

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 **Order (Sale and Investment Solicitation Process)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTIES FILING THIS DOCUMENT

**Burnet, Duckworth & Palmer LLP**  
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File No. 74909-14

**DATE ON WHICH ORDER WAS PRONOUNCED:** March 4, 2022

**LOCATION WHERE ORDER WAS PRONOUNCED:** Calgary

**JUSTICE WHO MADE THIS ORDER:** The Honourable Justice K.M. Horner

**UPON THE APPLICATION** of Vertex Downhole Ltd. ("**Vertex**" or the "**Applicant**"); **AND UPON** reading Affidavit No. 1 of Craig Flint sworn February 22, 2022 ("**Flint Affidavit No.1**"); **AND UPON** reading the Affidavit of Service of Via Noyay sworn March 2, 2022; **AND UPON** reading the First Report (the "**First Report**") of Grant Thornton Limited ("**GTL**") in its capacity as the proposal trustee of Vertex dated February 25, 2022; **AND UPON** reading the order concurrently issued by this Court (the "**Extension Order**"); **AND**

**UPON NOTING** that pursuant to the Extension Order MNP has been substituted in the place and stead of GTL as the proposal trustee in these proceedings (MNP in such capacity, the "**Proposal Trustee**"); **AND UPON** hearing submissions by counsel for Vertex and any other counsel or other interested parties present,

**IT IS HEREBY ORDERED THAT:**

**SERVICE**

1. The time for service of the notice of application (the "**Application**") for this order (the "**Order**") is hereby abridged and deemed good and sufficient and this Application is properly returnable today, and no other than those persons served is entitled to service of the notice of the Application.

**INTERPRETATION**

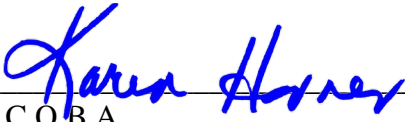
2. Capitalized terms not otherwise defined in this Order shall have the meaning set forth in the Application, Flint Affidavit No.1, the First Report or the Extension Order.

**SALES PROCESS**

3. Vertex and the Proposal Trustee are hereby authorized and empowered to implement the Sales and Investment Solicitation Process attached hereto as **Appendix "1"** (the "**SISP**"), and to proceed, carry out, and implement any corresponding sales, marketing, or tendering processes, including any and all actions related thereto, substantially in accordance with the proposed SISP.
4. Vertex is further authorized to enter into any resulting agreement(s) or transaction(s) (collectively, the "**SISP Agreements**") which may arise in connection thereto, as Vertex and the Proposal Trustee determine are necessary or advisable in connection with or in order to complete any or all of the various steps, as contemplated by the SISP.
5. Nothing herein shall act as authorization or approval of the transfer or vesting of any or all of Vertex's property, assets, or undertakings under any SISP Agreements, or

otherwise. Such transfer and vesting shall be governed by, and shall be subject to, further Order of this Honourable Court.

6. Vertex and the Proposal Trustee are hereby authorized and empowered to apply to this Honourable Court to amend, vary, or seek any advice, directions, or the approval or vesting of any transactions in connection with the SISP.
7. Service of this Order shall be deemed to be achieved by posting a copy of this Order on the website of MNP in its capacity as Proposal Trustee and by delivering a copy of this Order to those parties listed on the Service List prepared by counsel to Vertex.

