



Clerk's stamp:

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 APPLICATION

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

NOTICE TO RESPONDENT(S): SEE ATTACHED SERVICE LIST

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

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

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

Date	May 6, 2019
Time	2:00 p.m.
Where	Calgary Courts Centre 601-5th Street SW, Calgary, AB
Before Whom	The Honourable Madam Justice M.H. Hollins

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. Capitalized terms not otherwise defined herein shall have the meaning given to them in the Affidavit of Remi Anthony (Tony) Berthelet, sworn April 9, 2019 (the "**First Berthelet Affidavit**") or in the Affidavit Remi Anthony (Tony) Berthelet, sworn April 29, 2019 (the "**Second Berthelet Affidavit**"), as the context requires.
2. The Applicants, respectfully seek an Order in substantially the form attached hereto as **Schedule "A"**, for 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 (the "**Initial Order**") to June 5, 2019;
 - (c) authorizing and directing the Applicants, their counsel, and the Monitor to pay the First Installment of the KERP;
 - (d) such further and other relief, advice and directions as counsel may request and this Honourable Court may deem appropriate in the circumstances.

Grounds for making this application:

3. On April 10, 2019, the Honourable Madam Justice K.M. Horner of this Court granted the Initial Order in this Action granting, among other things, a stay of proceedings in favour of the Applicants, until and including May 6, 2019 (the "**Stay Period**").
4. Since the granting of the Initial Order, the Applicants have taken significant steps to advance the restructuring, including but not limited to:
 - (a) cooperating with the Monitor to facilitate its monitoring of the Applicants business and operations;
 - (b) communicating with various stakeholder groups and/or their advisors, including counsel for GMT Capital, AER, trade creditors, employees, contractors and others;
 - (c) continuing to work with the Monitor, AER and GMT Capital to develop a SISP; and
 - (d) continuing to operate and manage the business and operations of Strategic in the ordinary course, subject to the terms of the Initial Order.
5. The Monitor supports the request for the extension of the Stay Period and the remainder of the relief being sought.
6. The Applicants have been acting in good faith and with due diligence and the relief being sought is fair just and reasonable.
7. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

8. The Second Berthelet Affidavit, filed.
9. The First Report of the Monitor, dated April 29, 2019, filed.
10. The pleading and proceedings filed in the within Action.
11. Such further and other evidence as counsel may advise and this Honourable Court may permit.

Applicable Rules:

12. None.

Applicable Acts and regulations:

13. The *Companies Creditors' Arrangement Act*, RSC 1985, c C-36, as amended
14. Such further and other Acts and regulations as counsel may advise.

Any irregularity complained of or objection relied on:

15. None

How the application is proposed to be heard or considered:

16. Orally in Chambers

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 give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE "A" – DRAFT

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APPLICANTS STRATEGIC OIL & GAS LTD. and STRATEGIC
TRANSMISSION LTD.

DOCUMENT **ORDER (STAY EXTENSION, KERP PAYMENT)**

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CONTACT INFORMATION OF PARTY
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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

DATE ON WHICH ORDER WAS
PRONOUNCED: May 6, 2019

LOCATION WHERE ORDER WAS
PRONOUNCED: Calgary, Alberta

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Madam Justice M.H. Hollins

UPON the application of **Strategic Oil & Gas Ltd.** and **Strategic Transmission Ltd.** (collectively the "**Applicants**"); **AND UPON** having read the Application, the Affidavit of Remi Anthony (Tony) Berthelet, sworn April 29, 2019 (the "**Second Berthelet Affidavit**"), the First Report of KPMG Inc., dated April 29, 2019 (the "**First Report**"), the Court-appointed Monitor of the Applicants (the "**Monitor**"), and the Affidavit of Service of _____, all filed; **AND UPON** hearing counsel for the Applicants, counsel for the Monitor, counsel for GMT Capital (as defined in the Berthelet Affidavit), and counsel for other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service this application and supporting materials is hereby deemed good and sufficient, the time for notice is hereby abridged to the time provided, and no other person is required to have been served with notice of this application.

Stay

2. The Stay Period as ordered and defined in paragraph 13 of the Initial Order granted herein on April 10, 2019, is hereby extended until and including June 5, 2019.

Key Employee Retention Program

3. The Applicants, their legal counsel, and the Monitor are hereby authorized and directed to proceed with payment of the First Installment in accordance with the provisions of the KERP, each as defined in the Affidavit of Remi Anthony (Tony) Berthelet, sworn April 9, 2019.

Service

4. The Applicants shall serve this Order on the persons listed on the service list by any of email, facsimile, courier, registered mail, regular mail, or personal delivery, and no persons other than those on the service list are required to be served with a copy of this Order.

Justice of the Court of Queen's Bench of Alberta

Action No. 1901-05089

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.**

File: 575553-3

Service List
(April 29, 2019)

Service Recipient	Recipient Status	Service Method
Dentons Canada LLP 850 – 2nd Street SW Calgary, Alberta T2P 0R8 Attention: David W. Mann & Afshan Naveed Email: david.mann@denton.com afshan.naveed@dentons.com	Counsel for the Applicants	Email
KPMG Inc. Bow Valley Square II Suite 3100 205 – 5 Avenue SW Calgary, Alberta T2 P 4B9 Attention: Neil Honess & Cameron Browning Email: neilhoness@kpmg.ca cbrowning@kpmg.ca	Court-appointed Monitor	Email

Service Recipient	Recipient Status	Service Method
Torys LLP 525 – 8 th Avenue SW Calgary, Alberta T2P 1G1 Attention: Kyle Kashuba Email: kkashuba@torys.com	Counsel for the Monitor	Email
Bennet Jones LLP 4500 Bankers Hall East 855 2 nd Street SW Calgary, Alberta T2P 4K7 Attention: Ken T. Lenz Email: lenzk@bennettjones.com	Counsel for GMT Capital Corp., Secured Debenture Holder	Email
Royal Bank of Canada Corporate Banking 3900 Bankers Hall West 888-3 rd Street SW Calgary, Alberta T2P 5C5 Attention: Ryan Stasynech	Secured Creditor	Courier
Roynat Inc. Suite 1500, 4710 Kingsway St. Burnaby, BC V5H 4M2	Secured Creditor	Courier
True North Ford Ltd. 10102 97 Street High Level, AB T0H 1Z0	Secured Creditor	Courier
Meridian Onecap Credit Corp. Suite 1500, 4710 Kingsway Burnaby, BC V5H 4M2	Secured Creditor	Courier

Service Recipient	Recipient Status	Service Method
Libra Advisors Attention: Vipul Pandey Email: vp@libraadvisors.com	Equity Holder	Email
PrairieSky Royalty Ltd. 1700, 350 – 7 th Ave SW Calgary, AB T2P 3N9 Attention: Dale Percy Email: Dale.Percy@prairiesky.com	Creditor	Email
Carscallen LLP 900, 332-6 th Ave SW Calgary, AB T2P 0B2 Attention: Glenn Blackett Email: blackett@carscallen.com	Counsel for Ensign Drilling Inc. (operating as Ensign Testing Services), Builders' Lien & Counsel for Apex Distribution Inc., Builders' Lien	Email
Reynolds Mirth Richards & Farmer LLP 3200, 10108 -101 Street Edmonton, AB T5J 3W8 Attention: Mikkel J. Arnston Email: marnston@rmrf.com	Counsel for Global Well Servicing Ltd., Builders' Lien	Email