

COURT FILE NUMBER 2101-00814

COURT COURT OF QUEEN'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 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.

DOCUMENT **SIXTH REPORT OF BDO CANADA LIMITED,  
IN ITS CAPACITY AS MONITOR OF CALGARY OIL &  
GAS SYNDICATE GROUP LTD., CALGARY OIL AND  
GAS INTERCONTINENTAL GROUP LTD., CALGARY  
OIL AND SYNDICATE PARTNERS LTD.,  
PETROWORLD ENERGY LTD. and  
T5 SC OIL AND GAS LIMITED PARTNERSHIP**

**SEPTMEBER 14, 2021**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT **MONITOR'S COUNSEL**  
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**SIXTH REPORT OF THE MONITOR  
BDO CANADA LIMITED  
SEPTEMBER 14, 2021**

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## **INTRODUCTION**

1. On February 10 and February 11, 2021 (the “**Initial Application**”) , Calgary Oil & Gas Syndicate Group Ltd. (“**Syndicate Group**”), Calgary Oil & Gas Intercontinental Group Ltd. (“**COGL**”) (in its own capacity and in its capacity as General Partner of T5 SC Oil and Gas Limited Partnership (the “**Limited Partnership**”), Calgary Oil and Syndicate Partners Ltd. (“**COSP**”), and Petroworld Energy Ltd (“**Petroworld**”) (collectively referred to as the “**Applicants**”) made an application to the Court of Queen’s Bench of Alberta (the “**Court**”) for an initial order (the “**Initial Order**”) pursuant to the *Companies Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “**CCAA**”).
2. On February 11, 2021, the Initial Order was granted by the Honourable Mr. Justice D. B. Nixon of the Court providing certain relief to the Applicants as well as the Limited Partnership (collectively referred to as the “**Companies**”), including, but not limited to, an initial stay of proceedings (the “**Stay**”) against the Companies and their assets.
3. The Court appointed BDO Canada Limited as monitor (the “**Monitor**”) of the Companies within the CCAA proceedings (the “**Proceedings**”).
4. The Monitor has prepared and issued a pre-filing report and five other reports (the “**Monitor’s Previous Reports**”) providing its comments with respect to various matters pertaining to the Proceedings and the Companies’ related applications.

5. The purpose of this report (the “**Sixth Report**”) is to provide information to this Honourable Court with respect to:
- a. an update on the activities of the Companies since the Fifth Report;
  - b. an update on the Spartan Transaction (which closed on September 3, 2021) and the status of the Companies’ Plan;
  - c. the Companies’ request for approval of the GP Transaction (defined and discussed herein);
  - d. an update on the Claims Procedure and Late Claims Procedure;
  - e. an update as to the Companies’ financial performance since the Fifth Report;
  - f. the Companies’ updated cash flow forecast, and submission of a revised version from the one filed with the Companies’ application materials;
  - g. the Companies’ request for:
    - i. a further extension of the Stay through to the earlier of: (i) the date of the Termination Certificate; or (ii) October 31, 2021; and
    - ii. the termination of the Proceedings upon service of a certificate (the “**Termination Certificate**”) by the Monitor;
  - h. the Monitor’s application seeking approval of:
    - i. the professional fees of the Monitor and the Monitor’s legal counsel; and
    - ii. the discharge of the Monitor upon filing the Termination Certificate with the Court; and
  - i. the Monitor’s conclusions and recommendations in respect of the above, as applicable.

## **TERMS OF REFERENCE AND DISCLAIMER**

6. In preparing this Sixth Report, the Monitor has been provided with, and has relied upon unaudited financial information, certain books and records of the Companies, financial information prepared by the Companies and discussions with the Companies' management ("**Management**") and the Companies' legal counsel and information provided by Sayer Energy Services Inc. ("**Sayer**") (collectively the "**Information**").
7. The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided as necessary. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such Information in such a manner that would wholly or partially comply with standards as set out in the *Chartered Professional Accountants Canada Handbook* (the "**CPA Handbook**"). Consequently, the Monitor expresses no opinion or other form of assurance in respect of any such Information contained in this Sixth Report.
8. Some of the Information referred to in this Sixth Report consists of forecasts and projections prepared by Management based on its estimates and assumptions. An examination or review of any financial forecast and projections as outlined in the CPA Handbook has not been performed. Readers are cautioned that actual results will vary from projections and such variances could be significant.
9. The terms not otherwise defined herein shall take the meaning ascribed to them in the Monitor's Previous Reports.
10. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

