COURT FILE NUMBER	2001-10261
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANTS	IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c C-36, AS AMENDED AND IN THE MATTER OF COMPROMISE OR ARRANGEMENT OF GLENOGLE ENERGY INC., 1651558 ALBERTA LTD. AND GLENOGLE ENERGY LP
DOCUMENT	**SIXTH REPORT OF ERNST & YOUNG INC. IN ITS CAPACITY AS THE MONITOR OF GLENOGLE ENERGY INC., GLENOGLE ENERGY LIMITED PARTNERSHIP, AND 1651558 ALBERTA LTD.** **September 19, 2022**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MONITOR** ERNST & YOUNG INC. Calgary City Centre 2200, 215 - 2nd Street SW Calgary, Alberta T2P 1M4 Attention: Neil Narfason / Carolyn Parker Telephone: 403-206-5067 / 403-206-5122 Fax: 403-206-5075 Email: neil.narfason@parthenon.ey.com carolyn.parker@parthenon.ey.com **MONITOR'S COUNSEL** Fasken Martineau DuMoulin LLP 350 7th Avenue SW, Suite 3400 Calgary, Alberta T2P 3N9 Attn: Travis Lysak Telephone: 403-261-5501 Email: tlysak@fasken.com

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INTRODUCTION

1. On May 14, 2020 (the "**Date of Filing**"), Glenogle Energy Inc. ("**GEI**") and Glenogle Energy Limited Partnership ("**GELP**") obtained protection from their creditors through the filing of a Notice of Intention to Make a Proposal (the "**NOI**") under Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "**BIA**").

2. Ernst & Young Inc. was named as Proposal Trustee under the NOI. On July 23, 2020, GEI and GELP were granted a stay extension for 45 days to September 10, 2020.

3. On September 8, 2020, GEI along with a wholly owned subsidiary 1651558 Alberta Ltd. ("**165**") were granted protection and permission to commence proceedings (the "**CCAA Proceedings**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36, as amended (the "**CCAA**"), which converted the existing NOI proceedings into the CCAA Proceedings. GELP's NOI Proceedings were continued and taken up under the CCAA. GEI, GELP and 165 are collectively referred to as "**Glenogle**", the "**Company**" or "**Applicants**".

4. Also, on September 8, 2020, this Honourable Court approved a stay extension as outlined in paragraph 15 of the Amended and Restated Initial Order (the "**ARIO**") until and including March 31, 2021 (the "**Stay Period**").

5. On March 15, 2021, the Company's request for a stay extension through November 30, 2021 was approved by this Honourable Court. Further stay extensions were granted on November 29, 2021 for a stay extension through February 28, 2022, and most recently on February 15, 2022, wherein the Company's request for a stay through September 30, 2022 was approved.

6. Under the ARIO, the Applicants were authorized, upon obtaining the prior consent of the Monitor and HSBC, by this Honourable Court to commence a Sales and Investment Solicitation Process ("**SISP**").

7. The SISP was undertaken in the Fall of 2021, which was unsuccessful due to the Bidder's inability to meet the terms outlined in its initial non-binding letter of intent. The revised terms indicated by the Bidder were materially adverse and as such, the Selling Agent recommended that Glenogle undertake a refresh of the SISP (the "**Refreshed SISP**").

8. Under the Refreshed SISP, the Selling Agent contacted all bidders who originally submitted proposals under the SISP, as well as certain additional counterparties who expressed interest after the November 4, 2021 bid deadline. Three parties submitted proposals under the Refreshed SISP which were received mid-February 2022, two of which ultimately submitted binding term sheets to the Company in mid-March.

9. Glenogle, with the assistance of the Monitor and in consultation with HSBC and the Selling Agent, selected the Astara Energy Corp. bid, which all parties believed would yield the highest recovery for all stakeholders.

10. The Company, its counsel, and the Monitor finalized a definitive acquisition agreement (the "**Acquisition Agreement**") for the purchase of all of Glenogle's assets, inclusive of all environmental and regulatory obligations associated therewith (together, the "**Transaction**"), which contemplated the sale being completed through a Transaction and Reverse Vesting Order ("**RVO**"). The Acquisition Agreement was fully executed on April 21, 2022.

