

COURT/ESTATE FILE NUMBER 24-3260771, 24-3280927

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

JUDICIAL CENTRE EDMONTON

FILING PARTY G. CHAN & ASSOCIATES INC.

DOCUMENT THIRD REPORT OF THE PROPOSAL TRUSTEE

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

AND IN THE MATTER OF THE NOTICES OF
INTENTION TO MAKE A PROPOSAL OF

FORDEN ENERGY INC.,
2150865 ALBERTA LTD.

DATED DECEMBER 9, 2025

**ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT**

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Introduction

1. Forden Energy Inc. ("**Forden**") filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to s. 50.4 of the *Bankruptcy and Insolvency Act* ("**BIA**") on August 17, 2025 ("**Forden NOI Date**"), and G. Chan & Associates Inc. was appointed as Proposal Trustee ("**Proposal Trustee**").
2. On September 11, 2025, the Court made an Order ("**First Extension Order**") granting the following relief:
 - a. an extension of time for Forden to file a proposal and an extension of the stay of proceedings by 45 days to October 31, 2025 (the "**First Extension**"); and
 - b. a first-priority security interest or charge in the amount of \$150,000 over all the real and personal property of Forden ("**Administration Charge**") to secure the fees and disbursements of DLA Piper (Canada) LLP, legal counsel to Forden ("**Debtor Counsel**"), the Proposal Trustee, and legal counsel to the Proposal Trustee, Ogilvie LLP ("**Proposal Trustee Counsel**").
3. Forden is licensed by the AER to operate oil and gas assets in which 2150865 Alberta Ltd. ("**215**"), a corporation related to Forden, holds working interests. Although 215 was insolvent, 215 did not initiate insolvency proceedings at the same time as Forden. Subsequent to the granting of the First Extension Order, Forden and 215 (collectively, the "**Debtors**" or the "**Companies**") determined that unified insolvency proceedings would be appropriate, as a disjointed approach would not yield a desirable result given the intertwinement of the Debtors' assets.
4. Accordingly, 215 filed a NOI on October 1, 2025, ("**215 NOI Date**") and G. Chan & Associates Inc. was appointed as Proposal Trustee.
5. On October 29, 2025, the Companies applied to the Court and obtained an Order ("**Second Extension and SISP Order**") granting the following relief, inter alia:
 - a. administratively consolidating the Notice of Intention to Make a Proposal proceedings of Forden and 215 ("**Administrative Consolidation**");
 - b. extending the time for the Debtors to file a proposal and extending the stay of proceedings to December 15, 2025 (the "**Second Extension**");
 - c. approving a sale and investment solicitation process ("**SISP**") for the purpose of soliciting proposals to purchase or invest in some or all of the assets of the Debtors;
 - d. approving the engagement of Sayer as Sales Agent to market the SISP;

- e. authorizing the Proposal Trustee to perform certain obligations and functions in administering the SISP;
 - f. extending the Administration Charge to the assets, property, and undertakings of 215, on the same terms and with the same priority as granted in the First Extension Order (**“Administration Charge Extension”**); and
 - g. granting a priority charge (**“Sayer Charge”**) in favour of Sayer as Sales Agent.
6. The Companies had also applied to the Court on October 29, 2025, for approval of the proposed Inter-Company Sale to sell and transfer 1% of the working interests held by 215 to Forden (**“Inter-Company Sale Approval Application”**). However, for the reasons set out in the Third Woollam Affidavit dated October 28, 2025 (the **“Third Woollam Affidavit”**), the Inter-Company Sale Approval Application was adjourned for the Companies to complete further diligence to confirm the working interest holdings between the Companies.
7. The Proposal Trustee is in receipt of materials from the Debtors for a Court application returnable on December 12, 2025, (**“Third Extension and Inter-Company Sale Approval Application”**) seeking an Order of the Court for the following relief, inter alia:
- a. extending the time for the Debtors to file a proposal and extending the stay of proceedings to January 29, 2026 (the **“Third Extension”**); and
 - b. approving the Inter-Company Sale for total aggregate consideration of \$14.00, pursuant to the terms of an omnibus assignment agreement (the **“Omnibus Assignment Agreement”**).
8. The purpose of this third report of the Proposal Trustee (the **“Third Report”**) is to:
- a. update the Court on the Proposal Trustee’s activities since the Second Report;
 - b. provide the Court with information regarding the Debtors’ restructuring efforts since the Second Report;
 - c. provide the Court with an update on the Proposal Trustee’s monitoring of the Debtors’ cash-flow to date; and

- d. provide the Court with the Proposal Trustee's views on the relief sought by the Debtors in their Third Extension and Inter-Company Sale Approval Application.

Notice to reader

9. In preparing this report, the Proposal Trustee has relied on unaudited financial information, the books and records of the Debtors, and discussions with the Debtors' management ("**Management**"), interested parties, and stakeholders. The Proposal Trustee has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook. The Proposal Trustee expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report or relied upon by the Proposal Trustee in preparing this report.
10. Certain of the information referred to herein consists of financial forecasts and/or projections. The financial forecasts included in the report are the responsibility of Management. Management's responsibility extends beyond ensuring that the individual assumptions used to prepare the financial forecasts are appropriate in the circumstances and to ensure that assumptions as a whole are appropriate. While the Proposal Trustee has reviewed the information, the Proposal Trustee has not performed an audit or other verification of such information. The Proposal Trustee expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in the financial forecasts or relied upon by it in reporting on the financial forecasts. Future-oriented financial information included in this report is based upon Management's assumptions regarding future events. Actual results achieved may vary and these variations may be material.
11. The Proposal Trustee assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of this report. Any use which any party makes of this report, or any reliance or decision to be made based on this report, is the sole responsibility of such party.
12. All amounts included herein are in Canadian dollars unless otherwise stated.
13. All defined terms not otherwise defined in this report have the meanings given to them in the First Report and Second Report of the Proposal Trustee.

Proposal Trustee's activities

14. Since the Second Report, the Proposal Trustee has attended to the following:
 - a. answered inquiries from Forden's creditors and the AER;
 - b. participated in the administration of the SISP with the Sales Agent;
 - c. participated in negotiations to finalize the Save X Settlement;
 - d. held discussions with Green Dawg regarding the Green Dawg Transaction;
 - e. continued to carry out its monitoring duties;
 - f. reviewed the Third Extension Application materials;
 - g. posted materials filed in these proceedings to its website; and
 - h. prepared this Third Report.

Debtors' restructuring efforts

15. The Debtors' efforts since the Second Report primarily comprise the following activities:
 - a. participated in a meeting with the AER to discuss regulatory matters and cooperated with the AER's inspections and inquiries;
 - b. furnished the Sales Agent with information to prepare marketing materials and populate a virtual data room to commence the SISP;
 - c. generally addressed due diligence queries passed on by the Sales Agent from prospective buyers;
 - d. completed the Save X Settlement;
 - e. performed further diligence on the Companies' working interest holdings;
 - f. obtained the Independent Valuation from Sayer for 215's working interests and developed the proposed Inter-Company Sale to resolve the regulatory non-compliance under the OGA, for which the Court's approval is being sought in the Inter-Company Sale Approval Application; and

- g. restarted a previously suspended facility and injection well under the Green Dawg Operating Agreement to increase cash-flow.

The foregoing efforts are discussed further below and in the fourth and fifth affidavits of Nigel Woollam (“**Fourth Woollam Affidavit**” and “**Fifth Woollam Affidavit**”) filed in these proceedings.

SISP update

- 23. The Sales Agent was authorized by the Second Extension and SISP Order to commence marketing efforts under the SISP on October 28, 2025. At the time, it was anticipated that the non-binding LOI Deadline would be on November 25, 2025, and a binding bid deadline would be on December 9, 2025, or such other dates as determined by the Sales Agent in consultation with the Proposal Trustee.
- 24. Commencement of the SISP was delayed due to further diligence and queries by the Sales Agent to address information gaps in the Companies’ land system. Such information was required by the Sales Agent to compile marketing information. On November 17, 2025, a teaser (“**Teaser**”) was distributed by the Sales Agent to an extensive database of buyers to formally commence the SISP. The Teaser is attached hereto and marked as Appendix “A”.
- 25. As a result of the delayed start to the SISP, the Sales Agent extended the non-binding LOI Deadline to December 18, 2025, at noon, and a binding bid deadline to January 22, 2026, to accommodate the holiday period and allow buyers to properly evaluate the opportunity and submit bids. These dates supersede the initial SISP timetable reflected in the Companies’ earlier filing and reflect the Sales Agent’s adjustments made following the delayed launch, in consultation with the Proposal Trustee.
- 26. The Sales Agent has provided weekly updates and a number of parties have executed confidentiality agreements, accessed the virtual data room, and made due diligence inquiries indicating some market interest for the Companies’ assets.

