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COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT ORPHAN WELL ASSOCIATION

DEFENDANT BOW RIVER ENERGY LTD.

DOCUMENT **THIRD REPORT OF BDO CANADA LIMITED,  
IN ITS CAPACITY AS RECEIVER AND MANAGER OF  
BOW RIVER ENERGY LTD.**

**DECEMBER 6, 2021**

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**THIRD REPORT OF THE RECEIVER AND MANAGER  
BDO CANADA LIMITED  
DECEMBER 6, 2021**

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## **INTRODUCTION**

1. On June 1, 2020, upon the application by Bow River Energy Ltd. (“**Bow River**” or the “**Company**”), an Alberta based oil and gas company with assets in Alberta and Saskatchewan, to the Court of Queen’s Bench of Alberta (the “**Court**”) pursuant to the *Companies Creditors Arrangement Act*, RSC 1985 c. C-36, as amended (the “**CCAA**”), the Honourable Madam Justice A. D. Grosse granted an initial order (the “**CCAA Initial Order**”).
2. Pursuant to the CCAA Initial Order, the Court appointed BDO Canada Limited (“**BDO**”) as monitor (the “**Monitor**”) in the CCAA proceedings (the “**CCAA Proceedings**”) and granted Bow River certain relief including but not limited to the imposition of an initial stay of proceedings (the “**Stay**”) in favour of the Company and its assets through to June 11, 2020.
3. On June 10, 2020, the Court granted an *Amended and Restated CCAA Initial Order* which included certain relief, *inter alia*:
  - a. an extension of the Stay through to July 31, 2020; and
  - b. the approval of a super-priority afforded to the Administration Charge and the Director’s Charge as against the property, assets and undertakings of the Company (the “**Assets**”) as follows:
    - i. Administration Charge (\$300,000) – first ranking; and
    - ii. Directors’ Charge (\$400,000) – second ranking.
4. On July 24, 2020, the Court granted two Orders as follows:
  - a. an Order:
    - i. further extending the Stay to October 16, 2020;
    - ii. approving a settlement agreement entered into between the Company and Husky Oil Operations Limited (the “**Husky Settlement**”); and

- iii. approving an interim financing agreement (the “**Interim Facility**”) with 2270943 Alberta Ltd. (“**227**”) and the granting of a charge against the Assets to a maximum of \$1.1 Million in relation to borrowings thereunder (the “**Interim Lender’s Charge**”) ranking immediately behind the Administration Charge; and
  - b. an Order:
    - i. approving a sales and investment solicitation process (the “**SISP**”) and the engagement of Sayer Energy Advisors (“**Sayer**”) to administer same;
    - ii. approving an asset purchase and sale agreement between Bow River and 227 in respect of certain of Bow River’s assets as a stalking horse offer (the “**Stalking Horse APA**”) in conjunction with the SISP; and
    - iii. the sealing of certain materials filed in respect of the July 24<sup>th</sup> Application.
5. Bow River in cooperation with Sayer and the Monitor carried out the sales process in accordance with the SISP, which included marketing all of Bow River’s assets from July 24, 2020 until August 24, 2020.
6. As a result of Sayer's efforts, 52 parties executed confidentiality agreements and gained access to the data room and fourteen parties submitted offers by the August 24, 2020 deadline, one party submitted a late offer on the evening of August 24, 2020 that was accepted into the process.
7. In total, the SISP resulted in offers on 98% and 95% of Bow River's producing properties in Alberta and Saskatchewan respectively, but would have resulted in a number of environmental liabilities being unaddressed. No offers were received that constituted a Superior Bid (as defined in the SISP) to the Stalking Horse APA.

8. On September 10, 2020, the Company met with and presented the Alberta Energy Regulator (the “**AER**”) and the Orphan Well Association (the “**OWA**”) with a summary of the offers received for certain of the Company’s assets located in Alberta arising from the SISP, explained which offers the Company intended to pursue by way of three separate transactions including the Stalking Horse APA (the “**Alberta Proposal**”) and discussed what environmental liabilities would remain as a result. At that time, the AER raised several concerns with the Alberta Proposal including the Stalking Horse APA.
9. Subsequent to that date, there were numerous communications and discussions amongst the Company, 227, the AER and the OWA.
10. On September 21, 2020, the AER advised that it would object for various reasons to an application by Bow River seeking approval of the Stalking Horse APA.
11. On September 29, 2020, counsel for Bow River wrote to the Saskatchewan Minister of Energy and Resources (the “**MER**”) to outline the following:
  - a. the parameters of the offers received for certain of Bow River’s assets located in Saskatchewan through the SISP that the Company considered potentially viable subject to certain financial concessions being made;
  - b. the Company’s status vis a vis the AER and the OWA; and
  - c. the financial position of the Company.
12. On October 2, 2020, the Company, the AER, the OWA and the Monitor participated in a call to discuss a path forward in respect of care and custody of all of the Company’s assets located in Alberta in light of the Company being unable to move the Alberta Proposal forward and the Company’s dissipating financial position. At the conclusion of the discussion, the AER advised that it required formal notification of the Company’s intentions prior to being able to formulate its position. At that time, all parties agreed that the Company’s upcoming application to seek a short extension of the Stay through to October 30, 2020 was appropriate in the circumstances.

13. On October 6, 2020, the Court granted an Order further extending the Stay to October 30, 2020.
14. On October 13, 2020, the Saskatchewan Ministry of Justice and Attorney General wrote to the Company advising that the MER would not be able to support any potential transaction in respect of Saskatchewan assets arising from the SISP in light of the concessions required in respect of the offers not being agreeable to the SER.
15. On October 15, 2020, Bow River's counsel wrote to the AER, the OWA, the MER and Indian Oil and Gas Canada, advising of the following:
  - a. that the decision of the AER and the OWA to not support the Alberta Proposal had left the Company in a difficult situation;
  - b. the Company did not have the financial resources available to administer a further sales process or to attempt to consummate any transactions in Saskatchewan;
  - c. efforts to source alternative funding have been exhausted;
  - d. the Company would be forced to cease operations on October 29, 2020;
  - e. the Company would continue to maintain care and custody of its assets in the interim period through to October 29, 2020; and
  - f. the Company would continue to work cooperatively with the AER, the OWA and the MER in respect of a transition plan in respect of its assets.
16. On October 28, 2020, the MER made application to the Court of Queen's Bench For Saskatchewan (the "**Saskatchewan Court**") for the appointment of a receiver and manager over the Company's asset, undertakings and properties located in Saskatchewan (the "**Saskatchewan Assets**"), pursuant to which an Order was granted appointing BDO as the receiver and manager of the Saskatchewan Assets (the "**Saskatchewan Proceedings**").

17. On October 29, 2020, the Company made an application to the Court seeking the following relief:
  - a. approval to repay the outstanding balance of approximately \$264,000 due to 227 under the Interim Facility that was utilized to facilitate with the Husky Settlement. With the support of the Monitor and the agreement of the AER and the OWA, on October 29, 2020 the Court granted an Order authorizing the Company's repayment of the Interim Facility; and
  - b. the discharge of the Monitor and the termination of the CCAA proceedings upon the filing of a Certificate by the Monitor (the "**Monitor's Certificate**"). On October 29, 2020, the Court granted an Order discharging the Monitor. The Monitor executed the Monitor's Certificate on November 9, 2020.
18. On October 29, 2020, the OWA made application to the Court for the appointment of a receiver and manager over the Company's current and future asset, undertakings and properties of any kind located in Alberta (the "**Alberta Assets**"), pursuant to which an Order was granted appointing BDO as the receiver and manager of the Alberta Assets (the "**Alberta Proceedings**").
19. On November 23, 2020, the Receiver filed a report with the Court (the "**First Report**") in advance of its application seeking the Court's approval of the sales solicitation process as proposed by the Receiver in respect of the Alberta Assets (the "**SSP**") and the engagement of Sayer as its sales agent (the "**Sales Agent**") to administer the SSP.
20. On December 2, 2020, the Court granted an order approving the SSP and the engagement of Sayer as the Sales Agent (the "**SSP Order**").
21. On April 19, 2021, the Receiver prepared its second report (the "**Second Report**") and a Confidential Supplement to the Second Report (the "**April 19<sup>th</sup> Confidential Supplement**") in support of its application seeking approval of five transactions (the "**Initial Transactions**") resulting from the SSP.

22. On April 26, 2021, this Honourable Court granted the following Orders:
- a. five Approval and Vesting Orders approving each of the Initial Transactions; and
  - b. an Order providing the following relief:
    - i. the sealing of the April 19<sup>th</sup> Confidential Supplement until the discharge of the Receiver;
    - ii. approval of the Receiver’s actions as reported in the Second Report; and
    - iii. approval of the interim fees of the Receiver and its legal counsel Bennett Jones LLP (“**Bennett Jones**”) rendered since the commencement of the Alberta Proceedings (the “**Initial Interim Fees**”).
23. References to (the “**Receiver**”) shall collectively refer to BDO in its capacities as receiver and manager in both the Alberta Proceedings and the Saskatchewan Proceedings.

### **PURPOSE**

24. The purpose of this report (the “**Third Report**”) is to provide this Honourable Court with:
- a. an update as to the status of the Initial Transactions;
  - b. an overview of four additional *Asset Purchase and Sale Agreements* which the Receiver has now entered into arising from the SSP (the “**Subsequent PSA’s**”);
  - c. the details of a further sealing order being sought in respect of the Receiver’s Confidential Supplement to the Third Report dated December 6, 2021 (the “**December 6<sup>th</sup> Confidential Supplement**”);
  - d. background information in relation to the Receiver’s request for a limited discharge in respect of Bow River’s remaining Alberta Assets that are not the subject of the Subsequent Transactions;



- e. an updated interim Statement of Receipts and Disbursements;
- f. details of the further interim fees and disbursements incurred by the Receiver and its legal counsel; and
- g. the Receiver's recommendations in respect of the foregoing as appropriate.

#### **TERMS OF REFERENCE AND DISCLAIMER**

25. In preparing this Third Report, the Receiver has relied upon unaudited financial information, discussions with former Company employees and contract staff, available books and records of the Company, information provided by the Receiver's legal counsel and discussions with and information provided by Veracity Energy Services Inc. ("**Veracity**"), the Receiver's operational consultant (collectively referred to as the "**Information**"). The Receiver has not performed an audit, review or otherwise attempted to verify the accuracy or completeness of the Information.

#### **SALE SOLICITATION PROCESS UPDATE**

26. As set out in detail in paragraphs 24 to 28 of the Second Report, the Receiver, in conjunction with its sales advisor, Sayer Energy Advisors ("**Sayer**"), administered the SPP commencing December 2020 giving rise to the Initial Transactions.
27. Two of the Initial Transactions have fully closed; however, final statements of adjustments (the "**FSOA's**") have not yet been completed in respect of the other three Initial Transactions. This is primarily the result of delays on the part of the principal utility supplier in providing invoices to enable the Receiver and Veracity to finalize the FSOA's. In light of the Receiver receiving several months of production revenues from the properties subject to the Initial Transactions after the respective effective dates, the Receiver anticipates that the FSOA's will reflect credits in favour of the purchasers totalling upwards of \$2.0 million.

28. As was set out in the Second Report, the Receiver and Sayer were at that time continuing to have discussions and negotiations with several other parties in order to attempt to maximize value to stakeholders and to minimize the number of Alberta Assets that may eventually become orphaned. These negotiations have resulted in the Receiver entering into the Subsequent PSA's. As a result, the Receiver considers it appropriate to seek the Court's approval of the Subsequent PSA's and the transactions contemplated therein (the "**Subsequent Transactions**").
29. A high-level summary of the Subsequent Transactions, the identities of the four purchasers (the "**Subsequent Purchasers**"), and the general nature and location of the respective subject assets, is as follows:
- *Asset Purchase and Sale Agreement ("PSA")* Tallahassee Exploration Inc. – offer for Bow River's interests in 75 operated wells and nine facilities in the Amisk area;
  - PSA with Erdol Resources Corp. – offer for Bow River's interests in 74 operated wells and three facilities in the Dolcy area;
  - PSA with Silverleaf Resources Inc. – offer for Bow River's interests in one operated well and one facility in the Hayter area; and
  - PSA with Ghost River Resources Inc. – offer for Bow River's interests in one operated well and one facility in the Misty area.
30. Copies of the Subsequent PSA's with the purchase prices redacted are attached hereto as **Appendices "A" to "D"** of this Third Report and unredacted copies will be provided to the Court in the December 6<sup>th</sup> Confidential Supplement.
31. The Receiver has been actively involved with Sayer in reviewing, negotiating and finalizing the terms of the Subsequent Transactions. The OWA and the AER have also been consulted with by the Receiver, and/or by the respective Subsequent Purchasers, where appropriate.

**RECEIVER'S ANALYSIS OF SUBSEQUENT TRANSACTIONS**

32. In the circumstances, the Receiver believes that the Subsequent Transactions are in the best interest of all stakeholders and recommends approval of same for the following reasons:

- the Subsequent Transactions were generated as a result of the SSP, which was approved by this Court pursuant to the SSP Order;
- Sayer is regarded as a well-respected sales advisor in the marketplace and has executed many engagements on behalf of receivers;
- the Alberta Assets were widely marketed by Sayer during both the SSP and the SISP administered during the CCAA Proceedings;
- the Receiver and Sayer have undertaken an extensive negotiation process with the Subsequent Purchasers and the Receiver considers the cash proceeds to be realized from the Subsequent Transactions to be the best price available;
- the AER advises that there remains a total of approximately \$23.2 million of abandonment and reclamation liabilities attributable to the Alberta Assets in accordance with the Licensee Liability Rating program. In addition to the cash consideration, the consummation of the Subsequent Transactions will result in the Subsequent Purchasers assuming responsibility for the related abandonment and reclamation cost associated with the wells, facilities, and pipelines being purchased, estimated to total approximately \$10.3 million;
- The Receiver understands that the OWA is supportive of the Subsequent Transactions. If the Subsequent Transactions are not approved, it is likely that the associated liabilities would otherwise ultimately become the responsibility of the OWA;

- The Subsequent Transactions are not subject to any material conditions other than Court approval, vesting free and clear of encumbrances, excluding any permitted encumbrances, and the AER's approval of the license transfers;
- The Receiver is of the view that the Subsequent Transactions were negotiated in good faith and are commercially reasonable in the circumstances; and
- The Receiver considers that there has been no unfairness arising from the SSP.

### **SEALING ORDER**

33. The Receiver is seeking a sealing order in respect of the December 6<sup>th</sup> Confidential Supplement as it contains confidential information regarding the Subsequent Transactions and the Subsequent PSA's, including the cash purchase prices. The Receiver is of the view that this information is commercially sensitive, and if disclosed before the Subsequent Transactions close, the Receiver's ability to potentially remarket the respective Alberta Assets may be significantly prejudiced. As a result, the Receiver respectfully seeks the sealing of the Confidential Supplement until the discharge of the Receiver is fully effective (the "**Receiver's Discharge**").

### **LIMITED DISCHARGE FOR REMAINING PROPERTIES**

34. As described in the First Report, the Receiver and Sayer undertook significant efforts during the SSP to market the Alberta Assets. Notwithstanding the Receiver's extensive efforts spanning an eleven-month period, which followed a previous marketing process administered by way of the SISP during the CCAA Proceedings, there are Alberta Assets remaining for which there is no interest, comprising:

- a. 262 well licenses held by Bow River;
- b. 217 pipeline licenses held by Bow River;
- c. 27 facility licenses held by Bow River; and
- d. 175 well licenses in which Bow River holds a non-operating working interest (collectively, the "**Remaining Alberta Assets**").

35. As of the date of this Third Report, the Receiver does not anticipate concluding any further transactions in respect of the Remaining Alberta Assets and considers the SSP effectively completed. However, the Receiver continues to incur ongoing costs associated with the Remaining Alberta Assets, including insurance and ongoing field inspection costs.
36. The Receiver has had discussions with the AER and the OWA regarding the orderly transfer and transition of the Remaining Alberta Assets to the AER. In particular, the process that has been proposed by the Receiver is to obtain a limited discharge (the “**Limited Discharge Order**”) with respect to the Remaining Alberta Assets such that the Receiver would be permitted to deliver a Receiver’s Certificate for tranches of the Remaining Alberta Assets to the AER for which the limited discharge would then apply. The AER and OWA have confirmed that they do not object to the Receiver seeking such a Limited Discharge Order.
37. A Limited Discharge Order would allow the Receiver to work with the AER and the OWA to transfer the care and custody of the Remaining Alberta Assets in a coordinated and orderly manner while allowing some flexibility in the event any third parties wish to acquire any of Bow River’s interests in the Remaining Alberta Assets. Similarly, a Limited Discharge Order will afford the Receiver certain flexibility to continue to administer and pursue funding under the Alberta Government’s Site Rehabilitation Program (the “**SRP**”), which provides grants for the purpose of carrying out abandonment and reclamation activities to address environmental liabilities.
38. Accordingly, the Receiver respectfully seeks from this Honourable Court a Limited Discharge Order in substantially the form as attached as **Appendix “E”** hereto.