## **RESTRUCTURING ACTIVITIES**

11. Since the date of the Fifth Report, Management has:
  - a. continued to operate and manage the business and operations in the ordinary course;
  - b. continued to conduct the Claims Procedure and Late Claims Procedure, with the assistance of the Monitor, in accordance with the Claims Procedure Order and Late Filed Claims Order, respectively;
  - c. modified the Plan to permit a minor amendment changing the Plan Implementation Date and Plan Termination Date definitions;
  - d. closed the Spartan Transaction and entered into the GP Transaction; and
  - e. prepared the materials in relation to the upcoming application and the relief being sought by the Companies.

## UPDATE ON THE SPARTAN TRANSACTION AND THE PLAN

12. As discussed in detail in the Monitor’s Previous Reports, the Companies and the Limited Partnership entered into an equity transaction between Spartan Delta Corp. (“**Spartan**”), COGL, the Limited Partnership and COSP on April 21, 2021, providing for a cash injection of \$37,500,000 (the “**Purchase Price Funds**”) in exchange for limited partnership units in the Limited Partnership (the “**Spartan Transaction**”).
13. The Spartan Transaction formed the basis of the Companies’ Plan of Compromise or Arrangement dated May 25, 2021, which was subsequently amended on June 28, 2021, to update the definition of “Distribution Funds”, as outlined in the Monitor’s Fifth Report.
14. On August 31, 2021, the Companies, with the consent and assistance of the Monitor, filed a Second Revised Plan of Arrangement and Compromise (the “**Plan**”), further updating the “Plan Implementation Date” and “Plan Termination Date” definitions by changing the referenced date from August 31, 2021 to September 3, 2021, in order to provide additional time to close the Spartan Transaction.
15. In order to account for the delay in closing and the negative impact that this would have had on the Affected Creditors as a result of the per diem interest payable to Crown Capital Partner Funding LP (“**Crown Capital**”) on account of its secured claim, Spartan agreed to remit to the Monitor the per diem interest that accrued during this extension period, which was received by the Monitor on closing.
16. On September 3, 2021, the Spartan Transaction closed and upon full receipt of the Purchase Price Funds by the Monitor (along with the Crown Capital per diem interest referenced above), the Monitor issued the Certificate of the Monitor (re: Plan Implementation) as required pursuant to the Plan, a filed copy which is attached as **Appendix “A”** hereto.

## **GP TRANSACTION**

17. On September 3, 2021, the Companies and Spartan entered into a second transaction in the form of a Share Purchase Agreement (the “**GP Purchase Agreement**”) between Spartan and COSP, whereby Spartan purchased all of the outstanding shares of COGL, the general partner of the Limited Partnership for nominal value (the “**GP Shares**” and the “**GP Transaction**”). A copy of the GP Purchase Agreement is attached as Appendix A1 to Schedule “A” of the Companies’ September 24, 2021 Application.
18. As the Monitor understands, the following key factors led to the GP Transaction:
  - a. on September 1, 2021, counsel for Spartan advised that Spartan required the GP Shares’ transfer to Spartan to enable the Limited Partnership operations to continue without delay;
  - b. COGL held 1% of the partnership interest in the Limited Partnership in the form of a single limited partnership unit. COGL’s sole business operations relate to the operation of the Ferrier assets, which are conducted through the Limited Partnership;
  - c. pursuant to the Spartan Transaction, Spartan received 37,500,000 Class A units of the Limited Partnership, giving Spartan over 99% of the units of the Limited Partnership. As a result, the Spartan Transaction left COGL with only nominal value, controlling a small fraction of the Limited Partnership, and leaving it with no material assets;
  - d. the GP Transaction was designed to allow for the continuation of the operations of the Limited Partnership already purchased by Spartan, and was necessary to give effect to the Spartan Transaction;
  - e. it was the intent of the Spartan Transaction to transfer any residual assets to Spartan; and



