technologies Ltd. and Nuera Tools Ltd.; and
- c) Nuera Tools Ltd. changed its name to Vertex Downhole Ltd. in January 2017 as part of a corporate reorganization. The Receiver has reviewed a Government of Alberta Certificate of Amendments dated January 13, 2017 confirming same.

29. The Purchaser has advised the Receiver that the Purchaser wants to continue carrying on with this agreement.
30. The Receiver has been advised by the Purchaser that Vertex Downhole Trading LLC has agreed to the assignment of this agreement, however, has received no written confirmation of any assignment.
31. The assignment clause in the agreement states the following:

*16.1(h) - Representative hereby agrees, covenants, represents and warrants to HPC: it acknowledges and agrees that it shall not subcontract, delegate, **or assign any of its rights or obligations under this Agreement without the prior written consent of a senior executive officer of HPC.** Any purported delegation, assignment, or transfer by Representative of all or part of any rights or obligations arising hereunder, without the prior written consent of a senior executive officer of HPC shall be void as to HPC's obligations hereunder from the time of such delegation, assignment, or transfer, and shall be considered a basis for immediate termination of this Agreement...*

Guarantee of Performance and Payment – Agreement 4

32. This agreement was provided by Jeremy Lorenowicz guaranteeing all of the payment obligations and amounts owing by HPC ME Equipment Trading LLC to HPC Energy Technologies Ltd. (now Vertex), including HPC ME Equipment Trading LLC's payment obligations owing under Agreement 3. Vertex has advised the Receiver that Mr. Lorenowicz is the sole Director of Vertex Downhole Trading LLC.
33. The Receiver understands from speaking to Vertex that this agreement was also assigned to Vertex by operation of law as referenced above.
34. Counsel for HSBC previously requested an assignment of Agreements 3 and 4 via email on July 12, 2022. Attached as Appendix 3 is said email.

35. No assignment language exists in this agreement.

RECEIVER'S ASSESSMENT FOR THE ASSIGNMENT OF MATERIAL CONTRACTS

36. The relevant factors, as provided by its legal counsel Dentons Canada LLP., that the Receiver has considered for an assignment Order of the Material Contracts are as follows:

a) whether the person to whom the rights and obligations are to be assigned would be able to perform the obligations; and

a) whether it would be appropriate to assign the rights and obligations to that person.

37. The Receiver has been advised by the Purchaser that it will continue and be able to perform Vertex's obligations under the Material Contracts.

38. The Receiver believes it is appropriate to assign the rights and obligations under the Material Contracts to the Purchaser for the following reasons:

a) The Sale Agreement was approved by the Court;

b) no amendments are being sought by the Purchaser in respect of the Material Contracts;;

c) under the terms of the Material Contracts, the ability the counter-parties to the Material Contracts to withhold their consent is limited or non-existent in the case of Agreement 4;

d) the Receiver understands that Agreement 1 in particular is an important part of the Vertex business and makes up an important aspect of Vertex's revenue;

e) the Receiver understands that Agreements 2 and 3 allow the Purchaser to continue carrying on additional business engagements of Vertex;

f) Agreement 4 does not require the guarantor's consent to an assignment; and

g) The Receiver approves of the proposed assignments.

CURE COSTS

39. Receiver has been advised by Vertex that it is not aware of any amounts currently owing by Vertex (i.e. cure costs) to the counter-parties under the Material Contracts.

RECOMMENDATION AND CONCLUSION

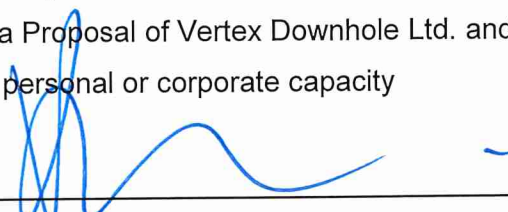
40. The Receiver recommends that the Court grant an Order assigning the Material Contracts to

the Purchaser upon the closing of the transaction contemplated in the Sale Agreement.

All of which is respectfully submitted this 15th day of July, 2022

MNP Ltd.

In its capacity as Trustee in the Notice of Intention
to Make a Proposal of Vertex Downhole Ltd. and
not in its personal or corporate capacity



Per: Victor P. Kroeger, CIRP, LIT, CPA, CA, CFE
Senior Vice President

Appendix 1

ASSET SALE AGREEMENT

between

**MNP LTD. AS RECEIVER OF VERTEX DOWNHOLE LTD.
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

as Vendor

- and -

2435819 ALBERTA LTD.

as Purchaser

July 13, 2022

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION..... 1

1.1 Definitions 1

1.2 Schedules 6

1.3 Interpretation 7

1.4 Interpretation Not Affected by Headings 8

1.5 Conflicts..... 8

ARTICLE 2 ASSETS AND ASSUMED LIABILITIES 8

2.1 Purchase and Sale of Assets 8

2.2 Assumed Liabilities 9

2.3 Excluded Liabilities 10

ARTICLE 3 PURCHASE AND SALE..... 10

3.1 Purchase Price..... 10

3.2 Deposit..... 10

3.3 Purchase Price Allocation 11

3.4 Transfer of Assets 11

3.5 Form of Payment..... 11

3.6 GST and Other Sales Taxes 11

ARTICLE 4 MATERIAL CONTRACTS 11

4.1 Assignment of Material Contracts 11

4.2 Consent Required Material Contracts..... 12

ARTICLE 5 CONDITIONS TO CLOSING 12

5.1 Vendor's Conditions..... 12

5.2 Purchaser's Conditions 13

5.3 Efforts to Fulfill Conditions 13

5.4 Failure to Fulfill Conditions..... 13

ARTICLE 6 CLOSING 14

6.1 Closing..... 14

6.2 Deliveries at Closing..... 14

6.3 Closing Assignment of LLC Receivable 15

ARTICLE 7 EMPLOYEE MATTERS 15

7.1 Employment Matters 15

ARTICLE 8 REPRESENTATIONS AND WARRANTIES 16

8.1 Representations and Warranties of Vendor..... 16

8.2 Representations and Warranties of Purchaser 16

8.3 Survival of Representations and Warranties 17

8.4 No Other Representations or Warranties by Vendor; "As-Is, Where-Is" 17

ARTICLE 9 COVENANTS..... 18

9.1 Conduct of Business in Ordinary Course 18

9.2 No Dispositions 19

9.3	<u>Access</u>	19
9.4	<u>Access to Books and Records</u>	19
9.5	<u>Name Change</u>	20
<u>ARTICLE 10 TERMINATION</u>		20
10.1	<u>Termination Prior to Closing</u>	20
10.2	<u>Effect of Termination</u>	20
<u>ARTICLE 11 CONFIDENTIALITY</u>		20
11.1	<u>Confidentiality</u>	20
11.2	<u>Public Announcements</u>	21
11.3	<u>Privacy Laws</u>	21
<u>ARTICLE 12 DISPUTES</u>		22
12.1	<u>Dispute Resolution</u>	22
<u>ARTICLE 13 NOTICES</u>		22
13.1	<u>Notice</u>	22
<u>ARTICLE 14 MISCELLANEOUS</u>		23
14.1	<u>Laws and Regulations</u>	23
14.2	<u>Jurisdiction and Venue</u>	23
14.3	<u>Entire Agreement</u>	23
14.4	<u>Waiver</u>	23
14.5	<u>Amendments</u>	24
14.6	<u>No Partnership</u>	24
14.7	<u>No Third Party Beneficiaries</u>	24
14.8	<u>Further Assurances</u>	24
14.9	<u>Severability</u>	24
14.10	<u>Time of Essence</u>	24
14.11	<u>Survival</u>	24
14.12	<u>Assignment; Enurement</u>	25
14.13	<u>Remedies Cumulative</u>	25
14.14	<u>Nonrecourse</u>	25
14.15	<u>Costs and Expenses</u>	25
14.16	<u>Counterparts</u>	25

ASSET SALE AGREEMENT

THIS AGREEMENT is made as of the 13th day of July, 2022.

BETWEEN:

**MNP LTD. AS RECEIVER OF VERTEX DOWNHOLE LTD., AND
NOT IN ITS PERSONAL OR CORPORATE CAPACITY, ("Vendor")**

- and -

2435819 ALBERTA LTD., a body corporate registered to carry on
business in the Province of Alberta ("**Purchaser**")

WHEREAS:

- A. On February 4, 2022, Vertex Downhole Ltd. ("**Vertex**") filed a notice of intention to make a proposal (the "**NOI**") pursuant to Section 50.4(1) of the BIA with the Office of the Superintendent of Bankruptcy. The NOI has proceeded under Alberta Court File No. 25-2802560 ("**NOI Proceedings**");
- B. On July 13, 2022, Vendor was appointed the receiver of all of the assets, undertaking and property of Vertex pursuant to section 243 of the *Bankruptcy and Insolvency Act* ("**Receivership Proceedings**");
- C. Purchaser desires to purchase the Assets and Vendor has determined that it is in the best interests of Vertex's creditors and stakeholders to sell the Assets, pursuant to and in accordance with the terms and conditions of this Agreement and subject to the Court Approval and Final Order; and
- D. Purchaser has conducted an investigation of the nature and extent of the Assets and desires to purchase the Assets on the terms and conditions set out herein.