**ADMINISTRATIVE STATUS UPDATE**

39. As noted, earlier in this Third Report, the Receiver continues to work towards the completion of the FSOA's in respect of the Initial Transactions.
40. The Receiver, with the approval of the OWA, has entered into agreements with Vertex Professional Services Ltd. and Sunkay Waptan Environmental Ltd. as its contractors to perform well, pipeline, and oil and gas site closure and reclamation work in respect of funds made available to Bow River through the SRP. The Receiver anticipates that this process will be ongoing for several months yet.
41. The Receiver is in the process of preparing the necessary filings under the *Greenhouse Gas Pollution Pricing Act*.
42. As previously set out in the Second Report, the Saskatchewan Court granted a Distribution and Discharge of Receiver Order on March 29, 2021 providing for, *inter alia*:
  - i. the Receiver's immediate discharge in respect of the remaining Saskatchewan Assets that were not the subject of sales consummated by the Receiver;
  - ii. the full discharge of the Receiver on the filing of a Receiver's Certificate with the Saskatchewan Court upon the completion of all incidental duties associated with the Saskatchewan Proceedings; and
  - iii. the ultimate distribution of any residual funds available from the Saskatchewan Proceedings to the MER, unless an application objecting thereto is filed with the Saskatchewan Court by April 28, 2021.
43. Objections were filed by several Saskatchewan municipalities and the matter has not been resolved as of the date of this Third Report.

## **STATEMENT OF RECEIPTS AND DISBURSEMENTS**

44. Attached as **Appendix “F”** is a copy of the Receiver’s Interim Statement of Receipts and Disbursements as at December 3, 2021 (the “**December Interim R&D**”) indicating the Receiver maintains approximately \$5.8 million in its operational trust account. As noted earlier in this Third Report, the Receiver anticipates disbursing upwards of \$2.0 million upon the settling of the FSOA’s in respect of the Initial Transactions.
45. The Receiver will make further application to the Court to address the distribution of any residual funds from the Alberta Proceedings in due course, subsequent to the final closings of all of the Initial Transactions and the Subsequent Transactions.

## **PROFESSIONAL FEES**

46. As reflected in **Appendix “G”**, since the date of the Second Report, the Receiver has rendered one account for the seven month period April 1 – October 31, 2021 in the amount of \$102,456.00, plus GST (the “**Receiver’s Second Interim Account**”) in relation to the Alberta Proceedings. A copy of the Receiver’s Second Interim Account will be available for the Court to review upon request.
47. As summarized in **Appendix “G”**, since the date of the Second Report, the Receiver’s legal counsel, Bennett Jones has issued seven accounts for the seven month period April 1 – October 31, 2021 totalling \$64,695.50, plus GST (the “**Further Interim Legal Accounts**”) in relation to the Alberta Proceedings. Copies of the Further Interim Legal Accounts are available for the Court to review.
48. The Receiver is of the opinion that the Receiver’s Second Interim Account and the Further Interim Legal Accounts, (collectively referred to as the “**Interim Professional Accounts**”) are appropriate and reasonable in the circumstances of the receivership proceedings, for the reasons that follow, including but not limited to:
- the Receiver continued the operations of the Alberta Assets during a portion of the period;

- the significant time and effort involved with continuing to administer the SSP including working towards the closing of the Initial Transactions and the negotiations leading to the Subsequent Transactions; and
- attending to the SRP.

**RECOMMENDATIONS**


49. For the reasons set out in this Second Report, the Receiver recommends to this Honourable Court the following:

- a. approval of the Subsequent Transactions contemplated by the Subsequent PSA's;
- b. the sealing of the December 6<sup>th</sup> Confidential Supplement until the Receiver's Discharge;
- c. approval of the proposed Limited Discharge Order;
- d. approval of the Receiver's activities as more particularly outlined in the Third Report;
- e. approval of the December Interim R&D; and
- f. approval of the Interim Professional Accounts.

All of which is respectfully submitted this 6<sup>h</sup> day of December 2021.

BDO Canada Limited  
in its capacity as Receiver and Manager of Bow River Energy Ltd.  
and not in its personal or corporate capacity

Per:

  
\_\_\_\_\_  
Marc Kelly  
Senior Vice President



# APPENDIX “A”

**BDO CANADA LIMITED, SOLELY IN ITS CAPACITY AS THE RECEIVER AND MANAGER  
OF THE ASSETS, PROPERTY AND UNDERTAKING OF BOW RIVER ENERGY LTD. AND  
NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

**- and -**

**TALLAHASSEE EXPLORATION INC.**

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**ASSET PURCHASE AND SALE AGREEMENT**

**November 29, 2021**

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## AGREEMENT OF PURCHASE AND SALE

**THIS AGREEMENT OF PURCHASE AND SALE** dated as of November 29, 2021,

**BETWEEN:**

**BDO CANADA LIMITED**, a corporation existing under the federal laws of Canada, solely in its capacity as the receiver and manager of the assets, property and undertaking of Bow River Energy Ltd. ("**Bow River**" or the "**Debtor**"), and not in its personal or corporate capacity (herein referred to as the "**Vendor**")

- and -

**TALLAHASSEE EXPLORATION INC.**, a corporation existing under the laws of Alberta (herein referred to as the "**Purchaser**")

**WHEREAS:**

- A. pursuant to the Receivership Order, the Vendor was appointed as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof;
- B. the Purchaser, subject to Court Approval, has agreed to purchase and acquire and the Vendor has agreed to sell, transfer and assign to the Purchaser, all of the Vendor's Interest in and to the Assets, on the terms and conditions set forth herein.

**NOW THEREFORE**, this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged by each Party to the other, the Parties covenant and agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement:

- (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 forming part of the Wells and Tangibles or otherwise located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands; and
  - (ii) restore, remediate and reclaim the surface and subsurface locations of the Wells and the Tangibles and any lands used to gain access thereto, including such

obligations relating to wells, pipelines and facilities which were abandoned or decommissioned prior to the Closing Date 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 sub-surface lands affected by any environmental damage, contamination or other environmental issues emanating from or relating to the sites for the Wells or the Tangibles;

all in accordance with generally accepted oil and gas industry practices and in compliance with all Applicable Laws;

- (b) "**Accounts Receivable**" means all trade and other accounts receivable, notes receivable, unbilled accounts and other debts due or accruing due to the Vendor and/or the Debtor in relation to the Assets in respect of the period prior to the Closing Date;
- (c) "**AER**" means the Alberta Energy Regulator, or any successor thereto having jurisdiction over the Assets or certain of them or the operation thereof;
- (d) "**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with that specified Person. For the purposes of this definition, "control" (including with correlative meanings, controlling, controlled by and under common control with) means the power to direct or cause the direction of the management and policies of that Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and, it being understood and agreed that with respect to a corporation or partnership, control shall mean direct or indirect ownership of more than 50% of the voting shares in any such corporation or of the general partnership interest or voting interest in any such partnership;
- (e) "**Agreement**" means this agreement of purchase and sale and any schedules attached hereto which are referred to in this agreement, together with any amendment or supplement thereto;
- (f) "**Applicable Law**" means, in respect of any Person, asset, transaction, event or circumstance: (i) statutes (including regulations enacted thereunder); (ii) judgments, decrees and orders of courts of competent jurisdiction (including the common law); (iii) regulations, orders, ordinances and directives issued by Governmental Authorities; and (iv) the terms and conditions of all permits, licenses, approvals and authorizations, in each case which are applicable to such Person, asset, transaction, event or circumstance;
- (g) "**Approval and Vesting Order**" means an order of the Court approving the Transaction in accordance with the provisions of this Agreement, and vesting all of the Vendor's Interest in and to the Assets in the Purchaser free and clear of all Claims, Encumbrances (other than Permitted Encumbrances) and interests, such order to be substantially in the form attached hereto as Schedule B together with such modifications and amendments to such form as may be approved by both the Vendor and the Purchaser, acting reasonably;
- (h) "**Assets**" means the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests, but specifically excluding the Excluded Assets;

- (i) **"Assumed Contracts"** means, other than contracts which are Excluded Assets:
  - (i) the contracts referenced in subsection (i) of the definition of Miscellaneous Interests; and
  - (ii) any other contract, agreement, commitment, understanding, arrangement, license or lease entered into by the Vendor or the Debtor (whether oral or written) or affecting or related to the Assets or the Assumed Liabilities or by which either the Vendor or the Debtor are bound or by which any property of the Debtor is subject to an Encumbrance;

which contracts shall be assigned by the Vendor in its own right or for and on behalf of the Debtor and assumed by the Purchaser in accordance with the terms of this Agreement, the relevant contracts and/or the Approval and Vesting Order, and/or other order of the Court in form and substance satisfactory to the Parties;

- (j) **"Assumed Liabilities"** means, collectively, all liabilities and obligations arising from the possession, ownership and/or use of the Assets arising following Closing (including all property taxes with respect to the Assets which arise or accrue on or after the Closing Date), and
  - (i) all Environmental Liabilities and Abandonment and Reclamation Obligations;
  - (ii) any Losses and Liabilities of the Vendor and/or the Debtor under, and the Cure Costs in respect of, Assumed Contracts;
- (k) **"Business Day"** means any day other than a Saturday, Sunday or a statutory holiday in the City of Calgary in the Province of Alberta;
- (l) **"Cash and Cash Equivalents"** means cash, cash equivalents, money on deposit with banks, certificates of deposit and similar instruments and short-term investments held by the Debtor or the Vendor for and on behalf of the Debtor;
- (m) **"Claim"** means any right, claim, cause of action or complaint of any Person that may be asserted or made in whole or in part against any Vendor, any of their respective Affiliates and their respective Representatives, 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 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, claim, cause of action or complaint is executory or anticipatory in nature;
- (n) **"Closing"** means the completion of the purchase by the Purchaser, and sale by the Vendor, of the Vendor's Interest in and to the Assets and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with

such purchase and sale, all subject to and in accordance with the terms and conditions of this Agreement;

- (o) "**Closing Date**" means the date on which Closing occurs, being the later of December 20, 2021, or the date which is two Business Days following the date upon which all conditions in Sections 11.1, 11.2 and 11.3 have been satisfied or waived, or such other date as the Parties may agree in writing; provided, however, that the Closing Date shall not be later than the Outside Date;
- (p) "**Confidentiality Agreement**" means the confidentiality agreement between Vendor and Purchaser August 10, 2020 ;
- (q) "**Consequential Damages**" has the meaning ascribed to that term in Section 14.5;
- (r) "**Court**" means the Court of Queen's Bench of Alberta, Judicial Centre of Calgary;
- (s) "**Court Approval**" means both the issuance of the Approval and Vesting Order by the Court approving the sale of the Assets, and such Approval and Vesting Order having become a Final Order;
- (t) "**Cure Costs**" means, in respect of any Assumed Contract, all amounts, required to be paid to remedy all of the Vendor's or the Debtor' monetary defaults under such Assumed Contract or required to secure a counterparty's or any other necessary Person's consent to the assignment of such Assumed Contract pursuant to its terms (including any deposits or other forms of security required by any Governmental Authority) or as may be required pursuant to the Approval and Vesting Order, and includes any other fees and expenses required to be paid to a counterparty or any other Person in connection with the assignment of an Assumed Contract pursuant to its terms or Applicable Laws but expressly excludes any secured or unsecured creditor claim against the Debtor other than payments to counterparties under Assumed Contract;
- (u) "**Debtor**" means, Bow River Energy Ltd.;
- (v) "**Deposit**" has the meaning ascribed to that term in Section 3.3(a)(i);
- (w) "**Due Diligence Information**" means all information made available (by the Vendor, the Debtor or otherwise) for the Purchaser's review in paper or electronic form in relation to the Debtor, its Affiliates and/or the Assets;
- (x) "**Encumbrances**" means all mortgages, pledges, charges, liens, debentures, trust deeds, Claims, assignments by way of security or otherwise, security interests, conditional sales contracts or other title retention agreements, security created under the *Bank Act* (Canada), rights of first refusal, or similar interests or instruments charging or creating a security interest in the Assets or any part thereof or interest therein, and any agreements, leases, licenses, occupancy agreements, options, easements, rights of way, restrictions, executions, or other encumbrances (including notices or other registrations in respect of any of the foregoing) affecting title to the Assets or any part thereof or interest therein;
- (y) "**Environment**" means the components of the earth and includes the air, the surface and subsurface of the earth, bodies of water (including rivers, streams, lakes and aquifers) and plant and animal life (including humans);



- (z) "**Environmental Laws**" means all Applicable Laws relating to pollution or protection of human health or the Environment (including ambient air, water, surface water, groundwater, land surface, soil, or subsurface) or natural resources, including Applicable Laws relating to the storage, transfer, transportation, investigation, cleanup, treatment, or use of, or release or threatened release into the Environment of, any Hazardous Substances;
- (aa) "**Environmental Liabilities**" means all past, present and future Losses and Liabilities, Claims and other duties and obligations, whether arising under contract, Applicable Laws or otherwise, arising from, relating to or associated with:
- (i) any damage, pollution, contamination or other adverse situations pertaining to the Environment howsoever and by whomsoever caused and regardless of whether such damage, pollution, contamination or other adverse situations occur or arise in whole or in part prior to, at or subsequent to the date of this Agreement;
  - (ii) the presence, storage, use, holding, collection, accumulation, assessment, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, release, emission or discharge of Petroleum Substances, oilfield wastes, water, Hazardous Substances, environmental contaminants and all other substances and materials regulated under any Applicable Law, including any forms of energy, or any corrosion to or deterioration of any structures or other property;
  - (iii) compliance with or the consequences of any non-compliance with, or violation or breach of, any Environmental Law;
  - (iv) sampling, monitoring or assessing the Environment or any potential impacts thereon from any past, present or future activities or operations; or
  - (v) the protection, reclamation, remediation or restoration of the Environment;
- that relate to or arise by virtue of the Assets or the ownership thereof or any past, present or future operations and activities conducted in connection with the Assets or on or in respect of the Lands or any lands pooled or unitized therewith;
- (bb) "**Excluded Assets**" has the meaning set forth in Section 2.6;
- (cc) "**Facilities**" means the Vendor's Interest in and to all 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, injection, water disposal, measurement, processing, storage or other operations respecting the Leased Substances, including any applicable battery, separator, compressor station, gathering system, pipeline, production storage facility or warehouse, including those facilities and pipelines identified in Part 2 of Schedule A;
- (dd) "**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 prescribed therein or otherwise by Applicable Law or order having been satisfied;

- (ee) "**General Conveyance, Assignment and Assumption Agreement**" means an agreement providing for the assignment by the Vendor of the Vendor's Interest in and to the Assets, free and clear of all Encumbrances (other than Permitted Encumbrances), substantially in the form attached hereto as Schedule C, and the assumption by the Purchaser of the Assumed Liabilities, substantially in the form attached hereto as Schedule C;
- (ff) "**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Assets or this Transaction, including for greater certainty the AER;
- (gg) "**GST**" means taxes, interest, penalties and other additions thereto imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and "**GST Legislation**" means such act and regulations collectively;
- (hh) "**Hazardous Substances**" means any substance, material or waste defined, regulated, listed or prohibited by Environmental Laws, including pollutants, contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, radioactive materials, flammable substances, explosives, Petroleum Substances and products of Petroleum Substances, polychlorinated biphenyls, chlorinated solvents and asbestos;
- (ii) "**Lands**" means the lands set out and described in Part 1 of Schedule A, and the Petroleum Substances within, upon or under such lands (subject to the restrictions and exclusions identified in the Title Documents as to Petroleum Substances and geological formations), but excluding the Excluded Assets;
- (jj) "**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);
- (kk) "**Legal Proceeding**" means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;
- (ll) "**Licence Transfers**" means the transfer from the Vendor and/or the Debtor to the Purchaser of any permits, approvals, licences and authorizations granted by the AER or any other Governmental Authority in relation to the construction, installation, ownership, use or operation of the Wells or the Facilities, as applicable.

