

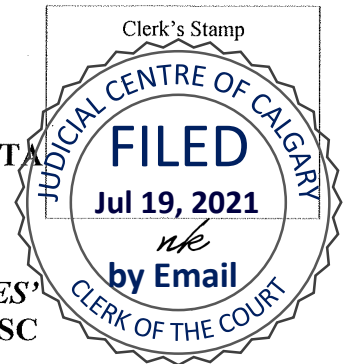
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Form 49
[Rule 13.19]

COURT FILE NUMBER 2101-00814



COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, RSC
1985, c C-36, AS AMENDED

AND IN THE MATTER OF CALGARY OIL
& GAS SYNDICATE GROUP LTD.,
CALGARY OIL AND GAS
INTERCONTINENTAL GROUP LTD. (IN
ITS OWN CAPACITY AND IN ITS
CAPACITY AS GENERAL PARTNER OF T5
SC OIL AND GAS LIMITED
PARTNERSHIP), CALGARY OIL AND
SYNDICATE PARTNERS LTD., and
PETROWORLD ENERGY LTD.

Justice Jones
COM
July 26, 2021

DOCUMENT AFFIDAVIT

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
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AFFIDAVIT OF RYAN MARTIN
Sworn on July 19, 2021

I, Ryan Martin, of the City of Calgary, in the Province of Alberta, SWEAR AND SAY THAT:

INTRODUCTION AND PROCEDURAL HISTORY

1. I am the President, Secretary and sole director of the Applicants, Calgary Oil and Gas Intercontinental Group Ltd., formerly Triple Five Intercontinental Group Ltd. ("COGL") and Petroworld Energy Ltd. ("Petroworld"). COGL is an Applicant in the within

proceedings in its own capacity and in its capacity as general partner of T5 SC Oil and Gas Limited Partnership (the “**Limited Partnership**”). I have been the President of COGL and Petroworld since September 4 and 10, 2020, respectively, and have been involved with the companies since their incorporation. Through my involvement with COGL and Petroworld, I have also gained personal knowledge relating to their parent companies and related entities, Calgary Oil & Gas Syndicate Group Ltd., formerly Triple Five Energy Ltd., and Calgary Oil and Syndicate Partners Ltd., formerly T5 Energy Partners Ltd. (“**COSP**”) (all Applicants and the Limited Partnership are collectively referred to herein as the “**Companies**”). As such, I have personal knowledge of the matters to which I depose in this Affidavit, except where such matters are stated to be based on information and belief, in which case I have stated the source of my information and, in all cases, I believe such information to be true.

2. On February 11, 2021, the Honourable Mr. Justice D. B. Nixon granted the Companies’ application for an Initial Order (the “**Initial Order**”). The Initial Order provided for, among other things, a stay of proceedings in respect of the Companies, until and including February 21, 2021 (the “**Stay Period**”). The Stay Period was subsequently extended by this Honourable Court pursuant to an amended and restated initial order granted by the Honourable Mr. Justice R. A. Neufeld on February 19, 2021, and by a second amended and restated initial order granted by the Honourable Mr. Justice Nixon on March 4, 2021, which extended the Stay Period until and including April 15, 2021.
3. Pursuant to two Orders granted by the Honourable Mr. Justice J.J. Gill on April 13, 2021 (the “**First Stay Extension Order**” and the “**Claims Procedure Order**”), the Stay Period was further extended to May 25, 2021, and the Court authorized and directed the Applicants, with the assistance of the Monitor, to conduct a reverse proof of claims procedure for all creditors (the “**Creditors**”) who have a Claim (as such term is defined in the CCAA) against the Companies, some or any of them, or their directors and officers (the “**Claims Procedure**”).
4. On April 21, 2021, Spartan Delta Corp. (“**Spartan**”) entered into an equity transaction with COGL, the Limited Partnership and COSP (the “**Transaction**”), pursuant to which Spartan

will provide a cash injection of CAD \$37,500,000 in exchanged for limited partnership units in the Limited Partnership.

5. Pursuant to three Orders granted by the Honourable Mr. Justice P.R. Jeffrey on May 25, 2021 (the “**Disclaimer Extension and Peters Declaration Order**”, the “**Stay Extension and Late Filed Claims Order**” and a Sealing Order), the effective dates of disclaimer for certain contracts disclaimed by COGL under section 32 of the CCAA were modified, one contract with a third party was terminated, and certain commercially sensitive documents were sealed. In addition, the Stay Period was further extended to July 31, 2021, and the Court authorized and directed the Applicants, with the assistance of the Monitor, to conduct a Late Claims Procedure to permit parties to agreements disclaimed by the Applicants to file Late Filed Claims.
6. Additionally, pursuant to a fourth Order granted by the Honourable Mr. Justice P.R. Jeffrey on May 25, 2021 (the “**Creditor’s Meeting Order**”), a Creditor’s Meeting was ordered to be convened on July 19, 2021 to consider the Plan.
7. I have previously sworn a number of Affidavits in the within *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”) proceedings, including among others, an Affidavit sworn February 5, 2021 (the “**First Martin Affidavit**”), an Affidavit sworn April 6, 2021 an Affidavit sworn May 17, 2021 and an Affidavit sworn May 19, 2021. I swear this Affidavit in support of the Applicants’ Application for a Plan Sanction Order and Stay Extension Order (the “**July 26 Application**”), to be heard in front of the Honourable Mr. Justice C.M. Jones on July 26, 2021 at 2:00 p.m.

