

SALE AND INVESTMENT SOLICITATION PROCEDURES

Preamble

1. This Sale and Investment Solicitation Procedures (the “**SISP**”) will be implemented as part of the receivership proceedings (the “**Receivership Proceedings**”) commenced pursuant to the Receivership Order issued by the Court of Queen’s Bench (the “**Court**”) on August 18, 2017 (the “**Receivership Order**”) upon an application by Razor Energy Corp. (“**Razor**”) in respect of BlendForce Energy Services Inc. (the “**Debtor**”), pursuant to which FTI Consulting Canada Inc. (the “**Receiver**”) has been appointed as receiver and manager of the assets, properties and undertakings of the Debtor. This SISP was approved by an order (the “**Approval Order**”) on application by Razor at the Court of Queen’s Bench of Alberta (the “**Court**”) on August 18, 2017.
2. The Approval Order, *inter alia*, approved this SISP together with the entering into of a purchase and sale agreement (the “**Sale Agreement**”) between the Debtor, by and through the Receiver, as vendor, and Razor, as purchaser, pursuant to which Razor made an offer to purchase certain assets of the Debtor (the “**Assets**”).
3. The Approval Order, the procedures in respect of the SISP as contained herein (the “**SISP Procedures**”) and any subsequent order issued by the Court pertaining to the SISP Procedures shall exclusively govern the process for soliciting and selecting bids for the sale of the assets of the Debtor, a refinancing, reorganization, recapitalization, restructuring, joint-venture, merger or other business transaction involving the Debtor, or some combination thereof.

Sale Agreement

4. The Sale Agreement provides that the purchase price for the acquisition of the Assets (the “**Purchase Price**”) will be paid as follows:
 - (a) cash, in an amount sufficient to repay any and all outstanding obligations and liabilities secured by charges granted under the Receivership Order (such as the Receiver’s Charge and the Receiver’s Borrowing Charge), if any; and,
 - (b) cash, in an amount sufficient to repay any and all outstanding obligations and liabilities owed by the Debtor to the Canada Revenue Agency and which have priority over the Assigned Documents and the Indebtedness; and,
 - (c) cash, in an amount sufficient to repay any and all outstanding liabilities and obligations which have priority over Razor’s first ranking security interests; and,
 - (d) the assumption of any and all property taxes owed to the town of Swan Hills in connection with and secured by the Assets and which have priority over Razor’s first ranking security interests; and,
 - (e) a credit bid of the obligations and liabilities secured by Razor’s first ranking security interests.
5. The Receiver has estimated that the Purchase Price will be approximately \$700,000 (CDN).

6. The purpose of these SISP Procedures is to determine whether a higher and better offer than the Sale Agreement may be obtained by the Receiver in a formal court supervised marketing process undertaken in the Receivership Proceedings and approved by the Court. For the purposes of these SISP Procedures, a “**Superior Offer**” shall mean:
- (a) a credible, reasonably certain and financially viable offer made by a Qualified Bidder (as defined herein) to acquire the assets of or shares in the Debtor, or a refinancing, recapitalization, joint-venture, merger or other business transaction involving the Debtor or some combination thereof, the terms of which offer are no less favourable and no more burdensome or conditional than the terms contained in the Sale Agreement; and,
 - (b) that provides for consideration that, in the reasonable business judgment of the Receiver, is in excess of the value of the consideration payable pursuant to the Sale Agreement.

Conduct of SISP Procedures

7. The Receiver shall conduct the SISP Procedures as outlined herein. In the event that there is a disagreement or clarification required as to the interpretation or application of these SISP Procedures or the responsibilities of any Person hereunder, the Court will have the jurisdiction to hear such matter and provide advice and directions upon application of the Receiver, Razor, or any other interested person.

“As Is, Where Is”

8. Any transaction involving the Debtor, the shares of the Debtor or the assets of the Debtor, will be on an “**as is, where is**” basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Debtor, the Receiver, or any of their agents, estates, advisors, professionals or otherwise, except to the extent set forth in a written agreement with the Person who is a counterparty to such a transaction.

Free of Any and All Claims and Interests

9. All of the right, title and interest of the Debtor in and to any assets sold or transferred within the Receivership Proceedings will, at the time of such sale or transfer, be sold or transferred free and clear of any security, charge or other restriction (collectively, the “**Claims and Interests**”) pursuant to approval and vesting orders made by the Court except for any security, charge, or other restriction expressly contemplated in the Sale Agreement or a Superior Offer, as the case may be.

SISP Commencement

10. The Receiver will commence the SISP Procedures immediately following the Approval Order (the “**SISP Commencement Date**”) by preparing, in consultation with NRG Divestitures Inc. (the “**Sales Agent**”), a list of potential bidders (the “**Known Potential Bidders**”) and generally marketing the Debtor’s property, assets and undertaking in an open, fair, and public manner. Additionally, the list of Known Potential Bidders shall include both strategic and financial parties who, in the reasonable business judgment of

the Receiver and the Sales Agent, may be interested in and have the financial capacity to make a Superior Offer.