- (mm) "**LMR**" means the licensee liability rating program and the license transfer process as set forth by the AER under AER's Directive 006, 011, 068 and Bulletin 2016-21 and related AER regulations, guidelines, directives, information letters, programs and policies, as the same may be amended, supplemented or replaced from time to time;
- (nn) "**LTAs**" has the meaning set forth in Section 2.3(a);
- (oo) "**Losses and Liabilities**" means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations 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 or any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, and those arising under any contract, agreement, arrangement, commitment or undertaking and costs 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) and not excluded as a liability of the Purchaser by the Approval and Vesting Order;
- (pp) "**Miscellaneous Interests**" means, subject to any and all limitations and exclusions provided for in this definition, the Vendor's Interest in and to all property, assets, 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, assets, 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 relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);
  - (ii) all warranties, guarantees and similar rights relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including warranties and guarantees made by suppliers, manufacturers and contractors under the Assets, and claims against other Third Parties in connection with the contracts relating to the Petroleum and Natural Gas Rights and the Tangibles;
  - (iii) all subsisting rights to carry out operations relating to the Lands, the Tangibles or the Wells, and without limitation, all easements and other permits, licenses and authorizations pertaining to the Tangibles or the Wells;
  - (iv) 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;
  - (v) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them including any of the foregoing that pertain to geological or geophysical matters and, including plats, surveys, maps, cross-sections, production records, electric logs, cuttings, cores, core data, pressure data, decline and production curves, well files, and related matters, division of interest records, lease files, title opinions, abstracts of title, title curative documents, lease operating statements and all

other accounting information, marketing reports, statements, gas balancing information, and all other documents relating to customers, sales information, supplier lists, records, literature and correspondence, physical maps, geologic or geophysical interpretation, electronic and physical project files; and

- (vi) the Wells, including the wellbores and any and all casing and down-hole monitoring and pumping equipment;

but excluding the Excluded Assets and provided that unless otherwise agreed in writing by the Parties, the Miscellaneous Interests shall not include any documents or data to the extent that they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by the Vendor or the Debtor to an assignee;

- (qq) "**Notice Period**" has the meaning ascribed to that term in Section 8.2(b);
- (rr) "**Order**" means any order, writ, judgment, injunction, decree, stipulation, determination, decision, verdict, ruling, subpoena, or award entered by or with any Governmental Authority (whether temporary, preliminary, or permanent);
- (ss) "**Outside Date**" means January 14, 2022 or such other date as the Parties may agree;
- (tt) "**Outstanding ROFR Assets**" has the meaning set forth in Section 10.3(e)(ii);
- (uu) "**Outstanding ROFRs**" has the meaning set forth in Section 10.3(e);
- (vv) "**Parties**" means, collectively, the Purchaser and the Vendor, and "**Party**" means any one of them;
- (ww) "**Permitted Encumbrances**" means:
  - (i) all encumbrances which are provided for under the Title Documents, including any overriding royalties, net profits interests and other burdens;
  - (ii) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, 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;
  - (iii) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
  - (iv) 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;
  - (v) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the

Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;

- (vi) agreements for the sale, processing, transmission or transportation of Petroleum Substances entered into by the Debtor, or the Vendor for and on behalf of the Debtor, subsequent to the date of this Agreement which are terminable on not more than 30 days notice without an early termination penalty or like cost;
- (vii) any obligation of the Vendor or the Debtor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
- (viii) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;
- (ix) 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 the Vendor's or any Debtor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;
- (x) 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;
- (xi) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;
- (xii) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority; and
- (xiii) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's or any Debtor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof or the Closing Date;
- (xx) "**Person**" means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executory, Governmental Authority, or other entity however designated or instituted;
- (yy) "**Petroleum and Natural Gas Rights**" means the Vendor's 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), but excluding the Excluded Assets;
- (zz) "**Petroleum Substances**" means any of crude oil, petroleum, natural gas, natural gas liquids, coal bed methane and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur;

- (aaa) "**Prime Rate**" means an annual rate of interest equal to the annual rate of interest announced from time to time by the main branch of the Royal Bank of Canada in Calgary, Alberta, as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans provided that such rate shall be determined on the last day of each month and applied to the next succeeding month;
- (bbb) "**Purchase Price**" has the meaning ascribed to that term in Section 3.1;
- (ccc) "**Purchaser**" has the meaning ascribed to that term in the preamble hereto;
- (ddd) "**Purchaser's Solicitors**" means Burnet, Duckworth & Palmer, LLP or such other firm as may be retained by the Purchaser and notice of which is provided to Vendor;
- (eee) "**Receivership Order**" means the order of the Court dated June 8, 2020, pursuant to which the Vendor was appointed as the receiver and manager of all of the current and future assets, undertakings and properties of every nature or kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof;
- (fff) "**Receivership Proceedings**" means the court proceedings brought in the Court pursuant to Court Action No. 2001 13391, pursuant to which the Vendor was appointed as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof;
- (ggg) "**Representative**" means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its Affiliates;
- (hhh) "**ROFR**" means a right of first refusal, right of first offer or other pre-emptive or preferential right of purchase or similar right to acquire the Assets or certain of them that may become operative by virtue of this Agreement or the completion of the Transaction;
- (iii) "**ROFR Disclosure Letter**" means the letter delivered by the Vendor to the Purchaser concurrent with the execution of this Agreement identifying any applicable ROFRs;
- (jjj) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the Vendor's Interest in and to the Assets to the Purchaser and to novate the Purchaser in the place and stead of the Vendor or the Debtor, as applicable, with respect to the Assets (excluding the Licence Transfers);
- (kkk) "**Surplus Equipment**" means those Assets identified as such in Part 2 of Schedule E hereto, which, if sold by the Vendor to a Third Party prior to Closing, shall constitute Excluded Assets, and if unsold by the Vendor prior to Closing, shall constitute Assets;
- (III) "**Tangibles**" means the Vendor's Interest in and to the Facilities and any and all other tangible depreciable property and assets, if any, which are located within, upon or in the vicinity of the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, store, transport, make marketable or inject the Leased Substances or any of them, but excluding the Excluded Assets;

- (mmm) "**Third Party**" means any Person who is not a Party or an Affiliate of a Party;
- (nnn) "**Third Party Claim**" means any Claim by a Third Party asserted against the Vendor or any of the Debtor for which the Purchaser has indemnified the Vendor and the Debtor or is otherwise responsible pursuant to this Agreement;
- (ooo) "**Title Documents**" means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements, acreage contribution agreements, joint venture 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;
- (ppp) "**Transaction**" means the transaction for the purchase and sale of the Vendor's Interest in and to the Assets, together with all other transactions contemplated in this Agreement, all as contemplated in this Agreement;
- (qqq) "**Transfer Taxes**" means all transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Assets, including GST; and which, for certainty, shall not include freehold mineral taxes;
- (rrr) "**Vendor**" has the meaning ascribed to that term in the preamble hereto;
- (sss) "**Vendor's Interest**" means, when used in relation to any asset, undertaking or property, the entire right, title and interest, if any, of the Debtor and/or the Vendor, as applicable, in, to and/or under such asset, undertaking or property;
- (ttt) "**Vendor's Solicitors**" means the law firm of Bennett Jones LLP, or such other firm or firms of solicitors as are retained or engaged by the Vendor from time to time and notice of which is provided to the Purchaser; and
- (uuu) "**Wells**" means the Vendor's Interest in and to the wells listed in Part 2 of Schedule A.

## 1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) All references to monetary amounts are to the lawful currency of Canada.
- (b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.

- (c) The word "include" and "including" and derivatives thereof shall be read as if followed by the phrase "without limitation".
- (d) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.
- (e) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.
- (f) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified.
- (g) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.
- (h) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.
- (i) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.
- (j) Reference to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof.
- (k) References to an Applicable Law means such Applicable Law as amended from time to time and includes any successor Applicable Law thereto any regulations promulgated thereunder.

### 1.3 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

|            |  |
|------------|--|
| Schedule A | Assets Listing<br>Part 1 – Lands<br>Part 2 – Wells, Facilities and Tangibles |
| Schedule B | Form of Approval and Vesting Order   |
| Schedule C | Form of General Conveyance   |
| Schedule D | Form of Bring-Down Certificate   |
| Schedule E | Excluded Assets<br>Part 1 – Excluded Assets<br>Part 2 – Surplus Equipment    |



#### **1.4 Interpretation if Closing Does Not Occur**

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

### **ARTICLE 2 PURCHASE AND SALE**

#### **2.1 Agreement of Purchase and Sale**

Subject to the terms and conditions of this Agreement, and in consideration of the Purchase Price, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase, accept and receive from the Vendor, the Vendor's Interest in and to the Assets.

#### **2.2 Transfer of Property and Assumption of Liabilities**

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk, and legal and beneficial ownership of the Assets shall transfer from the Vendor to the Purchaser on the Closing Date, and the Purchaser agrees to assume, discharge, perform and fulfil all Assumed Liabilities. Without limiting the provisions of this Agreement relating to the General Conveyance, Assignment and Assumption Agreement (and such agreement itself), or any other provisions of this Agreement relating to sale, transfer, assignment, conveyance or delivery, the Assets shall be sold, assigned, transferred, conveyed, and delivered by the Vendor to the Purchaser by way of the Licence Transfers, the Specific Conveyances and other appropriate instruments of transfer, bills of sale, endorsements, assignments, and deeds, in recordable form, or by way of an Order of the Court, as appropriate, and free and clear of any and all Encumbrances of any and every kind, nature, and description, other than Permitted Encumbrances, as applicable.

#### **2.3 AER License Transfers**

- (a) Promptly following the granting by the Court of the Approval and Vesting Order, the Vendor shall electronically submit applications to the AER for the Licence Transfers ("LTAs"), and, in each case, will provide a screen shot or other evidence indicating such submission to the Purchaser, and in addition the Vendor shall provide any information and documentation along with such LTAs to the AER which are required to be provided by the transferor in connection with the foregoing. The Purchaser shall accept or ratify such LTAs without delay, provided that, if the Purchaser in good faith determines or believes that any of the LTAs are not complete and accurate, or the AER refuses to process any such LTAs because of some defect therein, the Parties shall cooperate to duly complete or to correct such incomplete or inaccurate LTAs as soon as practicable and, thereafter, the Vendor shall promptly re-submit such LTAs and the Purchaser shall accept or ratify such re-submitted LTAs without delay. Each Party shall be responsible for its own costs relating to LTAs hereunder. The Purchaser shall provide any information and documentation in respect of such LTAs to the AER which are required to be provided by the transferee in connection with the foregoing. Following submission of the LTAs, each of the Parties shall use reasonable commercial efforts to obtain the AER's approval of the LTAs and registration of the License Transfers, subject to the specific requirements of this Sections 2.3.
- (b) If the AER denies any of the LTAs because of misdescription or other minor deficiencies contained therein, the Vendor shall, within two Business Days of such denial, correct the

LTA(s) and amend and re-submit the LTA(s), and the Purchaser shall accept or ratify such re-submitted LTAs without delay.

- (c) If, for any reason, the AER requires the Purchaser to make a deposit, furnish any other form of security, provide any undertakings, information or other documentation or to take any action as a condition of or a prerequisite for the approval of any of the LTAs, then immediately after receiving notice of such requirements and at its sole cost, the Purchaser shall make such deposits, furnish such security, provide such undertakings, information or other documentation and/or take such action, as the case may be.
- (d) If the Purchaser fails to make a deposit or furnish security it is required to make or furnish under Section 2.3(c) within 10 days of the Purchaser's receipt of notification from the applicable Governmental Authority or the Vendor that such deposit or security is required, the Vendor shall have the right to make such deposit or furnish such security. In such event, the Purchaser shall (as applicable) reimburse the amount of such deposit or the costs of such security to the Vendor plus interest thereon at the Prime Rate plus three percent (3%) from the date such deposit or security is made or furnished by the Vendor until such reimbursement is made and, in the case of security, cause the security to be returned to the Vendor as soon as possible and indemnify the Vendor for the amount and costs of any draws on the security plus interest thereon at the Prime Rate from the date such draw is made until such indemnification is made. In addition to all other rights to enforce such reimbursement otherwise available to the Vendor, it shall have the right to set-off the amount of such reimbursement or indemnification (including interest) against other monies due to the Purchaser pursuant to this Agreement.
- (e) The Purchaser shall on a timely and continuing basis keep the Vendor fully apprised and informed regarding all communications the Purchaser may have with the AER in connection with the Transaction, including all communications respecting LTAs, and without limiting the generality of the foregoing the Purchaser shall provide copies to the Vendor of all related correspondence from the Purchaser to the AER, and the Purchaser shall request that the AER provide copies to the Vendor of all related correspondence from the AER to the Purchaser.

## **2.4 Specific Conveyances**

- (a) The Parties shall cooperate in the preparation of the Specific Conveyances. A reasonable time following its receipt of the Title Documents from Vendor, Purchaser shall prepare and provide for the Vendor's review all Specific Conveyances. 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, the Purchaser shall register and/or distribute (as applicable), all such Specific Conveyances and shall bear all costs incurred therewith and in preparing and registering any further assurances required to convey the Assets to the Purchaser.
- (b) As soon as practicable following Closing, the Vendor shall deliver or cause to be delivered to the Purchaser such original copies of the Title Documents and any other agreements and documents to which the Assets are subject and such original copies of contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests which are now in the possession or control of the Vendor or the Debtor or of which the Vendor or the Debtor gain possession or control prior to Closing.

- (c) Notwithstanding Sections 2.4(a) and 2.4(b), requests for the transfers from the Vendor to the Purchaser of registered Crown leases or licences, related surface rights and any other Title Documents which are administered by Alberta Energy shall be submitted by the Vendor and accepted by the Purchaser as soon as is practicable after Closing.

## **2.5 Post-Closing Maintenance of Assets**

- (a) Following Closing, if and to the extent that Purchaser must be novated into, recognized as a party to, or otherwise accepted as assignee or transferee of Vendor's and/or the Debtor's interest in the Assets or certain of them, including any Title Documents and Assumed Contracts, the following provisions shall apply with respect to the applicable Assets until such novation, recognition or acceptance has occurred:
  - (i) the Purchaser shall use reasonable commercial efforts to obtain, as may be required by the terms of any Assumed Contracts, consents or approvals to the assignment of such Assumed Contracts; provided that to the extent that any Cure Costs are payable with respect to any Assumed Contract, the Purchaser shall be responsible for and shall pay all such Cure Costs, which Cure Costs shall form part of the Purchase Price for the Assets;
  - (ii) the Vendor and/or the applicable Debtor shall hold the rights, entitlements, benefits, remedies, duties and obligations in respect of the applicable Assets in trust for the exclusive benefit of the Purchaser as bare trustee and agent;
  - (iii) the Vendor will, at the request and expense and under the direction of the Purchaser, in the name of the Vendor and/or the applicable Debtor or otherwise as the Purchaser shall reasonably specify, take all such reasonable actions and do all such reasonable things as shall, in the reasonable opinion of the Purchaser, be necessary or desirable in order that the rights, entitlements, benefits, remedies, duties and obligations of the applicable Debtor in respect of any applicable Assets may be enjoyed, received or performed, as the case may be, in accordance with the terms of the Title Documents and Assumed Contracts, including that all monies receivable under any Title Documents and Assumed Contracts may be received by the Purchaser and that all rights and licenses under any Title Documents and Assumed Contracts may be exercised by the Purchaser;
  - (iv) the Vendor shall, no later than 30 days after receipt of funds, pay over to the Purchaser all such monies collected by the Vendor and/or the applicable Debtor in respect of the Assets following the Closing Date, net of any unpaid related costs or expenses (including any taxes that are payable in respect of the receipt of such amounts);
  - (v) to the extent permitted by any applicable Assumed Contract:
    - (A) the Purchaser will pay, perform and discharge the duties and obligations accruing after Closing under such Assumed Contract, on behalf of the Vendor and/or any applicable Debtor, until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser; and

- (B) the Vendor shall, or shall cause the applicable Debtor to, use reasonable commercial efforts to exercise the rights, entitlements, benefits and remedies under such Assumed Contract, on behalf of the Purchaser until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser, or such Assumed Contract expires or otherwise terminates;
- (vi) neither the Vendor nor the Debtor shall have any liability as a consequence of the Vendor or any applicable Debtor taking any action or causing anything to be done under this Section 2.5(a), and the Purchaser shall be responsible and liable for, and, as a separate covenant, shall hereby indemnify and save harmless the Vendor, the Debtor and their respective Representatives against, all costs and expenses reasonably incurred by the Vendor, the Debtor, their Affiliates or their respective Representatives as a consequence of or in connection with this Section 2.5(a); and
- (vii) the Vendor shall cause the Debtor to maintain their existence, and continue to be licensed, registered or otherwise qualified and authorized to conduct its affairs and carry on business as is necessary to fulfill its obligations as set out in this Section 2.5(a) until the later of: (i) the earlier of the expiry or assignment to the Purchaser of the last applicable Assumed Contract, and (ii) the AER having approved the LTAs and registered the License Transfers; *provided, however*, that the obligations of the Vendor and any applicable Debtor under this Section 2.5(a) shall expire and terminate and cease to be in effect on the date that is 90 days following Closing.
- (viii) Nothing in this Agreement shall constitute an agreement to assign, and shall not be construed as an assignment of, or an attempt to assign to the Purchaser, any Assumed Contract until such time as the necessary consents or approvals with respect to the assignment are obtained.
- (b) Both before and after Closing, each of the Parties shall use all commercially reasonable efforts to obtain any and all approvals required under Applicable Law and any and all material consents of Third Parties required to permit this Transaction to be completed. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances, deposits or security that may be required by Governmental Authorities or any Third Parties under the Assumed Contracts or Applicable Laws to permit the transfer of the Assets, including the Assumed Contracts, to the Purchaser.

## **2.6 Assumed Liabilities**

Following Closing, the Purchaser shall assume, perform, discharge and pay when due all of the Assumed Liabilities. For greater certainty, the Purchaser acknowledges and agrees that the Environmental Liabilities and Abandonment and Reclamation Obligations in respect of the Assets are future costs and obligations associated with the ownership of the Assets that are tied and connected to the ownership of the Assets such that they are inextricably linked and embedded with the Assets.

## 2.7 Excluded Assets

Nothing contained herein or in any agreements, instruments, or other documents to be delivered at the Closing shall be deemed to sell, transfer, assign, convey or deliver the Excluded Assets to the Purchaser or any Affiliate of the Purchaser, and the Vendor and the Debtor, as applicable, shall retain all right, title, and interest to, in, and under the Excluded Assets, and neither the Purchaser nor any Affiliate of the Purchaser shall have any liability therefor. "**Excluded Assets**" shall mean the Vendor's Interest in any and all assets (whether tangible or intangible), properties, contracts or rights of the Vendor and/or the Debtor which are not specifically included in the Assets including, for greater certainty, the following assets (whether tangible or intangible), properties and rights of the Vendor and the Debtor, as applicable:

- (a) any Accounts Receivable and any Cash and Cash Equivalents; and
- (b) any assets listed in Schedule E (which are not Surplus Equipment comprising Assets).

