

SCHEDULE "A"

Clerk's Stamp:



COURT FILE NUMBER: 2201 07654
COURT: COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE: CALGARY
MATTER: IN THE MATTER OF SECTION 193 OF THE *BUSINESS CORPORATIONS ACT*, RSA 2000, c. B-9, (the "*ABCA*") AND IN THE MATTER OF A PLAN OF ARRANGEMENT PROPOSED BY AVILA ENERGY CORPORATION
APPLICANT: AVILA ENERGY CORPORATION
RESPONDENT: NOT APPLICABLE
DOCUMENT: INTERIM ORDER
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PERSON FILING THIS DOCUMENT: Erika Carrasco
Field LLP
Barristers and Solicitors
400, 444 7 Ave SW
Calgary, AB T2P 0X8
Ph: 403.260.8500 | Fax: 403.264.7084
File No. 76872-1

DATE ON WHICH ORDER WAS PRONOUNCED:

July 06, 2022

NAME OF JUSTICE WHO MADE THIS ORDER:

St. M. Carthy

LOCATION WHERE THIS ORDER WAS PRONOUNCED: Calgary, Alberta

UPON THE DESK APPLICATION of Avila Energy Corporation for an interim order in connection with a proposed plan of arrangement pursuant to Section 193 of the *ABCA*; AND UPON reading the Affidavit of Leonard Van Betuw, sworn June 30, 2022 (the "*Affidavit*"); AND UPON reading submissions of for the Applicant;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. For the purposes of this Order, capitalized terms not otherwise defined herein shall have the same meanings given to them in the Application.
2. Notice of the within application on the Registrar is hereby deemed good and sufficient.
3. No other notice or service of the within application materials is required other what is set forth herein.
4. The Arrangement is an “arrangement” within the meaning of the *ABCA*, and the Arrangement parties may proceed with the Arrangement as described in the Application, Affidavit, and as ordered herein.
5. The terms and conditions of the Arrangement, and the procedures relating thereto, are fair and reasonable to the persons affected thereby.
6. The Arrangement will, upon filing the Articles of Arrangement pursuant to Section 193 of the *ABCA*, become effective in accordance with its terms.

The Meeting

7. Avila shall seek the approval of the Arrangement by its Shareholders in the manner set forth below.
8. Avila is permitted to call, hold, and conduct the Meeting to vote on the Arrangement Resolution. Such other business as may conducted at the Meeting or any adjournment thereof, whether in furtherance of the implementation of the Arrangement or otherwise.
9. The Board of Directors of Avila has fixed the Record Date. Only Shareholders whose names have been entered on the registers of Shares as at 5:00 p.m. (MST time) on the Record Date will be entitled to receive notice of the Meeting and be entitled to vote at the Meeting.
10. Avila is authorized to make such amendments, revisions, or supplements to the Arrangement as it may determine necessary or desirable, provided that such amendments are made in accordance with, and in the manner contemplated by the Arrangement (and provided further that such authorization shall not derogate from the rights of the other parties to the Purchase Agreement). Where such amendments, revisions or supplements are not detrimental to the interests of Shareholders, no additional notice to the Shareholders shall be required. The Arrangement as so amended, revised, or supplemented, shall be the Arrangement submitted to the Meeting and the subject of the Arrangement Resolution.

Final Meeting Materials

11. The Final Meeting Materials (as defined in the Affidavit), shall be delivered by prepaid first class or ordinary mail or by delivering the same by courier or by delivery by such other means at the expense of Avila, at least twenty-one (21) days (exclusive of the day of mailing or delivery but inclusive of the day of the Meeting) prior to the date of the Meeting to the following (the “Notice Recipients”):
 - (a) registered Shareholders of record as of the Record Date, at the registered address of each such Shareholders as it may appear on the securities registers of Avila maintained by the transfer agent of Avila, Computershare Trust Company of Canada as at the Record Date;
 - (b) in the case of non-registered Shareholders, by providing copies thereof to intermediaries and registered nominees for sending to both non-objecting beneficial owners and

objecting beneficial owners in accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* at least four Business Days (as defined in the Plan of Arrangement) prior to the 21st day prior to the date of the Meeting; and

(c) to the Executive Directors of the ASC and the CSE by mail or by email.

and compliance with this paragraph shall constitute good and sufficient service upon the Notice Recipients, all in substantially the forms set forth in the Circular, together with the letter of transmittal, the form of proxies and such other material as Avila may consider fit.

12. The Notice Recipients shall be deemed to have received the Final Meeting Materials on the date sent by mail, courier, in-person delivery, or email and the same shall constitute good and sufficient service of the Final Meeting Materials, good and sufficient notice of the Meeting and good and sufficient service of all other notices given and information provided in the Final Meeting Materials.
13. Avila is authorized to adjourn or postpone the Meeting on one or more occasions (whether or not a quorum is present), without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders in respect of the adjournment or postponement. Notice of such adjournment or postponement may be given by such method as Avila determines is appropriate in the circumstances.
14. The only persons entitled to notice of the Meeting shall be the Notice Recipients.
15. The accidental omission to give notice of the Meeting to or the non-receipt of the notice by one or more of the Notice Recipients shall not invalidate any resolution passed or proceedings taken at the Meeting.
16. Subsequent to the provision to the registered Notice Recipients of information referred to in this Interim Order, Avila is authorized to make such amendments, revisions, updates, or supplements to the Final Meeting Materials as it may determine necessary and proper.
17. The mailing of the Final Meeting Materials, in accordance with the provisions of this Interim Order, shall constitute good and sufficient service in respect of this Application upon all persons who are entitled to receive such notice pursuant to this Interim Order and no other form of service need be made and no other material need be served on such persons in respect of these proceedings.

