

COURT FILE NUMBER **2001-06997**
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

Filed in Edmonton as per Justice Topolniski's direction in court on July 24, 2020

AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF BOW RIVER ENERGY LTD.

DOCUMENT **ORDER: APPROVAL OF SISP ADVISOR, STALKING HORSE & SISP**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Robyn Gurofsky/Jessica Cameron
Borden Ladner Gervais LLP
1900, 520 3rd Ave. S.W.
Calgary, AB T2P 0R3
Telephone: (403) 232-9774/9715
Facsimile: (403) 266-1395
Email: rgurofsky@blg.com
jcameron@blg.com
File No. 441275/000025

DATE ON WHICH ORDER WAS PRONOUNCED: July 24, 2020

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice J.E. Topolniski

UPON the application of Bow River Energy Ltd. (the “**Applicant**”); **AND UPON** having read the Application, the Affidavit of Daniel G. Belot sworn July 17, 2020 (the “**Third Belot Affidavit**”), the Supplement to the Third Affidavit of Daniel G. Belot, sworn July 23, 2020 (the “**Supplemental Affidavit**”), and the Affidavit of Service of Stella Kim sworn July 23, 2020; **AND UPON** having read the Second Report of the Monitor, dated July 20, 2020; **AND UPON** reviewing the amended and restated initial order granted in the within proceedings by the Honourable Mister Justice

Jeffrey on June 10, 2020 (the “**ARIO**”); **AND UPON** having reviewed the pleadings and proceedings previously filed in the within CCAA proceedings; **AND UPON** hearing counsel for the Applicant, the Monitor, and any other parties present at the Application;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The time for service of this application together with all supporting materials is hereby declared to be good and sufficient and no other person is required to have been served with such documents, and this hearing is properly returnable before this Honourable Court today and further service thereof is hereby dispensed with.
2. All capitalized terms used by not otherwise defined herein shall have the meanings ascribed to them in the sales and investment solicitation process (“**SISP**”) attached hereto as **Schedule “A”**.

APPROVAL OF SISP ADVISOR

3. The engagement letter between Sayer Energy Advisors (the “**SISP Advisor**”) and the Applicant dated June 8, 2020, and as attached to the Third Belot Affidavit as Confidential Exhibit “2” (the “**Engagement Letter**”) is hereby approved. The Applicant is hereby authorized and directed to do all things as are reasonably necessary to conduct and give effect to the Engagement Letter and carry out its obligations thereunder, including payment of amounts due to be paid pursuant to the terms of the Engagement Letter.

APPROVAL OF STALKING HORSE & SISP

4. The Asset Purchase and Sale Agreement between the Applicant and 2270943 Alberta Ltd. (“**227**”), dated July 17, 2020 and the Amending Agreement to the Asset Purchase and Sale Agreement between the Applicant and 227, dated July 23, 2020 (together the “**Stalking Horse APA**”), is hereby approved. The Applicant is authorized and directed to do all things as are reasonably necessary to conduct and give effect to the Stalking Horse APA, and to take such additional steps and execute such additional documents and make such minor amendments to the Stalking Horse APA as may be necessary or desirable for the completion of the terms of the Stalking Horse APA.

5. The Applicant is hereby authorized and directed to perform or cause to be performed the covenants of the Stalking Horse APA substantially in accordance with its terms, subject to such amendments as the Applicant and 227 may approve which do not materially and adversely affect the terms therein or of the SISP.
6. The Break Fee as defined in the Stalking Horse APA is hereby approved and the Applicant is authorized and directed to pay the Break Fee in the manner and circumstances described therein.
7. The Applicant shall be at liberty to apply for an Order vesting title to the Purchased Assets (as defined in the Stalking Horse APA) in the Winning Bidder in accordance with, and as defined in, the SISP.
8. The SISP, as attached hereto as **Schedule “A”**, is hereby approved. Each of the Applicant, the SISP Advisor, and the Monitor are hereby authorized and directed to implement the SISP and do all things as are reasonably necessary to conduct and give full effect to the SISP and carry out their respective obligations thereunder.
9. Each of the Monitor and the SISP Advisor and their respective affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the SISP, except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct of the Monitor or the SISP Advisor, as applicable, in performing their obligations under the SISP.
10. In connection with the SISP and pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Applicant, the SISP Advisor and the Monitor are authorized and permitted to disclose personal information of identifiable individuals to prospective purchasers or offerors and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more transactions (each, a “**Transaction**”). Each prospective purchaser or offeror to whom such information is disclosed shall maintain and protect the privacy of such information and shall limit the use of such information to its evaluation of the Transaction, and if it does not complete a Transaction, shall: (i) return all such information to the Applicant, the SISP Advisor or the

Monitor, as applicable; (ii) destroy all such information; or (iii) in the case of such information that is electronically stored, destroy all such information to the extent it is reasonably practical to do so. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Applicant, and shall return all other personal information to the Applicant, the SISP Advisor or the Monitor, as applicable, or ensure that other personal information is destroyed.

SEALING ORDER

11. Confidential Exhibit “2” to the Third Belot Affidavit (the “**Confidential Exhibit**”) shall be sealed on the Court file, notwithstanding Division 4 of Part 6 of the *Alberta Rules of Court*.

12. The Clerk of the Court shall file the Confidential Exhibit in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states that:

THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED IN COURT FILE NO. 2001-06997. THE CONFIDENTIAL MATERIALS ARE SEALED PURSUANT TO THE SEALING ORDER ISSUED BY THE HONOURABLE JUSTICE J.E. TOPOLNISKI ON JULY 24, 2020.

13. The Applicant is empowered and authorized, but not directed, to provide the Confidential Exhibit (or any portion thereof, or information contained therein) to any interested party, entity or person that the Applicant considers reasonable in the circumstances, subject to confidentiality arrangements satisfactory to the Applicant.

MISCELLANEOUS MATTERS

14. Service of this Order shall be deemed good and sufficient by serving the same on the persons listed on the Service List (attached as Schedule “A” to the Application) and by posting a copy of this Order to the Monitor’s Website at: <https://www.bdo.ca/en-ca/extranets/bowriver/>.

15. No other persons are entitled to be served with a copy of this Order.

Kyla Pryor
for: _____
Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A"

SALES AND INVESTMENT SOLICITATION PROCESS

**Procedure for the Sales and Investment Solicitation Process of
Bow River Energy Ltd.**

1. On June 1, 2020 (the “**Filing Date**”), Bow River Energy Ltd. (the “**Company**”) obtained an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, RSC 1985 c C-36, as amended (the “**CCAA**”) from the Alberta Court of Queen's Bench (the “**Court**”). Among other things, the Initial Order granted an initial stay of proceedings in respect of the Company up to and including June 10, 2020 (the “**Stay**”) and appointed BDO Canada Limited as the monitor (the “**Monitor**”) of the Company’s proceedings under the CCAA (the “**CCAA Proceedings**”).
2. On June 10, 2020, the Company obtained an amended and restated initial order from the Court (the “**Amended and Restated Initial Order**”), which, among other things, extended the Stay up to and including July 31, 2020.
3. On July 24, 2020, the Company obtained an order from the Court (the “**Sales Process Order**”), which, among other things, approved the procedures for the sales and investment solicitation process of the Company (the “**SISP**”).
4. Set forth below is the procedure to be followed with respect to the SISP to be undertaken to seek a Successful Bid (as defined below), and if there is a Successful Bid, to complete the transactions contemplated by the Successful Bid.

Defined Terms

5. All monetary references shall be in Canadian dollars, unless otherwise stated.
6. In these SISP Procedures:

"**Break Fee**" means the amount of \$175,000;

“**Business**” means the business presently carried on by the Company;

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the City of Calgary;

"**CCAA Charges**" means the charges created by the Amended and Restated Initial Order and the Interim Lender’s Order that rank in priority to the Debentureholder Security, totaling a maximum aggregate value of \$1.8 million, comprised of:

- (a) the Administration Charge up to a maximum aggregate value of \$300,000;
- (b) the Interim Lender’s Charge up to a maximum aggregate value of \$1.1 million; and
- (c) the Directors & Officers’ Charge up to a maximum aggregate value of \$400,000;

"**CCAA Obligations**" means the indebtedness, liabilities and obligations secured by the CCAA Charges;

“**Cure Costs**” means the debt owed by the Company to bring unpaid mineral and surface leases into good standing, in order to effect an assignment of such leases to a Successful Bidder (as defined below);

“**Debentures**” means the secured subordinated debentures issued by the Company on: i) May 15, 2017, accruing interest at a rate of 16%, ii) May 30, 2018, accruing interest at a rate of 15%, and iii) May 31, 2018 and July 19, 2018, accruing interest at a rate of 15%, respectively;

“**Debentureholders**” means the holders of the Debentures;

“**Debentureholder Debt**” means the debt owed by the Company to the Debentureholders pursuant to the Debentures, including all principal, interest and costs totaling \$4,183,221.00, with interest and costs continuing to accrue;

“**Debentureholder Security**” means the security which secures the Debentureholder Debt;

“**Interim Financing Obligations**” means the Initial Advance made to the Company pursuant to the Interim Financing Term Sheet in the amount of \$260,000, together with any additional amount advanced to the Company thereunder up to the maximum aggregate amount of \$1.1 million;

“**Interim Financing Term Sheet**” means the Term Sheet entered into by the Company and the Interim Lender or Interim Lenders (as defined therein) and approved by the Court on July 24, 2020;

“**Interim Lender’s Order**” means the Order granted by the Court on July 24, 2020 approving the Interim Financing Term Sheet and the Interim Financing Obligations;

“**Outside Date**” means October 31, 2020;

“**Prior Charges**” means all claims against the Company or its Property that rank in priority to the Debentureholder Security, including all outstanding non-linear property taxes owing in respect of the Property contained in the Stalking Horse APA (which non-linear property taxes are an estimated \$107,000), and which do not include the Cure Costs or the CCAA Obligations;

“**Property**” means all of the Company’s current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof;

“**Sales Advisor**” means Sayer Energy Advisors;

“**Stalking Horse APA**” means the Asset Purchase and Sale Agreement between the Company and the Stalking Horse Bidder, dated July 17, 2020;

“**Stalking Horse Bidder**” means 2270943 Alberta Ltd.;

"**Superior Offer**" means a credible, reasonably certain and financially viable third party offer, or combination of offers, for: A) the acquisition of all, substantially all, or certain of, the Property or Business contained in the Stalking Horse APA, or B) an investment, restructuring, recapitalization, refinancing or other form of reorganization of the Company, the terms of which offer are no less favourable and no more burdensome or conditional than the terms contained in the Stalking Horse APA, and which at a minimum, alone, or in combination with other offers, includes:

- i) a payment in cash in excess of \$250,000 of the aggregate of the total consideration payable pursuant to the Stalking Horse APA, being \$4,433,221.00,
- ii) a payment in cash in the amount necessary to fully pay the Break Fee, the CCAA Obligations, and the Interim Financing Obligations, as at the closing of such transaction, and
- iii) a payment in cash or an assumption of liabilities to satisfy any and all Cure Costs and Prior Charges, as at the closing of such transaction, which amount with respect to the Stalking Horse APA is estimated to be \$298,000.

Stalking Horse APA

7. This SISP is intended to solicit interest in, and opportunities for (the "**Opportunity**" (i) a sale, or partial sales of, all, substantially all, or certain of, the Property of the Company or its Business, whether through an asset purchase, share purchase or a combination thereof ("**Sale Proposal**"), or (ii) for an investment in, restructuring, recapitalization, reorganization or refinancing of the Company or its Business ("**Investment Proposal**"), or a combination thereof).
8. The Company has entered into the Stalking Horse APA with the Stalking Horse Bidder, pursuant to which, if there is no Successful Bid (as defined below) from a party other than the Stalking Horse Bidder, the Stalking Horse Bidder will acquire certain of the Company's Property, as more particularly detailed in the Stalking Horse APA. The Stalking Horse APA is attached hereto as **Schedule "C"**.
9. The Stalking Horse APA shall constitute a Qualified Bid for all purposes and at all times under this SISP.
10. Notwithstanding the execution of the Stalking Horse APA, all interested parties are encouraged to submit bids based on any form of Opportunity that they may elect to advance pursuant to this SISP, including as a Sale Proposal or an Investment Proposal.
11. Certain bid protections, such as the Break Fee and expense reimbursement, have been approved in respect of the Stalking Horse APA, subject to the conditions set forth therein, by the Court pursuant to the SISP Approval Order. No other bidder may request or receive any form of bid protection as part of any offer made pursuant to this SISP.

SISP Procedure

12. The SISP set forth herein describes, among other things, the Property and the Business available for sale, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property and the Business, the manner in which bidders and bids become Qualified Bidders and Qualified Bids (each as defined below), respectively, the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder (as defined below) and the Court's approval thereof. The Company, in consultation with both the Monitor and the Sales Advisor, shall administer the SISP. In the event that there is disagreement as to the interpretation or application of the SISP, the Court will have jurisdiction to hear and resolve such dispute.
13. The Company will use its reasonable efforts to complete the SISP in accordance with the timelines as set out in **Schedule "B"** hereto. The Company, in consultation with the Monitor and the Sales Advisor, shall be permitted to make such adjustments to the timeline that it determines are reasonably necessary.

"As Is, Where Is"

14. The sale of the Property and the Business 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 Company or any of its agents, except to the extent set forth in the relevant final sale agreement with a Successful Bidder. The representations, warranties, covenants or indemnities shall not be materially more favourable than those set out in the Stalking Horse APA, except to the extent additional tangible monetary value of an equivalent amount is provided for such representations, warranties, covenants or indemnities.

Free of Any and All Claims and Interests

15. In the event of a sale(s), all of the rights, title and interests of the Company in and to the Property and the Business to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon and there against (collectively the "**Claims and Interests**"), such Claims and Interests to attach to the net proceeds of the sale of such Property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), pursuant to an approval and vesting order made by the Court, upon the application of the Company, except to the extent otherwise set forth in the relevant sale agreement with a Successful Bidder. The vesting out of Claims and Interests by a Successful Bidder other than the Stalking Horse Bidder shall not be materially more favourable to the Successful Bidder than those set out in the Stalking Horse APA, except to the extent additional tangible monetary value of an equivalent amount is provided for the vesting out of such Claims and Interests.

Publication of Notice and Teaser

16. As soon as reasonably practicable after the granting of the SISP Approval Order by the Court,

- a. the Sales Advisor shall cause a notice of the SISP and such other relevant information which the Sales Advisor, in consultation with the Company and the Monitor, considers appropriate, to be published in the *BOE Report*, the *Daily Oil Bulletin*, the *Calgary Herald*, and such other publications as the Sales Advisor may consider appropriate; and
 - b. the Company shall issue a press release setting out the notice and such other relevant information regarding the Opportunity with Canada Newswire, designating dissemination in Canada and shall invite bids from interested parties.
17. A non-confidential teaser letter prepared by the Sales Advisor, in consultation with the Company (the "**Teaser**"), describing the Opportunity and the SISP will be made available by the Sales Advisor and the Company to prospective purchasers and will be posted on the Monitor's website as soon as practicable following the issuance of the SISP Approval Order.
 18. A Confidential Information Memorandum ("**CIM**") describing the opportunity to acquire the Property and the Business will be made available by the Sales Advisor, in consultation with the Company, to prospective purchasers that have executed a non-disclosure agreement with the Company, in a form satisfactory to the Company, and as more particularly set-forth below.
 19. The Company, with the assistance of the Sales Advisor, will also populate an electronic data room (the "**VDR**") with detailed listings, photographs, technical specifications and other information required for prospective purchasers to perform due diligence on the Property and the Business.

Participation Requirements

20. In order to participate in the SISP, each person interested in bidding on the Property and the Business (a "**Potential Bidder**") must deliver to the Sales Advisor at the address specified in **Schedule "A"** hereto (the "**Notice Schedule**") (including by email or fax transmission), and prior to the distribution of any confidential information by the Company or Sales Advisor to a Potential Bidder (including the CIM and access to the VDR), an executed non-disclosure agreement in form and substance satisfactory to the Company, which shall inure to the benefit of any Successful Bidder that closes a transaction contemplated by the Successful Bid (as defined below).
21. A Potential Bidder that has executed a non-disclosure agreement, as described above and who the Company, in consultation with the Sales Advisor and the Monitor, determines has a reasonable prospect of completing a transaction contemplated herein, will be deemed a "**Qualified Bidder**" and will be promptly notified of such classification by the Sales Advisor. For the avoidance of doubt, the Stalking Horse Bidder is a Qualified Bidder.

Due Diligence

22. The Sales Advisor shall provide any person deemed to be a Qualified Bidder with a copy of the CIM and access to the VDR and the Company shall provide to Qualified Bidders

further access to such reasonably required due diligence materials and information relating to the Property and the Business as the Company, in consultation with the Sales Advisor and the Monitor, deems appropriate, including virtual presentations by the Company and access to further information in the VDR.

23. The Company, the Sales Advisor, the Monitor and their respective advisors, make no representation or warranty as to the information contained in the CIM, the VDR, or other information to be provided through the due diligence process or otherwise, except to the extent otherwise contemplated under any definitive sale agreement with a Successful Bidder executed and delivered by the Company and approved by the Court.

Seeking Qualified Bids from Qualified Bidders

24. A Qualified Bidder that desires to make a bid for the Property or Business must deliver written copies of a final, binding proposal (the "**Final Bid**") in the form of a fully executed purchase and sale agreement to the Sales Advisor, with copies to the Company and the Monitor, at the addresses specified in **Schedule "A"** hereto (including by email or fax transmission) so as to be received by it not later than 12:00 p.m. Calgary time on August 24, 2020, or such other date or time as may be agreed by the Company with the consent of the Monitor (the "**Final Bid Deadline**").

Qualified Bids

25. A Final Bid will be considered a Qualified Bid only if (i) it is submitted by a Qualified Bidder and the Final Bid complies with, among other things, the following (a "**Qualified Bid**"):
- (a) it contains
 - (i) a duly executed purchase and sale agreement based on the form of template purchase and sale agreement posted to the VDR (the "**Template PSA**");
 - (ii) a blackline of the executed purchase and sale agreement to the Template PSA; and
 - (iii) a blackline of the executed purchase and sale agreement to the Stalking Horse APA, if it is a bid for any of the Property that is subject to the Stalking Horse APA.;
 - (b) it includes a letter stating that the Final Bid is irrevocable until there is a Selected Superior Offer (as defined below), provided that if such Qualified Bidder is selected as the Successful Bidder, its Final Bid shall remain an irrevocable offer until the earlier of (i) the completion of the sale to the Successful Bidder and (ii) the Outside Date;
 - (c) it provides written evidence of a firm, irrevocable financial commitment for all required funding or financing;

- (d) it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
- (e) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Monitor), or such other form of payment acceptable to the Monitor, payable to the order of the Monitor, in trust for the Company, in an amount equal to 10% of the total consideration in the Qualified Bid to be held and dealt with in accordance with this SISP;
- (f) it is not conditional upon:
 - (i) the outcome of unperformed due diligence by the Qualified Bidder, and/or
 - (ii) obtaining financing;
- (g) it contains evidence of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body);
- (h) it contains an agreement that the Qualified Bidder submitting such bid, if not chosen as the Successful Bidder, shall serve, without modification to such bid, as a Backup Bidder (as defined below), in the event the Successful Bidder fails to close, provided, however, that the Stalking Horse Bidder shall not be required to serve as Backup Bidder, except to the extent that the Stalking Horse Bidder elects to submit a Minimum Incremental Overbid (as defined below) in the Auction;
- (i) the bid shall result in any beneficiaries of Cure Costs associated with Properties subject to the bid, receiving on the closing of the transaction contemplated thereby, immediately available funds or an assumption of liabilities in an amount sufficient to indefeasibly settle in full all of the associated Cure Costs, which claims shall be calculated as of the date of such closing;
- (j) if it is a bid for the Property that is included in the Stalking Horse APA, or a portion thereof, the aggregate consideration to be paid by the Qualified Bidder, alone, or in combination with other Qualified Bids, exceeds, by an amount of \$250,000, the aggregate of the total consideration payable pursuant to the Stalking Horse APA, being \$4,433,221.00, and the Break Fee;
- (k) if it is a bid for the Property that is included in the Stalking Horse APA, or a portion thereof, the bid, or bids as the case may be, shall contain immediately available funds which in the aggregate equal the amounts of: the CCAA Obligations, the Interim Financing Obligations, and the Debentureholder Debt, which claims shall be calculated as of the date of such closing(s), and immediately available funds or an assumption of liabilities in an amount sufficient to indefeasibly settle in full all of the associated Prior Charges; and
- (l) it is received by the Final Bid Deadline.

26. The Company, with the consent of the Monitor, may waive compliance with any one or more of the requirements specified herein and deem any non-compliant bid to be a Qualified Bid.
27. The Sales Advisor, in consultation with the Company and the Monitor, may, following the receipt of any bid, seek clarification with respect to any of the terms or conditions of such bid and/or request and negotiate one or more amendments to such bid prior to determining if the bid should be considered a Qualified Bid.
28. The Sales Advisor shall notify each Qualified Bidder in writing as to whether its bid constitutes a Qualified Bid within five Business Days of the Final Bid Deadline, or at such later time as the Company, in consultation with the Sales Advisor and the Monitor, deem appropriate.

