COURT FILE NUMBER	**2401-05179**
COURT	**COURT OF KING'S BENCH OF ALBERTA**
JUDICIAL CENTRE	**CALGARY**
PROCEEDING	**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985, c. C-36, as amended** **AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF ALPHABOW ENERGY LTD.**
DOCUMENT	**TENTH REPORT OF THE MONITOR** **June 19, 2025**

JUDICIAL CENTRE OF CALGARY
FILED DIGITALLY
2401 05179
Jun 19, 2025
CLERK OF THE COURT

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Contents

Page

1.0 Introduction 1

2.0 Update on the Sale and Investment Solicitation Process (SISP)..... 8

3.0 Other matters 10

4.0 Cash Flow Statement 12

5.0 Conclusion and Recommendation 14

1.0 Introduction

1. On March 28, 2024 (the "**Filing Date**"), Alphabow Energy Ltd. ("**Alphabow**", the "**Company**", or the "**Applicant**") filed a Notice of Intention to Make a Proposal ("**NOI**"), pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") (the "**NOI Proceeding**"). KSV Restructuring Inc. ("**KSV**") consented to act as proposal trustee (the "**Proposal Trustee**") in the NOI Proceeding.

2. On April 26, 2024, the Applicant sought and obtained an initial order (the "**Initial Order**") from the Court of Kings' Bench of Alberta (the "**Court**") granting, among other things, a continuation of the NOI Proceedings under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c C-36, as amended (the "**CCAA**") (the "**CCAA Proceeding**"). This report (the "**Tenth Report**") is filed by KSV in its capacity as monitor (the "**Monitor**") in the CCAA Proceeding.

3. The Initial Order granted, among other things, the following relief within the CCAA Proceeding:

    a) declaring the NOI Proceeding previously filed by the Applicant is taken up and continued under the CCAA, pursuant to section 11.6(a) of the CCAA;

    b) terminating the NOI Proceeding;

    c) granting a stay of all proceedings, rights, and remedies against or in respect of the Applicant until May 6, 2024 (the "**Stay Period**"); and

    d) granting a charge to not exceed $100,000 as security for the fees and disbursements of the Monitor, the Monitor's counsel, Cassels Brock & Blackwell LLP ("**Cassels**"), and the Applicant's counsel, Bennett Jones LLP ("**Bennett Jones**") (the "**Administration Charge**"), against the Applicant's current and future assets, undertakings and properties of every nature and kind whatsoever (including all real and personal property), and wherever situated, including all proceeds thereof (collectively the "**Property**").

4. Further on April 26, 2024, the Court granted the Applicant's application for an amended Initial Order (the "**Amended and Restated Initial Order**") which included, amongst other matters, the following relief:

a) extending the Stay Period to, and including, July 31, 2024; and

b) increasing the quantum of the Administration Charge to $500,000.

5. In addition, on April 26, 2024, the Court granted the Applicant's application for a sale and investment solicitation process order (the "**SISP Order**") which includes, amongst other matters, the following relief:

a) approval of a sale and investment solicitation process ("**SISP**"); and

b) authorizing the Monitor and Sayer Energy Advisors (the "**Sales Advisor**") to conduct the SISP and approving the engagement agreement between the Applicant and the Sales Advisor.

6. Finally, on April 26, 2024, the Court approved the Applicant's application for a sale approval and vesting order approving the sale transaction (the "**Cascade Transaction**") pursuant to the purchase and sale agreement dated April 15, 2024, between Alphabow and Cascade Capture Ltd. The Cascade Transaction subsequently closed on May 8, 2024.

7. On July 23, 2024, the Court granted an extension to the Stay Period to August 31, 2024. The Stay Period was then subsequently extended to September 30, 2024, by an order issued by this Court on August 27, 2024.

8. On September 20, 2024, the Court granted Alphabow's applications for:

a) a sale approval and vesting order approving a sale transaction (the "**Cenovus Transaction**") pursuant to the purchase and sale agreement dated September 4, 2024, between Alphabow and Cenovus Energy Inc. The Cenovus Transaction subsequently closed on October 2, 2024;

b) an order (the "**Claims Process Order**") authorizing Alphabow to undertake a claims process for the purpose of ascertaining the quantum of cure costs associated with certain assets included as part of the SISP (the "**Claims Process**"); and

c) an order, which amongst other things, extended the Stay Period to, and including, October 31, 2024.