Regulatory matters

- 27. On October 22, 2025, the AER issued a notice of non-compliance to Forden regarding the working interest holding structure. These concerns were raised in the Second Woollam Affidavit and Third Woollam Affidavit and are anticipated to be addressed by the Inter-Company Sale.

28. The Companies have endeavoured to review their records and update the working interests held by Forden and 215 since the Second Report and it appears the degree of non-compliance is less than initially anticipated. However, the Inter-Company Sale will still be required to bring the working interest holdings into regulatory compliance.
29. On October 30, 2025, the AER made the decision to change Forden's general eligibility status to limited eligibility status. The AER is of the view that Forden poses an unreasonable risk and restricted eligibility pursuant to s. 1.300 of the *Oil and Gas Conservation Rules* and s.6 of AER Directive 067.
30. The AER cited Forden's insolvency proceedings and compliance history as being factors which led to their decision. The limiting of Forden's eligibility has the effect of:
 - a. prohibiting Forden from acquiring any new and/or additional licenses or approvals beyond its current inventory; and
 - b. placing additional scrutiny to any transfer application for licenses moving to or from Forden.
31. Notwithstanding Forden's eligibility limitation, the AER advised that an exemption to the limited eligibility restrictions will apply for activities required by Forden in an emergency response situation, or as deemed necessary by the AER.
32. The Proposal Trustee's understanding is that Forden and 215 have no intention of adding to current inventory. The eligibility change's primary effect would be on transfer applications for licences potentially moving from Forden to a buyer under the SISP, which will now undergo additional scrutiny from the AER.

Green Dawg Transaction

33. On November 7, 2025, the AER denied the licence transfer applications from Forden to Green Dawg for the licences connected with the Transferred Wells that were sold in the Green Dawg Transaction.
34. The AER's correspondence indicated that the AER was unable to complete a fulsome review of the applications until the Proposal Trustee's review of the Green Dawg Transaction is concluded.
35. As a result of the non-transfer of licences, Forden remains the licensee of record although Green Dawg continues to operate the assets.

36. The Proposal Trustee has held discussions with Green Dawg who has indicated that it is interested in cooperating with the Proposal Trustee's review and potentially reapplying for the license transfer if a satisfactory arrangement can be reached. Green Dawg has also advised that it wishes to put back some of the assets to Forden that have not performed according to its expectations.
37. As a preliminary step, Green Dawg and the Proposal Trustee have discussed obtaining a valuation of the Transferred Wells to determine if any transfer at under value occurred and, if so, how a potential arrangement agreeable to Forden, Green Dawg, and the Proposal Trustee might be reached.

Restart under Green Dawg Operating Agreement

38. Forden has advised the Proposal Trustee that the Green Dawg Operating Agreement was entered into between Forden and Green Dawg to restart and operate a facility known as 3-7-43-27-W4 battery and an injection well at 4-11-43-28-W4 ("3-7"), which were previously shut-in by Forden.
39. As discussed in the Second Report, the Green Dawg Operating Agreement was structured by Forden in a manner to provide a source of cash-flow to Forden while placing the primary operating responsibilities upon Green Dawg.
40. Forden has advised the Proposal Trustee that approximately 4,500 cubic metres of water was disposed under the Green Dawg Operating Agreement for the month of November, which should yield revenue to Forden of approximately \$5,850 to be received in December.
41. Green Dawg has further advised the Proposal Trustee that 3-7 will be shut-in for the month of December and restarted in early January 2026 as Green Dawg needs to source and install a larger pump to improve performance and increase volumes at 3-7.

Cash-Flow and monitoring

Monitoring

42. The Proposal Trustee has completed a variance analysis comparing actual cash-flow to projected cash-flow of Forden for October 19, 2025, to December 6, 2025 ("**Second Variance Analysis**").

43. The Second Variance Analysis is attached hereto and marked as Appendix "B", and the key findings are summarized below:
- a. There was a net cash outflow of \$31,450 during the seven weeks and an ending cash balance of \$8,498 on December 6, 2025.
 - b. Receipts were \$35,733 lower than anticipated for the following reasons:
 - i. revenues were lower by \$9,787 due to both a timing variance and higher than anticipated costs by the well operator, Gran Tierra;
 - ii. wage and contract expense recovery from Green Dawg was \$11,695 lower than anticipated due to a time lag on payroll costs that was not accounted for in the cash-flow projections; and
 - iii. a \$15,000 shareholder loan remains outstanding.
 - c. Disbursements were \$6,383 less than projected primarily due to a timing variance for utility bills for which Forden has not yet received invoicing. This was partially offset by higher wage expense from Forden's land manager remaining on payroll to assist with the Companies' working interests and SISP.
44. As Forden's cash balance continues to deplete, it plans to address its ongoing cash needs as follows:
- a. the primary usage of cash is payroll, which is almost entirely paid for by Green Dawg, and can be addressed by Green Dawg paying the required amount in advance.
 - b. termination of one employee who is not contracted out to Green Dawg; and
 - c. repayment of the \$15,000 shareholder loan.
45. The Proposal Trustee has inquired with Mr. Woollam regarding the timing of the repayment of the loan and Mr. Woollam has advised that he is awaiting payment of receivables due to him before he anticipates being able to repay it in January 2026.
46. The Proposal Trustee remains concerned with the Companies' financial management, but notes that the cash balance is at a level such that the main consideration is the ability to pay minimum ongoing expenses to support the SISP and proposal rather than creditor recovery from revenues as a going concern.

47. As of the date of this report, the Proposal Trustee is of the view that no material adverse change has yet occurred. However, Forden's ability to sustain essential operations in support of the SISP remains highly contingent on the timely repayment of the shareholder loan. Non-repayment on the timeline communicated would, in the Proposal Trustee's view, constitute a material adverse change.
48. The Proposal Trustee will continue to monitor cash-flow closely against the variance analysis and, if a material adverse change occurs, will promptly so report to the Court and stakeholders.

Third Extension and Inter-Company Sale Approval Application

Approval of Inter-Company Sale

49. Further to the Third Woollam Affidavit, the Inter-Company Sale Approval Application was adjourned from October 29, 2025, to allow the Companies to perform additional diligence on their working interest holdings to confirm which working interests should be captured by the proposed Inter-Company Sale.
50. As a result of that diligence, 14 working interests ("**215 WI's**") were identified to be held by 215, without a corresponding holding by Forden. The 215 WI's are set out in Schedules A-1 and A-2 appended to the Omnibus Assignment Agreement and form of Order approving the Inter-Company Sale, which are collectively attached hereto and marked as **Appendix "C"**.
51. There remains some uncertainty as to the exact interest 215 has in three out of the fourteen 215 WI's ("**Unconfirmed WI's**"):
 - a. 5-11-62-21W5 ("**5-11**");
 - b. 16-11-62-22W5 ("**16-11**"); and
 - c. 14-11-062-22W5 ("**14-11**").
52. Specifically, there is uncertainty if 215 holds 75% or 94% in 5-11 and if 215 holds 10% or 100% of mineral and contract files in 16-11 and 14-11. Forden attributes this uncertainty to data gaps in its land system that would be difficult to resolve prior to the SISP closing.

