

Clerk's Stamp:

ESTATE NUMBER 25-2802560

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTER IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
RSC 1985, C B-3, AS AMENDED

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

DOCUMENT **APPLICATION (SEALING ORDER)**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTIES FILING
THIS DOCUMENT

Dentons Canada LLP
Bankers Court
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File No.: 504795-56

NOTICE TO RESPONDENT(S)

This application is made against you. You are Respondents.

You have the right to state your side of this matter before the Master/Judge.

To do so, you must be in Court when the application is heard as shown below:

Date:	July 13, 2022
Time:	2:00 pm
Where:	Calgary Courts Centre via Webex
Before Whom:	The Honourable Justice P.R. Jeffrey

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

Remedy Claimed or Sought:

1. An Order, substantially in the form attached herein as Schedule "A" sealing the Confidential Supplement to the Fourth Report of the Proposal Trustee dated July 7, 2022 (the "**Confidential Supplement**") until further order of the Court.
2. Such further and other relief as may be sought by the Proposal Trustee and this Honourable Court may deem appropriate.

Grounds for Making this Application:

3. On February 4, 2022, Vertex Downhole Ltd. ("**Vertex**") commenced the within proceedings (the "**NOI Proceedings**") by filing 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. MNP Ltd. is the proposal trustee of Vertex (in such capacity, the "**Proposal Trustee**" or "**MNP**").
4. A Sales and Investment Solicitation Process ("**SISP**") was ordered by the Court on March 4, 2022. The Phase II Bid Deadline for Phase 2 bidders to submit Definitive Agreements in order to become Qualified Phase 2 Bidders (each as defined in the SISP) was June 29, 2022.
5. The Proposal Trustee has reviewed and analyzed all of the Qualified Phase 2 Bids and has made a recommendation to Vertex and HSBC Bank of Canada ("**HSBC**"), Vertex's senior secured lender, which Qualified Phase 2 Bid should be the "Successful Bid" as defined under the SISP. All of the Qualified Phase 2 Bids are attached as appendices to the Confidential Supplement.
6. HSBC has brought a concurrent application with this application to appoint MNP as the receiver-manager of Vertex and for a sale approval and vesting order of the Qualified Phase 2 Bid MNP has recommended as the Successful Bid. This Qualified Phase 2 Bid has been revised by MNP and the purchaser to reflect that a receiver will be entering into the transaction and not Vertex. The revised agreement has been attached as an appendix to the Confidential Supplement.
7. The Confidential Supplement includes all of the Qualified Phase 2 Bids and the bid recommended by MNP as the Successful Bid arising from the SISP which, if MNP is appointed as receiver of Vertex, will be entered into by MNP as receiver and the purchaser.
8. There exists an important commercial interest to ensure that the Qualified Phase 2 Bids and the Successful Bid remain sealed until 30 days following the closing of a transaction to ensure the purchase price and terms for the bids remain confidential in the event the transaction does not close between MNP as receiver of Vertex and the purchaser.
9. The Court also previously granted a Sealing Order dated May 27, 2022 sealing the Confidential Supplement to the Third Report of the Proposal Trustee dated May 18, 2022, which enclosed prior Phase I Letters of Intent filed in the SISP by the Qualified Phase 2 Bidders. The Court provided a

sealing order until August 4, 2022, or until further order of the Court. In order to continue to protect the commercial interests of the stakeholders, the Proposal Trustee is also seeking a continuation of the prior Sealing Order so to continue to seal the Confidential Supplement to the Third Report until 30 days after the closing of the transaction or until further order of the Court.

Material of Evidence to be Relied On:

10. Order (Sale and Investment Solicitation Process), dated March 4, 2022.
11. Confidential Supplement to the Third Report of the Proposal Trustee dated May 18, 2022.
12. Sealing Order dated May 27, 2022.
13. Fourth Report of the Proposal Trustee dated July 7, 2022, to be filed.
14. Confidential Supplement to the Fourth Report of Proposal Trustee dated July 7, 2022, to be filed.
15. Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable Acts and Regulations

16. The *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended; and
17. Such further and other Acts and Regulations as counsel may advise and that this Honourable Court may permit.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

SCHEDULE "A"

Clerk's Stamp:

ESTATE NUMBER 25-2802560

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DOCUMENT **Sealing Order**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTIES FILING THIS DOCUMENT
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15th Floor, 850 - 2nd Street S.W.
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Attn: Sam Gabor
Ph. (403) 268-3048 Fx. (403) 268-3100
Email: sam.gabor@dentons.com
File No.: 504795-56

DATE ON WHICH ORDER WAS PRONOUNCED: July 13, 2022

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary

JUSTICE WHO MADE THIS ORDER: The Honourable Justice P.R. Jeffrey

UPON THE APPLICATION of MNP Ltd. in its capacity as the proposal trustee of Vertex Downhole Ltd. (in such capacity, the "**Proposal Trustee**"); **AND UPON** reading the Fourth Report of the Proposal Trustee dated July 7, 2022 ("**Fourth Report**") and the Confidential Supplement to the Fourth Report of the Proposal Trustee dated July 7, 2022 ("**Confidential Supplement to the Fourth Report**"); **AND UPON** reading the Confidential Supplement to the Third Report of the Proposal Trustee dated May 18, 2022 ("**Confidential Supplement to the Third Report**") and the Sealing Order of the Court dated May 27, 2022; **AND UPON** hearing submissions by counsel for the Proposal Trustee and any other counsel or other interested parties present;

IT IS HEREBY ORDERED THAT:

1. The time for service of the notice of application (the "**Application**") for this sealing order (the "**Order**") is hereby abridged and deemed good and sufficient and the Application is properly returnable today, and no other than those persons served is entitled to service of the notice of Application.
2. The Confidential Supplement to Fourth Report shall be sealed and kept confidential until 30 days following the closing of the transaction contemplated in the Fourth Report and Confidential Supplement to the Fourth Report, or until further Order of this Court, to be shown only to a Justice of the Court of Queen's Bench of Alberta, and accordingly, shall be filed with the Clerk of the Court who shall keep the Confidential Supplement in a sealed envelope, which shall be clearly marked:

“SEALED PURSUANT TO THE ORDER OF THE HONOURABLE JUSTICE JEFFREY DATED JULY 13, 2022. TO REMAIN SEALED UNTIL 30 DAYS FOLLOWING THE CLOSING OF THE TRANSACTION CONTEMPLATED IN THE FOURTH REPORT OF THE PROPOSAL TRUSTEE DATED JULY 7, 2022 AND THE CONFIDENTIAL SUPPLEMENT TO THE FOURTH REPORT OF THE PROPOSAL TRUSTEE DATED JULY 7, 2022, OR UNTIL FURTHER ORDER OF THE COURT.”

3. The Confidential Supplement to Third Report shall continue to be sealed and kept confidential until 30 days following the closing of the transaction contemplated in the Fourth Report and Confidential Supplement to the Fourth Report, or until further Order of this Court, and shall not be unsealed on August 4, 2022.
4. Service of this Order shall be deemed to be achieved by posting a copy of this Order on the Proposal Trustee's website created and maintained for the within proceeding and by delivering a copy of this Order to those parties listed on the Service List prepared by counsel to Vertex.

J.C.Q.B.A