To the extent any Title Documents or Assumed Contracts apply to both Assets and Excluded Assets, such Title Document or Assumed Contract, as applicable, shall be assigned and transferred to Purchaser and Purchaser shall, following such assignment and transfer, hold the Title Document or Assumed Contract, as applicable, as bare trustee of Vendor and/or the Debtor (or their assignee) to the extent applicable to any Excluded Assets.

## ARTICLE 3 PURCHASE PRICE

### 3.1 Purchase Price

The consideration payable by the Purchaser for the Assets shall be the sum of [REDACTED] plus the Cure Costs (collectively, the "**Purchase Price**"). The Purchase Price shall be satisfied in accordance with Sections 2.5(a)(i) and 3.3(b), and shall not be subject to any adjustment (and for greater certainty, Cure Costs shall be satisfied in accordance with Section 2.5(a)(i)). The Purchaser and the Vendor acknowledge and agree that the Purchase Price reflects the fair market value of the Assets as of the Closing Date, having due regard to the Environmental Liabilities connected to and embedded in the Assets that depress the value of the Assets.

### 3.2 Allocation of Purchase Price

The Purchase Price shall be allocated among the Assets as follows:

- (a) to the Petroleum and Natural Gas Rights, 80%;
- (b) to the Tangibles, 20% less [REDACTED]; and
- (c) to the Miscellaneous Interests, [REDACTED].

### 3.3 Deposit and Satisfaction of Purchase Price

- (a) The Parties acknowledge that:
  - (i) on the date hereof, the Purchaser paid the sum of [REDACTED] (the "**Deposit**") to the Vendor;
  - (ii) the Deposit has been delivered to and shall be held in trust by the Vendor; and

- (iii) the Deposit shall be held and administered by the Vendor in accordance with the terms and conditions of this Agreement (including this Section 3.3).
- (b) At Closing, the Purchase Price shall be paid and satisfied as follows:
  - (i) as to the amount of the Deposit, the Vendor shall retain the amount of the Deposit and apply such amount against the amount of the Purchase Price; and
  - (ii) as to the balance of the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.5(a)(i)), along with any additional amounts owing in respect of applicable GST, the Purchaser shall pay to the Vendor such amount by electronic wire transfer.
- (c) If this Agreement is terminated:
  - (i) (A) pursuant to Section 13.1(a) by mutual agreement of the Parties; (B) pursuant to Sections 13.1(b) or 13.1(c) by the Purchaser; (C) pursuant to Section 13.1(e) by the Vendor; or (D) for any other reason other than as contemplated under Section 3.3(c)(ii); then the Deposit shall be returned to the Purchaser; or
  - (ii) pursuant to Section 13.1(d) by the Vendor, the full amount of the Deposit shall be forfeited to the Vendor,

and, subject to Section 13.2, each Party shall be released from all obligations and liabilities under or in connection with this Agreement. In the event of termination of this Agreement under Section 3.3(c)(ii) pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit, constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

#### **ARTICLE 4 TRANSFER TAXES**

##### **4.1 Transfer Taxes**

The Parties agree that:

- (a) the Purchase Price does not include Transfer Taxes and the Purchaser shall be liable for and shall pay, and be solely responsible for, any and all Transfer Taxes pertaining to the Purchaser's acquisition of the Assets; and
- (b) the Purchaser shall indemnify the Vendor, the Debtor and their respective Affiliates for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that any of them are required to pay or for which any of them may become liable as a result of any failure by the Purchaser to self-assess, pay or remit such Transfer Taxes, other than as a result of a failure by the Vendor, the Debtor or their respective Affiliates to timely remit any amounts on account of Transfer Taxes paid by the Purchaser hereunder.

**ARTICLE 5  
REPRESENTATIONS AND WARRANTIES**

**5.1 Vendor's Representations**

The Vendor hereby represents and warrants to the Purchaser that:

- (a) pursuant to the Receivership Order, it has, among other things, been appointed by the Court as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof, and such appointment is valid and subsisting and has not been varied or amended, except as set forth in the Receivership Order;
- (b) except for: (i) the Court Approval; and (ii) the Licence Transfers and any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Vendor of the Transaction;
- (c) it is not a non-resident of Canada within the meaning of such term under the *Income Tax Act* (Canada) and is not an agent or trustee for anyone with an interest in the Assets who is a non-resident of Canada within the meaning of such term under the *Income Tax Act* (Canada) (or a partnership that is not a "Canadian partnership" within the meaning of such term under the *Income Tax Act* (Canada));
- (d) subject to Court Approval being obtained, this Agreement has been duly executed and delivered and constitutes a legal, valid and binding obligation of it and is enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (e) the Purchaser will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by the Vendor; and
- (f) with respect to the GST imposed under the GST Legislation, the Debtor is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and its GST registration number is:

**Debtor**  
BOW RIVER ENERGY LTD.

**GST Registration Number**  
828997114 RT0002

**5.2 Purchaser's Representations**

The Purchaser hereby represents and warrants to the Vendor that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation or formation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (b) it has taken all necessary corporate or other acts to authorize the execution, delivery and performance by it of this Agreement;
- (c) neither the execution of this Agreement nor its performance by the Purchaser will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which the Purchaser is a party or by which it is bound which breach could materially affect the ability of the Purchaser to perform its obligations hereunder;
- (d) except for: (i) the Court Approval; and (ii) the Licence Transfers and any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of this Transaction;
- (e) subject to Court Approval being obtained, this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (f) the Purchaser is not a non-Canadian Person within the meaning of the *Investment Canada Act* (Canada) nor a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (g) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser;
- (h) the Purchaser meets all eligibility requirements of Governmental Authorities to purchase and accept a transfer of the Assets, including without limiting the generality of the foregoing, the eligibility requirements of the AER under its LMR program, or any successor program, as applicable to the Purchaser in connection with the transactions as contemplated hereunder;
- (i) with respect to the GST imposed under the GST Legislation, the Purchaser is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and that its GST registration number is 732345723RT001;
- (j) the Purchaser is a "Canadian" within the meaning of the *Investment Canada Act* (Canada);



- (k) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, the Purchase Price (including the Deposit and the Cure Costs), the Transfer Taxes, its legal fees and expenses, registration costs and any other amounts payable by the Purchaser pursuant hereto;
- (l) the Purchaser is not aware of any fact or circumstance that would prevent or delay the Licence Transfers or the approval of the LTAs as contemplated hereunder; and
- (m) the Purchaser has the financial resources necessary to post or satisfy all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Assets and to satisfy the security required by the Assumed Contracts.

### **5.3 Enforcement of Representations and Warranties**

- (a) The representations and warranties of each Party contained in this Agreement shall survive until Closing and shall thereafter be of no further force and effect. Effective upon the occurrence of Closing, each Party hereby releases and forever discharges each other Party from any breach of any representations and warranties set forth in this Agreement. For greater certainty, none of the representations and warranties contained in this Article 5 shall survive Closing and, the Purchaser's sole recourse for any material breach of representation or warranty by the Vendor shall be for the Purchaser to not complete the Transaction in accordance with this Agreement.
- (b) The representations and warranties of the Vendor made herein or pursuant hereto are made for the exclusive benefit of the Purchaser, and the representations and warranties of the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.
- (c) The Parties expressly acknowledge and agree that the provisions of this Section 5.3 and the limit on each Party's liability set out in this Section 5.3 are intended by the Parties as a limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each Party has agreed to assume in connection with the subject matter hereof and is not an agreement within the provision of subsection 7(2) of the *Limitations Act* (Alberta).

## **ARTICLE 6 "AS IS, WHERE IS" AND NO ADDITIONAL REPRESENTATIONS AND WARRANTIES**

### **6.1 Due Diligence Acknowledgement**

The Purchaser acknowledges and agrees that:

- (a) it was solely responsible to perform any inspections it deemed pertinent to the purchase of the Assets and to be satisfied as to the condition of the Assets prior to entering into this Agreement with the Vendor;
- (b) notwithstanding the fact that it was permitted to review any diligence materials and disclosures provided by the Vendor, including the Due Diligence Information, the

Vendor assumes no liability for errors or omissions in such diligence materials and disclosure or any other property listings or advertising, promotional or publicity statements and materials, and makes no representations or warranties in respect thereof;

- (c) by entering into this Agreement with the Vendor, the Purchaser shall be deemed to represent, warrant and agree with respect to the Assets that:
- (i) the Purchaser has inspected the Assets and is familiar and satisfied with the physical condition thereof and has conducted such investigation of the Assets as the Purchaser has determined appropriate;
  - (ii) none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives have made any oral or written representation, warranty, promise or guarantee whatsoever to the Purchaser, expressed or implied, and in particular, that no such representations, warranties, guarantees, or promises have been made with respect to the physical condition, operation, or any other matter or thing affecting or related to the Assets and/or the offering or sale of the Assets;
  - (iii) the Purchaser has not relied upon any representation, warranty, guarantee or promise or upon any statement made or any information provided concerning the Assets, including the Due Diligence Information made available to the Purchaser by the Vendor, the Debtor, their respective Affiliates or their respective Representatives;
  - (iv) the Purchaser has entered into this Agreement after having relied solely on its own independent investigation, inspection, analysis, appraisal and evaluation of the Assets and the facts and circumstances related thereto;
  - (v) any information provided or to be provided by or on behalf of the Vendor with respect to the Assets, including all Due Diligence Information, was obtained from information provided to the Vendor and the Vendor has not made any independent investigation or verification of such information, and makes no representations as to the accuracy or completeness of such information;
  - (vi) without limiting the generality of the foregoing, the Vendor is not under any obligation to disclose to the Purchaser, and shall have no liability for its failure to disclose to the Purchaser, any information known to it relating to the Assets except as may be required by any Applicable Law; and
  - (vii) none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives are liable or bound in any manner by any oral or written statements, representations or information pertaining to the Assets, or the operation thereof, made or furnished by any real estate broker, agent, employee, or other Person.

## **6.2 "As Is, Where Is", No Additional Representations**

- (a) Without limiting any other provision of this Agreement, the Purchaser acknowledges and agrees that it is acquiring the Assets on an "as is, where is" and "without recourse" basis with all defects, both patent and latent, and with all faults, whether known or unknown, presently existing or that may hereafter arise. The Purchaser acknowledges and agrees

that, except as expressly set forth in this Agreement, the Vendor, the Debtor, their respective Affiliates and their respective Representatives have not made, do not make and specifically negate and disclaim any representation, warranty, promise, covenant, agreement or guaranty of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Assets. For greater certainty, but without limitation, except as expressly set forth in this Agreement, none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives make any condition, representation or warranty whatsoever, express or implied, with respect to:

- (i) the title and interest of the Vendor or the Debtor in and to the Assets;
- (ii) whether any ROFRs are exercisable by a Third Party in connection with the completion of the Transactions;
- (iii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;
- (iv) the income to be derived from the Assets, if any;
- (v) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;
- (vi) the rates of production of Petroleum Substances from the Lands;
- (vii) the quality, condition, marketability, profitability, fitness for a particular purpose or merchantability of any tangible depreciable equipment or property interests which comprise the Assets (including the Tangibles or any personal property);
- (viii) the suitability of the Assets for any and all purposes, activities and uses which the Purchaser may desire to conduct thereon;
- (ix) the compliance of or by the Assets or its operation with any Applicable Law (including Environmental Laws);
- (x) the validity or enforceability of the Assumed Contracts or the ability to assign any of the Assumed Contracts;
- (xi) any regulatory approvals, permits and licenses, consents or authorizations that may be needed to complete the purchase of the Assets contemplated by this Agreement;
- (xii) the manner or quality of the construction or materials, if any, incorporated into the Assets;
- (xiii) the manner, quality, state of repair or lack of repair of the Assets;
- (xiv) the existence of soil instability, past soil repairs, susceptibility to landslides, sufficiency of under-shoring, sufficiency of drainage, or any other matter affecting the stability or integrity of the Assets or any structures or improvements situated thereon;

- (xv) whether the Assets are located in a seismic hazards zone or a flood hazard zone;
  - (xvi) the presence of pests and any damage to the Assets and/or its improvements that may have occurred as a result;
  - (xvii) the nature and quantum of the Assumed Liabilities; or
  - (xviii) any other matter with respect to the Assets.
- (b) The Purchaser acknowledges that the release and disclaimer described in this Article 6 is intended to be very broad and, except for its express rights under this Agreement, the Purchaser expressly waives and relinquishes any rights or benefits it may have under any Applicable Law designed to invalidate releases of unknown or unsuspected claims.
- (c) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor, the Debtor, their respective Affiliates and their respective Representatives in respect of the Assets and any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means). Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the *Sale of Goods Act* (Alberta) (or similar applicable statutes, all as may be amended, repealed or replaced), warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

## **ARTICLE 7 RISK AND COSTS AND INSURANCE**

### **7.1 Risk and Costs**

The Assets will be at the sole risk and responsibility of the Vendor and the Debtor until the Closing Date, and thereafter at the sole risk and responsibility of the Purchaser.

### **7.2 Insurance**

Any property, liability and other insurance maintained by the Vendor and/or the Debtor in relation to the Assets shall not be transferred at Closing, but shall remain the responsibility of the Vendor and the Debtor until the Closing Date. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Assets in respect of the period from and after 12:01 a.m. on the Closing Date.

## **ARTICLE 8 INDEMNIFICATION**

### **8.1 Indemnification Given by Purchaser**

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, the Debtor, their respective Affiliates and their respective Representatives for; and
- (b) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred following the Closing Date by the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives related to or in connection with the Assets and the Assumed Liabilities, including: (i) all Losses and Liabilities attributable to the ownership, operation, use, construction or maintenance of the Assets during the period following the Closing Date; (ii) all Losses and Liabilities arising or accruing on or after the Closing Date under any Assumed Contract as contemplated in Section 2.5; (iii) any and all Cure Costs, whether such Cure Costs relate to the period prior to or following the Closing Date; and (iv) any other Losses and Liabilities for which the Purchaser has otherwise agreed to indemnify the Vendor and the Debtor pursuant to this Agreement, including pursuant to Section 9.2. The Purchaser's indemnity obligations set forth in this Section 8.1 shall survive the Closing Date indefinitely pursuant to Section 14.3.

## 8.2 Third Party Claims

- (a) If any of the Vendor, the Debtor, their respective Affiliates or any of their respective Representatives receives written notice of the commencement or assertion of any Third Party Claim for which the Purchaser is liable pursuant to this Agreement (or has otherwise agreed to indemnify the Vendor, the Debtor, their respective Affiliates or their respective Representatives against), the Vendor shall give the Purchaser reasonably prompt notice thereof, but in any event no later than ten (10) days after receipt of such notice of such Third Party Claim. Such notice to the Purchaser shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount (or the method of computation of the amount) of the Losses and Liabilities that has been or may be sustained by the Vendor, the Debtor, their respective Affiliates or their respective Representatives, respectively, and a reference to the provisions of this Agreement, or other applicable document, upon which such claim is based.
- (b) The Purchaser may assume the carriage and control of the defence of any Third Party Claim by giving notice to that effect to the Vendor or the applicable Debtor(s), respectively, not later than ten (10) days after receiving notice of that Third Party Claim (the "**Notice Period**") so long as: (i) the Purchaser first acknowledges to the Vendor, in writing, liability to the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, under this Agreement with respect to such Third Party Claim and that the outcome of such Third Party Claim does not alter or diminish the Purchaser's obligation to indemnify the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, pursuant to this Agreement, subject to the Purchaser's right to contest in good faith the Third Party Claim; (ii) the Purchaser has the financial resources to defend against the Third Party Claim and fulfill any indemnification obligations and has provided the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, with evidence thereof; (iii) the Third Party Claim involves monetary damages; and (iv) the Purchaser thereafter pursues the defence or settlement of the Third Party Claim actively and diligently. The Purchaser's right to do so shall be subject to the rights of any insurer or other third party who has potential liability in respect of that Third Party Claim. The Purchaser shall pay all of its own expenses of participating in or assuming such defence. In the event that the Purchaser elects to assume the carriage and

control of the defence of a Third Party Claim pursuant to this Section 8.2(b), then the Vendor shall, or shall cause the Debtor, their respective Affiliates and/or their respective Representatives to, cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice at its own expense.

- (c) If the Vendor has not received notice within the Notice Period that the Purchaser has elected to assume the carriage and control of the defence of such Third Party Claim in accordance with Section 8.2(b), or if the Purchaser has given such notice but thereafter fails or is unable to pursue the defence or settlement of such Third Party Claim actively and diligently, the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, may, at their option, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Losses and Liabilities suffered or incurred by the Vendor, the Debtor, their respective Affiliates and/or their Representatives with respect to such Third Party Claim.

### **8.3 Failure to Give Timely Notice**

Notwithstanding that time is of the essence, a failure to give timely notice as provided in this Article 8 shall not affect the rights or obligations of any Party except and only to the extent that, as a result of such failure, any Party which was entitled to receive such notice was deprived of its right to recover any payment under any applicable insurance coverage or was otherwise prejudiced as a result of such failure.

### **8.4 No Merger**

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

### **8.5 Third Party Beneficiary**

The Vendor's Representatives and the Vendor's Affiliates, the Debtor, their respective Affiliates and all of their respective Representatives are intended third party beneficiaries of this Article 8 and shall have the right, power and authority to enforce the provisions hereof as though they were each a party hereto. The Purchaser further agrees to execute such agreements as may be reasonably requested by such Persons in connection with these provisions that are consistent with this Article 8 or that are reasonably necessary to give further effect thereto.