Stalking Horse APA

29. Pursuant to the Stalking Horse APA, the Stalking Horse Bidder shall provide to the Company a cash deposit equivalent to ten percent (10%) of the Prior Charges, within five (5) Business Days of the approval of this SISF through the Sales Process Order, to be treated in accordance with the Stalking Horse APA.
30. The purchase price for the Property and the Business identified in the Stalking Horse APA includes: (i) a non-cash credit bid in the amount of \$4,183,221.00, as specified in the Stalking Horse APA resulting in that portion of the Debentureholder Debt and Interim Financing Obligations being satisfied in exchange for the acquisition of certain of the Property by the Stalking Horse Bidder; and (ii) consideration in an amount sufficient to (a) pay in full in cash on closing, or through the assumption of liabilities, all Prior Charges; (b) pay in full in cash on closing, the CCAA Obligations; (c) pay in full in cash on closing, or through the assumption of liabilities, the Cure Costs.

No Superior Offers

31. If none of the Qualified Bids, or combination thereof, received constitute a Superior Offer, the Company shall promptly apply to the Court for an order approving the Stalking Horse APA and vesting title to the Property subject to the Stalking Horse APA in the name of the Stalking Horse Bidder.

Selection of Additional Successful Bid

32. If none of the Qualified Bids received relate to the same Property subject to the Stalking Horse APA (an “**Additional Bid**”),
 - a. the Company shall, as soon as practicable, apply to the Court for an order approving the Stalking Horse APA and vesting title to the Property subject to the Stalking Horse APA in the name of the Stalking Horse Bidder, and
 - b. the Company, in consultation with the Sales Advisor and the Monitor, shall review and evaluate each Additional Bid and identify the highest or otherwise best bid (the

“**Successful Additional Bid**” and the Qualified Bidder making such Successful Additional Bid the “**Successful Additional Bidder**”).

33. Any Successful Additional Bid shall be subject to approval by the Court in accordance with paragraph 39 hereof.

If a Superior Offer is Received

34. If the Company determines, in consultation with the Sales Advisor and the Monitor, that one or more, or a combination thereof, of the Qualified Bids constitutes a Superior Offer, the Company shall provide the parties making Superior Offers and the Stalking Horse Bidder the opportunity to make further bids through the auction process set out below (the "**Auction**").
35. The Sales Advisor will provide unredacted copies of the Qualified Bid(s) which the Company believes is (individually or in the aggregate) the highest or otherwise best Qualified Bid(s) (the "**Starting Bid**") to the Stalking Horse Bidder and to all Qualified Bidders that have made a Superior Offer, prior to 5:00 p.m. (MST) on September 4, 2020. Prior to 12:00 p.m. (MST) on September 9, 2020, each Qualified Bidder that has made a Superior Offer and the Stalking Horse Bidder, must inform the Company and the Sales Advisor whether it intends to participate in the Auction (the parties who so inform the Company and the Sales Advisor that they intend to participate are hereinafter referred to as the "**Auction Bidder(s)**").

Auction

36. In the event that the Auction is required in accordance with the terms of this SISIP, it shall be conducted in accordance with the procedures set forth in this paragraph:
- a. The Auction shall commence at 10:00 a.m. (Calgary time) on September 11, 2020, at the Calgary offices of Borden Ladner Gervais LLP, being 1900 520-3rd Avenue SW, Calgary Alberta, or such other place and time as determined by the Company, in consultation with the Monitor, and that is timely communicated to all entities entitled to attend at the Auction, and continue thereafter until completed, subject to such adjournments as the Company, in consultation with the Monitor, may consider appropriate.
 - b. Notwithstanding the foregoing, if circumstances do not permit the Auction to be held in person, the Company shall work in good faith with the parties entitled to attend the Auction to arrange for the Auction to be held via videoconference or teleconference, or such other reasonable means as the Company deems appropriate.
 - c. The Company reserves the right to cancel or postpone the Auction, in consultation with the Sales Advisor and the Monitor.
 - d. Except as otherwise set forth herein, the Company may waive and/or employ and announce at the Auction additional rules that are reasonable under the circumstances for conducting the Auction, provided that such rules are:

- i. not inconsistent with the Amended and Restated Initial Order, the SISP, the CCAA, or any other order of the Court entered in connection with these CCAA Proceedings;
 - ii. disclosed to each Auction Bidder;
 - iii. designed, in the Company's business judgment, to result in the highest and otherwise best offer; and
 - iv. approved by the Monitor.
- e. Except as otherwise permitted in the Company's discretion, only the Company, the Sales Advisor, the Monitor and the Auction Bidders, and in each case their respective professional advisors, shall be entitled to attend the Auction. All Auction Bidders must have at least one individual representative with authority to bind such Auction Bidder present at the Auction.
- f. The Company shall arrange for the actual bidding at the Auction to be transcribed or recorded. Each Auction Bidder participating in the Auction shall designate a single individual to be its spokesperson during the Auction.
- g. Each Auction Bidder must confirm on the record, at the commencement of the Auction and again at the conclusion of the Auction, that it has not engaged in any collusion with the Company, or any other person, regarding the SISP, that has not been disclosed to all other Auction Bidders.
- h. Only the Auction Bidders will be entitled to make any Subsequent Bids (as defined below) at the Auction; provided, however, that in the event that any Qualified Bidder elects not to attend and/or participate in the Auction, such Qualified Bidder's Qualified Bid, shall nevertheless remain fully enforceable against such Qualified Bidder if it is selected as the Winning Bid (as defined below).
- i. All Subsequent Bids presented during the Auction shall be made and received in one room on an open basis. All Auction Bidders will be entitled to be present for all Subsequent Bids at the Auction with the understanding that the true identity of each Auction Bidder at the Auction will be fully disclosed to all other Auction Bidders at the Auction and that all material terms of each Subsequent Bid will be fully disclosed to all other Auction Bidders throughout the entire Auction.
- j. Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder (a "**Subsequent Bid**") that the Company determines is (A) for the first round, a higher or otherwise better offer than the Starting Bid, and (B) for subsequent rounds, a higher or otherwise better offer than the Leading Bid (as defined below); in each case by at least the Minimum Incremental Overbid (as defined below).

- k. Each bid at the Auction shall provide incremental value of at least \$250,000 (the "**Minimum Incremental Overbid**") over the Starting Bid or the Leading Bid, as the case may be. A Subsequent Bid, increased by at least the Minimum Incremental Overbid, may be increased through any of: (a) in the case of the Stalking Horse Bidder, the further reduction of Debentureholder Debt or Interim Financing Obligations; and in the case of any Subsequent Bid, including a bid by the Stalking Horse Bidder: (b) the payment of additional cash; or (c) the assumption of an ascribed monetary value of Total Deemed Liabilities (as defined and determined below):
- i. "**Total Deemed Liabilities**" shall mean the Company's proportionate share (as determined in accordance with its working interest) of total deemed liabilities associated with the Property, as determined by the Alberta Energy Regulator, and as set-forth on the well-list provided by the Company with respect to the Opportunity, which well-list shall be posted in the VDR. The Company shall also provide a copy of the well-list to Auction Bidders at the commencement of the Auction. For greater clarity, Auction Bidders may only add Total Deemed Liabilities associated with Property located in Alberta to their Minimum Incremental Overbid.
 - ii. If an Auction Bidder includes Total Deemed Liabilities into a Minimum Incremental Overbid, they must specifically identify the well license number associated with the Total Deemed Liabilities during the Auction.
- l. After the first round of bidding and between each subsequent round of bidding, the Company shall announce the bid, or combination of bids, (including the value, the amount of assumed Total Deemed Liabilities, if any, and material terms thereof) that it believes to be the highest or otherwise best offer(s) (the "**Leading Bid**"). A round of bidding will conclude after each Auction Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid in that round.
- m. The Stalking Horse Bidder shall be permitted, in its sole discretion, to submit Subsequent Bids, provided however, that such Subsequent Bids are made in accordance with these Auction rules.
- n. To the extent not previously provided (which shall be determined by the Company), an Auction Bidder submitting a Subsequent Bid must submit, at the Company's discretion, as part of its Subsequent Bid, written evidence (in the form of financial disclosure or credit-quality support information reasonably acceptable to the Company), demonstrating such Auction Bidder's financial wherewithal and ability to close the transaction proposed by the Subsequent Bid. If the Stalking Horse Bidder submits a Subsequent Bid, this paragraph shall only apply to the Stalking Horse Bidder if the cash portion of the Purchase Price in the Stalking Horse Bidder's Subsequent Bid is in excess of the cash portion of the Purchase Price in the Stalking Horse APA.

- o. The Company reserves the right, in consultation with the Sales Advisor and the Monitor, to make one or more adjournments in the Auction of not more than 24 hours each, to among other things (i) facilitate discussions between the Company and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer(s) at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide the Company with such additional evidence as the Company, in its reasonable business judgment, may require that that Auction Bidder (including, as may be applicable, the Stalking Horse Bidder) has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing Leading Bid amount.
 - p. If, in any round of bidding, no new Subsequent Bid is made, the Auction shall be closed.
 - q. The Auction shall be closed within 5 Business Days of the start of the Auction unless extended by the Company, in consultation with the Sales Advisor and the Monitor.
 - r. No bids (from Qualified Bidders or otherwise) shall be considered after the conclusion of the Auction.
37. At the end of the Auction, the Company, in consultation with the Sales Advisor and the Monitor, shall select the winning bid, or combination of winning bids, as the case may be (the "**Winning Bid**"). Once a definitive agreement has been negotiated and settled in respect of the Winning Bid (the "**Selected Superior Offer(s)**") in accordance with the provisions hereof, the Selected Superior Offer shall be the "**Successful Bid(s)**" hereunder and the person(s) who made the Selected Superior Offer shall be the "**Successful Bidder(s)**" hereunder. If the Successful Bidder is a party other than the Stalking Horse Bidder, the Company shall pay the Stalking Horse Bidder the Break Fee from the proceeds of the Successful Bid.
38. Notwithstanding anything in this SISP to the contrary, if an Auction is conducted, the Qualified Bidder with the next highest or otherwise best Qualified Bid at the Auction, as determined by the Company, will be designated as the backup bidder (the "**Backup Bidder**"); provided that the Stalking Horse Bidder shall not be a Backup Bidder, unless it elects to provide a Minimum Incremental Overbid in the Auction. The Backup Bidder shall be required to keep its initial Qualified Bid, or if the Backup Bidder submitted one or more Minimum Incremental Overbids at the Auction, the Backup Bidder's final Minimum Incremental Overbid (the "**Backup Bid**"), open until the earlier of: i) two Business Days after the date of closing of the Successful Bid, and ii) the Outside Date.

Approval Motion

39. The Company shall apply to the Court (the "**Approval Motion**") for an order (the "**Sale Approval and Vesting Order**") approving the Successful Bid, the Successful Additional

Bid (if applicable), and the Backup Bid (if applicable), and authorizing the Company to enter into any and all necessary agreements with respect to the Successful Bidder, the Successful Additional Bidder, and/or the Backup Bidder, as the case may be, as well as an order vesting title to the Property subject to such bid or bids in the name of the Successful Bidder, the Successful Additional Bidder, and/or the Backup Bidder as the case may be.

40. The Approval Motion will be held on a date to be scheduled by the Court upon application by the Company. The Approval Motion may be adjourned or rescheduled by the Company without further notice by an announcement of the adjourned date at the Approval Motion or in a notice to the Service List prior to the Approval Motion.
41. All Qualified Bids and Subsequent Bids (other than the Successful Bid, the Successful Additional Bid, and/or the Backup Bid, as the case may be) shall be deemed rejected on and as of the date and granting of the Sale Approval and Vesting Order by the Court, but not before, and shall remain open for acceptance until that time.

Deposits

42. All Deposits shall be retained by the Monitor and invested in a non-interest bearing trust account. If there is a Successful Bid or a Successful Additional Bid, the Deposit (plus accrued interest) paid by the Successful Bidder or Successful Additional Bidder, whose bid is approved at the Approval Motion, shall be applied to the purchase price to be paid by the Successful Bidder or the Successful Additional Bidder, as the case may be, upon closing of the approved transaction and will be non-refundable. The Deposits (plus applicable interest) of Qualified Bidders not selected as either a Successful Bidder or a Successful Additional Bidder shall be returned to such bidders within five (5) Business Days of the date upon which the Sale Approval and Vesting Order is granted by the Court. If there is no Successful Bid, all Deposits shall be returned to the bidders within five (5) Business Days of the date upon which this SISP is terminated in accordance with these procedures.

Approvals

43. For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the applicable law in order to implement a Successful Bid.

Confidentiality

44. Other than as shall be required in connection with any Auction or Approval Motion, neither the Company, the Sales Advisor, nor the Monitor will share: i) the identity of any Potential Bidder or Qualified Bidder (other than the Stalking Horse Bidder), or ii) the terms of any bid, Sale Proposal, Investment Proposal or Qualified Bid (other than the Stalking Horse APA), with any other bidder (including, without limitation, the Stalking Horse Bidder) without the express written consent of such party (including by way of e-mail).

Further Orders

45. At any time during the SISP, the Company, the Sales Advisor, or the Monitor may apply to the Court for advice and directions with respect to any aspect of this SISP or the discharge of their respective powers and duties hereunder.

Amendments

46. This SISP shall be interpreted so as to comply and be consistent with any applicable laws, regulations or public health directives related to the COVID-19 pandemic, and may be amended at any time with the approval of the Monitor to the extent necessary or advisable to comply with same.
47. The Company shall have the right, in consultation with the Sales Advisor and the Monitor, to modify the SISP and the deadlines set out herein if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP.

SCHEDULE "A"

NOTICE

TO THE COMPANY:

Bow River Energy Ltd.
500, 321-6th Ave S.W.
Calgary, AB T2P 4J2
Attention: Daniel Belot
Phone: (403) 803-9612
Fax: (403) 475-4101
Email: daniel.belot@bowriverenergy.com

TO THE SALES ADVISOR:

Sayer Energy Advisors
1620, 540 5 Ave S.W.
Calgary, AB T2P 0M2
Attention: Tom Pavic
Phone: (403) 266-6133
Fax: (403) 266-4467
Email: TPavic@sayeradvisors.com

TO THE MONITOR:

BDO Canada Limited
110, 5800 – 2nd Street SW
Calgary, AB T2H 0H2
Attention: Marc Kelly
Phone: (403) 777-9999
Fax: (403) 640-0591
Email: makelly@bdo.ca

SCHEDULE "B"

TIME LINE

Event	Date
Publication of Opportunity and SISP by Sales Advisor, Company and posting on Monitor's Website	As soon as practical following the granting of the SISP Approval Order
Sales Advisor and Company to Distribute Teaser to Potential Bidders	As soon as practical following the granting of the SISP Approval Order
Sales Advisor and Company to prepare CIM and VDR for Potential Bidders	As soon as practical following the granting of the SISP Approval Order
FINAL BID DEADLINE	AUGUST 24, 2020
Notification sent to Qualified Bidders if they submitted a Qualified Bid	5 Business Days Following the Final Bid Deadline
Approval Motion of Stalking Horse APA if no Superior Offers received	As soon as practical following the Final Bid Deadline
Notice to Superior Bidders of Intention to Participate in Auction (If Required)	September 4, 2020
Superior Bidders to Notify of Intention to Participate in Auction (If Required)	September 9, 2020
AUCTION (If Required)	SEPTEMBER 11, 2020
Approval Motion of Successful Bid and/or Successful Additional Bid	As soon as practical following the Auction, or in the case of a Successful Additional Bid, the Final Bid Deadline

SCHEDULE "C"
STALKING HORSE APA

ASSET PURCHASE AGREEMENT

THIS AGREEMENT made as of the 17th day of July, 2020.

BETWEEN:

BOW RIVER ENERGY LTD., a corporation incorporated under the laws of the Province of Alberta (hereinafter referred to as “**Vendor**”)

- and -

2270943 ALBERTA LTD., a corporation incorporated under the laws of the Province of Alberta (hereinafter referred to as “**Purchaser**”)

WHEREAS pursuant to an order of the Honourable Madam Justice A.D. Grosse of the Alberta Court of Queen’s Bench (the “**Court**”) dated June 1, 2020 (as amended and restated June 10, 2020) under Court Action Number 2001-06997 (the “**CCAA Order**”), Vendor was granted relief under the provisions of the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and, *inter alia*, BDO Canada Limited was appointed as monitor (the “**Monitor**”) of Vendor under the CCAA Proceedings;

AND WHEREAS Vendor has determined that it is in the best interests of the creditors and stakeholders of Vendor to conduct Sale Process Procedures pursuant to which potential bidders may submit bids to purchase the Assets;

AND WHEREAS Purchaser, subject to Court approval, completion of the Sale Process Procedures, and determination by Vendor that none of the aforesaid bids made by Third Parties other than Purchaser pursuant to the Sale Process Procedures constitutes a Superior Offer resulting in a Successful Bid, has agreed to make a “stalking horse bid” to purchase and acquire and Vendor has agreed to sell, transfer and assign to Purchaser, all of the right, title and interest of Vendor in the Assets, on the terms and conditions set forth herein;

NOW THEREFORE, THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties have agreed as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

- (a) “**Abandonment and Reclamation Obligations**” means all past, present and future obligations to:
 - (i) abandon, shut-down, close, decommission, dismantle or remove any and all Wells and Tangibles, including all structures, foundations, buildings,

pipelines, equipment and other facilities located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands or lands pooled or unitized therewith; and

- (ii) restore, remediate and reclaim the surface and subsurface locations of the Wells, Tangibles, the Lands, lands pooled or unitized therewith, and any lands used to gain access thereto, including such obligations relating to wells, pipelines and facilities which were abandoned, decommissioned or have reclamation orders prior to the Closing Time that were located on the Lands or that were located on other lands and used in respect of Petroleum Substances produced or previously produced from the Lands, and including the remediation, restoration and reclamation of any other surface and subsurface lands affected by any environmental damage, contamination or other environmental issues emanating from or relating to the sites for the Wells or the Tangibles,
 - (iii) all in accordance with generally accepted oil and gas industry practices and in compliance with all Applicable Laws;
- (b) “**Administration Charge**” means the charge created by the CCAA Order that ranks in priority to the security securing the Debt as contemplated in the Sale Process Procedures;
 - (c) “**Affiliate**” means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term “**control**” as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership or more than fifty percent (50%) of the voting securities of such Person, by contract or otherwise;
 - (d) “**Agreement**” means this asset purchase agreement between Vendor and Purchaser, including all recitals and schedules attached hereto, and “**this Agreement**”, “**herein**”, “**hereto**”, “**hereof**” and similar expressions mean and refer to this Agreement;
 - (e) “**Applicable Law**” means, in relation to any Person, property or circumstance, all laws, statutes, rules, regulations, official directives and orders of Governmental Authorities (whether administrative, legislative, executive or otherwise), including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and includes the provisions and conditions of any permit, licence or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such person, property or circumstance;
 - (f) “**Assets**” means the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests, but excludes the Excluded Assets;

- (g) “**Assumed Contracts**” means all Contracts and other legally binding commitments or arrangements of Vendor relating directly or indirectly to the Assets, including but without limitation, the Title Documents and the Contracts as more particularly listed and described in Schedule “I”;
- (h) “**Assumed Liabilities**” has the meaning ascribed to that term in Section 2.5(a);
- (i) “**Break Fee**” has the meaning set out in Section 2.6(e);
- (j) “**Business Day**” means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;
- (k) “**CCAA**” has the meaning set out in the recitals;
- (l) “**CCAA Order**” has the meaning set out in the recitals;
- (m) “**CCAA Proceedings**” means the court proceedings brought in the Alberta Court, pursuant to Alberta Court Action No. 2001-06997, pursuant to which Vendor will be pursuing a restructuring of its affairs;
- (n) “**Claim**” means any right or claim of any person that may be asserted or made, in whole or in part, against Vendor and/or its directors, officers, employees, agents or advisors, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including, without limitation, any right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future;
- (o) “**Closing**” means the transfer of possession, legal and beneficial ownership and risks of the Assets from Vendor to Purchaser and payment of the Purchase Price by Purchaser to Vendor, and all other items and considerations required to be delivered on the Closing Date pursuant hereto, including delivery of the Specific Conveyances if applicable;
- (p) “**Closing Date**” means three (3) Business Days following the later of: (i) the grant of the Vesting Order; and (ii) the expiration, waiver or exercise of all Preferential Purchase Rights, unless otherwise agreed upon in writing by the Parties;

- (q) **“Closing Place”** means the office of Vendor, or such other place as may be agreed upon in writing by the Parties;
- (r) **“Closing Statement of Adjustments”** has the meaning set out in Section 7.2;
- (s) **“Closing Time”** means 9:00 am on the Closing Date, or such other time as is agreed to between the Parties;
- (t) **“Contracts”** means all contracts, agreements, leases, understandings and arrangements (whether oral or written) related directly or indirectly to the Assets to which Vendor is a party or by which Vendor or any of the Assets is bound or under which Vendor has rights;
- (u) **“Court”** has the meaning set out in the recitals;
- (v) **“Data Room Information”** means all information provided or made available (by the Vendor or otherwise) for Purchaser’s review in electronic or hard copy form in relation to Vendor and/or the Assets;
- (w) **“Date of Appointment”** means June 1, 2020;
- (x) **“Debentures”** means the secured subordinated debentures issued by the Vendor on: (i) May 15, 2017, accruing interest at a rate of 16%; (ii) May 30, 2018, accruing interest at a rate of 15%; and (iii) May 31, 2018 and July 19, 2018, accruing interest at a rate of 15%, respectively;
- (y) **“Debt”** means all secured debt of Vendor owing to Purchaser pursuant to the Debentures;
- (z) **“Debt Security”** means the security which secures the Debt, being comprised of the security granted by the Debentures;
- (aa) **“Deposit”** has the meaning as defined in Section 2.11;
- (bb) **“Effective Date”** means the Closing Date;
- (cc) **“Effective Time”** means 12:01 a.m. on the Effective Date;
- (dd) **“Environment”** and **“Environmental”** means the components of the earth and includes ambient air, land, surface and subsurface strata, groundwater, surface water, all layers of the atmosphere, all organic and inorganic matter and living organisms, and the interacting natural systems that include such components, and any derivative thereof shall have a corresponding meaning;
- (ee) **“Environmental Liabilities”** means all past, present and future liabilities, obligations and expenses in respect of the Environment which relate to the Assets (or lands pooled or unitized with Lands which may form part of the Assets), or

which arise in connection with the ownership thereof or operations pertaining thereto, including liabilities related to or arising from:

