



COURT FILE NUMBER **1901-05089**

COURT **COURT OF QUEEN'S BENCH OF ALBERTA**

JUDICIAL CENTRE **CALGARY**

APPLICANTS **IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, AS AMENDED**
AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF STRATEGIC OIL & GAS LTD. AND STRATEGIC TRANSMISSION LTD.

DOCUMENT **FOURTH REPORT OF THE MONITOR
NOVEMBER 27, 2019**

ADDRESS FOR SERVICE AND CONTRACT INFORMATION OF PARTY FILING THIS DOCUMENT **MONITOR**
KPMG Inc.
Suite 3100, Bow Valley Square II
205 - 5th Ave SW
Calgary, Alberta T2P 4B9
Neil Honess/Cameron Browning
Tel: (403) 691-8014/(403) 691-8413
neilhoness@kpmg.ca
cbrowning@kpmg.ca

COUNSEL
Torys LLP
525 - 8th Avenue SW
46th Floor - Eighth Avenue Place East
Calgary, Alberta T2P 1G1
Kyle Kashuba
Tel: (403) 776-3744
kkashuba@torys.com

Table of Contents

1. INTRODUCTION AND PURPOSE OF REPORT	1
2. ACTIVITIES OF THE COMPANY SINCE THE THIRD REPORT	4
3. ACTIVITIES OF THE MONITOR SINCE THE THIRD REPORT	6
4. CASH BUDGET TO ACTUAL RESULTS	8
5. THE COMPANY'S REQUEST FOR AN EXTENSION OF THE STAY PERIOD	12
6. CONCLUSION AND RECOMMENDATIONS	13

Listing of Appendices

- Appendix "A" - PUBLICATIONS IN THE CALGARY HERALD, NATIONAL POST, AND DAILY OIL BULLETIN
- Appendix "B" - CASH FLOW STATEMENT
- Appendix "C" - CASH FLOW PROJECTION

1. INTRODUCTION AND PURPOSE OF REPORT

1. On April 10, 2019, Strategic Oil & Gas Ltd. and Strategic Transmission Ltd. (together, “**Strategic**” or the “**Company**”) sought and obtained protection under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”) pursuant to an order granted by this Honourable Court (the “**Initial Order**”).
2. The Initial Order granted, *inter alia*, a stay of proceedings against Strategic until and including May 6, 2019 (the “**Initial Stay Period**”) and appointed KPMG Inc. as Monitor (the “**Monitor**”). The proceedings commenced by the Company under the CCAA will be referred to herein as the “**CCAA Proceedings**”.
3. Subsequent to the Initial Stay Period, the Company has obtained the following orders from the Court:
 - a) On May 6, 2019, the Company obtained an order extending the stay of proceedings until and including June 5, 2019 and authorized and directed the Company to proceed with the First Installment of the KERP;
 - b) On May 9, 2019, the Company obtained an order extending the stay of proceedings until and including September 30, 2019, and authorized and directed the Company to proceed with the outlined sale and investment solicitation process (“**SISP**”);
 - c) On September 20, 2019, the Company obtained an order extending the stay of proceedings until and including November 29, 2019; and
 - d) On October 11, 2019, the Company obtained an order (the “**Fourth Stay Extension Order**”) extending the stay of proceedings until and including December 31, 2019 and approved the Amended KERP and Claims Procedure.
4. Further background on the CCAA Proceedings, including a summary of the activities of the Company and the Monitor since the granting of the Initial Order was previously provided in the Monitor’s first report dated April 29, 2019 (the “**First Report**”), the Monitor’s first supplemental report dated May 3, 2019 (the “**First Supplemental Report**”), the Monitor’s second supplemental report dated May 9, 2019 (the “**Second Supplemental Report**”), the Monitor’s second report dated September 11, 2019 (the “**Second Report**”) and the Monitor’s third report dated October 4, 2019 (the “**Third Report**”).

5. This is the Monitor's fourth report (the "**Fourth Report**" or this "**Report**") to the Court and should be read in conjunction with the First Report, the First Supplemental Report, the Second Supplemental Report, the Second Report and the Third Report. The Fourth Report has been prepared and filed to advise this Honourable Court and provide the Monitor's summary and comments with respect to:
 - a) The activities of the Company since the Third Report;
 - b) The activities of the Monitor since the Third Report;
 - c) The implementation and preliminary results of Strategic's process for soliciting, determining and (if necessary) adjudicating disputes in relation to creditor claims made against the Company (the "**Claims Process**");
 - d) Strategic's cash flow statement (the "**Cash Flow Statement**") budget to actual results for the weeks of September 30, 2019 to November 18, 2019 (the "**Reporting Period**") as compared to the cash flow projection filed in the Third Report;
 - e) The Company's cash flow projection (the "**Cash Flow Projection**") for the week of November 25, 2019 to January 27, 2020 (the "**Forecast Period**");
 - f) Strategic's application for a further extension of the CCAA stay to January 31, 2020; and
 - g) The Monitor's recommendations.
6. Further background and information regarding the Company and these CCAA Proceedings can be found on the Monitor's website at <https://home.kpmg/ca/strategic> (the "**Monitor's Website**").
7. In preparing this Fourth Report and making the comments herein, the Monitor has been provided with, and has relied upon certain unaudited, draft and/or internal financial information, Company records, Company prepared financial information and projections, discussions with management (the "**Management**") and employees, and information from other third-party sources (collectively, the "**Information**").
8. The Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the *Chartered Professional Accountants*

Handbook, and accordingly the Monitor expresses no opinion or other form of assurance in respect of the Information.

9. Some of the information referred to in this Fourth Report consists of forecasts and projections, which were prepared based on Management's estimates and assumptions. Such estimates and assumptions are, by their nature, not ascertainable and as a consequence no assurance can be provided regarding the forecasted or projected results. The reader is cautioned that the actual results will likely vary from the forecasts or projections, even if the assumptions materialize, and the variations could be significant.
10. The information contained in this Fourth Report is not intended to be relied upon by any prospective purchaser or investor in any transaction with or in respect of the Company.
11. Capitalized terms not otherwise defined herein are as defined in the Company's application materials, including the First Affidavit of Remi Anthony (Tony) Berthelet sworn April 9, 2019 (the "**First Berthelet Affidavit**"), the Second Affidavit of Remi Anthony (Tony) Berthelet (the "**Second Berthelet Affidavit**") sworn April 29, 2019, the Third Affidavit of Remi Anthony (Tony) Berthelet (the "**Third Berthelet Affidavit**") sworn September 11, 2019, the First Affidavit of Amanda Reitenbach (the "**First Reitenbach Affidavit**") sworn October 4, 2019 and the Second Affidavit of Amanda Reitenbach (the "**Second Reitenbach Affidavit**") sworn November 27, 2019. The Fourth Report should be read in conjunction with the First Report, the First Supplemental Report, the Second Supplemental Report, the Second Report, the Third Report and the First, Second, Third Berthelet Affidavits, the First Reitenbach Affidavit, and Second Reitenbach Affidavit as certain information has not been included herein to avoid unnecessary duplication.
12. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