  
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J.C.Q.B.A

## APPENDIX "1"

## SALE AND INVESTMENT SOLICITATION PROCEDURES

### Preamble

1. This Sales and Investment Solicitation Process (the "**SISP**") will be implemented under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**") in the proposal proceedings initiated by Vertex Downhole Ltd. ("**Vertex**" or the "**Company**") on February 4, 2022 in Court of Queen's Bench of Alberta (the "**Court**") Estate No. 25-2802560 (the "**NOI Proceedings**").
2. Effective March 4, 2022, MNP Ltd. has been appointed as the proposal trustee of the Company in the NOI Proceedings (in such capacity, the "**Proposal Trustee**").
3. This SISP was approved by an order of the Court (the "**Approval Order**") on application by the Company heard on March 4, 2022 and shall be concluded within five Business Days after court approval of the Successful Bid (as defined herein), or no later than June 23, 2022, or such later date as may be agreed to in writing by HSBC Bank of Canada (the "**Lender**"), the Company, and the Proposal Trustee (the "**Completion Date**").
4. The Approval Order, the procedures in respect of the SISP as contained herein (the "**SISP Procedures**"), and any subsequent order issued by the Court pertaining to the SISP Procedures shall exclusively govern the process for soliciting and selecting bids for the sale of shares or assets of the Company, or of a refinancing, reorganization, recapitalization, restructuring, joint-venture, merger or other business transaction involving the Company, or some combination thereof (each, a "**Transaction**").
5. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency. Unless otherwise indicated herein, any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.

### Defined Terms

6. All capitalized terms used and not otherwise defined herein shall have the meanings given to them in **Schedule "A"** hereto.

### Sale and Investment Solicitation Process

7. These SISP Procedures describe, among other things:
  - (a) the manner and timelines by which any interested party (each a "**Potential Bidder**") may gain access to due diligence materials concerning the Company and its business;
  - (b) the manner and timelines by which Potential Bidders may submit an offer for an investment in or an offer to purchase some or all of the Company's assets, property, undertakings and shares;

- (c) the manner and timelines for a Qualified LOI to be submitted for participation in the SISP and the required content of a Qualified LOI;
- (d) the manner and timelines for Qualified Phase 2 Bids to be submitted for participation in Phase 2 of the SISP and the required content of Qualified Phase 2 Bids; and
- (e) the process for obtaining Court approval of one or more Successful Bids.

### **Conduct of SISP Procedures**

- 8. The Proposal Trustee, in consultation with the Company, but subject to section 41 of these SISP Procedures, shall implement the SISP Procedures as outlined herein. Certain stages of the SISP Procedures may be conducted in conjunction with the preparation, solicitation or confirmation of a proposal under the *BIA* involving the Company. In addition, the closing of any Transaction or Transactions may involve additional intermediate steps or Transactions to facilitate consummation of such Transaction, including additional Court filings.
- 9. In the event that there is a disagreement or a clarification is required as to the interpretation or application of these SISP Procedures or the responsibilities of any Person hereunder, including disagreement between the Proposal Trustee and the Company, the Court will have the jurisdiction to resolve such dispute or provide such clarification, and provide any advice or directions as is necessary, upon application of the Company, the Proposal Trustee, the Lender or any other interested Person.
- 10. A potential Transaction with the Company (a "**Bid**") may involve a Person making an investment in the Company, including through the purchase or acquisition of the shares (or additional shares) of the Company (each an "**Investment Bid**"), through the provision of additional financing in the Company (each a "**Financing Bid**"), an offer to purchase some or all of the assets, or newly issued shares, of the Company (each a "**Purchase Bid**") or some combination thereof (each a "**Hybrid Bid**").

### **As Is, Where Is**

- 11. Any Transaction involving the Company, shares of the Company, or the assets of the Company will be on an "**as is, where is**" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Company, the Proposal Trustee or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent set forth in a written agreement with the Person who is a counterparty to such a Transaction.

### **Free of Any and All Claims and Interests**

- 12. All of the right, title and interest of the Company in and to any assets sold or transferred within the NOI Proceedings will, at the time of such sale or transfer, be sold or transferred free and clear of any security, charge or other restriction (collectively, the "**Claims and Interests**") pursuant to approval and vesting orders made by the Court under section 65.13

of the *BIA*. Contemporaneously with such approval and vesting orders being made, all such Claims and Interests shall attach to the net proceeds of the sale of such assets (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the Definitive Agreement with the Successful Bidder (each as defined below) and as approved by the Court.

### **Solicitation of Interest**

13. As soon as reasonably practicable after the granting of the Approval Order, the Proposal Trustee, in consultation with the Company, will prepare:
  - (a) a list of prospective bidders. Such list will include both strategic and financial parties who, in the reasonable business judgment of the Proposal Trustee and the Company, may be interested in and have the financial capacity to make a Bid ("**Prospective Bidders**"); and
  - (b) an initial offering summary (the "**Teaser**") describing and outlining the SISP and inviting Prospective Bidders to express their interest in making a Bid.
  