UPDATES AND ACTIONS TAKEN SINCE THE APPLICATION FOR A CREDITOR’S MEETING ORDER, DISCLAIMER EXTENSION AND PETERS DECLARATION ORDER AND STAY EXTENSION AND LATE FILED CLAIMS ORDER

8. The circumstances that compelled the Companies to seek protection under the *CCAA* and the Companies’ cash flow constraint, as outlined in the First Martin Affidavit and supplemental Affidavits thereto, have not changed since this Court’s granting of the Initial Order.

9. Following the Court's granting of the Creditor's Meeting Order, the Disclaimer Extension and Peters Declaration Order, and the Stay Extension and Late Filed Claims Order, the Companies, with the oversight and assistance of the Monitor, have been working diligently to maintain the stability of their operations and business, manage their liquidity position, administered the Late Filed Claims Process as outlined in the Stay Extension and Late Filed Claims Order and have acted in furtherance of the restructuring of their business. In particular, the Companies:
- (a) diligently continue to operate the business for the benefit of all stakeholders;
 - (b) have implemented the Late Filed Claims Procedure with the assistance of the Monitor, including by:
 - (i) sending to all Post-Filing Restructuring Claimants of which they and the Monitor were aware a Disclaimer Notice, a copy of the Late Claims Notice, a blank Late Proof of Claim form and related instruction letter, and a copy of the Late Filed Claims Order;
 - (ii) receiving a Late Proof of Claim from one Post-Filing Restructuring Creditor, Nova Gas Transmission Ltd ("NGTL") (the "**NGTL Claim**");
 - (iii) reviewing and considering the Late Proof of Claim received in accordance with the Stay Extension and Late Filed Claims Order; and
 - (c) revising the plan of compromise or arrangement under the CCAA (the "**Revised Plan**") to permit a minor amendment clarifying that the definition of "Distribution Funds" contemplates revenues generated through to May 31, 2021.
10. The Companies have prepared an updated cash flow forecast (the "**Cash Flow Forecast**") from the week of July 12 to October 10 which has been reviewed and approved by the Monitor. Attached hereto and marked as Exhibit "A" is a true copy of the Cash Flow Forecast. Based on my knowledge of the financial position of the Companies, and based on the assumptions set out in the Cash Flow Forecast, I do verily believe that the projections set out in the Cash Flow Forecast are fair and reasonable.

THE PLAN SANCTION ORDER IS NECESSARY FOR THE RESOLUTION OF THESE CCAA PROCEEDINGS

11. A copy of the Revised Plan is attached as Schedule “A” to the Application. The Companies and Spartan, in consultation with the Monitor, have developed the Revised Plan to enable the business of the Companies to continue as a going concern, in the expectation that a greater benefit will be derived from the continued operation of the Companies’ business than would result from the sale or forced liquidation of the Companies’ assets.
12. With the exception of the inclusion of revenues accrued up to and inclusive of May 31, 2021 in the Distribution Funds available to Affected Creditors, the Revised Plan is substantially identical to the Plan of Arrangement filed with this Court in support of the May 25 Application. The Plan continues to include the following key elements:
 - (a) the operations of the Companies will continue as normal and without disruption following the implementation of the Plan;
 - (b) full recovery of the secured debt owed to Crown Capital;
 - (c) full recovery for all valid lienholders, as determined pursuant to the Claims Procedure Order or the Late Filed Claims Order, as applicable;
 - (d) partial recovery of between approximately 39 and 44% of unsecured creditor claims; and
 - (f) provide increased certainty to creditors.
13. The Revised Plan continues to provide that all Affected Creditors shall constitute a single class and shall vote as a single class, as they share a commonality of interest in that they are all unsecured creditors of the Companies. The Monitor supports this single class of creditors as appropriate in the circumstances.
14. The Companies remain confident that the settlement of the vast majority of claims has resulted in increased certainty for all creditors and increased support for the Revised Plan. In particular, the Companies have resolved the NGTL Claim. As submitted, the NGTL Claim asserted a \$375,000.00 secured claim and a \$7,472,271.46 unsecured claim. With the assistance of the Monitor, the Companies and NGTL have resolved the NGTL Claim through its acceptance of an unsecured claim of \$5,493,781.00.