2. ACTIVITIES OF THE COMPANY SINCE THE THIRD REPORT

13. Since the Third Report, the activities undertaken by the Company have included:

- a) Communicating and consulting with the Monitor on a continual basis with respect to ongoing operations including operational disbursements and providing the Monitor with regular cash flow reporting;
- b) Maintaining communication with various stakeholders including GMT Capital Corp. (“GMT”), the Alberta Energy Regulator (the “AER”), the Government of the Northwest Territories (the “GNWT”), and various trade creditors;
- c) Continuing to pro-actively engage with the AER and GNWT regarding matters related to the ongoing operations of the Company;
- d) Engaging in discussion and agreement with their landlord, with the assistance of the Monitor, in order to obtain an extension of their leased premises during the CCAA Proceedings;
- e) Continuing to conduct environmental and regulatory compliance work in accordance with current regulatory guidelines in both Alberta and Northwest Territories. Certain highlights of the activity since the Third Report as it relates to environmental and regulatory compliance include:
 - i. Shut-in of the Taber field effective November 4, 2019 consisting of discontinuation of pipelines, draining of vessels/tanks/injection pumps, termination of contracts, and other necessary remediation protocols;
 - ii. Various well inspections, abandonment and remediation, and gas migration testing in Cameron Hills with the appropriate reports filed with GNWT;
 - iii. Completing work on the Steen and Marlowe plants including visual inspections and ultrasonic testing of vessels, and an internal ABSA audit;
 - iv. Completing AER “D13” inspections on 156 wells with 68 reports submitted to the AER to date (and the remaining 88 wells to be reported in due course); and

- v. Other common and usual environmental and regulatory compliance requirements;
- f) Began planning for their winter program planned to be conducted in the first quarter 2020 which is intended to include well suspension, pipeline discontinuation, and other remediation matters; and
- g) Began reviewing all claims received prior to the Claim's Bar Date of November 15, 2019, in conjunction with the Monitor.

3. ACTIVITIES OF THE MONITOR SINCE THE THIRD REPORT

14. The Monitor has performed the following tasks since the Third Report:
- a) Undertaken a weekly review of the Company's Cash Flow Statement and discussed any material variances with the Company and their counsel, within the Reporting Period;
 - b) Engaged in numerous conversations with stakeholders in respect of the ongoing CCAA Proceedings;
 - c) Dealt with inquiries from various of the Company's creditors and other stakeholders with respect to matters pertaining to the CCAA Proceedings and the Claims Process;
 - d) Consulted with its legal counsel with respect to the above, and with respect to ongoing issues arising in the course of the Company's CCAA Proceedings;
 - e) Discussed with the Company various operational matters; and
 - f) Prepared this Fourth Report;

Claims Process

15. In addition to the above tasks, the Monitor has undertaken the Claims Process as detailed in the Claims Process Order dated October 11, 2019 and specifically carried out the following:
- a) On or about October 16, 2019, with the assistance of the Company, the Monitor sent the Proof of Claim Document Package by ordinary mail and in some circumstances electronic transmission to all known creditors of the Company as of April 10, 2019, who were listed in the books and records of the Company;
 - b) Arranged for the publication of the Notice to Affected Creditors on two separate dates prior to October 25, 2019, in each of the Calgary Herald, National Post, and Daily Oil Bulletin. Copies of the publications are attached as **Appendix "A"**;
 - c) Provided the Company with assistance on reviewing Proofs of Claims for completeness and accuracy of the submissions, in addition to further guidance on treatment of each claim; and

d) Issued suitable disallowances where required.

16. As of the date of this Report, the Monitor has received 91 Proofs of Claim totaling approximately \$9.61 million. The claims received represent approximately 88.7% of the Company's pre-CCAA accounts payable ledger balance which included amounts outstanding of \$10.83 million from 192 creditors.
17. The Monitor expects there to be some slight adjustments to certain claims related to unsecured creditors' amounts outstanding, treatment of late interest and penalties and types of claim, *inter alia*, but expects the quantum of these changes to be immaterial.
18. Of the claims received, eight (8) totaling approximately \$3.45 million were filed as secured. The Company, with the assistance of the Monitor, is reviewing these claims as to their accuracy and completeness.
19. At the date of this Report, it appears certain filed secured claims may either be inaccurate or purport to assert security over assets with no value; the Company and the Monitor continue to review and discuss these claims with creditors and where possible will look to resolve these discrepancies consensually but has, where necessary, sent Notices of Revision and Disallowance to certain secured claimants within 30 days of receipt pursuant to the Claims Process Order.
20. Additionally, the Monitor received three (3) equity claims, all of which were filed as unsecured, and the Company has held those in its books and records.

4. CASH BUDGET TO ACTUAL RESULTS

21. The table below provides a summary of the Company's budget to actual results for the Reporting Period. An unconsolidated version is attached to this report in **Appendix "B"**.

STRATEGIC OIL & GAS LTD. and STRATEGIC TRANSMISSION LTD.			
Comparison of Budget to Actual Results for the Weeks of September 30 to November 18, 2019			
Unaudited (\$100's CAD)	Forecast	Actual	Variance
Cash Receipts			
Production revenue, net of oil royalties and transportation	1,568	1,725	157
Other receipts	80	100	20
Total Cash Receipts	1,648	1,825	177
Cash Disbursements			
Royalties	11	19	8
Property taxes	220	299	79
Operating, capital, and regulatory expenditures	2,563	1,783	(780)
Payroll	324	291	(33)
General & administrative costs	185	204	19
Contingency	800	-	(800)
Total Cash Disbursements	4,103	2,595	(1,508)
Cash Flow From Operations	(2,455)	(771)	1,684
Restructuring Fees	195	350	155
Net Change in Cash	(2,650)	(1,120)	1,530
Opening Cash	5,884	6,422	538
Ending Cash	3,234	5,302	2,067

22. In summary, the Company's cash flow shows the following:
- Production revenue for the Reporting Period is slightly higher than budgeted as a result of better than expected production volumes by approximately 50 boe/d;
 - Other receipts relate to joint venture collections, and the Company collected slightly more than anticipated;
 - Cash disbursements variances are partially the result of the Company undertaking certain cash management measures that have resulted in some cost deferral and consequently some of this variance will reverse in future periods; and
 - Restructuring fees variances are timing variances and are expected to reverse in future periods.

23. The variances occurring during the Reporting Period are not expected to have a material impact on the liquidity of the Company.
24. The Company has paid, and continues to pay, for any goods and services received subsequent to the Initial Order, including operating expenditures, capital expenditures, payroll and related deductions, as well as earned vacation pay.

Cash Flow Projection

25. The Company, in consultation with the Monitor, has prepared an updated Cash Flow Projection for the Forecast Period. A copy of the Cash Flow Projection is attached as **Appendix “C”**.
26. The table below provides a summary of the Cash Flow Projection for the Stay Period.