- f. in the event the Companies had not entered into the GP Transaction:
  - i. Spartan would have been unable to effectively license wells, capitalize assets or carry on operations without ownership of COGL, the general partner of the Limited Partnership;
  - ii. a significant barrier to closing would have remained unaddressed, jeopardizing both the timing and certainty of closing by the Plan Implementation Date and the Plan Termination Date, as set out in the Plan. Furthermore, Crown Capital per diem interest was accruing at approximately \$10,000 per day; therefore, any delays in completing the GP Transaction and Spartan Transaction would have negatively impacted distributions to the Affected Creditors.

Monitor's Comments

- 19. Section 36(1) of the CCAA provides that a debtor company in respect of which an order has been made under the CCAA may not sell or otherwise dispose of assets outside the ordinary course of business unless authorized by the Court. The CCAA provides that the Court shall take various factors into consideration when determining whether to approve a sale transaction as set out below:
  - a. Section 36(2) of the CCAA provides that secured creditors likely to be affected must be put on notice of the application. Notwithstanding the fact that all secured creditors are unaffected by the Plan, the Monitor understands that these parties were served with notice of the upcoming application to seek approval of the GP Transaction;
  - b. Section 36(3) provides for multiple factors to be considered by the Court for which the Monitor offers the following comments in relation thereto:

- i. while there was no formal sales process leading to the GP Transaction, the Monitor is of the view that a sales process would not have resulted in a better outcome, and rather, likely cost more than any potential benefit and would have jeopardized the Spartan Transaction and therefore the Companies' Plan, negatively impacting the Companies' creditors;
- ii. the Monitor is supportive of the steps taken with respect to the GP Transaction in light of the circumstances;
- iii. the GP Transaction, which was required in order to complete the Spartan Transaction, enabled the business of the Companies, under the control of Spartan, to continue as a going concern, resulting in greater benefit than would result from the sale or forced liquidation of the Companies' assets;
- iv. as the GP Transaction was necessary to complete the Spartan Transaction, which formed the basis of the Companies' Plan, it is believed that creditors would be supportive of the GP Transaction given that secured creditors are unaffected, the requisite number of Affected Creditors voted in favor of the Plan, and the GP Shares are of nominal value;
- v. the Spartan Transaction, along with the GP Transaction, provide for the full payment of Unaffected Claims and a partial payment of Affected Claims, which is believed to be a better result than liquidation of the Companies' assets; and
- vi. the nominal purchase price for the GP Shares is believed to be reasonable and fair, as the Spartan Transaction resulted in COGL having no material assets.

20. Based on the foregoing, the Monitor is supportive of the GP Transaction and respectfully recommends that this Honourable Court approves same.

## **UPDATE ON CLAIMS PROCEDURE AND LATE CLAIMS PROCEDURE**

### Resolution of Crown Capital's Secured Claim

21. The former dispute respecting the quantum of Crown Capital's secured claim, which related to legal fees incurred by Crown Capital, has been resolved. A total of \$29,772,044 was remitted to Crown Capital in respect of its secured claim.

### Unresolved Unsecured / Affected Claims

22. The following Affected Claims remain unresolved as at the date of this Sixth Report:
  - a. Indian Oil and Gas Canada ("IOGC") – as indicated in the Monitor's Previous Reports, IOGC filed an unsecured claim in the amount of \$753,320 which is still under review and the quantum to be accepted (if any) is still unknown as at the date of this Monitor's Sixth Report. The Monitor understands that the claim, or a portion thereof, may be a result of an accounting error in IOGC's royalty system which is being reconciled. It was previously estimated that IOGC's claim would range from \$Nil to \$350,000 and there is no update to this estimate at this time. Based on recent discussions with IOGC however, it is in the process of finalizing certain information to support a revised figure and assist with finalizing the claim amount; and
  - b. Canada Revenue Agency (the "CRA") – the CRA submitted an unsecured claim in the amount of \$527,167 which is subject to change for distribution purposes because CRA's claim will be reduced based on the distributions payable to certain other creditors. The revised quantum of CRA's claim cannot be determined until the resolution of the IOGC claim, which impacts the pro-rata calculation.