NOW THEREFORE in consideration of the premises, the mutual covenants set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals and the Schedules, the following terms have the following meanings:

- (a) "**Accounts Receivable**" means accounts receivable, notes receivable and other debts due or accruing (whether billed or unbilled) from time to time, together with all security or other collateral thereof and any interest for unpaid financing charges accrued thereon;
- (b) "**Affiliate**" means any Person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with another Person. The term "control" means possessing the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or otherwise. Any Person shall be deemed to be an Affiliate of any specified Person if such Person owns fifty percent (50%) or more of the voting securities of the specified Person, if the specified Person owns fifty

percent (50%) or more of the voting securities of such Person, or if fifty percent (50%) or more of the voting securities of the specified Person and such Person is under common control.

- (c) "**Agreement**" means and refers to this agreement entitled "Asset Sale Agreement", including the recitals hereto and all Schedules, all as amended, supplemented or modified from time to time in accordance with the provisions hereof.
- (d) "**Applicable Laws**" means, in relation to any Person, transaction or event, all applicable provisions of laws, statutes, rules, regulations, official directives, published guidelines, standards, codes of practice and orders of, and the terms of all judgments, orders, awards and decrees issued by any Governmental Authority by which such Person is bound or having application to the transaction or event in question.
- (e) "**Assets**" means has the meaning provided in Section 2.1.
- (a) "**Assignment Order**" means an order of the Court requiring the assignment of Material Contracts designated by Purchaser to which Vertex is a party to Purchaser, in form and substance satisfactory to Purchaser and Vendor, acting reasonably.
- (f) "**Assumed Liabilities**" has the meaning provided in Section 2.2.
- (g) "**BIA**" means the *Bankruptcy and Insolvency Act* (Canada), as now and hereafter in effect, or any successor statute.
- (h) "**Business**" means the oil and gas goods and services business operated by Vertex, which provides technologically advanced and patented "measurement while drilling" downhole tools to global companies engaged in oil and natural gas exploration.
- (i) "**Business Day**" means a calendar day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta.
- (j) "**Closing**" means the completion of the Transaction pursuant to the terms and conditions of this Agreement and the Receivership Proceedings, at the Closing Time, and of all other transactions contemplated by this Agreement that are to occur concurrently with the sale and purchase of the Assets, for certainty, subject to the satisfaction or waiver of all applicable conditions set forth in this Agreement.
- (k) "**Closing Date**" means the first Business Day that is at least eleven days after receipt of Court Approval, or such other date as may be agreed upon between the Parties.
- (l) "**Closing Time**" means 8:00 a.m. (Calgary time) on the Closing Date.
- (m) "**Consent Required Material Contracts**" means the Material Contracts to which Vertex is a party and which are not assignable in whole or in part without the consent, approval or waiver of the party or parties thereto other than Vertex.
- (n) "**Contracts**" means all contracts and written agreements, including purchase orders and leases associated or connected with the Business, to which Vertex and any Third Party is a party.
- (o) "**Court**" means the Court of Queen's Bench of Alberta.

- (p) "**Court Approval**" means the approval of the Transaction by the Court, including, an order of the Court, substantially based on the form of the Alberta Standard Template Approval and Vesting Order, vesting the Assets in the name of Purchaser free and clear of any and all Encumbrances (the "**SAVO**"), in form and content satisfactory to Vendor and Purchaser, acting reasonably.
- (q) "**Cure Cost**" means a payment solely required to comply with section 84.1(5) of the BIA to effect the assignment from Vertex to Purchaser under any contract which is a Consent Requirement Material Contract.
- (r) "**Data Processing Systems**" means the computer equipment and associated peripheral devices and the related operating and application systems and other software owned, leased or licenced by Vertex and used by it in connection with its business other than off the shelf personal computer software subject to transferable licences.
- (s) "**Deposit**" has the meaning provided in Section 3.2.
- (t) "**Disclosed Personal Information**" has the meaning provided in Section 11.3(b).
- (u) "**Employees**" means the employees of Vertex (full-time or part-time, on leave or on disability and including those on statutory or other absences) associated with the ongoing operation of the Assets and employed by Vertex on the Closing Date.
- (v) "**Employee Plans**" means all oral and written employee benefit, welfare, supplemental unemployment benefit, bonus, pension, profit sharing, executive compensation, current or deferred compensation, incentive or performance compensation, equity compensation, savings, severance or termination pay, retirement, supplementary retirement, registered or unregistered retirement savings, hospitalization insurance, salary continuation, legal, health or other medical, dental, life, disability or other insurance (whether insured or self- insured) plan, program, policy, agreement, practice, undertaking or arrangement, and every other oral or written benefit plan, program, policy, agreement, practice, undertaking or arrangement sponsored, maintained or contributed to or required to be contributed to by Vertex for the benefit of the current or former directors, officers, employees, contractors, consultants of Vertex and/or their respective dependents or beneficiaries, by which Vertex is bound or with respect to which Vertex participates or has any actual or potential liability, other than statutory benefit plans which Vertex is required to participate in or comply with, including the Canada Pension Plan and plans administered pursuant to applicable health tax, workplace safety insurance and employment insurance legislation.
- (w) "**Encumbrance**" means any and all mortgage, charge, pledge, hypothec, security interest, lien, easement, license, restrictive covenant, levies, other financial or monetary claims or encumbrances of any nature, caveats, trusts or deemed trusts (whether contractual, statutory, or otherwise), royalties, options, privilege, interests, assignments, actions, executions, levies, Taxes, judgments, writs of execution, lease, reservation of ownership, rights of pre-emption or first refusal, claims (whether financial, monetary or otherwise) or charges, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including any encumbrances or charges created by the BIA and all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system in Canada, the United States and any other applicable jurisdiction.

- (x) "**Excluded Assets**" means: (i) the minute books and legal or corporate records of Vertex (other than as specifically listed herein); (ii) all rights and interests in and to the Employees, the Employee Plans and any related assets or insurance policies; (iii) any Contracts or other understandings to which Vertex and any Third Party is a party that aren't Material Contracts; (iv) all rights of Vendor under this Agreement and all cash and non-cash consideration payable or deliverable to Vendor pursuant to this Agreement; and (v) the assets set out and described in Schedule "D".
- (y) "**Final Order**" means an order of the Court that has not been vacated, stayed, set aside, amended, reversed, annulled or modified, as to which no appeal or application for leave to appeal therefrom has been filed and the applicable appeal period with respect thereto shall have expired without the filing of any appeal or application for leave to appeal, or if any appeal(s) or application(s) for leave to appeal therefrom have been filed, any (and all) such appeal(s) or application(s) have been dismissed, quashed, determined, withdrawn or disposed of with no further right of appeal and all opportunities for rehearing, re-argument, petition for certiorari and appeal being exhausted or having expired without any appeal, motion or petition having been filed and remaining pending, any requests for rehearing have been denied, and no order having been entered and remaining pending staying, enjoining, setting aside, annulling, reversing, remanding, or superseding the same, and all conditions to effectiveness prescribed therein or otherwise by Applicable Law or order having been satisfied.
- (z) "**General Conveyance**" means the agreement entitled "General Conveyance" to be delivered and entered into as of the Closing Date between Vendor and Purchaser providing for the conveyance of the Assets, which agreement shall be in the form set forth in Schedule "C", with only such changes thereto as are necessary to complete such agreement for execution.
- (aa) "**Governmental Authority**" means, in relation to any Person, transaction or event, any: (i) federal, provincial, state, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign; (ii) agency, authority, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government; (iii) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions; and (iv) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such Person, transaction or event.
- (bb) "**GST**" means the goods and services tax imposed under Part IX of the *Excise Tax Act* (Canada).
- (cc) "**Intellectual Property**" means domestic and foreign: (i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) proprietary and nonpublic business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing; (iii) copyrights, copyright registrations and applications for copyright registration; (iv) mask works, mask work registrations and applications for mask work registrations; (v) designs, design registrations, design registration applications and integrated circuit topographies; (vi) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark

registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (vii) computer software and programs (both source code and object code form), all proprietary rights in the computer software and programs and all documentation and other materials related to the computer software and programs; and (viii) any other proprietary intellectual property and industrial property.

- (dd) “**Key Tangibles**” means the 40 Kits specified in Schedule "A" hereto alongside their corresponding costs values.
- (ee) “**Kits**” means the assortment of inventory kits of Vertex being acquired by the Purchaser identified with internal references of WINC and Mudlink, as set forth in Schedule “A” hereto.
- (ff) “**Liabilities**” means any and all liabilities, obligations, debt, loss, damage, adverse claims, fines or penalties, whether under common law, in equity, under the Applicable Laws or otherwise, whether tortious, contractual, vicarious, statutory or otherwise, whether absolute or contingent, and whether based on fault, strict liability or otherwise.
- (gg) “**LLC Receivable**” has the meaning provided in Section 2.1(n).
- (hh) “**Material Contracts**” means all Contracts specified in Schedule “A” as of the date of this Agreement involving Vertex and any customer or third party payor that directly relate to the Key Tangibles, Accounts Receivable and Intellectual Property of Vertex being acquired by the Purchaser and include, without limitation, all rental agreements, purchase orders, licencing agreements and documents of title.
- (ii) “**Material Contract Assumed Liabilities**” has the meaning provided in Section 4.1.
- (jj) “**NOI**” shall have the meaning defined in the Recitals.
- (kk) “**NOI Proceedings**” has the meaning provided in the Recitals.
- (ll) “**Ordinary Course**” means, with respect to Vertex, an action consistent with the past practices of Vertex prior to the filing of the NOI and taken in the ordinary course of the normal day-to-day business and operations of Vertex, provided that such action is in compliance, in all material respects, with Applicable Laws (provided that it is required to comply with the requirements of the NOI Proceedings and Receivership Proceedings).
- (mm) “**Other Sales Taxes**” means all sales, value-added, use or similar Taxes or other transfer Taxes, fees and charges, other than GST, imposed or levied by any Governmental Authority on or in respect of the sale or supply, transfer or registration of goods or services.
- (nn) “**Outside Date**” means 5:00 p.m. (Calgary time) on July 25, 2022, or such other date as agreed to by the Parties in writing.
- (oo) “**Parties**” means Vendor and Purchaser and “**Party**” means either of them.
- (pp) “**Person**” means any natural person, corporation, company, partnership (general or limited), limited liability company, business trust, Governmental Authority, joint venture or other entity or association.
- (qq) “**Personal Information**” has the meaning provided in Section 11.3(a).

