

**FORM 87**

**NOTICE AND STATEMENT OF THE RECEIVER**

(Subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*)

**IN THE MATTER OF THE RECEIVERSHIP OF  
STRATEGIC OIL & GAS LTD. AND STRATEGIC TRANSMISSION LTD.**

**The Receiver gives notice and declares that:**

1. On the 28<sup>th</sup> day of January, 2020, the undersigned, KPMG Inc., became the receiver and manager (the “**Receiver**”) in respect of the Alberta assets, undertakings and properties of Strategic Oil & Gas Ltd. and Strategic Transmission Ltd. (together, the “**Company**”). The property of the Company can be summarized as follows<sup>1</sup>:

| <b>Assets</b>  | <b>Amount (CAD \$)</b> |
|--|------------------------|
| Property, plant, and equipment                               | 111,172,757            |
| Exploration and evaluation assets                            | 13,257,030             |
| Cash   | 4,999,360              |
| Term deposits held by bank as security for letters of credit | 266,530                |
| Prepaid expenses   | 870,871                |
| Accounts receivable  | 288,551                |
| Oil inventory  | 87,714                 |
| <b>Total</b>   | <b>130,942,814</b>     |

2. The undersigned became the Receiver in respect of the Alberta assets, undertakings and properties described above by virtue of being appointed by the Court of Queen’s Bench of Alberta File No. 2001 - 01210, Calgary Judicial Centre, dated January 28<sup>th</sup>, 2020. A copy of the appointing order can be found on the receiver’s website at: <http://kpmg.com/ca/strategic>.
3. The undersigned took possession or control of the property described above on the 28<sup>th</sup> day of January, 2020.
4. The following information relates to the Receivership:
- (a) Address of insolvent persons: 645 7 Ave S.W.  
Calgary, AB T4P 4G8
- (b) Principal line of business: Oil & Gas Exploration and Production
- (c) Locations of business: Calgary based oil and gas company with properties in Alberta and Northwest Territories
- (d) Estimated amount owed by the Company to each creditor who holds security on the property described above<sup>2</sup>:

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<sup>1</sup> The above summary of the estimated assets is prepared based on the books and records of the Company and may not accurately reflect the net realizable value of the Company’s assets.

<sup>2</sup> The balances pertaining to Estimated End of Life Obligations are an estimate based on the books and records of the Company. Further, both Alberta Energy Regulator and the Office of the Regulator of Oil and Gas Operations balances have been included for completeness.

*Notice and Statement of the Receiver (Subsections 245(1) and 246(1))*

| <b>Secured Creditor</b>         | <b>Amount (CAD \$)</b> |
|---------------------------------|------------------------|
| Bay Resource Offshore Master LP | 6,862,979              |
| Bay Resource Partners LP        | 3,817,951              |
| Bay II Resource Partners LP     | 2,969,968              |
| GMT Capital Corp                | 556,869                |
| Tom Claugus                     | 550,783                |
| GMT Exploration Company LLC     | 456,450                |
| Royal Bank of Canada            | 301,530                |
| Builders' liens                 | <i>Unknown</i>         |
| <b>Total</b>                    | <b>15,516,530</b>      |

| <b>Estimated End of Life Obligations</b>          | <b>Amount (CAD \$)</b> |
|---|------------------------|
| Alberta Energy Regulator                          | 54,397,908             |
| Office of the Regulator of Oil and Gas Operations | 12,375,385             |
| <b>Total</b>                                      | <b>66,773,293</b>      |

(e) The list of other creditors of the insolvent persons<sup>3</sup> and the amount owed to each creditor (to the extent that it is known) and the total amount due by the insolvent persons is attached to this notice as **Appendix “A”**.

(f) The intended plan of action of the Receiver during the receivership is to evaluate and execute on the appropriate steps to realize on the assets with a view to maximizing recoveries for all creditors.

(g) Contact person for Receiver:

Cameron Browning  
KPMG Inc.  
Suite 3100, 205-5<sup>th</sup> Avenue SW  
Calgary, AB, T2P 4B9  
Telephone: (403) 691-8413  
Facsimile: (403) 691-8008  
Email: cbrowning@kpmg.ca

Joe Sitholé  
KPMG Inc.  
Suite 3100, 205-5<sup>th</sup> Avenue SW  
Calgary, AB, T2P 4B9  
Telephone: (403) 691-8070  
Facsimile: (403) 691-8008  
Email: jsithole@kpmg.ca

Dated at Calgary, Alberta, this 7<sup>th</sup> day of February, 2020.