### Distributions to Creditors

23. In addition to Crown Capital, there were 9 other secured / Unaffected Claims, some of which relate to valid liens filed against the Companies' gas properties. The Monitor is currently in process of issuing payments to the balance of Unaffected Creditors in conjunction with requesting the discharge of any liens registered against the Companies' properties.
24. As Affected Creditors are to receive a pro-rata distribution of the Distribution Funds pursuant to the Plan, a distribution to Affected Creditors will not and cannot be made until the claims of IOGC and CRA are fully resolved and finalized.

## **FINANCIAL PERFORMANCE**

25. In advance of the Companies application on July 26, 2021, Management prepared an updated 13-week cash flow forecast (the “**July Forecast**”) and accompanying assumptions for the period July 12, 2021 – October 10, 2021, a copy of which was attached as Exhibit “A” to the Affidavit of Ryan Martin, sworn July 19, 2021.
26. A variance analysis of the Companies’ actual receipts and disbursements from July 12, 2021, to August 22, 2021 (the “**Reporting Period**”) versus the corresponding period in the July Forecast is set out in the following table:

<b>July 12, 2021 - August 22, 2021</b>			
	<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>
<b>Receipts</b>			
Production Revenue	1,675,002	1,471,050	203,952
	1,675,002	1,471,050	203,952
<b>Operating Disbursements</b>			
Royalty Expense	(229,158)	(194,039)	(35,119)
Production Royalty payment to CC	(59,415)	(55,900)	(3,515)
Operating Expense	(131,500)	(108,237)	(23,263)
Transportation Expense	(54,789)	(70,000)	15,211
G&A - Contractors	(76,042)	(55,356)	(20,686)
G&A - Head Office Rent	(18,900)	(9,450)	(9,450)
Gas processing fees	(282,466)	(300,000)	17,534
GST Remittance	(31,701)	(24,376)	(7,325)
Professional Fees	(138,334)	(138,334)	-
	(1,022,305)	(955,692)	(66,613)
<b>Non-Operating Disbursements</b>			
Finance Leases	(75,911)	(75,911)	-
Interest Expense	(243,189)	(243,189)	-
	(319,100)	(319,100)	-
Net cash flow	333,597	196,258	137,339
Cash - beginning	423,900	423,900	-
Cash - closing	757,497	620,158	137,339

27. The Companies reported positive cash flow of \$334,000 during the Reporting Period, resulting in a positive variance of approximately \$137,000 in net ending cash at August 22, 2021. Such positive variance is attributed primarily to the following key variances:
- a. Revenues – a positive variance of \$204,000 due to higher than projected natural gas prices; and
  - b. Royalty expense – a negative variance of \$35,000 due to greater than projected production revenues.

## UPDATED CASH FLOW FORECAST

28. The Companies' cash flow forecast attached as Exhibit "A" to the Affidavit of Ryan Martin, sworn September 13, 2021, has been updated to fix a mathematical error and minor edits to the accompanying notes. Therefore, attached as **Appendix "B"** hereto is a copy of a revised version of this cash flow forecast (the "**September Forecast**"), prepared by Management for the period August 23, 2021 to November 15, 2021 (the "**Updated Forecast Period**"). A summary of the September Forecast is as follows:

	<b>August 23 - November 15, 2021</b>
<b>Receipts</b>	
Production Revenue	\$ 5,078,828
	<u>5,078,828</u>
<b>Operating Disbursements</b>	
Royalty Expense	706,948
Operating Expense	226,761
Transportation Expense	175,705
G&A Contractors	155,930
Insurance	25,000
G&A - Head Office Rent	20,104
Gas processing fees	885,144
GST Remittance	143,924
Professional Fees	99,572
	<u>2,439,088</u>
<b>Non-Operating Disbursements</b>	
Finance Leases	227,732
Interest Expense	-
Payment per the Plan	150,000
	<u>377,732</u>
Net cash flow	2,262,008
Cash - beginning	757,497
Cash - closing	<u>\$ 3,019,505</u>