- (rr) "**Purchase Price**" has the meaning set forth in Section 3.1.
- (ss) "**Receiver's Certificate**" has the meaning provided in Section 6.1(c).
- (tt) "**Receivership Proceedings**" has the meaning set forth in the preamble.
- (uu) "**Security Interests**" means security interests in the Assets or any portion thereof granted by Vertex, its Affiliates or predecessors in title to any Third Party, whether by way of mortgage, deed of trust, assignment under the *Bank Act* (Canada), debenture, general security agreement or land charge under personal property security legislation or otherwise, including any amendments thereto.
- (vv) "**Tangible Personal Property**" means, collectively, all furniture, equipment, machinery, tools, materials, trucks, cars, vehicles, office equipment, supplies, computers, telephones, network assets, and other tangible personal property.
- (ww) "**Taxes**" means any taxes, duties, fees, premiums assessments, imposts, levies and other similar charges imposed by any Governmental Authority under Applicable Laws, all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, or including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, property, development, occupancy, all surtaxes, and all customs duties and import and export taxes.
- (xx) "**Third Party**" means a Person other than: (i) Vendor or Purchaser; or (ii) any of their respective Affiliates.
- (yy) "**Transaction**" means the transaction contemplated by this Agreement.
- (zz) "**Vertex**" means Vertex Downhole Ltd.
- (aaa) "**Vertex US**" means Vertex Downhole Inc.

1.2 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

- (a) Schedule "A" – Assets
- (b) Schedule "B" – Purchase Price Allocation
- (c) Schedule "C" Form of General Conveyance Agreement
- (d) Schedule "D"– Excluded Assets
- (e) Schedule "E"– Form of Purchaser Officer Certificate
- (f) Schedule "F" - Vertex US contracts

Such Schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such Schedules conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

1.3 Interpretation

In this Agreement, unless the context requires otherwise:

- (a) words importing the singular number include the plural and vice versa;
- (b) words importing the masculine gender include the feminine and neuter genders;
- (c) if a word is defined in this Agreement, a derivative of that word shall have a corresponding meaning;
- (d) the terms "herein", "hereby", "hereof", "hereunder", "hereto" and similar expressions mean or refer to this Agreement and not to any particular provision of this Agreement;
- (e) examples shall not be construed to limit, expressly or by implication, the matter they illustrate;
- (f) the use of the word "include" or "including" shall be deemed to mean "include, without limitation", or "including, without limitation", as applicable;
- (g) references to any Person (including any Governmental Authority) include such Person's permitted successors and assigns;
- (h) any reference to a Person in a particular capacity is and is deemed to be a reference to that Person in that capacity and not in any other capacity;
- (i) reference to any agreement, document or instrument means such agreement, document or instrument as amended, replaced, restated or modified and in effect from time to time in accordance with the terms thereof;
- (j) references to any Applicable Law (including any statute referenced in this Agreement) means such Applicable Law as amended, modified, codified, replaced or re-enacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and references to any Section or other provision of any Applicable Law means that provision of such Applicable Law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or re-enactment of such Section or other provision;
- (k) references to Articles, Sections or Schedules refer to articles, sections or schedules of this Agreement;
- (l) headings and the table of contents are not to be considered part of this Agreement and are included solely for convenience of reference and are not intended to be full or accurate descriptions of the contents hereof;
- (m) the rule of contractual interpretation known as "*contra proferentem*" shall not apply to the interpretation or construction of this Agreement, such that in interpreting this Agreement, it shall be irrelevant which Party drafted any particular provision hereof;

- (n) all dollar amounts referred to in this Agreement are in Canadian dollars, unless otherwise indicated herein;
- (o) unless otherwise indicated, payments are to be made in Canadian funds, in immediately available funds;
- (p) unless otherwise indicated, references to the time of day or date mean the local time or date in Calgary, Alberta;
- (q) unless otherwise specified herein, or as the context may require, computation of any period of time referred to in this Agreement shall exclude the first day and include the last day of such period; and
- (r) where any payment is to be made, or any other action is to be taken, on or as of a day that is not a Business Day, then unless otherwise provided herein, such payment is to be made, or the other action is to be taken, as applicable, on or as of the next following Business Day, unless such next following Business Day falls in the next calendar month, in which event the payment is to be made, or the other action is to be taken, as applicable, on or as of the immediately preceding Business Day.

1.4 Interpretation Not Affected by Headings

The division of this Agreement into articles, sections, sub-sections, paragraphs and other sub-divisions and the insertion of headings for any of the foregoing are for convenience and reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Conflicts

If there is any conflict, whether express or implied, or inconsistency between a provision of the body of this Agreement and that of a Schedule or a conveyance document, the provision of the body of this Agreement shall prevail.

ARTICLE 2 ASSETS AND ASSUMED LIABILITIES

2.1 Purchase and Sale of Assets

Upon the terms and subject to the conditions of this Agreement, Vendor hereby agrees to sell, assign, transfer, convey and set over to Purchaser, and Purchaser hereby agrees to purchase and receive from Vendor on the Closing Date, on an "as-is, where-is" basis, all of the right, title and interest of Vendor in Vertex's property, assets and undertakings of every kind and description and whosoever situate, that are used in connection with the operation of the Business, other than the Excluded Assets (collectively, the "**Assets**"), free and clear of all Encumbrances, including but not limited to:

- (a) all inventory and supplies of Vertex, including the Kits and those other items set forth in Schedule "A" hereto;
- (b) all technology, hardware and infrastructure of Vertex, including those set forth in Schedule "A" hereto;
- (c) all Tangible Personal Property of Vertex, including those set forth in Schedule "A" hereto;

- (d) all Material Contracts set forth in Schedule "A" hereto;
- (e) all client files of Vertex other than records relating to Excluded Assets;
- (f) all Data Processing Systems of Vertex;
- (g) all Intellectual Property of Vertex, including those set forth in Schedule "A" hereto;
- (h) all consents, whether express or implied, granted in favour of Vertex in accordance with *An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio- television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act* (Canada) (commonly known as "Canada's Anti-Spam Law" or "CASL");
- (i) all orders, authorizations, approvals, licenses or permits of any Governmental Authority, owned, held or used by Vertex;
- (j) all documents and records relating to, or used in connection with, the Business, other than relating to Excluded Assets, including books of account, financial and accounting information and records, sales and purchase records, customer and supplier lists, business reports, operating guides and manuals, plans and projections and marketing and advertising materials;
- (k) all customer guarantees, customer notes, security agreements for the benefit of Vertex, financing statements under applicable personal property security legislation, customer deposits or collateral, filings or property securing customer obligations;
- (l) all claims, actions, causes of action, indemnities, warranties, guarantees, rights of recovery, rights of set-off and rights of recoupment of Vertex other than those claims, causes of action, indemnities, warranties, guaranties, rights of recovery, rights of set-off and rights of with respect to Excluded Assets;
- (m) all proceeds payable to Vertex upon any policies of insurance for physical destruction or damage to the Assets, arising between the date hereof and prior to the Closing Date;
- (n) the Account Receivable from Vertex Downhole LLC owing to Vertex as of the date hereof (the "**LLC Receivable**"), on an "as is, where is" basis; and
- (o) any other assets and property specifically described, if any, in Schedule "A".

2.2 Assumed Liabilities

Subject to Closing, and except for the Liabilities of Vertex relating to the Excluded Assets, Purchaser, agrees to assume, as of the Closing Time, all of Vertex's Liabilities relating to:

- (a) the Assets arising and accruing in respect of the period after the Closing Time and not related to any accrued amounts or default existing at, prior to, or as a consequence of, Closing; and
- (b) any other Liability which Purchaser agrees in writing to assume on or before the Closing Date, (collectively, the "**Assumed Liabilities**").

2.3 Excluded Liabilities

Notwithstanding anything to the contrary in this Agreement or any document entered into in connection with the Transaction which is to the contrary, the Purchaser is not assuming, shall not assume, or shall not be deemed to have assumed, any Liabilities of Vertex, other than the Assumed Liabilities (all such other Liabilities, the “**Excluded Liabilities**”). For the avoidance of doubt, the Excluded Liabilities shall include the following:

- (a) all Liabilities arising out of Excluded Assets;
- (b) Taxes imposed with respect to the Excluded Assets or the Excluded Liabilities for any taxable period; and pre-Closing Date income Taxes with respect to the Assets;
- (c) all Liabilities of Vertex under this Agreement;
- (d) all Liabilities relating to the Employees, Employment Plans or any of them, including all Liabilities for salary, bonus, incentive, wage, employee benefits, vacation pay, disability and life insurance, and other compensation relating to employment of all Employees which are due, arising or accruing prior to the Closing Date, whether such claims or costs for such amounts are asserted prior to, on or after the Closing Date, including, without limitation, under Vertex’s benefit plans;
- (e) any Liability with respect to any legal, accounting audit, financial advisory and investment banking and broker fees and any other expenses incurred by Vertex, including with respect to the Transactions, the NOI Proceedings and Receivership Proceedings (including fees and expenses of the Vendor’s counsel); and
- (f) all Liabilities of Vertex that are vested off by the Court Approval.

