CLERK'S STAMP

FORM 27
[RULES 6.3 AND 10.52(1)]

COURT FILE NUMBER	25-2645392 25-2645393
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PROCEEDING	IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF GLENOGLE ENERGY INC. AND GLENOGLE ENERGY LP
DOCUMENT	**APPLICATION FOR EXTENSION OF STAY TO FILE A PROPOSAL, INTERIM FINANCING AND MISCELLANEOUS RELIEF**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**BENNETT JONES LLP** Barristers and Solicitors 4500 Bankers Hall East 855 – 2 Street SW Calgary, Alberta T2P 4K7 Attention: Chris Simard Telephone No.: 403-298-4485 Fax No.: 403-265-7219 Client File No.: 61640.13

NOTICE TO RESPONDENTS:

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the judge.

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

Date: Friday, June 12, 2020
Time: 2:00 p.m.
Where: Calgary Courts Centre, 601-5th Street SW
Before: The Honourable Mr. 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. The Applicants, Glenogle Energy Inc. and Glenogle Energy LP (collective, "**Glenogle**" or the Applicants), seeks an Order, substantially in the form attached hereto as Schedule "A", granting the following relief:

    (a) declaring service of this Application and its supporting materials good and sufficient, and if necessary, abridging time for notice of the Application to the time actually given;

    (b) extending the time within which Glenogle is required to file a proposal to its creditors, under section 50.4 of the *Bankruptcy and Insolvency Act,* RSA 1985, c. B-3, as amended ("***BIA***"), for 45 days to July 27, 2020;

    (c) extending the stay of proceedings in the within matter for 45 days to July 27, 2020;

    (d) approving and authorizing Glenogle to enter into the Agreement (the "**Financial Advisor Agreement**") between Glenogle and Stifel Nicolaus Canada Inc (the "**Financial Advisor**") that is attached as Exhibit "1" to the Affidavit of Jamie Blair dated June 10, 2020 (the "**Blair Affidavit**");

    (e) approving the Agreement dated May 22, 2020 (the "**Woodrush Trust Account Agreement**") between Glenogle and Woodrush Royalty ULC and declaring that any Participating Funds are held by Glenogle in trust for the Beneficial Owner (all as defined in the Woodrush Trust Account Agreement);

    (f) authorizing and empowering Glenogle to obtain and borrow under a credit facility (the "**Interim Facility**") pursuant to the Amended and Restated Facility Letter (the "**New Facility Letter**") that is Exhibit "4" to the Blair Affidavit among the Applicants and HSBC Bank Canada (in such capacity, the "**Interim Lender**");

    (g) granting for the benefit of the Interim Lender a charge (the "**Interim Lender's Charge**") on all the property, assets and undertaking of the Applicants (the

"**Property**") to secure the obligations under the Interim Facility, which shall not exceed an aggregate amount of $2.3 million;

(h) approving the Key Employee Retention Plan (the "**KERP**") as described in the Blair Affidavit and authorizing Glenogle to make the payments to the Key Employees who are listed in Confidential Exhibit "5" to the Blair Affidavit (the "**Confidential Exhibit**"), but only if, at the date of the relevant payment, such Key Employee has fulfilled his or her employment obligations and has not voluntarily resigned or been terminated for cause;

(i) granting for the benefit of the Key Employees a charge (the "**KERP Charge**") on the Property as security for the amounts payable to the Key Employees pursuant to the KERP;

(j) directing that the Confidential Exhibit shall, notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*, Alta Reg 124/2010, be sealed in the Court file, kept confidential, and not form part of the public record; and

(k) such further and other relief as this Honourable Court may deem just.

Grounds for making this application:

Overview of Glenogle's Business and Financial Position

2. Glenogle is in the business of oil and gas acquisition, development and production, incorporated and registered pursuant to the laws of the Province of Alberta, with headquarters located in Calgary, Alberta.

3. Glenogle operates thirty oil wells and five gas wells. Its operations are primarily based in the Province of Alberta, with one well located in the Province of British Columbia. Glenogle's revenue is primarily generated from the sale of crude oil, natural gas and natural gas liquids, with a small proportion of revenue generated from facilities.

4. Glenogle's business has suffered due to the global collapse in commodity prices. As a result, Glenogle's revenues have drastically declined and it has become unable to meet its obligations as they fall due.

5. HSBC Bank Canada ("**HSBC**") is Glenogle's primary secured creditor, and Glenogle currently owes HSBC approximately $51.7 million.

Notices of Intention to Make Proposals

6. On May 14, 2020, Glenogle filed Notices of Intention to Make a Proposal (the "**NOI**"), pursuant to section 50.4 of the BIA, with Ernest & Young Inc. named as proposal trustee (the "**Proposal Trustee**"). As a result of the NOI, Glenogle must file a proposal on or before June 15, 2020 (the "**Filing Period**"), unless an extension is granted.