STRATEGIC OIL & GAS LTD. and STRATEGIC TRANSMISSION LTD.	
Cash Flow Projection for the Weeks of November 25, 2019 to January 27, 2020	
Unaudited (\$000's CAD)	Total 10 Weeks
Cash Receipts	
Production revenue, net of oil royalties and transportation	4,204
Other receipts	100
Total Cash Receipts	4,304
Cash Disbursements	
Royalties	34
Property taxes	220
Operating, capital and regulatory expenditures	2,222
Payroll	531
General & administrative costs	169
Interest and taxes	450
Contingency	1,000
Total Cash Disbursements	4,626
Cash Flow From Operations	(322)
Restructuring Fees	250
Net Change in Cash	(572)
Opening Cash	5,302
Ending Cash	4,731
Key Employee Retention Plan	
Opening cash	1,005
Scheduled payment	1,005
Total Restricted Cash	-

27. The Cash Flow Projection indicated the following through the Forecast Period:
- a) Total cash receipts of \$4.30 million;

- b) Total cash disbursements of \$4.63 million; and
 - c) Total disbursements relating to professional fees and restructuring costs of \$250,000.
28. A summary of the major assumptions made by the Company in preparing the Cash Flow Projection are as follows:
- a) Production revenue is calculated based on current production levels of approximately 1,188 barrels of oil equivalent per day. Product pricing is based on the Company's budget price deck;
 - b) Operating, capital, and regulatory expenditures are based on historical run-rate, operating budget and planned capital expenditures in the normal course of business including AER's and GNWT's compliance requirements;
 - c) General and administrative costs relate to rent and other miscellaneous office and general administration costs and are based on historical run rate;
 - d) Interest payment relates to the interest on the GMT secured debt; and
 - e) Restructuring fees include estimates for the Company's counsel, the Monitor, and the Monitor's counsel.
29. The significant assumptions used by Management to prepare the Cash Flow Projection are generally consistent with the cash flow statement provided in the First Report and the filed materials for the application for the Initial Order.
30. Based on our review, nothing has come to the Monitor's attention that causes us to believe that, in all material respects:
- a) The hypothetical assumptions are not consistent with the purpose of the Cash Flow Projection;
 - b) As at the date of this Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Company or do not provide a reasonable basis for the Cash Flow Projection, given the hypothetical assumptions; or
 - c) The Cash Flow Projection does not reflect the probable and hypothetical assumptions.

31. As discussed above, the weekly Cash Flow Projection indicated that the Company has sufficient liquidity to operate during the Forecast Period without additional funding.

5. THE COMPANY'S REQUEST FOR AN EXTENSION OF THE STAY PERIOD

32. The Third Report outlines a proposed plan of arrangement and compromise which included, *inter alia*, a sale of certain assets located in the Northwest Territories to Tallahassee Exploration Inc. (the “**Original Plan**”).
33. For the avoidance of doubt, although the Original Plan was circulated to both GNWT and AER, the Monitor understands that neither GNWT nor AER were supportive of the Original Plan and accordingly, the Original Plan is no longer contemplated by the Company.
34. However, the Monitor understands that the Company is, in conjunction with its key stakeholders GMT, AER, and GNWT respectively, reviewing potential options in regards to formulating a new plan (the “**New Plan**”) which may vary substantially from the one presented in the Third Report and is expected to be detailed shortly.
35. Further to its application materials filed on November 27, 2019, the Company is seeking an order extending the Stay Period (the “**Stay Extension Period**”) to January 31, 2020 (the “**Stay Extension**”) in order to finalize the following matters:
 - a) The terms of the New Plan and to obtain the agreement of the Company’s key stakeholders to said New Plan; and
 - b) The details and procedures of a meeting order.
36. The Monitor considers the Stay Extension Period requested by the Company to be reasonable, taking into account the above required steps.
37. The Monitor is of the view, based on the evidence before the Court, that the Company is acting in good faith and with due diligence.

6. CONCLUSION AND RECOMMENDATIONS

38. Based on the Monitor's review of the Amended Plan, and subject to the Monitor's observations set forth above, the Monitor respectfully recommends that this Honourable Court make an order approving:

- a) The activities of the Monitor and its counsel, Torys LLP, during the CCAA Proceedings, as set out in this Report;
- b) The Stay extension to January 31, 2020

This Report is respectfully submitted this 27th day of November, 2019.

KPMG Inc.

**In its capacity as Court-appointed Monitor of
Strategic Oil & Gas Ltd. and Strategic Transmission Ltd.
and not in its personal or corporate capacity.**



Per: Neil Honess

Senior Vice President

APPENDIX “A”

**PUBLICATIONS IN THE CALGARY HERALD, NATIONAL POST, AND
DAILY OIL BULLETIN**

NOTICE TO AFFECTED CREDITORS (CLAIMS PROCEDURE)
NOTICE OF CALL FOR CLAIMS AND CLAIMS BAR DATE FOR STRATEGIC OIL & GAS LTD. AND STRATEGIC TRANSMISSION LTD. (COLLECTIVELY, THE "APPLICANTS") PURSUANT TO THE "COMPANIES' CREDITORS ARRANGEMENT ACT (CCAA)"

NOTICE IS HEREBY GIVEN THAT, pursuant to an order of the Court of Queen's Bench of Alberta (the "Court") granted October 11, 2019 (the "Claims Procedure Order") the Court ordered that Proof of Claim Document Packages (as defined in the Claims Procedure Order) be sent to known creditors of the Applicants, listed above, as applicable to and specified in the Claims Procedure Order. A copy of the Claims Procedure Order and the respective Proof of Claim Document Package can be obtained from the Monitor's website at <http://home.kpmg/ca/strategic>.

Any person who believes that they have a claim against the Applicants, including equity claims and claims relating to directors and officers of the Applicants, which claim arose prior to April 10, 2019, whether liquidated, contingent or otherwise, should send a Proof of Claim to the Monitor to be received by 5:00 p.m. (Mountain Daylight Time) on November 15, 2019 (the "Claims Bar Date").

CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE FOREVER EXTINGUISHED AND SUCH CREDITORS WILL BE FOREVER BARRED FROM MAKING OR ENFORCING CLAIMS AGAINST THE APPLICANTS AND WILL NOT BE ENTITLED TO PARTICIPATE AS A CREDITOR IN THESE PROCEEDINGS OR RECEIVE FURTHER NOTICE OF THESE PROCEEDINGS.

Creditors of the Applicants who have not received a Proof of Claim Document Package from the Applicants or the Monitor can obtain a copy from the website of the Monitor at:

<http://home.kpmg/ca/strategic>
 or by contacting the Monitor at:
 KPMG Inc., the Court-appointed Monitor of Strategic Oil & Gas Ltd. and Strategic Transmission Ltd.
 By Mail/Courier/Email/Facsimile:
 KPMG Inc.
 Monitor of Strategic Oil & Gas Ltd. and Strategic Transmission Ltd.
 Suite 3100, 205 - 5 Avenue SW
 Calgary, AB T2P 4B9
 Attention: Cameron Browning
 Phone: (403) 691-8413
 Fax: (403) 691-8009
 Email: cbrowning@kpmg.ca

Estate of Gordon Ackermann
 who died on September 5, 2019.
 If you have a claim against this estate, you must file your claim by November 22, 2019 and provide details of your claim. If you do not file by the date above, the estate property can lawfully be distributed without regard to any claim you may have. Claims should be sent to:
 Estate of Gordon Ackermann,
 P.O. Box 6824,
 Peace River Alta,
 T8S 1S6.

NOTICE TO CREDITORS AND CLAIMANTS

Estate of Maurice Joseph Walsh who died on February 9, 2019.
 If you have a claim against this estate, you must file your claim by November 23, 2019.
 with William M. LeClair
 at LeClair Thibeault #108, 2411 - 4 Street NW
 Calgary, Alberta
 T2M 2Z8

and provide details of your claim.