ARTICLE 3 PURCHASE AND SALE

3.1 Purchase Price

- (a) The purchase price to be paid by Purchaser to Vendor for the Assets, inclusive of the Deposit, shall be \$ [REDACTED] (the “**Purchase Price**”).
- (b) Purchaser shall pay Vendor an amount equal to the Purchase Price as follows:
 - i. on the Closing Date, \$ [REDACTED], inclusive of the Deposit.

3.2 Deposit

Vendor acknowledges receipt from Purchaser of the sum of \$ [REDACTED], as a good faith refundable deposit to be applied against the Purchase Price on Closing (the “**Deposit**”). The Deposit shall be held in trust by Vendor in a non-interest bearing account, pursuant to the terms of this Agreement, until one of the following events occur:

- (a) if Closing occurs, the Deposit shall be applied at Closing as partial satisfaction of the Purchase Price and the initial payment obligation of Purchaser hereunder on the Closing Date;
- (b) if Closing does not occur due to a breach of Purchaser’s obligations hereunder, including failure to pay those amounts payable at Closing when due, and the Vendor terminates this

Agreement pursuant to Section 10.1(b) as a result, the Deposit shall be forfeited to Vendor for Vendor's account absolutely as liquidated damages and not as a penalty as a result of Closing not occurring, with the Vendor having no right to claim further damages or other remedies from Purchaser; or

- (c) if Closing does not occur for any reason other than as aforesaid prior to the Outside Date, the Deposit shall be returned to Purchaser without deduction.

3.3 Purchase Price Allocation

The Purchase Price shall be allocated among the Assets in the manner and form set out in Schedule "B". Such allocation shall be binding and Purchaser and Vendor shall report the purchase and sale of the Assets and file all filings which are necessary or desirable under the *Income Tax Act* (Canada) to give effect to such allocations and shall not take any position or action inconsistent with such allocation.

3.4 Transfer of Assets

Subject to all other provisions of this Agreement, the title, possession, risk and beneficial ownership of the Assets shall transfer from Vendor to Purchaser at the Closing Time, in accordance with the Court Approval.

3.5 Form of Payment

All payments to be paid pursuant to this Agreement shall be made in immediately available funds by wire, certified cheque or bank draft.

3.6 GST and Other Sales Taxes

The Purchase Price does not include an amount on account of GST or any Other Sales Taxes payable in respect of the Transaction. At Closing, the Vendor and the Purchaser shall jointly elect under Section 167(1) of the *Excise Tax Act* (Canada) that no GST shall be payable with respect to the purchase and sale of the Assets pursuant to this Agreement. The Vendor and the Purchaser shall make those elections in prescribed form containing prescribed information and shall file those elections in compliance with the requirements of Applicable Law. If it is determined that any Other Sales Taxes are payable in respect of the Transaction, then the Vendor and Purchaser shall first determine whether a similar joint election to that of Section 167(1) of the *Excise Tax Act* (Canada) may apply, in which case such election shall be taken by the parties, failing which Purchaser shall pay such Other Sales Taxes promptly after receiving notice or otherwise becoming aware that such Other Sales Taxes are payable in respect of the Transaction and Purchaser shall indemnify, defend and save harmless Vendor in respect of all such Other Sales Taxes payable in respect of the Transaction and any interest and penalties levied or imposed in connection therewith, except to the extent that such penalty, interest or other amounts payable by Vendor is the result of any act or omission by Vendor (other than the failure of Vendor to collect such Other Sales Taxes at Closing).

ARTICLE 4 MATERIAL CONTRACTS

4.1 Assignment of Material Contracts

Subject to Section 4.2, on Closing, Vendor shall be deemed to have assigned the benefit of any Material Contracts and Purchaser shall be deemed to have assumed, all of Vertex's obligations and Liabilities relating to such Material Contracts arising and accruing in respect of the period prior to and after Closing and not related to any default existing at, prior to or as a consequence of the Closing or of the assignment of such

Material Contracts (collectively, the "**Material Contract Assumed Liabilities**"), in each case without payment of any additional consideration by Purchaser to Vendor.

4.2 Consent Required Material Contracts

- (a) Nothing in this Agreement shall be construed as an agreement to assign any Material Consent Required Contract, unless the consent, approval or waiver required to assign such Material Consent Required Contract has been given or an Assignment Order has been made with respect to such Consent Required Contract.
- (b) Vendor and Purchaser shall use reasonable commercial efforts to obtain the consents, approvals and waivers required for the assignment of the Consent Required Material Contracts and the Purchaser shall be responsible for payment of any Cure Costs if consents are required.
- (c) Upon request by Purchaser, Vendor shall obtain the Assignment Order, should Purchaser and Vendor not otherwise obtain any of the consents provided for in Section 1.1(b) above.
- (d) Subject to Closing, in the event that the consent to assign any Consent Required Material Contract is not obtained and Vendor is required to obtain the Assignment Order for one or all of the Consent Required Material Contracts, Purchaser shall pay the applicable Cure Costs related to such Consent Required Material Contracts on Closing.

ARTICLE 5 CONDITIONS TO CLOSING

5.1 Vendor's Conditions

The obligation of Vendor to complete the Transaction and sell and convey the Assets to Purchaser is subject to the following conditions precedent, which are inserted into and made part of this Agreement for the exclusive benefit of Vendor:

- (a) Accuracy of Representations and Warranties. Purchaser's representations and warranties herein contained shall have been true when made and shall have continued to be true in all material respects from the date hereof to the Closing Date and are true in all material respects as of the Closing Date and Purchaser has delivered to Vendor an officer's certificate in the form of Schedule "E" dated as of the Closing Date and signed by Purchaser to that effect;
- (b) Performance of Agreements. Purchaser has performed in all material respects all obligations and agreements and complied in all material respects with all covenants and conditions contained in this Agreement to be performed or complied with by it at or prior to Closing and Purchaser has delivered to Vendor an officer's certificate in the form of Schedule "E" dated as of the Closing Date and signed by Purchaser to that effect;
- (c) Payment. At the Closing Time, Purchaser shall have paid the amounts specified in Section 3.1 due at Closing Time, plus GST and Other Sales Taxes, as applicable;
- (d) Court Approval. Vendor shall have received the Court Approval and the Final Order for the completion of the Transaction in accordance with the terms and conditions of this Agreement;
- (e) No Order. No Governmental Authority shall have enacted, issued, promulgated or entered any order or approval that is in effect and has the effect of making illegal or otherwise prohibiting

the consummation of the Transaction or could cause any of such transactions to be rescinded following Closing;

- (f) Ability to Convey. Vendor shall not have lost its ability to convey the Assets or any part thereof due to an order of the Court; and
- (g) Closing Deliveries. At the Closing Time, Purchaser shall have duly delivered the items required pursuant to Section 6.2(b).

5.2 Purchaser's Conditions

The obligation of Purchaser to complete the Transaction and purchase the Assets from Vendor is subject to the following conditions precedent, which are inserted and made part of this Agreement for the exclusive benefit of Purchaser:

- (a) Accuracy of Representations and Warranties. Vendor's representations and warranties herein contained shall have been true when made and shall have continued to be true in all material respects from the date hereof to the Closing Date and are true in all material respects as of the Closing Date;
- (b) Performance of Agreements. Vendor has performed in all material respects all obligations and agreements and complied in all material respects with all covenants and conditions contained in this Agreement to be performed or complied with by it at or prior to Closing;
- (c) Court Approval. Vendor shall have received the Court Approval and the Final Order for the completion of the Transaction in accordance with the terms and conditions of this Agreement;
- (d) No Order. No Governmental Authority shall have enacted, issued, promulgated or entered any order or approval that is in effect and has the effect of making illegal or otherwise prohibiting the consummation of the Transaction or could cause any of such transactions to be rescinded following Closing;
- (e) Closing Deliveries. At the Closing Time, Vendor shall have duly delivered the items required pursuant to Section 6.2(a).

5.3 Efforts to Fulfill Conditions

Purchaser and Vendor shall proceed diligently, honestly and in good faith and use all commercially reasonable efforts to satisfy and comply with and assist in the satisfaction of the compliance with the conditions set forth in Sections 5.1 and 5.2.

5.4 Failure to Fulfill Conditions

- (a) If any of the conditions precedent in Section 5.1 has not been satisfied, complied with or waived by Vendor at or before the Closing Time and Vendor is not otherwise in breach of this Agreement, then Vendor may terminate this Agreement by written notice to Purchaser prior to the Closing Time.
- (b) If any of the conditions precedent in Section 5.2 has not been satisfied, complied with or waived by Purchaser at or before the Closing Time and Purchaser is not otherwise in breach of this Agreement, then Purchaser may terminate this Agreement by written notice to Vendor prior to the Closing Time.

- (c) Following any termination of this Agreement by Vendor pursuant to Section 5.5(a) or by Purchaser pursuant to Section 5.5(b), Vendor and Purchaser shall be released and discharged from the further performance of any duties or obligations under this Agreement, except as provided in Section 3.2 and Article 11.

