

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF KADEN ENERGY LTD.**

PROPOSAL

Kaden Energy Ltd. a corporation duly constituted, having its principal place of business at Selkirk House, 555 4 Avenue SW Suite 8000, Calgary, AB T2P 3E7, Canada, hereby submits the following Proposal to all of its Creditors pursuant to Part III of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.

**ARTICLE 1
DEFINITIONS**

1.1 Definitions

In this Proposal:

"Administrative Fees and Expenses" means the documented and reasonable fees, expenses, legal fees and disbursements of the Trustee and the Company and its and their agents, appraisers and counsel on and incidental to the negotiation, preparation, presentation, consideration, Court approval of, and implementation of the Proposal and all proceedings and matters relating to or arising out of the Proposal including, without limitation, any meeting or meetings of creditors to consider the Proposal;

"Affected Claims" means any Claim that is not an Unaffected Claim;

"Affected Creditor" means a Creditor having an Affected Claim;

"Approval Order" means an Order of the Court approving the Proposal;

"BIA" means the *Bankruptcy and Insolvency Act*, RSC 1985, c.B-3;

"Business Day" means ach day other than a Saturday or Sunday or a statutory or civic holiday on which banks are open for business in Calgary, Alberta, Canada;

"Claim" means a claim provable in bankruptcy and includes any claim or liability provable in proceedings under the BIA by a Creditor and includes any right or claim of any Person against Kaden, whether secured or not, in connection with any indebtedness, liability or obligation of any kind of Kaden owed to such Person, and any interest accrued thereon or costs payable in respect thereof, including any indebtedness, liability or obligation owed to such Person existing prior to the Filing Date;

"Claims Process Order" means the claim process order granted by the Court on April 2, 2024.

"Company" means Kaden Energy Ltd., a company existing under the laws of Alberta;

"Convenience Class Creditors" means an Affected Creditor whose Proven Claim totals equal to or less than \$10,000.00 or any Affected Creditor with Claim exceeding \$10,000.00

that has elected into the Convenience Class Creditors group to receive a maximum distribution of \$10,000.00 in full and final satisfaction of its Affected Claim;

"Court" means the Court of King's Bench of Alberta;

"Creditor" means any Person having a Claim or a Director Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf of or in the name of such Person;

"Creditors' Meeting" means any meeting of the Affected Creditors, in person or virtually, called by the Trustee for the purpose of considering and voting upon the Proposal;

"Creditors' Meeting Date" means the date and time as may be called by the Trustee in consultation with the Official Receiver pursuant to Section 5.2;

"Directors" means the present and former directors of the Company, as at the Filing Date;

"Director Claim" means any and all claims, causes of action or proceedings against the Directors that is based in whole or in part on any facts, events or matters which existed or occurred on or before the Filing Date and that relates to the obligations of the Company for which the Directors are by law liable in their capacity as Directors for the payment of such obligations. Director Claims do not include claims that relate to: (a) contractual rights of one or more Creditors arising from contracts with one or more Directors; or (b) wrongful or oppressive conduct by Directors;

"Employment Insurance Act" means the *Employment Insurance Act*, S.C. 1996, c. 23;

"Filing Date" means March 6, 2024, the date of the filing of the Notice of Intention to Make a Proposal pursuant to section 50.4(1) of the BIA;

"Implementation Date" means the date upon which the conditions precedent to the Proposal in section 8.3 have been satisfied;

"Income Tax Act" means *Income Tax Act*, RSC 1985, c. 1 (5th Supp.)

