

COURT FILE NUMBER 2001-05124

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANTS IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c C-36, AS AMENDED

AND IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF DELPHI ENERGY CORP., and DELPHI
ENERGY (ALBERTA) LIMITED

DOCUMENT **RESPONSES TO UNDERTAKINGS GIVEN AT THE
QUESTIONING OF DAVID JAMES REID ON JULY 31, 2020**

ADDRESS FOR SERVICE **OSLER, HOSKIN & HARCOURT LLP**
AND CONTACT Barristers and Solicitors
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 Matter No. 1209635

UNDERTAKING #	UNDERTAKING
1.	<p>To confirm with the counsel at Osler, Hoskin & Harcourt LLP named in the April 13, 2020, 2:48 PM email exchange if it is a true and accurate exchange of email between the parties named thereto. (Taken Under Advisement)</p> <p>RESPONSE:</p> <p>Ms. Whyte confirms that an email from Ms. Burton to Mr. Carson, Ms. Whyte and copied to Mr. Cumming was received on or about 2:48 p.m. on April 13, 2020.</p>
2.	<p>To confirm with the counsel at Osler, Hoskin & Harcourt LLP named in the April 14th, 2020, 2:29 PM email exchange if it is a true and accurate exchange of email between the parties named thereto. (Taken Under Advisement)</p>

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	<p>RESPONSE:</p> <p>Ms. Whyte confirms that an email from Ms. Burton to Ms. Omokhodion and Mr. Hoher, copied to Ms. Whyte, Mr. Rein, Mr. Low, Mr. Cumming, Ms. Saric and Mr. Carson was received on or about 2:29 p.m. on April 14, 2020.</p>
3.	<p>To confirm with Dana Saric or other counsel referenced in the April 14, 2020, 2:29 PM email whether Osler, Hoskin & Harcourt LLP attended to the registration of the Computershare Trust Company of Canada supplemental debenture. (Taken Under Advisement)</p> <p>RESPONSE:</p> <p>Ms. Saric confirms that Osler, Hoskin & Harcourt LLP provided the Computershare Trust Company of Canada Supplemental Debenture to Eldor-Wal Registrations who, in turn, registered it with the Alberta Mines and Minerals Registry on April 15, 2020.</p>
4.	<p>To locate and provide the correspondence between Osler, Hoskin & Harcourt LLP and Computershare Trust Company of Canada on April 14, 2020, as referenced in the email of July 9, 2020, 3:12 PM from Ms. Fletcher to Mr. Kruger.</p> <p>Copies of the April 14, 2020 correspondence between Osler, Hoskin & Harcourt LLP to Computershare Trust Company of Canada is attached at Tab 1.</p>
5.	<p>To provide details of the communication from Osler Hoskin & Harcourt LLP to Computershare Trust Company of Canada with respect to Computershare Trust Company of Canada not being instructed to effect the registration and that the documents be returned to Osler, Hoskin & Harcourt LLP to deal with the necessary filing steps. (Taken Under Advisement)</p> <p>RESPONSE:</p> <p>See correspondence attached at Tab 1.</p>
6.	<p>To confirm that the April 24, 2020, letter delivered by Computershare Trust Company of Canada to Osler, Hoskin & Harcourt LLP was received by Osler, Hoskin & Harcourt LLP on or about April 24, 2020; (Accepted) and to inquire if Osler, Hoskin & Harcourt LLP had drafted the response on</p>

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	<p>behalf of Computershare Trust Company of Canada. (Taken Under Advisement)</p> <p>RESPONSE:</p> <p>The letter from Computershare Trust Company of Canada to Osler, Hoskin & Harcourt LLP re: Credit Facilities in favour of Delphi Energy Corp. was received by Osler, Hoskin & Harcourt LLP on April 24, 2020.</p> <p>Osler, Hoskin & Harcourt confirms that it drafted an initial draft of the April 24th letter and provided such draft to Computershare Trust Company of Canada for its review and execution. Pursuant to section 14.4 of the Second Lien Indenture, upon receipt of a request by ATB for Delphi to grant additional fixed charges to those charges already contained in the First Lien Debenture, then concurrently with the granting of such additional fixed charges, Delphi was required to grant, or cause to be granted, to Computershare for the benefit of the Second Lien Noteholders additional fixed charges.</p> <p>In addition, pursuant to section 14.4 of the Trust Indenture, Delphi was required to:</p> <ul style="list-style-type: none"> • do all such things as are reasonably required to grant in favour of Computershare for the benefit of the Second Lien Noteholders a fixed lien with respect to such additional property; • provide Computershare with such security instruments, legal opinion and other documents which Computershare, acting reasonably, deems are necessary to give full force and effect to the additional charges and additional fixed liens; and • assist Computershare in the registration or recording of such agreements and instruments in such public registry offices in Canada or any province thereof as Computershare, acting reasonably, deems necessary. <p>Further, section 14.5 of the Trust Indenture requires Delphi to file, re-file and register all Security Documents (as defined in the Second Lien Indenture) in the same offices where ATB registers security documents granted to secure obligation under the First Lien Credit Agreement in order to protect, perfect, and preserve the liens created in favour of Computershare.</p> <p>In addition, pursuant to section 2.4 of the Amended and Restated</p>