14. After the issuance of the Approval Order, the Proposal Trustee shall, in consultation with the Company:
  - (a) cause a notice regarding the SISP and such other relevant information which the Proposal Trustee, in consultation with the Company, considers appropriate to be published in *BOE Report and The National Post (National Edition)*. At the same time, the Company shall issue a press release providing the above notice and such other relevant information with Canada Newswire and a United States equivalent newswire for dissemination in Canada and major financial centers in the United States, Europe, Asia Pacific, Australia and the Middle East; and
  - (b) distribute to Prospective Bidders the Teaser and a draft confidentiality and non-disclosure agreement among any Prospective Bidder, the Proposal Trustee and the Company in a form that is satisfactory to the Proposal Trustee, in consultation with the Company (the "**Confidentiality Agreement**").

### **Participation Requirements**

15. Unless otherwise ordered by the Court, any Person who wishes to participate in this SISP must deliver the following to the Proposal Trustee, with a copy to the Company:
  - (a) an executed Confidentiality Agreement;
  - (b) an executed letter acknowledging receipt of a copy of the Approval Order (including these SISP Procedures) and agreeing to accept and be bound by the provisions contained therein and herein.

16. If, in the opinion of the Proposal Trustee, a Person has complied with each of the requirements described in section 15 of these SISP Procedures, such Person shall be deemed a "**Potential Bidder**" hereunder.
17. The Proposal Trustee, with assistance from the Company, will provide to each Potential Bidder the Teaser, the Confidentiality Agreement and access to an online database created for the SISP for Potential Bidders due diligence purposes ("**Data Room**"). Each Potential Bidder shall have such access in the Data Room to materials and financial, tax and other information relating to the shares, the assets, the property and the business of the Company as the Proposal Trustee, in its reasonable business judgment and in consultation with the Company, deems appropriate for Potential Bidders to conduct their due diligence.
18. At the discretion of the Proposal Trustee, in consultation with the Company, due diligence access may also include presentations by the Company, access to physical data rooms, on-site inspections and such other items as a Potential Bidder may reasonably request.
19. The Proposal Trustee and its respective professionals and advisors are not responsible for, and shall have no liability with respect to, any information obtained by any Potential Bidder. The Proposal Trustee, the Company and their respective advisors do not make any representations or warranties whatsoever as to the information or the materials provided, including as to the accuracy of same.

#### **Phase 1 Bid Deadline**

20. A Potential Bidder will be deemed a "**Qualified Bidder**" if, in the opinion of the Proposal Trustee, such Potential Bidder submits a non-binding, qualified letter of intent (a "**Qualified LOI**") to the Proposal Trustee, with a copy to the Company, at anytime before 5:00 pm (Calgary time) on April 21, 2022(the "**Phase 1 Bid Deadline**") or such other date as the Proposal Trustee selects and confirms in the Teaser and other informational notices relevant to the SISP. A letter of intent (an "**LOI**") will only qualify as a Qualified LOI if it meets all of the following conditions:
  - (a) it is received by the Proposal Trustee on or before the Phase 1 Bid Deadline;
  - (b) it provides an indication of whether the Qualified Bidder wishes to tender an Investment Bid, Financing Bid, Purchase Bid or Hybrid Bid;
  - (c) it includes a summary of:
    - i) the type and amount of consideration to be paid by the Qualified Bidder;
    - ii) the property or shares to be included in the Transaction;
    - iii) a specific indication of the anticipated sources of capital and/or credit for such Person and satisfactory evidence of the availability of such capital and/or credit so as to demonstrate that such Person has the financial capacity to complete a Transaction;