"Inspectors" means one or more Inspectors appointed pursuant to the BIA as provided for in the Proposal;

"Official Receiver" shall have the meaning ascribed thereto in the BIA;

"Person" means any individual, general or limited partnership, joint venture, trust, corporation, unincorporated organization, government, or any agency, regulatory body or instrumentality thereof, or any other entity howsoever designated or constituted;

"Post-Filing Claim" means any claims arising in respect of services rendered, goods supplied or other consideration given to the Company as and from the Filing Date will be paid by the Company in full in the ordinary course of business and on regular trade terms or as may be arranged by the Company, as well as wages, salaries, commissions or compensation for services rendered after the Filing Date and before the Approval Order, together with, in the case of travelling salespersons, disbursements properly incurred by them in and about the Company's business during the same period together with any unremitted source deductions and employer's obligation to make contributions in relation thereto;

"Post-Filing Creditor" means the holder of a Post-Filing Claim;

"Preferred Claims" means all Claims directed by section 136 the BIA to be paid, subject to the rights of Secured Creditors, in priority to all other Claims in the distribution of the property of an insolvent party;

"Preferred Creditor" means a Creditor having a Preferred Claim;

"Proof of Claim" shall mean the proof of claim required by the BIA and provided by Creditors in accordance with the Claims Process Order;

"Proposal" means this proposal together with any amendments or additions thereto;

"Proven Claim" of a Creditor means the amount of the Affected Claim of such Creditor finally determined in accordance with BIA and the Claims Process Order;

"Required Crown Amount" means all amounts outstanding at the time of the filing of the Notice of Intention to Her Majesty in Right of Canada or a Province and that are of a kind that could be subject to a demand under,

- (i) subsection 224(1.2) of the Income Tax Act;
- (ii) any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the Income Tax Act and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts; or
- (iii) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Income Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
 - (A) has been withheld or deducted by a Person from a payment to another Person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Income Tax Act, or
 - (B) is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection;

"Secured Claim" means Claims of secured creditors within the meaning of the BIA;

"Secured Creditor" means a Creditor having a Secured Claim;

"Settlement Fund" means the funds sufficient to pay the Proven Claims of the Affected Creditors under the terms of this Proposal. The funds will be remitted by the Company to the Trustee following Court Approval of the Proposal as follows:

- (i) upon the Implementation Date sufficient funds to settle all payments contemplated in sections 4.3(a), 4.3(b)(i), and 4.3(b)(ii)(1) (collectively, the **"Implementation Amounts"**);
- (ii) on a monthly basis commencing October 31, 2024, or soon as reasonably practicable after October 31, 2024 for a period of 12 months, and such amounts shall be remitted to the Trustee at least 5 days before the end of each month that payments come due, the amounts necessary to pay the amounts to Affected Creditors required by section 4.3(b)(ii)(2) (collectively, the **"12 Month Election Amounts"**); and
- (iii) on a monthly basis commencing October 31, 2024 for a period of 24 months, and such amounts shall be remitted to the Trustee at least 5 days before the end of each month that payments come due, the amounts necessary to pay the amounts to Affected Creditors required by section 4.3(b)(iii) (the **"24 Month Election Amounts"**),

all for distribution to the Affected Creditors, in full and final settlement of their Claims against the Company, in accordance with the terms of this Proposal;

"Trustee" means BDO Canada Limited, the Proposal Trustee named in the Proposal of the Company;

"Unaffected Claims" means the Administrative Fees and Expenses, Post-Filing Claims, and any Secured Creditors;

"Undeliverable Distribution" shall have the meaning given to it in section 4.4;

"Unsecured Claims" means the Claims of the Unsecured Creditors, including Claims of every nature and kind whatsoever, whether due or not due for payment as of the Filing Date as well as contingent or unliquidated claims arising out of any transaction entered into the Company prior to the date thereof;

"Unsecured Creditor" means a Preferred Creditor or any other Creditor with an Unsecured Claim; and

"Voting Letter" shall mean the voting letter required by section 51(1) of the BIA to be mailed to each known Creditor prior to the Creditors' Meeting.

1.2 Articles of Reference

The terms "hereof", "hereunder", "herein" and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

1.3 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of a table of contents and headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.4 Date for Any Action

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.

1.5 Time

All times expressed herein are local time in Calgary, Alberta, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time shall be deemed to be 5:00 p.m. local time in Calgary, Alberta, Canada.

1.6 Numbers, Gender

In the Proposal, where the context requires, a word importing the singular number will include the plural and vice versa and a word or words importing gender will include all genders.