- (i) transportation, storage, use or disposal of toxic or hazardous substances;
 - (ii) release, spill, escape, emission, leak, discharge, migration or dispersal of toxic or hazardous substances;
 - (iii) pollution or contamination of or damage to the Environment; or
 - (iv) non-compliance with, violation of or liability under Applicable Laws relating to the Environment,
 - (v) including liabilities to compensate Third Parties for damages and Losses resulting from the items described above (including damage to property, personal injury and death) and obligations to take action to prevent or rectify damage to or otherwise protect the Environment;
- (ff) **“Excluded Assets”** means:
- (i) any item or thing owned by Third Parties and licenced to Vendor with restrictions on deliverability or disclosure by Vendor that prevent the conveyance of such item or thing to Purchaser;
 - (ii) advances and deposits for operations payable to Governmental Authorities or other Persons prior to the Effective Time to secure obligations or as prepayment of costs or expenses;
 - (iii) legal and title opinions;
 - (iv) documents, other than Title Documents, prepared by or on behalf of Vendor in contemplation of litigation and any other documents within the possession of Vendor which are subject to solicitor-client privilege under the laws of the Province of Alberta or any other jurisdiction;
 - (v) records, policies, manuals and other proprietary, confidential business or technical information not used exclusively in the operation of the Assets;
 - (vi) cash and marketable securities of Vendor;
 - (vii) accounts receivable and credits of any kind from any Person due to Vendor;
 - (viii) Vendor’s choses in action;
 - (ix) except as otherwise specifically provided for herein, any computer software, computer networks and other technology systems of Vendor; and
 - (x) agreements, documents or data to the extent that:

- (A) they pertain to Vendor’s proprietary technology;
 - (B) they pertain to Vendor’s Third Party seismic data (to the extent that there are any restrictions on disclosure or transfer of such agreements, documents or data in the absence of consent or the payment of any fee), with the exception of seismic data that is subject to the Seismic License Agreement, pursuant to which Husky Oil Operations Limited granted to Vendor a non-exclusive, royalty-free, fee-free, perpetual license to use;
 - (C) they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by Vendor to an assignee; and
 - (D) they comprise Vendor’s tax, corporate or financial records, economic evaluations or forecasts;
- (gg) “**Facilities**” means Vendor’s entire interest in and to all unit facilities under any unit agreement applicable to the Leased Substances and all other field facilities whether or not solely located on or under the surface of the Lands (or lands with which the Lands are pooled) and that are, or have been, used for production, gathering, treatment, compression, transportation (including Pipelines), injection, water disposal, measurement, processing, storage, handling or other operations respecting the Leased Substances, including any applicable battery, separator, compressor station, gathering system, production storage facility or warehouse and including those field facilities specifically identified in Schedule “B”;
- (hh) “**Final Order**” means an order of the Court that has not been vacated, stayed, set aside, amended, reversed, annulled or modified, as to which no appeal or application for leave to appeal therefrom has been filed and the applicable appeal period with respect thereto shall have expired without the filing of any appeal or application for leave to appeal, or if any appeal(s) or application(s) for leave to appeal therefrom have been filed, any (and all) such appeal(s) or application(s) have been dismissed, quashed, determined, withdrawn or disposed of with no further right of appeal and all opportunities for rehearing, reargument, petition for certiorari and appeal being exhausted or having expired without any appeal, motion or petition having been filed and remaining pending, any requests for rehearing have been denied, and no order having been entered and remaining pending staying, enjoining, setting aside, annulling, reversing, remanding, or superseding the same, and all conditions to effectiveness described therein or otherwise by Applicable Law or order having been satisfied;
- (ii) “**Governmental Authority**” means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, commission or department, as well as any government-owned entity, any regulatory authority and any public authority, including any public utility, having jurisdiction over a Party, the Assets or the Transaction;

- (jj) “**GST**” means the goods and services Tax payable pursuant to the GST Legislation;
- (kk) “**GST Legislation**” means Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and the regulations promulgated thereunder, all as amended from time to time;
- (ll) “**Income Tax Act**” means, collectively, the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supplement), the *Income Act Application Rules*, R.S.C. 1985, c.2 (5th Supplement) and the *Income Tax Regulations*, in each case as amended to the date hereof;
- (mm) “**Lands**” means all lands set out and described in Schedule “A”, and the Petroleum Substances within, upon or under such lands (subject to the restrictions and exclusions identified in Schedule “A” and in the Title Documents as to Petroleum Substances and geological formations);
- (nn) “**Leased Substances**” means all Petroleum Substances, rights to or in respect of which are granted, reserved or otherwise conferred by or under the Title Documents (but only to the extent that the Title Documents pertain to the Lands);
- (oo) “**Licence Transfers**” means, in relation to the Assets, the transfer of any permits, approvals, licences and authorizations (collectively, “Licences”) granted by any applicable Governmental Authority but subject to the provisions of Sections 8.5;
- (pp) “**Losses**” means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligation and penalties, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim by any Governmental Authority and those arising under any contract, agreement, arrangement, commitment or undertaking and cost and expenses of any legal proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith (on a full indemnity basis);
- (qq) “**Miscellaneous Interests**” means, subject to any and all limitations and exclusions provided for in this definition, Vendor’s entire interest in and to all property, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles (other than the Petroleum and Natural Gas Rights and the Tangibles), or either of them, but only to the extent that such property, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including any and all of the following:
 - (i) all contracts and agreements relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);
 - (ii) all subsisting rights to carry out operations relating to the Lands or the Tangibles, and without limitation, all easements and other permits, licences and authorizations pertaining to the Tangibles;

- (iii) rights to enter upon, use, occupy and enjoy the surface of any lands which are used or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them, and all contracts and agreements related thereto;
- (iv) all records, books, documents, Licences, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles;
- (v) all Seismic Data to the extent of Vendor's interest therein; and
- (vi) the Wells, including the wellbores thereof and any and all casings therein,
- (vii) but specifically excluding the Excluded Assets;
- (rr) "**Monitor**" has the meaning set out in the recitals;
- (ss) "**Party**" means a party to this Agreement;
- (tt) "**Permitted Encumbrances**" means:
 - (i) all encumbrances, overriding and any other royalties, net profits interests and other burdens identified in the Title Documents or in Schedule "A";
 - (ii) any Preferential Purchase Rights or any similar restriction applicable to any of the Assets;
 - (iii) the terms and conditions of the Title Documents, including the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;
 - (iv) the right reserved to or vested in any grantor, Governmental Authority by the terms of any Title Document or by Applicable Law to terminate any Title Document;
 - (v) easements, rights of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;
 - (vi) any obligations to Third Parties for any thirteenth month adjustments or for payments due as a result of any audits conducted by operators or Third Parties;
 - (vii) Taxes on Petroleum Substances or the income or revenue from the Petroleum Substances and requirements imposed by Applicable Law or Governmental Authorities concerning rates of production from the Wells or

from operations on any of the Lands, or otherwise affecting recoverability of Petroleum Substances from the Lands, which Taxes or requirements are generally applicable to the oil and gas industry in the jurisdiction in which the Assets are located;

- (viii) agreements for the sale, processing, transmission or transportation of Petroleum Substances, which are terminable on not more than thirty (30) days' notice (without an early termination penalty or other like cost);
- (ix) any obligation of Vendor to hold any right or interest in and to any of the Assets in trust for Third Parties;
- (x) the right reserved to or vested in any Governmental Authority to control or regulate any of the Assets in any manner, including any directives or notices received from any Governmental Authority pertaining to the Assets;
- (xi) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards Vendor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof or, if then due or delinquent are being contested in good faith by Vendor;
- (xii) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;
- (xiii) agreements and plans relating to pooling or unitization of any of the Petroleum and Natural Gas Rights;
- (xiv) agreements respecting the operation of Wells or Facilities by contract field operators;
- (xv) provisions for penalties and forfeitures under agreements as a consequence of non-participation in operations; and
- (xvi) liens created in the ordinary course of business in favour of any Governmental Authority with respect to operations pertaining to any of the Assets;
- (uu) **"Person"** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;
- (vv) **"Petroleum and Natural Gas Rights"** means Vendor's entire right, title and interest in and to all rights to and in respect of the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands), including the interests set out and described in Schedule "A";

- (ww) “**Petroleum Substances**” means any of crude oil, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur;
- (xx) “**Pipelines**” means the pipelines described in Schedule “B”;
- (yy) “**Preferential Purchase Right**” means any preferential, pre-emptive or first purchase right or agreement that enables any Person to purchase or acquire any Asset or any interest therein or portion thereof as a result of or in connection with the execution or delivery of this Agreement or the consummation of the Transaction, as are set out in Schedule “C”;
- (zz) “**Prime Rate**” means the rate of interest, expressed as a rate per annum, designated by the main branch in Calgary of the Bank of Nova Scotia as the reference rate used by it to determine rates of interest charged by it on Canadian dollar commercial loans made in Canada and which is announced by such bank, from time to time, as its prime rate, provided that whenever such bank announces a change in such reference rate the “Prime Rate” shall correspondingly change effective on the date the change in such reference rate is effective;
- (aaa) “**Prior Charges**” means all Claims against Vendor or its assets, undertakings and property that rank in priority to the security securing the Debt as contemplated in the Sale Process Procedures, including all unpaid non-linear municipal property Taxes (together with applicable interest and penalties, if any) in relation to the Assets and whether accruing due before or after the Date of Appointment;
- (bbb) “**Purchase Price**” has the meaning set out in Section 2.2;
- (ccc) “**Representative**” means, with, respect to any Party (and with respect to Vendor includes the Monitor), its Affiliates, and its and their respective directors, officers, servants, agents, advisors, employees and consultants;
- (ddd) “**Sale Process Order**” means the order of the Court to be sought by Vendor, establishing among other things, the Sale Process Procedures, a form of which is attached as Schedule “H”;
- (eee) “**Sale Process Procedures**” means the Court approved procedures for the sales solicitation process in relation to Vendor as described in Section 2.1 and attached as Schedule “G”;
- (fff) “**Sales Taxes**” means all transfer, sales, excise, stamp, licence, production, value-added and other like taxes, assessments, charges, duties, fees, levies or other charges of a Governmental Authority (including additions by way of penalties, interest and other amounts relating to late filings or payments) with respect to the transfer and conveyance to Purchaser of the Assets or the transfer or registration of the Specific Conveyances, but excludes GST, and any income taxes and penalties and interest related thereto;

- (ggg) “**Seismic Data**” means all Field Data, Seismic Data, Seismic Data Derived Product, Processed Seismic Data and Interpretations thereof (each as defined in the Seismic License Agreement), together with all other proprietary field data, seismic data, processed and derived product, and interpretations thereof owned by Vendor;
- (hhh) “**Seismic License Agreement**” means the agreement between Husky Oil Operations Limited and Vendor sated May 16, 2017;
- (iii) “**Specific Conveyances**” means all conveyances, assignments, transfers, novations and such other documents or instruments as are reasonably required or desirable to convey, assign and transfer the interest of Vendor in and to the Assets to Purchaser and to novate Purchaser in the place and stead of Vendor with respect to the Assets;
- (jjj) “**Stalking Horse APA**” shall have the meaning ascribed thereto in the Sale Process Procedures;
- (kkk) “**Successful Bid**” shall have the meaning ascribed thereto in the Sale Process Procedures;
- (lll) “**Superior Offer**” shall have the meaning ascribed thereto in the Sale Process Procedures;
- (mmm) “**Tangibles**” means Vendor’s entire right, title, estate and interest in and to:
- (i) any and all tangible depreciable property, equipment and other assets located within or upon the Lands that are used or are intended to be used to produce, process, gather, treat, measure, make marketable or inject the Leased Substances or any of them (to the extent to which they are assignable or transferable to Purchaser without cost or expense to Vendor), including as set-out in Schedule “B”;
 - (ii) all pipelines, including the Pipelines; and
 - (iii) the Facilities;
- (nnn) “**Tax Legislation**” means, collectively, the Income Tax Act, all Canadian federal, provincial, territorial, county, municipal and local, foreign, or other statutes, ordinances or regulations imposing a Tax, including all treaties, conventions, rules, regulations, orders, and decrees of any jurisdiction;
- (ooo) “**Tax**” or “**Taxes**” means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any applicable Tax Legislation, including, Canadian federal, provincial, territorial, county, municipal and local, foreign or other income, capital, capital gains, goods and services, sales, use, consumption, excise, value added (including GST, harmonized sales tax and provincial and retail sales taxes), business, real property, personal property, transfer, franchise, withholding, payroll, or employer health taxes, customs, import, anti-dumping or

countervailing duties, Canada Pension Plan contributions, Employment Insurance premiums, and provincial workers' compensation payments, levy, assessment, tariff, impost, imposition, toll and duty, whether computed on a separate, combined, unitary, or consolidated basis or any other manner, including any interest, penalties and fines associated therewith;

- (ppp) “**Third Party**” means any individual or entity other than the Monitor, Vendor and Purchaser, including any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;
- (qqq) “**Title Documents**” means, collectively, any and all certificates of title, leases, reservations, Licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements and any other documents and agreements granting, reserving or otherwise conferring rights to: (i) explore for, drill for, produce, take, use or market Petroleum Substances; (ii) share in the production of Petroleum Substances; (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced; and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands and this definition shall include, where applicable, those documents set out in Schedule “A”;
- (rrr) “**Transaction**” means the transaction for the purchase and sale of the Assets contemplated by this Agreement;
- (sss) “**Unassigned Contracts**” has the meaning ascribed to that term in Section 8.4;
- (ttt) “**Vendor’s Solicitors**” means Borden Ladner Gervais LLP;
- (uuu) “**Vesting Order**” means an order to be granted by the Court substantially in the form of Schedule “F” which authorizes, approves and confirms this Agreement and the sale of the Assets by Vendor to Purchaser in accordance with the terms and conditions contained herein, and vests legal and beneficial title to the Assets in Purchaser free and clear of all encumbrances, liens, security interests or Claims, other than Permitted Encumbrances; and
- (vvv) “**Wells**” means Vendor’s entire interest in and to all wells (including producing, shut-in, suspended, abandoned (including wells that have met all reclamation requirements and a reclamation certificate, certificate of recognition, surface release or other document has been issued by the applicable Governmental Authority), capped, injection and disposal wells), located on or within the Lands, or any lands pooled or unitized therewith, whether or not completed, including the wells listed in Schedule “B”.

1.2 Headings

The words “Article”, “Section”, “subsection” and “Schedule” followed by a number or letter or combination thereof mean and refer to the specified Article, Section, subsection and Schedule of or to this Agreement.

1.3 Interpretation Not Affected by Headings

The division of this Agreement into Articles, Sections and subsections and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Plurals and Gender

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and vice versa, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders.

1.5 Schedules

There are appended to this Agreement the following Schedules pertaining to the following matters:

Schedule “A” -	Lands and Petroleum and Natural Gas Rights
Schedule “B” -	Wells Pipelines Facilities Tangibles
Schedule “C” -	Preferential Purchase Rights
Schedule “D” -	General Conveyance
Schedule “E” -	Form of Officer’s Certificate
Schedule “F” -	Form of Vesting Order
Schedule “G” -	Sale Process Procedures
Schedule “H” -	Form of Sale Process Order
Schedule “I” -	Contracts

Such Schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such Schedules conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

1.6 Damages

All Losses, costs, Claims, damages, expenses and liabilities in respect of which a Party has a claim pursuant to this Agreement shall include reasonable legal fees and disbursements on a full indemnity basis.

1.7 Derivatives

Where a term is defined in the body of this Agreement, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires. The word “include” and derivatives thereof shall be read as if followed by the phrase “without limitation”.

1.8 Interpretation if Closing Does Not Occur

In the event that Closing does not occur, each provision of this Agreement which presumes that Purchaser has acquired the Assets hereunder shall be construed as having been contingent upon Closing having occurred.

1.9 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Agreement and that of a schedule or a Specific Conveyance, the provision of the body of this Agreement shall prevail. If any term or condition of this Agreement conflicts with a term or condition of a Title Document or any Applicable Law, the term or condition of such Title Document or the Applicable Law shall prevail, and this Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.

1.10 Currency

All dollar (\$) amounts referenced in this Agreement are expressed in the lawful currency of Canada.

ARTICLE 2 PURCHASE AND SALE AND CLOSING

2.1 Purchase and Sale

Vendor, exercising the powers of sale granted pursuant to the CCAA Order and the Sale Process Order, hereby agrees to sell, assign, transfer, convey and set over to Purchaser, and Purchaser hereby agrees to purchase from Vendor acting in such capacity, all right, title, estate and interest of Vendor (whether absolute or contingent, legal or beneficial) in and to the Assets, subject to and in accordance with the terms and conditions of this Agreement and the Vesting Order. The Parties acknowledge that this Agreement will be used as a “stalking horse bid” as that term is commonly understood, subject to higher bids as set forth in the sale and solicitation procedures substantially in the form attached hereto as Schedule “G” (the “**Sale Process Procedures**”).

2.2 Purchase Price

In consideration of the sale, assignment, transfer and conveyance of the Assets to Purchaser, the purchase price to be paid by Purchaser to Vendor for the Assets shall be the sum of Four Million

Two Hundred and Ninety Thousand Two Hundred and Twenty-One dollars (\$4,290,221.00), consisting of:

- (a) a payment in cash of One Hundred and Seven Thousand Dollars (\$107,000.00) representing the amount related to the Prior Charges;
- (b) a non-cash credit in reduction of the Debt in the amount of Four Million One Hundred Eighty Three Thousand, Two Hundred and Twenty One Dollars (\$4,183,221.00); and
- (c) the amount of nil related to the assumption of the Assumed Liabilities, (collectively the “**Purchase Price**”);

subject to adjustment only as set forth in Article 7 hereof.

2.3 Satisfaction of the Purchase Price and Debt

- (a) At Closing, the Purchase Price shall be paid and satisfied by:
 - (i) credit and set off of the amount of Four Million One Hundred Eighty Three Thousand, Two Hundred and Twenty One Dollars (\$4,183,221.00) of the Debt against the amount of the Purchase Price in full and final settlement for and complete satisfaction of that portion of the Debt due from the Vendor to Purchaser; plus
 - (ii) cash payments equal to the amount outstanding related to the Prior Charges and the Administration Charge as at the Closing Date.
- (b) Subject to Closing and Court approval, Purchaser shall forever release, remise, and discharge (on its own behalf and on behalf of the Affiliates, administrators, transferees, principals, agents, insurers and assigns of Purchaser) Vendor jointly and severally, from any and all actions, causes of action, demands, suits, debts, sums of money, indemnity, expenses, interests, costs and Claims of any and every kind and nature whatsoever, at law or equity, or under Applicable Law against Vendor or its Representatives.
- (c) The Parties hereby acknowledge and agree that the Purchase Price set forth in Section 2.2 accurately reflects and takes into proper account both the positive value of all of the Assets as well as the offsetting reductions in value for the Environmental Liabilities and Abandonment and Reclamation Obligations associated therewith and the absolute release of Vendor of all and any responsibility or liability therefor.

2.4 Allocation of Purchase Price

The Parties shall allocate the Purchase Price as follows:

Petroleum and Natural Gas Rights (subject to adjustment)	\$3,432,176.00 (80%)
Tangibles	\$858,044.00 (20%)
Miscellaneous Interests	\$1.00
Total	<u>\$4,290,221.00</u>

2.5 Assumption of Liabilities

In determining the Purchase Price, the Parties have taken into account Purchaser's assumption of responsibility for all obligations relating to, and for the payment of all costs, expenses and Claims, existing or future, for:

- (a) Assumed Contracts and Licenses (the "**Assumed Liabilities**"); and
- (b) Abandonment and Reclamation Obligations and Environmental Liabilities associated with the Assets,

and the absolute release of Vendor of all and any responsibility or liability therefor.