- iv) the structure and financing of the Transaction (including, but not limited to, the sources of financing and evidence of the availability of such financing);
  - v) any anticipated corporate, shareholder, internal or regulatory approvals required to close the Transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
  - vi) any additional due diligence required or desired to be conducted prior to the Phase 2 Bid Deadline (as defined below), if any;
  - vii) any conditions to closing that the Qualified Bidder may wish to impose; and
  - viii) any other terms or conditions of the Transaction which the Qualified Bidder believes are material to the Transaction;
- (d) it provides for the completion of the Transactions contemplated therein on or before the Completion Date; and
- (e) such other information reasonably requested by the Proposal Trustee, in consultation with the Company.
21. The Proposal Trustee may waive non-compliance with any one or more of the requirements specified in section 20 of these SISP Procedures and may deem any non-compliant LOI to be a Qualified LOI.
22. The Proposal Trustee, in consultation with the Company, will assess any Qualified LOIs received and determine whether or not there is a reasonable prospect that the one or more of the Transactions that are the subject of the Qualified LOIs are likely to complete. Such assessment will be made as promptly as practicable but no later than five (5) Business Days following the Phase 1 Bid Deadline. In the event that the Proposal Trustee, after consultation with the Company, determines that one or more Qualified LOIs contemplate Transactions that are likely to complete, the SISP shall proceed to the next phase as described below.
23. If the Proposal Trustee is not satisfied with the number or terms of the Qualified LOIs, the Proposal Trustee, in consultation with the Company, may extend the Phase 1 Bid Deadline without further Court approval and, unless otherwise provided for by the Proposal Trustee, the Phase 2 Bid Deadline, Qualified Phase 2 Bid Assessment Deadline and the Completion Date shall be extended by the same time period.

### **Phase 2 Bid Deadline**

24. In order to continue to participate in the SISP after the Phase 1 Bid Deadline, a Qualified Bidder must deliver a binding and definitive agreement to the Proposal Trustee, with a copy to the Company by no later than 5:00 p.m. (Calgary time) on May 6, 2022 or such other date as the Proposal Trustee selects and confirms in informational notices relevant to the SISP (the "**Phase 2 Bid Deadline**"). A binding offer will only qualify as a qualified phase 2 bid (a "**Qualified Phase 2 Bid**") in the event that it meets the following conditions:

- (a) it is received by the Proposal Trustee on or before the Phase 2 Bid Deadline;
- (b) it includes the sources of capital and/or credit for such Person and definitive evidence of the availability of such capital and/or credit so as to demonstrate that such Person shall have the financial capacity to complete a Transaction;
- (c) it includes either:
  - i) a fully binding and definitive agreement, duly authorized and executed, setting out the terms and conditions of the proposed Transaction, including the aggregate amount of the proposed equity and debt investment, assumption of debt, if any, financing and details regarding the proposed equity and debt structure of the Company following completion of the proposed transaction (a "**Definitive Restructuring Agreement**"); or,
  - ii) a fully binding and definitive agreement, substantially in the form provided for in the Data Room, duly authorized and executed purchase and sale agreement, together with all exhibits and schedules thereto, and such ancillary agreements as may be required with all exhibits and schedules thereto (a "**Definitive Purchase Agreement**"); or
  - iii) some combination of a Definitive Restructuring Agreement and a Definitive Purchase Agreement, provided that such agreement is a fully binding definitive agreement that is duly authorized and executed (a "**Definitive Hybrid Agreement**"),  
  
(each a "**Definitive Agreement**");
- (d) it is irrevocable for a minimum of thirty-five (35) days following the Phase 2 Bid Deadline;
- (e) it provides for the completion of the Transactions contemplated therein on or before the Completion Date;
- (f) it is not conditional on (i) the outcome of unperformed due diligence; or (ii) obtaining any credit, capital or other form of financing;
- (g) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a trust account specified by the Proposal Trustee), payable to the Proposal Trustee, in trust, in an amount equal to ten percent (10%) of the cash consideration or other consideration to be paid pursuant to the Qualified Phase 2 Bid, to be held and dealt with in accordance with these SISP Procedures;
- (h) it includes written evidence of a firm and irrevocable commitment for all required funding and/or financing from a creditworthy Person to consummate the proposed Transaction;