Financial Advisor Agreement

7. To advance its restructuring, Glenogle requires the assistance of a financial advisor who has expertise in oil and gas assets and transactions. For that reason, Glenogle has negotiated the Financial Advisor Agreement with the Financial Advisor.

8. The Financial Advisor (previously known as GMP FirstEnergy) is a prominent investment banking advisory firm located in Calgary, who has specialized knowledge of and a long history in the Western Canadian energy sector. The Financial Advisor has the necessary expertise and experience to assist Glenogle and enable it to explore all possible restructuring alternatives.

9. The Financial Advisor Agreement is in the best interests of Glenogle and its stakeholders.

Woodrush Account Trust Agreement

10. Glenogle is part to a Funding and Participation Agreement (the "**FPA**") with Woodrush Royalty Corporation ("**Woodrush**"). Pursuant to the FPA, if Woodrush elects to participate in a well, it pays some agreed proportion of the costs of Glenogle drilling a well and in return, Woodrush receives a gross overriding royalty in the well.

11. Glenogle engages all the service providers who perform the work necessary to drill, complete and equip the well. Woodrush pays an agreed portion of the costs of those services. The way that these payments are facilitated is that:

    (a) Glenogle engages the service providers, who perform the work and invoice Glenogle for their services;

    (b) Woodrush pays to Glenogle its shares of the cost of those services and Glenogle can only use those funds only to pay for those services; and

    (c) Glenogle deposits the funds received from Woodrush into an account held by Glenogle at HSBC for the exclusive purpose of facilitating this mechanism (the "**Trust Account**"). Glenogle does not deposit any other funds into the Trust Account, and does not use the Trust Account for any other purposes, other than receiving the funds from Woodrush, and paying the funds out to the service providers.

12. On May 22, 2020 Glenogle and Woodrush entered into the Woodrush Trust Account Agreement that clarifies and confirms that all funds that are received from Woodrush and deposited by Glenogle into the Trust Account are trust funds held for the benefit of Woodrush.

13. Entering into the Woodrush Trust Account Agreement is necessary to provide Woodrush with sufficient comfort to continue to elect to participate in further wells under the FPA, and also to give Glenogle's service providers with certainty that they will be paid. Facilitating the continued operation of the FPA will provide ongoing benefits to Glenogle and its creditors.

14. Approval of the Woodrush Trust Account Agreement is in the best interests of Glenogle's stakeholders.

Interim Financing and Interim Lender's Charge

15. During the next 13 weeks, Glenogle will require more than $2.0 million of additional liquidity (the "**Liquidity Shortfall**"), over and above its current borrowing limits under its existing May 30, 2018 Facility Letter with HSBC.

16. HSBC has agreed to provide interim funding to Glenogle cover the Liquidity Shortfall. To facilitate this, Glenogle and HSBC have agreed to the New Facility Letter. The key components of the New Facility Letter are:

    (a) in addition to the existing credit facilities, HSBC will grant to Glenogle a new senior secured, debtor-in-possession, interim, non-revolving loan facility in the amount of $2.3 million (the "**Interim Loan**");

    (b) the Interim Loan will be secured by a superpriority Interim Lender's Charge;

    (c) the interest rate for the funds previously advanced by HSBC shall remain unchanged at HSBC's prime rate plus 2.75% per annum, and that interest shall accrue but need not be paid during these NOI proceedings;

    (d) the interest rate for the funds to be advanced under the Interim Loan shall be HSBC's prime rate plus 4.75% per annum, and that interest shall be paid during these NOI proceedings;

    (e) Glenogle and the Proposal Trustee shall report actual cashflow results to HSBC on a biweekly basis; and

    (f) Glenogle shall be subject to certain additional covenants that are customary in interim financing situations.

17. The approval of the Interim Loan and the Interim Lender's Charge is necessary to allow Glenogle sufficient time to restructure, and is in the best interests of Glenogle and its stakeholders.

Key Employee Retention Plan and KERP Charge

18. Glenogle has considered and devised, in consultation with the Proposal Trustee, a Key Employee Retention Plan (the "**KERP**") for a limited number of its key employees (the "**Key Employees**"). The Key Employees possess knowledge, experience and skills that are, in my opinion, important and required by Glenogle to be able to successfully complete any restructuring.

19. The KERP is designed to appropriately retain and incentivize the Key Employees during Glenogle's restructuring proceedings. The structure of the KERP is:

    (a) paying a total amount of $278,829 to the Key Employees as retention payments (the "**Retention Payments**"); and

    (b) paying an additional contingent total amount to certain of the Key Employees as incentive payments (the "**Incentive Payments**").