**KPMG Inc.**, in its capacity as receiver and manager of Strategic Oil & Gas Ltd. and Strategic Transmission Ltd. and not in its personal or corporate capacity



Per: Neil Honess  
*Senior Vice President*

<sup>3</sup> The listing of unsecured creditors includes balances related to both Alberta and Northwest Territories.

## APPENDIX "A"

### LIST OF UNSECURED CREDITORS

| UNSECURED CREDITORS                             | AMOUNT CAD |
|---|------------|
| 1032750 ALBERTA LTD.                            | \$ 40,262  |
| 1237776 ALBERTA LTD.                            | 140,963    |
| 1356518 ALBERTA LTD.                            | 5,250      |
| 652395 ALTA LTD.                                | 20,582     |
| 720240 ALBERTA LTD. O/A/ BW RENTALS             | 6,053      |
| 794454 ALBERTA LTD.                             | 39,748     |
| 883492 ALBERTA LTD.                             | 645,452    |
| ABACUS DATA                                     | 47         |
| ABOVE & BEYOND COMPRESSION INC.                 | 4,232      |
| ADVANCED FLOW TECHNOLOGIES INC                  | 4,942      |
| AEC PROPERTY TAX INC.                           | 3,720      |
| AGAT LABORATORIES                               | 1,200      |
| AIR LIQUIDE CANADA INC.                         | 1,027      |
| AKS GEOSCIENCE INC.                             | 1,260      |
| ALBERTA LINE FIND LTD                           | 336        |
| ALBERTA ONE-CALL CORPORATION                    | 6          |
| ALOYTA CONSULTING LTD.                          | 1,208      |
| AMBER ENVIROSERVICES SERVICES INC. (2006)       | 19,530     |
| AMBIUS  | 161        |
| APEX DISTRIBUTION INC.                          | 39,257     |
| A-PLUS T2P SERVICE LTD.                         | 103        |
| ARCAO CONSULTING                                | 7,854      |
| ARNOLD ENTERPRISES LTD.                         | 73,336     |
| AURORA LAND CONSULTING LTD.                     | 22,079     |
| AVEDA TRANSPORTATION AND ENERGY SERVICES INC    | 6,585      |
| AVENGE ENERGY SERVICES INC.                     | 101,603    |
| BAKER HUGHES BUSINESS SUPPORT SERVICES          | 55,396     |
| BARON OILFIELD SUPPLY                           | 33,601     |
| BELL EXPRESSVU                                  | 1,593      |
| BETA-TECH INC.                                  | 1,943      |
| BHC ENTERPRISES LTD.                            | 1,369      |
| BLUE WAVE ENERGY                                | 175,919    |
| BONNETT'S ENERGY SERVICES PARTNERSHIP           | 79,333     |
| BRITANIA INDUSTRIES INC.                        | 5,600      |
| BROGAN SAFETY SUPPLY LTD                        | 2,552      |
| BUFFALO INSPECTION SERVICES (2005) INC.         | 30,407     |
| C&C SYSTEMS LIMITED                             | 80,688     |
| CALGARY STAMP & STENCIL CORP                    | 35         |
| CALIBER ENERGY SYSTEMS LTD.                     | 22,741     |
| CANADIAN NATIONAL NON-FREIGHT MANAGEMENT        | 525        |
| CAON SERVICES INC.                              | 200        |
| CARON MEASUREMENT & CONTROLS                    | 6,449      |
| CENOVUS ENERGY INC.                             | 2,908      |
| CGI INFORMATION SYSTEMS AND MANAGEMENT          | 131        |
| CHAMPION AUTOMATION & MEASUREMENT SERVICES, LLC | 391        |
| CITIMAIL INC                                    | 74         |
| CJ-CSM INSPECTION LTD                           | 48,370     |
| COMMONWEALTH FREIGHT SERVICES                   | 1,575      |
| COMPACT COMPRESSION INC.                        | 12,469     |
| COMPASS GROUP CANADA LTD.                       | 243,447    |
| COMPUTERSHARE TRUST COMPANY OF CANADA           | 4,689      |
| CONOCOPHILLIPS CANADA RESOURCES CORP            | 408        |
| CONTINENTAL IMAGING PRODUCTS                    | 1,929      |
| COPYSEIS LTD                                    | 4,401      |
| CORE LABORATORIES CANADA LTD                    | 40,792     |
| CORPORATE EXPRESS                               | 731        |
| CORTEX BUSINESS SOLUTIONS LTD.                  | 1,580      |
| CRESCENT POINT RESOURCES PARTNERSHIP            | 5,683      |
| D. MAC SERVICES LTD.                            | 347        |
| DATA CAN SERVICES CORP                          | 11,930     |

