BANKRUPTCY AND INSOLVENCY
FILED
JUN - 5 2020
CALGARY
FAILLITE ET INSOLVABILITE

District of: Alberta
Division No. 02 - Calgary
Court No.
Estate No. 2645473

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
Glenogle Energy LP
of the City of Calgary, in the Province of Alberta

Take notice that:

1. I, Glenogle Energy LP, an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.

2. Ernst & Young Inc. of Suite 2200, 215 2nd Street SW, Calgary, AB, T2P 1M4, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.

3. A list of the names of the known creditors with claims of $250 or more and the amounts of their claims is also attached.

4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Calgary in the Province of Alberta, this 14th day of May 2020.

James S. Blair
President & CEO
Glenogle Energy Inc.

Glenogle Energy LP
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of: Alberta
Division No. 02 - Calgary
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
Glenogle Energy LP
of the City of Calgary, in the Province of Alberta

List of Creditors with claims of $250 or more.

Creditor	Address	Account#	Claim Amount
Glenogle Energy Inc.	4500, 855 - 2ND STREET SW Calgary AB T2P 4K7		250.00
Total			250.00

Glenogle Energy LP
Insolvent Person

District of: Alberta
Division No. 02 - Calgary
Court No.
Estate No.

-- FORM 29 --
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the proposal of
Glenogle Energy LP
of the City of Calgary, in the Province of Alberta

The attached statement of projected cash flow of Glenogle Energy LP, as of the 11th day of May 2020, consisting of the thirteen week period ending August 6th, 2020, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: ☒ the management and employees of the insolvent person or ☐ the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by:
☒ management or ☐ the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

(a) the hypothetical assumptions are not consistent with the purpose of the projection;

(b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or

(c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Calgary in the Province of Alberta, this 14th day of May 2020.

Ernst & Young Inc. - Licensed Insolvency Trustee
Per:

Gord Boersma - Licensed Insolvency Trustee
Suite 2200, 215 2nd Street SW
Calgary AB T2P 1M4
Phone: (403) 206-5394 Fax: (403) 206-5075

District of: Alberta
Division No. 02 - Calgary
Court No.
Estate No.

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the proposal of
Glenogle Energy LP
of the City of Calgary, in the Province of Alberta

Purpose:

To support the company's intent to file a proposal.

Projection Notes:

Attached to Form 30.

Assumptions:

Set out in Notes 1 through 11.

Dated at the City of Calgary in the Province of Alberta, this 14th day of May 2020.

Ernst & Young Inc. - Licensed Insolvency Trustee
Per:

____

Gord Boersma - Licensed Insolvency Trustee
Suite 2200, 215 2nd Street SW
Calgary AB T2P 1M4
Phone: (403) 206-5394 Fax: (403) 206-5075

District of: Alberta
Division No. 02 - Calgary
Court No.
Estate No.

- FORM 30 -
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of
Glenogle Energy LP
of the City of Calgary, in the Province of Alberta

The Management of the debtor of Glenogle Energy LP, has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 11th day of May 2020, consisting of the thirteen week period ending August 6th, 2020.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Calgary in the Province of Alberta, this 14th day of May 2020.

Glenogle Energy LP
Debtor

Name and title of signing officer

James S. Blair
President & CEO
Glenogle Energy Inc.

Name and title of signing officer

District of: Alberta
Division No. 02 - Calgary
Court No.
Estate No.

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of
Glenogle Energy LP
of the City of Calgary, in the Province of Alberta

Purpose:

To support the company's intent to file a proposal.

Projection Notes:

Attached to Form 30.

Assumptions:

Set out in Notes 1 through 11.

Dated at the City of Calgary in the Province of Alberta, this 14th day of May 2020.

Glenogle Energy LP

James S. Blair
President & CEO
Glenogle Energy Inc.