20. Glenogle is seeking a court-ordered charge, to secure Glenogle's obligations under the KERP, for the benefit of the Key Employees (the "**KERP Charge**").

21. The approval of the KERP and KERP Charge is in the best interests of Glenogle and its stakeholders.

Sealing

22. In connection with the KERP, the Confidential Exhibit contains a summary of certain confidential information about the Key Employees and their personal compensation.

23. The information in the Confidential Exhibit is private and confidential, and its disclosure would be detrimental to Glenogle and its ability to successfully restructure, as well as to the interests of the Key Employees. Accordingly, sealing the Confidential Exhibit on the Court file is just and appropriate.

Extension of the Filing Period

24. Glenogle must file a proposal on or before June 15, 2020 (the "**Filing Period**"), unless an extension is granted. Despite Glenogle's diligent and good faith efforts, no proposal is currently ready for submission to creditors.

25. An extension of the Filing Period by 45 days will allow Glenogle to continue to work with its stakeholders to develop a proposal and is appropriate, because:

    (a) Glenogle has acted and continues to act in good faith and with due diligence;

    (b) Glenogle will likely be able to make a viable proposal if the extension of the Filing Period is granted; and

    (c) the extension of the Filing Period will not materially prejudice any of Glenogle's creditors.

26. Such further and other grounds as counsel for Glenogle may advise and this Honourable Court may permit.

Material or evidence to be relied on:

27. The Blair Affidavit, filed;

28. The First Report of the Proposal Trustee, filed; and

29. Such further and other materials as counsel for the Proposal Trustee or Company may advise and this Honourable Court may permit.

Applicable rules:

30. Part 6, Division 1 of the Alberta *Rules of Court.*

Applicable Acts and regulations:

31. The *Bankruptcy and Insolvency Act,* and in particular, s. 50.4(9) and s. 50.6 thereof;

Any irregularity complained of or objection relied on:

32. None.

How the application is proposed to be heard or considered:

33. By Webex videoconference or teleconference.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant 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 give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant a reasonable time before the application is to be heard or considered.

SCHEDULE "A

	CLERK'S STAMP
COURT FILE NUMBER	25-2645392 25-2645393
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PROCEEDING	IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF GLENOGLE ENERGY INC. AND GLENOGLE ENERGY LP
DOCUMENT	**ORDER (STAY EXTENSION, INTERIM FINANCING AND MISCELLANEOUS RELIEF)**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**BENNETT JONES LLP** Barristers and Solicitors 4500 Bankers Hall East 855 – 2 Street SW Calgary, Alberta T2P 4K7 Attention: Chris Simard Telephone No.: 403-298-4485 Fax No.: 403-265-7219 Client File No.: 61640.13
DATE ON WHICH ORDER WAS PRONOUNCED:	**June 12, 2020**
LOCATION WHERE ORDER WAS PRONOUNCED:	**Calgary, Alberta**
NAME OF JUSTICE WHO MADE THIS ORDER:	**Mr. Justice P.R. Jeffrey**

UPON the application of the Applicants, Glenogle Energy Inc. and Glenogle Energy LP (collectively, "**Glenogle**" or the "**Applicants**"); AND UPON having reviewed the Affidavit of

Jamie Blair, sworn June 10, 2020 (the "**Blair Affidavit**"), and the First Report of Ernst & Young Inc. (the "**Proposal Trustee**"), dated June ●, 2020; AND UPON having heard counsel for Glenogle, counsel for HSBC Bank Canada ("**HSBC**") and counsel for any other interested parties;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of this Application and its supporting materials is deemed good and sufficient, and the time for service of this Application and its supporting materials is abridged to the time actually given.

EXTENSION AND STAY

2. Glenogle is granted an extension of 45 days, to July 27, 2020, to file a proposal to its creditors, under section 50.4 of the *Bankruptcy and Insolvency Act,* RSA 1985, c. B-3, as amended.

3. The stay of proceedings in the within matter is extended by 45 days to and including July 27, 2020.

4. Nothing in this Order shall prevent any party from taking an action against Glenogle:

   (a) where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law;

   (b) to file any registration or preserve or perfect a security interest; or

   (c) prevent the registration of a claim for lien;

   provided that no further steps shall be taken by such party except in accordance with further Order of this Court, and notice in writing of such action be given to Glenogle and the Proposal Trustee at the first available opportunity.

FINANCIAL ADVISOR AGREEMENT

5. Glenogle is hereby authorized to enter into the agreement (the "**Financial Advisor Agreement**") between Glenogle and Stifel Nicolaus Canada Inc (the "**Financial Advisor**") attached as Exhibit "1" to the Blair Affidavit. The Financial Advisor Agreement is hereby approved, including the payment of the fees set out therein, and Glenogle is hereby authorized to engage the Financial Advisor on the terms set out therein.