9. On November 4, 2024, the Court granted Alphabow's applications for multiple sale approval and vesting orders approving several transactions pursuant to purchase and sale agreements between Alphabow and:

   i. Culloden Resources Ltd. and Rayberg Holding Ltd. ("**Culloden and Rayberg**");

   ii. Durham Creek Energy Ltd. ("**Durham**");

   iii. 2505108 AB Ltd. and Tians Oil Ltd. ("**250 and Tians**"); and

   iv. Resistance Energy Ltd. ("**Resistance**");

   (collectively referred herein as the "**November 4th Transactions**").

10. All of the November 4th Transactions have now closed.

11. Also on November 4, 2024, the Court granted Alphabow's application for an Order, which amongst other things, extended the Stay Period to, and including, November 29, 2024.

12. On November 5, 2024, on application by the Company, the Court declared that two royalty agreements (the "**Advance GORR**") between Alphabow and Advance Drilling Ltd. ("**Advance**") did not create an interest in land and will be vested off as part of the sale of Alphabow's assets.

13. On November 21, 2024, the Court granted Alphabow's applications for multiple sale approval and vesting orders approving several transactions pursuant to purchase and sale agreements entered into between Alphabow and:

   i. Power Serv Engine & Compressor Repair (Med Hat) Ltd. ("**Powerserv**");

   ii. Ember Resources Inc. ("**Ember**");

   iii. Tykewest Limited ("**Tykewest**");

   iv. Crbon Labs Inc. ("**Crbon**"); and

   v. HWN Energy Ltd. ("**HWN**");

   (collectively referred herein as the "**November 21st Transactions**").

14. Also on November 21, 2024, the Court granted Alphabow's application for an Order, which amongst other things, extended the Stay Period to, and including, December 31, 2024.

15. On December 19, 2024, the Court granted Alphabow's applications for multiple sale approval and vesting orders approving several transactions pursuant to purchase and sale agreements between Alphabow and:

    i. North 40 Resources Ltd. ("**North40**");

    ii. Rockeast Energy Corp. ("**Rockeast**");

    iii. PointBreak Resources Inc. ("**PointBreak**");

    iv. Warwick Gas Storage Ltd. ("**Warwick**");

    v. Signalta Resources Limited ("**Signalta**");

    vi. 2628071 Alberta Ltd. ("**071 AB**"); and

    vii. 2628069 Alberta Ltd. ("**069 AB**");

    (collectively referred herein as the "**December 19th Transactions**").

16. The North 40 sale approval and vesting order was amended and restated on January 21, 2025, to reflect amendments to Schedule "F" of the sales agreement between Alphabow and North 40. Such amendments corrected omissions in the schedule of registrations to be transferred.

17. Also on December 19, 2024, the Court granted Alphabow's applications for:

    a) an approval and reverse vesting order (the "**RVO**"), approving, among other things, the transaction (the "**Corporate Transaction**") for the transfer of all the common shares of Alphabow to 071 AB pursuant to an Amended and Restated Subscription Agreement dated December 16, 2024 (the "**Subscription Agreement**"); and

b) an order, which amongst other things, extended the Stay Period to, and including, February 14, 2025 (the "**December Stay Extension Order**") and required Alphabow to pay to the Monitor from the proceeds of transactions contemplated in paragraph 4 of the Seventh Li Affidavit a holdback amount of $3 million from net proceeds from the transactions to satisfy the pre and post filing amounts claimed by the Orphan Well Association ("**OWA**") for the provision of reasonable care and measures costs ("**RCAM Amounts**"). The provision in the December Stay Extension Order related to RCAM Amounts was without prejudice to the ability of the Municipalities to advance opposition to the payment of pre-filing amounts at the application scheduled on January 8, 2025.

18. On January 8, 2025, the Court granted Alphabow's application for an Order amending the December Stay Extension Order, reducing the RCAM Amounts from $3.0 million to $1.9 million. This amount is currently held in the Monitor's trust account as of the date of this report.

19. On February 4, 2025, the Court granted Alphabow's application for an Order extending the Stay Period to, and including, May 9, 2025.