53. In the context of the Inter-Company Sale, the uncertainty appears to be immaterial. 215 appears to hold the working interests in a sufficient quantum and has the capacity to sell and transfer a nominal 1% in them to Forden. In the event a transaction from the SISP includes the 215 WI's, it is anticipated that the buyer's due diligence will require further confirmation of these assets.
54. Given the nominal 1% transfer and the expectation that any SISP purchaser will due-diligence these interests further if they form part of a bid, the current uncertainty does not affect the appropriateness of approving the Inter-Company Sale.
55. As discussed in the Fifth Woollam Affidavit, Forden has now obtained the Independent Valuation, which indicates that the 1% Working Interest Value is nominal and supports the nominal Inter-Company Consideration of \$14 in the Omnibus Assignment Agreement.
56. The Independent Valuation is proposed to be filed under seal in the Confidential Supplement to the Fifth Woollam Affidavit and contains the analysis supporting the nominal consideration and its sealing is consistent with preserving the integrity of the SISP
57. As discussed in the Second Report, the Companies had initially structured the Inter-Company Sale to include certain Proposed Inter-Company Priorities. The Proposal Trustee had concerns regarding the potential reordering and omission of certain priorities.
58. The Omnibus Assignment Agreement and proposed form of Order filed by the Companies in support of the Inter-Company Sale Approval Application appear to have addressed the Proposal Trustee's concerns and preserves priorities at law, while maintaining recourse for 215's creditors through a deferred and contingent payment structure that will reflect the market-driven outcome of the SISP.
59. The Proposal Trustee is supportive of the Inter-Company Sale as the transaction
 - a. facilitates the correction of Forden's regulatory non-compliance;
 - b. potentially enhances saleability for both Companies' assets; and
 - c. preserves all existing encumbrances, liens, and security interests to avoid prejudice to 215's creditors.

60. The factors to be considered by the Court in granting authorization for non-ordinary course sales pursuant to s. 65.13 of the BIA are set out below.
- a. whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
 - b. whether the trustee approved the process leading to the proposed sale or disposition;
 - c. whether the trustee filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
 - d. the extent to which the creditors were consulted;
 - e. the effects of the proposed sale or disposition on the creditors and other interested parties;
 - f. whether the consideration to be received for the assets is reasonable and fair, taking into account their market value; and
 - g. That the insolvent person can and will make payments on wage claims that would have been required under paragraphs 60(1.3)(a) and (1.5)(a) of the BIA.
61. The Proposal Trustee submits that
- a. the process leading up to the proposed sale was driven by regulatory compliance and is therefore reasonable and obligatory;
 - b. the AER has directed Forden to correct its non-compliance and the Inter-Company Sale is the only way to do so;
 - c. the sale would be more beneficial than under a bankruptcy as it preserves Forden's status as licensee and furthers the ongoing Court-approved SISP;
 - d. creditors have had notice of the Companies' intent to apply for and implement the proposed Inter-Company Sale since the Second Extension and SISP Order and have not raised any objections to the Proposal Trustee's knowledge;
 - e. the nominal Inter-Company Consideration is supported by the Independent Valuation and 215's creditor priorities are preserved in the proposed form of Order; and

- f. any wage claims resulting from further headcount reduction are anticipated to be addressed by the *Wage Earner Protection Program*.

Third Extension

- 62. As the binding bid deadline under the SISP now extends to January 22, 2026, the Proposal Trustee agrees that an extension of time to make a proposal for the Debtors would be reasonable.
- 63. It would be appropriate to grant a 45-day extension to January 29, 2026, to allow the SISP to run its course and allow time for the evaluation of any bids received.
- 64. The completion of the SISP remains a pre-condition necessary to the formulation of any proposal by the Companies and remains the best prospect of recovery for creditors.
- 65. While the Companies' cash position has largely depleted and remains highly contingent on repayment of the shareholder loan, allowing the SISP to continue would be in the best interests of creditors. A deemed bankruptcy would delay the SISP, create uncertainty, and would not enhance creditor recovery.
- 66. Accordingly, the Proposal Trustee expresses reservation relating to the shareholder loan but is of the view that the requested extension of time is reasonable and that:
 - a. the Companies have acted, and are acting in good faith and with due diligence;
 - b. the Companies would likely be able to make a viable proposal if the extension being applied for were granted; and
 - c. no creditor would be materially prejudiced if the extension being applied for were granted.

Conclusions and recommendations

- 67. Notwithstanding that the Proposal Trustee is of the view that the Debtors have acted and are acting in good faith and with due diligence, the Proposal Trustee remains concerned with Forden's cash position and notes that it is highly contingent on repayment of the shareholder loan from Mr. Woollam.

68. The Proposal Trustee will continue to monitor cash-flow but is supportive of the relief sought in the Third Extension and Inter-Company Sale Approval Application, which will correct regulatory compliance issues, support and allow the Court-ordered SISF to run its course, and is a better alternative to bankruptcy.

Respectfully submitted this 9th day of December 2025.

G. CHAN & ASSOCIATES INC.

Trustee in the Matter of the Notice of Intention to Make a Proposal of
Forden Energy Inc., and
2150865 Alberta Ltd.
And not in its personal capacity



Per: Garrett Chan, CIRP, LIT
President

Appendix “A”

Sale and Investment Solicitation Process: Various Areas, Central Alberta 82 bbl/d, 417 Mcf/d (150 boe/d) Capability

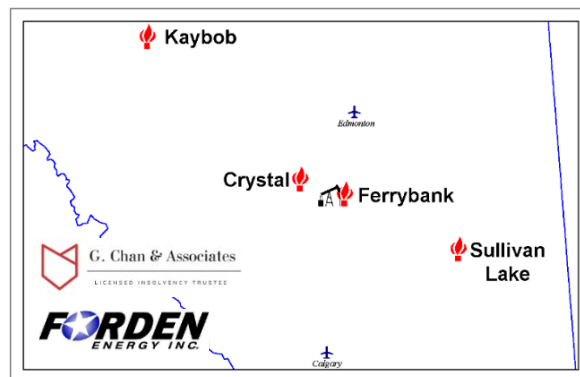


G. Chan & Associates

LICENSED INSOLVENCY TRUSTEE



Forden Energy Inc. and 2150865 Alberta Ltd. (collectively the “Companies”) have engaged **Sayer Energy Advisors** to assist the Companies with a sale and investment solicitation process (the “SISP”) in order to solicit interest in the purchase of or investment in all or part of the business or operations of the Companies or its undertaking, property and assets. The Companies have each filed a Notice of Intention to Make a Proposal (the “NOI”) pursuant to section 50.4 (9) of the *Bankruptcy and Insolvency Act* and **G. Chan & Associates Inc.** (the “Proposal Trustee”) is acting as Proposal Trustee of the Companies for the NOI process. The SISP is to be undertaken by the Companies in its NOI proceedings under a Court authorized process and is subject to the oversight of the Proposal Trustee.



Potential outcomes include, but are not limited to, a sale of the shares of the Companies, the sale, in whole or in part, of all of the oil and natural gas assets held by the Companies, or a joint venture. A copy of the SISP can be found on Sayer’s website at www.sayeradvisors.com.

The Companies’ oil and natural gas interests are located in the *Crystal, Ferrybank, Kaybob* and *Sullivan Lake* areas of Alberta (the “Properties”).

Production from the Properties is currently shut-in. Average daily sales production net to the Companies from the Properties from January to July 2025 was approximately 150 boe/d, consisting of approximately 82 bbl/d of oil and natural gas liquids and approximately 417 Mcf/d of natural gas.

As of October 8, 2025, the Properties had a deemed liability value of \$20.8 million.

PROCESS & TIMELINE

Sayer Energy Advisors is accepting offers, as outlined in the SISP, relating to the process until **12:00 pm on Thursday, December 18, 2025**.

Timeline		
Week of November 17, 2025		Preliminary Information Distributed
Week of November 17, 2025		Data Room Opens
December 18, 2025	12:00 noon	Non-Binding LOI Deadline
January 22, 2026	12:00 noon	Binding Bid Deadline
January 1, 2026		Effective Date
First Quarter 2026		Closing Date

Sayer Energy Advisors does not conduct a “second-round” bidding process; the intention is to attempt to conclude a transaction with the party submitting the most acceptable proposal at the conclusion of the process.

Sayer Energy Advisors is accepting offers, as outlined in the SISP, from interested parties until noon on Thursday, December 18, 2025.