Notice of Amendments, Updates or Supplements Prior to Meeting

18. Any amendments, updates, or supplements, to any of the information provided in the Final Meeting Materials that are deemed necessary or advisable prior to the Meeting, including disclosure of any material change to Avila, may be communicated to its Shareholders, by the method and in the time most reasonably practicable in the circumstances. Without limiting the generality of the foregoing, if between the date hereof and the date of the Meeting, any material change or material fact arises, that had such change or fact been known prior to mailing of the Circular such information would have been included in the Circular, Avila shall advise the Shareholders of such material change or material fact by disseminating a press release through a widely circulated news service and posting such news release on Avila's profile on the System for Electronic and Document Analysis and Retrieval (each, a "News Release") and, provided the News Release describes the applicable material change or material fact in reasonable detail, then, other than dissemination and posting of the News Release as aforesaid, Avila shall not be required to deliver an amendment to the Circular to its Shareholders or otherwise give notice to the Shareholders of the applicable material change or material fact. Notice of any such amendment, update, or supplement, if given by press release or ordinary prepaid mail, shall be deemed to have been received by the Notice Recipients and all other persons entitled to such notice 2 days following such press release or date of mailing.

Conduct of the Meeting

19. The Meeting shall be called, held and conducted in accordance with the ABCA and relevant regulatory laws, and the articles and by-laws of Avila in effect at the relevant time, the Circular, the terms of this Interim Order, and any further orders of the Court as may be granted. To the extent of any discrepancy or inconsistency among the foregoing, the terms of this Interim Order shall prevail.
20. Registered Shareholders of record present in person or represented by proxy and beneficial Shareholders through their intermediary at the Meeting shall be the only persons entitled to vote at the Meeting in respect of the Arrangement Resolution.
21. To be valid, proxies must be deposited in the manner described in the Circular.
22. The requisite approvals for the Arrangement Resolution shall be:
 - (a) Pursuant to Avila's company bylaws, not less than two-thirds of the votes of cast by the Shareholders, present either in person or by proxy, at the Meeting; and
 - (b) a majority of the votes cast by the Shareholders present in person or represented by proxy at the Meeting, excluding the votes cast in respect of Shares that are required to be excluded pursuant to Section 8.1(2) of Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions* for purposes of the Arrangement, as described in the Circular,such approval shall be sufficient to authorize Avila to undertake such acts and things as may be necessary and desirable to give effect to the Arrangement on a basis that is consistent with what is provided for in the Circular without the necessity of any further approval by the Shareholders, subject only to final approval of the Arrangement by this Court.
23. The Shareholders shall vote together as one class on the Arrangement Resolution, each Share being entitled to one vote.

24. Pursuant to Avila's bylaws, the quorum at the Meeting shall be two or more registered Shareholders, personally present or represented by proxy, and representing in the aggregate no less than five (5%) percent of the outstanding Shares carrying voting rights at the Meeting. If a quorum is not present at the time appointed for the Meeting, or within 30 minutes thereafter, the Meeting shall be adjourned to a fixed time and place as may be appointed by the chair of the Meeting. No notice of the adjourned Meeting shall be required and at such adjourned Meeting, the registered Shareholders personally present or represented by proxy shall form a quorum regardless of number.

Arrangement Dissent Rights

25. The registered Shareholders shall, subject to the provisions of the within Interim Order and the Arrangement, have the right to dissent from the Arrangement Resolution in the manner set forth in section 191 of the ABCA, as modified by the Interim Order, and Sections 3.1 and 4.1 of the Arrangement (the "Arrangement Dissent Rights").
26. Subject to further Order of this Court, the rights available to the Shareholders under the Arrangement to dissent from the Arrangement Resolution shall constitute full and sufficient rights of dissent for the Shareholders with respect to the Arrangement Resolution.

Application for Final Order

27. Upon approval of the Arrangement at the Meeting in the manner set forth in this Interim Order and subject to any further Order of this Court, Avila may proceed with an application seeking the approval of this Honourable Court of the Arrangement ("Application for Final Order"), so soon it may be heard in Justice Chambers at the Calgary Courts Centre, 601 – 5th Street S.W., Calgary, Alberta following the Meeting anticipated to be held of August 31, 2022.
28. Avila shall be entitled at any time to seek leave to vary this Order upon such terms and as this Honourable Court may permit.
29. Avila shall publish on SEDAR the within filed Interim Order.
30. Avila shall send the Registrar a copy of the filed Interim Order so soon as practicable.
31. Avila shall provide the Registrar with notice of the Application for Final Order.
32. There shall be no costs to any party arising from the within Interim Order.



J.C.C.B.A.