- (i) it fully discloses the identity of each Person that is bidding or that will otherwise be sponsoring or participating in the Qualified Phase 2 Bid, including the identification of the Qualified Bidder's direct and indirect owners and their principals and the full and complete terms of any such participation;
  - (j) it includes evidence, in form and substance reasonably satisfactory to the Proposal Trustee, of compliance or anticipated compliance with any and all applicable regulatory approvals, the anticipated time frame for such compliance and any anticipated impediments for obtaining such approvals; and
  - (k) such other information reasonably requested by the Proposal Trustee.
25. The Proposal Trustee may waive non-compliance with any one or more of the requirements specified in these SISP Procedures and may deem any non-compliant Definitive Agreement, as the case may be, a Qualified Phase 2 Bid.
26. If the Proposal Trustee is not satisfied with the number or terms of the Qualified Phase 2 Bids, the Proposal Trustee, in consultation with the Company, may extend the Phase 2 Bid Deadline without Court approval and, unless otherwise provided for by the Proposal Trustee, the Qualified Phase 2 Bid Assessment Deadline and the Completion Date shall be extended by the same time period.
27. The Proposal Trustee, in consultation with the Company, will assess any Definitive Agreement and will determine whether any such Definitive Agreement constitutes a Qualified Phase 2 Bid. Such assessment will be made as promptly as practicable but no later than five (5) Business Days after the Phase 2 Bid Deadline (the "**Qualified Phase 2 Bid Assessment Deadline**").
28. The Company, in consultation with the Proposal Trustee, shall (to the extent that there is more than one Qualified Phase 2 Bid) select the superior Qualified Phase 2 Bid (the "**Successful Bid**") and file an application to the Court to approve such Successful Bid within ten (10) Business Days of the Qualified Phase 2 Bid Assessment Deadline, and seek a hearing of such application as soon as practicable thereafter. The Company shall thereafter complete the Transaction(s) contemplated by the Successful Bid in accordance with the terms thereof and any order issued by the Court.
29. In the event the Company does not select a Successful Bid pursuant to section 28 hereof, the Proposal Trustee may file an application to the Court seeking a (i) declaration that what the Proposal Trustee believes to be the superior Qualified Phase 2 Bid is the Successful Bid and (ii) an order:
- (a) approving such Qualified Phase 2 Bid as the Successful Bid;
  - (b) directing the Company, or the Proposal Trustee, as the case may be, to enter into and complete the Definitive Agreement representing underlying the Qualified Phase 2 Bid as the Successful Bid; and
  - (c) such ancillary and related relief as the Proposal Trustee may deem necessary.

### **Deposits**

30. All Deposits shall be retained by the Proposal Trustee in a trust account located at financial institution in Canada.
31. If there is a Qualified Phase 2 Bid that constitutes a Successful Bid, the Deposit (plus accrued interest) paid by the Person making such Successful Bid shall be applied to the consideration to be paid by such Qualified Bidder upon closing of the Transaction constituting the Successful Bid.
32. The Deposit(s) from all Qualified Bidders submitting Qualified Phase 2 Bids that do not constitute a Successful Bid shall be returned to such Qualified Bidder within five (5) Business Days of the earlier of the date that the Company selects a Successful Bid pursuant to section 27 hereof or the Court declares a Successful Bid pursuant to section 29 hereof.
33. If the Qualified Bidder making a Qualified Phase 2 Bid is selected as the Successful Bid and breaches or defaults on its obligation to close the Transaction in respect of Successful Bid it shall forfeit its Deposit to the Proposal Trustee for and on behalf of the Company; provided however that the forfeit of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Company has in respect of such breach or default.
34. If the Company is unable to complete the Successful Bid as a result of its own actions and not as a result of steps or conditions contained in the Successful Bid (or the actions of the Successful Bidder) than the Deposit shall be returned to the Successful Bidder.

### **Notice**

35. The addresses used for delivering documents as prescribed by the terms and conditions of these SISP Procedures are set out in **Schedule "B"** hereto. A Bid and all associated documentation shall be delivered to the Proposal Trustee by electronic mail. Persons requesting information about these SISP Procedures should contact the Proposal Trustee at the contact information contained in **Schedule "B"**.

