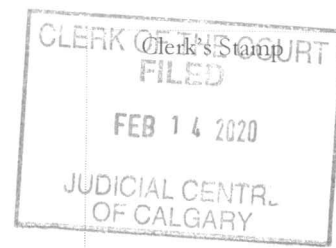


COURT FILE NO. 1901-05089
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36, as amended

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, RSA 2000, c B-9, as amended

AND IN THE MATTER OF THE PLAN OF COMPROMISE OR ARRANGEMENT OF STRATEGIC OIL & GAS LTD. and STRATEGIC TRANSMISSION LTD.

APPLICANT KPMG INC., in its capacity as COURT-APPOINTED MONITOR of STRATEGIC OIL & GAS LTD. and STRATEGIC TRANSMISSION LTD.

DOCUMENT **APPLICATION**
(Approval of Monitor's Conduct, Fees)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Torys LLP
4600 Eighth Avenue Place East
525 - Eighth Ave SW
Calgary, AB T2P 1G1
Attention: Kyle Kashuba
Telephone: +1 403.776.3744
Fax: +1 403.776.3800
Email: kkashuba@torys.com
File No. 37099-2009

NOTICE TO RESPONDENT(S):

This Application is made against you. You are a Respondent.

You have the right to state your side of this matter before the Master/Justice.

To do so, you must be in Court when the Application is heard as shown below:

Date:	Thursday, February 27, 2020
Time:	10:00 a.m.
Where:	Calgary Courts Centre
Before Whom:	Madam Justice M.H. Hollins, of the Commercial List

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. Abridging, if necessary, the time for service of this Application and deeming service to be good and sufficient.
2. An Order in substantially the same form as that attached as Schedule “A” to this Application, providing the following relief and directions:
 - 2.1 approving the activities, conduct, fees and disbursements of KPMG Inc. in its capacity as Court-appointed Monitor (the “**Monitor**”) of Strategic Oil & Gas Ltd. and Strategic Transmission Ltd. (together, the “**Companies**” or the “**Debtors**”) and the SISP Advisor for the period from April 10, 2019 to January 28, 2020, and the Monitor’s estimated fees and disbursements to complete its duties and the administration of these proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (the “**CCAA**”) up to and including February 27, 2020, all as set out in the Sixth Report of the Monitor, filed February 14, 2020 (the “**Sixth Report**”);
 - 2.2 approving the activities, conduct, fees and disbursements of Torys LLP, in its capacity as counsel to the Monitor and the SISP Advisor for the period April 10, 2019 to January 28, 2020 and Torys LLP’s estimated fees and disbursements in connection with the completion by the Monitor of its duties and the administration of these CCAA proceedings up to and including February 27, 2020, as set out in the Monitor’s Sixth Report; and
 - 2.3 discharging KPMG Inc. as the Monitor of the Companies, and confirming that KPMG Inc. shall have no further duties, obligations or responsibilities in its said capacity as Monitor.
3. Such further and other relief, advice and directions as counsel may advise and this Honourable Court may deem just and appropriate.

Grounds for making this Application:

4. On April 10, 2019, following the Application of the Companies, the Companies were granted protection under the CCAA, and KPMG Inc. was appointed Monitor of the Companies, by Order of the Honourable Madam Justice K.M. Horner (the “**CCAA Initial Order**”).
5. The CCAA Initial Order, at paragraph 31, directs that the Monitor and counsel to the Monitor shall be paid their reasonable fees and disbursements, in each case at their standard fees and charges, as part of the costs of the CCAA proceedings.
6. The CCAA Initial Order, as amended by subsequent Orders, granted a stay of proceedings as against the Companies up to and including January 31, 2020.
7. On January 28, 2020, following the Application of GMT Capital Corp. (“**GMT**”), KPMG Inc. was appointed receiver and manager (the “**Receiver**”) over the properties, assets and undertakings of the Companies, by Order of the Honourable Madam Justice K.M. Horner (the “**Receivership Order**”).
8. The Receivership Order, at paragraph 37, specifically preserved and maintained the charges set out in the CCAA Initial Order, including in respect of the fees of the Monitor and its legal counsel.
9. The Monitor has now completed, or is about to complete, all aspects concerning the Debtors’ CCAA proceedings.
10. The actions, conduct, activities and fees of the Monitor and those of the Monitor’s counsel to date in respect of the Debtors’ CCAA proceedings, as reported and described in the Sixth Report and other Reports filed with the Court, have been necessarily undertaken and incurred, and are fair and reasonable in the circumstances.
11. The Monitor has satisfied all of its duties and obligations pursuant to the CCAA and the orders of the Court in respect of these CCAA proceedings
12. The terms as set out in the proposed form of Order attached hereto as Schedule “A” are necessary to effect the approval of the Monitor’s actions, conduct, activities and fees, and those of the Monitor’s legal counsel, and to discharge KPMG Inc. as Monitor of Strategic as contemplated herein.
13. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