|   |         |
|---|---------|
| DEBIAN INFORMATION TECHNOLOGY               | 13,356  |
| DELOITTE LLP                                | 1,786   |
| DELTA HELICOPTERS LTD.                      | 21,644  |
| DENE THA' FIRST NATION                      | 26,040  |
| DENTONS CANADA LLP                          | 3,109   |
| DIGAA ENTERPRISES LIMITED                   | 858,298 |
| DNOW CANADA ULC                             | 41,985  |
| ELDON'S TRANSPORT LTD                       | 41,003  |
| ENERGYLINK HOLDINGS LLC                     | 355     |
| ENMAX ENERGY CORPORATION                    | 35,500  |
| ENSIGN TESTING SERVICES INC.                | 7,924   |
| ENVIRO SHRED INC.                           | 153     |
| FDI ACOUSTICS INC.                          | 3,833   |
| FINNING (CANADA)                            | 25,239  |
| FLUID PRESSURE TESTING LTD                  | 30,083  |
| FORMULA POWELL LP                           | 94,794  |
| FOUR-L-ENT                                  | 150,570 |
| FRONTLINE COMPRESSION SERVICES INC.         | 3,150   |
| FUNDTHROUGH INC.                            | 121,516 |
| GLOBAL WELL SERVICING LTD                   | 761,937 |
| GLOBALSTAR CANADA SATELLITE CO.             | 506     |
| GREG MCKINNEY PICKER SERVICE LTD.           | 81,359  |
| GREGG DISTRIBUTORS                          | 4,702   |
| H2SAFETY SERVICES INC.                      | 3,570   |
| HAMDON ENERGY SOLUTIONS LTD                 | 2,410   |
| HAWK HYDROVAC LTD.                          | 735     |
| HIGH LEVEL NATIVE FRIENDSHIP CENTRE SOCIETY | 12,667  |
| HIGH LEVEL WELDING SUPPLIES                 | 4,073   |
| HIRT'S VACUUM TRUCK SERVICE LTD.            | 1,680   |
| HUSKY OIL OPERATIONS LIMITED                | 756     |
| I-DENT GROUP INC.                           | 2,070   |
| IHS MARKIT CANADA ULC                       | 29,911  |
| INFOSTAT COMMUNICATIONS                     | 226     |
| IRON MOUNTAIN CANADA CORPORATION            | 1,536   |
| JAYLAN OILFIELD RENTALS LTD.                | 714     |
| KEYERA CORP.                                | 2,034   |
| KUDU INDUSTRIES INC.                        | 5,562   |
| LA CRETE TRANSPORT (79) LTD.                | 663     |
| LAFORCE ELECTRIC LTD.                       | 48,189  |
| LINDE CANADA LIMITED 15687                  | 394     |
| LONGWAY SERVICES LTD.                       | 215,814 |
| LOOMIS EXPRESS                              | 147     |
| MANITOULIN TRANSPORT INC.                   | 855     |
| MARATHON COMPRESSION                        | 6,699   |
| MCDANIEL AND ASSOCIATES CONSULTANTS LTD     | 36,325  |
| MCGYVORS MACHINE SERVICES LTD.              | 869     |
| MESSER CANADA INC., 15687                   | 682     |
| MEYERS NORRIS PENNY LLP                     | 12,920  |
| MOONLITE DITCHING LTD.                      | 40,169  |
| MOUNTAIN WEST SERVICES LTD.                 | 33,331  |
| MRC GLOBAL (CANADA) ULC                     | 18,647  |
| NELGAR SERVICES INC.                        | 11,720  |
| NEOPOST CANADA LTD.                         | 1,383   |
| NORALTA INN WEST LTD.                       | 9,272   |
| NORPINE AUTO INDUSTRIAL SUPPLY              | 620     |
| NORTHERN SERVICES (1978) LTD.               | 117     |
| NORTON ROSE FULBRIGHT CANADA LLP            | 6,416   |
| NORWELD STRESS (1994) LTD                   | 13,819  |
| NRAI, INC.                                  | 30      |
| NUWAVE INDUSTRIES                           | 52,175  |
| OBSIDIAN ENERGY LTD.                        | 147     |
| OFFICESTUFF INC.                            | 192     |
| PANDELL TECHNOLOGY CORPORATION              | 11,538  |
| PARAMOUNT RESOURCES LTD.                    | 70,408  |
| PENCOFF SERVICES LTD                        | 349,440 |
| PERMA-PIPE CANADA                           | 1,050   |