Production Overview

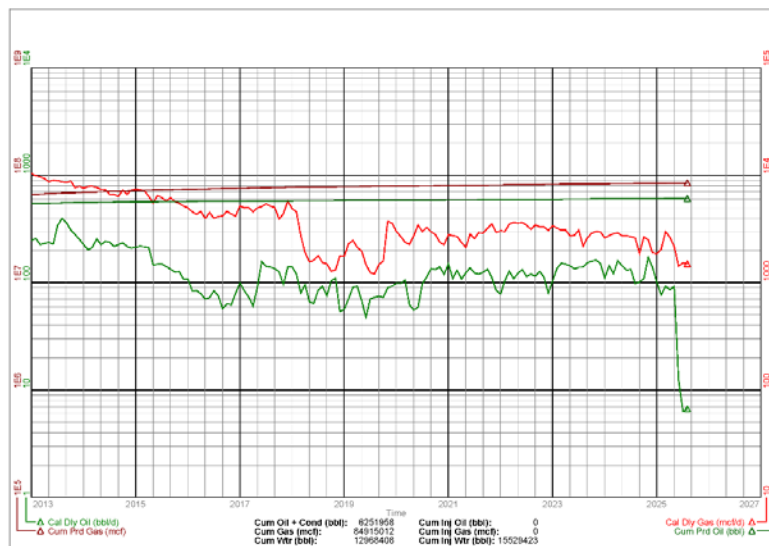
Production from the Properties is currently shut-in. Average daily sales production net to the Companies from the Properties from January to July 2025 was approximately 150 boe/d, consisting of approximately 82 bbl/d of oil and natural gas liquids and approximately 417 Mcf/d of natural gas.

Average daily sales production net to the Companies from the Properties for 2024 was approximately 261 boe/d, consisting of approximately 132 bbl/d of oil and natural gas liquids and approximately 773 Mcf/d of natural gas.

Operating income net to the Companies from the Properties from January to July 2025 was approximately (\$1.5 million) or (\$2.5 million) on an annualized basis. Operating income net to the Companies from the Properties for 2024 was approximately (\$2.5 million).

PROPERTY	Jan-July 2025 NET PRODUCTION (Average Daily)			
	Oil	Ngl	Nat. Gas	Total
	bbl/d	bbl/d	Mcf/d	boe/d
Ferrybank	77	-	178	107
Crystal	5	-	174	34
Kaybob	-	-	47	8
Sullivan Lake	-	-	21	4
TOTAL	82	-	417	150

Gross Production Group Plot of the Companies' Oil & Natural Gas Wells



Liability Assessment Summary

As of October 8, 2025, the Properties had a deemed liability value of \$20.8 million.

Reserves Overview

The Companies do not have a third-party reserve report relating to the Properties.





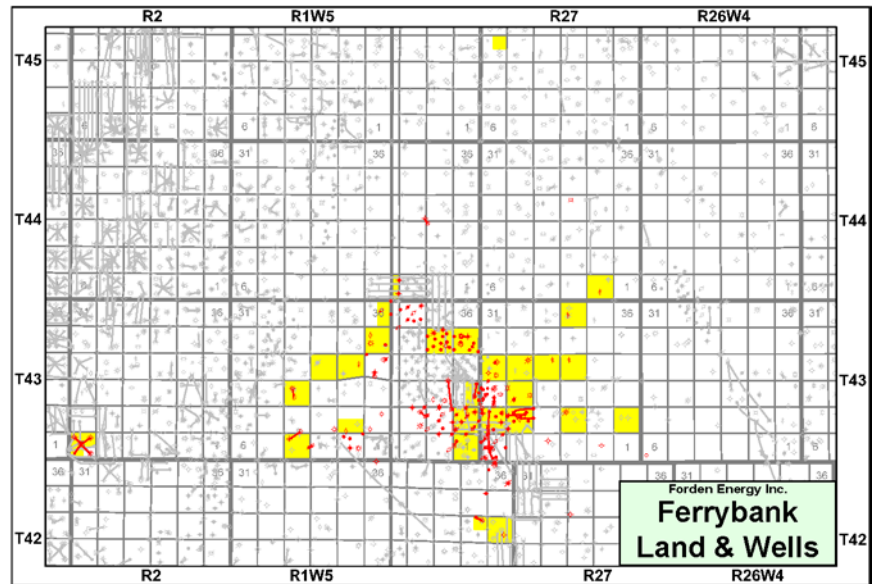
Ferrybank Property

Township 42-45, Range 26 W4 – 2 W5

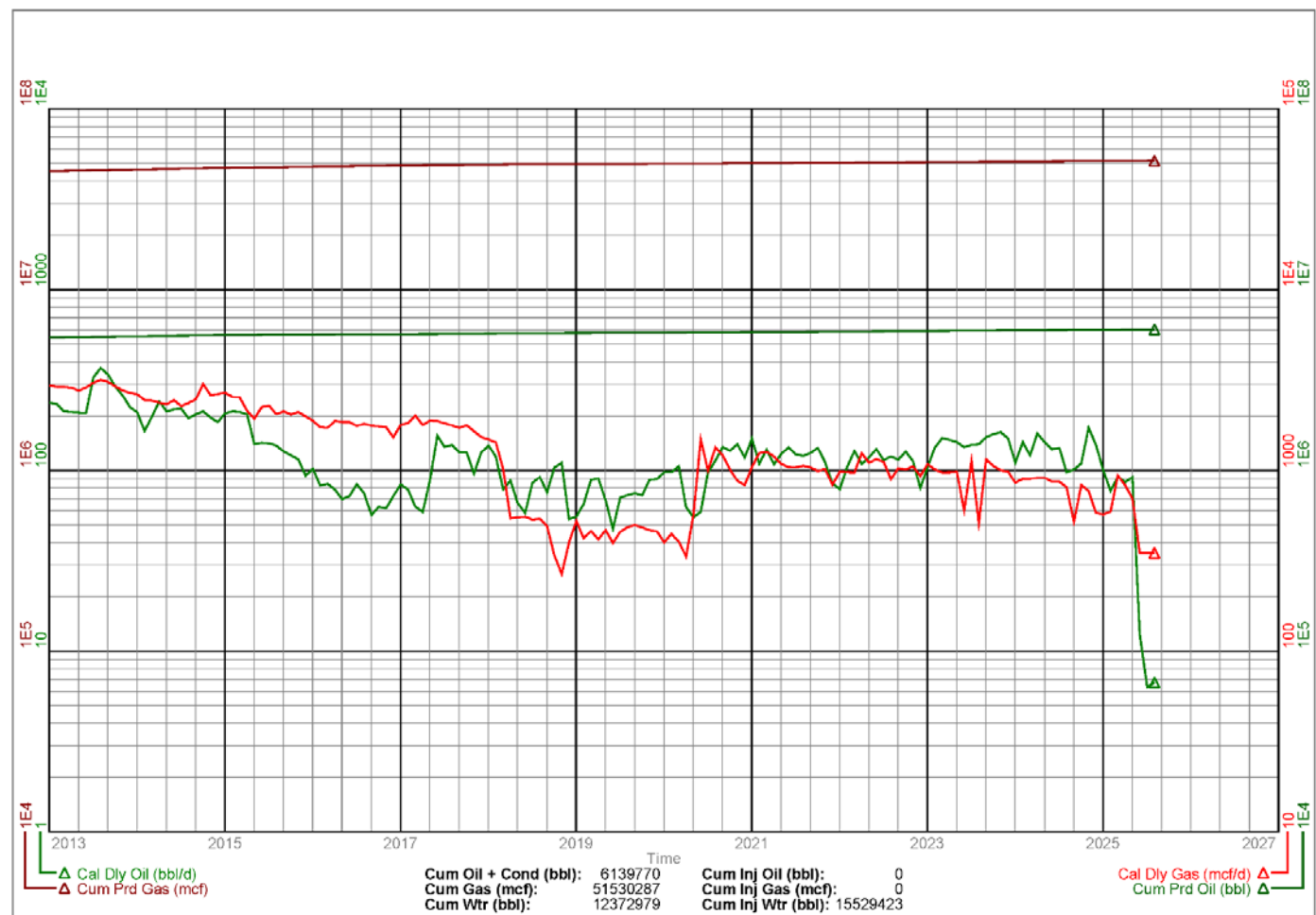
At *Ferrybank*, the Companies hold largely a 100% working interest in approximately 24 sections of land. The Companies produce light oil from the Belly River Formation and oil and liquids-rich natural gas from the Upper and Lower Mannville.

Production net to the Companies from *Ferrybank* is currently shut-in. Average daily production net to the Companies from *Ferrybank* from January to July 2025 was approximately 107 boe/d, consisting of 77 bbl/d oil and natural gas liquids and 178 Mcf/d of natural gas.