Glenogle Energy Inc. and Glenogle Energy Limited Partnership
Combined Weekly Cash Flow forecast
Through to Aug 6, 2020
Prepared by Management

$CAD	Notes	Week of May 11-17	Week of May 18-24	Week of May 25-31	Week of June 1-7	Week of June 8-14	Week of June 15-21	Week of June 22-28	Week of Jun 29-Jul 5	Week of Jul 6-12	Week of Jul 13-19	Week of Jul 19-25	Week of Jul 26-31	Week of Aug 1-6	Total
Receipts															
Production revenues	1	-	-	243,368	-	-	-	218,690	-	-	-	1,144,657			1,606,715
Crown royalties	2	-	-	(18,404)	-	-	-	(7,335)	-	-	-	(49,173)			(74,912)
Net Receipts		-	-	224,964				211,355				1,095,484			1,531,803
Disbursements															
Freehold Royalties	2	-	-	1,223	-	-	-	35,426	-	-	-	-	225,554	-	262,203
CAPEX	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OPEX (excluding prop tax)	4	448,403	-	75,261	385,325	45,000	24,664	35,189	244,000	141,250	33,755	43,825	25,000	302,000	1,803,672
Gas processing	5	179,834	280,000	-	204,578	-	-	-	190,692	-	-	-	-	178,863	1,033,967
Property taxes	6	-	-	-	-	-	-	11,726	9,151	-	145,222	-	350,083	-	516,182
General and administrative	7	104,964	-	49,897	33,108	44,897	15,000	44,897	33,108	-	44,897	15,000	44,897	33,108	463,771
Principal and interest	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring	9	50,000	-	-	50,000	-	-	-	50,000	-	-	-	-	50,000	200,000
		783,201	280,000	126,381	673,011	89,897	39,664	127,238	526,950	141,250	223,874	58,825	645,534	563,971	4,279,796
Net cash flow for period		(783,201)	(280,000)	98,583	(673,011)	(89,897)	(39,664)	84,117	(526,950)	(141,250)	(223,874)	1,036,659	(645,534)	(563,971)	(2,747,993)
Cash/Operating Line - beginning		(51,174,641)	(51,957,842)	(52,237,842)	(52,139,260)	(52,812,270)	(52,902,167)	(52,941,831)	(52,857,714)	(53,384,664)	(53,525,914)	(53,749,788)	(52,713,129)	(53,358,664)	(51,174,641)
Cash/Operating Line - closing		(51,957,842)	(52,237,842)	(52,139,260)	(52,812,270)	(52,902,167)	(52,941,831)	(52,857,714)	(53,384,664)	(53,525,914)	(53,749,788)	(52,713,129)	(53,358,664)	(53,922,634)	(53,922,634)
Existing Facility Capacity	10	(51,229,844)	(51,509,844)	(51,509,844)	(51,509,844)	(51,509,844)	(51,509,844)	(51,509,844)	(51,509,844)	(51,509,844)	(51,509,844)	(51,509,844)	(51,700,644)	(51,700,644)	(51,700,644)
Additional borrowings over existing facility	11	727,998	727,998	629,416	1,302,426	1,392,323	1,431,987	1,347,870	1,874,820	2,016,070	2,239,944	1,203,285	1,658,020	2,221,990	2,221,990

This statement of projected cash flow of Glenogle Energy Inc. and Glenogle Energy Limited Partnerhship has been prepared in accordance with Section 50.4(7)(b) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report on cash flow statement and the Report on Cash Flow by Glenogle Energy Inc. and Glenogle Energy Limited Partnerhship.

Glenogle Energy Inc. and
Glenogle Energy Limited Partnership

Per: James S Blair
President and CEO

MAY 11 2020
CALGARY, ALBERTA

Ernst and Young Inc. in its capacity as Proposal Trustee of Glenogle Energy Inc. and Glenogle Energy Limited Partnership

Per: Gordon Boersma
Vice President

MAY 11 2020
CALGARY, ALBERTA

Glenogle Energy Inc. and Glenogle Energy Limited Partnership
Notes and Assumptions to the Combined Cash Flow Statement

May 11, 2020

Underlying General Assumptions

- The forecast contemplates the combined cash flow statement of Glenogle Energy Inc. and Glenogle Energy Limited Partnership (collectively referred to as "Glenogle or the "Company") subject to the following note. The finances and operations of the two entities are inextricably linked and it would be impractical to the restructuring efforts of the Company and confusing to the creditors to attempt to present these entities' cash flows separately.
- During the first quarter of 2020, Glenogle drilled and completed a well at Doe West (the "Farmout Well") under a farmout agreement (the "Farmout Agreement") wherein the farmee funds 100% of the costs of the well through to the commencement of production in return for a 60% gross overriding royalty which reverts to 32.5% after payout of the investment. Glenogle cash calls the farmee to fund expenses for work in progress with such funds being deposited in a separate bank account in trust on behalf of the farmee (the "Farmout Account"). Glenogle maintains a separate ledger for accounts payable related to the respective well costs. Consequently, neither the Farmout Account nor the disbursements related to the Farmout Well are reflected in the cash flow statement. Estimated revenues, operating expenses and royalties associated with the Farmout Well upon the commencement of production are contemplated in the cash flow statement.
- GST associated with receipts and disbursements is not included in the cash flows as the Company is expected to remit net payables monthly. GST refunds derived from the farmout program capital expenditures will be credited to the Farmout Account.