## **ARTICLE 9 ENVIRONMENTAL MATTERS**

### **9.1 Acknowledgements Regarding Environmental Condition**

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

of the Vendor, any of the Debtor, or any of their respective Representatives as to the environmental condition of the Assets, or any Environmental Liabilities or Abandonment and Reclamation Obligations in respect thereof.

## **9.2 Assumption of Environmental Liabilities**

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, the Debtor, their respective Affiliates and their respective Representatives for; and
- (b) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, the Debtor, their respective Affiliates or their respective Representatives as a result of any matter or thing arising out of, attributable to or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, the Purchaser shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations as between the Vendor and the Debtor (on one hand) and the Purchaser (on the other hand) including whether occurring or accruing prior to, on or after the Closing Date, and hereby releases the Vendor, the Debtor, their respective Affiliates and their respective Representatives from any claims the Purchaser may have against the Vendor or the Debtor with respect to all such Environmental Liabilities and Abandonment and Reclamation Obligations. Without restricting the generality of the foregoing, the Purchaser shall be responsible for all Environmental Liabilities and Abandonment and Reclamation Obligations (including whether occurring or accruing prior to, on or after the Closing Date) in respect of all Wells and Tangibles.

## **ARTICLE 10 COVENANTS**

### **10.1 Court Filings**

- (a) From and after the date of execution of this Agreement and until the Closing Date, the Vendor shall use commercially reasonable efforts to deliver to the Purchaser copies of all pleadings, motions, notices, statements, schedules, applications, reports and other papers that relate, in whole or in part, to this Agreement, or to the Purchaser or its Representatives, that are to be filed by the Vendor in connection with the Court Approval in advance of their filing, before the filing of such papers, and shall provide the Purchaser with a reasonable opportunity to review and comment thereon.
- (b) The Vendor shall act reasonably and in good faith in considering any comments provided by the Purchaser to such papers; *provided, however* that, subject in each case to the foregoing good faith obligations of the Vendor, the Vendor shall have no obligation to accept and incorporate the Purchaser's comments to such papers and neither the Vendor's inadvertent failure to comply with this Section 10.1, nor the Vendor's failure to comply with this Section 10.1 due to emergency circumstances, shall constitute a breach under this Agreement.

## 10.2 Conduct of Business Until Closing

- (a) Except: (A) as expressly provided in this Agreement; (B) with the prior written consent of the Purchaser (not to be unreasonably withheld, conditioned or delayed); (C) as necessary or advisable in connection with the Receivership Proceedings; or (D) as otherwise provided in the Approval and Vesting Order or any other order of the Court in connection with the Receivership Proceedings; following the date hereof and prior to Closing, to the extent reasonably practicable having regard to the Receivership Proceedings, the Vendor shall use commercially reasonable efforts to:
- (i) cause the Assets to be maintained, in accordance with good industry practice, and in material compliance with all Applicable Laws, the directions of Governmental Authorities and the terms and conditions of the Assumed Contracts;
  - (ii) not sell, pledge, assign, lease, license, or cause, permit, or suffer the imposition of any Encumbrance (other than Permitted Encumbrances) on, or otherwise dispose of, any of the Assets, except in the ordinary course of normal day-to-day operations of the Assets, consistent with past practices;
  - (iii) not make any commitment or propose, initiate or authorize any expenditure with respect to the Assets, for which the Purchaser shall be responsible, in excess of \$25,000, except in the case of an emergency or;
  - (iv) not authorize or agree, in writing or otherwise, to take any of the actions in respect of the foregoing.
- (b) Until the Closing Date, the Vendor shall provide the Purchaser and its Representatives with all access to the Assets (including physical field inspections) as reasonably required by the Purchaser in order to allow for and assist the Purchaser with an orderly passing of the Assets to the Purchaser following Closing in accordance herewith.
- (c) The access to the Assets to be afforded to the Purchaser and its Representatives pursuant to this Section 10.2 will be subject to the Assumed Contracts and all of the Vendor's and the Debtor' site entry protocols, health, safety and environmental rules, policies and procedures. Further, the Purchaser acknowledges and agrees that it shall:
- (i) be solely liable and responsible for any and all Losses and Liabilities which the Vendor, the Debtor, their respective Affiliates or their respective Representatives may suffer, sustain, pay or incur; and
  - (ii) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives harmless from any and all Claims or Losses and Liabilities whatsoever which may be brought against, suffered by or incurred by the Vendor, the Debtor, their respective Affiliates or their respective Representatives;

arising out of, resulting from, attributable to or in any way connected with any access provided to the Purchaser or its Representatives pursuant to this Section 10.2.



### 10.3 ROFRs

- (a) The Purchaser acknowledges that it shall be responsible for conducting such separate investigation of the Assets as the Purchaser has determined is appropriate with respect to the identification of ROFRs applicable to the Assets as soon as is reasonably practicable after the date hereof. Promptly following the identification of Assets which are the subject of ROFRs, the Purchaser shall provide the Vendor with its bona fide allocation of the amount of the Purchase Price attributable to each of such Assets which are subject to a ROFR.
- (b) The Vendor shall courier ROFR notices to the Third Parties holding such ROFRs promptly following the receipt of Purchaser's allocation of the Purchase Price attributable thereto pursuant to Section 10.3(a). The Vendor shall utilize the Purchaser's allocation of the Purchase Price attributable to the Assets subject to ROFRs for purposes of preparing and issuing the ROFR notices. The Vendor shall notify the Purchaser in writing forthwith upon each Third Party exercising or waiving such a ROFR.
- (c) If any such Third Party elects to exercise such a ROFR, then:
  - (i) the definition of Assets shall be deemed to be amended to exclude those Assets in respect of which the ROFR has been exercised;
  - (ii) such Assets shall not be conveyed to the Purchaser; and
  - (iii) any proceeds received by the Vendor from a Third Party in respect of the sale and conveyance of any Assets which are subject to a ROFR shall be deemed to form part of the Excluded Assets, and the Purchase Price shall not be subject to any reduction in the event of the exercise of any such ROFR by a Third Party.
- (d) In the event that a Third Party exercises a ROFR and is then unable or unwilling to enter into a conveyance agreement with the Vendor for the relevant Assets, the Purchaser agrees to accept a conveyance of such Assets under the same terms and conditions as this Agreement to whatever extent possible.
- (e) Closing shall not be delayed even though certain of the ROFRs are outstanding and capable of exercise by the holders thereof as of the Closing Date (such ROFRs being referred to as "**Outstanding ROFRs**"). In such case, the following procedures shall apply:
  - (i) the Parties shall proceed with Closing (for greater certainty without any reduction in the Purchase Price for the Outstanding ROFRs, and without variation of any other terms or conditions of this Agreement);
  - (ii) the Purchaser shall have (as of the Closing Date) prepared all Specific Conveyances and other closing documentation required for the sale of the Assets subject to the Outstanding ROFRs (the "**Outstanding ROFR Assets**");
  - (iii) if an Outstanding ROFR is exercised by a Third Party, the Vendor will promptly notify the Purchaser thereof in writing, the Specific Conveyances and other closing documentation related to such Outstanding ROFR Assets will be of no force or effect and shall be destroyed by the Purchaser, and the provisions of

Section 10.3(c) shall apply to the Assets which are the subject of the Outstanding ROFR being exercised by the Third Party, *mutatis mutandis*; and

- (iv) if after Closing an Outstanding ROFR is extinguished by lapse of time, waiver or otherwise (other than as a result of being exercised), the Vendor will promptly notify the Purchaser thereof in writing and promptly deliver copies of the Specific Conveyances and closing documentation previously prepared to the Purchaser, and such documentation shall be effective and the sale of such Outstanding ROFR Assets to Purchaser pursuant hereto shall be deemed to have closed on the Closing Date.

#### **10.4 Document Review**

Prior to Closing, Vendor shall provide Purchaser with reasonable access to the Title Documents and other Miscellaneous Interests in the possession or under the control of Vendor for the purpose of verifying the continued validity and effect of the Title Documents, the identification of Assets the subject of ROFRs, the preparation of Specific Conveyances and other matters related to this Agreement and the Transaction.

### **ARTICLE 11 CONDITIONS**

#### **11.1 Mutual Conditions**

The respective obligations of the Parties to complete the purchase and sale of the Assets are subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) the Court shall have granted the Approval and Vesting Order and the Approval and Vesting Order shall be a Final Order;
- (b) no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable order or Applicable Law subsequent to the date hereof which has the effect of:
  - (i) making any of the transactions contemplated by this Agreement illegal; or
  - (ii) otherwise prohibiting, preventing or restraining the Vendor from the sale of the Assets; and
- (c) the Closing is not otherwise prohibited by Applicable Law.

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be asserted by the Vendor or the Purchaser regardless of the circumstances and may be waived only with the agreement of the Vendor and the Purchaser.

#### **11.2 Conditions for the Benefit of the Purchaser**

The obligation of the Purchaser to complete the purchase of the Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Vendor contained in Section 5.1 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time, and the Vendor shall have

delivered to the Purchaser a certificate to that effect substantially similar in form to that attached hereto as Schedule D;

- (b) the Vendor shall have complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement;
- (c) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 12.2.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have.

### **11.3 Conditions for the Benefit of the Vendor**

The obligation of the Vendor to complete the sale of the Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Purchaser contained in Section 5.2 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time, and the Purchaser shall have delivered to the Vendor a certificate to that effect substantially similar in form to that attached hereto as Schedule D;
- (b) the Purchaser shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement;
- (c) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at or before the Closing all the documents contemplated in Section 12.3; and
- (d) the Vendor has not lost its ability to convey the Assets due to an order of the Court.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Vendor may have.

### **11.4 Satisfaction of Conditions**

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 11.1, 11.2 and 11.3. In addition, each of the Parties agrees not to take any action that could reasonably be expected to preclude, delay or have an adverse effect on the Transaction or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

**ARTICLE 12  
CLOSING**

**12.1 Closing Date and Place of Closing**

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date, or at such other time as the Parties may agree in writing.

**12.2 Deliveries on Closing by the Vendor**

The Vendor shall deliver (or cause to be delivered) to the Purchaser on or before the Closing Date:

- (a) a Court certified copy of the Approval and Vesting Order;
- (b) the General Conveyance, Assignment and Assumption Agreement duly executed by the Vendor;
- (c) all documents listed in Section 12.3 which contemplate execution by the Vendor;
- (d) the certificate of the Vendor referred to in Section 11.2(a); and
- (e) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

**12.3 Deliveries on Closing by the Purchaser**

The Purchaser shall deliver (or cause to be delivered) to the Vendor's Solicitor on or before the Closing Date:

- (a) payment of the Purchase Price in accordance with Section 3.3(b);
- (b) payment of all Transfer Taxes payable on Closing to the Vendor or the Vendor's Solicitors (or evidence of self-assessment and payment by the Purchaser thereof to the relevant Governmental Authorities);
- (c) the General Conveyance, Assignment and Assumption Agreement duly executed by the Purchaser;
- (d) all documents listed in Section 12.2 which contemplate execution by the Purchaser;
- (e) the certificate of the Purchaser referred to in Section 11.3(a); and
- (f) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

## **ARTICLE 13 TERMINATION**

### **13.1 Grounds for Termination**

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

- (a) by the written agreement of the Vendor and the Purchaser, provided however that if this Agreement has been approved by the Court, any such termination shall require the approval of the Court;
- (b) by the Purchaser, upon written notice to the Vendor, if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Vendor received such notice;
- (c) by the Purchaser, upon written notice to the Vendor, any time after the Outside Date, if (A) the Approval and Vesting Order has not been obtained, or (B) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Purchaser's breach of this Agreement;
- (d) by the Vendor, upon written notice to the Purchaser, if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.3 impossible by the Outside Date; or (ii) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Purchaser received such notice; or
- (e) by the Vendor, upon written notice to the Purchaser, any time after the Outside Date, if (A) the Approval and Vesting Order has not been obtained, or (B) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the breach of this Agreement by the Vendor.

### **13.2 Effect of Termination**

Notwithstanding any termination of this Agreement as permitted under Section 13.1, or as otherwise provided for in this Agreement, the provisions of Sections 3.3 (Deposit), 14.1 (Public Announcements), 14.4 (Governing Law), 14.5 (Consequential Damages), 14.11 (Costs and Expenses) and 14.15 (Third Party Beneficiaries) shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.3.

## **ARTICLE 14 GENERAL**

### **14.1 Public Announcements**

- (a) Subject to Section 14.1(b), if a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Parties with an advance copy of any such press release or public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure without the prior written consent of the other Parties, such consent not to be unreasonably withheld.
  
- (b) Notwithstanding Section 14.1(a): (i) this Agreement may be filed by the Vendor with the Court; and (ii) the Transaction may be disclosed by the Vendor to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Law. The Parties further agree that:
  - (i) the Vendor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms of the Transaction;
  
  - (ii) the Vendor may forward a copy of this Agreement and all related documentation to the Orphan Well Association and its Representatives, agents, legal counsel and financial advisors, and may further advise such Persons of the existence and nature of any discussions and negotiations in relation thereto or in relation to the Transaction; provided that the Orphan Well Association and its Representatives agree in advance to be bound by any confidentiality undertakings or similar confidentiality requirements reasonably requested by the Vendor; and
  
  - (iii) the Vendor and its professional advisors may prepare and file such reports and other documents with the Court containing references to the Transaction contemplated by this Agreement and the terms of such Transaction as may reasonably be necessary to obtain the Court Approvals and to complete the Transaction contemplated by this Agreement or to comply with their obligations to the Court.

### **14.2 Dissolution of Debtor**

Subject to the Vendor's obligations in Section 2.5, the Purchaser acknowledges and agrees that nothing in this Agreement shall operate to prohibit or diminish in any way the right of the Vendor or any of its Affiliates to cause the dissolution or wind-up of the Debtor subsequent to the Closing Date, or otherwise cause or allow the Debtor to cease operations in any manner or at any time subsequent to the Closing Date as the Vendor may determine in its sole discretion, which may be exercised without regard to the impact any such action may have on the Vendor's ability to fulfil its obligations under this Agreement that survive Closing.

### **14.3 Survival**

Upon Closing, the obligations, covenants, representations and warranties of the Parties set out in this Agreement shall expire, be terminated and extinguished and of no further force or effect, provided that notwithstanding the Closing contemplated hereunder or the delivery of documents pursuant to this

Agreement, the obligations and covenants of the Parties set out in Section 2.3 (AER Licence Transfers), Section 2.3 (Assignment of Assumed Contracts and Third Party Consents), Section 2.4 (Specific Conveyances), Section 5.3 (Enforcement of Representations and Warranties), Section 10.3 (ROFRs) and Article 4 (Transfer Taxes), Article 6 ("As Is, Where Is" and No Additional Representations and Warranties), Article 8 (Indemnification), Article 9 (Environmental Matters) and Article 14 (General), shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties indefinitely thereafter except as expressly stated to the contrary therein or otherwise in accordance with Applicable Laws.

#### **14.4 Governing Law**

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.
- (b) Notwithstanding Section 14.4(a), any and all documents or orders that may be filed, made or entered in the Receivership Proceedings, and the rights and obligations of the Parties thereunder, including all matters of construction, validity and performance thereunder, shall in all respects be governed by, and interpreted, construed and determined in accordance with the laws of the Province of Alberta. The Parties consent to the jurisdiction and venue of the Court, as applicable, for the resolution of any such disputes, regardless of whether such disputes arose under this Agreement. Each Party agrees that service of process on such Party as provided in Section 14.13 shall be deemed effective service of process on such Party.

#### **14.5 Consequential Damages**

Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any punitive, exemplary, consequential or indirect damages (including for greater certainty, any loss of profits) (collectively, "**Consequential Damages**") that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the Transaction, other than Consequential Damages for which the Purchaser is liable as a result of a Third Party Claim (which liability shall be subject to and recoverable under Article 8 (Indemnification)). For greater certainty, the Parties agree that none of the Parties, the Debtor, their respective Affiliates or their respective Representatives shall be liable for any lost profits whatsoever, whether such lost profits are considered to be direct, consequential or indirect losses, and regardless of whether such lost profits were foreseeable by the Parties at any time or whether such lost profits were the direct and natural result of a Party's breach of its obligations under this Agreement.

#### **14.6 Further Assurances**

Each of the Parties from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

#### **14.7 Assignment**

The Purchaser shall not, without the Vendor's prior written consent, assign any right or interest in this Agreement, which consent may be withheld in the Vendor's sole and absolute discretion, except that the Purchaser shall have the right to assign any or all of its rights, interests or obligations hereunder to one or more Affiliates of the Purchaser, provided that: (a) such Affiliate agrees to be bound by the terms of this Agreement; (b) the Purchaser shall remain liable hereunder for any breach of the terms of this Agreement by such Affiliate; (c) such assignment shall not release the Purchaser from any obligation or liability hereunder in favour of the Vendor; and (d) the Purchaser shall acknowledge and confirm its continuing obligations in favour of the Vendor in an assignment and assumption agreement in form and substance satisfactory to the Vendor.

#### **14.8 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. 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.

#### **14.9 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.

#### **14.10 Time of the Essence**

Time is of the essence in this Agreement.

#### **14.11 Costs and Expenses**

Unless otherwise provided for in this Agreement, each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the Transaction. Notwithstanding any other provision of this Agreement, the Purchaser shall pay the cost of all surveys, title insurance policies and title reports ordered by the Purchaser.