20. On February 25, 2025, the Court granted Alphabow's application for:

    a) a sale approval and vesting order approving a sale transaction pursuant to a purchase and sale agreement between Alphabow and 2661707 Alberta Ltd. ("**707 AB**") dated February 18, 2025 (the "**707 AB Transaction**");

    b) a sale approval and vesting order approving a sale transaction pursuant to a purchase and sale agreement between Alphabow and Response Energy Corporation dated February 14, 2025 (the "**Response Transaction**"); and

    c) an Order assigning Alphabow's interest in an agreement dated February 3, 1978, between Hudson's Bay Oil and Gas Company Limited and Westcoast Petroleum Ltd. to Signalta.

21. On May 8, 2025, the Court granted Alphabow's application for an extension of the Stay Period to, and including, September 30, 2025.

1.1 Purposes of this Tenth Report

1. This Tenth Report is intended to provide the Court with further information related to the relief sought by the Company in its application scheduled for hearing on June 26, 2025. This Tenth Report specifically provides information regarding:

   a) the Monitor's activities since the Monitor's ninth report dated May 2, 2025 (the "**Ninth Report**");

   b) the Company's activities since the Ninth Report;

   c) the Monitor's comments and report on the Company's actual performance to date versus the tenth cash flow forecast for the period from April 28, 2025 and ending September 30, 2025 (the "**Tenth Cash Flow Statement**");

   d) an update on the SISP;

   e) Alphabow's application for an Order, which among other things:

      i. approves the amending agreement dated June 17, 2025 between the Company and 707 AB (the "**Amended 707 AB Purchase and Sale Agreement**");

      ii. approves the amendments to the sale agreements between the Company with 071 AB and 069 AB;

      iii. approves the amendments to the Subscription Agreement and Reverse Vesting Order; and

      iv. declares that the purchase and sale agreement between with MEGlobal Canada ULC ("**MEGlobal**"), dated December 1, 2004 (the "**CO2 Agreement**"), shall be retained free and clear of any liabilities, claims and encumbrances other than the Retained Liabilities defined within the Subscription Agreement; and

   f) the Monitor's comments and recommendations.

1.2 Scope and Terms of Reference

1. In preparing this Tenth Report, the Monitor has relied upon the Applicant's unaudited financial information, books and records, information available in the public domain and discussions with the Applicant's management and legal counsel.

2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Tenth Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own due diligence.

3. This Tenth Report should be read in conjunction with the materials filed by the Applicant, including the First Li Affidavit, sworn April 15, 2024, the Supplement to the First Li Affidavit, sworn April 24, 2024, the Second Li Affidavit, sworn July 15, 2024, the Third Li Affidavit, sworn August 15, 2024, the Fourth Li Affidavit, sworn September 9, 2024, the Fifth Li Affidavit, sworn October 21, 2024, the Sixth Li Affidavit, sworn November 12, 2024, the Supplement to the Sixth Li Affidavit, sworn November 18, 2024, the Seventh Li Affidavit, sworn December 9, 2024, the Supplement to the Seventh Li Affidavit, sworn December 16, 2024, the Eighth Li Affidavit, sworn January 27, 2025, the Ninth Li Affidavit, sworn February 18, 2025, the Supplement to the Ninth Li Affidavit, sworn February 20, 2025, the Tenth Li Affidavit, sworn April 28, 2025, the Eleventh Li Affidavit, sworn June 17, 2025 and any supplement affidavit(s) filed by the Applicant prior to the upcoming hearings (the "**Li Affidavits**"). Capitalized terms not defined in this Tenth Report have the meanings ascribed to them in the Li Affidavits.

1.3 Currency

1. Unless otherwise noted, all currency references in this Tenth Report are in Canadian dollars.

1.4 Court Materials

1. Court materials filed in these proceedings are made available by KSV on its case website at www.ksvadvisory.com/experience/case/alphabow (the "**Case Website**").

2.0 Update on the Sale and Investment Solicitation Process (SISP) [1]

Status of Transactions

1. As more fully described in the Monitor's previous reports, Alphabow's SISP has resulted in multiple transactions that have been approved by the Court. As of the date of this Tenth Report, all transactions have closed except for the following:

    a) **The Corporate Transaction** - has not yet closed, as the 069 AB and 071 AB transactions have not closed as license eligibility and transfer applications associated with the 069 AB and 071 AB transactions remain under review by the Alberta Energy Regulatory ("**AER**");

    b) **069 AB and 071 AB Transactions** – have not yet closed, as the license eligibility and transfer applications associated with the transactions remain under review by the AER. The 069 AB and 071 AB transactions were expected to close contemporaneously with the Corporate Transaction;

    c) **Crbon Transaction** – On May 20, 2025, Crbon informed the Sales Advisor that they could not meet the conditions precedent in the transaction and as a result would not be able to close the transaction; and

    d) **707 AB Transaction** – The purchaser has subsequently discovered through discussion with the AER that the deemed liabilities associated with the purchased assets are $21 million, when it was previously understood that these liabilities were approximately $13 million. As a result, 707 AB and the Company have agreed to an amended form of the purchase and sale agreement, which, among other things, carves out certain of the purchased assets. These amendments are more fully described below.

