

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 **AFFIDAVIT**

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 AMANDA REITENBACH

Sworn on October 4th, 2019

I, Amanda Reitenbach, of Calgary, Alberta, SWEAR AND SAY THAT:

1. I have been the Vice President, Development and Operations of Strategic Oil & Gas Ltd. ("**Strategic**") since July 9, 2018. On September 23, 2019, I also took on the role of Chief Operating Officer, 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 Remi Anthony Berthelet ("**Berthelet**") on April 9, 2019 (the "**First Berthelet Affidavit**"), the Affidavit sworn by Berthelet on April 29, 2019 (the "**Second Berthelet Affidavit**"), the Affidavit sworn by Berthelet on September 11, 2019 (the "**Third Berthelet Affidavit**"), the Plan (defined below), or the Meeting Order (defined below), as the context requires.
3. This Affidavit is made in support of an Application by the Applicants for an Order seeking, among other things, the following relief:
 - (a) if necessary, abridging the time for service of the Application and supporting materials and declaring service to be good and sufficient;
 - (b) an Order amending the KERP, as approved in the Initial Order, to revise how the Final Installment is paid (the "**Amended KERP**");
 - (c) an Order approving a claims process (the "**Claims Process**") for identifying, classifying, valuing, proving and adjudicating various claims by creditors of the Applicants, a copy of which is attached to the Monitor's Third Report (the "**Third Report**") as Appendix "C" (the "**Claims Procedure Order**");
 - (d) an Order authorizing Strategic to file a Plan of Compromise and Arrangement (the "**Plan**"), a copy of which is attached to the Third Report as Appendix "D", and to call, hold and conduct the Meeting of Affected Creditors to vote on the Plan (the "**Meeting**"), and granting other relief related to the Plan and the Meeting (the "**Meeting Order**"); and
 - (e) an extension of the stay of proceedings, as ordered in the Initial Order and thereafter extended by subsequent orders of this Court, to and including December 31, 2019, in order to complete the Claims Process and Plan.
4. I have reviewed a copy of the Third Report, to be filed concurrently with this Affidavit, and confirm and agree with the Monitor's update to the Court.

Amended KERP

5. Pursuant to the Initial Order, the KERP was put in place for all remaining employees of Strategic. The KERP is more fully described in the First Berthelet Affidavit at paragraphs 111-125 and Exhibit J thereto.
6. The First Installment was paid to Eligible Employees from the Segregated Funds on May 15, 2019 and the Second Installment was paid to Eligible Employees from cash flow on July 31, 2019.
7. As further detailed in the Third Report, Mr. Berthelet has resigned effective October 17, 2019 and Ravish Pejavar, a financial reporting accountant, resigned effective September 27, 2019. Accordingly, they will not be receiving their respective Final Installments.
8. As further outlined in the Third Report, Strategic is seeking to amend the Final Installment of the KERP in order to revise and clarify the timing of the Final Installment and re-distribute the Segregated Funds among the remaining employees. The Amended KERP will assist Strategic in ensuring that key employees remain during the extended period required to finalize the Plan and undertake the requirements of the Claims Procedure Order and Meeting Order.

9. The Amended KERP is being sought to fairly re-distribute the Segregated Funds among the remaining employees.
10. I verily believe that the Amended KERP is essential to retaining existing employees through to the completion of the Claims Process and Plan.
11. I am advised by the Monitor and do verily believe that the Monitor supports the Amended KERP.

Claims Process

12. The Applicants seek to establish a procedure whereby the claims of the Applicants' creditors can be assessed in terms of their classification, value and validity for the purposes of a plan under the CCAA.
13. The Applicants, with the assistance of the Monitor, have developed and are proposing a Claims Process, to include the following steps:
 - (a) the Applicants will, based on their books and records, and with the assistance of the Monitor, send out the Claims Process in the manner set out in the Claims Procedure Order to its known creditors (the "**Known Claimants**");
 - (b) the Applicants, with the assistance of the Monitor, shall advertise the Claims Process in the manner set out in the Claims Procedure Order, so that any creditors with claims that are not determinable using the Applicants' books and records (the "**Unknown Claimants**") may identify themselves, and have an opportunity to prove their claims;
 - (c) the Applicants, with the assistance of the Monitor, will review each proof of claim received from Known and Unknown Claimants and will accept, revise, or disallow each such claim, subject to the rights of Claimants to dispute the revision or disallowance of their claims;
 - (d) the Applicants, with the assistance of the Monitor, may attempt to resolve any disputes over the classification of value of claims by consent, failing which any such disputes are to be referred to this Honourable Court for resolution.
14. I believe that the Claims Process as described above and set out in the proposed form of Claims Procedure Order is reasonable and appropriate, because:
 - (a) the majority of creditors are Known Claimants;
 - (b) the books and records of the Applicants are sufficiently accurate and complete that the claims of such Known Claimants can easily be classified and valued;
 - (c) to the extent there are any Unknown Claimants, they will be notified by the Monitor as provided for in the Claims Procedure Order, and will have the right to advance and prove their claims in accordance with the Claims Procedure Order; and
 - (d) knowledge of all claims against the Applicants will facilitate the Plan.
15. I am advised by the Monitor and do verily believe that the Monitor supports the Claims Process and the form of Claims Procedure Order sought.

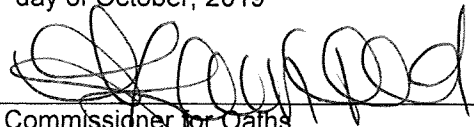
Plan

- 16. A summary of the Plan is outlined at paragraphs 41 to 45 of the Third Report.
- 17. The Plan includes releases of a number of parties, including:
 - (a) Strategic and its representatives, employees and agents;
 - (b) the Directors, the Officers and any current or other alleged fiduciary of Strategic;
 - (c) GMT Capital Corp., the Plan sponsor and secured creditor of Strategic; and
 - (d) counsel to Strategic, counsel to the Monitor and counsel to GMT Capital Corp.
- 18. The Applicants are seeking authorization to call and hold the Meeting on November 29, 2019 at 2:00 p.m. to allow the Affected Creditors to vote on the Plan.
- 19. A summary of the Meeting Order is outlined at paragraphs 46 to 51 of the Third Report.
- 20. I do verily believe the Plan, as contemplated, is fair and reasonable and allows for a distribution to Unsecured Creditors which may not otherwise be available to them.

Stay Extension

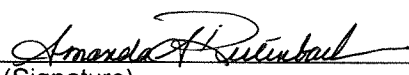
- 21. The Applicants continue to work closely with the Monitor and various stakeholders.
- 22. An extension of the Stay Period to and including December 31, 2019 is required to complete the Claims Process and hold the Meeting to vote on the Plan.
- 23. The Applicants are working in good faith and with due diligence in these proceedings and believe it is in the best interests of the Applicants and all stakeholders to continue in these proceedings until the completion of the Claims Process and the Plan.
- 24. I am advised by the Monitor and do verily believe that the Monitor supports this application.
- 25. 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 Calgary, Alberta, this)
4th day of October, 2019)



A Commissioner for Oaths
in and for the Province of Alberta

Afshan Naveed
Barrister & Solicitor



(Signature)

PRINT NAME AND EXPIRY/LAWYER
/STUDENT-AT-LAW

AMANDA REITENBACH