ARTICLE 6 CLOSING

6.1 Closing

- (a) Closing shall take place electronically on the Closing Date, at the Closing Time, or at such other place as may be agreed upon in writing by the Parties.
- (b) Prior to or as soon as practicable following the execution of this Agreement, Vendor or HSBC Bank of Canada shall file application materials seeking the Court Approval. Vendor shall serve notice of the application seeking the Court Approval on all Persons determined reasonably necessary by Purchaser and shall provide reasonable advance notice of any Court appearances so that Purchaser may make arrangements to attend if it so desires.
- (c) The Parties hereby acknowledge and agree that the Vendor shall be entitled in accordance with the Court Approval and the Final Order to file a certificate, substantially in the form attached to the SAVO (the "**Receiver's Certificate**"), with the Court following Closing.

6.2 Deliveries at Closing

- (a) At Closing, Vendor shall deliver, or cause to be delivered, to Purchaser, the following:
 - i. a true and complete copy of the SAVO, duly approved pursuant to the Court Approval;
 - ii. the Receiver's Certificate, duly executed by Vendor;
 - iii. the General Conveyance, duly executed by Vendor;
 - iv. as applicable, a joint election or a receipt for the amounts set out in Section 3.1 due at Closing, plus GST and Other Sales Taxes, as applicable, duly executed by Vendor;
 - v. an assignment and assumption agreement for Vertex's Intellectual Property, duly executed by Vendor in favour of Purchaser;
 - vi. a specific assignment of all Material Contracts, duly executed by Vendor in favour of Purchaser;
 - vii. evidence that it has delivered such notices required under Section 6.3 hereunder;
 - viii. those books and records, files, passwords, login information, and other such materials compromising the Assets; and
 - ix. such other items or documents as may be necessary or desirable in the opinion of Purchaser, acting reasonably.
- (b) At Closing, Purchaser shall deliver, or cause to be delivered, to Vendor, the following:

- i. the amounts set out in Section 3.1 due at Closing, plus GST and Other Sales Taxes, or a joint election signed by Purchaser, as applicable;
- ii. the General Conveyance, duly executed by Purchaser;
- iii. Purchaser's officer's certificate referred to in Sections 5.1(a) and 5.1(b) duly executed by Purchaser;
- iv. an assignment and assumption agreement for the Vertex's Intellectual Property, duly executed by Purchaser; and
- v. a receipt for the Assets, duly executed by the Purchaser;
- vi. such other items or documents as may be necessary or desirable in the opinion of Vendor, acting reasonably.

6.3 Closing Assignment of LLC Receivable

On the Closing Date, Vendor shall deliver a notice, in a form satisfactory to Purchaser and duly executed by Vendor, to the Vertex Downhole LLC in respect of the LLC Receivable.

ARTICLE 7 EMPLOYEE MATTERS

7.1 Employment Matters

- (a) The Purchaser shall not be responsible for any liabilities and obligations with respect to any of the Employees, including liabilities and obligations related to any required notice of termination, termination or severance pay (required under Applicable Law or by contract), salary or wages, statutory holiday pay, overtime pay, payroll or employer health taxes, commissions, bonuses, employee plan payments or contributions, vacation entitlements or expense reimbursements.
- (b) On or before the Closing Date, the Vendor shall terminate the employment of all Employees by providing written notice of the termination of employment.
- (c) Following the Closing Date, the Purchaser may offer employment to such terminated Employees on terms and conditions as determined by it in its sole discretion. For greater certainty, unless the Purchaser elects to make an offer of employment to any Employee and that offer of employment is accepted by that Employee, the Purchaser shall not be responsible for and the Purchaser is not assuming any liability or obligation with respect to that Employee. The Purchaser will not recognize any length of service of the Employees offered employment.

ARTICLE 8
REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties of Vendor

- i. Purchaser acknowledges that it is purchasing the Assets on an "as is, where is" basis, without representation and warranty and without reliance on any information provided to or on behalf of Purchaser by Vertex, Vendor or any Third Party, except that Vendor makes the following representations and warranties to Purchaser as of the date hereof and as of Closing:
 - (a) Standing. Vendor is the Court appointed receiver of Vertex within the Receivership Proceedings.
 - (b) Requisite Authority. Provided that the Court Approval and Final Order are obtained, Vendor has the requisite capacity, power and authority to execute this Agreement and to perform the obligations to which it thereby becomes subject.
 - (c) Execution and Enforceability. This Agreement has been duly executed and delivered by Vendor and constitutes a legal, valid and binding agreement of Vendor, enforceable against it in accordance with its terms subject only to (A) as of the date hereof, any limitation under Applicable Laws relating to (i) bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other similar laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction, and (B) as of the Closing Date, the issuance of the Court Approval and a Final Order.
 - (d) Residency. Vendor is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada).
 - (e) Finders' Fees. Vendor has not incurred any obligation or Liability, contingent or otherwise, for brokers' or finders' fees in respect of the sale of the Assets for which Purchaser will have any obligation or Liability.

8.2 Representations and Warranties of Purchaser

Purchaser makes the following representations and warranties to Vendor as of the date hereof and as of Closing:

- (a) Standing. Purchaser is, and at Closing shall continue to be, duly organized, valid and subsisting, registered to carry on business in the jurisdiction(s) where the Assets are located.
- (b) Requisite Authority. Provided that the Court Approval and a Final Order are obtained, Purchaser has the requisite capacity, power and authority to execute this Agreement and to perform the obligations to which it thereby becomes subject.
- (c) No Conflict. Provided that the Court Approval and a Final Order are obtained, the execution and delivery of this Agreement and the completion of the sale of the Assets in accordance with the terms of this Agreement are not and will not be in violation or breach of, or be in conflict with:
 - i. any term or provision of the organizational documents of Purchaser;

- ii. any agreement, instrument, permit or authority to which Purchaser is a party or by which Purchaser is bound; or
 - iii. any Applicable Law applicable to Purchaser or its assets.
- (d) Execution and Enforceability. This Agreement has been duly executed and delivered by Purchaser and constitutes a legal, valid and binding agreement of Purchaser, enforceable against it in accordance with its terms subject only to (A) as of the date hereof, any limitation under Applicable Laws relating to (i) bankruptcy, winding-up, insolvency, arrangement, fraudulent preference and conveyance, assignment and preference and other similar laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction, and (B) as of the Closing Date, the issuance of the Court Approval and the Final Order.
- (e) Finders' Fee. Purchaser has not incurred any obligation or Liability, contingent or otherwise, for brokers' or finders' fees in respect of its purchase hereunder for which Vendor will have any obligation or Liability.
- (f) Availability of Funds: Purchaser has available to it sufficient cash, available lines of credit, or other sources of immediately available funds to enable Purchaser to make payment of the Purchase Price at Closing and all other amounts to be paid by Purchaser hereunder.
- (g) Investment Canada Act. Purchaser is not a non-Canadian within the meaning of the *Investment Canada Act*.
- (h) No Lawsuits or Claims. There are no material unsatisfied claims or causes of action in existence or threatened in writing by, on behalf of, or against Purchaser, or imposed by any Governmental Authority, whether or not insured and which may adversely affect Purchaser or the condition (financial or otherwise) of Purchaser to complete the Transaction;
- (i) Approvals. Provided that the Court Approval and the Final Order are obtained there are no approvals or rulings required to be obtained by Purchaser in respect of the Transaction;
- (j) Residency. Purchaser is not a "non-resident" of Canada within the meaning of the *Income Tax Act* (Canada).
- (k) GST Registrant. Purchaser is a registrant for the purposes of GST under the *Excise Tax Act* (Canada).
- (l) Acquiring as Principal. Purchaser is acquiring the Assets as principal and not on behalf of any Third Party.

8.3 Survival of Representations and Warranties

The representations and warranties contained in this Agreement shall merge on Closing.

8.4 No Other Representations or Warranties by Vendor; "As-Is, Where-Is"

- (a) The representations and warranties given by Vendor in Section 8.1 are the sole and exclusive representations and warranties of Vendor in connection with this Agreement and the Transaction. Except for the representations and warranties given by Vendor in Section 8.1,

Purchaser did not rely upon any statements, representations, promises, warranties, conditions or guarantees whatsoever, whether express or implied (by operation of law or otherwise), oral or written, legal, equitable, conventional, collateral or otherwise, regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith.

- (b) Purchaser hereby acknowledges and agrees as follows:
- i. the Assets are being purchased on an "as is, where is" basis;
 - ii. Purchaser is familiar with the condition of the Assets, has conducted investigations and due diligence concerning the Assets and Assumed Liabilities, has received advice concerning the Assets and Assumed Liabilities, and has satisfied itself concerning all matters affecting the Assets and the Assumed Liabilities;
 - iii. except as expressly set forth in this Agreement, Vendor makes no representations, or warranties in favour of Purchaser concerning the Assets, which Purchaser acknowledges are being acquired on an "as is, where is" basis, whether express or implied, statutory or collateral, arising by operation of Applicable Laws or otherwise, including express or implied warranties of merchantability, marketability, location, fitness for a particular purpose, title, description, quantity, condition or quality, and that any and all conditions and warranties expressed or implied by the *Sale of Goods Act* (Alberta) or other Applicable Laws do not apply to the Transaction and are hereby waived by Purchaser in their entirety;
 - iv. prior to the Closing of the Transaction, Vendor shall have no liability whatsoever to Purchaser as a result of in respect of any matter or thing arising out of, resulting from, attributable to or connected with the Transaction except to the extent such matter is the result of gross negligence or willful misconduct on the part of Vendor; and
 - v. effective as at the Closing Time, Purchaser forever remises, releases, acquits and discharges Vendor, its directors, officers, servants, insurers, professional advisors, agents and employees, and their respective successors and assigns, in any manner of actions, applications, causes of action, suits, proceedings or otherwise for any liabilities, debts, damages, demands, sums of money, obligations, duties, dues, accounts, interest, losses, fees, costs, covenants, contracts, representations, claims, damages or otherwise whatsoever, whether at law or in equity, and for all known, unknown or discovered loss or damage, which Purchaser has had, now has, or can, shall or may have arising from or in respect of the Transaction.