[1] Capitalized terms in this section have the meaning provided to them in the SISP, unless otherwise defined herein.

707 AB Transaction Amendments

1. As discussed above, 707 AB and the Company have entered into the Amended 707 AB Purchase and Sale Agreement, which amends certain terms and schedules of the original purchase and sale agreement entered into between the parties on February 18, 2025. A copy of the Amended 707 AB Purchase and Sale Agreement is attached as Exhibit "A" to the Eleventh Li Affidavit.

2. These amendments (the "**Amendments**") include:

    a) Revising the allocation of the purchase price; and

    b) Removing 19 well and facility assets from the list of the purchased assets attached as Schedule "A" to the Amended 707 AB Purchase and Sale Agreement (the "**Removed Assets**").

3. Notwithstanding the Amendments, the Monitor is still of the view the 707 AB Transaction remains the best transaction for the Company and its stakeholders. Furthermore, the Monitor understands the Removed Assets will be retained as assets in the Corporate Transaction, unless the Company can identify another purchaser prior to closing same.

069 AB and 071 AB Transaction Amendments

1. The Company has entered into amending agreements with 069 AB to allow 069 AB to elect to close the transaction prior to AER license transfers approvals for 071 AB.

2. The Company has entered into amending agreements with 071 AB that allows for the Company to close the 069 AB transaction and the Corporate Transaction prior to closing the 071 AB transaction.

Subscription Agreement Amendments

1. Alphabow is seeking the following amendments to the Subscription Agreement:

    a) including within the Retained Agreements the purchase agreements with 707 AB and 071 AB;

    b) allowing for an earlier closing of the Subscription Agreement;

c) update to the asset listing to reflect changes in assets that have been purchased since the granting of the Reverse Vesting Order; and

d) Including in the Retained Agreements the CO2 Agreement entered into with MEGlobal. Copies of the CO2 Agreement are attached as Exhibits "E" and "F" to the Eleventh Li Affidavit.

2. The Monitor understands the CO2 Agreement relates to the provision of CO2 by MEGlobal to Alphabow's Prentiss CO2 facility, which is a key asset to 071 Alberta. MEGlobal is a creditor of the Company and has filed a proof of claim reflecting amounts it states it is owed pursuant to the CO2 Agreement for periods before and after the Filing Date. The cure costs associated with the CO2 Agreement amounts to appropriately $6.7 million for pre-filing periods, and approximately $3.6 million for post-filing periods. The Monitor has yet to assess the proof of claim submitted by MEGlobal.

3. The Monitor understands the amounts claimed by MEGlobal relates to the Company's inability to fulfill its contractual obligations under the CO2 Agreement due to the suspension of its assets at the direction of the AER (notice of which was provided to MEGlobal at the time of the suspension). Accordingly, the Company disputes these cure costs are properly owing.

4. The Monitor understands the Applicant is seeking an order from this Court, which among other things, allows 071 AB to retain the CO2 Agreement without satisfying the disputed Cure Costs. As at the time of this Tenth Report, the Monitor understands that both the Company and MEGlobal are seeking an adjournment of this aspect of the Company's application to allow the parties time for further discussions on this matter. Accordingly, the Monitor does not take a position on any of the matters associated with the CO2 Agreement.

3.0 Other matters

3.1 Activities of the Monitor

1. Since the Ninth Report, the Monitor has performed the following key activities:

a) assisted both the Company, Bennett Jones and the Sales Advisor in closing the Rockeast Transaction;

b) continued administration of the Claims Process and addressed various questions raised by creditors;

c) monitored the Company's performance against the Tenth Cash Flow Statement;

d) responded to stakeholder inquiries;

e) completed a further review of the disputed RCAM Amounts and corresponded with the OWA regarding the findings;

f) maintained the Case Website; and

g) prepared this Tenth Report.