### **Reservation of Rights**

36. Subject to sections 29 and 41 hereof, the Company may, at any time, and in consultation with the Proposal Trustee, reject or choose not to accept any Transaction, Bid, Qualified LOI, Qualified Phase 2 Bid or Successful Bid. In the event the Proposal Trustee disagrees with the Company's rejection or choice not to accept a Transaction, Bid, Qualified LOI, Qualified Phase 2 Bid or Successful Bid, the Proposal Trustee may file an application to the Court and upon two days notice seek such relief as the Proposal Trustee may deem necessary.

### **No Amendment**

37. Except for amendments which are: (i) non-substantive in nature and necessary to ensure the efficacy of the SISP; and (ii) approved by the Proposal Trustee, the Company and the Lender, there shall be no amendments to these SISP Procedures unless ordered by the Court

upon application by the Proposal Trustee, the Company or the Lender on appropriate notice.

**Conflicts Of Interest/Confidentiality**

38. Until such time as any director, officer, employee or other member of senior management of the Company (each, an "**Insider Bidder**") (i) has irrevocably declared his or her intention not to submit a Bid in accordance with section 40; (ii) his or her Bid (an "**Insider Bid**") has been irrevocably disqualified under the SISP; (iii) his or her Insider Bid has been irrevocably determined not to be the Successful Bid, or (iv) is no longer considered an Insider Bidder in accordance with section 42, such Insider Bidder:
- (a) shall only receive information regarding the SISP in keeping with his or her capacity and obligations as a Potential Bidder or Qualified Bidder (as the case may be);
  - (b) shall not participate in the SISP as a representative of the Company unless the Proposal Trustee, in its sole discretion, determines that information or participation from the Insider Bidder is required for the facilitation of the SISP, with such participation being under the supervision of the Proposal Trustee, including under such terms as to confidentiality as the Proposal Trustee may deem advisable; and
  - (c) shall receive no information whatsoever regarding other Bids in the SISP or be involved in the selection of any Bids.
39. If the Proposal Trustee determines that the participation or information from an Insider Bidder is required pursuant to section 38(b), such Insider Bidder shall participate and provide all information requested by the Proposal Trustee, including adhering to any timelines and terms as to confidentiality as set by the Proposal Trustee.
40. If any Insider Bidder determines that he or she will not submit an Insider Bid, such Insider Bidder shall advise the Proposal Trustee of such intent as soon as reasonably practicable and, in any event, not later than seven (7) days prior to the Phase 1 Bid Deadline.
41. Notwithstanding sections 15 to 27 of these SISP Procedures, in the event that an Insider Bid is submitted, then, until the earlier of (i) all Insider Bids having been irrevocably disqualified under the SISP, (ii) all Insider Bids having been irrevocably determined not to be the Successful Bid, and (iii) the Proposal Trustee receiving all Qualified Phase 2 Bids and the Qualified Phase 2 Bid Assessment Deadline has passed, the Company shall not:
- a) receive any information or documents relating to any Potential Bidders, Qualified LOIs, Qualified Bidders or Qualified Phase 2 Bids, including any Confidentiality Agreements or executed letters acknowledging receipt of a copy of the Approval Order from Potential Bidders; or
  - b) be consulted by, or otherwise assist, the Proposal Trustee regarding the selection of any Qualified LOIs, Qualified Bidders or Qualified Phase 2 Bids.

42. In the event that any Insider Bidder ceases to be employed or otherwise resigns from his or her position at the Company, such Insider Bidder shall no longer be considered an Insider Bidder but rather a Potential Bidder or Qualified Bidder (as the case may be).

**Disclosure of Information to Lender**

43. Subject to section 44 hereof, the Lender shall have full and complete access to all Qualified LOIs, Qualified Phase 2 Bids and related materials (the "**Qualified Bid Materials**") and the Proposal Trustee, in consultation with the Company shall periodically update the Lender on the SISP and the prospect of a Successful Bid being completed thereunder.
44. The Lender will not participate in the SISP except as set out herein, and may not be a Potential Bidder.