1.7 Currency

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

1.8 Statutory References

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

1.9 Successors and Assigns

The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

ARTICLE 2 PURPOSE OF THE PROPOSAL

2.1 Introduction and Purpose of the Proposal

This Proposal provides for the restructuring of the liabilities of the Company through distribution to Unsecured Creditors of a monetary payment that will be provided to the Trustee by the Company and distributed by the Trustee in accordance with the terms of the Proposal in full and final satisfaction of all Claims (other than claims of the Unaffected Creditors)

against the Company. The Proposal applies to all Affected Creditors, whether or not any such Affected Creditor proves a Claim against the Company under this Proposal.

ARTICLE 3 CLASSIFICATION OF CREDITORS

3.1 Classes of Creditors

For the purposes of voting on the Proposal, the Creditors of the Company shall be comprised of one class of Unsecured Creditors.

ARTICLE 4 TREATMENT OF CREDITORS

4.1 Administrative Fees and Expenses

On the Implementation Date, all Administrative Fees and Expenses incurred to that date which remain unpaid shall be paid by the Company in full from funds paid to the Trustee in addition to the Settlement Fund.

4.2 Binding Effect and Distribution Affecting Secured Creditors

The payment of Secured Claims for Secured Creditors shall be made pursuant to the terms and conditions of the agreements between the Company and the Secured Creditors.

For greater certainty, the payment of the Secured Claims shall be the sole responsibility of the Company and the secured claims shall not be included for distribution of any dividends payable by the Trustee with respect to this Proposal.

4.3 Binding Effect and Distribution Affecting Unsecured Creditors

Pursuant to section 62 of the BIA, this Proposal shall become binding on all Affected Creditors in respect of the Company upon acceptance by the Affected Creditors pursuant to Section 5.6 and the granting of the Approval Order by the Court. Thereafter the Trustee shall distribute the Settlement Fund in accordance with the terms of the Proposal and each Affected Creditors' election below.

The Affected Creditors shall receive or elect to receive (if the Affected Creditor is not a Convenience Class Creditor) one of the following options upon approval of the Proposal:

- (a) payment of the necessary amount to the Convenience Class Creditors and to Preferred Creditors, if any,
- (b) and then each Affected Creditor whose claim is not satisfied by the payment to the Convenience Class Creditors or an Affected Creditor who has not elected into the Convenience Class Creditors group, may elect to receive one of the following options:
 - i. an amount equal to \$0.25 in cash for every \$1.00 of its Proven Claim upon the Implementation Date;

- ii. an amount equal to \$0.60 in cash for every \$1.00 of its Proven Claim payable as follows:
 - 1. \$0.10 in cash for every \$1.00 of its Proven Claim payable upon the Implementation Date; and
 - 2. the remaining amount distributed equally in the 12 months following the Implementation Date as required for the 12 Month Election Amounts; or
- iii. an amount in cash equal to \$0.80 in cash for every \$1.00 of its Proven Claim payable and distributed equally in the 24 months following the Implementation Date as required for the 24 Month Election Amounts.

Affected Creditors must vote on the Proposal and elect one of the options outlined in this section 4.3 at or prior to the Creditors' Meeting by way of Voting Letter. If no election is made by an Affected Creditor of the options in section 4.3(b) above, and the requisite votes are obtained in accordance with section 5.6 of this Proposal, the election of an Affected Creditor is automatically deemed to have elected to receive the payment in accordance with option 4.3(b)(ii) above upon the Implementation Date.

The Company shall remit to the Trustee at least 5 days prior to the end of each month the amount necessary to pay the 12 Month Election Amounts and the 24 Month Election Amounts following the granting of the Approval Order by the Court with the initial payment being made on October 31, 2024 and the final 24 Month Election Amounts being paid on September 30, 2026.