Operating income net to the Companies from *Ferrybank* from January to July 2025 was approximately (\$172,000) per month.



Ferrybank, Alberta - Gross Production Group Plot





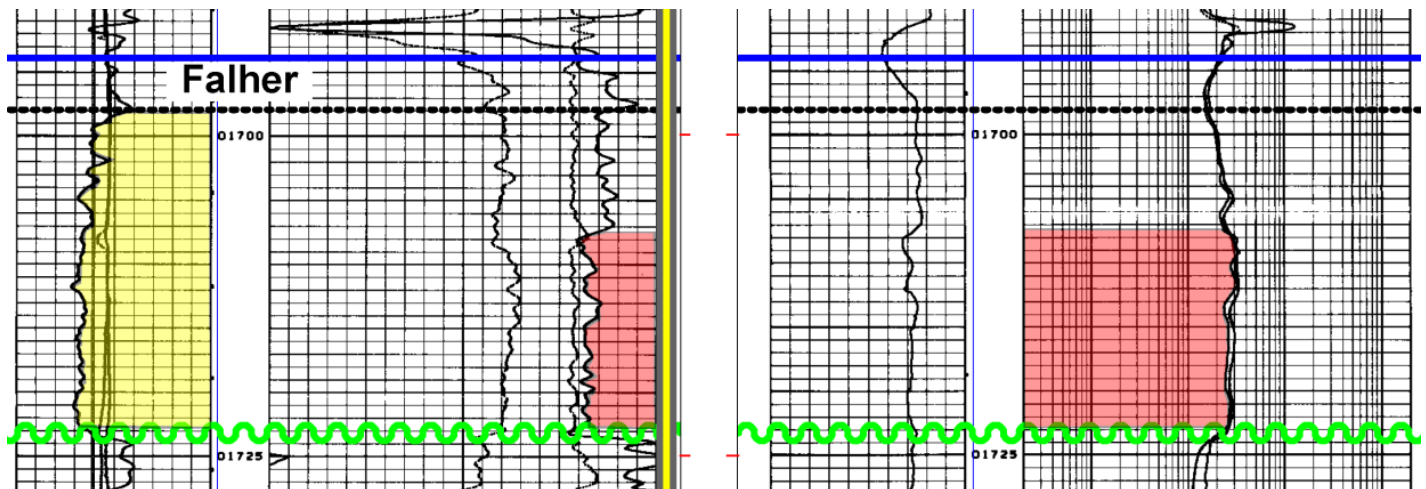
Ferrybank Upside

Falher Formation

Drilling in the *Ferrybank* area by third-parties has historically concentrated on a high-deliverability liquids-rich natural gas play in the Falher Formation. Both the Upper and Lower Falher channels are prospective channel systems.

The Lower Falher prospect is illustrated in the following well logs from the vertical well *Triton FBank 100/14-12-43-28W4/0*. The 14-12 well intersected a thick section of natural gas-bearing Lower Falher sand.

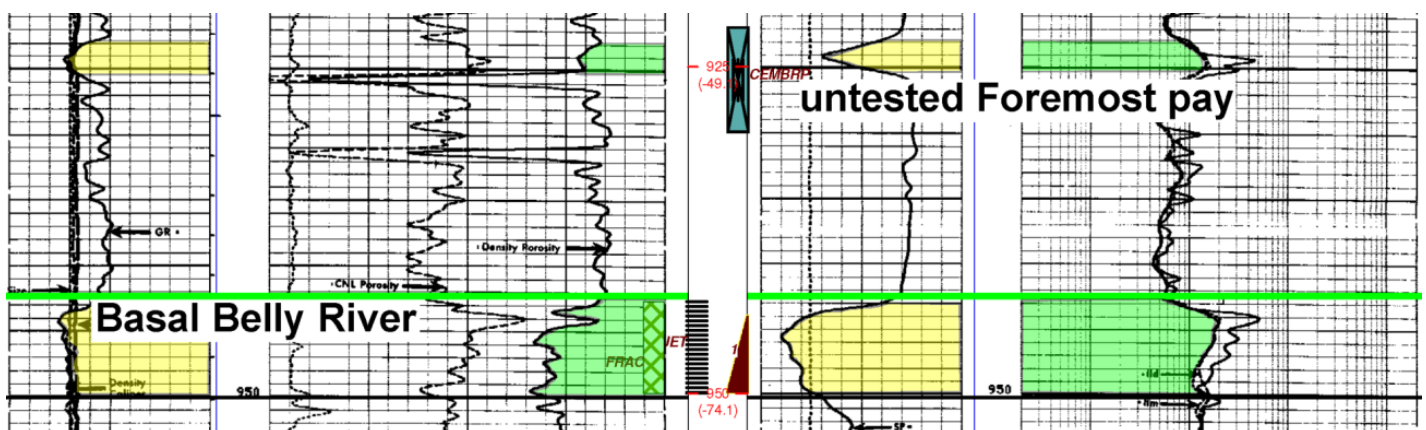
Triton FBank 100/14-12-43-28W4/0 – Lower Falher Formation



Belly River Formation

The *Ferrybank Basal Belly River Oil Pool* was discovered and initially developed with vertical wells in the mid-1980's. The following well logs show the Basal Belly River reservoir at *Ferrybank*.

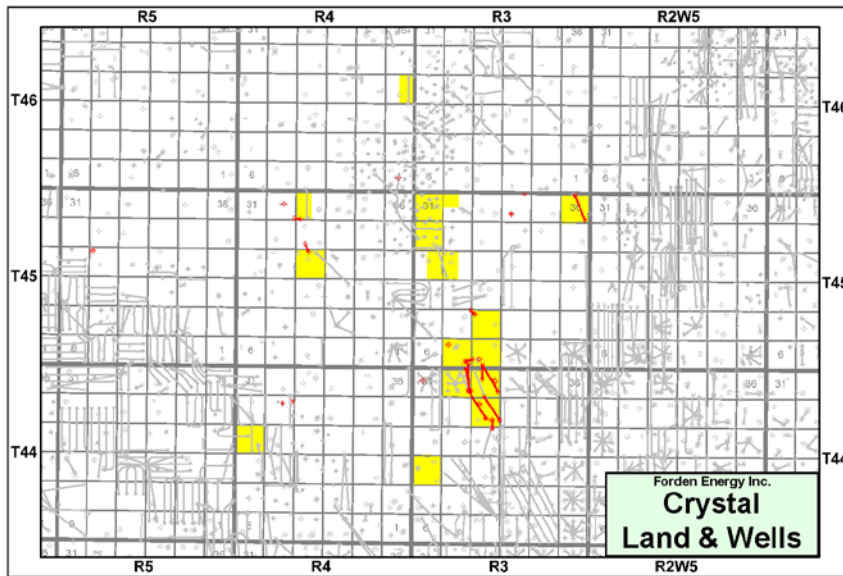
Canetic Res FBank 100/06-07-043-27W4/0 – Basal Belly River Formation