If you do not file by the date above, the estate property can lawfully be distributed without regard to any claim you may have.

NOTICE TO DEFENDANT

Justin Lane TAKE NOTICE THAT you are named as Defendant in Provincial Court of Alberta (Civil) Action No. P18820713 relating to a civil claim pursuant to a motor vehicle accident that occurred on or about April 21, 2017.
 Copies of the Civil Claim may be obtained from the solicitors for the Plaintiff.

Antiques, Art & Collectibles

DON'T MISS THIS!

Selection of Antiques
 29th Red Deer Christmas Antiques & Vintage Show & Sale
 Oct 19 & 20 Sat. 10-5 & Sun 10-4
 Westomer Park
 300 Tables
 Carvill's
 403-922-8757

Business - Other

Wagner Silver Deposit West
 Kootenays 7 crown grants for sale or lease over the this prolific proven Silver/Gold base metal deposit, see govt report online Call: 778-363-1979
 mcl@shaw.ca

Comes with 6 V.L.Ts. Sales of \$840,000+ and good lease rate. PRICED TO SELL at \$395,000.

"EAST INDIAN RESTAURANT"
 Great reputation for this delightful restaurant. 3,200 sq. ft. and lots of parking. Offers take-out and delivery. Located in the far north. LISTED FOR ONLY \$149,900.

*** NW PROFITABLE PUB***
 With sales of \$1,9M this pub is a winner! Great exposure and demographics. Over 4,700 sq. ft. with 176 seats and large patio. REDUCED TO \$657,000.

Email gord@hyland.ca
GORD HYLAND
 "Calgary Restaurant Realtor"
 Max West South Star Realty
 Bus 403-253-5678
 Cell 403-703-7827

www.gordonhyland.com

Pioneer West
 This ad does not constitute an offer or solicitation by anyone in any jurisdiction in which an offer or solicitation cannot be legally made, or to any person to whom it is unlawful to make a solicitation. Nor does this ad provide advice, recommendations or provide determinations of suitability in respect of proposed purchases or sales of any securities to any person. Past performance is no guarantee of future performance.

SELL IT! BUY IT! SEE IT!

MADEYO
 Advertising Works!

The Aces on Bridge
 By Bobby Wolfe

"Politics is the only profession for which no preparation is thought necessary."
 — Robert Louis Stevenson

West led a diamond against today's heart slam from Britain's Gold Cup, and East won his diamond king as declarer followed low.
 Declarer was planning to squeeze West in the black suits after running all the diamond and heart winners plus the club ace. Alas for him, East smartly switched to the spade queen at

NORTH 10-16 A
 ♠ A K 7 4 2
 ♥ 2
 ♦ A 10 8
 ♣ Q 10 9 7

WEST
 ♠ J 10 8 5
 ♥ 8 5
 ♦ J 7 2
 ♣ K 8 5 4

EAST
 ♠ Q
 ♥ 9 7 6 4
 ♦ K 9 6 5 4
 ♣ J 6 3

SOUTH
 ♠ 9 6 3
 ♥ A K Q J 10 3
 ♦ Q 3
 ♣ A 2

names finalists

The Rock & Roll Hall of Fame has chosen 16 finalists for its 2020 inductees including T. Rex, Kraftwerk, MC5, Todd Rundgren and Motorhead. Others on the list are Thin Lizzy, Pat Benatar, Dave Matthews Band, The Doobie Brothers, Judas Priest, Nine Inch Nails and Soundgarden. Depeche Mode, Whitney Houston, The Notorious B.I.G. and Rufus featuring Chaka Khan round out the finalists. Six inductees will be selected by an international body of music industry professionals alongside an online fan vote Oct. 15 to Jan. 10. The ceremony and show follows May 2.

NBC denies it paid for silence

Former NBC Today anchor Matt Lauer allegedly exposed himself to producer Melissa Lonner in 2010, according to another revelation from Ronan Farrow's book Catch and Kill that has NBC seething. "Lauer had exposed himself and propositioned her," Farrow says, noting he got the information from co-anchor Ann Curry, not Lonner. NBC News president Noah Oppenheim disputed claims that management knew of past harassment and paid for silence. "Not only is this

CALGARY HERALD SUN

CARRIERS NEEDED

Glenbrook - \$710/mo. 1.5-2 hrs del time.
 Lakeview - \$1550/mo. 2.5 hrs del time.
 Patterson - \$1100/mo. 1.5-2 hrs del time.
 Signal Hill \$1150/mo. 2-2.5 hrs del time.
 Strathcona \$1200/mo. 2-2.5 hrs del time.

7 Days Per Week
 All figures are estimates
 Reliable vehicle Required

calherald@gmail.com

CALGARY HERALD

CARRIERS NEEDED

Banff Trail, Bowness, Brentwood, Capitol Hill, Silver Springs, Charleswood, Montgomery, Mt Pleasant, Varsity Estates, Sunnyside, and Valley Ridge

Call Tad 403-808-5626
Afridausmar@gmail.com

NOTICE OF SALE
 Goods to be sold on October 26, 2019 at 10am at Safe Self Storage, 4203 17A St SE, Calgary to satisfy outstanding charges for storage rental & arrears incurred by the following:
 Cory Black
 Debbie Smith
 Dennis Johnny
 Jacqueline Greenwood
 Pat Brosteaux
 Randy MacMillan
 Items to be sold include household goods & personal belongings.

NOTICE TO CREDITORS AND CLAIMANTS
 Estate of Gordon Ian Moors who died on May 18, 2019
 If you have a claim against this estate, you must file your claim by November 24, 2019
 with Bennett Jones LLP
 Attention: Barbara J. Kimmitt
 at 4500, 855 - 2nd Street SW
 Calgary, Alberta
 T2P 4K7
 Solicitors for the Personal Representatives

If you do not file by the date above, the estate property can lawfully be distributed without regard to any claim you may have.

Comm. & Indust. Prop. for Sale

NOTICE TO AFFECTED CREDITORS (CLAIMS PROCEDURE)
NOTICE OF CALL FOR CLAIMS AND CLAIMS BAR DATE FOR STRATEGIC OIL & GAS LTD. AND STRATEGIC TRANSMISSION LTD. (COLLECTIVELY, THE "APPLICANTS") PURSUANT TO THE "COMPANIES' CREDITORS ARRANGEMENT ACT ("CCAA")

NOTICE IS HEREBY GIVEN THAT, pursuant to an order of the Court of Queen's Bench of Alberta (the "Court") granted October 11, 2019 (the "Claims Procedure Order") the Court ordered that Proof of Claim Document Packages (as defined in the Claims Procedure Order) be sent to known creditors of the Applicants, listed above, as applicable to and specified in the Claims Procedure Order. A copy of the Claims Procedure Order and the respective Proof of Claim Document Package can be obtained from the Monitor's website at <http://home.kpmg/ca/strategic>.

Any person who believes that they have a claim against the Applicants, including equity claims and claims relating to directors and officers of the Applicants, which claim arose prior to April 10, 2019, whether liquidated, contingent or otherwise, should send a Proof of Claim to the Monitor to be received by 5:00 p.m. (Mountain Daylight Time) on November 15, 2019 (the "Claims Bar Date").

CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE FOREVER EXTINGUISHED AND SUCH CREDITORS WILL BE FOREVER BARRED FROM MAKING OR ENFORCING CLAIMS AGAINST THE APPLICANTS AND WILL NOT BE ENTITLED TO PARTICIPATE AS A CREDITOR IN THESE PROCEEDINGS OR RECEIVE FURTHER NOTICE OF THESE PROCEEDINGS.

Creditors of the Applicants who have not received a Proof of Claim Document Package from the Applicants or the Monitor can obtain a copy from the website of the Monitor at:

<http://home.kpmg/ca/strategic>
 or by contacting the Monitor at:
 KPMG Inc., the Court-appointed Monitor of Strategic Oil & Gas Ltd. and Strategic Transmission Ltd.
 By Mail/Courier/Email/Facsimile:
 KPMG Inc.
 Monitor of Strategic Oil & Gas Ltd. and Strategic Transmission Ltd.
 Suite 3100, 205 - 5 Avenue SW
 Calgary, AB T2P 4B9
 Attention: Cameron Browning
 Phone: (403) 691-8413
 Fax: (403) 691-8009
 Email: cbrowning@kpmg.ca

NOTICE TO CREDITORS AND CLAIMANTS
 Estate of
Kenneth Francis McGovern
 Date of Death: May 5, 2019

If you have a claim against this estate, you must file your claim by November 30, 2019, provide details of your claim with Galbraith Law, Attention: Stan Galbraith located at 10630 178 Street NW, Edmonton, Alberta, T5S 1H4.

If you do not file by the date above, the estate property can lawfully be distributed without regard to any claim you may have.

BOOK YOUR AD ONLINE

24/7/365

CALGARY HERALD

calgaryherald.com/placeanad

KOOTENAI

CALGARY HERALD

CARRIERS NEEDED

BRITANNIA; RIVERBEND; ACADIA; SOUTH CALGARY; ALTADORE; MOUNT ROYAL; ELBOW PARK; PARKHILL; BRIDLEWOOD; CANYON MEADOWS; COPPERFIELD; DOUGLASDALE; NEW BRIGHTON; MACKENZIE; SHAWNESSY; SOMERSET; DEER RUN

Vehicle Required

CALGARY HERALD

CARRIERS NEEDED

Arbour lake, Citadel, Dalhousie, Hawkwood, Royal Oak, Ranchhands, Rocky Ridge, Royal Oak, Scenic Acres, Silver Springs, Tuscany, Edgemont & Varsity

Call Jim 403-462-2273
jimgraham5000@hotmail.com

LOOK WHAT'S ON SALE
 restaurants4sale.ca

*** GOOD EARTH COFFEE***
 Beautiful 1,924 sq ft neighborhood coffee shop with south fac-

Canadian sector millions of dollars. "Finally," Volpe said. Stock prices of Canada's two largest autoparts makers rose on the news of the agreement. Magna International Inc. and Linamar Corp. closed up 1.4 per cent and 2.4 per cent, respectively. Linamar said the strike was costing it \$1 million per day. The accord between GM and the UAW may bring an

miss, Murphy estimates UAW members have probably forgone as much as US\$4,000 in net take-home pay. "A prolonged strike could burn significant cash and bring GM to its knees," Murphy wrote. "But investors likely will also react negatively if management is perceived to have caved." *Financial Post with files from Reuters*

Some see a stronger loonie



CARMICHAEL
Continued from FP1



How to play market volatility Personal Finance, financialpost.com

Not in Canada. The Consumer Price Index (CPI) rose 1.9 per cent from September 2018, pretty close to the Bank of Canada's target of two per cent. And that's kind of what you'd expect. Last week, Statistics Canada reported that the jobless rate dropped to 5.5 per cent in October, one of the lowest rates on record, and that the average hourly wage surged 4.3 per cent from a year earlier, one of the fastest increases since early 2009.

"Canada is one of the few with a clear-cut acceleration in wages and a Phillips curve that is sort of working," Alan Ruskin and Michael Hsueh, foreign-exchange strategists at Deutsche Bank, wrote this

week while explaining why they think the loonie is set to appreciate against the U.S. dollar.

Their note included a chart that shows wages have risen and fallen fairly synchronously with inflation, as measured by the output gap as a percentage of gross domestic product, since at least the mid-1990s. (The output gap is a measure of economic strength that represents the difference between actual GDP and the estimate of the value of goods and services an economy can create without stoking inflation.)

Canada's dollar jumped about a cent after the jobs numbers were released on Oct. 11 and has held at around US76 cents this week, as more investors join the bet that the Bank of Canada will leave interest rates unchanged at the end of the month. That's a shift from late summer, when the consensus had the central bank lowering its benchmark rate this autumn as insurance against the trade wars. On-target inflation "should keep the (Bank of Canada)

confident in leaving rates unchanged at least through the end of this year and into 2020," Veronica Clark, an economist at Citibank, advised her clients in an email.

To be sure, the architects of Canada's inflation target probably never envisioned that a benchmark rate of 1.75 per cent would be sufficient to keep a lid on prices. In that way, we are no different from the other advanced economies. Borrowing costs remain a long way from what was considered normal a decade ago and they appear to have peaked. That raises all kinds of questions, most importantly the extent to which central banks can be counted on to fight the next downturn. They never got to replenish their arsenals, and private debt is at record levels, suggesting fiscal policy will have to do most of the work during the next recession, an unpleasant thought given the state of our politics.

Canada's steady inflation also might be too good to be true.

To get a sense of where prices are headed, the Bank of Canada watches three "core" inflation measures that attempt to separate the signal from volatile components of the price basket. Those measures averaged 2.1 per cent in September, only the fifth time that number has exceeded two per cent in 91 months since the start of 2012, according to Derek Holt, an economist at Bank of Nova Scotia.

It could be nothing. Or it could mean executives and investors see the Bank of Canada's two per cent as a ceiling, not a target, a notion that Stephen Poloz has tried to correct over his seven years as governor. In a healthy economy, animal spirits should test the central bank's limits by pushing inflation past the target. "There is arguably at least as strong a case for the (Bank of Canada) to attempt at overshoot or tolerate one as there is for Fed," Holt said.

Recently, Canada's central bankers have described two-per-cent inflation as a reason to leave rates unchanged. But prices probably aren't too hot to stop a cut if the trade wars get worse. We're not that exceptional.

Financial Post

NOTICE TO AFFECTED CREDITORS (CLAIMS PROCEDURE)
NOTICE OF CALL FOR CLAIMS AND CLAIMS BAR DATE FOR STRATEGIC OIL & GAS LTD. AND STRATEGIC TRANSMISSION LTD. (COLLECTIVELY, THE "APPLICANTS") PURSUANT TO THE COMPANIES' CREDITORS ARRANGEMENT ACT ("CCAA")

NOTICE IS HEREBY GIVEN THAT pursuant to an order of the Court of Queen's Bench of Alberta (the "Court") granted October 11, 2018, the "Claims Procedure Order", the Court ordered that Proof of Claim Document Packages (as defined in the Claims Procedure Order) be sent to known creditors of the Applicants, listed above, as applicable to and specified in the Claims Procedure Order. A copy of the Claims Procedure Order and the respective Proof of Claim Document Package can be obtained from the Monitor's website at <http://home.kpmg.ca/strategic>. Any person who believes that they have a claim against the Applicants, including equity claims and claims relating to directors and officers of the Applicants, which claim arose prior to April 30, 2018, whether liquidated, contingent or otherwise, should send a Proof of Claim to the Monitor to be received by 5:00 p.m. (Mountain Daylight Time) on November 15, 2019 (the "Claims Bar Date").

CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE FOREVER EXTINGUISHED AND SUCH CREDITORS WILL BE FOREVER BARRED FROM MAKING OR ENFORCING CLAIMS AGAINST THE APPLICANTS AND WILL NOT BE ENTITLED TO PARTICIPATE AS A CREDITOR IN THESE PROCEEDINGS OR RECEIVE FURTHER NOTICE OF THESE PROCEEDINGS.

Creditors of the Applicants who have not received a Proof of Claim Document Package from the Applicants or the Monitor can obtain a copy from the website of the Monitor at: <http://home.kpmg.ca/strategic> or by contacting the Monitor at: KPMG Inc., the Court-appointed Monitor of Strategic Oil & Gas Ltd. and Strategic Transmission Ltd. By Mail/Courier/Email/Facsimile: KPMG Inc. Monitor of Strategic Oil & Gas Ltd. and Strategic Transmission Ltd. Suite 2100, 205 - 5 Avenue SW Calgary, AB T2P 4B9. Attention: Cameron Browning Phone: (403) 691-8413 Fax: (403) 692-8300 Email: cbrowning@kpmg.ca

with self-checkout machines and human cashiers. Long lines at check-out are one of the biggest issues for customers, said Jean-Pierre Lacroix, whose firm Shikatani Lacroix works on grocery store design and consulted with Sobeys early in the smart cart project. "People are still reluctant to use the self-checkout, unless you're a millennial," he said.

Financial Post

building the first rocket to leave the Earth's atmosphere and touch the edge of space, an advance that brought interplanetary travel into the realm of the possible. "For those of us working in science and technology, it's the 'hello world' moment we've been waiting for — the most meaningful milestone to date in the quest to date to make quantum computing a reality," Pichai wrote in a

blog. "This dramatic increase in speed compared to all known classical algorithms is an experimental realization of quantum supremacy for this specific computational task, heralding a much-anticipated computing paradigm," wrote the research team, led by Google AI's Frank Arute. While the peer-reviewed research has drawn plaudits, with MIT's William D. Oliver

Ultimately, he said, quantum computers were likely to work in harness with classical computers — with each playing to its strengths. "We certainly share IBM's concerns about the general concept of 'quantum supremacy' in relation to a truly application-orientated advancement of the field," he said, adding progress was likely to be achieved through such hybrid combinations. While the world's biggest tech companies are racing to develop a quantum computer that passes the scrutiny of academics, some products are commercially available already. In 2011, Burnaby, B.C.-based D-Wave Systems Inc. became the first company to sell such a product to businesses and government labs, although unlike machines being built by rivals, its usefulness is limited as the hardware can't solve any kind of mathematical problem.

A number of other companies — including IBM, Google, Microsoft Corp., and California-based startup Rigetti Computing — are pushing to create more powerful machines that businesses can use. They've also made some of their technology available for researchers to experiment with via the internet.

Reuters with a file from Bloomberg

ment angle-of-attack sensor, installed on the doomed Lion Air plane the day before the crash wasn't properly calibrated during the repair, and the error hadn't been detected. As a result of that poorly executed repair, the identical failure on the plane occurred the night before the accident on a flight from Denpasar to Jakarta. The flight crew, with the help of another pilot riding on the cockpit jumpseat, were able to disable MCAS and continued to their destination. However, the crew on that earlier flight failed to fully document the failure and their need to override the so-called trim system, which was being driven by MCAS. As a result, investigators concluded, mechanics in Jakarta failed to fix the underlying problem and the failure occurred again the next morning on the flight that crashed.

"I'm not satisfied with the briefing and the explanation but this is the result," said Komar, who was accompanied by his wife and broke down in tears while speaking to reporters. Lion Air and the country's civil aviation authority recently objected to findings in a draft of the final report on the grounds that they received too much of the blame, people familiar with the matter said last month.

of Pangkal Pinang, off Sumatra's east coast. Minutes later, it plunged into the sea after the pilots were unable to regain control in a battle with the controls to keep the aircraft from repeatedly diving. It was Indonesia's deadliest airline crash since 1997 and reignited worries about its aviation safety record. The nation's airlines, including Lion Air, were banned from flying to the European Union and the U.S. for almost a decade until 2016 because of safety concerns. Boeing was hit with a lawsuit earlier this month demanding records that will allegedly show if mismanagement is to blame for safety issues leading to the grounding of the 737 Max fleet. Chief executive officer Dennis Muilenburg is due to face questions from lawmakers in Washington next week.

Boeing shares rose after the company reported earnings Wednesday in New York. Boeing said that while the price tag for the Max's grounding climbed to US\$9.2 billion in the third quarter, production of the Max will increase 36 per cent to 57 jets a month by late next year. The company also said it remained confident that the beleaguered plane would be cleared to fly this year.

Bloomberg

NP RADIO

National Post Radio brings you Canada's news straight from the pages. Opinionated commentary, lively debates and influential round-table discussions on what's happening across Canada and around the world.

Listen to exclusive content you can't hear anywhere else

Weekday Mornings 7-10am ET
Sirius XM's Canada Talks (channel 167)

#NatPostRadio @NatPostRadio fb.com/NationalPostRadio

(SiriusXM) CANADA TALKS

NOTICE TO AFFECTED CREDITORS (CLAIMS PROCEDURE)
NOTICE OF CALL FOR CLAIMS AND CLAIMS BAR DATE FOR STRATEGIC OIL & GAS LTD. AND STRATEGIC TRANSMISSION LTD. (COLLECTIVELY, THE "APPLICANTS") PURSUANT TO THE COMPANIES' CREDITORS ARRANGEMENT ACT ("CCAA")

NOTICE IS HEREBY GIVEN THAT pursuant to an order of the Court of Queen's Bench of Alberta (the "Court") granted October 11, 2018, the "Claims Procedure Order", the Court ordered that Proof of Claim Document Packages (as defined in the Claims Procedure Order) be sent to known creditors of the Applicants, listed above, as applicable to and specified in the Claims Procedure Order. A copy of the Claims Procedure Order and the respective Proof of Claim Document Package can be obtained from the Monitor's website at <http://home.kpmg.ca/strategic>. Any person who believes that they have a claim against the Applicants, including equity claims and claims relating to directors and officers of the Applicants, which claim arose prior to April 30, 2018, whether liquidated, contingent or otherwise, should send a Proof of Claim to the Monitor to be received by 5:00 p.m. (Mountain Daylight Time) on November 15, 2019 (the "Claims Bar Date").

CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE FOREVER EXTINGUISHED AND SUCH CREDITORS WILL BE FOREVER BARRED FROM MAKING OR ENFORCING CLAIMS AGAINST THE APPLICANTS AND WILL NOT BE ENTITLED TO PARTICIPATE AS A CREDITOR IN THESE PROCEEDINGS OR RECEIVE FURTHER NOTICE OF THESE PROCEEDINGS.