2.6 Sale Process Procedures

This Agreement shall constitute the Stalking Horse APA for the purpose of the Sale Process Procedures. The obligation of Purchaser to purchase the Assets and the obligation of Vendor to sell the Assets pursuant hereto is subject to the Sale Process Procedures and the satisfaction of all conditions therein. Notwithstanding the foregoing, the Parties acknowledge and hereby agree as follows:

- (a) Vendor shall comply in all material respects with the procedures and timelines set out in the Sale Process Procedures and shall not waive any material provision of, or apply to the Court to materially amend, or consent to any application by any person for the material amendment of, the Sale Process Procedures without the prior written consent of Purchaser, such consent not to be unreasonably withheld or delayed.
- (b) Vendor shall prepare all materials reasonably required by it, and shall promptly apply to the Court for, and use commercially reasonable efforts to obtain, the Sale Process Order as soon as reasonably practicable following the date of execution of this Agreement, and Purchaser, at its own expense, shall promptly provide to Vendor all such information and assistance as Vendor may reasonably request to obtain the Sale Process Order, including such information as may be required to reasonably evaluate Purchaser's financial ability to perform its obligations hereunder; provided however that the application for the Sale Process Order may

be adjourned or rescheduled by Vendor or its Representatives upon written notice to Purchaser;

- (c) in the event that the Court fails to grant the Sale Process Order or the Vesting Order, or the Sale Process Order or the Vesting Order do not become Final Orders, this Agreement shall terminate and Vendor and Purchaser shall have no further liabilities or obligations to each other with respect to this Agreement or the Transaction, except as provided in Sections 2.11, 12.11 and 12.14;
- (d) in the event that:
 - (i) Vendor determines that none of the bids made by Third Parties other than Purchaser pursuant to the Sale Process Procedures constitute a Superior Offer;
 - (ii) a Successful Bid by a Third Party other than Purchaser is not approved by the Court; or
 - (iii) a Successful Bid by a Third Party other than Purchaser is not completed,each of Vendor and Purchaser shall take all actions reasonably necessary to have this Agreement and the Transaction approved pursuant to the Vesting Order as soon as practicably possible;
- (e) in the event that:
 - (i) a Superior Offer by a Third Party other than Purchaser becomes a Successful Bid that is approved by the Court and is completed; or
 - (ii) this Transaction is not completed as a result of a breach of this Agreement by Vendor,

Vendor shall pay to Purchaser a break fee in the amount of One Hundred Seventy Five Thousand Dollars (\$175,000.00) being an amount equal to approximately four (4%) percent of the Purchase Price (the “**Break Fee**”) in consideration for Purchaser’s expenditure of time and money in acting as a bidder under the Sale Process Procedures, the preparation of this Agreement and in performing due diligence pursuant to this Agreement. If the Break Fee becomes payable hereunder, Vendor shall pay to Purchaser the Break Fee upon the completion of the Successful Bid.

- (f) Upon the completion of a Successful Bid by a Third Party other than Purchaser, this Agreement shall terminate and Vendor and Purchaser shall have no further liabilities or obligations to each other with respect to this Agreement or the Transaction, except as provided in Sections 2.11, 12.11 and 12.14.

2.7 Closing Deliveries

Closing shall take place at the Closing Place on the Closing Date if there has been satisfaction or waiver of the conditions of Closing herein contained. Subject to all other provisions of this Agreement, possession, risk, legal and beneficial ownership of Vendor's interest in and to the Assets shall pass from Vendor to Purchaser on the Closing Date.

- (a) On the Closing Date, Vendor shall deliver to Purchaser:
 - (i) the General Conveyance in the form attached as Schedule "D", duly executed by Vendor;
 - (ii) the Officer's Certificate substantially in the form attached as Schedule "E", duly executed by Vendor;
 - (iii) a receipt for the Purchase Price as adjusted herein plus applicable GST and/or Sales Taxes;
 - (iv) the tax election as contemplated by this Agreement, duly executed by Vendor;
 - (v) a copy of the Sale Process Order;
 - (vi) a copy of the Vesting Order;
 - (vii) the Specific Conveyances, duly executed by Vendor, to the extent such Specific Conveyances were provided to Purchaser no later than one (1) Business Day prior to Closing; and
 - (viii) such other documents as may be specifically required hereunder or as may be reasonably requested by Purchaser upon reasonable notice to Vendor.
- (b) On the Closing Date, Purchaser shall deliver to Vendor:
 - (i) the Purchase Price, as adjusted herein plus applicable GST and Sales Taxes;
 - (ii) the tax election as contemplated by this Agreement, duly executed by Purchaser;
 - (iii) the General Conveyance in the form attached as Schedule "D", duly executed by Purchaser;
 - (iv) the Officer's Certificate substantially in the form attached as Schedule "E", duly executed by Purchaser;
 - (v) where required, the Specific Conveyances, duly executed by Purchaser, to the extent prepared on or before the Closing Date; and

- (vi) such other documents as may be specifically required hereunder or as may be reasonably requested by Vendor upon reasonable notice to Purchaser.

2.8 Specific Conveyances

The Parties shall cooperate in the preparation of the Specific Conveyances. At a reasonable time prior to Closing, Vendor shall use reasonable efforts to prepare and provide to Purchaser for Purchaser's review all Specific Conveyances at Vendor's sole cost and expense. The Parties shall execute such Specific Conveyances before or at Closing. None of the Specific Conveyances shall confer or impose upon either Party any greater right or obligation than as contemplated in this Agreement. Promptly after Closing, Purchaser shall register and/or distribute (as applicable) all such Specific Conveyances, and Purchaser shall bear all costs incurred therewith and in preparing and registering any further assurances required to convey the Assets to Purchaser.

2.9 Title Documents and Miscellaneous Interests

As soon as practicable following Closing, Vendor shall deliver to Purchaser paper originals, paper photocopies where originals are not available, or electronic copies where neither paper originals or photocopies are available, of the Title Documents and any other agreements, files and documents to which the Assets are subject, and such contracts, agreements, records, books, documents, licences, reports and data as comprise the Miscellaneous Interests and which are now in the possession of Vendor.

2.10 Form of Payment

All payments to be made pursuant to this Agreement shall be in Canadian funds. All payments to be made pursuant to this Agreement shall be made by certified cheque, bank draft or wire transfer.

2.11 Deposit

The Parties acknowledge that a cash deposit in the amount of Ten Thousand Seven Hundred Dollars (\$10,700), representing ten percent (10%) of the cash portion of the Purchase Price as set out in Section 2.2(a) herein, will be delivered by Purchaser to the Vendor within five (5) Business Days of granting of the Sale Process Order, to be held by Vendor in a non-interest bearing account, and released only in accordance with the provisions of this Section 2.11 (the "**Deposit**").

The Deposit shall be held by Vendor in a non-interest bearing account until one of the following events occurs:

- (a) if Closing occurs, the Deposit shall be retained by Vendor at Closing for Vendor's own account absolutely and be applied as partial payment of the Purchase Price;
- (b) if Closing does not occur due to: (i) a failure to fulfill the mutual conditions set forth in Section 3.2; (ii) a material breach of a material term of this Agreement by Vendor; or (iii) failure of Vendor to fulfill the conditions set forth in Section 3.3, the Deposit shall be returned to Purchaser by Vendor for the account of Purchaser absolutely; and

- (c) if Closing does not occur due to any reason other than as addressed by Section 2.11(b) (including the failure by Purchaser to comply with its obligations under Section 2.14), the Deposit shall be forfeited to Vendor for the account of Vendor absolutely and any interest accruing on the Deposit will be delivered to Purchaser.

In the event that this Agreement is terminated as a result of the application of Section (b) or (c) above, each Party shall be released from all obligations under or in connection with this Agreement, other than this Section and Sections 12.11 and 12.14.

2.12 Damages

The Parties agree that the amount of the Deposit constitutes their genuine estimate of all damages that will be suffered by Vendor as a result of Closing not occurring and Vendor shall retain the Deposit pursuant to Section 2.11(c) and the Deposit shall constitute liquidated damages to Vendor, and not a penalty of Closing not occurring as described in that subsection.

2.13 Taxes

- (a) GST

Each of Purchaser and Vendor is a registrant for GST purposes and will continue to be a registrant at the Closing Date in accordance with the provisions of the GST Legislation.

Their respective GST registration numbers are:

Vendor 828997114 RT0001

Purchaser 726760473 RT0001

The Parties agree to, if applicable, as reasonably determined by Purchaser, make an election under subsection 167(1) of the GST Legislation in respect of the GST payable as a result of the transaction contemplated herein. Purchaser, acting reasonably and only if applicable, as reasonably determined by Purchaser, shall prepare, and each Party agrees to execute and file, such elections in the form and within the time periods prescribed or specified under Applicable Law. Purchaser shall be responsible for the payment of any amount of GST payable in respect of its purchase of the Assets pursuant hereto and any interest and penalties payable in respect of such additional GST and shall indemnify and save harmless Vendor in respect thereof. Purchaser's indemnity obligation set forth in this Section 2.13(a) shall survive the Closing Date indefinitely.

- (b) Sales Taxes

The Parties acknowledge that the Purchase Price is exclusive of all Sales Taxes. Purchaser shall be solely responsible for all Sales Taxes which may be imposed by any Governmental Authority and which pertain to Purchaser's acquisition of the

Assets or to the registration of any Specific Conveyances necessitated hereby. Except where Vendor is required under Applicable Law to collect or pay such Sales Taxes, Purchaser shall pay such Sales Taxes directly to the appropriate Governmental Authority within the required time period and shall file when due all necessary documentation with respect to such Sales Taxes. Vendor will do and cause to be done such things as are reasonably requested to enable Purchaser to comply with such obligation in a timely manner. If Vendor is required under Applicable Law to pay any such Sales Taxes, Purchaser shall promptly advance to Vendor, or if Vendor has already paid same, reimburse Vendor the full amount of such Sales Taxes upon delivery to Purchaser of copies of assessments or receipts, as applicable, showing assessment or payment, as applicable, of such Sales Taxes. Purchaser shall be responsible for the payment of any amount of Sales Taxes payable in respect of its purchase of the Assets pursuant hereto and any interest and penalties payable in respect thereto and shall indemnify and save harmless Vendor in respect thereof. Purchaser's indemnity obligation set forth in this Section 2.13(b) shall survive the Closing Date indefinitely.

- (c) The Parties will cooperate on tax matters to make any tax elections that the Parties deem advantageous.

2.14 Alberta Energy Regulator

- (a) Prior to Vendor obtaining the Vesting Order, Purchaser shall provide Vendor with the Alberta Energy Regulator business associate code for the Purchaser.
- (b) Prior to Closing, Purchaser shall deliver to the Alberta Energy Regulator any amounts, in addition to delivering the Purchase Price, to Vendor (in such form as is acceptable to the Alberta Energy Regulator) required by the Alberta Energy Regulator as a result of Purchaser's requirements under the applicable Governmental Authority Licensee Liability Management Program as though the Closing had already occurred and the Licence Transfers duly recorded. Purchaser further undertakes to make any additional payments and lodge any security required by the Alberta Energy Regulator at and subsequent to the time the Licence Transfers, if any, are effected.

ARTICLE 3 CONDITIONS OF CLOSING

3.1 Required Consents

- (a) Before Closing, each of the Parties shall use all reasonable efforts to obtain any and all approvals required under Applicable Law to permit closing of the Transaction. The Parties acknowledge that, except for the Vesting Order, the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of Purchaser, at Purchaser's sole cost and expense, to provide any and all financial

assurances required by Governmental Authorities to permit the transfer to Purchaser, and registration of Purchaser as owner and/or operator, of any of the Assets including, but not limited to, the Facilities and the Wells.

- (b) Notwithstanding anything to the contrary herein, except for the Vesting Order, it is the sole obligation of Purchaser to obtain any Third Party consents, permissions or approvals that are required in connection with the assignment of Vendor's interest in any Miscellaneous Interests. Upon providing prior written notice and sufficient documentary support, all reasonable and necessary costs, fees, expenses, penalties or levies that are incurred by Vendor in order to effect the assignment of the Assets to Purchaser shall be the sole responsibility of Purchaser, and Purchaser agrees to pay on behalf of Vendor any such reasonable and necessary costs, fees, expenses, penalties or levies on a timely basis.

3.2 Mutual Conditions

The obligation of Purchaser to purchase Vendor's interest in and to the Assets, and of Vendor to sell its interest in and to the Assets to Purchaser, is subject to the following conditions precedent:

- (a) as soon as reasonably possible after execution of this Agreement, the Sale Process Order will have been granted by the Court and shall be a Final Order;
- (b) the Vesting Order will have been granted by the Court and shall be a Final Order; and
- (c) there shall not have been instituted any legal proceedings to obtain, on behalf of Vendor or any other Person, nor shall the Court or any Governmental Authority of competent jurisdiction have issued, promulgated, enforced or entered any judgment, decree, injunction or other order, whether temporary, preliminary or permanent, that restrains, enjoins or otherwise prohibits the consummation of this Transaction.

Unless otherwise agreed to by the Parties, if the conditions contained in this Section 3.2 have not been performed, satisfied or waived before the Closing Date, this Agreement and the obligations of Vendor and Purchaser under this Agreement shall automatically terminate other than under Sections 2.11, 12.11 and 12.14 without any further action on the part of either Vendor or Purchaser.

3.3 Purchaser's Conditions

The obligation of Purchaser to purchase Vendor's interest in and to the Assets is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Purchaser and may be waived by Purchaser:

- (a) the representations and warranties of Vendor herein contained shall be true in all material respects when made and shall remain true as of the Closing Date;
- (b) all obligations of Vendor contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and

- (c) the Sale Process Order shall grant the Break Fee and Deposit repayment procedures in accordance with this Agreement.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Purchaser, at or before the Closing Date, Purchaser may rescind this Agreement by written notice to Vendor. If Purchaser rescinds this Agreement, Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 2.11, 12.11 and 12.14.

3.4 Vendor's Conditions

The obligation of Vendor to sell its interest in and to the Assets to Purchaser is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Vendor and may be waived by Vendor:

- (a) the representations and warranties of Purchaser herein contained shall be true in all material respects when made and shall remain true as of the Closing Date;
- (b) all obligations of Purchaser contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects;
- (c) prior to Closing occurring (but subject to Purchaser being in full compliance with Section 2.14), the Alberta Energy Regulator shall have provided a positive indication of approval of the Licence Transfers by Vendor to Purchaser, and that the Liability Management Rating of Purchaser shall be not less than 2.0 immediately following Closing; and
- (d) all amounts to be paid by Purchaser to Vendor at Closing, including the Purchase Price, shall have been paid to Vendor in the form stipulated in this Agreement.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Vendor, at or before the Closing Date, Vendor may rescind this Agreement by written notice to Purchaser. If Vendor rescinds this Agreement, Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in Sections 2.11, 12.11 and 12.14.

3.5 Efforts to Fulfil Conditions Precedent

Purchaser and Vendor shall proceed diligently and in good faith and use all reasonable efforts to satisfy and comply with and assist in the satisfaction and compliance with the foregoing conditions precedent.

**ARTICLE 4
REPRESENTATIONS AND WARRANTIES**

4.1 Representations and Warranties of Vendor

Vendor makes only the following representations to Purchaser, which representations shall not survive Closing:

- (a) the CCAA Order remains valid and subsisting up to and including the Closing Date; and
- (b) subject to obtaining the Sale Process Order and the Vesting Order, Vendor has the right to enter into this Agreement and to complete this Transaction.

4.2 Representations and Warranties of Purchaser

Purchaser makes the following representations and warranties to Vendor, no claim in respect of which shall be made or be enforceable by Vendor unless written notice of such Claim, with reasonable particulars, is given by Vendor to Purchaser within a period of six (6) months following the Closing Date:

- (a) Purchaser is a corporation duly organized, validly existing and is authorized to carry on business in the provinces in which the Lands are located;
- (b) Purchaser has good right, full power and absolute authority to purchase and acquire the interest of Vendor in and to the Assets according to the true intent and meaning of this Agreement;
- (c) the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' or equivalent actions and will not result in any violation of, be in conflict with, or constitute a default under, any articles, charter, bylaw or other governing document to which Purchaser is bound;
- (d) the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which Purchaser is party or by which Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or licence applicable to Purchaser;
- (e) provided the Sale Process Order and the Vesting Order are obtained, this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Purchaser enforceable against Purchaser in accordance with their terms;
- (f) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Assets is required for the due execution, delivery and performance by Purchaser of this

Agreement, other than authorizations, approvals or exemptions from requirement therefor previously obtained and currently in force or to be obtained prior to or after Closing;

- (g) Purchaser has adequate funds available in an aggregate amount sufficient to pay:
 - (i) all amounts required to be paid by Purchaser under this Agreement; and
 - (ii) all expenses which have been or will be incurred by Purchaser in connection with this Agreement and the Transaction;
- (h) Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the Transaction for which Vendor shall have any obligation or liability;
- (i) Purchaser is acquiring the Assets in its capacity as principal and is not purchasing the Assets for the purpose of resale or distribution to a Third Party, and is dealing at arm's length with Vendor (as such term is interpreted by the Alberta Energy Regulator);
- (j) Purchaser holds, or is eligible to hold and at Closing will hold a business associate code from the Alberta Energy Regulator making it eligible to hold the Licences which are the subject of the Licence Transfers, if any;
- (k) Purchaser has and at Closing will have, an Alberta Energy Regulator Liability Management Rating of at least 2.0, and Purchaser is not aware of any fact or circumstance that could prevent or delay the transfer of any permits or licenses relating to or forming part of the Assets as contemplated in this Agreement;
- (l) Purchaser is in compliance with all the requirements of all Governmental Authorities, including the Alberta Energy Regulator;
- (m) Purchaser is not a non-resident of Canada within the *Income Tax Act* (Canada); and
- (n) Purchaser is not a non-Canadian person for the purposes of the *Investment Canada Act*.

4.3 Limitation of Representations by Vendor

- (a) Subject to Section 4.1, Vendor expressly negates any representations or warranties, whether written or verbal, made by Vendor or its Representatives and in particular, without limiting the generality of the foregoing, Vendor disclaims all liability and responsibility for any such representation, warranty, statement or information made or communicated, whether verbal or in writing, to Purchaser or any of its Representatives. Vendor's interest in and to the Assets shall be purchased on a strictly "as is, where is" basis and there are no collateral agreements, conditions, representations or warranties of any nature whatsoever made by Vendor, express or implied, arising at law, by statute, in equity or otherwise, with respect to the Assets and in particular, without limiting the generality of the foregoing, there are no

collateral agreements, conditions, representations or warranties made by Vendor, express or implied, arising at law, by statute, in equity or otherwise with respect to:

- (i) any engineering, geological or other interpretation or economic evaluations respecting the Assets;
 - (ii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;
 - (iii) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;
 - (iv) the rates of production of Petroleum Substances from the Lands;
 - (v) the quality, condition, fitness or merchantability of any tangible depreciable equipment or property interests which comprise the Assets (including the Tangibles, the Wells and all wellbores, tubing, packers and casings);
 - (vi) the availability or continued availability of facilities, services or markets for the processing, transportation or sale of any Petroleum Substances;
 - (vii) the accuracy or completeness of the Data Room Information or any other data or information supplied by Vendor or any of its Representatives in connection with the Assets;
 - (viii) the suitability of the Assets for any purpose;
 - (ix) compliance with Applicable Laws; or
 - (x) the title and interest of Vendor in and to the Assets.
- (b) Without restricting the generality of the foregoing, Purchaser acknowledges that it has made its own independent investigation, analysis, evaluation and inspection of Vendor's interests in the Assets and the state and condition thereof and that it is satisfied with, and has relied solely on, such investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets.
- (c) Except with respect to the representations and warranties in Section 4.1 or in the event of fraud, Purchaser forever releases and discharges Vendor and its Representatives from any Claims and all liability to Purchaser or Purchaser's assigns and successors, as a result of the use or reliance upon advice, information (including Data Room Information), materials or representations or statements made, direct or indirect, expressed or implied, or information or data furnished or made available to Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, facsimile, written or other means) pertaining to the Assets prior to or pursuant to this Agreement, including any evaluations, projections, reports, assessments and interpretive or non-factual materials prepared by or for Vendor, or otherwise in Vendor's possession.

**ARTICLE 5
INDEMNITIES FOR REPRESENTATIONS AND WARRANTIES**

5.1 Purchaser's Indemnities for Representations and Warranties

Purchaser shall be liable to Vendor for and shall, in addition, indemnify Vendor and Vendor's Representatives from and against, all Losses suffered, sustained, paid or incurred by Vendor or its Representatives which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in Section 4.2 been accurate and truthful; provided, that nothing in this Section 5.1 shall be construed so as to cause Purchaser to be liable to or indemnify Vendor in connection with any representation or warranty contained in Section 4.2 if and to the extent that Vendor did not rely upon such representation or warranty.

5.2 Survival of Claim for Representations and Warranties

The representations and warranties in Section 4.2 shall be true as of the date hereof and shall remain true on the Closing Date for the benefit of Vendor. In the absence of fraud, however, no Claim or action shall be commenced with respect to a breach of any such representation and warranty, unless, within the six (6) month period following the Closing Date, written notice specifying such breach in reasonable detail is provided to Purchaser.

**ARTICLE 6
INDEMNITIES**

6.1 Post-Closing Date Indemnity

Provided that Closing has occurred, Purchaser shall:

- (a) be solely liable and responsible for any and all Losses which Vendor may suffer, sustain, pay or incur; and
- (b) indemnify, release and save harmless Vendor and its Representatives from any and all Losses, expenses, Claims, actions, proceedings and demands, whatsoever which may be brought against or suffered by Vendor or which it may sustain, pay or incur,
- (c) as a result of any fact, matter or thing resulting from, attributable to or connected with the Assets and arising or accruing before or after the Closing Time.