29. The primary purpose of the September Forecast is to support a further extension of the Stay and to illustrate that the Companies have sufficient working capital to fund operations in the ordinary course of business.
30. The Monitor has reviewed the reasonableness of the September Forecast in accordance with section 23(1)(b) of the CCAA, and in addition to the immediately foregoing comments respecting the primary purpose of the September Forecast, the Monitor wishes to highlight the following:
- a. the Companies are projecting positive cash flow over the Updated Forecast Period of approximately \$2.26 million, primarily due to strong natural gas pricing being projected and the cessation of Crown Capital related payments, resulting in anticipated ending cash of approximately \$3.02 million;
  - b. all projected payments relate to post-filing amounts due, and there is nothing out of the ordinary course being projected, with the exception of the item noted immediately below;
  - c. the “payment per the Plan” represents the net working capital at May 31, 2021 payable pursuant to the Plan (in accordance with the “Distribution Funds” definition included therein) less Crown Capital interest / royalties and restructuring professional fees paid directly by the Companies for June and July; and
  - d. based on the September Forecast and accompanying assumptions, the Companies have sufficient working capital to fund operations in the ordinary course over the Updated Forecast Period.
31. Our review consisted of inquiries, analytical procedures and discussions related to information, and assumptions provided to us by Management. Since hypothetical assumptions need not be supported, our analysis thereof was limited to evaluating whether they were consistent with the purpose of the September Forecast. We have also reviewed the support provided by Management for the probable assumptions and the preparation and presentation of the September Forecast.



32. 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 September Forecast;
  - b. as of the date of this Sixth Report, the probable assumptions developed by Management are not suitably supported and consistent with the current plans of the Companies or do not provide a reasonable basis for the September Forecast, given the hypothetical assumptions; or
  - c. the September Forecast does not reflect the probable and hypothetical assumptions.
33. Since the September Forecast is based on assumptions regarding future events, actual results will vary from the information presented, even if the hypothetical assumptions occur, and such variations may be material. Accordingly, we express no assurance or representations as to whether the September Forecast will be met. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Sixth Report. The September Forecast has been prepared solely for the purpose of demonstrating the Companies' ability to fund operations during the Updated Forecast Period and readers are cautioned that it might not be appropriate for other uses.

**EXTENSION OF STAY, TERMINATION OF THE PROCEEDINGS AND DISCHARGE OF THE MONITOR**

34. The Companies are seeking a further extension of the Stay through to the earlier of: (i) the date of the Termination Certificate, or (ii) October 31, 2021.
35. The Monitor is of the view that other the length of the requested Stay is appropriate in the circumstances to allow time to resolve the remaining creditor claims and issue distributions pursuant to the Plan. The Monitor is further of the view that once these items are complete and the Proceedings are terminated, it is appropriate to also discharge the Monitor. Accordingly, the Monitor is seeking approval of this Honourable Court to discharge the Monitor upon the filing of the Termination Certificate with the Court.

**PROFESSIONAL FEES**

36. In contemplation of its pending discharge, the Monitor is seeking approval of its fees and disbursements as well as those of its legal counsel, Cassels Brock & Blackwell LLP (“Cassels”), specifically:
- a. The fees and disbursements of the Monitor invoiced through to August 31, 2021 totalling \$204,376, inclusive of GST. All charges are for time and services provided at standard rates; and
  - b. The fees and disbursements of Cassels invoiced through to August 31, 2021 totalling \$230,905, inclusive of GST. All charges are for time and services provided at standard rates.
37. A summary of the above invoices rendered to date by the Monitor and Cassels invoices is attached hereto as **Appendix “C”**. Further details of the time spent by the Monitor and Cassels will be provided in the Fee Affidavits of Breanne Barker and Danielle Marechal, to be sworn and filed in these Proceedings.

38. The Monitor and Cassels estimate that their unbilled work in process and their fees and disbursements to be incurred through to the conclusion of the Proceedings will be approximately \$75,000 and \$45,000 for the Monitor and Cassels, respectively, both exclusive of GST.
39. The Monitor is of the view that the professional fees of the Monitor and Cassels as outlined herein are appropriate and reasonable in the circumstances, for the reasons that follow, which include but are not limited to:
  - a. the ongoing monitoring of the Companies' business affairs and cash flows;
  - b. the administration of the Claims Procedure and Late Claims Procedure, including reviewing the validity and enforceability of the security of Crown Capital and nine builders' liens / secured claims
  - c. assisting with the development and implementation of the Plan (including the amendments thereto);
  - d. dealing with the Spartan Transaction and GP Transaction; and
  - e. preparing for numerous Court applications and the overall length of time of the Proceedings.

