

COURT FILE NUMBER 24-3356741
COURT COURT OF KING'S BENCH OF ALBERTA
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
ENDRUM ENERGY CORP.



DOCUMENT **APPLICATION**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

OGILVIE LLP
Barristers & Solicitors
2800 Stantec Tower
10220 103 Avenue NW
Edmonton, AB T5J 0K4

Attention: **Susy Trace / Leah Macklin**
Phone: 780.421.1818
Fax: 780.429.4453
Email: Strace@ogilvielaw.com
Lmacklin@ogilvielaw.com
File No.: 71423.4

NOTICE TO RESPONDENTS

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 this application is heard as shown below:

Date: September 17, 2026

Time: 10:00 a.m.

Where: Edmonton Courts via WebEx, Virtual Courtroom 86
<https://albertacourts.webex.co/meet/virtual.courtroom86>

Before whom: The Honourable Justice Neilson

Remedy claimed or sought:

1. The Applicant, Endrum Energy Corp. (the “**Company**” or “**Endrum**”), seeks the following:

- (a) An Order, substantially in the form attached to this Application as **Schedule “A”**:
 - (i) abridging time for service of this Application and deeming service good and sufficient, if necessary;
 - (ii) pursuant to section 50.4(9) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”), extending the 45-day period, expiring September 19, 2026, within which the Company is required under section 50.4(9) of the *BIA* to file a proposal, by an additional nineteen (19) days to 11:59 p.m. (Mountain Time) on October 7, 2026 (the “**Fourth Stay Extension**”).
- (b) An Order, to be provided to the Court, extending the Injunction and Preservation Order granted by the Honourable Justice Harris on August 28, 2026 (the “**Injunction Order**”) until the earliest of:
 - (i) the date Endrum is deemed bankrupt;
 - (ii) the date the application to determine whether the Disputed Assets are subject to the procedure outlined in section 81 of the *BIA* is heard; or
 - (iii) the date an agreement is reached between the Parties.

Grounds for making this application:

Background

- 2. The Company is a private oil and gas producer operating in central Alberta. It owns and operates approximately 165 gas wells and 15 oil wells across a contiguous 35,000-acre land base and holds full ownership of its field facilities and natural gas processing plant.
- 3. The Company filed a Notice of Intention to Make a Proposal (“**NOI**”) on April 7, 2026. G. Chan & Associates Inc. was appointed as the proposal trustee (the “**Proposal Trustee**”) of the Company at the time of filing the NOI. The First Extension Order extended the proposal filing deadline to June 21, 2026, the Second Extension Order extended the proposal filing deadline to August 5, 2026 and the Third Extension Order extended the proposal filing deadline to September 19, 2026.

Stay Extension

- 4. Pursuant to section 50.4(9) of the *BIA*, the Court may grant extensions not exceeding 45 days each, up to an aggregate maximum of five months. The requested Fourth Stay Extension of 19 days would bring the total stay period to 5 months following the initial 30-day stay (which expired on May 7, 2026). Without this extension, the Company will be deemed to have made an assignment into bankruptcy pursuant to section 50.4(8) of the *BIA* immediately upon the expiry of the Third Extension Order on September 19, 2026, to the detriment of all creditors, and stakeholders.
- 5. The Company is likely to file a viable proposal before the aggregate 5-month maximum extension period under section 50.4(9) of the *BIA* expires. No creditor or stakeholder will be materially prejudiced by the Fourth Stay Extension. Accordingly, the Applicant submits that the Fourth Stay Extension is justified under section 50.4(9) of the *BIA*.

6. The Company has acted in good faith and with due diligence since the Third Extension Order was granted, and requires additional time to complete the proposal process. In particular, the Company has:
 - (a) provided the Proposal Trustee with an updated cash-flow projection;
 - (b) entered into negotiations with three municipalities, Endrum's principal creditor, to address pre-NOI debt and ongoing payment arrangements;
 - (c) continued to engage with other creditors regarding pre-NOI claims and ongoing payment arrangements;
 - (d) issued correspondence to all creditors advising them of the Company's proposal regarding payment of its pre-NOI debt;
 - (e) continued to operate the business in a net-positive cash flow; and
 - (f) acted in good faith and with due diligence in preparing a proposal.
7. The Fourth Stay Extension is necessary to allow the Company to:
 - (a) continue negotiations with its creditors regarding pre-NOI debt; and
 - (b) formulate and file a viable proposal.
8. The Company has also acted diligently to preserve its assets and continue operation of its business in a net positive cash-flow. In particular, the Company has:
 - (a) obtained the Injunction Order, which addresses an ownership dispute over three oil wells (the "**Disputed Assets**") to which 2672682 Alberta Ltd. ("**267**") claims an ownership interest in that Endrum disputes. The Injunction Order was granted until September 19, 2026 and, *inter alia*:
 - (i) restrains 267, Jake Energy Inc., and Brad Peake (collectively the "**Respondents**") from accessing or interfering with the Disputed Assets;
 - (ii) authorizes Endrum to continue operating, protecting and preserving the Disputed Assets;
 - (iii) directs Endrum to remit net revenues from the operation of the Disputed Assets to Ogilvie LLP in trust pending further Order of this Honourable Court or written agreement; and
 - (iv) sets out a litigation schedule to determine if the process set out in Section 81 of the *BIA* is the appropriate procedure to determine ownership of the Disputed Assets; and
 - (b) responded to and secured the site of the fire that occurred at the Company's main compressor on July 3, 2026, including:
 - (i) installing and optimizing a temporary backup compressor, allowing production to continue;