6.2 Environmental Matters and Abandonment and Reclamation Obligations

Purchaser acknowledges that, insofar as the Environmental condition of the Assets is concerned, Purchaser is acquiring the Assets pursuant hereto on an "as is, where is" basis. Purchaser acknowledges that it is familiar and satisfied with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that Vendor has provided Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of Purchaser (insofar as Vendor could reasonably provide such access) and that Purchaser is not relying upon any representation or warranty of Vendor as to the Environmental condition of the Assets, or as to any

Environmental Liabilities or Abandonment and Reclamation Obligations. Provided that Closing has occurred, Purchaser shall:

- (a) be solely liable and responsible for any and all Losses which Vendor and its Representatives may suffer, sustain, pay or incur; and
- (b) indemnify, release and save harmless Vendor and its Representatives from any and all Losses, actions, proceedings and demands, whatsoever which may be brought against or suffered by Vendor or which Vendor may sustain, pay or incur,

as a result of any matter or thing arising out of, resulting from, attributable to or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, Purchaser shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations both to Third Parties and as between Vendor and Purchaser (whether such Environmental Liabilities and Abandonment and Reclamation Obligations occur or accrue prior to, on or after the Closing Time), and hereby releases Vendor from any Claims Purchaser may have against Vendor with respect to all such liabilities and responsibilities. Without restricting the generality of the foregoing, Purchaser shall be responsible for all Environmental Liabilities and Abandonment and Reclamation Obligations (whether such Environmental Liabilities and all Abandonment and Reclamation Obligations occur or accrue prior to, on or after the Closing Time) in respect of the Lands, Wells and Facilities. This assumption of liability and indemnity by Purchaser shall apply without limit and without regard to cause or causes, including the negligence (whether sole, concurrent, gross, active, passive, primary or secondary) or the wilful or wanton misconduct or recklessness of any or all of Vendor, its Representatives and their respective successors and assigns or any other Person or otherwise. Purchaser further acknowledges and agrees that it shall not be entitled to any rights or remedies as against Vendor or its Representatives, or their respective successors and assigns under the common law or statute pertaining to any Environmental Liabilities and Abandonment and Reclamation Obligations, including the right to name any or all of Vendor, its Representatives, and their respective successors and assigns as a ‘third party’ to any action commenced by any Person against Purchaser. Purchaser’s assumption of liability and the indemnity obligation set forth in this Section 6.2 shall survive the Closing Date indefinitely.

6.3 Third Party Claims

The following procedures shall be applicable to any Claim by Vendor (the “**Indemnitee**”) for indemnification pursuant to this Agreement from Purchaser (the “**Indemnitor**”) in respect of any Losses in relation to a Third Party (a “**Third Party Claim**”):

- (c) upon the Third Party Claim being made against or commenced against the Indemnitee, the Indemnitee shall within thirty (30) Business Days of notice thereof provide written notice thereof to the Indemnitor. The notice shall describe the Third Party Claim in reasonable detail and indicate the estimated amount, if practicable, of the indemnifiable Losses that have been or may be sustained by the Indemnitee in respect thereof. If the Indemnitee does not provide notice to the Indemnitor within such thirty (30) Business Day period, then such failure shall only lessen or

limit the Indemnitee's rights to indemnity hereunder to the extent that the defence of the Third Party Claim was prejudiced by such lack of timely notice;

- (d) if the Indemnitor acknowledges to the Indemnitee in writing that the Indemnitor is responsible to indemnify the Indemnitee in respect of the Third Party Claim pursuant hereto, the Indemnitor shall have the right to take either or both of the following actions:
 - (i) assume carriage of the defence of the Third Party Claim using legal counsel of its choice and at its sole cost; and/or
 - (ii) settle the Third Party Claim, provided the Indemnitor pays the full monetary amount of the settlement and the settlement does not impose any restrictions or obligations on the Indemnitee, and provided a full and final unconditional release in favour of Vendor and its Representatives is obtained in form and substance satisfactory to Vendor;
- (e) if the Indemnitor acknowledges to the Indemnitee in writing that the Indemnitor is responsible to indemnify the Indemnitee in respect of a Third Party Claim pursuant hereto, the Indemnitee shall not enter into any settlement, consent order or other compromise with respect to the Third Party Claim without the prior written consent of the Indemnitor (which consent shall not be unreasonably withheld, conditioned or delayed), unless the Indemnitee waives its rights to indemnification in respect of the Third Party Claim;
- (f) each Party shall co-operate with the other Party in the defence of the Third Party Claim, including making available such of its personnel to the other Party and its Representatives whose assistance, testimony or presence is of material assistance in evaluating and defending the Third Party Claim;
- (g) upon payment of the Third Party Claim, the Indemnitor shall be subrogated to all Claims the Indemnitee may have relating thereto. The Indemnitee shall give such further assurances and do such things to co-operate with the Indemnitor to permit the Indemnitor to pursue such subrogated Claims as reasonably requested from it; and
- (h) if the Indemnitor has paid an amount pursuant to the indemnification obligations herein and the Indemnitee shall subsequently be reimbursed from any source in respect of the Third Party Claim from any Third Party which results in the Indemnitee receiving, in the aggregate, more than the amount of the Third Party Claim, the Indemnitee shall promptly pay the amount of the reimbursement (including interest actually received) in excess of the Third Party Claim to the Indemnitor, net of Taxes required to be paid by the Indemnitee as a result of any such receipt.

ARTICLE 7 ADJUSTMENTS

7.1 Costs and Revenues to be Apportioned

- (a) Subject to Section (b) below and except as otherwise provided in this Agreement, all costs and expenses relating to the Assets (including maintenance, development, capital and operating costs) and all revenues relating to the Assets (including proceeds from the sale of production and fees from processing, treating or transporting Petroleum Substances on behalf of Third Parties) shall be apportioned as of the Effective Time between Vendor and Purchaser on an accrual basis in accordance with generally accepted accounting principles, provided that:
- (i) advances made by Vendor in respect of the costs of operations on Lands (or lands pooled or unitized therewith) or the Wells, Pipelines or Facilities included in the Assets which advances have not been applied to the payment of costs prior to the Closing Date and still stand to the credit of Vendor as at the Closing Date, shall be transferred to Purchaser at Closing and an adjustment will be made in favour of Vendor equal to the amount of such transferred advance;
 - (ii) deposits made by Vendor relative to operations on the Lands shall be returned to Vendor;
 - (iii) costs and expenses of work done, services provided and goods supplied shall be deemed to accrue for the purposes of this Article when the work is done or the goods or services are provided, regardless of when such costs and expenses become payable;
 - (iv) no adjustments shall be made in respect of Vendor's income Taxes;
 - (v) Petroleum Substances that were produced and beyond the wellhead, but not sold, as of the Effective Time shall be credited to Vendor; and
 - (vi) (A) all rentals and similar payments in respect of the Leased Substances or surface rights comprised in the Assets shall be apportioned between Vendor and Purchaser on a per diem basis as of the Closing Date; and (B) all Taxes (excluding income Taxes and Taxes included in Prior Charges, but including all unpaid linear municipal property Taxes (together with applicable interest and penalties, if any) and accruing due on or after the Date of Appointment) levied with respect to the Assets or operations in respect thereof shall be apportioned to the Purchaser.
- (b) Vendor and its Representatives shall not be liable to make any adjustment in favour of, or make any payment to, Purchaser pursuant hereto in respect of any liability, cost or expense which relates to the period which arose prior to the later of the Date of Appointment and the Effective Date, and which cost or expense will not constitute a liability of Purchaser, except as expressly set forth in Section 7.1(a).

7.2 Administration Charge

Purchaser is obligated to pay the amounts outstanding under the Administration Charge as at the Closing Date, which amount shall not exceed \$300,000. The Purchase Price shall be adjusted by such amount to be paid in cash by Purchaser at Closing.

7.3 Adjustments to Account

- (a) An accounting of the adjustments pursuant to Section 7.1 and 7.2 (a “**Closing Statement of Adjustments**”) shall be made at Closing, based on Vendor’s good faith estimate of the costs and expenses paid by Vendor prior to Closing and the revenues received by Vendor prior to Closing. Vendor and Purchaser shall cooperate in preparing such accounting and Vendor shall provide a draft statement of adjustments setting forth the adjustments to be made at Closing not later than three (3) Business Days prior to Closing and shall assist Purchaser in verifying the amounts set forth in such statement. No further or other adjustments whatsoever will be made following Closing.
- (b) All adjustments provided for in this Article shall be adjustments to the Purchase Price and shall be allocated to the Petroleum and Natural Gas Rights.

ARTICLE 8 MAINTENANCE OF ASSETS

8.1 Maintenance of Assets

From the date hereof until the Closing Date, Vendor shall use reasonable commercial efforts, to the extent that the nature of its interest permits, and subject to the CCAA Order, Title Documents and any other agreements and documents to which the Assets are subject:

- (a) maintain the Assets in a proper and prudent manner in material compliance with all Applicable Laws and directions of Governmental Authorities; and
- (b) pay or cause to be paid all costs and expenses relating to the Assets which become due from the date hereof to the Closing Date,

provided that nothing contained in the foregoing or elsewhere in this Agreement shall obligate Vendor to post security, make any other financial contribution or file any undertaking with the Alberta Energy Regulator with respect to the Licensee Liability Rating Program or any like program.

8.2 Consent of Purchaser

Notwithstanding Section 8.1, Vendor shall not from the date hereof to the Closing Date, without the written consent of Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Assets of which Vendor's share is in excess of \$100,000.00, except: (i) in case of an emergency; (ii) as may be reasonably necessary to protect or ensure life and safety; (iii) to preserve the Assets or title to the Assets; or (iv) in respect of amounts which Vendor may be committed to expend or be deemed to authorize for expenditure without its consent; but with notice to the Purchaser in all cases; provided, however, that should Purchaser withhold its consent or fail to provide its consent in a timely manner and a reduction in the value of the Assets results, there shall be no abatement or reduction in the Purchase Price;
- (b) surrender or abandon any of the Assets, unless an expenditure of money is required to avoid the surrender or abandonment and Purchaser does not provide same to Vendor in a timely fashion, in which event the Assets in question shall be surrendered or abandoned without abatement or reduction in the Purchase Price;
- (c) other than in ordinary course of business, materially amend or terminate any Title Document or enter into any new material agreement or commitment relating to the Assets; or
- (d) sell, encumber or otherwise dispose of any of the Assets or any part or portion thereof excepting: pursuant to Preferential Purchase Rights; sales of non-material obsolete or surplus equipment; or sales of the Leased Substances in the normal course of business.

8.3 Proposed Actions

If an operation or the exercise of any right or option respecting the Assets is proposed in circumstances in which such operation or the exercise of such right or option would result in Purchaser incurring an obligation pursuant to Section 8.2, the following shall apply to such operation or the exercise of such right or option (hereinafter referred to as the **"Proposal"**):

- (a) Vendor shall promptly give Purchaser notice of the Proposal, describing the particulars in reasonable detail;
- (b) Purchaser shall, not later than forty eight (48) hours prior to the time Vendor is required to make its election with respect to the Proposal, advise Vendor, by notice, whether Purchaser wishes Vendor to exercise Vendor's rights with respect to the Proposal on Purchaser's behalf, provided that Purchaser's failure to make such election within such period shall be deemed to be Purchaser's election to participate in the Proposal;
- (c) Vendor shall make the election authorized (or deemed to be authorized) by Purchaser with respect to the Proposal within the period during which Vendor may respond to the Proposal; and
- (d) Purchaser's election (including its deemed election) to not participate in any Proposal required to preserve the existence of any of the Assets shall not entitle Purchaser to any reduction of the Purchase Price if Vendor's interest therein is

terminated as a result of such election, and such termination shall not constitute a failure of Vendor's representations and warranties pertaining to such Assets.

8.4 Post-Closing Transition

Following Closing and to the extent to which Purchaser must be novated into operating agreements and other agreements or documents to which the Assets are subject, until the novation has been effected (the "**Unassigned Contracts**"):

- (a) Vendor shall not initiate any operation with respect to the Assets, except upon receiving Purchaser's written instructions and adequate assurance from Purchaser for the payment (in advance if requested by Vendor), or if Vendor reasonably determines that such operation is required for the protection of life or property, in which case Vendor may take such actions as it reasonably determines are required, without Purchaser's written instructions, and shall promptly notify Purchaser of such intention or actions and of Vendor's estimate of the costs and expenses therewith associated;
- (b) Vendor shall forthwith deliver, or cause to be delivered, to Purchaser all revenues, proceeds and other benefits received by Vendor with respect to the Assets, provided that Vendor shall be permitted to deduct from such revenues, proceeds and other benefits, any other costs and expenses which it incurs as a result of such delivery to Purchaser;
- (c) Vendor shall, in a timely manner, deliver to Purchaser all Third Party notices and communications, including authorizations for expenditures and mail ballots and all notices and communications received in respect of the Assets or events and occurrences affecting the Assets, and Vendor shall respond to such notices pursuant to Purchaser's written instructions, if received on a timely basis, provided that Vendor may refuse to follow any instructions which it reasonably believes to be unlawful, unethical or in conflict with any applicable agreement or contract, and provided that nothing shall preclude Vendor from taking such actions as Vendor reasonably determines are necessary for the protection of life or property, or as are required by all Applicable Laws, rules, regulations, orders and directions of Governmental Authorities and other competent authorities; and
- (d) Vendor shall, in a timely manner, deliver to Third Parties all such notices and communications which Purchaser may reasonably request and all such monies and other items as Purchaser may reasonably provide in respect of the Assets, provided that Vendor may (but shall not be obligated to) refuse to follow instructions which it reasonably believes to be unlawful, unethical or in conflict with any applicable agreement or contract.

8.5 Licence Transfers

- (a) To the extent applicable, within two (2) Business Days following Closing, Purchaser shall prepare and, where applicable, assist Vendor in electronically

submitting, to the applicable Governmental Authorities the Licence Transfers, if any, and Purchaser or its nominee shall, where applicable, electronically ratify and concur to such Licence Transfers.

- (b) If a Governmental Authority denies a Licence Transfer because of misdescription or other minor deficiencies in the application, Purchaser shall assist Vendor, as soon as practicable, to correct the application and amend and re-submit the Licence Transfer application. Purchaser or its nominee shall, where applicable, electronically ratify and concur to such Licence Transfer.
- (c) If for any reason, a Governmental Authority requires a Party or its nominee to make a deposit or furnish any other form of security to approve or give effect to a Licence Transfer, Purchaser shall make such deposit or furnish such other form of security as is required. All Licence Transfer processing fees (including any fees required to be paid for expedited service) shall be for Purchaser's account.
- (d) If a Governmental Authority denies any or all Licence Transfers, it will not derogate in any way from Purchaser's obligation to pay the full Purchase Price to Vendor.

8.6 Vendor Deemed Purchaser's Agent

- (a) Insofar as Vendor maintains the Assets and takes actions in relation thereto pursuant to this Article 8, Vendor shall be deemed to have been Purchaser's agent hereunder. Purchaser ratifies all actions taken by Vendor or refrained from being taken by Vendor pursuant to this Article 8 in such capacity during such period, with the intention that all such actions shall be deemed to be Purchaser's actions.
- (b) Insofar as Vendor participates in either operations or the exercise of rights or options as Purchaser's agent pursuant to this Article 8, Vendor may require Purchaser to secure costs to be incurred by Vendor on Purchaser's behalf pursuant to such election in such manner as may be reasonably appropriate in the circumstances.
- (c) Purchaser shall indemnify Vendor and its Representatives against all Losses which Vendor or its Representatives may suffer or incur as a result of Vendor maintaining the Assets as Purchaser's agent pursuant to this Article 8, insofar as such Losses are not a direct result of the gross negligence or wilful misconduct of Vendor or its Representatives. An action or omission of Vendor or of its Representatives shall not be regarded as gross negligence or wilful misconduct to the extent to which it was done or omitted from being done in accordance with Purchaser's instruction (including any election deemed to be made pursuant to Section 8.3(b)) or concurrence, or otherwise in accordance with this Agreement. Purchaser's indemnity obligation set forth in this Section (c) shall survive the Closing Date indefinitely.

**ARTICLE 9
PREFERENTIAL PURCHASE RIGHTS**

9.1 Preferential Purchase Rights

- (a) Schedule “C” provides a description of which, if any, of the Assets are subject to Preferential Purchase Rights, so far as Vendor is aware.
- (b) Purchaser shall, immediately following execution of this Agreement, provide its good faith estimate of the value of the applicable Asset(s) to Vendor, and such value shall be set forth in the notices.
- (c) Vendor shall, within two (2) Business Days of receipt of the good faith estimates described in Section 9.1(b), serve all notices as are required in conjunction with any Preferential Purchase Rights.
- (d) Purchaser shall be liable to Vendor for, and shall, in addition, save and hold harmless and indemnify Vendor from and against, all Losses that may be brought against, suffered, sustained, paid or incurred by Vendor in connection with or that relate in any way directly or indirectly to the use of Purchaser’s allocation of value.
- (e) If a Preferential Purchase Right is exercised, the Assets that are subject thereto shall not be sold to Purchaser pursuant hereto but shall be deleted from and cease to be subject to this Agreement and the Purchase Price shall be reduced by the amount allocated to such Asset. Purchaser shall nevertheless purchase the Assets that are not subject to exercised Preferential Purchase Rights.

**ARTICLE 10
PURCHASER’S REVIEW AND ACCESS TO BOOKS AND RECORDS**

10.1 Vendor to Provide Access

Prior to Closing, Vendor shall, subject to all contractual and fiduciary obligations, at the Calgary offices of Vendor during normal business hours, provide reasonable access for Purchaser and its Representatives to Vendor’s records, books, accounts, documents, files, reports, information, materials, filings, and data, to the extent they relate directly to the Assets and are in the possession of Vendor, as well as physical access to the Assets (insofar as Vendor can reasonably provide such access, with such access to be at Purchaser’s sole risk, expense and liability) to facilitate Purchaser’s review of the Assets and title thereto for the purpose of completing this Transaction.

10.2 Access to Information

After Closing and subject to contractual restrictions in favour of Third Parties relative to disclosure, Purchaser shall, on request from Vendor, provide reasonable access to Vendor or Vendor’s Representative at Purchaser’s offices, during its normal business hours, to the agreements and documents to which the Assets are subject and the contracts, agreements, records, books, documents, licences, reports and data included in the Miscellaneous Interests and the Title

Documents which are then in the possession or control of Purchaser and to make copies thereof, as Vendor may reasonably require, including for purposes relating to:

- (a) Vendor's ownership of the Assets (including taxation matters and liabilities and Claims that arise from or relate to acts, omissions, events, circumstances or operations on or before the Closing Date);
- (b) enforcing its rights under this Agreement;
- (c) compliance with Applicable Law; or
- (d) any Claim commenced or threatened by any Third Party against Vendor.

10.3 Maintenance of Information

All of the information, materials and other records delivered to Purchaser pursuant to the terms hereof shall be maintained in good order and good condition and kept in a reasonably accessible location by Purchaser for a period of two (2) years from the Closing Date.

ARTICLE 11 Employee Matters

11.1 Employee Matters

- (a) Vendor shall provide Purchaser with an up-to-date list of the names of all of Vendor's employees, consultants and contractors fulfilling an employee-like role (collectively, "**Employees**") at least one (1) Business Day prior to the Closing Date. Prior to the Closing, but conditional on the completion of the Closing, Purchaser shall offer employment to the Employees identified by Purchaser no later than the Closing Date (the "**Selected Employees**"), effective as at the Effective Time.
- (b) If a Selected Employee accepts employment with Purchaser, then such Employee's years of service with Purchaser shall not be deemed to be the same as the Selected Employee's years of service with Vendor, and Purchaser shall not be obligated to recognize the length of service of such Selected Employee with Vendor up to the Closing Date in respect of any termination of employment by Purchaser on or after the Closing Date.

ARTICLE 12 GENERAL

12.1 Further Assurances

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required to fully perform and carry out the terms of this Agreement.

12.2 Entire Agreement

Except for the CCAA Order, the Sale Process Order and the Vesting Order, the provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, except for the CCAA Order, the Sale Process Order and the Vesting Order, the provisions of this Agreement shall prevail. In the event that Closing occurs, except for the CCAA Order, the Sale Process Order and the Vesting Order, this Agreement supersedes all other agreements, documents, writings and verbal understandings between the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the Transaction herein.

12.3 Governing Law

This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Agreement.

12.4 Signs and Notifications

Within sixty (60) days following Closing, Purchaser shall remove any signage which indicates Vendor's ownership or operation of the Assets. It shall be the responsibility of Purchaser to erect or install any signage required by applicable Governmental Authorities indicating Purchaser to be the owner or operator of the Assets.

12.5 Assignment and Enurement

This Agreement may not be assigned by a Party without the prior written consent of the other Party, which consent may be unreasonably and arbitrarily withheld. This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

12.6 Time of Essence

Time shall be of the essence in this Agreement.

12.7 Notices

The addresses and fax numbers of the Parties for delivery of notices hereunder shall be as follows:

Vendor - Bow River Energy Ltd.
500, 321 6th Avenue SW
Calgary, AB T2P 3H3

Attention: Daniel Belot, Vice President Finance & CFO
Email: daniel.belot@bowriverenergy.com

Purchaser - 2270943 Alberta Ltd.

1701,1234 5th Avenue NW
Calgary AB T2N 0R9

Attention: Randy Eresman, Director
Email: reresman@gmail.com

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party when it is delivered;
- (b) by email correspondence to a Party to email address of such Party for notices, in which case, if the notice was delivered prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was delivered and if it is delivered on a day which is not a Business Day or is delivered after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day; or
- (c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by first class registered postage prepaid mail to a Party at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party on the fourth (4th) Business Day following the date of mailing.

A Party may from time to time change its address for service, email address for service or designated representative by giving written notice of such change to the other Party.

12.8 Invalidity of Provisions

In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

12.9 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party and made in accordance with the Agreement. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

12.10 Amendment

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

12.11 Confidentiality and Public Announcements

Until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Assets and this Agreement, and shall not release any information concerning this Agreement and the Transaction without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information: (i) to any Governmental Authority or to the public if required by Applicable Law; (ii) in connection with obtaining the Vesting Order; or (iii) as required to Vendor's secured creditors.