WOODRUSH ACCOUNT TRUST AGREEMENT

6. The Agreement dated May 22, 2020 (the "**Woodrush Trust Account Agreement**") between Glenogle and Woodrush Royalty ULC is hereby approved, and Glenogle is hereby authorized to perform its obligations as set out therein.

7. It is hereby declared that any Participating Funds are held by Glenogle in trust for the Beneficial Owner (all as defined in the Woodrush Trust Account Agreement).

INTERIM FINANCING AND INTERIM LENDER'S CHARGE

8. Glenogle is hereby authorized and empowered to obtain and borrow under a credit facility (the "**Interim Facility**") pursuant to the amended and restated credit facility letter dated as of June 10, 2020 (the "**New Facility Letter**") among the Applicants and HSBC (in such capacity, the "**Interim Lender**"), in order to finance the Applicants' working capital requirements and other general corporate purposes and permitted capital expenditures set forth in the New Facility Letter, provided that borrowings under the Interim Facility shall not exceed the principal amount of $2.3 million unless permitted by further order of this Court.

9. The Applicants are hereby authorized and empowered to execute and deliver the New Facility Letter and such credit agreements, mortgages, charges, hypothecs, and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the New Facility Letter or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities, and obligations to the Interim Lender under and pursuant to the New Facility

Letter and the Definitive Documents as and when the same become due and are to be performed.

10. The Interim Lender shall be entitled to the benefits of and is hereby granted a charge (the “**Interim Lender's Charge**”) on all the property, assets and undertaking of the Applicants (the "**Property**") to secure all obligations under the New Facility Letter, which Interim Lender's Charge shall be in the aggregate amount of the obligations outstanding at any given time under the New Facility Letter or the Definitive Documents. The Interim Lender's Charge shall have the priority set out in paragraphs 17 and 19 hereof.

11. Notwithstanding any other provision of this Order:

(a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the Definitive Documents or the Interim Lender's Charge, the Interim Lender, upon 5 days notice to the Applicants and the Proposal Trustee, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the New Facility Letter, Definitive Documents, and the Interim Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the Interim Lender to the Applicants against the obligations of the Applicants to the Interim Lender under the New Facility Letter, the Definitive Documents or the Interim Lender's Charge, to make demand, accelerate payment, and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

(c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

12. The Interim Lenders shall be treated as unaffected in any Proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the New Facility Letter or the Definitive Documents.

KEY EMPLOYEE RETENTION PLAN AND KERP CHARGE

13. The Key Employee Retention Plan (the "**KERP**") as described in the Blair Affidavit, is hereby approved.

14. The Applicants are hereby authorized and directed to enter into the KERP with those employees (the "**Key Employees**") listed in **Confidential Exhibit "5"** to the Blair Affidavit (the "**Confidential Exhibit**") and to make the KERP Payments to the Key Employees, but only if, at the date of the relevant KERP Payment, such Key Employee has fulfilled his or her employment obligations and has not voluntarily resigned or been terminated for cause.

15. The Key Employees shall be entitled to the benefit of and are hereby granted a charge (the "**KERP Charge**") on the Property as security for the amounts payable to the Key Employees pursuant to the KERP. The KERP Charge shall have the priority set out in paragraphs 17 and 19 hereof.

16. The Confidential Exhibit shall, notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*, Alta Reg 124/2010, be sealed in the Court file, kept confidential, and not form part of the public record. The Confidential Exhibit shall be placed separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order, and shall not be opened upon further order of this Court. (including, without limitation, the Interim Lender's Charge) for all advances so made.

17. The priorities of the Interim Lender's Charge and the KERP Charge (collectively, the "**Charges**") shall be as follows:

First –Interim Lenders' Charge (to the maximum amount of $2.3 million); and

Second –KERP Charge.

18. The filing, registration or perfection of the Charges shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

19. Each of the Charges shall constitute a charge on the Property and the Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any person.

20. Except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges unless the Applicants also obtain the prior written consent of the Proposal Trustee and the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**"), or further order of this Court.

21. The Charges, the New Facility Letter and the other Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees and/or the Interim Lender 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 or receivership order(s) issued pursuant to the BIA, or any bankruptcy or receivership order made in respect of the Applicants;

(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, licence, permit or other agreement (collectively, an "**Agreement**") that binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

  (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof, including the New Facility Letter and the other Definitive Documents, shall create or be deemed to constitute a breach by the Applicants 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 Charges, the Applicants entering into the New Facility Letter, or the execution, delivery or performance of the Definitive Documents; and

  (iii) the payments made by the Applicants pursuant to this Order, including the New Facility Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

J.C.Q.B.A.