Receipt and Disbursement Assumptions

Note 1 - Production Revenues

- Relates to proceeds from the sale of oil and gas production. Funds are forecast to be received on the 25th of the month following production.
- Production from the Farmout Well is forecast to commence on May 9, 2020 with production in May, 2020 reflected in the significantly higher production revenue receipts and freehold royalty disbursement during the week of June 22-28.
- Transportation costs are deducted from revenue. Transportation costs are deducted from production marketing agents' payments to the company, with the exception of sales oil trucking and Pembina firm service pipeline charges which are billed to the company directly.
- Production forecast is based on recent production levels adjusted for anticipated production decline. The forecast sales price is based on current forward market prices as of May 8, 2020 net of current differentials and transportation costs. Note the following:
  - The Edmonton light differential assumption by GLJ independent engineers of $4 Canadian per barrel has been used in the forecasts from July forward. The differential was $4 per barrel in April, $20 per barrel in May, and is indicated to be $3 per barrel in June. Forward sales markets are indicating that the assumed differential is reasonable although this is a key risk in the forecast as any such variances may prove material.

Note 2 - Royalties

- "Crown Royalties" are comprised of crude oil royalties which are taken in kind by the Government of Alberta and are reflected as a deduction from production revenues. The estimated amount of these royalties has been calculated based on forecast pricing described in Note 1, which significantly impacts the crown royalty rate, as does the royalty holiday for the Farmout Well.
- "Freehold Royalties" relate largely to the Farmout Agreement discussed above and are shown as a disbursement which is assumed to be paid in the month the related revenue is received, as per the terms of the Farmout Agreement.

Note 3 - CAPEX

- Represents estimated costs for regularly scheduled turnarounds as well as ongoing periodic well and facility maintenance expenses, but does not include drilling costs under the Farmout. Payments are assumed to be made during the month the goods or services are provided. There are no such expenses contemplated during the forecast period.

Note 4 - OPEX

- Based on historical expenses and assumed production levels including but not limited to such expenditures as lease rentals, utilities, maintenance, repairs, and contract operators. Payments are assumed to be made in the month the goods or services are provided based on our assumption that parties will require payments up front or immediately after invoicing in the context of an NOI filing.
- The Doe West operator advance in the week of May 11-17 is assumed to be for two months of services.

Note 5 - Gas Processing

- Represents payments to third party processors based on estimated production volumes. Payments are assumed to be made two months in arrears.
  It is assumed that NorthRiver Midstream, operator of the gas plant handling Doe West production, will call on it's LC of $280,000 during the week of May 18-24.

Note 6 - Property Taxes

- Represents payment of annual levies in the month in which payments are due.

Note 7 – General and Administrative

- Includes but is not limited to such expenses as payroll for six full-time office employees, one part time employee, and three part-time consultants (land and production accounting), rent and miscellaneous office related expenses. Salaries were reduced by 10 % for employees earning above $100,000 per year and 5% for employees earning under $100,000 per year effective April 1, 2020.

Note 8 - Principal and Interest

- Assumes that the Company and its secured lender will be able to enter into a form of forbearance agreement providing for the temporary postponement of principal, interest and capital lease payments for the 13week period.

Note 9 - Restructuring

- Includes the ongoing fees and expenses of the Company's legal counsel and those of the Proposal Trustee and its legal counsel through to the end of July, with such figures to be updated thereafter dependent on the agreed upon course of action.

Note 10 - Cash/Operating Line

- Represents the balance of the $52 million bank facility of which $51.2 million is available to be drawn with the balance applied to outstanding letters of credit. Availability is assumed to increase to $51.5 million with the realization of the NorthRiver LC and to $51.7 million upon the anticipated release of the road maintenance letter of credit on July 31, 2020.

Note 11 – Additional Borrowings

- Additional borrowings over the Company's operating line of credit will be provided by the Company's existing operating line lender.