4.4 Undeliverable Distribution

If any Creditor's distribution is returned as undeliverable or is not cashed (an "**Undeliverable Distribution**"), no further distributions to such Creditor shall be made unless and until the Company and the Trustee are notified by such Creditor of such Creditor's current address, at which time all past distributions shall be made to such Creditor. All claims for Undeliverable Distributions must be made on or before the date that is 12 months following the last payment made to the applicable Creditor under this Proposal, after which date any entitlement with respect to such Undeliverable Distribution shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any federal, state or provincial laws to the contrary, at which time any such Undeliverable Distributions shall be returned to the Company. Nothing contained in this Proposal shall require the Company or the Trustee to attempt to locate any Creditor to whom a distribution is payable. No interest is payable in respect of an Undeliverable Distribution.

4.5 No Interest on Claims

Interest will not accrue or be paid on Affected Claims after or in respect of the period following the Filing Date and no Creditor with an Affected Claim will be entitled to any interest in respect of such Claim accruing on or after or in respect of the period following the Filing Date.

4.6 Required Crown Amount

The Required Crown Amount shall be remitted by the Trustee to Her Majesty in Right of Canada from the Settlement Fund within six (6) months of the Approval Order.

4.7 Obligations of the Company

The Company shall, no later than ten (10) days after the date of the Approval Order, pay to the Trustee:

- (a) an amount sufficient to pay all the Implementation Amounts to the Affected Creditors pursuant to section 4.3(a), 4.3(b)(i), and 4.3(b)(ii)(1);
- (b) an amount sufficient to pay all Administrative Fees and Expenses incurred to the Implementation Date; and
- (c) additional funds sufficient to pay the estimated amount of all Administrative Fees and Expenses to be incurred up to and including the date of the Trustee's discharge in accordance with Section 6.1.

The Company shall continue to pay the Trustee all amounts for ongoing Administrative Fees and Expenses incurred following the Implementation Date and all amounts required in accordance with sections 4.3(b)(ii)(2) and 4.3(b)(iii).

4.8 Superintendent of Bankruptcy Levy

The Office of the Superintendent of Bankruptcy shall be paid its prescribed levy as required by sections 60(4) and 147 of the BIA by the Trustee from any dividends paid to the Creditors with a Proven Claim.

4.9 Treatment of Unaffected Claims

Creditors with Unaffected Claims will not receive any consideration or distributions under this Proposal in respect of their Unaffected Claims, and shall not be entitled to vote on this Proposal at any Creditors' Meeting in respect of their Unaffected Claims. For clarity:

- (a) Secured Claims, if any, shall be paid prior to the Implementation Date in accordance with arrangements existing between the Company and the holders of Secured Claims or as may be arranged between the Company and the holders of Secured Claims; and
- (b) Post-Filing Claims will be paid in full by the Company in the ordinary course of business and on regular trade terms, or as may otherwise be arranged with the holders of such Post-Filing Claims.

ARTICLE 5 MEETING OF CREDITORS

5.1 Creditors' Meeting

On the Creditors' Meeting Date, the Trustee shall hold the Creditors' Meeting in order for the Affected Creditors to consider and vote upon the Proposal.

5.2 Time and Place of Meeting

The Creditors' Meeting shall be held on the Creditors' Meeting Date at a time and place to be established by the Trustee in consultation with Official Receiver, or the nominee thereof, and confirmed in its notice of meeting to be mailed by the Trustee pursuant to the BIA.

5.3 Conduct of Meetings

The Official Receiver, or the nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only Persons entitled to attend the Creditors' Meeting are those Affected Creditors, including the holders of proxies, entitled to vote at the Creditors' Meeting and their respective legal counsel, if any, the officers, directors, auditors and legal counsel of the Company, together with such representatives of the Trustee and representatives of the Trustee's legal counsel as the Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other Person may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Creditors.

5.4 Adjournment of Meetings

The Creditors' Meeting may be adjourned in accordance with section 52 of the BIA.