11. On May 12, 2022, the Company's request for the approval of the RVO and the proposed Claims Procedure Order (the "**CPO**") was granted by this Honourable Court. On May 17, 2022, the Court granted an Amended and Restated RVO.

12. The Transaction closed on May 19, 2022 (the "**Closing Date**"), at which time the Transaction proceeds were transferred to a creditor trust pursuant to the RVO, which the Monitor would administer as trustee. An interim distribution of the majority of the Transaction proceeds was made to HSBC. The Monitor retained a holdback at that time for estimated secured creditor claims and deemed trust claims to be ascertained pursuant to the CPO, as well as non-selling professional fees through to the conclusion of the CCAA proceedings (the "**Holdback**"). The Monitor has an understanding with HSBC with respect to the interim distribution, such that if the Monitor should require additional funds in order to satisfy any valid claims under the CPO, it would have the right to receive the necessary funds back from HSBC (the "**Clawback**").

13. The Transaction proceeds were not sufficient to provide HSBC with a full recovery on its outstanding debts. The Claims Procedure approved by the Court was established to identify any claims which may rank ahead of or on par with that of HSBC and to identify any claims against the directors and officers of Glenogle, which was required given the use of a RVO structure for the Transaction.

14. Through the Claims Procedure, all claims have now been fully resolved with the exception of two lien claims (the "**Lien Claims**") of Energetic Services Inc. ("**Energetic**") and Bidell Gas Compression Ltd. ("**Bidell**") (collectively, the "**Lien Claimants**").

15. The resolutions of the Lien Claims is the last material step which needs to be completed in the CCAA Proceedings.

16. Additional background information concerning these CCAA Proceedings, the Company and its NOI proceedings is available on the Monitor's website at www.ey.com/ca/glenogleenergy (the "**Monitor's Website**").

PURPOSE

17. The purpose of this sixth report of the Monitor (the "**Sixth Report**") is to provide this Honourable Court with comments on the following:

    a) An update on the CCAA proceedings of Glenogle since the fifth report of the Monitor dated September 8, 2022 (the "**Fifth Report**");

    b) the actual cash flow results for the period commencing on the Closing Date through August 31, 2022;

    c) a Cash Flow Statement ("**CFS#8**") for the seven-month period of September 1, 2022 through March 31, 2023 (the "**Forecast Period**") and the assumptions on which the cash flow statement is based; and

    d) the Monitor's request for a stay extension to and including March 31, 2023 (the "**Stay Extension**").

TERMS OF REFERENCE AND DISCLAIMER

18. In preparing this Sixth Report, the Monitor has been provided with, and has relied upon, unaudited financial information from the Company's books and records (the "**Information**"). Except as described herein, in the Company's cash flows:

    a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided; however, it has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of such Information contained in this Sixth Report; and

    b) some of the information referred to in this Sixth Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

19. Future oriented information referred to in this Sixth Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections and the variances could be significant.

20. All references to dollars are in Canadian currency unless otherwise noted.

21. Capitalized terms not defined herein are as defined in the Initial Order, the ARIO, the Pre-filing Report of the Proposed Monitor, the Supplement to the Pre-filing Report of the Proposed Monitor (together, the "**Pre-filing Reports**") and the reports of the Monitor.

UPDATE ON THE CCAA PROCEEDINGS

22. The Lien Claimants filed a joint application for the adjudication and resolution of their claims by this Honourable Court, scheduled for October 21, 2022.

23. Since the filing of their joint application, the Lien Claimants have been engaged in negotiations with the Monitor in an attempt to resolve the Lien Claims; however there has been no resolution of the Lien Claims as of the date of this Sixth Report, and no material developments with respect to the outstanding Lien Claims since those discussed in the Fifth Report.