## **CONCLUSIONS AND RECOMMENDATIONS**

40. The Monitor is satisfied that Management continues to act in good faith and with due diligence in its efforts to advance the Proceedings.
41. For the reasons set out in this Sixth Report, the Monitor is supportive of and / or recommends:
  - a. the approval of the GP Transaction;
  - b. an extension of the Stay as outlined herein;
  - c. the termination of the Proceedings upon the filing of the Termination Certificate;
  - d. the approval of the professional fees of the Monitor and Cassels; and
  - e. the discharge of the Monitor upon the filing of the Termination Certificate.

All of which is respectfully submitted this 14<sup>th</sup> day of September, 2021.

BDO Canada Limited, in its capacity as  
the Monitor of Calgary Oil & Gas Syndicate Group Ltd., Calgary Oil & Gas  
Intercontinental Group Ltd., Calgary Oil and Syndicate Partners Ltd., Petroworld Energy  
Ltd. and T5 SC Oil and Gas Limited Partnership  
and not in its personal or corporate capacity



Per: Breanne Barker  
Vice President

# APPENDIX “A”

**ENTERED**

901546

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.**

DOCUMENT **MONITOR'S PLAN IMPLEMENTATION DATE CERTIFICATE**  
**CERTIFICATE OF THE MONITOR**  
**(Plan Implementation)**

All capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Plan of Compromise and Arrangement of the 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), T5 SC Oil and Gas Limited Partnership, Calgary Oil and Syndicate Partners Ltd. and Petroworld Energy Ltd. (collectively, the "**Debtors**") pursuant to the Companies' Creditors Arrangement Act, RSC 1985, c. C-36, as amended, dated June 28, 2021 (as may be amended, restated, supplemented and/or modified in accordance with its terms, the "**Plan**").

Pursuant to Article 6 of the Plan, BDO Canada Limited (the "**Monitor**"), in its capacity as Court-appointed Monitor of the Debtors, delivers this certificate to the Debtors and hereby certifies that all of the conditions precedent to implementation of the Plan as set out in Article 6 of the Plan have been satisfied or waived. Pursuant to the Plan, the Plan Implementation Date has occurred on this day. This Certificate will be filed with the Court and posted on the Monitor's Website.

DATED at the City of Calgary, in the Province of Alberta, this 3rd day of Sept., 2021.

**BDO CANADA LIMITED**

Per:   
Name: Marc Kelly  
Title Senior Vice President

## APPENDIX “B”

**Calgary Oil and Gas Intercontinental Group Ltd.**

13-week Cash Flow Forecast- Consolidated  
For the 13-week period ending Nov. 15, 2021  
(Unaudited)