5.5 Voting by Creditors

All Affected Creditors shall: (i) be deemed to have voted in favor of the Proposal in the case of the Convenience Class Creditors; (ii) will be entitled to attend and vote on the Proposal at the Creditors' Meeting; or (iii) may submit a Voting Letter to the Proposal Trustee setting out its vote on the Proposal prior to the Creditors' Meeting. To the extent provided for herein, and as prescribed in the BIA, each Creditor will be entitled to vote to the extent of the amount which is equal to the amount accepted by the chair of the Creditors' Meeting for voting purpose or such amount as may be agreed to by the Trustee for voting purposes at or prior to the Creditors' Meeting (dollar amounts to be voted by Creditors in accordance with the foregoing are referred to as "**Voting Claims**"). Notwithstanding the foregoing, Convenience Class Creditors shall not be required or permitted to vote at the Creditors' Meeting, but instead shall be deemed to have cast votes in favour of the Proposal in the entire amount of their respective Affected Claim.

5.6 Approval by Creditors

In order that the Proposal be binding on the class of Unsecured Creditors in accordance with the BIA, it must first be accepted by a majority in number of the Unsecured Creditors who have filed Claims approved by the chair for voting (in person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Voting Claims of the Unsecured Creditors who actually have filed Claims approved by the chair for voting (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter. Approval of the Proposal by the class of Unsecured Creditors shall bind such class with regard to all Affected Claims against the Company based on Proven Claims pursuant to the Claims Process Order.

5.7 Appointment of Inspectors

In accordance with section 56 of the BIA, at the Creditors' Meeting, the Creditors may appoint up to five (5) Inspectors whose powers will be limited to:

- (a) advising the Trustee concerning any dispute which may arise as to the validity of Claims; and
- (b) advising the Trustee from time to time with respect to any other matter that the Trustee may refer to them.

Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee, the Creditors or the Inspectors and the Court may confirm, reverse or modify the decision, direction or act and make such order as it thinks just.

The authority and term of office of the Inspectors will terminate upon the performance of the Proposal.

ARTICLE 6 COMPLETION OF THE PROPOSAL

6.1 Discharge of Trustee

Upon distribution by the Trustee of the Settlement Fund and the Trustee having issued the certificate of full performance, this Proposal shall be fully performed. The Trustee will proceed to apply for its discharge thereafter in due course.

The Trustee is acting in its capacity as Trustee under the BIA and not in its personal capacity and no officer, director, employee or agent of the Trustee shall incur any liabilities or obligations in connection with the Proposal or in respect of the business or obligations of the Company, and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a willful misconduct or gross negligence.

6.2 Completion of the Proposal

The payment, compromise, extinguishment or other satisfaction of any Affected Claim under the Proposal will be binding upon each Affected Creditor, its heirs, executors, administrators, successors and assigns, for all purposes, and as and from the Implementation Date all Affected Claims against the Company shall be forever discharged and released, excepting only the obligations to make distributions in respect of such Affected Claims in the manner and to the extent provided for in this Proposal.

ARTICLE 7 PREFERENCES, TRANSFERS AT UNDER VALUE, ETC.

7.1 Sections 95-101 of the BIA

In conformity with section 101.1 of the BIA, sections 95-101 of the BIA and any provincial statute related to preference, fraudulent conveyance, transfer at undervalue, or the like shall not apply to this Proposal.

7.2 Recourse

As a result of and in accordance with Section 7.1 hereof and all of the rights, remedies, recourses and Affected Claims described therein:

- (a) all such rights, remedies and recourses and any Affected Claims based thereon shall be completely unavailable to the Trustee or any Creditor against the Company, any other Creditor or any other Person whatsoever; and
- (b) the Trustee and all of the Creditors shall be deemed, for all purposes whatsoever, to have irrevocably and unconditionally waived and renounced such rights, remedies and recourses and any Affected Claims based thereon against the Company, any other Creditor or any other Persons.

ARTICLE 8 MISCELLANEOUS

8.1 Modification of Proposal

The Company, with the consent of the Trustee, may propose one or more alterations or modifications to the Proposal at any time prior to the conclusion of the first Creditors' Meeting called to consider the Proposal.

