

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 (Extension of Time to File Proposal, Approval of Administration Charge, and Substitution of Proposal Trustee)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTIES FILING THIS DOCUMENT
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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 Noyney 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 (in such capacity, the

"**Proposal Trustee**") dated February 25, 2022; 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 the Application is properly returnable today, and no other than those persons served is entitled to service of the notice of Application.

INTERPRETATION

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

EXTENSION OF TIME TO FILE A PROPOSAL

3. The time within which Vertex is required to file a proposal to its creditors with the Official Receiver under section 50.4 of the *Bankruptcy and Insolvency Act* (the "**BIA**") is hereby extended to April 18, 2022.

ADMINISTRATION CHARGE

4. Legal counsel to Vertex, Burnet, Duckworth & LLP, and MNP Ltd. ("**MNP**"), as security for their respective professional fees and disbursements (including the professional fees and disbursements of legal counsel to MNP, collectively, the "**Administrative Professionals**") incurred both before and after the granting of this Order, shall be entitled to the benefit of, and are hereby granted, a first-ranking charge (the "**Administration Charge**") on all of Vertex's present and after-acquired assets, property and undertakings (the "**Property**"), which charge shall not exceed \$200,000 as security for the Administrative Professionals' professional fees and disbursements incurred at normal rates and charges, both before and after the making of this Order.

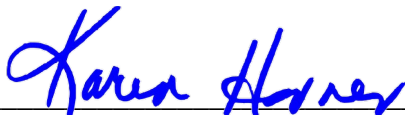
5. The filing, registration or perfection of the Administration Charge shall not be required, and the Administration Charge shall be enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.
6. The Administration Charge shall constitute a charge on the Property and such Administration Charge shall rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise in favour of any person (collectively, the "**Encumbrances**").
7. Except as otherwise provided herein, or as may be approved by this Honourable Court, Vertex shall not grant any Encumbrances over the Property that rank in priority to, or *pari passu* with, the Administration Charge unless Vertex obtains the prior written consent of the beneficiaries of the Administration Charge (the "**Chargees**") or further order of this Court.
8. The Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees thereunder shall not otherwise be limited or impaired in any way by:
 - (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
 - (b) any application(s) for bankruptcy order(s) issued pursuant to the *BIA*, or any bankruptcy order made pursuant to such applications;
 - (c) the filing of any assignments for the general benefit of creditors made pursuant to the *BIA*;
 - (d) the provisions of any federal or provincial statutes; or
 - (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any

existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") that binds Vertex, and notwithstanding any provision to the contrary in any Agreement:

- (i) neither the creation of the Administration Charge nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, shall create or be deemed to constitute a new breach by Vertex of any Agreement to which it is a party;
- (ii) none of the Chargees shall have any liability to any person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
- (iii) the payments made by Vertex pursuant to this Order and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

SUBSTITUTION OF PROPOSAL TRUSTEE

- 9. MNP is hereby substituted as proposal trustee of Vertex in the place and stead of GTL and all references to Proposal Trustee after the granting of this Order shall be to MNP in such capacity.
- 10. 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.



J.C.Q.B.A