3.2 Activities of the Company

1. Since the Ninth Report, the Monitor has observed the Company continue to perform the following key activities:

a) worked with Bennett Jones, the Monitor and the Sales Agent to enter into the Amended 707 AB Purchase and Sale Agreement;

b) responded to inquiries from stakeholders;

c) corresponded with Bennett Jones and the Monitor;

d) worked with Bennett Jones to close the Rockeast Transaction and address post closing issues;

e) completed certain excise and carbon tax filing requirements as directed by the Canada Revenue Agency ("**CRA**") and more fully described below;

f) reported the Company's performance against the Tenth Cash Flow Statement;

g) attended ongoing meetings with the Monitor, Cassels and Bennett Jones to discuss the SISP and the Claims Process; and

h) worked with its legal counsel and the Monitor to prepare materials for the application to be heard on June 26, 2025.

3.3 Excise Tax Obligations

1. On June 11, 2025, the Monitor was made aware the Company was not in compliance with certain activities required by the CRA in connection with periods following the commencement of these proceedings. Accordingly, the CRA requested that the Company promptly perform the following by June 24, 2025:

    a) Provide the CRA with the Company's current physical and mailing addresses;

    b) Remit approximately $78,000 in excise taxes owed for the periods between May and November of 2024;

    c) File excise tax returns for the periods of December 2024 to April 2025; and

    d) File all outstanding carbon tax returns and remit payment (if necessary).

2. Upon receiving this notice, the Monitor promptly informed the Company of its non-compliance with the above activities, and requested the Company complete the same as soon as possible. On June 16, 2025, the Company informed the Monitor that substantially all of the activities and payments requested by the CRA were completed except for filing of outstanding carbon tax returns. At the time of this Tenth Report, the Company had reached out to the CRA to ensure its approach to filing the outstanding carbon tax returns was appropriate. The Company has advised that as it was not operational during the return periods, it does not expect any balance to be due or owing.

4.0 Cash Flow Statement

Performance Against the Tenth Cash Flow Statement

1. The Monitor has continued to review and evaluate the state of the Applicant's business and financial affairs since the Ninth Report.

2. A review process was established with the Company to review weekly cash variances. A comparison of the Applicant's actual receipts and disbursements to the Tenth Cash Flow Statement for the period from April 28, 2025 and ending June 22, 2025 (the "**Post Filing Reporting Period**") is as follows:

Post Filing Reporting Period ($CAD)	Actual	Ninth Cash Flow Statements	Favourable / (Unfavourable) Variance
Opening Cash Balances[1]	13,682,448	13,682,000	448
Receipts	6,118	-	6,118
Operating Disbursements	(199,811)	(300,000)	100,189
Net Cash Flow from Operations	(193,693)	(300,000)	106,307
Non-operating disbursements	(587,023)	(150,000)	(437,023)
Net Cash Flow	(780,717)	(450,000)	
Closing cash balance	12,901,731	13,232,000	

[1] *Includes approximately $2.0 million of funds held by the Monitor as of June 17, 2025.*

Monitor's Comments

1. For the Post Filing Reporting Period, the Company's actual cash receipts were lower than forecasted as a result of the Company catching up on certain outstanding professional fees and satisfying certain excise tax obligations owed for the post-filing period and discussed above.

2. On April 24, 2025, the Monitor made an initial payment of $367,161 (inclusive of excise taxes) related to pre-filing RCAM amounts. Subsequently, on May 1, 2025, the Monitor made a second payment of $951,080 (inclusive of excise taxes) related to post-filing RCAM amounts, with a remaining holdback of $59,916.69 related to post-filing amounts that required further clarification. Following the Ninth Report, the Monitor and OWA determined that of the holdback amount, $28,333.17 remained owing. The Monitor has issued this payment from the funds held in trust by the Monitor.

3. The Monitor has received a further invoice from the OWA reflecting the service periods between April 1 to May 31, 2025. The Monitor will pay this invoice and all future invoices in the ordinary course.

4. The Applicant has remained current in respect of its obligations that have arisen since the Filing Date except for certain amounts related to certain accruing obligations, including certain post-filing amounts that include property tax, mineral and surface lease costs and other contractual accruing costs for services that are currently not being used by the Company.

5.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the relief sought by the Applicant.

* * *

All of which is respectfully submitted,

KSV RESTRUCTURING INC.,
in its capacity as Monitor of
AlphaBow Energy Ltd.
and not in its personal capacity