Creditors of the Applicants who have not received a Proof of Claim Document Package from the Applicants or the Monitor can obtain a copy from the website of the Monitor at: <http://home.kpmg.ca/strategic> or by contacting the Monitor at: KPMG Inc., the Court-appointed Monitor of Strategic Oil & Gas Ltd. and Strategic Transmission Ltd. By Mail/Courier/Email/Facsimile: KPMG Inc. Monitor of Strategic Oil & Gas Ltd. and Strategic Transmission Ltd. Suite 2100, 205 - 5 Avenue SW Calgary, AB T2P 4B9. Attention: Cameron Browning Phone: (403) 691-8413 Fax: (403) 692-8300 Email: cbrowning@kpmg.ca

Thursday, October 17, 2019, 6 AM MDT



NOTICE TO AFFECTED CREDITORS (CLAIMS PROCEDURE)

NOTICE OF CALL FOR CLAIMS AND CLAIMS BAR DATE FOR STRATEGIC OIL & GAS LTD. AND STRATEGIC TRANSMISSION LTD. (COLLECTIVELY, THE "APPLICANTS") PURSUANT TO THE COMPANIES' CREDITORS ARRANGEMENT ACT ("CCAA")

NOTICE IS HEREBY GIVEN THAT, pursuant to an order of the Court of Queen's Bench of Alberta (the "Court") granted October 11, 2019 the "Claims Procedure Order" the Court ordered that Proof of Claim Document Packages (as defined in the Claims Procedure Order) be sent to known creditors of the Applicants, listed above, as applicable to and specified in the Claims Procedure Order. A copy the Claims Procedure Order and the respective Proof of Claim Document Package can be obtained from the Monitor's website at <http://home.kpmg/ca/strategic>.

Any person who believes that they have a claim against the Applicants, including equity claims and claims relating to directors and officers of the Applicants, which claim arose prior to April 10, 2019, whether liquidated, contingent or otherwise, should send a Proof of Claim to the Monitor to be received by 5:00 p.m. (Mountain Daylight Time) on November 15, 2019 (the "Claims Bar Date").

CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE FOREVER EXTINGUISHED AND SUCH CREDITORS WILL BE FOREVER BARRED FROM MAKING OR ENFORCING CLAIMS AGAINST THE APPLICANTS AND WILL NOT BE ENTITLED TO PARTICIPATE AS A CREDITOR IN THESE PROCEEDINGS OR RECEIVE FURTHER NOTICE OF THESE PROCEEDINGS.

Creditors of the Applicants who have not received a Proof of Claim Document Package from the Applicants or the Monitor can obtain a copy from the website of the Monitor at:

<http://home.kpmg/ca/strategic>

or by contacting the Monitor at:

KPMG Inc., the Court-appointed Monitor of Strategic Oil & Gas Ltd. and Strategic Transmission Ltd.

By Mail/Courier/Email/Facsimile:

KPMG Inc.
Monitor of Strategic Oil & Gas Ltd. and Strategic Transmission Ltd.
Suite 3100, 205 – 5 Avenue SW
Calgary, AB T2P 4B9

Attention: Cameron Browning
Phone: (403) 691-8413
Fax: (403) 691-8009
Email: cbrowning@kpmg.ca

BUSINESS ESSENTIALS

**Differentiate your skills.
Accelerate your career.**

Canada-Alberta Job Grant may fund up to 2/3 of the program costs.

Register now

 **UNIVERSITY OF CALGARY**
HASKAYNE SCHOOL OF BUSINESS

Thursday, October 24, 2019, 6 AM MDT



NOTICE TO AFFECTED CREDITORS (CLAIMS PROCEDURE)

NOTICE OF CALL FOR CLAIMS AND CLAIMS BAR DATE FOR STRATEGIC OIL & GAS LTD. AND STRATEGIC TRANSMISSION LTD. (COLLECTIVELY, THE "APPLICANTS") PURSUANT TO THE COMPANIES' CREDITORS ARRANGEMENT ACT ("CCAA")

NOTICE IS HEREBY GIVEN THAT, pursuant to an order of the Court of Queen's Bench of Alberta (the "Court") granted October 11, 2019 the "Claims Procedure Order" the Court ordered that Proof of Claim Document Packages (as defined in the Claims Procedure Order) be sent to known creditors of the Applicants, listed above, as applicable to and specified in the Claims Procedure Order. A copy the Claims Procedure Order and the respective Proof of Claim Document Package can be obtained from the Monitor's website at <http://home.kpmg/ca/strategic>.

Any person who believes that they have a claim against the Applicants, including equity claims and claims relating to directors and officers of the Applicants, which claim arose prior to April 10, 2019, whether liquidated, contingent or otherwise, should send a Proof of Claim to the Monitor to be received by 5:00 p.m. (Mountain Daylight Time) on November 15, 2019 (the "Claims Bar Date").

CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE FOREVER EXTINGUISHED AND SUCH CREDITORS WILL BE FOREVER BARRED FROM MAKING OR ENFORCING CLAIMS AGAINST THE APPLICANTS AND WILL NOT BE ENTITLED TO PARTICIPATE AS A CREDITOR IN THESE PROCEEDINGS OR RECEIVE FURTHER NOTICE OF THESE PROCEEDINGS.

Creditors of the Applicants who have not received a Proof of Claim Document Package from the Applicants or the Monitor can obtain a copy from the website of the Monitor at:

<http://home.kpmg/ca/strategic>

or by contacting the Monitor at:

KPMG Inc., the Court-appointed Monitor of Strategic Oil & Gas Ltd. and Strategic Transmission Ltd.

By Mail/Courier/Email/Facsimile:

KPMG Inc.
Monitor of Strategic Oil & Gas Ltd. and Strategic Transmission Ltd.
Suite 3100, 205 – 5 Avenue SW
Calgary, AB T2P 4B9

Attention: Cameron Browning
Phone: (403) 691-8413
Fax: (403) 691-8009
Email: cbrowning@kpmg.ca



LNG, PETROCHEMICALS, NGLS INFRASTRUCTURE

Reach a global audience in Canada's only LNG Guidebook

LEARN MORE

APPENDIX "B"
CASH FLOW STATEMENT

STRATEGIC OIL & GAS LTD. and STRATEGIC TRANSMISSION LTD.
Comparison of Budgeted to Actual Results for the Weeks of September 30 to November 18, 2019
Unaudited (\$000's CAD)