Crystal Property

Township 44-46, Range 3-4 W5

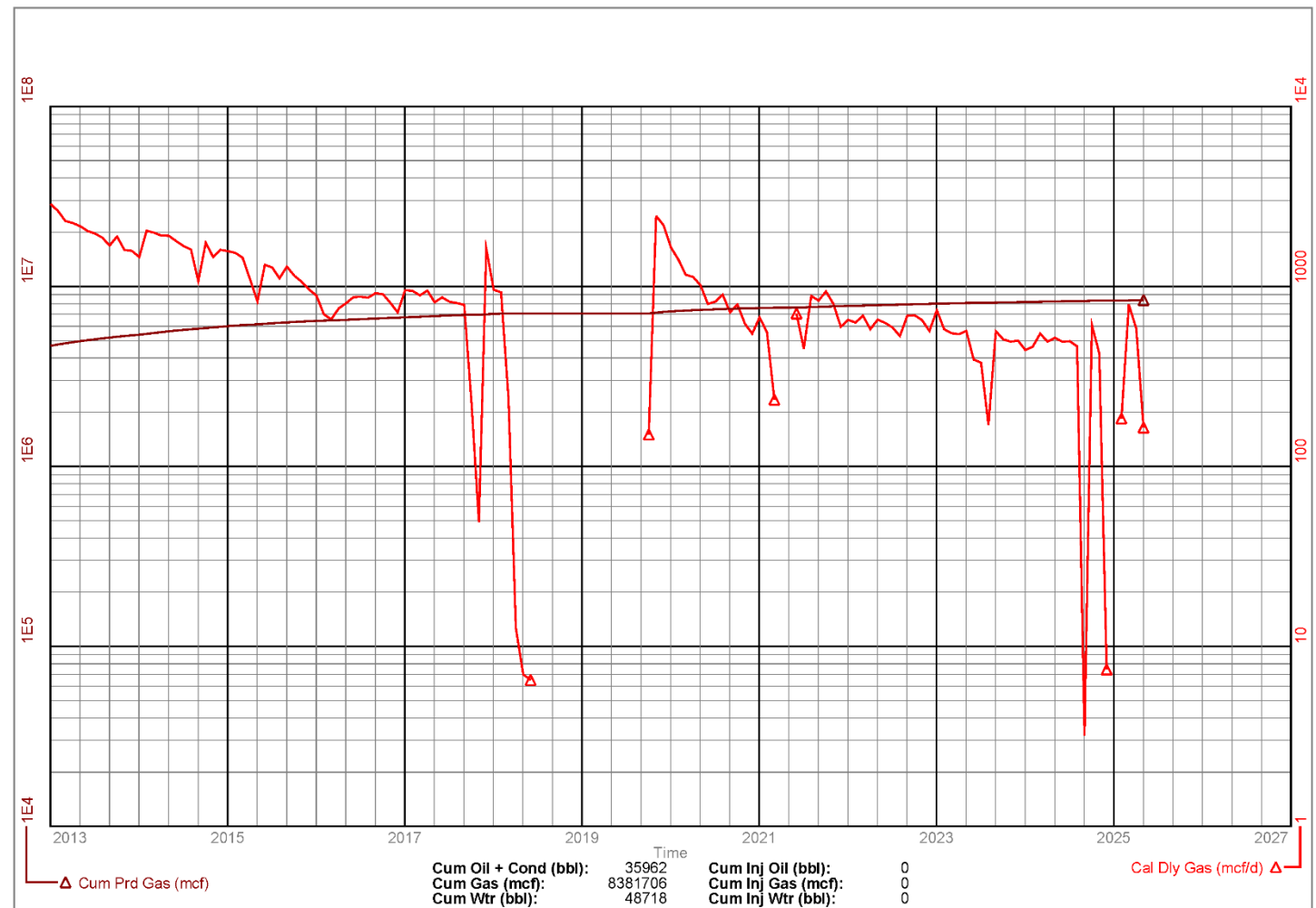


At *Crystal*, the Companies hold largely a 100% working interest in approximately 14.25 sections of land with oil and natural gas wells producing from the Mannville Group.

Production net to the Companies from *Crystal* is currently shut-in. Average daily production net to the Companies from *Crystal* from January to July 2025 was approximately 34 boe/d, consisting of 174 Mcf/d of natural gas and 5 bbl/d oil and natural gas liquids.

Operating income net to the Companies from *Crystal* from January to July 2025 was approximately \$8,000 per month.

Crystal, Alberta - Gross Production Group Plot





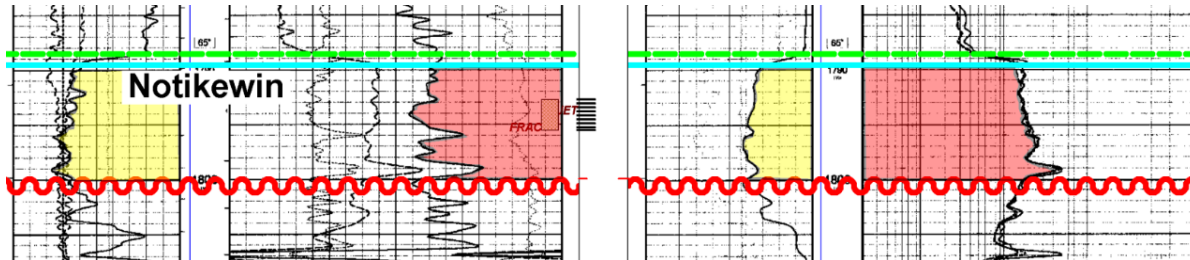
Crystal Upside

Prospects at *Crystal* include horizontal development of a Notikewin natural gas pool, a Glauconitic natural gas pool and two Falher channel plays.

Notikewin Formation

The following well logs show the Notikewin Formation at *Crystal*.

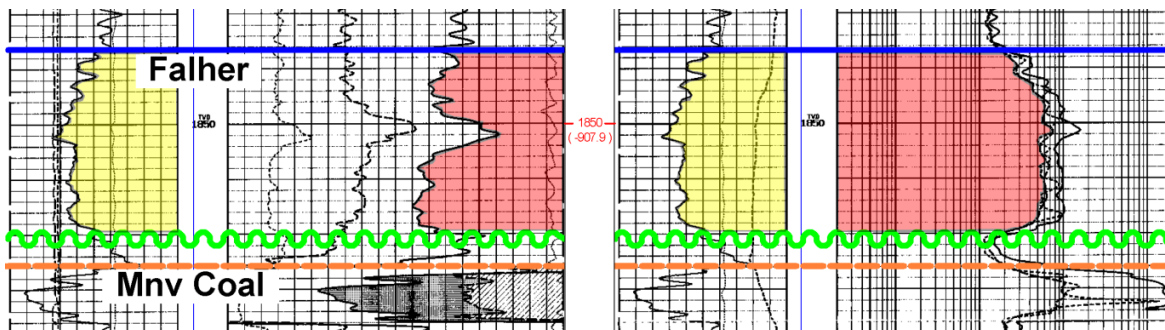
Forden Energy Pembina 100/02-28-044-03W5/0 – Notikewin Formation



Falher Formation

The following well logs show the Falher Formation at *Crystal*.

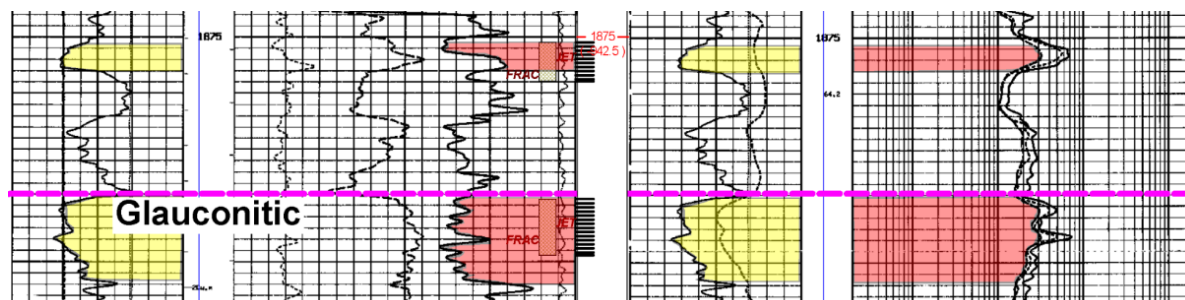
Forden Energy Pembina 100/13-09-045-03W5/0 – Falher Formation



Glauconitic Sandstone Formation

The following well logs show the Glauconitic Sandstone Formation at *Crystal*.