|  |                      |
|--|----------------------|
| PI SUPPLY INDUSTRIAL INC                   | 25,403               |
| PLANET COFFEE COMPANY LTD.                 | 119                  |
| PRIME ESSENTIAL SYSTEMS CORP               | 177                  |
| PRO ENERGY INC.                            | 35,778               |
| PROGRESSIVE COMPLETIONS LTD.               | 23,479               |
| PRONGHORN CONTROLS LTD.                    | 252                  |
| PURECHEM SERVICES                          | 1,893                |
| PUROLATOR INC.                             | 1,155                |
| QWEST HELICOPTERS                          | 2,145                |
| R2N2 SERVICES LTD.                         | 7,376                |
| RBC CAPITAL MARKETS                        | 1,450                |
| RBW WASTE MANAGEMENT LTD.                  | 4,627                |
| RED RABBIT COMMUNICATIONS INC.             | 51,531               |
| RENTCO EQUIPMENT LTD.                      | 13,029               |
| RESOURCE ENERGY SOLUTIONS INC              | 10,211               |
| RHINO ENERGY SERVICES LTD.                 | 9,861                |
| ROADPOST INC                               | 1                    |
| RODDY'S OILFIELD SERVICE SALES AND REPAIRS | 3,932                |
| RUSSELL HENDRIX FOODSERVICE EQUIPMENT      | 3,267                |
| SAEXPLORATION (CANADA) LTD.                | 3,102,503            |
| SAFETY SCAN ENTERPRISES LTD.               | 4,206                |
| SAFETY SYNC                                | 466                  |
| SEAWARD'S OILFIELD SERVICES                | 16,538               |
| SELECT EQUIPMENT RENTALS (HIGH LEVEL) LTD. | 6,477                |
| SEMERRA LTD.                               | 99,761               |
| SHAW CABLE                                 | 242                  |
| SHAYNE K CONSULTING                        | 2,940                |
| SILVACOM ITF TOLKO/FFP                     | 5,508                |
| SILVERTIP OILFIELD SERVICES INC.           | 9,488                |
| SPARTAN CONTROLS LTD.                      | 5,027                |
| SPECTRUM WIRELINE SERVICES LTD.            | 244,231              |
| STRAIT PROJECTS                            | 770,030              |
| STREAM-FLO INDUSTRIES LTD.                 | 39,660               |
| STRIKE GROUP LIMITED PARTNERSHIP           | 17,496               |
| SUNLIFE FINANCIAL                          | 194                  |
| SUPER A FOODS                              | 572                  |
| SUPERIOR PROPANE                           | 2                    |
| SYSCO CANADA INC. (SYSCO EDMONTON)         | 3,653                |
| TAB PRODUCTS CO LLC                        | 456                  |
| TABER EXCAVATING LTD                       | 260                  |
| TALLAHASSEE EXPLORATION INC.               | 49,260               |
| TARA ENERGY SERVICES INC.                  | 114,609              |
| TERVITA CORPORATION                        | 41,074               |
| TEST FLUIDS LTD.                           | 16,538               |
| TIGER CALCIUM SERVICES INC.                | 21,315               |
| TOTAL OILFIELD RENTALS PARTNERSHIP         | 1,407                |
| TRAVERSE ENERGY LTD.                       | 382                  |
| TRUE NORTH FORD LTD                        | 2,008                |
| TRYTON TOOL SERVICES LTD.                  | 130,016              |
| TS&M SUPPLY                                | 302,562              |
| TSX TRUST COMPANY                          | 1,106                |
| TSX VENTURE EXCHANGE INC                   | 18,638               |
| UNIVERSAL GEOMATICS SOLUTIONS              | 26,160               |
| VERDAZO ANALYTICS INC.                     | 551                  |
| VERTEX PROFESSIONAL SERVICES LTD.          | 210                  |
| VZFOX CANADA ENGINEERING                   | 1,470                |
| WHIPCORD LTD                               | 3,266                |
| XI TECHNOLOGIES INC                        | 795                  |
| <b>TOTAL UNSECURED CREDITORS</b>           | <b>\$ 10,664,582</b> |