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	<p>Intercreditor Agreement between ATB, the Applicants and Computershare, dated November 26, 2019, the Applicants agreed not to grant any lien on their assets to ATB or any other First Lien Lender unless similar liens were granted to Computershare for the benefit of the Second Lien Noteholders in accordance the priorities defined under the Intercreditor Agreement.</p> <p>In accordance with the foregoing contractual obligations, among others, the Applicants, among other things, prepared and provided Computershare Trust Company of Canada with the April 24, 2020 letter confirming that Computershare was electing to crystallize its security interest in all or a portion of the collateral upon receipt of a similar notice from ATB on April 17, 2020.</p>
7.	<p>To inquire from Osler, Hoskin & Harcourt LLP to confirm that the April 22, 2020, letter was delivered to Computershare Trust Company of Canada on or about that date.</p> <p>RESPONSE:</p> <p>The April 22, 2020 letter from Osler, Hoskin & Harcourt LLP was delivered to Computershare Trust Company of Canada on or about April 23, 2020.</p>
8.	<p>To inquire of Mr. Reid's counsel who attended the April 14, 2020, application whether the Court was advised of the execution and registration of the supplemental debentures on April 14 and April 15, 2020. (Refused)</p> <p>RESPONSE:</p> <p>Undertaking refused.</p>
9.	<p>To inquire of Mr. Reid's counsel who attended at the April 28, 2020, extension application whether the execution and issuance of the April 14, 2020, supplemental debentures were disclosed to the Court at that time. (Refused)</p> <p>RESPONSE:</p> <p>Undertaking refused.</p>

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10.	<p>To inquire of Mr. Reid's counsel who attended at May 8, 2020, application whether the timing of delivery of the supplemental debentures was disclosed to the Court at that time. (Refused)</p> <p>RESPONSE:</p> <p>Undertaking refused.</p>																
11.	<p>To provide an explanation for the delta between the \$13.006 million number under the definition of "first lien claim" in paragraph 40(a) of Mr. Reid's April 8, 2020, affidavit and the 11.2 million shown on the "Prime Loan 2020" worksheet in the Excel spreadsheet.</p> <p>RESPONSE:</p> <p>A reconciliation between the \$11.2 million shown on the “Prime Loan 2020” tab of the “Syndicate Draws January to May 2020” and the \$13.006 million in the definition of “First Lien Claims” at section 1.1 of the Plan of Compromise and Arrangement of Delphi Energy Corp., Delphi Energy (Alberta) Limited and Delphi Energy Partnership is as follows:</p> <table border="1"> <tr> <td>Bankers' Acceptances - maturing May 13, 2020</td><td>\$ 3,500,000.00</td></tr> <tr> <td>Prime Rate Loan - principal</td><td>11,262,391</td></tr> <tr> <td>Fees</td><td>244,144</td></tr> <tr> <td>Less: Balance in Agent Cash Collateral Accounts</td><td>(2,000,000)</td></tr> <tr> <td></td><td>\$ 13,006,535.24</td></tr> <tr> <td></td><td></td></tr> <tr> <td></td><td></td></tr> <tr> <td></td><td></td></tr> </table>	Bankers' Acceptances - maturing May 13, 2020	\$ 3,500,000.00	Prime Rate Loan - principal	11,262,391	Fees	244,144	Less: Balance in Agent Cash Collateral Accounts	(2,000,000)		\$ 13,006,535.24						
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	\$ 13,006,535.24																
12.	<p>To advise whether Exhibit E to Mr. Reid's April 8, 2020, affidavit is the second lien indenture referenced in the proposed plan.</p> <p>RESPONSE</p> <p>Exhibit E to Mr. Reid's April 8, 2020 Affidavit is the Second Lien Indenture referenced in the Plan of Compromise and Arrangement of Delphi Energy Corp., Delphi Energy (Alberta) Limited and Delphi Energy Partnership.</p>																

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13.	<p>To provide a copy of the June 15, 2016, trust indenture as referenced in Exhibit D to Mr. Reid's April 8, 2020, affidavit. (Refused)</p> <p>RESPONSE:</p> <p>Undertaking refused.</p>
14.	<p>To provide the record that would show when Delphi Energy Corp. received the invoices that are associated with Ensign Drilling Inc. and Chandel Equipment Rentals' proof of claim. (Taken Under Advisement)</p> <p>RESPONSE:</p> <p>Please find attached spreadsheets at Tabs 2 and 3 generated from Delphi's accounting system showing the dates when Delphi received copies of all invoices claimed in the proofs of claim submitted by Ensign Drilling Inc. and Ensign Drilling Inc. o/a Chandel Equipment Rentals in Delphi's CCAA proceedings.</p>
15.	<p>To provide the record that would show when Delphi Energy Corp. received the invoices that are associated with Apex Distribution Inc.'s proof of claim. (Taken Under Advisement)</p> <p>RESPONSE:</p> <p>Please find attached spreadsheet at Tab 4 generated from Delphi's accounting system showing the dates when Delphi received copies of all invoices claimed in the proof of claim submitted by Apex Distribution Inc. in Delphi's CCAA proceedings.</p>
16.	<p>To confirm whether or not Delphi Energy Corp. has in their power copies of Ministry of Energy searches with respect to the leases against which Apex Distribution Inc. and Ensign Drilling Inc. have filed liens and, if so, to provide a copy of those. (Refused)</p> <p>RESPONSE:</p> <p>Undertaking refused.</p>