12.12 Sealing Order

Vendor may, at its discretion, apply to the Court for a sealing order with respect to a report prepared by it or the Monitor containing the financial and other confidential details of this Transaction (the "**Confidential Report**"), such order sealing Vendor's Confidential Report and the confidential information contained therein from the public court file for the period directed by the Court. Pursuant to the terms of such sealing order applied for by Vendor, only the judge presiding over the CCAA Proceedings of Vendor, Purchaser and their respective Representatives and subject to the terms of those confidentiality agreements, shall have access to Vendor's Confidential Report and the confidential information contained therein.

12.13 Termination

This Agreement may be terminated at any time prior to Closing:

- (a) by mutual written agreement of Vendor and Purchaser;
- (b) pursuant to the provisions of Section 2.6; or

- (c) by either Vendor or Purchaser pursuant to the provisions of Sections 3.2, 3.3 or 3.4, as applicable.

12.14 Personal Information

Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records or files transferred to Purchaser or otherwise obtained or reviewed by Purchaser in connection with the Transaction only for those purposes for which it was initially collected from or in respect of the individual to which such information relates, unless:

- (a) Vendor or Purchaser has first notified such individual of such additional purpose, and where required by the Applicable Laws, obtained the consent of such individual to such additional purpose; or
- (b) such use or disclosure is permitted or authorized by Applicable Laws, without notice to, or consent from, such individual.
- (c) Purchaser's obligations set forth in this Section 12.14 shall survive the Closing Date indefinitely.

12.15 Third Party Beneficiaries

Vendor will hold the indemnities contained in this Agreement in trust on behalf of all of Vendor and its Representatives, and may enforce the same on their behalf and on its own behalf.

12.16 Costs

Except as otherwise specified in this Agreement, each Party shall bear its respective costs incurred in connection with the preparation, negotiation and execution of this Agreement and the consummation of the Transaction.

12.17 Monitor

Purchaser acknowledges that the Monitor is acting solely in its capacity as the Court-appointed monitor of Vendor, and not in its personal capacity. Under no circumstances shall the Monitor or any of its Representatives have any liability pursuant to this Agreement, or in relation to the Transaction whether such liability be in contract, tort or otherwise.

12.18 Counterpart Execution

This Agreement may be executed and delivered in counterpart and transmitted by facsimile or other electronic means and all such executed counterparts, including electronically transmitted copies of such counterparts, shall together constitute one and the same agreement.

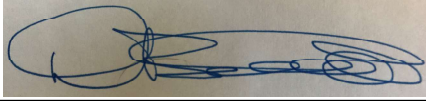
[Intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

BOW RIVER ENERGY LTD.

2270943 ALBERTA LTD.

Per:



Daniel Belot, Vice President Finance &
CFO

Per:

Randy Eresman, President

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.


BOW RIVER ENERGY LTD.

2270943 ALBERTA LTD.

Per:

Daniel Belot, Vice President Finance &
CFO

Per:



Randy Eresman, President

THE FOLLOWING COMPRISES SCHEDULE “A” ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED THE 17TH DAY OF JULY, 2020 BETWEEN BOW RIVER ENERGY LTD. AND 2270943 ALBERTA LTD.

Receivable Royalty Rights

Contract	Agreement Name	Royalty Lands	Royalty Detail	Receivable Royalty	Royalty Paid by
C00005 (A)	Royalty Agreement dated April 1, 1983	TWP 040 RGE 07 W4M SEC 15 TWP 040 RGE 07 W4M NW 32; LSD 9, 10, 15, PTN 16 (B,C,D) SEC 32	2% payable on 37.5% production all substances	Bow River 100%	Alpha Bow 100%
C00005 (B)	Royalty Agreement dated April 1, 1983	TWP 040 RGE 07 W4M SEC 34	2% payable on 37.5% production all substances	Bow River 100%	Bow River 75.78% Bonavista 24.22%
C00005 (F)	Royalty Agreement dated April 1, 1983	TWP 038 RGE 02 W4M SEC 12	2% payable on 40% production all substances	Bow River 100%	Bonavista 100%
C00005 (G)	Royalty Agreement dated April 1, 1983	TWP 039 RGE 08 W4M S 22, S & NW 23, LSD 10 SEC 23, SEC 24; TWP 039 RGE 08 W4M SEC 23	2% payable on 25% production all substances	Bow River 100%	Prairie Provident 100%
C00005 (H)	Royalty Agreement dated April 1, 1983	TWP 040 RGE 06 W4M N 9, 16	2% payable on 75% production all substances	Bow River 100%	Bonavista 100%
C00005 (I)	Royalty Agreement dated April 1, 1983	TWP 040 RGE 07 W4M SEC 23	2% payable on 75% production all substances	Bow River 100%	Bow River 100%
C00158 (A)	Seismic Option Letter Agreement dated 2, 1997	TWP 45 RGE 5 W4M SEC 10	Sliding Scale on Oil production 5-15% on 50% production	Bow River Energy 33.3%	Repsol 50% BowRiver 50%
C00206 (A)	Farmout Letter Agreement dated July 31, 2012	TWP 038 RGE 03 W4M S 14 TWP 038 RGE 03 W4M NW 14	5% payable on 100% production on all substances	Bow River 100%	West Lake Energy 100%
C00018 (A)	Overriding Royalty Agreement dated June 1, 1976	TWP 039 RGE 07 W4M SEC 18, 19 TWP 039 RGE 08 W4M S SEC 22, S & NW SEC 23, SEC 24	2.5% payable on 50% of all substances	Bow River 100%	Battle River Energy 100%
C00039 (A)	Pooling & Farmout Agreement dated July 25, 1994	TWP 036 RGE 26 W3M 22	12.5% payable on 100% of Gas substances	Bow River 14.5%	Teine Heavy Oil 100%

Working Interest Lands

The following 11 pages comprise the working interest lands.

Bow River Energy Ltd.
Mineral Schedule "A" Report - NewCo Lands

Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
M00641 A	LSE TYPE: CR PNG CR: 0499070480 LSE DATE: 1999 Jul 29 EFF DATE: 1999 Jul 29 EXP DATE: 2004 Jul 28 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 038 RGE 01 W4M NW 29 PNG TO BASE MANNVILLE_GROUP EXCL NG IN MANNVILLE_GROUP	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%		
M00641 B	LSE TYPE: CR PNG CR: 0499070480 LSE DATE: 1999 Jul 29 EFF DATE: 1999 Jul 29 EXP DATE: 2004 Jul 28 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 038 RGE 01 W4M LSD 3 SEC 29 PNG TO BASE MANNVILLE_GROUP EXCL NG IN MANNVILLE_GROUP	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%		
M00688 A	LSE TYPE: CR PNG CR: 0405110098 LSE DATE: 2005 Nov 03 EFF DATE: 2005 Nov 03 EXP DATE: 2010 Nov 02 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 038 RGE 01 W4M LSD 5, 6 SEC 29 PNG TO BASE MANNVILLE_GROUP EXCL NG IN MANNVILLE_GROUP	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%		
M00633 A	LSE TYPE: FH PET LSE DATE: 1998 Sep 01 EFF DATE: 1998 Sep 01 EXP DATE: 2000 Aug 31 INT TYPE: WI MNRL INT: 100.0 EXT CODE: HBP	TWP 039 RGE 02 W4M LSDS 12, 13 SEC 01 (SW 01 - PETROLEUM TO BASE MANNVILLE HAS REVERTED BACK TO HRRC) PET TO BASE MANNVILLE_GROUP	CUR INT: WI BOWRIVER 100.0%	NONCONV LOR OIL 20.0% BASED ON 100.0% PDBY BOWRIVER 100.0%		

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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
M00682 A	LSE TYPE: CR PNG CR: 0404100064 LSE DATE: 2004 Oct 14 EFF DATE: 2004 Oct 14 EXP DATE: 2009 Oct 13 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 039 RGE 02 W4M NW 2 TWP 039 RGE 02 W4M SW 2 PNG TO BASE MANNVILLE_GROUP	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%		
M00640 A	LSE TYPE: CR PNG CR: 39773A LSE DATE: 1975 May 15 EFF DATE: 1975 May 15 EXP DATE: 1985 May 14 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 039 RGE 02 W4M LSD 9, 15, 16 SEC 02 PET TO BASE MANNVILLE_GROUP	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S PDBY BOWRIVER 100.0%		
M00640 B	LSE TYPE: CR PNG CR: 39773A LSE DATE: 1975 May 15 EFF DATE: 1975 May 15 EXP DATE: 1985 May 14 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 039 RGE 02 W4M LSD 9, 15, 16 SEC 02 NG TO BASE MANNVILLE_GROUP	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%	CUR INT OPER CONT C00325 A General 0000 No ROFR Applies OPER: BOWRIVER	
M00706 A	LSE TYPE: CR PNG CR: 0418020138 LSE DATE: 2018 Feb 08 EFF DATE: 2018 Feb 08 EXP DATE: 2023 Feb 07 INT TYPE: WI	TWP 039 RGE 02 W4M LSD 10 SEC 02 ALL PNG FROM TOP SURFACE TO BASE BASEMENT	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%		

Bow River Energy Ltd.
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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
		MNRL INT: 100.0				
M00634 A	LSE TYPE: FH PET LSE DATE: 1998 Sep 01 EFF DATE: 1998 Sep 01 EXP DATE: 2000 Aug 31 INT TYPE: WI MNRL INT: 100.0 EXT CODE: HBP	TWP 039 RGE 02 W4M NW SEC 3, LSD 9.15.16 SEC 3 (LSD 10 SEC 3 HAS REVERTED BACK TO HRRC) ALL PETROLEUM FROM TOP SURFACE TO BASE CUMMINGS (PETROLEUM BELOW BASE CUMMINGS TO BASE MANNVILLE HAS REVERTED BACK TO HRRC)	CUR INT: WI BOWRIVER 100.0%	NONCONV LOR ALL 20.0% BASED ON 100.0% PDBY BOWRIVER 100.0%		
M00709 A	LSE TYPE: FH PET LSE DATE: 2018 May 28 EFF DATE: 2018 May 28 EXP DATE: 2019 May 27 INT TYPE: WI MNRL INT: 100.0 EXT CODE: HBP	TWP 039 RGE 02 W4M LSD 10 SEC 3 PETROLEUM FROM TOP CUMMINGS TO BASE CUMMINGS	CUR INT: WI BOWRIVER 100.0%	NONCONV LOR OIL 20.0% BASED ON 100.0% PDBY BOWRIVER 100.0%		
M00703 A	LSE TYPE: CR PNG CR: 0412090089 LSE DATE: 2012 Sep 06 EFF DATE: 2012 Sep 06 EXP DATE: 2017 Sep 05 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 039 RGE 2 W4M: N 4 PNG FROM TOP MANNVILLE_GROUP TO BASE MANNVILLE_GROUP EXCL PNG FROM TOP SPARKY TO BASE SPARKY	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%		
M00703 B	LSE TYPE: CR PNG CR: 0412090089 LSE DATE: 2012 Sep 06 EFF DATE: 2012 Sep 06 EXP DATE: 2017 Sep 05 INT TYPE: NI	TWP 039 RGE 2 W4M: N 4 PNG FROM TOP SPARKY TO BASE SPARKY			CUR INT OPER CONT C00355 A ROFR Bypassed OPER: BOWRIVER	

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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	MNRL INT: 100.0 EXT CODE: 15					
M00704 A	LSE TYPE: CR PNG CR: 0416010132 LSE DATE: 2016 Jan 28 EFF DATE: 2016 Jan 28 EXP DATE: 2021 Jan 27 INT TYPE: WI MNRL INT: 100.0	TWP 39 RGE 2 W4M: N & SW & LSD 7 & 8 SEC 10 ALL PNG EXCL PNG IN SPARKY	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%		
M00704 B	LSE TYPE: CR PNG CR: 0416010132 LSE DATE: 2016 Jan 28 EFF DATE: 2016 Jan 28 EXP DATE: 2021 Jan 27 INT TYPE: WI MNRL INT: 100.0	TWP 39 RGE 2 W4M: LSD 1 & 2 SEC 10 PNG BELOW BASE MANNVILLE_GROU	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%		
M00704 C	LSE TYPE: CR PNG CR: 0416010132 LSE DATE: 2016 Jan 28 EFF DATE: 2016 Jan 28 EXP DATE: 2021 Jan 27 INT TYPE: NI MNRL INT: 100.0	TWP 39 RGE 2 W4M: N & SW & LSD 7 & 8 SEC 10 PNG IN SPARKY (SPARKY DEFINED FROM 720.3 TO 733.8 M MD ON THE NEUTRON-DENSITY LOG OF THE 00/08-10-039-02W4/00 WELL)				
M00642 A	LSE TYPE: CR PNG CR: 0494090344 LSE DATE: 1994 Sep 08 EFF DATE: 1994 Sep 08 EXP DATE: 1999 Sep 07 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 039 RGE 02 W4M LSD 1, 2 SEC 10 PNG TO BASE MANNVILLE_GROUP EXCLUDING PNG IN SPARKY (AS DEFINED BELOW) (THE SPARKY AS DEFINED AS THE INTERVAL FROM 720.3 TO 733.8 METERS MEASURED DEPTH	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S PDBY BOWRIVER 100.0%		

Bow River Energy Ltd.
Mineral Schedule "A" Report - NewCo Lands

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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
		ON THE NEUTRON DENSITY LOG OF THE 100/08-10-039-02W4/00 WELL)				
M00642 B	LSE TYPE: CR PNG CR: 0494090344 LSE DATE: 1994 Sep 08 EFF DATE: 1994 Sep 08 EXP DATE: 1999 Sep 07 INT TYPE: NI MNRL INT: 100.0 EXT CODE: 15	TWP 039 RGE 02 W4M LSD 1, 2 SEC 10 PNG FROM TOP SPARKY TO BASE SPARKY (AS DEFINED BELOW) (THE SPARKY AS DEFINED AS THE INTERVAL FROM 720.3 TO 733.8 METERS MEASURED DEPTH ON THE NEUTRON-DENSITY LOG OF THE 100/08-10-039-02W4/00)				CUR INT OPER CONT C00353 A ROFR Bypassed OPER: BOWRIVER
M00697 A	LSE TYPE: CR PNG CR: 0415060147 LSE DATE: 2015 Jun 25 EFF DATE: 2015 Jun 25 EXP DATE: 2020 Jun 24 INT TYPE: WI MNRL INT: 100.0	TWP 039 RGE 02 W4M LSD 1 SEC 11 PNG FROM TOP CUMMINGS TO BASE DINA (AS DEFINED BELOW) (TOP CUMMINGS TO BASE DINA INTERVAL IS BASED ON THE LOG AT 1-10-039-02W4. THE TOP OF THE CUMMINGS ZONE IS DEFINED BY THE TWO COALS FOUND BETWEEN 761.7 MD AND 766.6 MD ON THE NEUTRON LOG. THE BASE OF THE DINA CAN BE DEFINED AT 8922.4m MD IN THE 12-03-039-02W4 LOG).	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%		CUR INT OPER CONT C00352 A ROFR Bypassed OPER: BOWRIVER
M00590 A	LSE TYPE: CR PNG CR: 0493100306 LSE DATE: 1993 Oct 28 EFF DATE: 1993 Oct 28 EXP DATE: 1998 Oct 27 INT TYPE: WI	TWP 039 RGE 02 W4M LSD 2, 3, 4, 6 SEC 11 PNG TO BASE MANNVILLE_GROUP EXCL PNG FROM TOP SPARKY TO BASE SPARKY	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%		

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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	MNRL INT: 100.0 EXT CODE: 15					
M00590 B	LSE TYPE: CR PNG CR: 0493100306 LSE DATE: 1993 Oct 28 EFF DATE: 1993 Oct 28 EXP DATE: 1998 Oct 27 INT TYPE: NI MNRL INT: 100.0 EXT CODE: 15	TWP 039 RGE 02 W4M LSD 2, 3, 4, 6 SEC 11 PNG FROM TOP SPARKY TO BASE SPARKY				CUR INT OPER CONT C00354 A ROFR Bypassed OPER: BOWRIVER
M00610 A	LSE TYPE: CR PNG CR: 0491100331 LSE DATE: 1991 Oct 31 EFF DATE: 1991 Oct 31 EXP DATE: 1996 Oct 30 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 18 EXT DATE: 2020 Oct 01	TWP 039 RGE 02 W4M LSD 4, 5 SEC 12 PNG TO BASE MANNVILLE_GROUP	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S PDBY BOWRIVER 100.0% SLIDING SCALE ALL S/S 23.8365 (MIN 5.0 MAX 15.0) GAS 15.0% (MIN 50% c/mcf) OTHER 15% BASED ON 100.0% PDBY BOWRIVER 100.0%		ROYALTY LINKS C00312 A CAPL 1990 No ROFR Applies
M00582 A	LSE TYPE: CR PNG CR: 0492120073 LSE DATE: 1992 Dec 03 EFF DATE: 1992 Dec 03 EXP DATE: 1997 Dec 02 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 039 RGE 02 W4M E 26 PET TO BASE MANNVILLE_GROUP	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%		
M00582 B	LSE TYPE: CR PNG CR: 0492120073	TWP 039 RGE 02 W4M E 26 NG TO BASE MANNVILLE_GROUP	CUR INT: WI BOWRIVER 100.0%	NONCONV ORR GAS 12.5%		CUR INT OPER CONT C00326 A

Bow River Energy Ltd.
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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	LSE DATE: 1992 Dec 03 EFF DATE: 1992 Dec 03 EXP DATE: 1997 Dec 02 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15			BASED ON 50.0% PDBY BOWRIVER 100.0%	CAPL 1990 No ROFR Applies OPER: BOWRIVER	
				SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%	ROYALTY LINKS C00326 A CAPL 1990 No ROFR Applies	
M00340 A	LSE TYPE: CR PNG CR: 0406090118 LSE DATE: 2006 Sep 07 EFF DATE: 2006 Sep 07 EXP DATE: 2011 Sep 06 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 040 RGE 01 W4M LSD 12 SEC 22 PNG TO BASE MANNVILLE_GROUP	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%		
M00608 A	LSE TYPE: CR PNG CR: 24170 LSE DATE: 1971 Oct 30 EFF DATE: 1971 Oct 30 EXP DATE: 1981 Oct 29 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 040 RGE 03 W4M NE 34 PNG TO BASE MANNVILLE_GROUP	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%	ROYALTY LINKS C00311 A General 0000 No ROFR Applies	
				NONCONV ORR ALL 5.0% BASED ON 100.0% PDBY BOWRIVER 100.0%		
M00672 A	LSE TYPE: CR PNG CR: 0403110396 LSE DATE: 2003 Nov 27 EFF DATE: 2003 Nov 27 EXP DATE: 2008 Nov 26 INT TYPE: WI MNRL INT: 100.0	TWP 040 RGE 03 W4M LSD 3 SEC 34 PNG TO BASE MANNVILLE_GROUP	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%		

Bow River Energy Ltd.
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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	EXT CODE: 15					
M00607 A	LSE TYPE: CR PNG CR: 0482040021 LSE DATE: 1982 Apr 08 EFF DATE: 1982 Apr 08 EXP DATE: 1987 Apr 07 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 040 RGE 03 W4M LSD 5, 7, 8, 14 SEC 34 PNG TO BASE MANNVILLE_GROUP	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%		
M00576 A	LSE TYPE: FH PET LSE DATE: 2000 Dec 16 EFF DATE: 2000 Dec 16 EXP DATE: 2002 Jun 15 INT TYPE: WI MNRL INT: 100.0 EXT CODE: PEND	TWP 040 RGE 03 W4M LSD 2, 5, 6, 11 SEC 35 (BRE REQUIRES A LEASE IN LSD 3 TO COMPLETE THE SPACING FOR 00/04-35, 00/05-35 & 02/06-35 WELLS) PETROLEUM FROM TOP SURFACE TC BASE LLOYDMINSTER	CUR INT: WI BOWRIVER 100.0%	NONCONV LOR OIL 20.0% BASED ON 100.0% PDBY BOWRIVER 100.0%		
M00595 A	LSE TYPE: FH PET LSE DATE: 1994 Apr 18 EFF DATE: 1994 Apr 18 EXP DATE: 1996 Apr 17 INT TYPE: WI MNRL INT: 100.0 EXT CODE: PEND	TWP 040 RGE 03 W4M LSD 4 SEC 35 (EXCL NG DERIVED FROM OR ASSOCIATED WITH COAL) (BRE REQUIRES A LEASE IN LSD 3 TO COMPLETE THE SPACING FOR 00/04-35, 00/05-35 & 02/06-35 WELLS) PETROLEUM FROM TOP SURFACE TC BASE LLOYDMINSTER	CUR INT: WI BOWRIVER 100.0%	NONCONV LOR ALL 20.0% BASED ON 100.0% PDBY BOWRIVER 100.0%		
M00357 A	LSE TYPE: CR PNG CR: 0409070278 LSE DATE: 2009 Jul 23	TWP 041 RGE 02 W4M N & SW SEC 6 PNG FROM TOP MANNVILLE_GROUP	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0%		

