

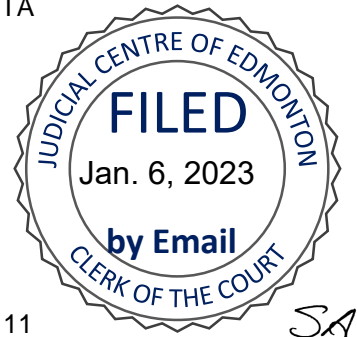
COURT FILE NUMBER 2003-06728

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

PLAINTIFF ROMSPEN MORTGAGE LIMITED
PARTNERSHIP AND ROMSPEN
INVESTMENT CORPORATION

DEFENDANTS 3443 ZEN GARDEN LIMITED
PARTNERSHIP, LOT 11 GP LTD., LOT 11
LIMITED PARTNERSHIP, ECO-
INDUSTRIAL BUSINESS PARK INC.,
ABSOLUTE ENERGY RESOURCES INC.,
ABSOLUTE ENVIRONMENTAL WASTE
MANAGEMENT INC., AND DANIEL
ALEXANDER WHITE



DOCUMENT **SUPPLEMENT TO THE THIRD REPORT
OF MNP LTD., RECEIVER**

DATE January 3, 2023

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOENT

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INTRODUCTION AND BACKGROUND

1. This is the Supplement (the “**Supplemental Report**”) to the Third Report of the Receiver dated November 14, 2022 (the “**Third Report**”).
2. Capitalized terms used in the Supplemental Report and not otherwise defined will have the same meaning as in the Third Report.
3. All amounts included herein are in Canadian dollars unless otherwise stated.

NOTICE TO READER

4. In preparing the Supplemental Report and making comments herein, the Receiver has relied upon certain unaudited, draft or internal financial information, including the Companies' books and records, and information from other third-party sources (collectively, the “**Information**”). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with generally accepted assurance standards or other standards established by the Chartered Professional Accountants of Canada (the “**Standards**”). Additionally, none of the Receiver's procedures were intended to disclose defalcations or other irregularities. If the Receiver were to perform additional procedures or to undertake an audit examination of the Information in accordance with the Standards, additional matters may come to the Receiver's attention. Accordingly, the Receiver does not express an opinion, nor does it provide any other form of assurance on the financial or other information presented herein. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of the Supplemental Report.
5. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the use of the Supplemental Report. Any use which any party makes of the Supplemental Report or any reliance or decision to be made based on the Supplemental Report is the sole responsibility of such party.

PURPOSE OF THE SUPPLEMENTAL REPORT

6. The purpose of the Supplemental Report is to provide an update to this Honourable Court with respect to the following matters set out in the Third Report as related to the Receiver's dealings with the AER (the “**AER Matters**”):
 - a. status of the abandonment of the 10-17 Well and the 11-17 Well;

- b. summary of the meeting held with the AER on November 16, 2022 (the “**November AER Meeting**”) wherein the Receiver and its representatives presented its draft operational plan to the AER; and,
- c. the rectification of deficiencies identified by the AER to the Receiver's Reasonable Care and Measures (“**R-CAM**”) plan which are required to be addressed fully comply with the AER Order.

AER MATTERS

- 7. The AER Order required that the Receiver abandon the 10-17 Well and the 11-17 Well on or before November 21, 2022 and submit a detailed Reclamation Plan for both the 10-17 Well and the 11-17 Well and associated facility sites to be the AER.
- 8. At the November AER Meeting, the Receiver (with its consultant Sproule) submitted a draft operational plan to the AER. The AER needed time to review and comment on the Receiver's draft operational plan, so the draft operational plan was not approved at the November AER Meeting but the AER indicated that they would be reviewing the Receiver's draft operational plan with a view to providing its views on same in the near future. If subsequently approved, the draft operational plan would negate the requirement for the Receiver to abandon and reclaim the Wells as set out above.
- 9. As of the date of the Supplemental Report, the Receiver has not yet received a formal extension on the abandonment requirements; however, the Receiver believes that the AER did not oppose, and was agreeable, to an extension of the November 21, 2022 deadline at the conclusion of the November AER Meeting.
- 10. As noted, the Receiver and Sproule presented the Receiver's draft operational plan to the AER at the November AER Meeting. Based on correspondence received from the AER on December 15, 2022, the AER remained in the process of reviewing the draft operational plan and is working on a Supplemental Information Review (**SIR**) package to be provided to the Receiver to address follow up questions from the AER before a decision will be made on the draft operational plan. The SIR has not yet been received as of the date of the Supplemental Report but is expected to be received at some time in January 2023.
- 11. Upon review of the Receiver's R-CAM plan, the AER noted that the R-CAM plan did not fully comply with AER Directive 071. The AER advised the Receiver that this deficiency could be corrected and that the deadline for correction would coincide with the deadline in forthcoming SIR package.

12. Sproule engaged Black Gold Emergency Planners Inc. in December 2022 to commission an updated Emergency Response Plan (the "**Black Gold ERP**") to rectify the deficiencies identified in the R-CAM plan. The Black Gold ERP has been completed and is in the process of being submitted to the AER for review and approval.

All of which is respectfully submitted this 3rd day of January 2022.

MNP Ltd.

In its sole capacity as Receiver of

Lot 11 GP Ltd., Lot 11 Limited Partnership, Eco-Industrial Business Park Inc., Absolute Energy Resources Inc., and Absolute Environmental Waste Management Inc.

And not in its personal or corporate capacity



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