14. All pleadings, proceedings, orders, affidavits, reports and other materials filed in Alberta Court of Queen's Bench Action No. 1901-05089, and in particular the CCAA Initial Order, and the Receivership Order granted in Alberta Court of Queen's Bench Action No. 2001-01210.
15. The Sixth Report of the Monitor, filed February 14, 2020.
16. The proposed form of Order attached as Schedule "A" to this Application.
17. The inherent jurisdiction of this Honourable Court to control its own process.
18. Such further and other material and evidence as counsel may advise and this Honourable Court may permit.

Applicable rules:

19. Part 6, Division 7, and in particular Rules 3.2 and 6.47(e) and (f), and Part 6, Division 4, and in particular Rule 6.28(b), and such further and other Rules as counsel may advise and that this Honourable Court may permit.

Applicable Acts and Regulations:

20. *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended, the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, the *Judicature Act*, RSA 2000, c J-2, as amended, and such further and other Acts and Regulations as counsel may advise and that this Honourable Court may permit.

Any irregularity complained of or objection relied on:

21. None.

How the Application is proposed to be heard or considered:

22. Oral submissions by counsel at an Application in Commercial List Chambers as agreed and scheduled by counsel, scheduled to be heard on Thursday, February 27, 2020 at 10:00 a.m. before the Honourable Madam Justice M.H. Hollins of the Commercial List.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

WARNING

If you do not come to Court either in person or by your lawyer, the Court may give the Applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this Application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the Application is heard or considered, you must reply by giving reasonable notice of the material to the Applicant.

Schedule "A"

Form of Order (Approval of Monitor's Conduct, Fees)

COURT FILE NO. 1901-05089
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk's Stamp

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DOCUMENT **ORDER**
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ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Torys LLP
4600 Eighth Avenue Place East
525 - Eighth Ave SW
Calgary, AB T2P 1G1
Attention: Kyle Kashuba
Telephone: +1 403.776.3744
Fax: +1 403.776.3800
Email: kkashuba@torys.com
File No. 37099-2009

DATE UPON WHICH ORDER WAS PRONOUNCED: Thursday, February 27, 2020

NAME OF JUSTICE WHO MADE THIS ORDER: Madam Justice M.H. Hollins

LOCATION OF HEARING: Calgary, Alberta

UPON the Application of Strategic Oil & Gas Ltd. and Strategic Transmission Ltd. (together, the "**Debtors**" or "**Strategic**"); **AND UPON** having read the Application, the Sixth Report of KPMG Inc. in its capacity as the Court-appointed Monitor of the Debtors (the "**Monitor**"), filed February 14, 2020 (the "**Sixth Report**") and the Affidavit of Service of Jeline Nantes (the "**Service Affidavit**"), to be filed, and such other materials in the pleadings and

proceedings as are deemed necessary; **AND UPON** hearing counsel for the Debtors, counsel for the Monitor, and counsel for other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of notice of this Application is abridged to the time actually given and service of the Application and supporting materials as described in the Service Affidavit is good and sufficient, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.
2. The conduct, fees and disbursements of the Monitor and the SISP Advisor for the period from April 10, 2019 to January 28, 2020 and the Monitor's estimated fees and disbursements to complete its duties and the administration of these CCAA Proceedings up to and including February 27, 2020, all as set out in the Monitor's Sixth Report, are hereby approved.
3. The conduct, fees and disbursements of Torys LLP, in its capacity as counsel to the Monitor and the SISP Advisor for the period April 10, 2019 to January 28, 2020 and Torys LLP's estimated fees and disbursements in connection with the completion by the Monitor of its duties and the administration of these CCAA Proceedings up to and including February 27, 2020, as set out in the Monitor's Sixth Report, are hereby approved.
4. KPMG Inc. shall be and is hereby discharged as the Monitor of Strategic, and shall have no further duties, obligations or responsibilities in its said capacity as Monitor.
5. This Order must be served only upon those interested parties attending or represented at the within Application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
6. Service of this Order on any party not attending this Application is hereby dispensed with.

Justice of the Court of Queen's Bench of Alberta