ARTICLE 9 COVENANTS

9.1 Conduct of Business in Ordinary Course

- (a) During the period up to the Closing Date, Vendor shall use commercially reasonable efforts to maintain and preserve intact Vertex's rights, goodwill and relationships of its customers, lenders, suppliers, regulators and others having relationships with the Business, in each case except to the extent required to allow Vendor to comply with any of its obligations under this Agreement, subject in all cases to any limitation imposed by being subject to the Receivership Proceedings and any Court order relating thereto.

- (b) Prior to the Closing Date, Vendor shall make commercially reasonable efforts. to request that Vertex US assign over those contracts listed at Schedule “F” hereto to Purchaser, or alternatively, make commercially reasonable efforts to obtain and provide contact information to Purchaser to those counter-parties to Vertex US to the contracts listed at Schedule “F” and facilitate introductions, so Purchaser can attempt to enter into new contracts with said counter-parties. Vendor shall have no liability in the event the contracts at Schedule “F” are not assigned by Vertex US to Purchaser or new contracts are not entered into between Purchaser and those counter-parties to the contracts. This Section 9.1(b) shall have no effect on the Closing of this Transaction.

9.2 No Dispositions

Notwithstanding Section 9.1 the Vendor shall not from the date hereof to the Closing Date, without the written consent of the Purchaser:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Assets of which the Vendor’s share is in excess of \$25,000, except: (i) in case of an emergency; (ii) as may be reasonably necessary to protect or ensure life and safety; (iii) to preserve the Assets or title to the Assets; or (iv) in respect of amounts which the Vendor may be committed to expend or be deemed to authorize for expenditure without its consent;
- (b) sell, encumber, surrender, abandon or otherwise dispose of any of the Assets or any part or portion thereof;
- (c) sell or enter into any proposed sale for any of the Key Tangibles or Intellectual Property;
- (d) amend or terminate early any Material Contracts relating to any of the Key Tangibles or Intellectual Property; or
- (e) compromise, settle, set off, or accept any compromise, settlement, or set off with respect to any of the Accounts Receivables which comprise a portion of the Assets.

9.3 Access

Subject to Applicable Laws, Vendor shall (i) upon Purchaser providing reasonable notice to Vendor, permit Purchaser and its employees, agents, counsel, accountants or other representatives, to have reasonable access during normal business hours to (A) the Assets, including all books and records whether retained by Vertex or otherwise, (B) all contracts and leases to which any of Vertex is a party, (C) personnel files relating to the Employees (which shall be maintained in strict confidence by Purchaser and only used for the purpose of considering and/or making employment offers to Employees), and (D) the senior personnel of Vertex, so long as the access does not unduly interfere with the closing of the Transaction; and (ii) furnish to Purchaser or its employees, agents, counsel, accountants or other such representatives such financial and operating data and other information with respect to the Assets as Purchaser from time to time reasonably requests.

9.4 Access to Books and Records.

For a period of six (6) years from the Closing Date or for such longer period as may be required by Applicable Law, Purchaser will use its reasonable commercial effects, without any Liability to Vendor, to retain all original books and records relating to the Assets that are transferred to Purchaser under this Agreement. So long as any such books and records are retained by Purchaser pursuant to this Agreement, Vendor, or any bankruptcy trustee appointed in respect of Vertex and their respective representatives shall have the right to

inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of Purchaser. Purchaser has the right to have its representatives present during any such inspection.

9.5 Name Change

Vendor shall within five (5) Business Days of Closing, cause and file articles of amendment or such other documentation or court orders with the Alberta Corporations Branch to change the name of the Vertex to remove all references to "Vertex". If requested by Purchaser, Vendor shall deliver such consents to corporate registrars in all applicable jurisdictions as may be necessary for Purchaser to effect a change of its name to include reference to "Vertex" and/or "Vertex Downhole", in such form required to effect such change.

ARTICLE 10 TERMINATION

10.1 Termination Prior to Closing

This Agreement may be terminated at any time prior to Closing:

- (a) by mutual written consent of both Parties;
- (b) by Vendor pursuant to Section 5.4(a);
- (c) by Purchaser pursuant to Section 5.4(b); or
- (d) subject to Section 5.3, automatically if Closing has not occurred by 11:59 p.m. on the Outside Date.

10.2 Effect of Termination

If this Agreement is terminated pursuant to Section 10.1, then the Parties shall be released from all of their obligations under this Agreement, other than Sections 3.2, 11.1, 14.1 and 14.2, which, together with any and all Liabilities of the Parties accruing prior to termination of this Agreement, shall survive such termination and remain in effect and be binding and enforceable in accordance with their terms. Following such termination, each Party shall be responsible for the costs and expenses incurred by it in connection with this Agreement and the Transaction.

ARTICLE 11 CONFIDENTIALITY

11.1 Confidentiality

- (a) Neither Party may disclose the terms or contents of this Agreement, including the name of the other Party, or any information concerning negotiations leading to this Agreement and the Transaction, without the prior written consent of the other Party.
- (b) Prior to Closing, all information obtained by Purchaser from Vendor or Vertex respecting the Assets shall be retained in confidence by it and used by it only for the purposes of this Transaction; provided, however, that nothing contained herein shall prevent Purchaser from using or disclosing information pertaining to the Assets after Closing.

- (c) Notwithstanding Sections 11.1(a) and 11.1(b), a Party may release or provide information about the Transaction:
 - i. as is required by Applicable Laws (including as may be required to obtain Court Approval) or stock exchange requirements applicable to the disclosing Party; provided that such disclosing Party shall make reasonable commercial efforts to provide the other Party with the details of the nature and substance of such required disclosure as soon as practicable and in any event prior to such disclosure;
 - ii. as is required to enable such Party to fulfil its obligations under this Agreement, including obtaining any approvals or consents to the Transaction required from Governmental Authorities (including Court Approval) or Third Parties; and
 - iii. to any trustee in bankruptcy of Vertex;
- (d) The Parties agree that this Agreement shall be filed with the Court on a confidential basis such that the Purchase Price, Purchase Price allocation and such other sensitive terms, as the Parties may agree, shall be sealed, kept confidential and not form part of the public record, and that Vendor shall seek a sealing order to that effect in respect of this Agreement. If this Agreement is terminated, each Party upon request will promptly return to the other Party or destroy (and in the case of Purchaser, promptly provide to Vendor an officer's certificate executed by an officer or director of Purchaser confirming same), all documents, contracts, records or other information received by it that disclose or embody confidential information of the other Party.

11.2 Public Announcements

The Parties shall consult with and obtain the consent (not to be unreasonably withheld) of each other before issuing any press release or making any other public announcement with respect to this Agreement or the Transaction prior to the Closing Time.

11.3 Privacy Laws

- (a) For the purpose of this Section 11.3, "**Personal Information**" means information about an identifiable individual, including an individual's name, position name or title, business telephone number, business address, business e-mail, business fax number and other similar business information collected, used or disclosed to contact an individual in their capacity as an official or employee of an organization. For greater certainty, "**Personal Information**" shall include all health and medical information and records.
- (b) Prior to the Closing, none of the Parties will use any Personal Information of any Person (including the Employees) disclosed to Purchaser by Vendor pursuant to or in connection with this Agreement (the "**Disclosed Personal Information**") for any purposes other than those related to the performance of this Agreement and the completion of the Transaction.
- (c) Each of the Parties acknowledges and confirms that the disclosure of Disclosed Personal Information is necessary for the purposes of determining if the Parties will proceed with the Transaction, and that the disclosure of Disclosed Personal Information relates solely to Vertex's Business and the completion of the Transaction.
- (d) Purchaser undertakes, after the Closing, to comply at all times with Applicable Laws as it pertains to privacy which govern the collection, use and disclosure of Personal Information.

- (e) Purchaser covenants and agrees that where the Parties do not complete or proceed with the Transaction, Purchaser will, if such information is still in the custody of or under the control of Purchaser, either, at its option, destroy (and promptly provide to Vendor an officer's certificate executed by the an officer and director of Purchaser confirming same) such information or return it to Vendor.

ARTICLE 12 DISPUTES

12.1 Dispute Resolution

All disputes or controversies arising out of this Agreement or the performance of any activities under this Agreement, and any dispute or controversy regarding the existence, construction, validity, interpretation, enforceability or breach of this Agreement between the Parties, which the Parties are unable to resolve themselves, shall be referred to the Court for resolution by application made in the Receivership Proceedings or such other proceedings initiated before the Court.

ARTICLE 13 NOTICES

13.1 Notice

Any notice or other communication provided for in this Agreement or any notice that either Party may desire to give to the other shall be in writing and shall be: (i) sent by email transmission; (ii) delivered by hand; (iii) sent by Canada Post mail with all postage fully prepaid; or (iv) sent by courier with charges paid in accordance with the customary arrangements established by such courier, in each of the foregoing cases addressed to the applicable Party at the following addresses:

To Vendor:

MNP LTD.