Week Commencing	Week 1			Week 2			Week 3			Week 4		
	Forecast 30-Sep	Actual 30-Sep	Variance 30-Sep	Forecast 7-Oct	Actual 7-Oct	Variance 7-Oct	Forecast 14-Oct	Actual 14-Oct	Variance 14-Oct	Forecast 21-Oct	Actual 21-Oct	Variance 21-Oct
Cash Receipts												
Production Revenue, net of oil royalties and transportation	-	-	-	-	-	-	-	-	-	1,568	1,725	157
Other receipts	10	9	(1)	10	39	29	10	-	(10)	10	7	(3)
Total Cash Receipts	10	9	(1)	10	39	29	10	-	(10)	1,578	1,732	154
Cash Disbursements												
Royalties	-	19	19	-	-	-	-	-	-	-	-	-
Property taxes	110	-	(110)	-	121	121	-	-	-	-	40	40
Operating, capital & regulatory expenditures	254	283	29	596	156	(440)	299	128	(171)	596	350	(246)
Payroll	-	-	-	108	99	(9)	-	10	10	-	-	-
General & administrative costs	9	65	56	-	20	20	91	9	(82)	-	20	20
Contingency	100	-	(100)	100	-	(100)	100	-	(100)	100	-	(100)
Total Cash Disbursements	473	366	(107)	804	395	(409)	490	147	(343)	696	411	(285)
Cash Flow From Operations	(463)	(357)	106	(794)	(356)	438	(480)	(147)	333	882	1,321	439
Restructuring Fees	-	-	-	-	61	61	-	154	154	185	56	(129)
Net Change in Cash	(463)	(357)	106	(794)	(417)	377	(480)	(301)	179	697	1,265	568
Opening Cash	5,884	6,422	538	5,421	6,065	643	4,627	5,647	1,020	4,147	5,346	1,199
Ending Cash	5,421	6,065	643	4,627	5,647	1,020	4,147	5,346	1,199	4,844	6,611	1,767
Key Employee Retention Plan												
Opening cash	1,005	1,005	-	1,005	1,005	-	1,005	1,005	-	1,005	1,005	-
Scheduled payment	-	-	-	-	-	-	-	-	-	-	-	-
Total Restricted Cash	1,005	1,005	-	1,005	1,005	-	1,005	1,005	-	1,005	1,005	-

Week 5			Week 6			Week 7			Week 8			Total		
Forecast 28-Oct	Actual 28-Oct	Variance 28-Oct	Forecast 4-Nov	Actual 4-Nov	Variance 4-Nov	Forecast 11-Nov	Actual 11-Nov	Variance 11-Nov	Forecast 18-Nov	Actual 18-Nov	Variance 18-Nov	Forecast 8 Weeks	Actual 8 Weeks	Variance 8 Weeks
-	-	-	-	-	-	-	-	-	-	-	-	1,568	1,725	157
10	4	(6)	10	17	7	10	21	11	10	2	(8)	80	100	20
10	4	(6)	10	17	7	10	21	11	10	2	(8)	1,648	1,825	177
11	-	(11)	-	-	-	-	-	-	-	-	-	11	19	8
-	17	17	110	121	11	-	-	-	-	-	-	220	299	79
-	328	328	138	125	(13)	517	323	(194)	163	90	(73)	2,563	1,783	(780)
108	95	(13)	-	-	-	108	87	(21)	-	-	-	324	291	(33)
9	36	27	-	18	18	-	25	25	76	11	(65)	185	204	19
100	-	(100)	100	-	(100)	100	-	(100)	100	-	(100)	800	-	(800)
228	477	249	348	263	(85)	726	435	(291)	339	101	(238)	4,103	2,595	(1,508)
(218)	(473)	(255)	(338)	(245)	93	(716)	(414)	302	(329)	(99)	230	(2,455)	(771)	1,684
-	-	-	-	78	78	-	-	-	10	-	(10)	195	350	155
(218)	(473)	(255)	(338)	(323)	15	(716)	(414)	302	(339)	(99)	240	(2,650)	(1,120)	1,530
4,844	6,611	1,767	4,627	6,138	1,511	4,288	5,815	1,527	3,573	5,401	1,827	5,884	6,422	538
4,627	6,138	1,511	4,288	5,815	1,527	3,573	5,401	1,827	3,234	5,302	2,067	3,234	5,302	2,067
1,005	1,005	-	1,005	1,005	-	1,005	1,005	-	1,005	1,005	-	1,005	1,005	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1,005	1,005	-	1,005	1,005	-	1,005	1,005	-	1,005	1,005	-	1,005	1,005	-

APPENDIX “C”
CASH FLOW PROJECTION

STRATEGIC OIL & GAS LTD. and STRATEGIC TRANSMISSION LTD.
Cash Flow Projection for the Weeks of November 25, 2019 TO January 27, 2020
Unaudited (see the accompanying Notes to the Cash Flow Projection)
\$000's CAD

For the Week	Notes	Week 1 25-Nov	Week 2 2-Dec	Week 3 9-Dec	Week 4 16-Dec	Week 5 23-Dec	Week 6 30-Dec	Week 7 6-Jan	Week 8 13-Jan	Week 9 20-Jan	Week 10 27-Jan	Total 10 Weeks
Cash Receipts												
Production Revenue, net of oil royalties and transportation	1	1,420	-	-	-	1,398	-	-	-	1,386	-	4,204
Other receipts		10	10	10	10	10	10	10	10	10	10	100
Total Cash Receipts		1,430	10	10	10	1,408	10	10	10	1,396	10	4,304
Cash Disbursements												
Royalties	2	11	-	-	-	11	-	-	-	-	11	34
Property taxes		-	110	-	-	-	-	110	-	-	-	220
Operating, capital & regulatory expenditures	3	473	159	302	159	257	119	295	164	-	295	2,222
Payroll	4	108	-	103	-	103	-	108	-	-	108	531
General & administrative costs	5	-	9	-	79	-	9	-	72	-	-	169
Interest and taxes	6	450	-	-	-	-	-	-	-	-	-	450
Contingency		100	100	100	100	100	100	100	100	100	100	1,000
Total Cash Disbursements		1,142	378	505	338	471	228	613	336	100	515	4,626
Cash Flow From Operations		288	(368)	(495)	(328)	937	(218)	(603)	(326)	1,296	(505)	(322)
Restructuring Fees	7	-	-	-	-	-	-	-	-	250	-	250
Net Change in Cash		288	(368)	(495)	(328)	937	(218)	(603)	(326)	1,046	(505)	(572)
Opening Cash		5,302	5,591	5,223	4,728	4,400	5,337	5,119	4,516	4,189	5,235	5,302
Ending Cash		5,591	5,223	4,728	4,400	5,337	5,119	4,516	4,189	5,235	4,731	4,731
Key Employee Retention Plan												
Opening cash	8	1,005	1,005	1,005	1,005	1,005	1,005	503	503	503	503	1,005
Scheduled payment		-	-	-	-	-	502	-	-	-	503	1,005
Total Restricted Cash		1,005	1,005	1,005	1,005	1,005	503	503	503	503	-	-

Notes

- 1 Production revenue is net of oil royalties. Estimated average production is 1,188 boe/d for Oct-Dec 2019 (83% oil). Commodity pricing used is WTI oil = US \$56.00/bbl, AECO gas = \$1.70/GJ
- 2 Natural gas & NGL royalties only, paid 90 days after the production period. Oil royalties are taken in kind.
- 3 Operating expense forecasts are based on historical operating costs for the Company's assets. The majority of operating costs are fixed. Capital and regulatory expenditures are based on estimated costs for capital projects which are required for regulatory compliance or safety purposes.
- 4 Payroll is for key permanent employees who are essential to the Company's field and office operations, and includes a credit for receipt of restricted funds from the KERF plan.
- 5 General and administrative expense forecasts are based on historical office expenses, excluding fees related to public company reporting and securities requirements.
- 6 Interest is paid on \$15 million first lien financing at 12% on a quarterly basis, subject to further review.
- 7 Estimated amounts, less retainers paid previously.
- 8 Funds for the KERF are segregated from existing funds. Restricted cash is the KERF funding.