

Clerk's Stamp:

COURT FILE NUMBER 24-3260771

24-3280927

COURT COURT OF KING'S BENCH OF ALBERTA IN
BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE EDMONTON

IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS
AMENDED

AND IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF FORDEN
ENERGY INC.

AND IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF 2150865
ALBERTA LTD.

DOCUMENT **NOTICE OF APPLICATION**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY FILING
THIS DOCUMENT

DLA Piper (Canada) LLP
2700, 10220-103 Ave NW
Edmonton, AB T5J 0K4
**Attention: Jerriitt R. Pawlyk / Anthony Mersich /
Isaac P. Belland**
Phone: 780.429.6835
Email: jerriitt.pawlyk@ca.dlapiper.com /
anthony.mersich@ca.dlapiper.com /
isaac.belland@ca.dlapiper.com
File No.118995.00001

NOTICE TO RESPONDENT

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

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

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

Date	October 28, 2025
Time	2:00 P.M.
Where	https://albertacourts.webex.com/meet/virtual.courtroom86
Before Whom	L. K. Harris

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, Forden Energy Inc. ("**Forden**") and 2150865 Alberta Ltd. ("**215**"), seek an order, substantially in the form of the draft SISP Order to be provided in advance of the hearing (the "**SISP Order**"), providing for the following relief:
 - (a) abridging the time for service of this Application, if necessary, and declaring that service of the Application is good and sufficient and has been effected in accordance with paragraphs 2 and 3 of the Order re Extension of Time to File a Proposal and Administrative Charge, pronounced by the Honourable Justice Burns on September 11, 2025 (the "**First Extension Order**");
 - (b) approving the sale by 215 and the purchase by Forden of 1% of the working interests held by 215 for fair market value consideration determined by independent valuation (the "**Inter-Company Sale**"), with the Working Interests to vest in Forden immediately upon granting of the Order;
 - (c) providing for the joint administration of the NOI proceedings of Forden and 215, for administrative purposes;
 - (d) extending the stay of proceedings for Forden and 215 to and including December 15, 2025;
 - (e) approving the engagement of Sayer Energy Advisors ("**Sayer**") as sales agent for the Applicants pursuant to an engagement agreement (the "**Sayer EA**");
 - (f) approving a sale and investment solicitation process (the "**SISP**") for the purpose of soliciting proposals to purchase or invest in some or all of the assets of the Applicants (the "**Assets**");
 - (g) authorizing the Proposal Trustee, G. Chan & Associates Inc. (the "**Proposal Trustee**"), to perform its obligations and functions as set out in the SISP;
 - (h) sealing confidential materials filed in support of this Application, including the Sayer EA;
 - (i) extending the application of the Administration Charge (as defined in the First Extension Order) to the property, assets, and undertakings of 215, on the same terms and with the same priority as granted in the First Extension Order;
 - (j) granting a charge (the "**Sayer's Charge**") against the Assets as security for the payment of the success fee payable to Sayer under the Sayer EA, which Sayer's Charge shall:
 - (i) be subordinate only to the Administration Charge;
 - (ii) secure only against those Assets that are sold pursuant to a court-approved transaction; and
 - (iii) explicitly not attach to certain excluded assets, including cash balances and proceeds from avoidance actions; and
 - (k) such further and other relief as this Honourable Court deems just.

Grounds for making this application:

2. On August 17, 2025, Forden filed a Notice of Intention to Make a Proposal ("**NOI**"). On October 1, 2025, to facilitate a unified sale process, 215 filed its own NOI.

INTER-COMPANY SALE

3. The key operational assets of the Applicants' business are split between the two entities, such that Forden holds the licenses from the Alberta Energy Regulator, while 215 holds the corresponding working interests.
4. Pursuant to section 16(1) of the *Oil and Gas Conservation Act*, the holder of a well licence must also be a working interest participant in the well. The current asset split places Forden in non-compliance with its statutory obligations, creating a material risk that the AER could suspend or take other regulatory action against the very licences that form the core value of the estates, which would be catastrophically prejudicial to all stakeholders.
5. To remedy this non-compliance, the Companies propose that 215 transfer 1% of the working interests to Forden for nominal consideration. This transfer:
 - (a) brings Forden into compliance with section 16(1) of the Oil and Gas Conservation Act by ensuring the licensee holds a working interest in the wells;
 - (b) eliminates the risk of regulatory enforcement action during the SISP period; and
 - (c) enables both Companies to participate as co-vendors in a unified SISP.
6. Following the Inter-Company Sale, both Forden (holding licenses and 1% working interests) and 215 (holding 99% working interests) will participate as vendors in the SISP, with potential purchasers acquiring the complete package from both entities in a single integrated transaction. The allocation of SISP proceeds as between Forden and 215 will be determined by the Court in the Sale Approval and Vesting Order based on the specific terms of the Successful Bid and with input from the Proposal Trustee.
7. The consideration for the Inter-Company Sale will be paid from SISP proceeds rather than immediately because:
 - (a) neither Forden nor 215 has sufficient cash on hand to facilitate immediate payment;
 - (b) the deferred payment structure does not prejudice 215, as the consideration will be paid with priority from SISP proceeds ahead of the allocation of remaining proceeds between the Companies;
 - (c) the payment is contingent on a successful SISP, avoiding the creation of inter-company claims if no transaction is completed; and
 - (d) this structure preserves liquidity during the restructuring process.