#### **14.12 Entire Agreement**

This Agreement and the Confidentiality Agreement (the terms and conditions of which are incorporated by reference into this Agreement, and binding upon the Parties, as if such agreement were signed directly by the Parties) constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement or in the Confidentiality Agreement.



### 14.13 Notices

Any notice, direction or other communication given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or electronic mail and addressed:

- (a) in the case of the Vendor:

BDO Canada Limited  
#110, 5800 – 2nd Street SW  
Calgary, Alberta T2H 0H2

Attention: Marc Kelly  
Email: makelly@bdo.ca

With a copy to the Vendor's Solicitors:

Bennett Jones LLP  
4500, 855 - 2<sup>nd</sup> Avenue S.W.  
Calgary, AB T2P 4K7

Attention: Keely Cameron  
Email: Cameronk@bennettjones.com

- (b) In the case of the Purchaser:

Tallahassee Exploration Inc.  
1910 – 401 9 Ave SW  
Calgary, AB T2P 3C5

Attention: Ghazanfar Zafar  
Email: ghazanfar.zafar@tallah.ca

With a copy to the Purchaser's Solicitors:

Burnet Duckworth & Palmer LLP  
2400 - 525 8 Ave SW  
Calgary, AB T2P 1G1

Attention: Daryl S. Fridhandler  
Email: dsf@bdplaw.com

A notice is deemed to be given and received if: (i) sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day; or (ii) email, on the date of transmission if it is a Business Day and the transmission was made prior to 4:00 p.m. (local time in place of receipt), and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a notice in accordance with the foregoing. Any subsequent notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a notice will be assumed not to be changed. **Sending a copy of a notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice to that Party.**

**The failure to send a copy of a notice to legal counsel does not invalidate delivery of that notice to a Party.**

**14.14 Enurement**

This Agreement shall be binding upon, and enure to the benefit of, the Parties and their respective successors and permitted assigns.

**14.15 Third Party Beneficiaries**

Except as otherwise provided for in this Agreement, each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns and, except as otherwise provided for in this Agreement, no Person, other than the Parties and their successors and permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum. The Purchaser acknowledges to the Vendor, the Debtor, their respective Affiliates and their respective Representatives their direct rights against the Purchaser under this Agreement. To the extent required by Applicable Law to give full effect to these direct rights, the Purchaser agrees and acknowledges that the Vendor is acting as agent and/or as trustee of its Representatives, its Affiliates and their respective Representatives and the Debtor, their respective Affiliates and their respective Representatives.

**14.16 Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

**14.17 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

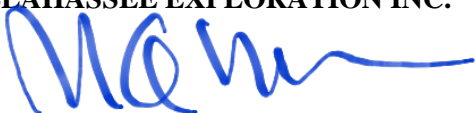
**[THE BALANCE OF THIS PAGE INTENTIONALLY BLANK]**

**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**BDO CANADA LIMITED, SOLELY IN ITS CAPACITY AS THE RECEIVER AND MANAGER OF THE ASSETS, PROPERTY AND UNDERTAKING OF BOW RIVER ENERGY LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

Per:   
Name: Marc Kelly  
Title: Senior Vice President

**TALLAHASSEE EXPLORATION INC.**

Per:   
Name: Ghazanfar Zafar  
Title: President

**SCHEDULE A**

**Assets Listing**

**PART 1 – Lands and Wells**

Report Date: Nov 17, 2021 3:00 pm  
 Page 1 of 1  
 Report Id: RP-0053

**Bow River Energy Ltd.**  
**Mineral Schedule "A" Report - Tallahassee AB Amisk Mineral**

| File Number | Title Information   | Lands  | Seller's Interests   | Encumbrances   | Operating Contract   | Wells |
|-------------|---|--|--|--|--|-------|
| M00001 G    | LSE TYPE: CR PNG<br>CR: 0178020049<br>LSE DATE: 1978 Feb 21<br>EFF DATE: 1978 Feb 21<br>EXP DATE: 1988 Feb 20<br>INT TYPE: WI&RI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 040 RGE 07 W4M SEC 23<br>NG TO BASE MANNVILLE_GROUP  | CUR INT: WI<br>BOWRIVER 100.0%<br><br>ROYALTY INT<br>NONCONV GOR<br>ALL 2.0%<br>BASED ON 75.0%<br>PDTO BOWRIVER 100.0%   | SLIDING SCALE<br>ALL S/S<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0%<br><br>NONCONV GOR<br>ALL 2.0%<br>BASED ON 75.0%<br>PDBY BOWRIVER 100.0%   | ROYALTY LINKS<br>C00005 I<br>General 0000<br>ROFR Applies  |       |
| M00003 A    | LSE TYPE: CR PNG<br>CR: 0178020053<br>LSE DATE: 1978 Feb 21<br>EFF DATE: 1978 Feb 21<br>EXP DATE: 1988 Feb 20<br>INT TYPE: WI&RI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 040 RGE 07 W4M SEC 34<br>PNG TO BASE MANNVILLE_GROUP | CUR INT: WI<br>BOWRIVER 58.7295%<br><br>ROYALTY INT<br>NONCONV GOR<br>ALL 2.0%<br>BASED ON 37.5%<br>PDTO BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>BASED ON 100.0%<br>PDBY BOWRIVER 58.7295%<br><br>NONCONV GOR<br>ALL 2.0%<br>BASED ON 37.5%<br>PDBY BOWRIVER 75.78% | CUR INT OPER CONT<br>C00007 A<br>CAPL 1990<br>No ROFR Applies<br>OPER: BOWRIVER<br><br>ROYALTY LINKS<br>C00005 B<br>General 0000<br>ROFR Applies |       |

## Wells

| <b>License Number</b> | <b>UWI</b>           |
|-----------------------|----------------------|
| 0287918               | 108/12-34-040-07W4/0 |
| 0146096               | 1B0/06-34-040-07W4/0 |
| 0262740               | 103/05-34-040-07W4/0 |
| 0294945               | 109/12-34-040-07W4/0 |
| 0146093               | 1B3/03-34-040-07W4/0 |
| 0304803               | 108/11-34-040-07W4/0 |
| 0145193               | 1C0/05-34-040-07W4/0 |
| 0145190               | 1B2/05-34-040-07W4/0 |
| 0146089               | 1D2/03-34-040-07W4/0 |
| 0315396               | 112/11-34-040-07W4/0 |
| 0270907               | 104/12-34-040-07W4/0 |
| 0270913               | 103/04-34-040-07W4/0 |
| 0270984               | 102/11-34-040-07W4/0 |
| 0325924               | 104/03-34-040-07W4/0 |
| 0377951               | 117/11-34-040-07W4/0 |
| 0108261               | 100/05-34-040-07W4/0 |
| 0265990               | 103/12-34-040-07W4/0 |
| 0345893               | 105/06-34-040-07W4/0 |
| 0398612               | 102/13-34-040-07W4/0 |
| 0383846               | 116/12-34-040-07W4/0 |
| 0294379               | 105/11-34-040-07W4/0 |
| 0294948               | 102/14-34-040-07W4/0 |
| 0190084               | 1D2/06-34-040-07W4/0 |
| 0296029               | 107/11-34-040-07W4/0 |
| 0146090               | 1A2/03-34-040-07W4/0 |
| 0377197               | 107/04-34-040-07W4/0 |
| 0315403               | 112/12-34-040-07W4/0 |
| 0146097               | 107/05-34-040-07W4/0 |
| 0146092               | 1B2/03-34-040-07W4/0 |
| 0270915               | 104/06-34-040-07W4/0 |
| 0334062               | 105/02-34-040-07W4/0 |
| 0284565               | 107/12-34-040-07W4/0 |
| 0378083               | 115/12-34-040-07W4/0 |
| 0117628               | 100/06-34-040-07W4/0 |
| 0128877               | 102/04-34-040-07W4/0 |
| 0283686               | 103/11-34-040-07W4/0 |
| 0375712               | 116/11-34-040-07W4/0 |

|         |                      |
|---------|----------------------|
| 0295634 | 110/12-34-040-07W4/0 |
| 0375710 | 113/12-34-040-07W4/0 |
| 0117086 | 100/02-34-040-07W4/0 |
| 0128995 | 102/12-34-040-07W4/0 |
| 0305203 | 111/11-34-040-07W4/0 |
| 0114336 | 100/03-34-040-07W4/0 |
| 0132662 | 1A0/03-34-040-07W4/0 |
| 0190181 | 1B0/07-34-040-07W4/0 |
| 0119689 | 102/06-34-040-07W4/0 |
| 0190182 | 1A3/06-34-040-07W4/2 |
| 0315324 | 103/10-34-040-07W4/0 |
| 0146091 | 1C2/03-34-040-07W4/0 |
| 0189900 | 1B3/06-34-040-07W4/0 |
| 0189666 | 1A2/06-34-040-07W4/0 |
| 0128768 | 1B0/05-34-040-07W4/0 |
| 0128767 | 1D0/03-34-040-07W4/0 |
| 0365898 | 106/04-34-040-07W4/0 |
| 0145192 | 1C2/05-34-040-07W4/0 |
| 0305144 | 103/03-34-040-07W4/0 |
| 0271012 | 104/04-34-040-07W4/0 |
| 0271108 | 104/05-34-040-07W4/0 |
| 0294375 | 104/11-34-040-07W4/0 |
| 0128740 | 1D0/05-34-040-07W4/0 |
| 0295962 | 106/11-34-040-07W4/0 |
| 0275989 | 106/05-34-040-07W4/0 |
| 0189665 | 1C2/06-34-040-07W4/0 |
| 0363000 | 111/03-34-040-07W4/0 |
| 0271123 | 105/05-34-040-07W4/0 |
| 0189551 | 100/11-34-040-07W4/0 |
| 0121325 | 1A0/02-34-040-07W4/0 |
| 0107569 | 100/15-23-040-07W4/0 |
| 0190185 | 1B2/07-34-040-07W4/0 |
| 0145191 | 1B3/05-34-040-07W4/0 |
| 0113713 | 100/12-34-040-07W4/0 |
| 0317533 | 103/02-34-040-07W4/0 |
| 0287519 | 105/04-34-040-07W4/0 |
| 0345700 | 115/11-34-040-07W4/0 |
| 0306683 | 103/07-34-040-07W4/0 |

**PART 2 – Pipelines and  
Facilities**

|       | <b>LICENSE</b> | <b>LINE</b>    | <b>FROM LSD</b> | <b>TO LSD</b> |
|-------|----------------|----------------|-----------------|---------------|
| 50635 | 1              | 04-34-040-07W4 | 09-17-040-07W4  |               |
| 41874 | 5              | 15-23-040-07W4 | 04-35-040-07W4  |               |
| 41874 | 4              | 04-35-040-07W4 | 02-34-040-07W4  |               |
| 22434 | 1              | 02-34-040-07W4 | 04-34-040-07W4  |               |
|       |                |                |                 |               |
| 38281 | 7              | 06-34-040-07W4 | 04-34-040-07W4  |               |
| 38281 | 8              | 06-34-040-07W4 | 06-34-040-07W4  |               |
| 38281 | 9              | 11-34-040-07W4 | 11-34-040-07W4  |               |
| 38281 | 10             | 11-34-040-07W4 | 11-34-040-07W4  |               |
| 38281 | 13             | 06-34-040-07W4 | 06-34-040-07W4  |               |
| 38281 | 14             | 06-34-040-07W4 | 06-34-040-07W4  |               |
| 38281 | 15             | 12-34-040-07W4 | 12-34-040-07W4  |               |
| 38281 | 16             | 12-34-040-07W4 | 12-34-040-07W4  |               |
| 38281 | 17             | 06-34-040-07W4 | 06-34-040-07W4  |               |
| 38281 | 18             | 06-34-040-07W4 | 06-34-040-07W4  |               |
| 38281 | 19             | 11-34-040-07W4 | 06-34-040-07W4  |               |
| 38281 | 20             | 11-34-040-07W4 | 11-34-040-07W4  |               |
| 38281 | 22             | 11-34-040-07W4 | 06-34-040-07W4  |               |
| 38281 | 23             | 11-34-040-07W4 | 06-34-040-07W4  |               |
| 38281 | 28             | 03-34-040-07W4 | 04-34-040-07W4  |               |
| 38281 | 29             | 03-34-040-07W4 | 04-34-040-07W4  |               |
| 38281 | 30             | 02-34-040-07W4 | 06-34-040-07W4  |               |



|       |    |                |                |
|-------|----|----------------|----------------|
| 38281 | 31 | 02-34-040-07W4 | 06-34-040-07W4 |
| 38281 | 34 | 03-34-040-07W4 | 02-34-040-07W4 |
| 38281 | 35 | 03-34-040-07W4 | 02-34-040-07W4 |
| 38281 | 38 | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281 | 39 | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281 | 42 | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281 | 43 | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281 | 44 | 06-34-040-07W4 | 06-34-040-07W4 |
| 38281 | 45 | 06-34-040-07W4 | 06-34-040-07W4 |
| 38281 | 46 | 06-34-040-07W4 | 04-34-040-07W4 |
| 38281 | 47 | 06-34-040-07W4 | 03-34-040-07W4 |
| 38281 | 48 | 06-34-040-07W4 | 03-34-040-07W4 |
| 38281 | 49 | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281 | 50 | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281 | 51 | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281 | 52 | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281 | 53 | 04-34-040-07W4 | 04-34-040-07W4 |
| 38281 | 54 | 04-34-040-07W4 | 04-34-040-07W4 |
| 38281 | 55 | 05-34-040-07W4 | 05-34-040-07W4 |
| 38281 | 56 | 05-34-040-07W4 | 04-34-040-07W4 |
| 38281 | 57 | 12-34-040-07W4 | 05-34-040-07W4 |
| 38281 | 58 | 12-34-040-07W4 | 05-34-040-07W4 |
| 38281 | 59 | 05-34-040-07W4 | 05-34-040-07W4 |
| 38281 | 60 | 05-34-040-07W4 | 05-34-040-07W4 |
| 38281 | 61 | 05-34-040-07W4 | 05-34-040-07W4 |
| 38281 | 62 | 05-34-040-07W4 | 05-34-040-07W4 |
| 38281 | 65 | 04-34-040-07W4 | 04-34-040-07W4 |

|       |    |                |                |
|-------|----|----------------|----------------|
| 38281 | 66 | 05-34-040-07W4 | 04-34-040-07W4 |
| 38281 | 67 | 05-34-040-07W4 | 04-34-040-07W4 |
| 38281 | 68 | 06-34-040-07W4 | 04-34-040-07W4 |
| 38281 | 69 | 06-34-040-07W4 | 04-34-040-07W4 |
| 38281 | 72 | 12-34-040-07W4 | 06-34-040-07W4 |
| 38281 | 73 | 12-34-040-07W4 | 06-34-040-07W4 |
| 38281 | 74 | 06-34-040-07W4 | 06-34-040-07W4 |
| 38281 | 75 | 06-34-040-07W4 | 06-34-040-07W4 |
| 38281 | 76 | 11-34-040-07W4 | 06-34-040-07W4 |
| 38281 | 77 | 06-34-040-07W4 | 06-34-040-07W4 |
| 38281 | 79 | 04-34-040-07W4 | 04-34-040-07W4 |
| 38281 | 80 | 04-34-040-07W4 | 04-34-040-07W4 |
| 38281 | 81 | 13-34-040-07W4 | 12-34-040-07W4 |
| 38281 | 82 | 13-34-040-07W4 | 12-34-040-07W4 |
| 41709 | 1  | 05-34-040-07W4 | 05-34-040-07W4 |
| 41709 | 2  | 05-34-040-07W4 | 05-34-040-07W4 |
| 41709 | 3  | 05-34-040-07W4 | 05-34-040-07W4 |
| 41709 | 4  | 05-34-040-07W4 | 05-34-040-07W4 |
|       |    |                |                |
| 47955 | 1  | 04-34-040-07W4 | 12-34-040-07W4 |
| 36635 | 2  | 04-34-040-07W4 | 05-34-040-07W4 |
| 36635 | 3  | 04-34-040-07W4 | 06-34-040-07W4 |
| 36635 | 5  | 04-34-040-07W4 | 03-34-040-07W4 |
| 36635 | 6  | 06-34-040-07W4 | 07-34-040-07W4 |
| 36635 | 7  | 03-34-040-07W4 | 02-34-040-07W4 |
| 36635 | 8  | 04-34-040-07W4 | 11-34-040-07W4 |

Pipelines Tie to live System

| LICENSE | LINE | FROM LSD       | TO LSD         |
|---------|------|----------------|----------------|
| 36635   | 9    | 11-34-040-07W4 | 13-34-040-07W4 |
| 38281   | 32   | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281   | 33   | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281   | 36   | 02-34-040-07W4 | 02-34-040-07W4 |
| 38281   | 37   | 02-34-040-07W4 | 02-34-040-07W4 |
| 38281   | 40   | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281   | 41   | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281   | 63   | 12-34-040-07W4 | 05-34-040-07W4 |
| 38281   | 64   | 12-34-040-07W4 | 05-34-040-07W4 |
| 38281   | 70   | 06-34-040-07W4 | 06-34-040-07W4 |
| 38281   | 71   | 06-34-040-07W4 | 06-34-040-07W4 |
| 38281   | 78   | 11-34-040-07W4 | 06-34-040-07W4 |
| 38281   | 83   | 07-34-040-07W4 | 06-34-040-07W4 |
| 38281   | 84   | 07-34-040-07W4 | 06-34-040-07W4 |

Facilities:

| FAC_ID      | LICENSE | OPER                     | OPER_CD | NAME      | LOCATION       | FAC_TYPE           | BATT_CD |
|-------------|---------|--------------------------|---------|-----------|----------------|--------------------|---------|
| ABBT7500527 | F7783   | BOW RIVER<br>ENERGY LTD. | A6N8    | PURCHASE  | 04-34-040-07W4 | Battery            | 322     |
| F7782       | F7782   |                          |         |           | 04-34-040-07W4 | Satellite          |         |
| F31784      | F31784  |                          |         |           | 04-34-040-07W4 | Satellite          |         |
| F7784       | F7784   |                          |         |           | 05-34-040-07W4 | Satellite          |         |
| F7781       | F7781   |                          |         |           | 03-34-040-07W4 | Satellite          |         |
| F38819      | F38819  |                          |         |           | 06-34-040-07W4 | Satellite          |         |
| F30424      | F30424  |                          |         |           | 06-34-040-07W4 | Satellite          |         |
| ABIF0008085 | F7785   | BOW RIVER<br>ENERGY LTD. | A6N8    | COMMERCIA | 12-34-040-07W4 | Injection<br>Plant | 503     |
| F20161      | F20161  |                          |         |           | 06-34-040-07W4 | Satellite          |         |

**SCHEDULE B**

**Form of Approval and Vesting Order**

(attached)

CLERK'S STAMP

COURT FILE NUMBER 2001-13391

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT ORPHAN WELL ASSOCIATION

RESPONDENT BOW RIVER ENERGY LTD.

