

**FIAT:**

Let this Affidavit of Remi Anthony (Tony) Berthelet sworn April 29, 2019 be filed this 29<sup>th</sup> day of April, 2019 notwithstanding the fact that it is not an original and lacks an original signature of a Notary Public.



Clerk's stamp:

"A. R. Robertson"

Master of the Court of Queen's Bench of Alberta

COURT FILE NUMBER	1901-05089
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
	IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended
	IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, R.S.A. 2000, c. B-9, as amended
	AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF STRATEGIC OIL & GAS LTD. and STRATEGIC TRANSMISSION LTD.
APPLICANTS	STRATEGIC OIL & GAS LTD. and STRATEGIC TRANSMISSION LTD.
DOCUMENT	<u>AFFIDAVIT</u>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Dentons Canada LLP Bankers Court 15th Floor, 850 - 2nd Street S.W. Calgary, Alberta T2P 0R8  Attention: David W. Mann and Afshan Naveed Ph. (403) 268-7097 / 403-268-7015 Fx. (403) 268-3100 File No.: 575553-3

**AFFIDAVIT OF REMI ANTHONY BERTHELET**

Sworn on April 29, 2019

I, Remi Anthony (Tony) Berthelet, of Calgary, Alberta, SWEAR AND SAY THAT:

1. I have been the President & Chief Executive Officer of Strategic Oil & Gas Ltd. ("Strategic") since May 2018 and as such I have personal knowledge of the matters hereinafter deposed to, save

where stated to be based on information and belief, in which case I have stated the source of the information and verily believe the same to be true.

2. Capitalized terms not otherwise defined herein shall have the meaning given to them in the Affidavit sworn by me on April 9, 2019 (the "**First Berthelet Affidavit**").
3. This Affidavit is made in support of an Application by the Applicants for an Order seeking, among other things, the following relief:
  - (a) abridging the time for service of this notice of application and dispensing with service on any person other than those served;
  - (b) extending the stay of proceedings, as ordered and defined in paragraph 13 of the Initial Order, granted on April 10, 2019, to June 5, 2019;
  - (c) authorizing and directing the Applicants, their counsel, and the Monitor to pay the First Installment of the KERP; and
  - (d) if necessary, abridging the time for service of the Application and supporting materials and declaring service to be good and sufficient.

**Stay Extension**

4. On April 10, 2019, the Applicants were granted an Initial Order under the CCAA. The Initial Order provided for a stay of all proceedings and remedies taken in respect of the Applicants or any of their business or property, except as specifically permitted therein (the "**Stay**"). The Stay is set to expire on May 6, 2019 (the "**Stay Period**").
5. Since the granting of the Initial Order, the Applicants have been working diligently and in good faith towards restructuring their affairs for the benefit of their stakeholders. This work has taken place in conjunction with and under the supervision of the Monitor, and in consultation with stakeholders, including GMT Capital, being the main secured creditor of Strategic.
6. Among other things, Strategic and its counsel have:
  - (a) cooperated with the Monitor to facilitate its monitoring of Strategic's business and operations;
  - (b) communicated with various stakeholder groups and/or their advisors, including counsel for GMT Capital, AER, trade creditors, employees, contractors and others;
  - (c) continued with its commitments to the AER, as set out in the First Berthelet Affidavit, and responded to information requests from the AER; and
  - (d) continued to operate and manage the business and operations of Strategic.
7. Strategic's operations are continuing in the ordinary course of business with no material changes to its business and operations to report at this time. However, the following events are worth specific mention including:
  - (a) Michael Watzky has resigned as a director of Strategic;
  - (b) all employees retained by the KERP have continued in their roles with Strategic and are working diligently to operate and manage the business and operations of Strategic;

- (c) Strategic has had its public trading status on TSX Venture Exchange halted with trading of common shares being transferred to the NEX trading board;
- (d) Canada Revenue Agency has requested a GST audit and payroll audit, which audits are expected to take place in the next few weeks;
- (e) Savanna Drilling Corp. ("**Savanna**"), has advised that it will be de-mobilizing and moving a non-operating drilling rig, as the rig is not currently required for operations, Strategic has advised Savanna that it may do so at its own cost;
- (f) Pinnacle Logging and 883492 Alberta Ltd., operating as Pinnacle Services ("**Pinnacle**") has advised the Monitor and Strategic that it will be tearing down and de-mobilizing a work camp located in Marlowe (Km 28.5); this camp is required for continued operations. Accordingly, counsel for Strategic will shortly be advising Pinnacle is it stayed from de-mobilizing and tearing down the camp; and
- (g) Strategic has received notice that builders' liens have been filed with Alberta Energy and Alberta Land Titles by:
  - (i) Apex Distribution Inc.;
  - (ii) Ensign Drilling Ltd.; and
  - (iii) Global Well Servicing Ltd.;(collectively, the "**Liens**"). The Liens are being reviewed by counsel for Strategic.

#### ***Sale and Investment Solicitation Process***

- 8. On April 24, 2019, Strategic, its counsel, the Monitor, and counsel for GMT Capital met with AER in order to continue discussions with respect to the SISP.
- 9. Strategic continues to work with its advisors, AER, GMT Capital, and the Monitor to develop a broad and transparent SISP that will:
  - (a) include broad marketing to all potential purchasers and investors and may include a stalking horse bidder; and
  - (b) be a fair and transparent process, run by the Monitor, intended to maximize value for the Applicants and all of their stakeholders.
- 10. Strategic plans to finalize the SISP shortly and will thereafter seek Court approval of same.

#### ***Cash Flow***

- 11. A copy of the cash flow forecast through to June 5, 2019 can be found as an Appendix to the First Report of the Monitor, dated April 29, 2019.
- 12. The cash flow provides an analysis of variance from the initial cash flow filed in support of the Initial Order, with no extra-ordinary deviations from the projected cash flow to report.
- 13. I am advised by the Monitor and do verily believe that the Monitor supports this application to extend the Stay Period.
- 14. I swear this Affidavit in support of an Application for the relief set out in paragraph 3 of this my Affidavit and for no other or improper purpose.

SWORN BEFORE ME at Bend in )  
the State of Oregon, USA this 21 day of )  
April, 2019. )

Rachel Ann Gheen  
Notary Public in and for the State of  
Oregon

[Signature]  
(Signature)

Rachel Ann Gheen exp. 09/17/2021

PRINT NAME AND EXPIRY/ AFFIX SEAL

REMI ANTHONY BERTHELET