Receiver of Vertex Downhole Ltd.

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

Attention: Victor Kroeger & Rick Anderson
Email: victor.kroeger@mnp.ca / rick.anderson@mnp.ca

With copies to:

DENTONS CANADA LLP

Receiver's Counsel

850 -2nd Street SW
15th Floor, Bankers Court
Calgary, Alberta, Canada
T2P 0R8

Attention: Sam Gabor

Email: sam.gabor@dentons.com

To Purchaser: **2435819 ALBERTA LTD.**

1209 Varsity Estates Road NW
Calgary, Alberta
T3B 2X5

Attention: Craig Wong, President
Email: craigwong2@gmail.com

or at such other address as either Party may at any time designate by giving written notice to the other Party. Notices or other communications shall be deemed received as follows: (i) if delivered personally, upon delivery; (ii) if sent by Canada Post, whether by express mail, registered mail, certified mail or regular mail, the notice shall be deemed to have been received by the close of the third (3rd) Business Day after the day upon which it was postmarked and sent, or such earlier time as is confirmed orally or in writing by the receiving Party; (iii) if sent by a courier service, upon delivery; or (iv) if sent by email, the Business Day following the day on which it was transmitted.

ARTICLE 14 MISCELLANEOUS

14.1 Laws and Regulations

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

14.2 Jurisdiction and Venue

- (a) The Parties hereby irrevocably consent to the exclusive jurisdiction of the courts of the Province of Alberta and any appeal courts.
- (b) The Parties hereby irrevocably and unconditionally waive, to the fullest extent they may legally and effectively do so, any objection which they may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the Transaction in the courts of the Province of Alberta.

14.3 Entire Agreement

This Agreement and the other documents executed in connection herewith constitutes the entire agreement between the Parties with respect to the Transaction and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties with respect to such transactions. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the Transaction.

14.4 Waiver

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that

right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right it may have.

14.5 Amendments

This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by Vendor and Purchaser.

14.6 No Partnership

Nothing contained in this Agreement shall be construed to create an association, trust, partnership, or joint venture or impose a trust, fiduciary or partnership duty, obligation or liability on or with regard to Vendor and Purchaser.

14.7 No Third Party Beneficiaries

This Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns, and shall not inure to the benefit of any other Person or entity whomsoever or whatsoever, it being the intention of the Parties that no third Person shall be deemed a Third Party beneficiary of this Agreement, except (i) for Persons expressly indemnified hereunder, and (ii) Section 14.14 shall be for the benefit of and enforceable by the Persons set forth therein.

14.8 Further Assurances

From and after the Closing Date, each of the Parties covenants and agrees to do such things, to attend such meetings and to execute such further conveyances, transfers, documents and assurances as may be deemed necessary or advisable from time to time in order to effectively transfer the Assets and the Assumed Liabilities to Purchaser and carry out the terms and conditions of this Agreement in accordance with their true intent.

14.9 Severability

If any provision of this Agreement is determined by Applicable Law to be void or unenforceable, in whole or in part, then (a) such provision shall be deemed inoperative to the extent it is deemed void or unenforceable, (b) the Parties agree to enter into such amendments to this Agreement in order to give effect to the greatest extent legally possible to the provision that is determined to be void or unenforceable, and (c) the other provisions of this Agreement in all other respects shall remain in full force and effect and binding and enforceable to the maximum extent permitted by law.

14.10 Time of Essence

Time shall be of the essence in this Agreement.

14.11 Survival

Any provision of this Agreement which contemplates performance or the existence of obligations after the Closing Date shall not be deemed to be merged into or waived by the execution, delivery or performance of this Agreement or documents delivered in connection herewith or Closing, but shall expressly survive the execution, delivery and performance of this Agreement, Closing and the execution, delivery and performance of any and all documents delivered in connection with this Agreement and shall be binding upon the Party or Parties obligated thereby (including any trustee-in-bankruptcy appointed in respect of such Party) in accordance with the terms of this Agreement.

14.12 Assignment; Enurement

Neither Party shall assign this Agreement or any of its rights or obligations hereunder, in whole or in part to any Person without the prior written consent of the other Party, except that Purchaser shall have the right to assign any or all of its rights, interests or obligations hereunder to an Affiliate of Purchaser, provided that: (a) such Affiliate agrees to be bound by the terms of this Agreement; (b) Purchaser shall remain liable hereunder for any breach of the terms of this Agreement by such Affiliate; (c) such assignment shall not release Purchaser from any obligation or liability hereunder in favour of Vendor; and (d) Purchaser shall acknowledge and confirm its continuing obligations in favour of Vendor in an assignment and assumption agreement in form and substance satisfactory to Vendor. This Agreement will be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns, as the case may be.

14.13 Remedies Cumulative

Unless otherwise specified herein:

- (a) no reference to or exercise of any specific right or remedy by a Party hereunder shall prejudice or preclude such Party from exercising or invoking any other remedy in respect thereof, whether allowed under Applicable Law or expressly provided for herein; and
- (b) no such remedy shall be exclusive or dependent upon any other such remedy but either Party may exercise any one or more of such remedies independently or in combination.

14.14 Nonrecourse

This Agreement may only be enforced against, and any claims or causes of action that arise out of this Agreement, or the negotiation, execution or performance of this Agreement, may only be made against the entities that are expressly identified as Parties hereto. Except to the extent a named party to this Agreement, no past, present or future director, officer, employee, incorporator, member, partner, stockholder, Affiliate, agent, attorney or representative of any Party hereto shall have any liability for any obligations or Liabilities of any Party under this Agreement.

Any recourse Purchaser may have against the Vendor under this Agreement shall be against MNP Ltd. solely in its capacity as Receiver of Vertex Downhole Ltd., and not against MNP Ltd. in its personal or corporate capacity.

14.15 Costs and Expenses

Unless otherwise provided for in this Agreement, each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the Transaction.

14.16 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall be deemed one and the same Agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

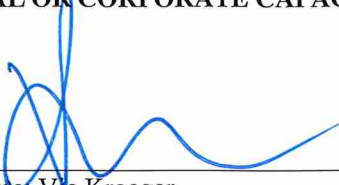
[Signature Page Follows]

IN WITNESS WHEREOF this Agreement has been duly executed by each Party as of the date first written above.

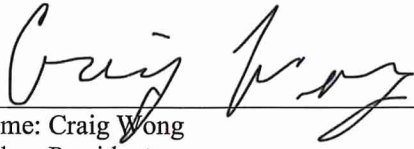
**MNP LTD. AS RECEIVER OF VERTEX
DOWNHOLE LTD. AND NOT IN ITS
PERSONAL OR CORPORATE CAPACITY**

2435819 ALBERTA LTD.

Per:


Name: Vic Kroeger
Title: Senior Vice President

Per:


Name: Craig Wong
Title: President

SCHEDULE "A"
ASSETS

All Assets set out in Section 2.1 of the Agreement, including the Assets listed in the attachments hereto

SCHEDULE "B"
PURCHASE PRICE ALLOCATION

95% to Inventory of the Vendor
5% to Intellectual Property of the Vendor

SCHEDULE "C"
FORM OF GENERAL CONVEYANCE
GENERAL CONVEYANCE

THIS GENERAL CONVEYANCE made the ___day of __, 2022.

BETWEEN:

**MNP LTD. AS RECEIVER OF VERTEX DOWNHOLE LTD. AND
NOT IN ITS PERSONAL OR CORPORATE CAPACITY("Vendor")**

- and -

ALBERTA LTD., a body corporate registered to carry on business in the
Province of Alberta ("**Purchaser**")

WHEREAS pursuant to the provisions of an Asset Sale Agreement dated July____, 2022 between Vendor and Purchaser (the "**Sale Agreement**"), Purchaser has agreed to purchase the Vendor's interest in the "Assets", on an "as-is, where-is" basis, as defined in the Sale Agreement, subject to the terms and conditions set forth in the Sale Agreement;

NOW THEREFORE THIS GENERAL CONVEYANCE WITNESSES that Vendor and Purchaser agree as follows:

1. **Definitions**

Unless otherwise defined in this General Conveyance, capitalized words when used in this General Conveyance have the meaning ascribed to them in the Sale Agreement.

2. **Conveyance**

Pursuant to and for the consideration provided for in the Sale Agreement, Vendor hereby sells, assigns, transfers, conveys and sets over to Purchaser Vendor's entire right, title, estate and interest in and to the Assets, and Purchaser hereby purchases and accepts the Assets, to have and to hold the same absolutely, together with all benefits and advantages to be derived therefrom, subject to the terms and conditions of the Sale Agreement.

3. **Subordinate Documents**

This General Conveyance is executed and delivered by the parties hereto pursuant to and for the purposes of the provisions of the Sale Agreement and the provisions of the Sale Agreement shall prevail and govern in the event of a conflict between the provisions of the Sale Agreement and this General Conveyance.

4. **Enurement**

This General Conveyance shall be binding upon and shall enure to the benefit of the parties hereto and their respective administrators, trustees, receivers, successors and permitted assigns.

5. **Further Assurances**

Each party hereto will, from time to time and at all times hereafter, at the request of the other party but without further consideration, do all such further acts and execute and deliver all such further documents as shall be reasonably required in order to fully perform and carry out the terms of this General Conveyance.