15. As a result of the Claims Procedure and Late Filed Claims Procedure, the Companies have resolved all outstanding claims with the exception of an unsecured claim by Indian Oil and Gas Canada (“**IOGC**”) (the “**IOGC Claim**”), the calculation of an unsecured claim by the Canada Revenue Agency (“**CRA**”) (the “**CRA Claim**”) and a claim for professional fees by Crown Capital (the “**Crown Fees Claim**”)
16. The IOGC Claim is estimated by the Monitor and IOGC to range from \$Nil to \$350,000.00. IOGC is currently conducting an ongoing compensatory royalty review, and this claim was not resolved prior to the Creditor’s Meeting as a result.
17. A final calculation remains to be completed with respect to the CRA Claim, an unsecured claim in the interim amount of \$527,167.00. The CRA claim will be reduced based on the distributions to certain other creditors. The Companies foresee no issues in the calculation of the CRA Claim.
18. The Crown Fees Claim consists of a claim for professional fees in the amount of \$251,555.00. The Companies dispute this claim, and expect that final determination of this amount will be addressed following the implementation of the Revised Plan by way of a costs assessment before this Court.
19. The Companies and Spartan, in consultation with the Monitor, have developed the Revised Plan to enable the business of the Companies to continue as a going concern, in the expectation that a greater benefit will be derived from the continued operation of the Companies’ business than would result from the sale or forced liquidation of the Companies’ assets.

STAY EXTENSION

20. Pursuant to the Stay Extension and Late Filed Claims Order the Companies were granted an extension of the Stay Period up to and including July 31, 2021, so as to allow for the implementation of the Late Filed Claims Procedure, implementation of the Creditors’ Meeting Procedure as contemplated by the Creditor’s Meeting Order, and prepare for the Sanction Hearing in order to obtain the Approval Order.

21. The Companies request a further extension of the Stay Period up to and including September 30, 2021. The Companies intend to use the requested extension of the Stay Period to further advance these restructuring proceedings, including but not limited to:
 - (a) continue to operate their business for the benefit of all stakeholders;
 - (b) close the Transaction with Spartan; and
 - (c) implement the Revised Plan, including resolving any outstanding claim(s).
22. The Revised Plan was approved by the requisite majority of Creditors' at the Creditor's Meeting, with over 98% of voting creditors in number and over 99% in voting creditors by value voting in favour of the Revised Plan.
23. The extension of the Stay Period to September 30, 2021 is necessary to allow the parties to execute the Revised Plan. According to the Revised Plan, Spartan shall deliver the Equity Injection Funds to the Monitor within three days of written notice from the Monitor that the Plan Sanction Order has become a Final Order. For the Plan Sanction Order to be a Final Order, the relevant appeal period must have expired.
24. Should the July 26 Application be granted, I am informed by my counsel and believe that the relevant appeal period would expire on August 16, 2021, and that closing would therefore occur no later than August 19, 2021. Distribution of the Distribution Funds to creditors cannot begin until after closing, and must be completed within 30 days of the Plan Implementation Date.
25. The Companies have been and continue to act diligently and in good faith in their efforts to achieve a successful restructuring for the benefit of all stakeholders.

CONCLUSION

26. I swear this Affidavit in support of the Applicant's July 26 Application as set out above, and for no improper or other purpose.

SWORN BEFORE ME at Calgary, Alberta,
this 19th day of July, 2021



Colin LaRoche, Student-at-Law
A Commissioner for Oaths in and for Alberta



RYAN MARTIN

COLIN LAROCHE
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

This is Exhibit "A"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 19th day of July, 2021



A Commissioner for Oaths in and for Alberta

COLIN LAROCHE
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

Calgary Oil and Gas Intercontinental Group Ltd.

13-week Cash Flow Forecast- Consolidated

For the 13-week period ending Oct 10, 2021

("Unaudited")