8.2 Consents, Waivers and Agreements

As at 12:01 a.m. on the Implementation Date, each Affected Creditor will be deemed to have:

- (a) executed and delivered to the Company all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Proposal in its entirety;
- (b) waived any default by the Company in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Company that has occurred on or prior to the Implementation Date;
- (c) agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Company as at the Implementation Date (other than those entered into by the Company on, or with effect from, the Implementation Date) and the provisions of the Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement shall be amended accordingly; and
- (d) released the Company, the Trustee, the Directors, and all of their respective affiliates, employees, agents, directors, officers, direct and indirect shareholders, advisors, consultants and solicitors from any and all Claims and any other demands, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgements, expenses, executions, liens, set off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature, including under any statute,

regulation or other law, which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with the matters herein.

8.3 Conditions to Proposal Implementation

The implementation of the Proposal by the Company will be conditional upon the fulfilment or satisfaction of the following conditions:

- (a) approval of the Proposal by the Unsecured Creditors pursuant to Section 5.6;
- (b) approval of the Proposal by the Court pursuant to a final and non-appealable Approval Order; and
- (c) the payment by the Company of the Implementation Amounts.

8.4 Release

Upon the Implementation Date, each and every Director shall be released and discharged from any and all Director Claims. This release shall have no force or effect if the Company goes bankrupt before the terms of the Proposal are fully performed. Nothing herein shall be interpreted as an acknowledgement of any liability or obligation of any of the Directors.

8.5 Effect of Proposal Generally

As at 12:01 a.m. on the Implementation Date, the treatment of all Claims under the Proposal shall be final and binding on all of the Company and all Affected Creditors (along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and the Proposal shall constitute (i) a full, final and absolute settlement of all rights of the holders of the Affected Claims affected hereby; and (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of any and all of the Company of or in respect of such Affected Claims.

8.6 Notices

Any notices or communication to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by receipted email (except for Proofs of Claim which may only be sent by personal delivery, receipted email or registered mail) addressed to the respective parties as follows:

- (a) if to the Company:

c/o MLT Aikins LLP
2100 Livingstone Place, 222 3rd Avenue SW
Calgary, Alberta T2P 0B4

Attention: Ryan Zahara/ Catrina Webster

Email: rzahara@mltaikins.com/cwebster@mltaikins.com

- (b) if to a Creditor, to the address or email address for such Creditor specified in the Proof of Claim filed by Creditor or, if no Proof of Claim has been filed, to such other address or email address at which the notifying party may reasonably believe that the Creditor may be contacted; and
- (c) if to the Trustee:

BDO Canada Limited
Proposal Trustee of Kaden Energy Ltd.

Suite 110, 5800 2nd Street SW
Calgary, Alberta T2H 0H2

Attention: Breanne Scott
Email: brscott@bdo.ca

with a copy to:

Fasken Martineau DuMoulin LLP
350 7th Avenue SW, Suite 3400
Calgary, Alberta T2P 3N9

Attention: Robyn Gurofsky
Email: rgurofsky@fasken.com

or to such other address or email address as any party may from time to time notify the others in accordance with this section. In the event of any strike, lockout and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by receipted email and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by email or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in the case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

8.7 Assignment of Claims

No assignment of a Claim by an Affected Creditor is effective to give the assignee any rights in respect of the Proposal unless written notice of the assignment is given to the Company and the Trustee in accordance with the requirements of Section 8.6. The assignment of the Claim will not be effective for a period of five (5) Business Days from the date of effective receipt of the notice of assignment by the Company and by Trustee as determined in accordance with Section 8.

8.8 Foreign Currency Obligations

For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the Filing Date.

8.9 Applicable Law

The Proposal shall be construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and shall be treated in all respects as an Alberta contract.

8.10 Non Severability

It is intended that all material provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any material provision or provisions of the Proposal is or are found by the Court to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect.

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8.11 Deeming Provisions

In the Proposal, the deeming provisions are not rebuttable and are conclusive and irrevocable.

DATED at the City of Calgary, in the Province of Alberta, this 16th day of August 2024.

KADEN ENERGY LTD.

Per: *Wes Siemens*
Name: Wesley Siemens
Title: Chief Executive Officer