Bow River Energy Ltd.
Mineral Schedule "A" Report - NewCo Lands

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File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	EFF DATE: 2009 Jul 23 EXP DATE: 2014 Jul 22 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TO BASE MANNVILLE_GROUP		PDBY BOWRIVER 100.0%		
M00357 B	LSE TYPE: CR PNG CR: 0409070278 LSE DATE: 2009 Jul 23 EFF DATE: 2009 Jul 23 EXP DATE: 2014 Jul 22 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 041 RGE 02 W4M SE SEC 6 PNG FROM TOP MANNVILLE_GROUP TO BASE MANNVILLE_GROUP EXCL PETROLEUM IN LOWER_MANNVILLE (AS DEFINED BY THE AGS IS COMPRISED OF THE CUMMINGS AND DINA FORMATIONS)	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%		
M00357 C	LSE TYPE: CR PNG CR: 0409070278 LSE DATE: 2009 Jul 23 EFF DATE: 2009 Jul 23 EXP DATE: 2014 Jul 22 INT TYPE: NI MNRL INT: 100.0 EXT CODE: 15	TWP 041 RGE 02 W4M SE SEC 6 PETROLEUM IN LOWER_MANNVILLE (AS DEFINED BY THE AGS IS COMPRISED OF THE CUMMINGS AND DINA FORMATIONS)				
M00585 A	LSE TYPE: CR PNG CR: 24171A LSE DATE: 1970 Oct 13 EFF DATE: 1970 Oct 13 EXP DATE: 1980 Oct 12 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 041 RGE 03 W4M LSD 4-6, 10, 11, 13 SEC 02, LSD 1-6, 10-12, 15 SEC 11 PNG TO BASE MANNVILLE_GROUP	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%		
M00583 A	LSE TYPE: FH PNG LSE DATE: 1969 Jul 18	TWP 041 RGE 03 W4M NE 03 PNG TO TOP PALEOZOIC	CUR INT: WI BOWRIVER 100.0%	NONCONV LOR ALL 15.0%		

Bow River Energy Ltd.
Mineral Schedule "A" Report - NewCo Lands

Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	EFF DATE: 1969 Jul 18 EXP DATE: 1979 Jul 17 INT TYPE: WI MNRL INT: 100.0 EXT CODE: PEND			BASED ON 100.0% PDBY BOWRIVER 100.0%		
M00584 A	LSE TYPE: FH PNG LSE DATE: 1969 Jul 18 EFF DATE: 1969 Jul 18 EXP DATE: 1979 Jul 17 INT TYPE: WI MNRL INT: 100.0 EXT CODE: PEND	TWP 041 RGE 03 W4M LSD 1, 7, 8 SEC 03 PNG TO TOP PALEOZOIC	CUR INT: WI BOWRIVER 100.0%	NONCONV LOR ALL 15.0% BASED ON 100.0% PDBY BOWRIVER 100.0%		
M00689 A	LSE TYPE: CR PNG CR: 0405110105 LSE DATE: 2005 Nov 03 EFF DATE: 2005 Nov 03 EXP DATE: 2010 Nov 02 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 041 RGE 03 W4M LSD 7, 8, 9, 14, 16 SEC 11 PNG TO BASE MANNVILLE_GROUP	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%		
M00586 A	LSE TYPE: CR PNG CR: 0489080113 LSE DATE: 1989 Aug 10 EFF DATE: 1989 Aug 10 EXP DATE: 1994 Aug 09 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 041 RGE 03 W4M LSD 13 SEC 11 NG TO BASE MANNVILLE_GROUP	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S PDBY BOWRIVER 100.0% NONCONV ORR ALL 5.0% BASED ON 100.0% PDBY BOWRIVER 100.0%	ROYALTY LINKS C00327 A General 0000 No ROFR Applies	
M00586 B	LSE TYPE: CR PNG CR: 0489080113 LSE DATE: 1989 Aug 10	TWP 041 RGE 03 W4M LSD 13 SEC 11 PET TO BASE MANNVILLE_GROUP	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S PDBY BOWRIVER 100.0%	ROYALTY LINKS C00327 A	

Bow River Energy Ltd.
Mineral Schedule "A" Report - NewCo Lands

Report Id: RP-0053

File Number	Title Information	Lands	Seller's Interests	Encumbrances	Operating Contract	Wells
	EFF DATE: 1989 Aug 10 EXP DATE: 1994 Aug 09 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15			NONCONV ORR ALL 5.0% BASED ON 100.0% PDBY BOWRIVER 100.0%	General 0000 No ROFR Applies	
M00609 A	LSE TYPE: CR PNG CR: 049105A076 LSE DATE: 1991 May 02 EFF DATE: 1991 May 02 EXP DATE: 1996 May 01 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 041 RGE 03 W4M SW 14 PNG TO BASE FISH_SCALE-WESTGATE	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0% NONCONV GOR ALL 5.0% BASED ON 100.0% PDBY BOWRIVER 100.0%	ROYALTY LINKS C00332 A ROFR Unknown	
M00691 A	LSE TYPE: CR PNG CR: 0408020162 LSE DATE: 2008 Feb 07 EFF DATE: 2008 Feb 07 EXP DATE: 2013 Feb 06 INT TYPE: WI MNRL INT: 100.0 EXT CODE: 15	TWP 041 RGE 03 W4M SW 14 PNG FROM BASE FISH_SCALE-WESTGATE TO BASE MANNVILLE_GROUP	CUR INT: WI BOWRIVER 100.0%	SLIDING SCALE ALL S/S BASED ON 100.0% PDBY BOWRIVER 100.0%		

THE FOLLOWING COMPRISES SCHEDULE “B” ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED THE 17TH DAY OF JULY, 2020 BETWEEN BOW RIVER ENERGY LTD. AND 2270943 ALBERTA LTD.

Wells and Facilities

Wells

UWI Bottom Hole	Licence #
102/12-22-040-01W4/0	0367960
102/13-29-038-01W4/0	0334433
100/10-34-040-03W4/0	0046952
104/07-03-041-03W4/0	0364883
100/06-02-041-03W4/0	0090589
102/11-11-041-03W4/0	0152360
105/03-02-041-03W4/0	0159701
1B0/12-11-041-03W4/0	0154637
103/06-14-041-03W4/0	0433696
104/05-02-041-03W4/0	0156050
103/05-11-041-03W4/0	0129794
102/06-14-041-03W4/0	0433658
100/13-11-041-03W4/0	0149723
100/06-14-041-03W4/0	0414747
106/07-11-041-03W4/2	0431277
102/11-35-040-03W4/0	0396869
100/05-02-041-03W4/0	0065769
103/03-35-040-03W4/0	0269644
100/11-02-041-03W4/0	0065768
104/07-11-041-03W4/0	0403099
104/11-11-041-03W4/0	0414732
102/06-11-041-03W4/0	0153256
102/02-35-040-03W4/0	0269470
100/04-35-040-03W4/0	0108079
102/12-02-041-03W4/0	0119594
103/14-11-041-03W4/0	0380183
100/05-35-040-03W4/0	0245428
100/15-34-040-03W4/0	0302528
104/07-03-041-03W4/2	0364883
104/14-34-040-03W4/2	0302470
102/10-03-041-03W4/0	0365723
103/03-11-041-03W4/0	0119579
102/06-35-040-03W4/0	0269447

UWI Bottom Hole	Licence #
100/01-03-041-03W4/0	0204260
103/01-10-041-03W4/0	0128095
102/09-03-041-03W4/0	0181223
100/15-06-041-02W4/2	0486475
100/13-06-041-02W4/0	0486475
100/14-06-041-02W4/3	0486475
100/14-06-041-02W4/4	0486475
104/14-34-040-03W4/0	0302470
102/12-35-040-03W4/0	0302483
100/06-02-041-03W4/3	0090589
102/02-11-041-03W4/0	0119576
103/04-11-041-03W4/0	0119580
104/05-11-041-03W4/0	0120119
100/12-11-041-03W4/0	0152361
104/03-34-040-03W4/0	0364885
107/03-11-039-02W4/0	0495394
105/04-11-039-02W4/0	0495393
100/13-03-039-02W4/0	0495392
102/14-04-039-02W4/0	0489605
105/03-11-039-02W4/0	0486661
103/09-03-039-02W4/0	0403145
104/15-03-039-02W4/0	0402936
100/05-02-039-02W4/0	0400386
102/06-12-039-02W4/0	0270776
104/02-10-039-02W4/0	0242436
105/04-12-039-02W4/0	0239319
102/02-10-039-02W4/0	0235555
100/12-01-039-02W4/0	0227427
103/15-02-039-02W4/0	0226144
102/15-02-039-02W4/0	0226143
100/14-03-039-02W4/0	0225254
103/03-11-039-02W4/0	0224843
104/03-11-039-02W4/0	0224504
102/13-01-039-02W4/0	0224457
100/01-10-039-02W4/0	0224374
103/04-11-039-02W4/2	0224294
102/03-11-039-02W4/0	0223679
102/16-02-039-02W4/0	0208509
100/01-11-039-02W4/0	0208418
100/16-02-039-02W4/0	0203743
100/03-12-039-02W4/0	0194425
100/05-12-039-02W4/0	0187077

UWI Bottom Hole	Licence #
103/03-34-040-03W4/0	0363262
102/04-11-039-02W4/0	0221869
100/10-26-039-02W4/0	0159003
103/05-12-039-02W4/0	0192173
103/08-26-039-02W4/0	0207864
102/09-26-039-02W4/0	0211655

Pipelines

Including but not limited to:

Licence Line	From	From Type	To
8069-15	15-02-41-03 W4M	IP	14-02-41-03 W4M
8069-16	15-02-41-03 W4M	IP	14-02-41-03 W4M
8069-29	06-02-41-03 W4M	PL	06-02-41-03 W4M
8069-30	15-02-41-03 W4M	B	05-11-41-03 W4M
8069-31	15-02-41-03 W4M	B	10-34-40-03 W4M
8069-32	06-11-41-03 W4M	PL	05-11-41-03 W4M
8069-34	13-02-41-03 W4M	PL	12-02-41-03 W4M
8069-35	12-02-41-03 W4M	PL	09-03-41-03 W4M
8069-36	01-10-41-03 W4M	WE	04-11-41-03 W4M
8069-37	15-02-41-03 W4M	IP	03-11-41-03 W4M
8069-38	15-02-41-03 W4M	IP	06-02-41-03 W4M
8069-39	03-11-41-03 W4M	PL	04-11-41-03 W4M
8069-40	02-11-41-03 W4M	PL	02-11-41-03 W4M
8069-41	15-02-41-03 W4M	IP	13-02-41-03 W4M
8069-42	10-34-40-03 W4M	PL	09-34-40-03 W4M
9879-7	15-28-41-01 W4M	PL	13-29-41-01 W4M
20154-6	05-02-41-03 W4M	PL	06-02-41-03 W4M
20154-7	15-02-41-03 W4M	B	05-02-41-03 W4M
20154-8	15-02-41-03 W4M	PL	15-02-41-03 W4M
23312-4	05-12-39-02 W4M	B	13-01-39-02 W4M
23312-5	13-01-39-02 W4M	PL	13-01-39-02 W4M
23312-6	05-12-39-02 W4M	BE	05-12-39-02 W4M
23312-7	05-12-39-02 W4M	B	16-14-39-02 W4M
23312-8	05-12-39-02 W4M	IP	01-11-39-02 W4M
23312-9	05-12-39-02 W4M	B	03-12-39-02 W4M
23312-10	16-14-39-02 W4M	S	10-14-39-02 W4M
23312-11	10-14-39-02 W4M	WE	16-14-39-02 W4M
24951-1	01-10-41-03 W4M	B	01-10-41-03 W4M
26010-1	05-11-41-03 W4M	PL	12-11-41-03 W4M

Licence Line	From	From Type	To
26090-3	06-35-40-03 W4M	WE	14-35-40-03 W4M
26090-4	06-35-40-03 W4M	WE	14-35-40-03 W4M
26090-5	02-35-40-03 W4M	WE	03-35-40-03 W4M
26090-6	03-35-40-03 W4M	WE	03-35-40-03 W4M
26090-7	02-35-40-03 W4M	WE	06-35-40-03 W4M
26090-10	03-35-40-03 W4M	PL	06-35-40-03 W4M
26090-11	11-35-40-03 W4M	WE	06-35-40-03 W4M
27442-3	16-14-39-02 W4M	WE	16-14-39-02 W4M
27442-4	16-14-39-02 W4M	WE	16-14-39-02 W4M
27442-9	15-14-39-02 W4M	WE	16-14-39-02 W4M
27442-10	15-14-39-02 W4M	WE	16-14-39-02 W4M
27442-13	05-12-39-02 W4M	B	16-14-39-02 W4M
27442-15	04-12-39-02 W4M	WE	05-12-39-02 W4M
27442-16	04-12-39-02 W4M	WE	05-12-39-02 W4M
27442-17	04-12-39-02 W4M	BE	04-12-39-02 W4M
27442-18	04-12-39-02 W4M	BE	04-12-39-02 W4M
27442-23	07-11-39-02 W4M	WE	05-12-39-02 W4M
27442-24	07-11-39-02 W4M	WE	05-12-39-02 W4M
27442-25	04-11-39-02 W4M	S	07-11-39-02 W4M
27442-26	13-01-39-02 W4M	PL	04-12-39-02 W4M
27442-27	13-01-39-02 W4M	PL	04-12-39-02 W4M
27442-28	01-10-39-02 W4M	WE	04-11-39-02 W4M
27442-29	01-10-39-02 W4M	WE	04-11-39-02 W4M
27442-30	14-03-39-02 W4M	WE	16-03-39-02 W4M
27442-31	14-03-39-02 W4M	WE	16-03-39-02 W4M
27442-32	07-26-39-02 W4M	WE	10-26-39-02 W4M
27442-33	10-26-39-02 W4M	WE	10-26-39-02 W4M
27442-34	10-26-39-02 W4M	PL	16-14-39-02 W4M
27442-35	10-26-39-02 W4M	PL	16-14-39-02 W4M
27442-38	05-32-38-01 W4M	BE	05-12-39-02 W4M
27442-40	05-02-39-02 W4M	WE	09-03-39-02 W4M
27442-41	13-02-39-02 W4M	WE	04-11-39-02 W4M
27442-42	13-02-39-02 W4M	WE	04-11-39-02 W4M
27442-43	16-03-39-02 W4M	WE	16-03-39-02 W4M
27442-44	16-03-39-02 W4M	PL	01-10-39-02 W4M
27442-45	16-03-39-02 W4M	PL	01-10-39-02 W4M
30884-1	15-17-39-01 W4M	RS	13-01-39-02 W4M
31357-2	16-02-39-02 W4M	WE	13-01-39-02 W4M
31357-5	13-01-39-02 W4M	WE	13-01-39-02 W4M
31357-6	13-01-39-02 W4M	WE	13-01-39-02 W4M
31357-9	16-02-39-02 W4M	WE	13-01-39-02 W4M
32321-1	05-12-39-02 W4M	B	07-11-39-02 W4M

Licence Line	From	From Type	To
32321-2	07-11-39-02 W4M	PL	04-11-39-02 W4M
32847-1	13-01-39-02 W4M	PL	05-12-39-02 W4M
32847-2	13-01-39-02 W4M	WE	05-12-39-02 W4M
37908-3	09-03-39-02 W4M	PL	16-03-39-02 W4M
37908-4	09-03-39-02 W4M	PL	16-03-39-02 W4M
39226-1	06-02-41-03 W4M	WE	03-35-40-03 W4M
40351-7	02-11-41-03 W4M	PL	15-02-41-03 W4M
51333-1	02-10-39-02 W4M	BE	01-10-39-02 W4M
51333-2	01-10-39-02 W4M	WE	04-11-39-02 W4M
51333-3	01-10-39-02 W4M	PL	04-11-39-02 W4M
52057-6	15-32-38-01 W4M	WE	05-12-39-02 W4M
58985-1	04-35-40-03 W4M	WE	03-35-40-03 W4M
58986-1	03-34-40-03 W4M	WE	02-34-40-03 W4M
58986-2	03-34-40-03 W4M	WE	02-34-40-03 W4M
59103-8	02-34-40-03 W4M	B	06-02-41-03 W4M
59108-61	04-11-41-03 W4M	PL	04-11-41-03 W4M
59108-79	11-02-41-03 W4M	PL	14-02-41-03 W4M
59108-89	11-02-41-03 W4M	WE	11-02-41-03 W4M
59108-90	11-02-41-03 W4M	WE	11-02-41-03 W4M
59108-105	12-11-41-03 W4M	WE	11-11-41-03 W4M
59108-107	06-11-41-03 W4M	WE	11-11-41-03 W4M
59108-111	13-11-41-03 W4M	WE	11-11-41-03 W4M
59108-112	11-11-41-03 W4M	WE	11-11-41-03 W4M
59108-113	11-11-41-03 W4M	WE	11-11-41-03 W4M
59108-114	06-11-41-03 W4M	WE	11-11-41-03 W4M
59108-127	14-34-40-03 W4M	WE	10-34-40-03 W4M
59108-128	14-34-40-03 W4M	WE	02-34-40-03 W4M
59108-131	07-34-40-03 W4M	WE	07-34-40-03 W4M
59108-132	07-34-40-03 W4M	WE	07-34-40-03 W4M
59108-133	01-10-41-03 W4M	WE	16-03-41-03 W4M
59108-134	14-35-40-03 W4M	WE	06-02-41-03 W4M
59108-135	14-35-40-03 W4M	WE	06-02-41-03 W4M
59108-136	05-02-41-03 W4M	WE	06-02-41-03 W4M
59108-137	05-02-41-03 W4M	WE	06-02-41-03 W4M
59108-138	01-03-41-03 W4M	WE	05-02-41-03 W4M
59108-139	01-03-41-03 W4M	WE	05-02-41-03 W4M
59108-140	08-03-41-03 W4M	WE	01-03-41-03 W4M
59108-141	08-03-41-03 W4M	WE	01-03-41-03 W4M
59108-142	07-03-41-03 W4M	WE	08-03-41-03 W4M
59108-143	07-03-41-03 W4M	WE	08-03-41-03 W4M
59108-144	11-02-41-03 W4M	WE	06-02-41-03 W4M
59108-145	11-02-41-03 W4M	WE	06-02-41-03 W4M

Licence Line	From	From Type	To
59108-146	06-02-41-03 W4M	S	15-02-41-03 W4M
59108-152	01-10-41-03 W4M	WE	04-11-41-03 W4M
59108-153	03-11-41-03 W4M	WE	04-11-41-03 W4M
59108-154	04-11-41-03 W4M	PL	15-02-41-03 W4M
59108-155	04-11-41-03 W4M	PL	15-02-41-03 W4M
59108-156	10-02-41-03 W4M	WE	15-02-41-03 W4M
59108-157	02-11-41-03 W4M	WE	15-02-41-03 W4M
59108-158	02-11-41-03 W4M	WE	15-02-41-03 W4M
59108-159	11-11-41-03 W4M	S	04-11-41-03 W4M
59108-160	07-03-41-03 W4M	WE	07-03-41-03 W4M
59108-161	10-03-41-03 W4M	WE	07-03-41-03 W4M
59108-162	07-03-41-03 W4M	WE	07-03-41-03 W4M
59108-163	10-03-41-03 W4M	WE	07-03-41-03 W4M
59108-164	01-11-41-03 W4M	WE	02-11-41-03 W4M
59108-165	01-11-41-03 W4M	WE	02-11-41-03 W4M
59108-166	11-11-41-03 W4M	S	04-11-41-03 W4M
59108-167	14-11-41-03 W4M	WE	11-11-41-03 W4M
59108-168	14-11-41-03 W4M	WE	11-11-41-03 W4M

Facilities

Licence Number	Surface Location	Property	Facility Description
F22786	02/15-02-041-03W4	Black Creek	Main Battery Black Creek
F38222	00/02-34-040-03W4	Black Creek	Active – Willow Glenn test separator
F50428	00/01-12-041-03W4	Black Creek	Active – 100/15-06-041-02W4 SWB
F8375	00/06-02-041-03W4	Black Creek	Active – Satellite facility
F8382	00/15-02-041-03W4	Black Creek	Main Battery Black Creek
F38066	03/04-11-039-02W4	Fleeing Horse	Sat
F6800	00/05-12-039-02W4	Fleeing Horse	Main Battery Fleeing Horse

Tangibles

Field Office hardware list:

Field IS Inventory Data Capture								
District	Site	Asset Tag	Description	CI Name	Manufacturer	Asset Model	IP Address	Serial Number
Provost	Black Creek		Fire wall		Fortinet	FWF-80CM	10.210.111.1	FW80CM3912603192
Provost	Black Creek		Switch		Cisco	C3750V2	10.210.111.10	FDO1431Y0SY
Provost	Black Creek	20002929	Desktop	fiw20002929	Hewlett-Packard	HP Elitedesk Desktop PC	10.210.111.100	
Provost	Black Creek	20003022	Desktop	fiw20003022	Hewlett-Packard	HP Elitedesk Desktop PC	10.210.111.101	
Provost	Black Creek		WAP		Aruba	AP105	10.210.111.102	
Provost	Black Creek		Printer	blackcreek-opstr-hp475	Hewlett-Packard	LaserJet 400 color MFP M475dn	10.210.111.30	
Provost	Dolcy		Fire wall		Fortinet	FWF-80CM	10.210.32.1	FW80CM3910603505
Provost	Dolcy		Switch	dolcy-c3750v2	Cisco	C3750V2	10.210.32.10	FDO1638Y076
Provost	Dolcy		WAP		Aruba	AP105	10.210.32.102	
Provost	Dolcy		Printer	dolcy-opstr-hp475	Hewlett-Packard	LaserJet 400 color MFP M475dn	10.210.32.30	
Provost	Dolcy		Printer	dolcy-leadoffice-hp475	Hewlett-Packard	LaserJet 400 color MFP M475dn	10.210.32.31	
Provost	Fleeing Horse		Fire wall		Fortinet	FWF-80CM	10.210.107.1	FW80CM3914604874
Provost	Fleeing Horse		Switch		Cisco	C2960-12	10.210.107.10	FDO1542X0U7
Provost	Fleeing Horse		WAP		Aruba	AP105	10.210.107.101	
Provost	Fleeing Horse	20016029	Desktop	fiw20016029	Hewlett-Packard	HP Elitedesk Desktop PC	10.210.107.102	
Provost	Fleeing Horse		Printer	fleeinghorse-opstr-hp475	Hewlett-Packard	LaserJet 400 color MFP M475dn	10.210.107.18	
Provost	Red Lion		Fire wall		Fortinet	FWF-80CM	10.210.159.1	FW80CM3913606536
Provost	Red Lion		WAP		Aruba	AP105	10.210.159.103	
Provost	Red Lion		Printer	redlion-opstr-hp375	Hewlett-Packard	LaserJet 300 color MFP M375dn	10.210.159.17	
Saskatchewan	Fort Pitt		Fire wall		Cisco	RV180		SER173106K0
Saskatchewan	Pierceland		Fire wall					SER181007AP

Calgary Network Devices:

Switches	2
Routers	2
Barracuda Backup	1
Fortinet Fire Wall	1
Lenovo Server	1

THE FOLLOWING COMPRISES SCHEDULE “C” ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED THE 17TH DAY OF JULY, 2020 BETWEEN BOW RIVER ENERGY LTD. AND 2270943 ALBERTA LTD.