	Notes	Week Beginning	Week 1 12-Jul Proj.	Week 2 19-Jul Proj.	Week 3 26-Jul Proj.	Week 4 02-Aug Proj.	Week 5 09-Aug Proj.	Week 6 16-Aug Proj.	Week 7 23-Aug Proj.	Week 8 30-Aug Proj.	Week 9 06-Sep Proj.	Week 10 13-Sep Proj.	Week 11 20-Sep Proj.	Week 12 27-Sep Proj.	Week 13 04-Oct Proj.	Total Proj.
Operating Receipts																
Production Revenue	1				\$ 1,471,050				\$ 1,492,050					\$ 1,453,200		\$ 4,416,300
Total Operating Receipts					1,471,050				1,492,050					1,453,200		4,416,300
Operating Disbursements																
Royalty Expense	2				194,039				196,809					191,684		582,531
Production Royalty payment to CC	3				55,900				56,698					55,222		167,819
Operating Expense	4				108,237				81,295					81,295		270,828
Transportation Expense	5				70,000				70,000					70,000		210,000
G&A Contractors	6				55,356				52,890					52,890		161,136
G&A- Head Office Rent	7				9,450				9,450					9,450		28,350
Gas processing fees	8				300,000				300,000					300,000		900,000
GST Remittance					24,376				33,828					29,992		88,195
Professional Fees	9				138,334				200,000					200,000		538,334
Total Operating Disbursements					955,691				1,000,970					990,533		2,947,194
Non-Operating Disbursements																
Finance Leases	10				75,911				75,911					75,911		227,732
Interest Expense	11				243,189				243,189					235,344		721,721
Total Non-Operating Disbursements					319,099				319,099					311,254		949,453
Total Disbursements					1,274,790				1,320,069					1,301,787		3,896,647
Net Change in Cash					196,260				171,981					151,413		519,653
Opening Cash	12		423,900		423,900				620,160					792,141		423,900
Ending Cash					\$ 620,160				\$ 792,141					\$ 943,554		\$ 943,554

Notes: Please refer to attached assumptions and notes

Representations

The hypothetical assumptions are reasonable and consistent with the purpose of the projections described in the attached notes and the probable assumptions are suitably supported and consistent with the plans of the debtor company and provide a reasonable basis for the projections.

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

The projections have been prepared using probable and hypothetical assumptions. Consequently readers are cautioned that it may not be appropriate for other purposes.

Calgary Oil and Gas Intercontinental Group Ltd.

Per: Ryan Martin

**Calgary Oil and Gas Intercontinental Group Ltd. (“COGL”)
Notes to the Consolidated Cash Flow Statement
For the period of July 12 to October 10, 2021**

The primary purpose of this updated cash flow forecast is to support a further extension of the Stay and to show that COGL has sufficient working capital to fund operations in the ordinary course of business (along with the payment of restructuring professional fees). The updated cash flow forecast excludes the Purchase Price Funds payable pursuant to the Spartan Transaction and any distributions to creditors. In the event that the Plan, which contemplates the Spartan Transaction, is approved by the Statutory Majority of creditors and by the Court, the Unaffected / secured creditors will be paid out in full and the Affected / unsecured Creditors will be paid the Distribution Funds (defined in the Definitive Agreement), pursuant to the Plan.

Note 1- Production revenue: relates to revenues associated with the sale of natural gas and natural gas liquids. Sproule engineering reports were used for production estimates and Peter’s & Co. price decks were used for pricing estimates.

Note 2- Royalties: Crown, freehold and GORR royalties are a function of production prices, volumes and mix.

Note 3- Production royalty expense: This relates to a production payment being paid to Crown Capital Partners on production revenue currently averaging about 4% of revenues. This payment is a result of the master loan agreement.

Note 4- Operating expense: Anticipated disbursements consist of vendor payments (and prepayments) for hauling and transportation, parts, consumables (glycol, methanol and lubricants), chemicals, repairs, regulatory costs and licenses, and rentals.

Note 5- Transportation expense: This relates to firm service unabsorbed demand charges on the TC\Nova pipeline system. These costs are based a contractual arrangement with the pipeline company and are the maximum based on current forecasted production levels. A third party marketer is engaged on a best efforts basis to offload firm service commitments, however, recently this has been a challenge to accomplish, causing costs to increase.

Note 6- General & administrative: Consists of fixed rent, contractor fees and accounting system fees.

Note 7- General & administrative (Head Office Rent): Relates to head office rent expenses.

Note 8- Gas processing: Consists of gas processing costs to Keyera via their Strachan gas plant. These costs are set under a master processing agreement and are variable based on throughput plant volumes.

Note 9- Professional fees: Estimated fees of restructuring professionals including those of COGL’s legal counsel, the Monitor and its legal counsel.

Note 10- Finance leases: Relates to rentals on 3 compressor units, 1 gen set unit, 1 4.5mmbtu line heater and 2 separator units. This equipment is required to keep production flowing on a daily basis.

Note 11- Interest expense: Relates to interest payable to Crown Capital Partners on the \$27.2 mil loan agreement. They have a fixed floating charge over all present and after acquired assets of the entity and any subsidiaries of joint venture, providing a first lien on all assets.

Note 12- Opening cash: Opening cash is the cash remaining in the company's bank accounts after all payments up to and including June 30, 2021 are issued and have cleared. Opening cash does not include funds totalling \$866,977 which is held in term deposits as Letters of Credit for Nova and Keyera.