Forden Energy Pembina 100/14-28-044-03W5/0 – Glauconitic Sandstone Formation



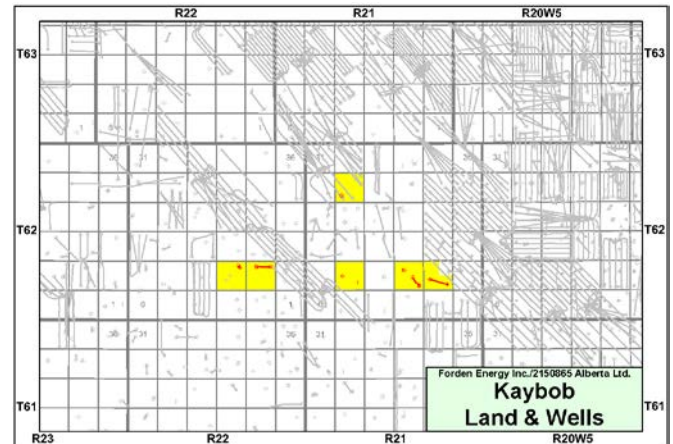


Kaybob Property

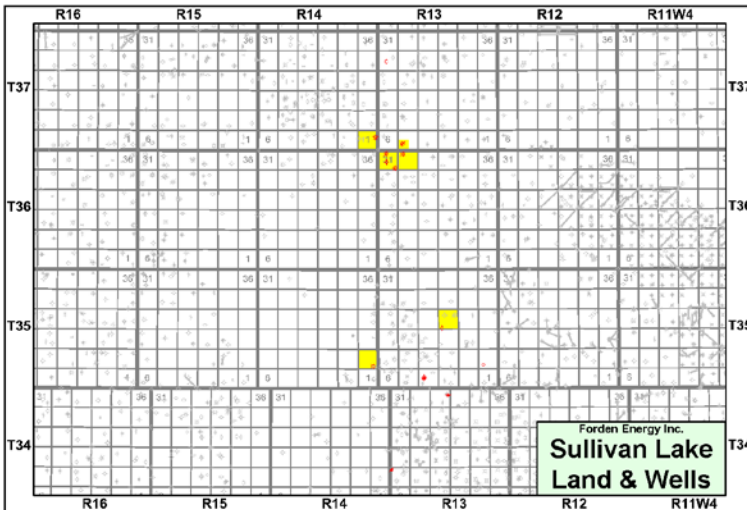
At *Kaybob*, the Companies hold various operated and non-operated working interests ranging from 10%-94.22% in 5.75 sections of land. Production from Kaybob is primarily from the Gething and Notikewin formations.

Production net to the Companies from *Kaybob* is currently shut-in. Average daily production net to the Companies from *Kaybob* from January to July 2025 was approximately 8 boe/d, consisting of 47 Mcf/d of natural gas.

Operating income net to the Companies from *Kaybob* from January to July 2025 was approximately (\$9,000) per month.



Sullivan Lake Property



Township 34-37, Range 13-14 W4

At *Sullivan Lake*, the Companies hold largely a 100% working interest in 5.25 sections of land.

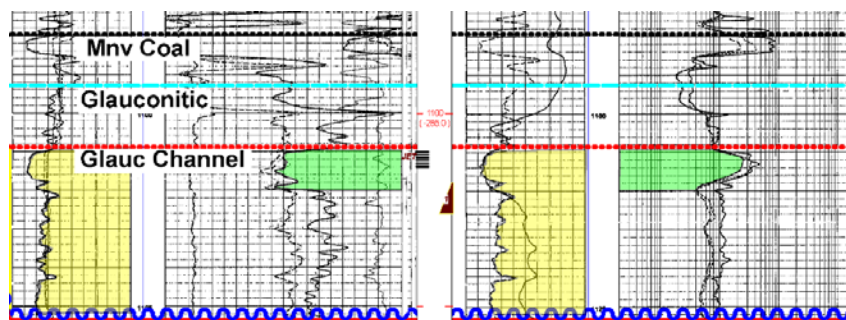
Production from Sullivan Lake consists of natural gas from the Belly River Formation. The Companies have identified several light oil and natural gas prospects in the Glauconitic and Falher (Sparky) formations.

Production net to the Companies from *Sullivan Lake* is currently shut-in. Average daily production net to the Companies from *Sullivan Lake* from January to July 2025 was approximately 4 boe/d, consisting of 21 Mcf/d of natural gas.

Operating income net to the Companies from *Sullivan Lake* from January to July 2025 was approximately (\$5,000) per month.

The following well logs show the potential for light oil production from the Glauconitic Sandstone Formation. In addition to the Glauconitic oil prospects, the Companies have identified a significant oil prospect in the Lower Falher Formation. An oil-bearing Lower Falher channel which is amenable to development with horizontal wells.

Forden Energy SullvnLk 102/09-33-034-13W4/0 – Glauconitic Sandstone Formation

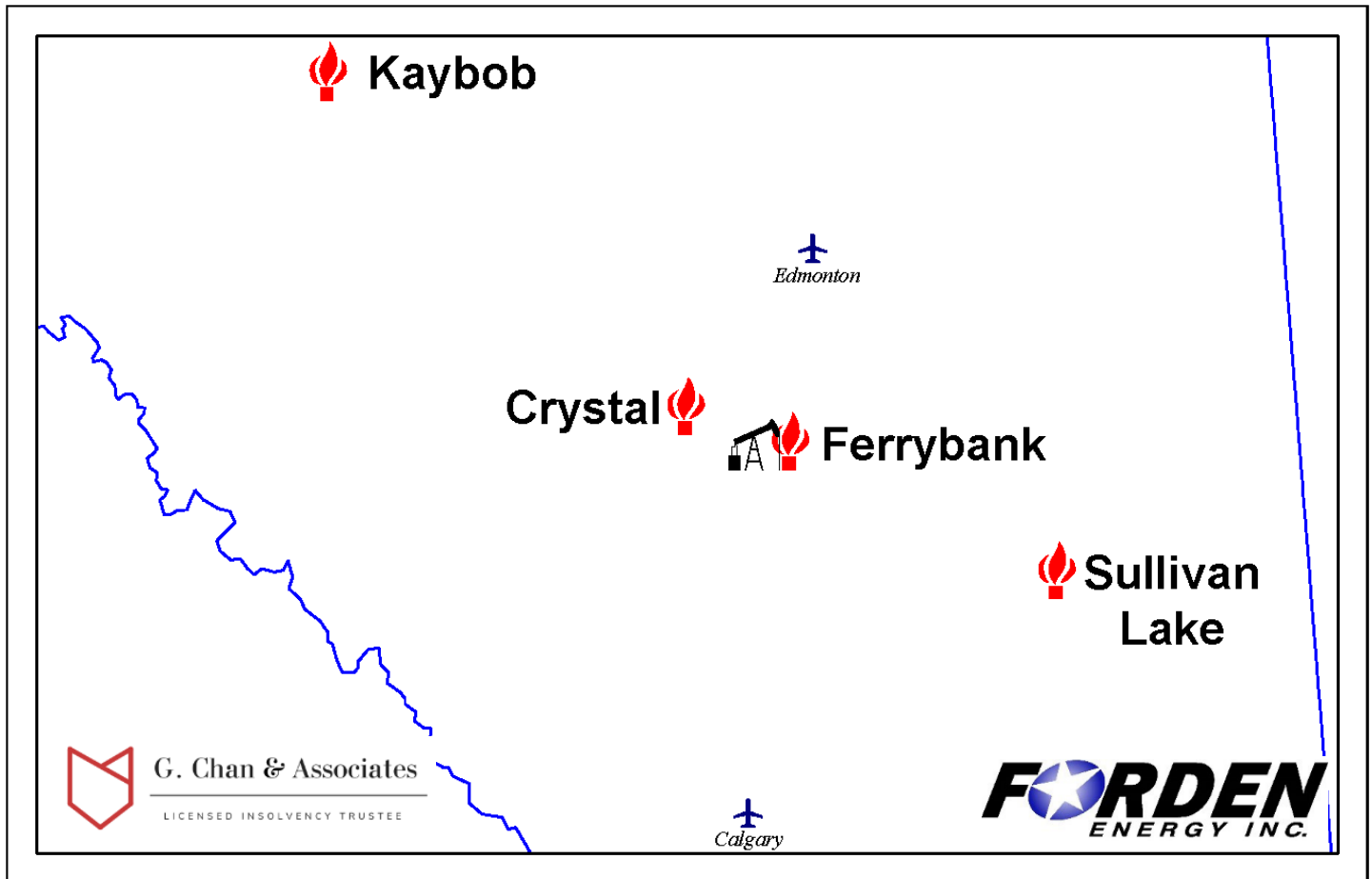




BID DEADLINE: 12:00 pm December 18, 2025

Insolvency Sale

Forden Energy Inc./2150865 Alberta Ltd. Insolvency Sale Fall 2025



CONTACT

Parties wishing to receive access to the confidential information with detailed information relating to this opportunity should execute the Confidentiality Agreement which is available on Sayer Energy Advisors' website (www.sayeradvisors.com) and return one copy to Sayer Energy Advisors by courier, email (brye@sayeradvisors.com) or fax (403.266.4467).

Included in the confidential information is the following: summary land information, deemed liability information, most recent net operations summary, detailed facilities information and other relevant corporate, financial and technical information.

To receive further information on the Companies please contact Ben Rye, Tom Pavic or Sydney Birkett at 403.266.6133.



