

IN THE MATTER OF CALFRAC WELL SERVICES LTD.

– and –

IN THE MATTER OF WILKS BROTHERS, LLC

**NOTICE OF MOTION OF GLENDON CAPITAL MANAGEMENT LP, SIGNATURE
GLOBAL ASSET MANAGEMENT, AND EDGEPOINT INVESTMENT GROUP, INC.
(Motion for Intervenor Standing)**

Glendon Capital Management LP (“**Glendon**”), Signature Global Asset Management, a division of CI Investments Inc. (“**CI Investments**”), and EdgePoint Investment Group, Inc. (“**EdgePoint**” and, together with Glendon and CI Investments, the “**Noteholder Intervenors**”) will bring a motion before the Ontario Securities Commission (the “**Commission**”) on a date to be determined by the Commission.

A. ORDER SOUGHT

1. An Order pursuant to section 21(4) of the Commission’s *Rules of Procedure and Forms* (the “**Rules**”) granting the Noteholder Intervenors standing to make oral and written submissions with regard to the application (the “**Wilks Application**”) made by Wilks Brothers, LLC (“**Wilks**”).
2. An Order abridging the time for service of this motion; and
3. Such further and other relief as counsel may advise and the Commission may permit.

B. GROUNDS FOR THE MOTION

The grounds for the motion are:

1. Calfrac Well Services Ltd. (“**Calfrac**”) is a TSX-listed energy services company with its head office in Calgary, Alberta.

2. Glendon is an investment management company based in Santa Monica, California. CI Investments and EdgePoint are investment management companies based in Toronto, Ontario.
3. On July 13, 2020, Calfrac initiated proceedings before the Court of Queen’s Bench of Alberta (the “**Court**”) for the purposes of implementing a recapitalization transaction in respect of Calfrac and certain of its affiliates (the “**Transaction**”) pursuant to an arrangement (the “**Arrangement**”) under the *Canada Business Corporations Act* (the “**CBCA**”).
4. The Noteholder Intervenors were holders of Calfrac’s unsecured notes and formed an ad hoc committee of noteholders (the “**Noteholder Committee**”) to engage with Calfrac in respect of its recapitalization. Goodmans LLP represented the Noteholder Committee in all aspects of the Transaction, including negotiating the structure and economic terms of the Transaction and appearing at all hearings before the Court and the Alberta Court of Appeal in the CBCA proceedings.
5. On October 30, 2020, the Court granted a final order approving the Arrangement.
6. Wilks’ appeal of the final order was dismissed by unanimous decision of the Alberta Court of Appeal released December 1, 2020.
7. The Transaction was completed on December 18, 2020. Under the Transaction, Calfrac’s unsecured notes were exchanged for common shares of Calfrac and certain investors, including each of the Noteholder Intervenors, subscribed for 10% 1.5 Lien Senior Secured Convertible Notes due 2023 issued by Calfrac (the “**1.5 Lien Notes**”).
8. The Noteholder Intervenors were issued an aggregate of 6,898,289 common shares of Calfrac. The Noteholder Intervenors also subscribed for and currently hold 1.5 Lien Notes in the following principal amounts:
 - (a) Glendon: \$7,547,000
 - (b) CI Investments: \$4,830,000
 - (c) EdgePoint: \$3,879,000

9. The total principal amount of 1.5 Lien Notes issued to the Noteholder Intervenors on the closing of the Transaction and currently held by them (\$16,256,000) represents approximately 28% of the \$58,950,000 in principal amount of 1.5 Lien Notes currently outstanding.
10. The Noteholder Intervenors and other holders of 1.5 Lien Notes are a significant stakeholder group that are directly affected by the Wilks Application and its outcome.
11. The Wilks Application challenges the decision of the Toronto Stock Exchange (the “TSX”) to grant exemptive relief in respect of the resolution of Calfrac shareholders approving the issuance of the 1.5 Lien Notes and the issuance of Calfrac common shares upon the conversion of the 1.5 Lien Notes.
12. The Noteholder Intervenors subscribed for 1.5 Lien Notes – for which they advanced new money to Calfrac – on the closing of the Transaction in reliance on the fact that requisite approvals for the issuance of the 1.5 Lien Notes had been obtained and that the common shares issuable on the conversion of the 1.5 Lien Notes would be listed on the TSX. If the Wilks Application is granted, the Noteholder Intervenors and their managed funds and accounts will be seriously prejudiced. The extent of the prejudice is unknown at this point as the Wilks Application is unclear as to the specific relief Wilks will seek.
13. The participation of the Noteholder Intervenors is important to ensure that the Commission has a full understanding of the legal and economic interests of holders of 1.5 Lien Notes in the context of considering the Wilks Application.
14. The Noteholder Intervenors seek standing to make oral and written submissions, through their counsel, with respect to the Wilks Application. The Noteholder Intervenors do not seek full standing or standing to offer evidence or cross-examine.
15. The Noteholder Intervenors will make a useful contribution to the Commission’s consideration of the Wilks Application and their participation will not cause undue delay or otherwise prejudice the parties.

16. The Noteholder Intervenors will comply with any directions from the Commission regarding the conduct of the proceedings, including any timetable that is set. They also undertake to coordinate with counsel for the parties to avoid duplication and ensure this matter proceeds efficiently.
17. The Commission is the principal regulator of Calfrac and has the jurisdiction to grant a person who is not a party to a proceeding intervenor status to participate in the proceeding on such terms as the Commission considers appropriate.
18. Section 21(4) of the Rules.
19. Such further and other grounds as counsel may advise and the Commission may permit.

C. EVIDENCE

1. The Noteholder Intervenors intend to rely on the following evidence, as well as written memorandum and oral submissions, at the hearing:
 - (a) The affidavit of Bradley Wiffen sworn May 13, 2021; and
 - (b) Such further and other evidence as counsel may advise and the Commission may permit.

Dated: May 13, 2020

GOODMANS LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

David Conklin
Tel: 416.597.5164
Email: dconklin@goodmans.ca

Robert Chadwick
Tel: 416.597.4285
Email: rchadwick@goodmans.ca

Bradley Wiffen
Tel: 416.597.4208
Email: bwiffen@goodmans.ca