**Further Orders**

45. At any time during the SISP, the Proposal Trustee, the Company or the Lenders may apply to the Court for advice and directions with respect to the discharge of their powers and duties hereunder, if any.

## Schedule "A" – Defined Terms

"**Approval Order**" has the meaning given to it in section 3.

"**BIA**" has the meaning given to it in section 1.

"**Bid**" has the meaning given to it in section 10.

"**Business Day**" means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are open for business in the City of Calgary.

"**Claims and Interest**" has the meaning given to it in section 12.

"**Company**" has the meaning given to it in section 1.

"**Completion Date**" has the meaning given to it in section 3.

"**Confidentiality Agreement**" means a confidentiality agreement in favour of the Company executed by a Prospective Bidder, in form and substance satisfactory to the Proposal Trustee, which shall enure to the benefit of any Prospective Bidder.

"**Court**" has the meaning given to it in section 1.

"**Data Room**" has the meaning given to it in section 17.

"**Definitive Hybrid Agreement**" has the meaning given to it in section 24(c)iii).

"**Definitive Purchase Agreement**" has the meaning given out it in section 24(c)ii).

"**Definitive Restructuring Agreement**" has the meaning given to it in section 24(c)i).

"**Deposit**" has the meaning given to it in section 24(g).

"**Financing Bid**" has the meaning given to it in section 10.

"**Hybrid Bid**" has the meaning given to it in section 10.

"**Insider Bid**" has meaning given to it in section 38.

"**Insider Bidder**" has meaning given to it in section 38.

"**Investment Bid**" has the meaning given to it in Section 10.

"**Lender**" has the meaning given to it in section 3, but specifically excludes any assignee of the Lender.

"**LOI**" has the meaning given to it in section 20.

"**NOI Proceedings**" has the meaning given to it in the recitals to these Sale and Investment Solicitation Procedures.

"**Person**" means any individual, firm corporation, limited or unlimited liability company general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency or instrumentality thereof or any other entity.

"**Phase 1 Bid Deadline**" has the meaning given to it in section 20.

"**Phase 2 Bid Deadline**" has the meaning given to it in section 24.

"**Potential Bidders**" has the meaning given to it in section 16.

"**Proposal Trustee**" means MNP Ltd. in its capacity as proposal trustee in the NOI Proceedings and not in its personal or corporate capacity.

"**Prospective Bidders**" has the meaning given to it in section 7(a).

"**Purchase Bid**" has the meaning given to it section 10.

"**Qualified Bid Materials**" has the meaning given to it in section 43.

"**Qualified Bidder**" has the meaning given to it in section 20.

"**Qualified LOI**" has the meaning given to it in section 20.

"**Qualified Phase 2 Bid**" has the meaning given to it in section 24.

"**Qualified Phase 2 Bid Assessment Deadline**" has the meaning given to it in section 27.

"**SISP**" has the meaning given to it in section 1.

"**SISP Procedures**" has the meaning given to it in section 4.

"**Successful Bid(s)**" has the meaning given to it in section 27.

"**Teaser**" has the meaning given to it in section 13(b).

"**Transaction**" has the meaning given to it in section 4.



**Schedule "B"**

**Address for Notices and Deliveries**

To the Company:

**Vertex Downhole Ltd.**  
2400, 525 8th Avenue SW  
Calgary, AB T2P 1G1

Attention: Raulie Pederson / Craig Flint  
Email: rpederson@vertexdownhole.com / cflint@vertexdownhole.com

With a copy to:

**Burnet, Duckworth & Palmer LLP**  
2400, 525 8<sup>th</sup> Avenue SW  
Calgary, AB T2P 1G1

Attention: David LeGeyt/Ryan Algar  
Email: dlegeyt@bdplaw.com / ralgar@bdplaw.com

To the Proposal Trustee:

**MNP Ltd.**  
1500, 640 - 5th Avenue SW  
Calgary, AB T2P 3G4

Attention: Victor P. Kroeger / Rick Anderson  
Email: vic.kroeger@mnp.ca / rick.anderson@mnp.ca

With a copy to:

**Dentons Canada LLP**  
15th Floor Bankers Court  
850 - 2nd Street SW  
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