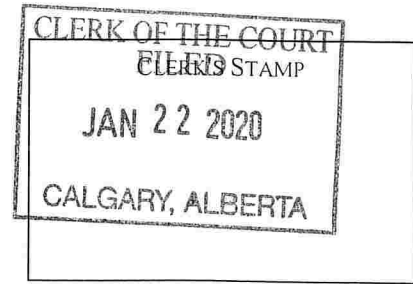


FORM 10
[RULE 3.25]



COURT FILE NUMBER 2001 - 01210
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF GMT CAPITAL CORP.
DEFENDANTS STRATEGIC OIL AND GAS LTD. and
STRATEGIC TRANSMISSION LTD.

DOCUMENT **STATEMENT OF CLAIM**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
BENNETT JONES LLP
Barristers and Solicitors
#4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7
Attention: Ken Lenz, Q.C.
Telephone No.: 403-298-3317
Fax No.: 403-265-7219
Client File No.: 87591.2

NOTICE TO DEFENDANT

You are being sued. You are a defendant.
Go to the end of this document to see what you can do and when you must do it.

STATEMENT OF FACTS RELIED ON:

The Parties

1. The Plaintiff GMT Capital Corp. ("**GMT**") is a corporation incorporated pursuant to the laws of Georgia, extra-provincially registered and carrying on business in Alberta and elsewhere.
2. The Defendants, Strategic Oil and Gas Ltd. ("**Strategic**") is a corporation incorporated pursuant to the laws of the Province of Alberta and Strategic Transmission Ltd.

("Transmission") is a corporation incorporated under the laws of Canada, registered to carry on business in Alberta.

The Indebtedness

3. Pursuant to a Note Purchase Agreement dated November 27, 2018 (the "Notes"), GMT, Bay Resource Partners, L.P., Bay II Resources Partners, L.P., Bay Resources Partners Offshore Master Fund, L.P. and Thomas Claugus loaned \$14,550,000, exclusive of interest, to Strategic. GMT has authority to bring this action on behalf of all these persons. As of January 1, 2020, the sum of \$14,550,000 remains outstanding, plus interest and other charges thereafter (the "Indebtedness").

The Security

4. As security for repayment of the Indebtedness, the Defendant pledged and granted to the Plaintiff, a security interest in all of its present and after-acquired real and personal property pursuant to the Notes.

The Defendant's Default

5. The Defendant has ceased or demonstrated an intention to cease carrying on business, has ceased meeting its obligations as they come due in an amount in excess of \$5,000,000 and has had recourse to a debt restructuring statute, all constituting Events of Default under the Notes.
6. As a result of the Defendant's default, the Indebtedness (including but not limited to all principal, interest and costs) immediately became due and payable.
7. On January 22, 2020 the Plaintiff demanded that the Defendant repay the Indebtedness.
8. The Defendant has failed or neglected to repay the Indebtedness.

Remedies

9. The Notes provide upon default costs on a solicitor-client basis to the enforcing creditor.

Process

10. The Plaintiff proposes that the trial of this action be held at the City of Calgary, in the Province of Alberta and estimates that the trial of this action will take less than 25 days.

REMEDY SOUGHT:

11. As against the Defendant:
- (a) judgment in the amount of \$14,550,000, plus all other amounts owing in relation to the Indebtedness including, without limitation, all outstanding interest;
 - (b) costs on a solicitor-client basis in accordance with the Notes, or in the alternative, costs as the Honourable Court deems appropriate;
 - (c) the appointment of KPMG Inc. as Receiver and Manager of all the property and assets of the Defendant;
 - (d) certain relief in relation to the outstanding *Companies' Creditors Arrangement Act*, R.S.C. , 1985, c. C-36, proceedings, including lifting the stay *nunc pro tunc* and deeming the filing and service of this Statement of Claim regular and sufficient; and
 - (e) such further and other relief as this Honourable Court deems just appropriate.

NOTICE TO THE DEFENDANT

You only have a short time to do something to defend yourself against this claim:

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada.

You can respond by filing a Statement of Defence or a Demand For Notice in the office of the Clerk of the Court of Queen's Bench at Calgary, Alberta, AND serving your Statement of Defence or a Demand for Notice on the Plaintiff's(s') address for service.

WARNING

If you do not file and serve a Statement of Defence or a Demand For Notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the Plaintiff(s) against you.