1620, 540 – 5th Avenue SW, Calgary, Alberta Canada T2P 0M2
Tel: 403.266.6133 Fax: 403.266.4467 www.sayeradvisors.com

Appendix “B”

**In the Matter of the Proposal of
Forden Energy Inc.**

**Cash-Flow Variance
For the Seven Week Period from October 19, 2025 to December 6, 2025**

(\$CAD)

Actual / Forecast Week Number Week ending	Forecast	Actual Weeks 10 to 16 Oct 25, 2025 to Dec 6, 2025	Variance	Variance notes
Receipts				
Production settlement	11,844	2,057	(9,787)	Revenue from Secure lower than anticipated and delayed into later period
Wage and contractor expense recovery	69,142	57,447	(11,695)	3-7 wage recovery from Green Dawg started later than projected.
Other	30,000	15,750	(14,250)	\$15,000 shareholder loan not yet repaid.
Total Receipts	\$ 110,986	\$ 75,253	\$ (35,733)	
Disbursements				
Contractors	8,100	8,968	(868)	Less hours than forecasted.
Wages	84,108	88,392	(4,284)	Land manager remaining on payroll longer than anticipated
Bank Fees	258	346	(88)	Not material.
Lease rentals	2,955	2,956	(1)	Not material.
Utilities	7,500	-	7,500	Timing. Invoice not received yet.
WCB	1,028	514	514	Timing. Invoice not received yet.
Accounting Land Software	3,609	5,528	(1,919)	Forecasted cost reduction did not occur on October bill.
Contingency / Other	5,529	-	5,529	
Total Disbursements	\$ 113,086	\$ 106,704	\$ 6,383	
Net Cash Flow	\$ (2,100)	\$ (31,450)	\$ (29,350)	
Opening Book Cash	39,948	39,948	-	
Net Cash Flow	(2,100)	(31,450)	(29,350)	
Ending Book Cash	\$ 37,848	\$ 8,498	\$ (29,350)	

Appendix “C”

Clerks Stamp:

COURT FILE NUMBER 24-3260771

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 **ORDER (Approval of Inter-Company Sale)**

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 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

DATE ON WHICH ORDER WAS PRONOUNCED:	December 12, 2025
LOCATION WHERE ORDER WAS PRONOUNCED:	Edmonton
NAME OF JUSTICE WHO MADE THIS ORDER:	L. K. Harris

UPON THE APPLICATION of Forden Energy Inc. ("**Forden**") and 2150865 Alberta Ltd. ("**215**", and together with Forden, the "**Applicants**"; **AND UPON HAVING REVIEWED** the Notice of Application, the Fifth Affidavit of Nigel Woollam sworn December 4th 2025 and such other materials filed in these proceedings; **AND UPON HEARING** from counsel for the Applicants, counsel for G. Chan & Associates Inc., in its capacity as proposal trustee of the Applicants (the "**Proposal Trustee**"), and any other counsel present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this Application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this Application, and time for service of this Application is abridged to that actually given.

APPROVAL OF INTER-COMPANY SALE

2. The Omnibus Assignment Agreement between 215, as assignor, and Forden, as assignee (the "**Omnibus Assignment Agreement**"), a copy of which is attached as **Schedule "A"** to this Order, and the transaction contemplated therein (the "**Inter-Company Sale**"), are hereby approved, and all of 215's right, title, and interest in and to the one percent (1%) undivided working interest in the petroleum and natural gas rights and related tangible assets identified in the schedules to the Omnibus Assignment Agreement (the "**Purchased WI**") is hereby assigned and transferred to Forden in accordance with the terms of the Omnibus Assignment Agreement, subject to all existing encumbrances, liens, and security interests.
3. The aggregate consideration for the Purchased WI shall be \$14.00 (the "**Inter-Company Consideration**"). The Inter-Company Consideration shall be treated as a deferred and contingent debt owed by Forden to 215 and shall be satisfied only from the proceeds of any transaction or transactions completed pursuant to the Sale and Investment Solicitation Process approved by the Order of this Court dated October 28, 2025 (the "**Global SISP Proceeds**"), with payment of the Inter-Company Consideration ranking in priority subordinate only to the Administration Charge and the Sayer Charge (as both terms are defined in the SISP Order).
4. In the event the Global SISP Proceeds are insufficient to satisfy the Inter-Company Consideration in full, 215 shall have no further claim, action, or recourse against Forden for any shortfall.

SEALING ORDER

5. The Confidential Supplement to the Fifth Affidavit of Nigel Woollam, containing the valuation report prepared by Sayer Energy Advisors (the "**Sayer Valuation**"), shall be sealed on the Court file, shall not form part of the public record, and shall not be available for public inspection until further Order of this Court.

GENERAL

6. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicants, the Proposal Trustee, and their respective agents in carrying out the terms of this Order.
7. The Applicants or the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder and in respect of the interpretation or implementation of this Order.

J.C.K.B.A

SCHEDULE “A”

OMNIBUS ASSIGNMENT AGREEMENT

This Agreement is made effective as of the 12th day of December, 2025.

BETWEEN:

2150865 ALBERTA LTD., a body corporate
(**"Assignor"**)

- and -

FORDEN ENERGY INC., a body corporate
(the **"Assignee"**)

WHEREAS

- A. The Assignor and the Assignee (the **"Parties"**) are insolvent persons who have each filed a Notice of Intention to Make a Proposal pursuant to the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended.
- B. By Order of the Court of King's Bench of Alberta (the **"Court"**) dated October 28, 2025, the NOI proceedings of the Parties were administratively consolidated.
- C. The Assignee is the licensed operator of certain petroleum and natural gas assets in which the Assignor holds the working interest, which is contrary to section 16(1) of the *Oil and Gas Conservation Act*, RSA 2000, c O-6.
- D. An application for an Order of the Court approving the sale, transfer, and assignment by the Assignor to the Assignee of a one percent (1%) undivided working interest in and to the Purchased Assets (as defined herein) on the terms set out herein is to be heard on December 12, 2025, and this Agreement is contingent upon the granting of such Order (the **"Sale Approval Order"**).

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged the Parties agree as follows:

1. ASSIGNMENT

The Assignor does hereby sell, assign, transfer, and convey to the Assignee all of the Assignor's right, title, and interest in and to a one percent (1%) undivided working interest in the petroleum and natural gas rights related to the wells described in **Schedule "A-1"** and the facilities described in **Schedule "A-2"** attached hereto (collectively, the **"Purchased Assets"**).

2. CONSIDERATION

In consideration for the assignment of the Purchased Assets, the Assignee shall owe the Assignor the aggregate sum of Fourteen Dollars (\$14.00) (the **"Consideration"**). The payment of the Consideration is deferred and contingent upon the terms set out in the Sale Approval Order.

3. VESTING

Pursuant to the Sale Approval Order, the Purchased Assets shall vest in the Assignee, subject to all existing encumbrances, liens, and security interests.

4. FURTHER ASSURANCES

Each Party shall, from time to time, execute and deliver all such further documents and instruments and do all such further acts and things as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

5. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

6. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

2150865 ALBERTA LTD.

PER: _____

NIGEL WOOLLAM
DIRECTOR

FORDEN ENERGY INC.

PER: _____

NIGEL WOOLLAM
DIRECTOR

Schedule "A-1"**WELLS****Petroleum and Natural Gas Rights**

(A one percent (1%) undivided working interest in the petroleum and natural gas rights held by 2150865 ALBERTA LTD. in relation to the following assets)

Licence Number	Surface Location
0420331	100/01-10-062-21W5/00
0426386	100/07-10-062-21W5/00
0258378	100/01-11-062-21W5/02
0258378	100/01-11-062-21W5/03
0258378	100/05-11-062-21W5/00
0376249	100/04-29-062-21W5/00
0325191	100/16-10-062-22W5/00
0325191	100/16-10-062-22W5/02
0325191	100/16-10-062-22W5/03
0337941	100/14-11-062-22W5/00
0372607	100/16-11-062-22W5/00

Schedule "A-2"

FACILITIES

(A one percent (1%) undivided working interest held by 2150865 ALBERTA LTD. in relation to the following assets)

Licence Number	Surface Location
F39652	14-11-062-22W5
F42142	05-11-062-21W5
F42739	01-10-062-21W5