DOCUMENT **APPROVAL AND VESTING ORDER**  
(Sale by Receiver of certain assets to Tallahassee Exploration Inc.)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855 – 2nd Street S.W.  
Calgary, Alberta T2P 4K7

Attention: Keely Cameron  
Telephone No.: 403-298-3324  
Fax No.: 403-265-7219  
Client File No.: 068775.0005

**DATE ON WHICH ORDER WAS PRONOUNCED:** December 13, 2021

**NAME OF JUDGE WHO MADE THIS ORDER:** Justice K. M. Horner

**LOCATION OF HEARING:** Calgary, Alberta

**UPON THE APPLICATION** of BDO Canada Limited, solely in its capacity as Court-appointed receiver and manager ("**Receiver**") of the current and future assets, undertakings and properties of the Respondent (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver and Tallahassee Exploration Inc. (the "**Purchaser**") dated November 29, 2021, (the "**Sale Agreement**") and appended to the Confidential Supplement dated December 6, 2021 (the "**Confidential Supplement**"), and vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement as the Assets (the "**Purchased Assets**") but excluding all of the Debtor's other assets and interests;

**AND UPON HAVING READ** the Receivership Order dated October 29, 2020 (the "**Receivership Order**"), the Third Report of the Receiver dated December 6, 2021, and the Confidential Supplement; **AND UPON** hearing counsel for the Receiver and any other interested parties that may be present; **AND UPON IT APPEARING** that all interested and affected parties have been served with notice of this Application; **AND UPON** having read the pleadings, proceedings, orders and other materials filed in this action;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

**APPROVAL OF TRANSACTION**

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

**VESTING OF PROPERTY**

3. Subject only to approval by the AER of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta), upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets listed at **Schedule "B"** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
- (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta);
- (d) any linear or non-linear municipal tax claims under the *Municipal Government Act*, or otherwise;
- (e) any outstanding amounts owing in respect of the AER Orphan Fund Levy and Administration Fees; and
- (f) those Claims listed in **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "D"** (collectively, "**Permitted Encumbrances**")).

For greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of Land Titles ("**Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:
  - (i) cancel existing Certificates of Title for those lands and premises municipally or legally described as "Land Title Lands" in Schedule B (the "**Lands**");



- (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee);
  - (iii) transfer to the New Certificate of Title the existing instruments listed in Schedule "D", to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule "D"; and
  - (iv) discharge and expunge the Encumbrances listed in Schedule "C" to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;
- (b) Alberta Energy ("**Energy Ministry**") shall and is hereby authorized, requested and directed to forthwith:
- (i) cancel and discharge those Claims including builders' liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Debtor in and to any of the Purchased Assets located in the Province of Alberta; and
  - (ii) transfer all Crown leases conveyed under the Sale Agreement standing in the name of the Debtor, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances; and
- (c) the Registrar of the Alberta Personal Property Registry shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate

shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims excluding Permitted Encumbrances.

6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement, other than any required approval by the AER referenced in paragraph 3 above.
7. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims excluding Permitted Encumbrances shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order or as against any Receiver's Charge outstanding pursuant to the Receivership Order.
9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.

10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

#### **MISCELLANEOUS MATTERS**

14. Notwithstanding:
  - (a) the pendency of these proceedings and any declaration of insolvency made herein;
  - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
  - (c) any assignment in bankruptcy made in respect of the Debtor; and
  - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall

not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

15. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
16. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
17. Service of this Order shall be deemed good and sufficient by:
  - (a) Serving the same on:
    - (i) the persons listed on the service list created in these proceedings;
    - (ii) any other person served with notice of the application for this Order;
    - (iii) any other parties attending or represented at the application for this Order;
    - (iv) the Purchaser or the Purchaser's solicitors; and
  - (b) Posting a copy of this Order on the Receiver's website, and service on any other person is hereby dispensed with.

18. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

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Justice of the Court of Queen's  
Bench of Alberta

**Schedule "A"**

**FORM OF RECEIVER'S CERTIFICATE**

CLERK'S STAMP

|   |  |
|---|--|
| COURT FILE NUMBER   | 2001-13391   |
| COURT   | COURT OF QUEEN'S BENCH OF ALBERTA  |
| JUDICIAL CENTRE   | CALGARY  |
| APPLICANT   | ORPHAN WELL ASSOCIATION  |
| RESPONDENT  | BOW RIVER ENERGY LTD.  |
| DOCUMENT  | <b><u>RECEIVER'S CERTIFICATE</u></b>   |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | <b>BENNETT JONES LLP</b><br>Barristers and Solicitors<br>4500, 855 – 2nd Street S.W.<br>Calgary, Alberta T2P 4K7<br><br>Attention: Keely Cameron<br>Telephone No.: 403-298-3324<br>Fax No.: 403-265-7219<br>Client File No.: 068775.0005 |

**RECITALS**

- A. Pursuant to an Order of the Honourable Madam Justice D.L. Shelley of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**"), dated October 29, 2020, BDO Canada Limited was appointed as the Receiver (the "**Receiver**") of the undertaking, property and assets of Bow River Energy Ltd. ("**Bow River**").
- B. Pursuant to an Order of the Court dated ●, 2021 (the "**Vesting Order**"), the Court approved the Transaction (as defined in the Vesting Order) between the Receiver and Tallahassee Exploration Inc. (the "**Purchaser**") dated as of November 26, 2021 (the "**Sale Agreement**"), and provided for the vesting in the Purchaser of Bow River's right, title and interest in and to the Purchased Assets (as defined in the Vesting Order), which vesting is to be effective with respect to the Purchased

Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price (as defined in the Sale Agreement) for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price (as defined in the Sale Agreement) for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver to the Purchaser at [TIME] on [DATE].

**BDO CANADA LIMITED in its capacity as Receiver of the undertaking, property and assets of Bow River Energy Ltd., and not in its personal capacity.**

Per: \_\_\_\_\_

Name:

Title:

**Schedule "B"**  
**Purchased Assets**

The Purchased Assets consist of the Assets (as defined in the Sale Agreement, and each subsequent capitalized term herein having the respective meaning as defined therein).



Report Date: Nov 17, 2021 3:00 pm

Page 1 of 1

Report Id: RP-0053

**Bow River Energy Ltd.**  
**Mineral Schedule Report - Tallahassee AB Amisk Mineral**

| File Number | Title Information   | Lands  | Seller's Interests   | Encumbrances   | Operating Contract   | Wells |
|-------------|---|--|--|--|--|-------|
| M00001 G    | LSE TYPE: CR PNG<br>CR: 0178020049<br>LSE DATE: 1978 Feb 21<br>EFF DATE: 1978 Feb 21<br>EXP DATE: 1988 Feb 20<br>INT TYPE: WI&RI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 040 RGE 07 W4M SEC 23<br>NG TO BASE MANNVILLE_GROUP  | CUR INT: WI<br>BOWRIVER 100.0%<br><br>ROYALTY INT<br>NONCONV GOR<br>ALL 2.0%<br>BASED ON 75.0%<br>PDTO BOWRIVER 100.0%   | SLIDING SCALE<br>ALL S/S<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0%<br><br>NONCONV GOR<br>ALL 2.0%<br>BASED ON 75.0%<br>PDBY BOWRIVER 100.0%   | ROYALTY LINKS<br>C00005 I<br>General 0000<br>ROFR Applies  |       |
| M00003 A    | LSE TYPE: CR PNG<br>CR: 0178020053<br>LSE DATE: 1978 Feb 21<br>EFF DATE: 1978 Feb 21<br>EXP DATE: 1988 Feb 20<br>INT TYPE: WI&RI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 040 RGE 07 W4M SEC 34<br>PNG TO BASE MANNVILLE_GROUP | CUR INT: WI<br>BOWRIVER 58.7295%<br><br>ROYALTY INT<br>NONCONV GOR<br>ALL 2.0%<br>BASED ON 37.5%<br>PDTO BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>BASED ON 100.0%<br>PDBY BOWRIVER 58.7295%<br><br>NONCONV GOR<br>ALL 2.0%<br>BASED ON 37.5%<br>PDBY BOWRIVER 75.78% | CUR INT OPER CONT<br>C00007 A<br>CAPL 1990<br>No ROFR Applies<br>OPER: BOWRIVER<br><br>ROYALTY LINKS<br>C00005 B<br>General 0000<br>ROFR Applies |       |

## Wells

| License Number | UWI                  |
|----------------|----------------------|
| 0287918        | 108/12-34-040-07W4/0 |
| 0146096        | 1B0/06-34-040-07W4/0 |
| 0262740        | 103/05-34-040-07W4/0 |
| 0294945        | 109/12-34-040-07W4/0 |
| 0146093        | 1B3/03-34-040-07W4/0 |
| 0304803        | 108/11-34-040-07W4/0 |
| 0145193        | 1C0/05-34-040-07W4/0 |
| 0145190        | 1B2/05-34-040-07W4/0 |
| 0146089        | 1D2/03-34-040-07W4/0 |
| 0315396        | 112/11-34-040-07W4/0 |
| 0270907        | 104/12-34-040-07W4/0 |
| 0270913        | 103/04-34-040-07W4/0 |
| 0270984        | 102/11-34-040-07W4/0 |
| 0325924        | 104/03-34-040-07W4/0 |
| 0377951        | 117/11-34-040-07W4/0 |
| 0108261        | 100/05-34-040-07W4/0 |
| 0265990        | 103/12-34-040-07W4/0 |
| 0345893        | 105/06-34-040-07W4/0 |
| 0398612        | 102/13-34-040-07W4/0 |
| 0383846        | 116/12-34-040-07W4/0 |
| 0294379        | 105/11-34-040-07W4/0 |
| 0294948        | 102/14-34-040-07W4/0 |
| 0190084        | 1D2/06-34-040-07W4/0 |
| 0296029        | 107/11-34-040-07W4/0 |
| 0146090        | 1A2/03-34-040-07W4/0 |
| 0377197        | 107/04-34-040-07W4/0 |
| 0315403        | 112/12-34-040-07W4/0 |
| 0146097        | 107/05-34-040-07W4/0 |
| 0146092        | 1B2/03-34-040-07W4/0 |
| 0270915        | 104/06-34-040-07W4/0 |
| 0334062        | 105/02-34-040-07W4/0 |
| 0284565        | 107/12-34-040-07W4/0 |
| 0378083        | 115/12-34-040-07W4/0 |
| 0117628        | 100/06-34-040-07W4/0 |
| 0128877        | 102/04-34-040-07W4/0 |
| 0283686        | 103/11-34-040-07W4/0 |
| 0375712        | 116/11-34-040-07W4/0 |
| 0295634        | 110/12-34-040-07W4/0 |

|         |                      |
|---------|----------------------|
| 0375710 | 113/12-34-040-07W4/0 |
| 0117086 | 100/02-34-040-07W4/0 |
| 0128995 | 102/12-34-040-07W4/0 |
| 0305203 | 111/11-34-040-07W4/0 |
| 0114336 | 100/03-34-040-07W4/0 |
| 0132662 | 1A0/03-34-040-07W4/0 |
| 0190181 | 1B0/07-34-040-07W4/0 |
| 0119689 | 102/06-34-040-07W4/0 |
| 0190182 | 1A3/06-34-040-07W4/2 |
| 0315324 | 103/10-34-040-07W4/0 |
| 0146091 | 1C2/03-34-040-07W4/0 |
| 0189900 | 1B3/06-34-040-07W4/0 |
| 0189666 | 1A2/06-34-040-07W4/0 |
| 0128768 | 1B0/05-34-040-07W4/0 |
| 0128767 | 1D0/03-34-040-07W4/0 |
| 0365898 | 106/04-34-040-07W4/0 |
| 0145192 | 1C2/05-34-040-07W4/0 |
| 0305144 | 103/03-34-040-07W4/0 |
| 0271012 | 104/04-34-040-07W4/0 |
| 0271108 | 104/05-34-040-07W4/0 |
| 0294375 | 104/11-34-040-07W4/0 |
| 0128740 | 1D0/05-34-040-07W4/0 |
| 0295962 | 106/11-34-040-07W4/0 |
| 0275989 | 106/05-34-040-07W4/0 |
| 0189665 | 1C2/06-34-040-07W4/0 |
| 0363000 | 111/03-34-040-07W4/0 |
| 0271123 | 105/05-34-040-07W4/0 |
| 0189551 | 100/11-34-040-07W4/0 |
| 0121325 | 1A0/02-34-040-07W4/0 |
| 0107569 | 100/15-23-040-07W4/0 |
| 0190185 | 1B2/07-34-040-07W4/0 |
| 0145191 | 1B3/05-34-040-07W4/0 |
| 0113713 | 100/12-34-040-07W4/0 |
| 0317533 | 103/02-34-040-07W4/0 |
| 0287519 | 105/04-34-040-07W4/0 |
| 0345700 | 115/11-34-040-07W4/0 |
| 0306683 | 103/07-34-040-07W4/0 |

**PART 2 – Pipelines and  
Facilities**

| LICENSE | LINE | FROM LSD       | TO LSD         |
|---------|------|----------------|----------------|
| 50635   | 1    | 04-34-040-07W4 | 09-17-040-07W4 |
| 41874   | 5    | 15-23-040-07W4 | 04-35-040-07W4 |
| 41874   | 4    | 04-35-040-07W4 | 02-34-040-07W4 |
| 22434   | 1    | 02-34-040-07W4 | 04-34-040-07W4 |
|         |      |                |                |
| 38281   | 7    | 06-34-040-07W4 | 04-34-040-07W4 |
| 38281   | 8    | 06-34-040-07W4 | 06-34-040-07W4 |
| 38281   | 9    | 11-34-040-07W4 | 11-34-040-07W4 |
| 38281   | 10   | 11-34-040-07W4 | 11-34-040-07W4 |
| 38281   | 13   | 06-34-040-07W4 | 06-34-040-07W4 |
| 38281   | 14   | 06-34-040-07W4 | 06-34-040-07W4 |
| 38281   | 15   | 12-34-040-07W4 | 12-34-040-07W4 |
| 38281   | 16   | 12-34-040-07W4 | 12-34-040-07W4 |
| 38281   | 17   | 06-34-040-07W4 | 06-34-040-07W4 |
| 38281   | 18   | 06-34-040-07W4 | 06-34-040-07W4 |
| 38281   | 19   | 11-34-040-07W4 | 06-34-040-07W4 |
| 38281   | 20   | 11-34-040-07W4 | 11-34-040-07W4 |
| 38281   | 22   | 11-34-040-07W4 | 06-34-040-07W4 |
| 38281   | 23   | 11-34-040-07W4 | 06-34-040-07W4 |
| 38281   | 28   | 03-34-040-07W4 | 04-34-040-07W4 |
| 38281   | 29   | 03-34-040-07W4 | 04-34-040-07W4 |
| 38281   | 30   | 02-34-040-07W4 | 06-34-040-07W4 |
| 38281   | 31   | 02-34-040-07W4 | 06-34-040-     |

|       |    |                |                |
|-------|----|----------------|----------------|
|       |    |                | 07W4           |
| 38281 | 34 | 03-34-040-07W4 | 02-34-040-07W4 |
| 38281 | 35 | 03-34-040-07W4 | 02-34-040-07W4 |
| 38281 | 38 | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281 | 39 | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281 | 42 | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281 | 43 | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281 | 44 | 06-34-040-07W4 | 06-34-040-07W4 |
| 38281 | 45 | 06-34-040-07W4 | 06-34-040-07W4 |
| 38281 | 46 | 06-34-040-07W4 | 04-34-040-07W4 |
| 38281 | 47 | 06-34-040-07W4 | 03-34-040-07W4 |
| 38281 | 48 | 06-34-040-07W4 | 03-34-040-07W4 |
| 38281 | 49 | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281 | 50 | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281 | 51 | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281 | 52 | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281 | 53 | 04-34-040-07W4 | 04-34-040-07W4 |
| 38281 | 54 | 04-34-040-07W4 | 04-34-040-07W4 |
| 38281 | 55 | 05-34-040-07W4 | 05-34-040-07W4 |
| 38281 | 56 | 05-34-040-07W4 | 04-34-040-07W4 |
| 38281 | 57 | 12-34-040-07W4 | 05-34-040-07W4 |
| 38281 | 58 | 12-34-040-07W4 | 05-34-040-07W4 |
| 38281 | 59 | 05-34-040-07W4 | 05-34-040-07W4 |
| 38281 | 60 | 05-34-040-07W4 | 05-34-040-07W4 |
| 38281 | 61 | 05-34-040-07W4 | 05-34-040-07W4 |
| 38281 | 62 | 05-34-040-07W4 | 05-34-040-07W4 |
| 38281 | 65 | 04-34-040-07W4 | 04-34-040-07W4 |
| 38281 | 66 | 05-34-040-07W4 | 04-34-040-07W4 |