ADMINISTRATIVE CONSOLIDATION

8. Following the Inter-Company Sale, this Application seeks the administrative consolidation of the two NOI proceedings to allow for a single, Court-supervised SISP.
9. Administrative consolidation is appropriate in the circumstances as:
 - (a) the Debtors are related entities under common ownership and control, with Nigel Woollam serving as director of both companies;
 - (b) the operational assets of the Debtors are interdependent and must be marketed and sold together to maximize value for stakeholders;

- (c) consolidation will promote efficiency and reduce professional costs by avoiding duplication of court applications, reporting, and administrative processes;
- (d) the creditor constituencies of both Debtors have substantially overlapping interests in maximizing the value of the combined asset base through the SISP;
- (e) consolidation will provide clarity and transparency to potential purchasers by presenting a unified marketing process and single point of contact;
- (f) no creditor of either Debtor will be prejudiced by consolidation, as each estate will maintain its own separate creditor pool and any proceeds from the SISP will be allocated appropriately between the estates; and
- (g) the Proposal Trustee supports administrative consolidation and is prepared to administer both estates on a consolidated basis.

SISP APPROVAL

- 10. Pursuant to section 65.13 of the BIA, the approval of both the Inter-Company Sale and the SISP is appropriate. The process leading to each transaction has been reasonable in the circumstances; the Proposal Trustee has approved both transactions; the Proposal Trustee has opined that the proposed structure (Inter-Company Sale followed by SISP) is more beneficial to creditors than bankruptcy; creditors have been served with notice of this Application; the transactions will have positive effects on creditors by maximizing value; and the consideration is fair and reasonable as it will be determined based on market-tested results.
- 11. The approval of the SISP and the engagement of Sayer is necessary to conduct a broad and transparent marketing process designed to surface the highest and best offer for the Assets, the proceeds of which will be used to fund a proposal to the creditors of both Applicants.

PRIORITY CHARGES

- 12. Pursuant to section 64.2 of the BIA, the requested priority charges are necessary for the preservation and realization of the value of the Applicants' estates. Extending the Administration Charge is a logical consequence of the consolidation, and the Sayer's Charge is essential to secure the services of the Sales Agent to conduct the SISP. The terms of the Sayer's Charge are reasonable, as it is limited in priority and scope, and carves out other recoveries for the benefit of the general creditors.

SEALING

- 13. A sealing order is necessary to prevent a serious risk of harm to the commercially sensitive financial information contained in the Sayer EA. The salutary effects of sealing this information to facilitate a value-maximizing SISP outweigh any deleterious effects on the open court principle, and the proposed order provides a mechanism for interested parties to seek to vary its terms.

STAY OF PROCEEDINGS

- 14. Pursuant to section 50.4(9) of the BIA, an extension of the stay of proceedings is warranted as the Applicants have acted, and are acting, in good faith and with due diligence; they are likely to make a viable proposal if the extension is granted by allowing the SISP to proceed; and no creditor would be materially prejudiced by the extension.
- 15. An extension of the stay of proceedings for both Applicants is required to provide sufficient time to properly market the Assets under the SISP.

GENERAL

16. The relief sought is necessary and appropriate to facilitate a successful restructuring that is in the best interests of the Applicants and their stakeholders.

Material or evidence to be relied on:

17. The Second Affidavit of Nigel Woollam, to be filed.
18. The Second Report of the Proposal Trustee, to be filed.
19. The pleadings and proceedings herein.
20. Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable rules:

21. Part 9, Division 5; Rules 6.9(1) (b) and Rule 13.5(2) (3) of the *Alberta Rules of the Court*.

Applicable Acts and regulations:

22. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.
23. *Oil and Gas Conservation Act*, RSA 2000, c O-6.

Any irregularity complained of or objection relied on:

24. None.

How the application is proposed to be heard or considered:

25. Applications Judge Chambers (via Webex).

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) 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 rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.