6. **Merger**

Nothing contained in this General Conveyance shall in any way result in a merger of the terms and conditions of the Sale Agreement with the terms and conditions of this General Conveyance and the parties hereto specifically agree that all such terms and conditions of the Sale Agreement shall continue to apply to the within conveyance.

7. **Governing Law**

This General Conveyance shall be governed by and construed in accordance with the laws of the Province of Alberta.

8. **Counterpart Execution**

This General Conveyance may be executed and delivered in any number of counterparts with the same effect as if all signatories to the counterparts had signed one document. All such counterparts shall together constitute and be construed as one and the same instrument. For avoidance of doubt, a signed counterpart provided by way of facsimile transmission or other electronic means shall be as binding upon the parties as an originally signed counterpart.

IN WITNESS WHEREOF the parties hereto have executed this General Conveyance as of the date first written above.

**MNP LTD. AS RECEIVER OF VERTEX
DOWNHOLE LTD. AND NOT IN ITS
PERSONAL OR CORPORATE CAPACITY**

2435819 ALBERTA LTD.

Per: _____
Name: Vic Kroeger
Title: Senior Vice President

Per: _____
Name: Craig Wong
Title: President

SCHEDULE "D"
EXCLUDED ASSETS

1. all cash, cash equivalents and bank deposits of the Vertex;
2. all Accounts Receivable of Vertex, other than the LLC Receivable;
3. all of the issued and outstanding shares issued to Vertex in the capital stock of its Affiliates or any other Person including the capital stock of HPC Energy Services Holdings (USA), Inc. HPC Energy Services Subsidiary (USA), Inc. and Vertex Downhole, Inc., as applicable;
4. all leasehold improvements and fixtures of Vertex;
5. any real property owned or leased by Vertex or its Affiliates;
6. the proceeds of any and all refunds that may be due to Vertex from Canada Revenue Agency, Internal Revenue Service and from any provincial or state tax authorities;
7. all prepaid expenses and deposits of Vertex; and
8. all proceeds payable to Vertex upon any policies of insurance for physical destruction or damage to the Assets, arising prior to the date of signing.

SCHEDULE "E"
FORM OF PURCHASER OFFICER CERTIFICATE

TO: MNP LTD. AS RECEIVER OF VERTEX DOWNHOLE LTD. AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY
("Vendor")

RE: Asset Sale Agreement made as of July 13, 2022 between Vendor and 2435819 Alberta Ltd., as Purchaser (the "Sale Agreement").

The undersigned, _____, being the _____ of Purchaser, hereby certifies, for and on behalf of Purchaser and not in their personal capacity, as follows:

1. The undersigned is personally familiar, in their capacity as an officer of Purchaser, with the matters hereinafter mentioned.
2. This certificate is made and delivered pursuant to Section 5.1(a) and Section 5.1(b) of the Sale Agreement.
3. The definitions contained in the Sale Agreement are adopted and in this Certificate wherever used shall have the meanings ascribed to them in the Sale Agreement.
4. Each of Purchaser's representations and warranties set forth in Section 8.2 of the Sale Agreement:

- (a) was true and correct in all material respects as of the date of the Sale Agreement; and
- (b) is true and correct in all material respects as of the date of this Certificate,

or, in each case, was true and correct in all material respects as of such other date or dates as specified therein (disregarding all qualifications in Purchaser's representations and warranties as to "material", "material adverse effect" or similar references to materiality).

5. All obligations and agreements and all covenants and conditions of Purchaser contained in the Sale Agreement to be performed or complied with by it at or prior to Closing have been performed or complied with, in all material respects.
6. Each of Purchaser's conditions set forth in Section 5.2 of the Sale Agreement has been be satisfied or waived as of the Closing Time.

DATED at Calgary, Alberta, as of the __day of __, 2022.

2435189 ALBERTA LTD.

Per: _____
Name:
Title:

Appendix 2

Fitzsimmons, Kristi

From: Mihai Tomos <mtomos@fasken.com>
Sent: Tuesday, July 12, 2022 11:11 AM
To: andrew.lin@hh-america.com
Cc: Kibben Jackson; Gabor, Sam; Gurofsky, Robyn
Subject: RE: In the Matter of the Notice of Intention to make a proposal of Vertex Downhole Ltd. ("Vertex"), Estate No. 25-2802560

Good morning Andrew,

Further to the below and to the hearing booked for tomorrow at 2:00 pm before Justice Jeffrey, our client, HSBC Bank Canada, will be seeking an Order assigning to 2435819 Alberta Ltd. (the "Purchaser") certain contracts entered into by Vertex. Among those contracts is a General Service Agreement Contract number JZ200968 dated July 28, 2020 between Sichuan Honghua Petroleum Equipment Co. ("Sichuan Honghua") and Vertex (the "Agreement").

In light of the foregoing, we are writing to inquire whether Sichuan Honghua will be consenting to the assignment of the Agreement to the Purchaser pursuant to the proposed Sale Approval and Vesting Order.

If you could kindly let us know at your earliest convenience, that would be much appreciated. We are happy to set up a call to discuss if you wish.

Best,
Mihai

 Mihai Tomos
ASSOCIATE

FASKEN

Fasken Martineau DuMoulin LLP
T. +1 403 261 7386 | F. +1 403 261 5351
mtomos@fasken.com | www.fasken.com/en/Mihai-Tomos
350 7th Avenue SW, Suite 3400, Calgary, Alberta T2P 3N9

From: Sheryll Barnachea <sbarnachea@fasken.com>
Sent: July-07-22 1:34 PM
To: dlegeyt@bdplaw.com; ralgar@bdplaw.com; ddai@bdplaw.com; Kibben Jackson <kjackson@fasken.com>; Mihai Tomos <mtomos@fasken.com>; gunnar.benediktsson@nortonrosefulbright.com; kelly.bourassa@blakes.com; jessica.mackinnon@blakes.com; RGurofsky@blg.com; xjin@blg.com; sam.gabor@dentons.com; victor.kroeger@mnp.ca; rick.anderson@mnp.ca; wangdx@hhcp.com.cn; andrew.lin@hh-america.com; jlorenowicz@vertexdownhole.com
Cc: Mihai Tomos <mtomos@fasken.com>; Kibben Jackson <kjackson@fasken.com>; Desmond Mitic <dmitic@fasken.com>
Subject: In the Matter of the Notice of Intention to make a proposal of Vertex Downhole Ltd. ("Vertex"), Estate No. 25-2802560

Good afternoon,

Please see attached for service upon you with respect to the above-noted matter.

Regards,
Sheryll

Appendix 3

Fitzsimmons, Kristi

From: Mihai Tomos <mtomos@fasken.com>
Sent: Tuesday, July 12, 2022 11:12 AM
To: jlorenovicz@vertexdownhole.com
Cc: Kibben Jackson; Gabor, Sam; Gurofsky, Robyn
Subject: RE: In the Matter of the Notice of Intention to make a proposal of Vertex Downhole Ltd. ("Vertex"), Estate No. 25-2802560

Good morning Jeremy,

Further to the below and to the hearing booked for tomorrow at 2:00 pm before Justice Jeffrey, our client, HSBC Bank Canada, will be seeking an Order assigning to 2435819 Alberta Ltd. (the "Purchaser") certain contracts entered into by Vertex.

Among those contracts are:

- a Non-Exclusive Sales Representation Agreement dated July 1, 2015 between Vertex Downhole Trading LLC and Vertex as assignee; and
- a Guarantee of Performance and Payment dated July 1, 2015 granted by Jeremy Lorenowicz in favour of HPC Energy Technologies Ltd. and assigned to Vertex with respect to a sales representation agreement between HPC Energy Technologies Ltd. and HPC MME Equipment Trading LLC dated July 1, 2015.

In light of the foregoing, we are writing to inquire whether yourself and Vertex Downhole Trading LLC, respectively, will be consenting to the assignment of the foregoing agreements to the Purchaser pursuant to the proposed Sale Approval and Vesting Order.

If you could kindly let us know at your earliest convenience, that would be much appreciated. We are happy to set up a call to discuss if you wish.

Best,
Mihai

 Mihai Tomos
ASSOCIATE

FASKEN

Fasken Martineau DuMoulin LLP
T. +1 403 261 7386 | F. +1 403 261 5351
mtomos@fasken.com | www.fasken.com/en/Mihai-Tomos
350 7th Avenue SW, Suite 3400, Calgary, Alberta T2P 3N9

From: Sheryll Barnachea <sbarnachea@fasken.com>
Sent: July-07-22 1:34 PM
To: dlegeyt@bdplaw.com; ralgar@bdplaw.com; ddai@bdplaw.com; Kibben Jackson <kjackson@fasken.com>; Mihai Tomos <mtomos@fasken.com>; gunnar.benediktsson@nortonrosefulbright.com; kelly.bourassa@blakes.com; jessica.mackinnon@blakes.com; RGurofsky@blg.com; xjin@blg.com; sam.gabor@dentons.com; victor.kroeger@mnp.ca;

rick.anderson@mdp.ca; wangdx@hhcp.com.cn; andrew.lin@hh-america.com; jlorenwicz@vertexdownhole.com

Cc: Mihai Tomos <mtomos@fasken.com>; Kibben Jackson <kjackson@fasken.com>; Desmond Mitic <dmitic@fasken.com>

Subject: In the Matter of the Notice of Intention to make a proposal of Vertex Downhole Ltd. ("Vertex"), Estate No. 25-2802560

Good afternoon,

Please see attached for service upon you with respect to the above-noted matter.

Regards,

Sheryll