11. The Receiver will give notice of these SISP Procedures to Known Potential Bidders (including the Participation Requirements as specified below) shortly after the SISP Commencement Date. In addition, the Sales Agent will continue to publicly market and advertise the Debtor's Property.

Participation Requirements

12. Unless otherwise ordered by the Court, any person (including any Known Potential Bidders) who wishes to participate in this SISP must deliver the following to the Receiver:
 - (a) an executed form of confidentiality agreement that is satisfactory to the Receiver, acting reasonably, and which shall enure to the benefit of any person who completes a transaction with the Receiver (the "**Confidentiality Agreement**"); and,
 - (b) a specific indication of the anticipated sources of capital and / or credit for such person and satisfactory evidence of the availability of such capital and / or credit so as to demonstrate that such person has the financial capacity to complete a transaction pursuant to a Superior Offer.
13. If, in the opinion of the Receiver, a person has complied with each of the requirements described in section 12 of these SISP Procedures, such person shall be deemed a "**Potential Bidder**" hereunder.
14. The Sales Agent will provide each Potential Bidder with access to an electronic data room containing due diligence materials and financial, tax and other information relating to the shares, the assets, the property and the business of the Debtor as soon as practicable after the determination that such person is a Potential Bidder.
15. Neither the Receiver nor the Sales Agent is responsible for, and will have no liability with respect to, any information obtained by any Potential Bidder. The Receiver and its advisors do not make any representations or warranties whatsoever as to the information or the materials provided.

Phase 1 Bid Deadline

16. A Potential Bidder will be deemed a "**Qualified Bidder**" if such Potential Bidder submits a non-binding letter of intent to the Receiver (a "**Qualified LOI**") on or before 5:00 pm (Calgary Time time) on September 22, 2017 (the "**Phase 1 Bid Deadline**"). Subject to Section 17 of these SISP Procedures, a non-binding indication of interest will only qualify as a Qualified LOI in the event that it contains, meets, or includes all of the following:
 - (a) it is received by the Receiver on or before the Phase 1 Bid Deadline;
 - (b) it includes a summary of:
 - i) the type and amount of consideration to be paid by the Qualified Bidder;

- ii) the property to be included in the transaction;
 - iii) the structure and financing of the transaction (including, but not limited to, the sources of financing and evidence of the availability of such financing);
 - iv) any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
 - v) any additional due diligence required or desired to be conducted prior to the Phase 2 Bid Deadline (as defined herein), if any;
 - vi) any conditions to closing that the Qualified Bidder may wish to impose; and;
 - vii) any other terms or conditions of the transaction which the Qualified Bidder believes are material to the transaction;
- (c) it provides for the completion of the transactions contemplated therein on or before October 6, 2017 (the “**Completion Date**”);
- (d) such other information reasonably requested by the Receiver.
17. The Receiver, acting reasonably, may waive non-compliance with any one or more of the requirements specified in Section 16 of these SISP Procedures and deem any non-compliant letter of intent to be a Qualified LOI.
18. If a Qualified LOI is received, these SISP Procedures shall proceed to the next phase for the purpose of attempting to obtain a Superior Offer. If there are no Qualified LOIs submitted:
- (a) these SISP Procedures shall terminate; and
 - (b) the Receiver shall, within five (5) Business Days of the termination of these SISP Procedures, file an application with the Court seeking approval, after notice and hearings, to implement the Sale Agreement.

Phase 2 Bid Deadline

19. In order to continue to participate in this SISP Process from and after the Phase 1 Bid Deadline, a Qualified Bidder who submitted a Qualified LOI to the Receiver must deliver a binding and definitive agreement to the Receiver, with a copy to the Receiver (a “**Qualified Bid**”) by no later than 5:00 p.m. (Calgary Time) on September 29, 2017 (the “**Phase 2 Bid Deadline**”). Subject to Section 20 of these SISP Procedures, a binding offer will only qualify as a Qualified Bid in the event that it contains, meets or includes all of the following:
- (a) it is received by the Receiver on or before the Phase 2 Bid Deadline;
 - (b) it includes either:

- i) a fully binding and definitive agreement, duly authorized and executed, setting out the terms and conditions of the proposed transaction, including the aggregate amount of the proposed equity and debt investment, assumption of debt, if any, and details regarding the proposed equity and debt structure of the Debtor following completion of the proposed transaction (a “**Definitive Restructuring Agreement**”); or,
 - ii) a fully binding and definitive agreement, duly authorized and executed purchase and sale agreement, together with all exhibits and schedules thereto, and such ancillary agreements as may be required with all exhibits and schedules thereto (a “**Definitive Asset Sale Agreement**”); or
 - iii) some combination of a Definitive Restructuring Agreement and a Definitive Asset Sale Agreement, provided that such agreement is a fully binding definitive agreement that is duly authorized and executed (a “**Definitive Hybrid Agreement**”);
- (c) it is irrevocable for a minimum of ten (10) days following the Phase 2 Bid Deadline;
 - (d) it provides for the completion of the transactions contemplated therein on or before the Completion Date;
 - (e) it is not conditional on (i) the outcome of unperformed due diligence and/or (ii) obtaining any credit, capital, or other form of financing;
 - (f) it is accompanied by a refundable deposit (the “**Deposit**”) in the form of a wire transfer (to a trust account specified by the Receiver), payable to the Receiver in trust, in an amount equal to ten percent (10%) of the consideration to be paid pursuant to the Qualified Bid, to be held and dealt with in accordance with these SISP Procedures;
 - (g) it includes written evidence, in form and substance reasonably satisfactory to the Receiver, of a firm and irrevocable commitment for all required funding and/or financing from a creditworthy person to consummate the proposed transaction;
 - (h) it fully discloses the identity of each person that is bidding or otherwise that will be sponsoring or participating in the Qualified Bid, including the identification of the Qualified Bidder’s direct and indirect owners and their principals and the full and complete terms of any such participation;
 - (i) it includes written evidence, in form and substance reasonably satisfactory to the Receiver, of compliance or anticipated compliance with any and all applicable regulatory approvals, the anticipated time frame for such compliance and any anticipated impediments for obtaining such approvals; and
 - (j) such other information reasonably requested by the Receiver.

20. The Receiver, acting reasonably, may waive non-compliance with any one or more of the requirements specified in Section 19 of these SISP Procedures and deem any non-compliant Definitive Restructuring Agreement, Definitive Asset Sale Agreement or Definitive Hybrid Agreement, as the case may be, a Qualified Bid.
21. The Receiver, will assess any Definitive Restructuring Agreement, Definitive Asset Sale Agreement or Definitive Hybrid Agreement, as the case may be, that has qualified as a Qualified Bid and will determine whether any such Definitive Restructuring Agreement, Definitive Asset Sale Agreement, or Definitive Hybrid Agreement constitutes a Superior Offer. Such assessment will be made as promptly as practicable but no later than one (1) Business Day after the Phase 2 Bid Deadline (the “**Qualified Bid Assessment Deadline**”).
22. In the event that the Receiver determines that one or more Qualified Bids constitute(s) a Superior Offer, the Receiver shall (to the extent that there is more than one Qualified Bid) select the highest or best Qualified Bid and apply to the Court to approve such Qualified Bid within three (3) Business Days of the Qualified Bid Assessment Deadline. The Receiver shall thereafter complete the transactions contemplated by such selected Qualified Bid in accordance with the terms thereof and any order issued by the Court.
23. If there are no Qualified Bids submitted or the Receiver determines that no Qualified Bid constitutes a Superior Offer:
 - (a) these SISP Procedures shall terminate; and
 - (b) the Receiver shall, within five (5) Business Days of the Qualified Bid Assessment Deadline, file an application with the Court seeking approval by the Court, after notice and hearings, to implement the Sale Agreement.

Deposits

24. All Deposits shall be retained by the Receiver and invested in an interest bearing trust account in a Schedule I Bank in Canada. If there is a Qualified Bid that constitutes a Superior Offer, the Deposit (plus accrued interest) paid by the person making such Qualified Bid shall be applied to the consideration to be paid by such Person upon closing of the transaction constituting the Qualified Bid.
25. The Deposit(s) (plus applicable interest) of all persons not making the Qualified Bid that constitutes a Superior Offer shall be returned to such persons within five (5) Business Days of the earlier of the date that: (a) the Court approves a Qualified Bid as a Superior Offer; or (b) the Court approves the Sale Agreement.
26. If the Person making a Qualified Bid selected as a Superior Offer breaches or defaults on its obligation to close the transaction in respect of Qualified Bid it shall forfeit its Deposit to the Receiver for and on behalf of the Debtor; provided however that the forfeit of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Debtor or the Receiver have in respect of such breach or default.

Notice

27. The addresses used for delivering documents as prescribed by the terms and conditions of these SISP Procedures are set out in Schedule "A" hereto. A bid and all associated documentation shall be delivered to the Receiver by electronic mail, personal delivery or courier. Persons requesting information about these SISP Procedures should contact the Receiver at the contact information contained in Schedule "A".

No Amendment

28. There shall be no amendments to these SISP Procedures, including, for greater certainty the SISP Procedures set out herein, unless otherwise ordered by the Court upon application and appropriate notice.

Further Orders

29. At any time during these SISP Procedures, the Receiver, or Razor may apply to the Court for advice and directions with respect to the discharge of their powers and duties hereunder.

Schedule "A"

Address for Notices and Deliveries

To the Receiver:

FTI Consulting Canada Inc.
720, 440 – 2nd Avenue SW
Calgary, Alberta T2P 5E9

Attention: Dustin Olver
Email: dustin.olver@fticonsulting.com