Notes	Week Ending	Week 1 23-Aug Proj.	Week 2 30-Aug Proj.	Week 3 06-Sep Proj.	Week 4 13-Sep Proj.	Week 5 20-Sep Proj.	Week 6 27-Sep Proj.	Week 7 04-Oct Proj.	Week 8 11-Oct Proj.	Week 9 18-Oct Proj.	Week 10 25-Oct Proj.	Week 11 01-Nov Proj.	Week 12 08-Nov Proj.	Week 13 15-Nov Proj.	Total Proj.
		\$ 1,944,660	\$ 1,944,660	\$ 1,583,933	\$ 1,583,933	\$ 1,550,236	\$ 1,550,236	\$ 1,550,236	\$ 1,550,236	\$ 1,550,236	\$ 1,550,236	\$ 1,550,236	\$ 1,550,236	\$ 1,550,236	\$ 5,078,828
<b>Operating Receipts</b>															
Production Revenue	1														
<b>Total Operating Receipts</b>															\$ 5,078,828
<b>Operating Disbursements</b>															
Royalty Expense	2	293,536					208,928				204,483				708,948
Production Royalty payment to CC	3														
Operating Expense	4	68,165					81,295				77,300				226,761
Transportation Expense	5	55,705					60,000				60,000				175,705
CSA Contractors	6	50,100					52,890				52,890				155,880
Insurance	7	23,000													23,000
CSA- Head Office Rent	8	204					9,450				9,450				20,104
CSA processing fees	8	285,344					300,000				300,000				885,344
CSA Rentance	8	60,244					40,142				38,537				148,924
Other Disbursements	9	99,572													99,572
<b>Total Operating Disbursements</b>		943,721					752,706				742,661				2,439,087
<b>Non-Operating Disbursements</b>															
Financial Leases	10	75,911					75,911				75,911				227,732
Interest Expense	11														
Payment for the Plan	12						150,000								150,000
<b>Total Non-Operating Disbursements</b>		75,911					225,911				75,911				377,732
<b>Total Disbursements</b>		1,019,632					978,616				818,571				2,816,819
<b>Net Change in Cash</b>		925,029					605,316				731,664				2,262,009
<b>Opening Cash</b>		757,497					1,682,526				2,287,842				757,497
<b>Ending Cash</b>		<b>1,682,526</b>					<b>2,287,842</b>				<b>3,019,506</b>				<b>3,019,506</b>

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 August 23, 2021 to November 15, 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. The updated cash flow forecast excludes the Purchase Price Funds payable pursuant to the Spartan Transaction and any contemplated distributions to creditors.**

**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, along with an estimated adjustment to August/September revenues to account for a material improvement in natural gas prices.

**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. No further amounts are projected due to anticipated payout from the Purchase Price Funds.

**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:** With the exception of August which includes actual restructuring professional fees paid, it is expected that any further restructuring professional fees will be paid from the Purchase Price Funds.

**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. It is projected that any additional interest owing will be paid out as part their secured claim and from the Purchase Price Funds.

**Note 12- Payment per the Plan:** This represents the estimate of additional working capital at May 31, 2021 that is to be paid pursuant to the Plan, which has been reduced for restructuring professional fees and Crown interest/royalties paid by COGL directly during and related to June/July.

**Note 13- Opening cash:** Opening cash is the cash remaining in the company's bank accounts after all payments up to and including August 23, 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.

## APPENDIX “C”

**Calgary Oil & Gas Syndicate, et al**  
**Summary of Professional Fees and Disbursements**

<u>Invoice Number</u>	<u>Invoice Date</u>		<u>Amount</u>		<u>GST</u>		<u>Total</u>
<b><u>Monitor's Fees and Disbursements (BDO)</u></b>							
CINV1012345	10-Mar-21	\$	38,085.60	\$	1,904.28	\$	39,989.88
CINV1039398	1-Apr-21		6,874.88		343.74		7,218.62
CINV1115800	3-May-21		34,784.93		1,739.25		36,524.18
CINV1221448	9-Jun-21		34,321.88		1,716.09		36,037.97
CINV1281045	13-Jul-21		42,435.75		2,121.79		44,557.54
CINV1328821	11-Aug-21		25,918.46		1,295.92		27,214.38
CINV1372105	10-Sep-21		12,222.53		611.13		12,833.65
		<b>\$</b>	<b>194,644.03</b>	<b>\$</b>	<b>9,732.20</b>	<b>\$</b>	<b>204,376.23</b>
<b><u>Legal Fees and Disbursements (Cassels)</u></b>							
2132468	9-Mar-21	\$	16,272.22	\$	809.71	\$	17,081.93
2134628	7-Apr-21		17,009.57		846.18		17,855.75
2137429	11-May-21		50,953.18		2,532.28		53,485.46
2139721	9-Jun-21		93,620.45		4,618.67		98,239.12
2141923	6-Jul-21		23,168.50		1,156.03		24,324.53
2144430	9-Aug-21		9,736.45		484.17		10,220.62
2146846	10-Sep-21		9,235.50		461.78		9,697.28
		<b>\$</b>	<b>219,995.87</b>	<b>\$</b>	<b>10,908.82</b>	<b>\$</b>	<b>230,904.69</b>