ACTUAL RESULTS

24. Exhibit 1 below illustrates the actual cash receipts and disbursements in and out of the Monitor's trust account for the CCAA proceedings since the Transaction closed, commencing on the Closing Date through August 31, 2022 (the "**Reporting Period**"):

Glenogle Energy Inc., Glenogle Energy LP and 1651558 Alberta Ltd. **Exhibit 1**

Actual receipts and disbursements

For the period of May 19, 2022 to August 31, 2022

$000's	*Notes*	Actuals
Trust account receipts		
Transaction proceeds	*A*	25,500
Interest income		8
Total receipts		**25,508**
Trust account disbursements		
Interim distribution to HSBC	*B*	(25,000)
Restructuring fees	*C*	(95)
Distributions to other secured creditors	*D*	(49)
Total disbursements		**(25,144)**
Net change in cash		363
Opening cash		-
Ending cash		**363**

25. Actual results over the Reporting Period relate to the following:

a) Transaction proceeds received on the Closing Date. Expenses incurred prior to the Closing Date were paid through Glenogle's operating line with HSBC, acting as an increase to Glenogle's debt obligation, and consisted of: the Selling Agent's success fee, employee vacation, employee termination costs, payments associated with the KERP Charge, and legal fees for the Applicants' counsel;

b) an interim distribution to HSBC net of the Holdback;

c) restructuring fees relating to costs of the Monitor incurred through July 22, 2022 and the Monitor's counsel incurred through June 3, 2022; and

d) distributions to two secured creditors other than HSBC, who had proven secured claims under the CPO.

CASH FLOW FORECAST

26. Exhibit 2 below presents a summarized cash flow statement for the seven-month period from September 1, 2022 to March 31, 2023, also referred to as CFS#8:

Glenogle Energy Inc., Glenogle Energy LP and 1651558 Alberta Ltd. **Exhibit 2**

Combined Cash Flow Statement #8

For the Forecast Period of September 1, 2022 to March 31, 2023

$000's	*Notes*	Forecast Period Total
Trust account receipts		
Interest income	*A*	12
Total receipts		**12**
Trust account disbursements		
Restructuring fees	*B*	(125)
Bank charges	*A*	(1)
Total disbursements		**(126)**
Net change in cash		**(114)**
Opening cash		363
Ending cash		249

27. CFS#8 is based on the following key assumptions, corresponding to the note references in Exhibit 2:

a) Interest income and bank charges have been estimated assuming the Claims Procedure is not fully addressed until March 2023 and are expected to be nominal; and

b) restructuring fees totalling $125,000 relate to the fees of the Monitor and its legal counsel incurred but not yet billed or paid, and the estimated fees of the Monitor, its legal counsel, and the Company's legal counsel over the Forecast Period to complete this administration of the Claims Procedure as well as fees related to lien litigation.

28. CFS#8 is based on assumptions regarding future events. Actual results will vary from the information presented even if the hypothetical assumptions occur and the variation may be material. Accordingly, we express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report or relied upon by us in preparing this report.

29. CFS#8 has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

STAY EXTENSION

30. Pursuant to the stay extension order granted by this Honourable Court on February 15, 2022, the Stay Period expires on September 30, 2022.

31. The CPO grants powers to the Monitor to administer the Claims Procedure and to take any such actions required to fulfill its roles under the CPO. In order to complete the Claims Procedure and allow for the Lien Claims to be fully addressed, the Monitor is seeking an extension of the Stay Period up to and including March 31, 2023.

32. It is the Monitor's view that the Stay Extension is necessary to allow for the Claims Procedure to be fully administered.

33. The Monitor does not believe that any creditor will be materially prejudiced if the Stay Extension is granted.

RECOMMENDATION

34. The Monitor recommends the stay extension to March 31, 2023 be granted.

Dated at Calgary, this 19th day of September, 2022.

ERNST & YOUNG INC.
in its capacity as the
Monitor of Glenogle Energy Inc.,
Glenogle Energy LP, and 1651558 Alberta Inc.

Neil Narfason, CPA, CA, CIRP, LIT, CBV	Carolyn Parker, CPA, CBV
President	Senior Director