Preferential Purchase Rights

Interest Type	Contract	Agreement Name	Lands	Rights Details	Preferential Interest Holder
Receivable Royalty	C00005 (A)	Royalty Agreement dated April 1, 1983	TWP 040 RGE 07 W4M SEC 15 TWP 040 RGE 07 W4M NW 32; LSD 9, 10, 15, PTN 16 (B,C,D) SEC 32	2% payable on 37.5% production all substances	Alpha Bow 100%
Receivable Royalty	C00005 (B)	Royalty Agreement dated April 1, 1983	TWP 040 RGE 07 W4M SEC 34	2% payable on 37.5% production all substances	Bonavista 24.22%
Receivable Royalty	C00005 (F)	Royalty Agreement dated April 1, 1983	TWP 038 RGE 02 W4M SEC 12	2% payable on 40% production all substances	Bonavista 100%
Receivable Royalty	C00005 (G)	Royalty Agreement dated April 1, 1983	TWP 039 RGE 08 W4M S 22, S & NW 23, LSD 10 SEC 23, SEC 24; TWP 039 RGE 08 W4M SEC 23	2% payable on 25% production all substances	Prairie Provident 100%
Receivable Royalty	C00005 (H)	Royalty Agreement dated April 1, 1983	TWP 040 RGE 06 W4M N 9, 16	2% payable on 75% production all substances	Bonavista 100%
Receivable Royalty	C00039 (A)	Pooling & Farmout Agreement dated July 25, 1994	TWP 036 RGE 26 W3M 22	12.5% payable on 100% of Gas substances	Teine Heavy Oil 100%

THE FOLLOWING COMPRISES SCHEDULE “D” ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED THE 17TH DAY OF JULY, 2020 BETWEEN BOW RIVER ENERGY LTD. AND 2270943 ALBERTA LTD.

THIS GENERAL CONVEYANCE made as of this ____ day of _____, 2020.

BETWEEN:

BOW RIVER ENERGY LTD. (hereinafter referred to as “**Vendor**”)

- and -

2270943 ALBERTA LTD., a corporation incorporated under the laws of the Province of Alberta (hereinafter referred to as “**Purchaser**”)

WHEREAS pursuant to an order of the Honourable Madam Justice A.D. Grosse of the Alberta Court of Queen’s Bench (the “**Court**”) dated June 1, 2020 (as amended and restated June 10, 2020) under Court Action Number 2001-06997 (the “**CCAA Order**”), Vendor was granted relief under the provisions of the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) and, inter alia, BDO Canada Limited was appointed as monitor (the “**Monitor**”) of Vendor under the CCAA Proceedings;

AND WHEREAS Vendor wishes to sell, and Purchaser wishes to purchase, the Assets subject to and in accordance with the terms and conditions contained herein;

NOW THEREFORE for the consideration provided in the Purchase Agreement and in consideration of the premises hereto and the covenants and agreements hereinafter set forth and contained, the Parties covenant and agree as follows:

1. Definitions

In this General Conveyance, including the recitals hereto, the definitions set forth in the Purchase Agreement are adopted herein by reference and, in addition:

“**Purchase Agreement**” means that Asset Purchase Agreement dated July 17, 2020 between Vendor and Purchaser.

2. Conveyance

Pursuant to and for the consideration provided for in the Purchase Agreement, Vendor hereby sells, assigns, transfers, conveys and sets over to Purchaser the entire right, title, estate and interest of Vendor in and to the Assets, to have and to hold the same absolutely, together with all benefit and advantage to be derived therefrom.

3. Subordinate Document

This General Conveyance is executed and delivered by the Parties pursuant to the Purchase Agreement and the provisions of the Purchase Agreement shall prevail in the event of a conflict between the provisions of the Purchase Agreement and the provisions of this General Conveyance.

4. No Merger

The covenants, representations, warranties and indemnities contained in the Purchase Agreement are incorporated herein as fully and effectively as if they were set out herein and there shall be no merger of any covenant, representation, warranty or indemnity contained in the Purchase Agreement by virtue of the execution and delivery hereof, any rule of law, equity or statute to the contrary notwithstanding.

5. Governing Law

This General Conveyance shall be subject to and interpreted, construed and enforced in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Agreement.

6. Enurement

This General Conveyance shall be binding upon and shall enure to the benefit of each of the Parties and their respective administrators, trustees, receivers, successors and assigns.

7. Further Assurances

Each Party will, from time to time and at all times hereafter, at the request of the other Party but without further consideration, do all such further acts and execute and deliver all such further documents as shall be reasonably required in order to fully perform and carry out the terms hereof.

8. Counterpart Execution

This Agreement may be executed in counterpart and by facsimile or other electronic means and all such executed counterparts together shall constitute one and the same agreement.

IN WITNESS WHEREOF the Parties have executed this General Conveyance on the date first above written.

BOW RIVER ENERGY LTD.

2270943 ALBERTA LTD.

Per: _____
[Name]
[Title]

Per: _____
[Name]
[Title]

THE FOLLOWING COMPRISES SCHEDULE “E” ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED THE 17TH DAY OF JULY, 2020 BETWEEN BOW RIVER ENERGY LTD. AND 2270943 ALBERTA LTD.

[VENDOR’S][PURCHASER’S] OFFICER’S CERTIFICATE

TO: [Name of Vendor/Purchaser] [(the “Vendor”)] [(the “Purchaser”)]

RE: Asset Purchase Agreement dated July 17, 2020 between Vendor and Purchaser (the “Agreement”)

Unless otherwise defined herein, the definitions provided for in the Agreement are adopted in this certificate (the “Certificate”).

I, [Name], [Position] of [Name of Vendor/Purchaser] [(the “Vendor”)] [(the “Purchaser”)] hereby certify that as of the date of this Certificate:

9. Each of the covenants, representations and warranties of the [Vendor][Purchaser] contained in Article 4 of the Agreement were true and correct in all material respects when made and remain true and correct in all material respects up to the Closing Time.
10. All obligations of [Vendor] [Purchaser] contained in the Agreement to be performed prior to or at Closing have been timely performed in all material respects.
11. This Certificate is made for and on behalf of the [Vendor] [Purchaser] and is binding upon it, and I am not incurring, and will not incur, any personal liability whatsoever with respect to it.
12. This Certificate is made with full knowledge that the [Vendor] [Purchaser] is relying on the same for the Closing of the Transaction.

IN WITNESS WHEREOF I have executed this Certificate this ___ day of _____, 2020.

[NAME OF VENDOR/PURCHASER]

Per: _____

Name

Title

THE FOLLOWING COMPRISES SCHEDULE “F” ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED THE 17TH DAY OF JULY, 2020 BETWEEN BOW RIVER ENERGY LTD. AND 2270943 ALBERTA LTD.

VESTING ORDER

To be scheduled.

THE FOLLOWING COMPRISES SCHEDULE “G” ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED THE 17TH DAY OF JULY, 2020 BETWEEN BOW RIVER ENERGY LTD. AND 2270943 ALBERTA LTD.

As Scheduled to the Stalking Horse APA as attached as Exhibit “E” to the Third Affidavit of Daniel G. Belot, sworn July 17, 2020

THE FOLLOWING COMPRISES SCHEDULE “H” ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED THE 17TH DAY OF JULY, 2020 BETWEEN BOW RIVER ENERGY LTD. AND 2270943 ALBERTA LTD.

As Scheduled to the Stalking Horse APA as attached as Exhibit “E” to the Third Affidavit of Daniel G. Belot, sworn July 17, 2020

THE FOLLOWING COMPRISES SCHEDULE “I” ATTACHED TO AND FORMING PART OF AN ASSET PURCHASE AGREEMENT DATED THE 17TH DAY OF JULY, 2020 BETWEEN BOW RIVER ENERGY LTD. AND 2270943 ALBERTA LTD.

Contracts

PROCESSING CONTRACTS

Agreement Date	Agreement Description	Area	Processor Name	Producer Name
01-Apr-19	Fuel Gas, Compression and Transport Agreement	Fleeing Horse	Westlake Energy Corp.	Bow River Energy
01-Apr-19	Gas Handling Agreement	Provost Area	Surge Energy Inc.	Bow River Energy

MARKETING CONTRACTS

Agreement Date	Marketing Agreement Type	Area	Buyer Name	Seller Name
01-Jan-18	Oil Sales	Fleeing Horse	Flint Hills Resources Canada LP	Bow River Energy
01-Jun-19	Oil Sales	Black Creek	Repsol Canada Energy Partnership	Bow River Energy
01-Aug-17	Fuel Gas Purchase	Fleeing Horse	Bow River Energy	Natural Gas Co-op 52 Ltd.

WELL INJECTION CONTRACTS

Agreement Date	Agreement Name	Area	Grantor	Grantee
01-Jan-19	Service Well Agreement	Provost Area	Heritage Royalty Resource Corp.	Bow River Energy

SEISMIC LICENSE AGREEMENT

Agreement Date	Agreement Name	Area	Licensor	Licensee
16-May-17	Seismic Licence Agreement	Provost Area	Husky Oil Operations	Bow River Energy

AMENDING AGREEMENT TO ASSET PURCHASE AGREEMENT

THIS AMENDING AGREEMENT made as of the 23rd day of July, 2020.

BETWEEN:

BOW RIVER ENERGY LTD., a corporation incorporated under the laws of the Province of Alberta (hereinafter referred to as “**Vendor**”)

- and -

2270943 ALBERTA LTD., a corporation incorporated under the laws of the Province of Alberta (hereinafter referred to as “**Purchaser**”)

WHEREAS Vendor and Purchaser (collectively, the “**Parties**”) entered into an asset purchase agreement dated July 17, 2020 (the “**Asset Purchase Agreement**”);

AND WHEREAS Vendor and Purchaser desire to amend the Asset Purchase Agreement as set forth herein.

NOW THEREFORE, THIS AGREEMENT WITNESSETH in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Definitions.** Capitalized terms used herein, including the recitals hereto, shall have the meanings ascribed thereto in the Asset Purchase Agreement, as amended, unless otherwise defined herein.
2. **Amendment.** Effective as of the date of this Amending Agreement, the Parties agree to amend the Asset Purchase Agreement as follows:
 - (a) Schedule B. The section entitled “Wells” of Schedule “B” to the Asset Purchase Agreement shall be deleted in its entirety and be replaced with Exhibit “I” attached hereto; and
 - (b) Schedule B. The section entitled “Facilities” of Schedule “B” to the Asset Purchase Agreement shall be deleted in its entirety and be replaced with Exhibit “II” attached hereto.
3. **Continuing Effect.** Each of the Parties acknowledges and agrees that the Asset Purchase Agreement, as amended by this Amending Agreement, shall be and continues in full force and effect and is hereby confirmed.


4. **Further Assurances.** Each Party covenants and agrees that, from time to time, it will, at the request of the requesting Party, execute and deliver all such documents and do all such other acts and things as the other Party, acting reasonably, may from time to time request be executed or done in order to better evidence or give effect to any provision of this Amending Agreement or any of the respective obligations intended to be created hereby.
5. **Governing Law.** This Amending Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein. Each of the Parties irrevocably attorns to the jurisdiction of the courts of the Province of Alberta in respect of all matters arising under or in relation to this Amending Agreement.
6. **Enurement.** This Amending Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.
7. **Counterparts.** This Amending Agreement may be executed in one or more counterparts, each of which will be deemed an original instrument, and all counterparts together will constitute one agreement. Signature pages from separate counterparts may be faxed or sent by other electronic means (such as an email exchange of pdf, tif or similar files).

[Remainder of page intentionally left blank – Signature page follows]

IN WITNESS WHEREOF the Parties have duly executed this Amending Agreement as of the date first written above.

BOW RIVER ENERGY LTD.

2270943 ALBERTA LTD.

Per: 
Daniel Belot, Vice President Finance
& CFO

Per: _____
Randy Eresman, President

IN WITNESS WHEREOF the Parties have duly executed this Amending Agreement as of the date first written above.

BOW RIVER ENERGY LTD.

2270943 ALBERTA LTD.

Per: _____

/ Daniel Belot, Vice President Finance
& CFO

Per: _____


Randy Eresman, President

EXHIBIT “I”

New Section “Wells” of Schedule “B” to the Asset Purchase Agreement

Wells

UWI Bottom Hole	Licence #
100/10-11-041-03W4/0	0036605
100/06-11-041-03W4/0	0036892
100/08-03-041-03W4/0	0040056
100/10-34-040-03W4/0	0046952
100/05-11-041-03W4/0	0065644
100/11-02-041-03W4/0	0065768
100/05-02-041-03W4/0	0065769
100/13-02-041-03W4/0	0065770
100/03-11-041-03W4/0	0065771
100/09-03-041-03W4/0	0067002
100/06-02-041-03W4/3	0090589
100/06-02-041-03W4/0	0090589
100/06-02-041-03W4/2	0090589
1F1/06-11-041-03W4/0	0107112
100/04-35-040-03W4/0	0108079
102/02-11-041-03W4/0	0119576
103/03-11-041-03W4/0	0119579
103/04-11-041-03W4/0	0119580
102/05-02-041-03W4/0	0119593
102/12-02-041-03W4/0	0119594
102/10-02-041-03W4/0	0119596
104/05-11-041-03W4/0	0120119
103/01-10-041-03W4/0	0128095
103/05-11-041-03W4/0	0129794
102/05-11-041-03W4/0	0129795
100/13-11-041-03W4/0	0149723
102/11-11-041-03W4/0	0152360
100/12-11-041-03W4/0	0152361
102/06-11-041-03W4/0	0153256
1A0/12-11-041-03W4/2	0154636
1A0/12-11-041-03W4/0	0154636
1B0/12-11-041-03W4/0	0154637
102/06-02-041-03W4/0	0155959
100/03-02-041-03W4/2	0155960
100/03-02-041-03W4/0	0155960
102/11-02-041-03W4/0	0155983

103/06-11-041-03W4/0	0156001
100/09-26-039-02W4/0	0156003
103/05-02-041-03W4/0	0156004
102/10-11-041-03W4/0	0156006
104/05-02-041-03W4/0	0156050
102/15-34-040-03W4/2	0158328
102/15-34-040-03W4/0	0158328
104/06-11-041-03W4/0	0158696
103/10-11-041-03W4/0	0158726
100/10-26-039-02W4/0	0159003
100/08-26-039-02W4/0	0159005
102/07-26-039-02W4/0	0159006
104/03-11-041-03W4/0	0159265
103/11-02-041-03W4/0	0159631
105/03-02-041-03W4/0	0159701
104/04-02-041-03W4/0	0160247
102/10-34-040-03W4/0	0162595
103/06-02-041-03W4/2	0166665
103/06-02-041-03W4/0	0166665
102/08-03-041-03W4/2	0180849
102/08-03-041-03W4/0	0180849
102/09-03-041-03W4/0	0181223
104/15-11-041-03W4/0	0181430
103/15-11-041-03W4/0	0181431
105/10-11-041-03W4/3	0181432
105/10-11-041-03W4/0	0181432
105/10-11-041-03W4/2	0181432
100/05-12-039-02W4/0	0187077
103/05-12-039-02W4/0	0192173
100/04-12-039-02W4/0	0192174
102/04-12-039-02W4/0	0192175
104/04-12-039-02W4/0	0194356
103/04-12-039-02W4/0	0194424
100/03-12-039-02W4/0	0194425
106/05-11-041-03W4/0	0202862
100/16-02-039-02W4/0	0203743
100/01-03-041-03W4/0	0204260
102/01-03-041-03W4/2	0204263
102/01-03-041-03W4/0	0204263
103/09-03-041-03W4/0	0204388
104/09-03-041-03W4/0	0204388
106/09-03-041-03W4/2	0206298
106/09-03-041-03W4/0	0206298

103/07-03-041-03W4/2	0206987
103/07-03-041-03W4/0	0206987
100/07-03-041-03W4/0	0206989
103/08-26-039-02W4/0	0207864
100/01-11-039-02W4/0	0208418
102/16-02-039-02W4/0	0208509
100/09-02-039-02W4/2	0208523
100/09-02-039-02W4/0	0208523
103/16-02-039-02W4/0	0208525
102/02-11-039-02W4/0	0211439
102/09-26-039-02W4/0	0211655
100/04-11-039-02W4/0	0216518
100/13-01-039-02W4/2	0218721
100/13-01-039-02W4/0	0218721
102/04-11-039-02W4/0	0221869
100/03-11-039-02W4/0	0223589
102/03-11-039-02W4/0	0223679
100/06-11-039-02W4/0	0224094
103/04-11-039-02W4/2	0224294
103/04-11-039-02W4/0	0224294
100/01-10-039-02W4/0	0224374
102/13-01-039-02W4/0	0224457
107/16-02-039-02W4/2	0224458
107/16-02-039-02W4/0	0224458
104/03-11-039-02W4/0	0224504
103/03-11-039-02W4/0	0224843
100/15-03-039-02W4/0	0225253
100/14-03-039-02W4/0	0225254
100/15-02-039-02W4/0	0226096
102/15-02-039-02W4/0	0226143
103/15-02-039-02W4/0	0226144
100/12-01-039-02W4/0	0227427
100/02-10-039-02W4/0	0227493
102/02-10-039-02W4/0	0235555
105/04-12-039-02W4/0	0239319
103/02-10-039-02W4/0	0242435
104/02-10-039-02W4/0	0242436
100/05-35-040-03W4/0	0245428
100/09-03-039-02W4/0	0255704
102/06-35-040-03W4/0	0269447
102/02-35-040-03W4/0	0269470
103/03-35-040-03W4/0	0269644
100/12-35-040-03W4/2	0269815

100/12-35-040-03W4/0	0269815
102/06-12-039-02W4/0	0270776
100/09-34-040-03W4/0	0302453
104/14-34-040-03W4/2	0302470
104/14-34-040-03W4/0	0302470
102/07-34-040-03W4/0	0302479
102/12-35-040-03W4/0	0302483
100/15-34-040-03W4/0	0302528
100/08-34-040-03W4/0	0303348
102/13-29-038-01W4/0	0334433
100/11-29-038-01W4/0	0334535
103/03-34-040-03W4/0	0363262
104/07-03-041-03W4/2	0364883
104/07-03-041-03W4/0	0364883
104/03-34-040-03W4/0	0364885
102/10-03-041-03W4/0	0365723
102/10-03-041-03W4/2	0365723
102/12-22-040-01W4/0	0367960
103/14-11-041-03W4/0	0380183
102/11-35-040-03W4/0	0396869
100/05-02-039-02W4/0	0400386
100/10-02-039-02W4/0	0400477
100/13-02-039-02W4/0	0402784
104/15-03-039-02W4/0	0402936
104/07-11-041-03W4/0	0403099
103/09-03-039-02W4/0	0403145
104/11-11-041-03W4/0	0414732
100/06-14-041-03W4/0	0414747
100/10-06-041-02W4/0	0416303
106/07-11-041-03W4/2	0431277
103/01-11-041-03W4/0	0431277
102/06-14-041-03W4/0	0433658
103/06-14-041-03W4/0	0433696
100/15-06-041-02W4/2	0486475
100/13-06-041-02W4/0	0486475
100/14-06-041-02W4/3	0486475
100/14-06-041-02W4/4	0486475
105/03-11-039-02W4/0	0486661
102/14-04-039-02W4/0	0489605
100/13-03-039-02W4/0	0495392
105/04-11-039-02W4/0	0495393
107/03-11-039-02W4/0	0495394

EXHIBIT “II”

New Section “Facilities” of Schedule “B” to the Asset Purchase Agreement

Facilities

Licence Number	Surface Location	Property	Facility Description
F22786	02/15-02-041-03W4	Black Creek	Main Battery Black Creek
F38222	00/02-34-040-03W4	Black Creek	Active – Willow Glenn test separator
F50428	00/01-12-041-03W4	Black Creek	Active – 100/15-06-041-02W4 SWB
F8375	00/06-02-041-03W4	Black Creek	Active – Satellite facility
F8382	00/15-02-041-03W4	Black Creek	Main Battery Black Creek
F8395	00/11-11-041-03W4	Black Creek	Abandoned Facility
F26091	00/09-03-039-02W4	Fleeing Horse	Abandoned Facility
F38066	03/04-11-039-02W4	Fleeing Horse	Sat
F6784	00/09-02-039-02W4	Fleeing Horse	
F6800	00/05-12-039-02W4	Fleeing Horse	Main Battery Fleeing Horse