- (ii) advancing the insurance investigation and submitting the Proof of Loss;
- (iii) identifying an Endrum-owned surplus compressor to replace the destroyed unit;
- (iv) securing funding of the relocation and installation costs of the replacement compressor at no additional cost to the estate; and
- (v) adding business-interruption coverage to the 2026–2027 insurance policy to mitigate the risk of future production loss.

9. No creditor will be materially prejudiced by the Fourth Stay Extension.

The Injunction Order Should be Extended

- 10. The Injunction Order should be extended. The Injunction Order was granted as interim relief and preserves the Disputed Assets without finally determining ownership. There has been no material change in circumstances since the Injunction Order was granted to warrant its cessation.
- 11. There is a serious issue to be tried as to the ownership and control of the Disputed Assets. The threshold for this test is low, particularly for a prohibitory injunction; the Court need only be satisfied that the claim is not frivolous or vexatious.
- 12. Refusing to continue the Injunction Order would cause irreparable harm to Endrum and its creditors.
- 13. The balance of convenience favours continuation on the Injunction Order and there is no prejudice to the Respondents in maintaining the existing arrangement for the limited period requested.

Material or evidence to be relied on:

- 14. Third Affidavit of Norman Antonio Morales, sworn July 27, 2026;
- 15. Fourth Affidavit of Norman Antonio Morales, sworn September 9, 2026;
- 16. Affidavit of Firyal Hamdan, sworn August 4, 2026;
- 17. Supplemental Affidavit of Norman Antonio Morales sworn July 28, 2026;
- 18. Affidavit of John McMahon, sworn August 21, 2026;
- 19. Third Report of the Proposal Trustee;
- 20. Fourth Report of the Proposal Trustee;
- 21. Bench Brief of the Applicants; and
- 22. such further and other material as counsel may advise.

Applicable rules:

23. Rules 6.3(1) and 6.9(1) of the *Alberta Rules of Court*, Alta Reg. 124/2010.

Applicable Acts and regulations:

24. *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3.

Any irregularity complained of or objection relied of:

25. Not applicable to this Application.

How the application is proposed to be heard or considered:

26. Via WebEx, in Virtual Courtroom 86, before the Honourable Justice Neilson.

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.

SCHEDULE "A"

COURT FILE NUMBER 24-33356741

COURT COURT OF KING'S BENCH OF ALBERTA

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
ENDRUM ENERGY CORP.

Clerk's Stamp

DOCUMENT **ORDER**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

OGILVIE LLP
Barristers & Solicitors
2800 Stantec Tower
10220 103 Avenue NW
Edmonton, AB T5J 0K4

Attention: **Susy Trace / Leah Macklin**
Phone: 780.421.1818
Fax: 780.429.4453
Email: Strace@ogilvielaw.com
Lmacklin@ogilvielaw.com
File No.: 71423.4

DATE ON WHICH ORDER WAS PRONOUNCED:	September 17, 2026
LOCATION WHERE ORDER WAS PRONOUNCED:	Edmonton, Alberta
NAME OF JUSTICE WHO MADE THIS ORDER:	Justice Neilson

UPON THE APPLICATION of the Applicant, Endrum Energy Corp. (the "**Company**"); **AND UPON** considering the filed Application, the Fourth Affidavit of Norman Antonio Morales, sworn September 9, 2026, Third Affidavit of Norman Antonio Morales, sworn July 27, 2026, Affidavit of Firyal Hamdan, sworn August 4, 2026, Affidavit of John McMahon, sworn August 21, 2026, Third Report of the Proposal Trustee, Fourth Report of the Proposal Trustee, Affidavit of Stephen Oldale sworn August 6, 2026, Bench Brief of the Applicants, and being advised of the Affidavit of Service of F. Hamdan; **AND UPON** hearing representation from counsel for the Company; **AND UPON** hearing from counsel to G. Chan & Associates Inc. (the "**Proposal Trustee**") and any other parties present;

;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. Service of the Application and supporting materials is hereby deemed to be good, timely and sufficient.

Extension of time to file proposal

2. Pursuant to section 50.4(9) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**"), the period within which the Company may file a proposal shall be and is hereby extended to 11:59 p.m. (Mountain Time) on October 7, 2026.
3. The general stay of proceedings against the Company imposed by section 69 of the *BIA* is extended to 11:59 p.m. (Mountain Time) on October 7, 2026.

Aid and Recognition

4. 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 Company, Proposal Trustee and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to the Company and the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Company, the Proposal Trustee and its agents in carrying out the terms of this Order.

General

5. The Company and the Proposal Trustee may, from time to time apply, to this Court to amend this Order, to seek the advice and direction of this Court, or to seek this Court's approval of transactions.

J.C.K.B.A