|       |    |                |                |
|-------|----|----------------|----------------|
| 38281 | 67 | 05-34-040-07W4 | 04-34-040-07W4 |
| 38281 | 68 | 06-34-040-07W4 | 04-34-040-07W4 |
| 38281 | 69 | 06-34-040-07W4 | 04-34-040-07W4 |
| 38281 | 72 | 12-34-040-07W4 | 06-34-040-07W4 |
| 38281 | 73 | 12-34-040-07W4 | 06-34-040-07W4 |
| 38281 | 74 | 06-34-040-07W4 | 06-34-040-07W4 |
| 38281 | 75 | 06-34-040-07W4 | 06-34-040-07W4 |
| 38281 | 76 | 11-34-040-07W4 | 06-34-040-07W4 |
| 38281 | 77 | 06-34-040-07W4 | 06-34-040-07W4 |
| 38281 | 79 | 04-34-040-07W4 | 04-34-040-07W4 |
| 38281 | 80 | 04-34-040-07W4 | 04-34-040-07W4 |
| 38281 | 81 | 13-34-040-07W4 | 12-34-040-07W4 |
| 38281 | 82 | 13-34-040-07W4 | 12-34-040-07W4 |
| 41709 | 1  | 05-34-040-07W4 | 05-34-040-07W4 |
| 41709 | 2  | 05-34-040-07W4 | 05-34-040-07W4 |
| 41709 | 3  | 05-34-040-07W4 | 05-34-040-07W4 |
| 41709 | 4  | 05-34-040-07W4 | 05-34-040-07W4 |
|       |    |                |                |
| 47955 | 1  | 04-34-040-07W4 | 12-34-040-07W4 |
| 36635 | 2  | 04-34-040-07W4 | 05-34-040-07W4 |
| 36635 | 3  | 04-34-040-07W4 | 06-34-040-07W4 |
| 36635 | 5  | 04-34-040-07W4 | 03-34-040-07W4 |
| 36635 | 6  | 06-34-040-07W4 | 07-34-040-07W4 |
| 36635 | 7  | 03-34-040-07W4 | 02-34-040-07W4 |
| 36635 | 8  | 04-34-040-07W4 | 11-34-040-07W4 |

Pipelines Tie to live System

| LICENSE | LINE | FROM LSD       | TO LSD         |
|---------|------|----------------|----------------|
| 36635   | 9    | 11-34-040-07W4 | 13-34-040-07W4 |
| 38281   | 32   | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281   | 33   | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281   | 36   | 02-34-040-07W4 | 02-34-040-07W4 |
| 38281   | 37   | 02-34-040-07W4 | 02-34-040-07W4 |
| 38281   | 40   | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281   | 41   | 03-34-040-07W4 | 03-34-040-07W4 |
| 38281   | 63   | 12-34-040-07W4 | 05-34-040-07W4 |
| 38281   | 64   | 12-34-040-07W4 | 05-34-040-07W4 |
| 38281   | 70   | 06-34-040-07W4 | 06-34-040-07W4 |
| 38281   | 71   | 06-34-040-07W4 | 06-34-040-07W4 |
| 38281   | 78   | 11-34-040-07W4 | 06-34-040-07W4 |
| 38281   | 83   | 07-34-040-07W4 | 06-34-040-07W4 |
| 38281   | 84   | 07-34-040-07W4 | 06-34-040-07W4 |

Facilities:

| FAC_ID      | LICENSE | OPER                     | OPER_CD | NAME      | LOCATION       | FAC_TYPE           | BATT_CD |
|-------------|---------|--------------------------|---------|-----------|----------------|--------------------|---------|
| ABBT7500527 | F7783   | BOW RIVER<br>ENERGY LTD. | A6N8    | PURCHASE  | 04-34-040-07W4 | Battery            | 322     |
| F7782       | F7782   |                          |         |           | 04-34-040-07W4 | Satellite          |         |
| F31784      | F31784  |                          |         |           | 04-34-040-07W4 | Satellite          |         |
| F7784       | F7784   |                          |         |           | 05-34-040-07W4 | Satellite          |         |
| F7781       | F7781   |                          |         |           | 03-34-040-07W4 | Satellite          |         |
| F38819      | F38819  |                          |         |           | 06-34-040-07W4 | Satellite          |         |
| F30424      | F30424  |                          |         |           | 06-34-040-07W4 | Satellite          |         |
| ABIF0008085 | F7785   | BOW RIVER<br>ENERGY LTD. | A6N8    | COMMERCIA | 12-34-040-07W4 | Injection<br>Plant | 503     |
| F20161      | F20161  |                          |         |           | 06-34-040-07W4 | Satellite          |         |



## **Schedule "C"**

### **Claims**

## Schedule "D"

### Permitted Encumbrances

Permitted Encumbrances consist of the following (with capitalized terms having the definitions given to them in the Sale Agreement, unless otherwise defined in this Order):

- (i) all Encumbrances, including any overriding royalties, net profits interests and other burdens, which are provided for under the Title Documents;
- (ii) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, 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;
- (iii) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
- (iv) 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;
- (v) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;
- (vi) agreements for the sale, processing, transmission or transportation of Petroleum Substances entered into by the Debtor, or the Vendor for and on behalf of the Debtor, subsequent to the date of this Agreement, provided that such agreements can be terminated on less than 1 month's notice;
- (vii) any obligation of the Vendor or the Debtor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
- (viii) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;
- (ix) 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 the Vendor's or any Debtor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;

- (x) 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;
- (xi) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;
- (xii) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority; and
- (xiii) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's or any Debtor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof;

provided that in no circumstance shall any amounts owing by the Debtor to a Governmental Authority prior to the Closing Date in respect of taxes on linear or non linear property (as defined in the Municipal Government Act (Alberta)) be a Permitted Encumbrance.

## SCHEDULE C

### Form of General Conveyance, Assignment and Assumption Agreement

#### GENERAL CONVEYANCE, ASSIGNMENT, AND ASSUMPTION AGREEMENT

**THIS** General Conveyance, Assignment, and Assumption Agreement (this "**Agreement**") is made as of the [•] day of [•], 2021.

#### AMONG:

**BDO CANADA LIMITED**, a corporation existing under the federal laws of Canada, solely in its capacity as the receiver and manager of the assets, property and undertaking of **BOW RIVER ENERGY LTD.**, and not in its personal or corporate capacity (herein referred to as the "**Vendor**")

- and -

**TALLAHASSEE EXPLORATION INC.**, a corporation existing under the laws of the Province of Alberta (the "**Purchaser**")

#### RECITALS:

- A. In accordance with the terms of that certain Asset Purchase and Sale Agreement dated as of [•], 2021 by and between the Vendor and the Purchaser (the "**Purchase Agreement**"), the Vendor has agreed to sell, assign, and transfer the Assets to the Purchaser and the Purchaser has agreed to purchase the Assets from the Vendor;
- B. the Purchaser has agreed to assume the Assumed Liabilities; and
- C. this Agreement is delivered pursuant to the Purchase Agreement.

**NOW THEREFORE**, for good and valuable consideration now paid by the Purchaser to the Vendor pursuant to the Purchase Agreement (the receipt and sufficiency of which is hereby acknowledged by the Vendor) the parties hereto agree as follows:

#### 1. Definitions

All capitalized terms used but not otherwise defined in this Agreement shall have the meaning ascribed to such terms in the Purchase Agreement.

#### 2. Certain Rules of Interpretation

- (i) In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (ii) The division of this Agreement into Sections and the inclusion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

- (iii) The terms "hereof," "hereunder," and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.
- (iv) Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections of this Agreement.
- (v) The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

### **3. Conveyance**

The Vendor hereby sells, transfers, assigns, conveys and delivers to the Purchaser, and the Purchaser hereby purchases, accepts and receives from the Vendor, upon the terms and subject to the conditions of the Purchase Agreement, the Vendor's Interest in and to the Assets, free and clear of any and all Encumbrances of any and every kind, nature, and description, other than Permitted Encumbrances, as applicable, with effect as of the Closing on the date hereof, to have and to hold the Assets and all such right, title, interest, property, claim, and demand unto and to the use of the Purchaser.

### **4. Assumption of Assumed Liabilities**

Effective as of the Closing on the date hereof, the Purchaser hereby assumes and agrees to pay, perform, and discharge, when due, the Assumed Liabilities.

### **5. Further Assurances**

Each of the Parties hereto from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

### **6. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.

### **7. Entire Agreement**

This Agreement, the Purchase Agreement, and the documents referred to therein and contemplated thereby constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement, the Purchase Agreement, the Confidentiality Agreement and the documents referred to therein and contemplated thereby.

**8. Successors and Assigns**

This Agreement shall be binding upon, and enure to the benefit of, the Parties and their respective successors and permitted assigns.

**9. Counterparts**

This Agreement may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one instrument. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

**10. Amendments**

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. Any amendment effected in accordance with this Section 10 will be binding upon the Parties and their respective successors and permitted assigns.

**11. Paramountcy**

This Agreement is delivered pursuant to, and is subject to, all of the terms and conditions contained in the Purchase Agreement. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Purchase Agreement, the provisions of the Purchase Agreement shall prevail.

**12. Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

**[Signature Page Follows.]**

**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**BDO CANADA LIMITED, SOLELY IN ITS CAPACITY AS THE RECEIVER AND MANAGER OF THE ASSETS, PROPERTY AND UNDERTAKING OF BOW RIVER ENERGY LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

Per: \_\_\_\_\_  
Name:  
Title:

**TALLAHASSEE EXPLORATION INC.**

Per: \_\_\_\_\_  
Name: Ghazanfar Zafar  
Title: President

**SCHEDULE D**

**Form of Bring-Down Certificate**

**TO:** [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")]

**RE:** Agreement of Purchase and Sale dated [●], 2021 between the Vendor and the 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:

1. The undersigned is personally familiar, in [his][her] capacity as an officer of [Vendor][Purchaser], with the matters hereinafter mentioned.
2. Each of the representations and warranties of the [Vendor][Purchaser] contained in Section [5.1 / 5.2] of the Agreement were true and correct in all material respects when made and are true and correct in all material respects as of the Closing Date.
3. All covenants and obligations of [Vendor][Purchaser] contained in the Agreement to be performed prior to or at Closing have been timely performed in all material respects.
4. 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.
5. 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 \_\_\_\_\_, 2021.

[Name of Vendor/Purchaser]

Per: \_\_\_\_\_  
Name:  
Title:



**SCHEDULE E**

**Excluded Assets**

Part 1 – Excluded Assets

None.

Part 2 – Surplus Equipment

None.

# APPENDIX “B”

**BDO CANADA LIMITED, SOLELY IN ITS CAPACITY AS THE RECEIVER AND MANAGER  
OF THE ASSETS, PROPERTY AND UNDERTAKING OF BOW RIVER ENERGY LTD. AND  
NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

**- and -**

**ERDOL RESOURCES CORP.**

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**ASSET PURCHASE AND SALE AGREEMENT**

**December 1, 2021**

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## AGREEMENT OF PURCHASE AND SALE

**THIS AGREEMENT OF PURCHASE AND SALE** dated as of December 1, 2021,

**BETWEEN:**

**BDO CANADA LIMITED**, a corporation existing under the federal laws of Canada, solely in its capacity as the receiver and manager of the assets, property and undertaking of Bow River Energy Ltd. ("**Bow River**" or the "**Debtor**"), and not in its personal or corporate capacity (herein referred to as the "**Vendor**")

- and -

**ERDOL RESOURCES CORP.**, a corporation existing under the laws of Alberta (herein referred to as the "**Purchaser**")

**WHEREAS:**

- A. pursuant to the Receivership Order, the Vendor was appointed as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof;
- B. the Purchaser, subject to Court Approval, has agreed to purchase and acquire and the Vendor has agreed to sell, transfer and assign to the Purchaser, all of the Vendor's Interest in and to the Assets, on the terms and conditions set forth herein.

**NOW THEREFORE**, this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged by each Party to the other, the Parties covenant and agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement:

- (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 forming part of the Wells and Tangibles; and
  - (ii) restore, remediate and reclaim the surface and subsurface locations of the Wells and the Tangibles and any lands used to gain access thereto, including such obligations relating to Wells and Facilities which were abandoned or decommissioned prior to the Closing Date 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 sub-surface lands affected by any environmental damage, contamination or other environmental issues emanating from or relating to the sites for the Wells or the Tangibles;

all in accordance with generally accepted oil and gas industry practices and in compliance with all Applicable Laws;

- (b) "**Accounts Receivable**" means all trade and other accounts receivable, notes receivable, unbilled accounts and other debts due or accruing due to the Vendor and/or the Debtor in relation to the Assets in respect of the period prior to the Closing Date;
- (c) "**AER**" means the Alberta Energy Regulator, or any successor thereto having jurisdiction over the Assets or certain of them or the operation thereof;
- (d) "**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with that specified Person. For the purposes of this definition, "control" (including with correlative meanings, controlling, controlled by and under common control with) means the power to direct or cause the direction of the management and policies of that Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and, it being understood and agreed that with respect to a corporation or partnership, control shall mean direct or indirect ownership of more than 50% of the voting shares in any such corporation or of the general partnership interest or voting interest in any such partnership;
- (e) "**Agreement**" means this agreement of purchase and sale and any schedules attached hereto which are referred to in this agreement, together with any amendment or supplement thereto;
- (f) "**Applicable Law**" means, in respect of any Person, asset, transaction, event or circumstance: (i) statutes (including regulations enacted thereunder); (ii) judgments, decrees and orders of courts of competent jurisdiction (including the common law); (iii) regulations, orders, ordinances and directives issued by Governmental Authorities; and (iv) the terms and conditions of all permits, licenses, approvals and authorizations, in each case which are applicable to such Person, asset, transaction, event or circumstance;
- (g) "**Approval and Vesting Order**" means an order of the Court approving the Transaction in accordance with the provisions of this Agreement, and vesting all of the Vendor's Interest in and to the Assets in the Purchaser free and clear of all Claims, Encumbrances (other than Permitted Encumbrances) and interests, such order to be substantially in the form attached hereto as Schedule B together with such modifications and amendments to such form as may be approved by both the Vendor and the Purchaser, acting reasonably;
- (h) "**Assets**" means the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests, but specifically excluding the Excluded Assets;
- (i) "**Assumed Contracts**" means, other than contracts which are Excluded Assets:
  - (i) the contracts referenced in subsection (i) of the definition of Miscellaneous Interests; and

- (ii) any other contract, agreement, commitment, understanding, arrangement, license or lease entered into by the Vendor or the Debtor (whether oral or written) or affecting or related to the Assets or the Assumed Liabilities or by which either the Vendor or the Debtor are bound or by which any property of the Debtor is subject to an Encumbrance;

which contracts shall be assigned by the Vendor in its own right or for and on behalf of the Debtor and assumed by the Purchaser in accordance with the terms of this Agreement, the relevant contracts and/or the Approval and Vesting Order, and/or other order of the Court in form and substance satisfactory to the Parties;

- (j) "**Assumed Liabilities**" means, collectively, all liabilities and obligations arising from the possession, ownership and/or use of the Assets arising following Closing (including all property taxes with respect to the Assets which arise or accrue on or after the Closing Date), and
  - (i) all Environmental Liabilities and Abandonment and Reclamation Obligations;
  - (ii) any Losses and Liabilities of the Vendor and/or the Debtor under, and the Cure Costs in respect of, Assumed Contracts;
- (k) "**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the City of Calgary in the Province of Alberta;
- (l) "**Cash and Cash Equivalents**" means cash, cash equivalents, money on deposit with banks, certificates of deposit and similar instruments and short-term investments held by the Debtor or the Vendor for and on behalf of the Debtor;
- (m) "**Claim**" means any right, claim, cause of action or complaint of any Person that may be asserted or made in whole or in part against any Vendor, any of their respective Affiliates and their respective Representatives, 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 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, claim, cause of action or complaint is executory or anticipatory in nature;
- (n) "**Closing**" means the completion of the purchase by the Purchaser, and sale by the Vendor, of the Vendor's Interest in and to the Assets and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such purchase and sale, all subject to and in accordance with the terms and conditions of this Agreement;
- (o) "**Closing Date**" means the date on which Closing occurs, being the later of:



(i) the date which is two Business Days following the date upon which (A) the AER has approved the LTAs and registered the License Transfers, and (B) all conditions in Sections 11.1, 11.2 and 11.3 have otherwise been satisfied or waived, as applicable; or

(ii) such other date as the Parties may agree in writing;

provided, however, that the Closing Date shall not be later than the Outside Date;

(p) "**Confidentiality Agreement**" means the confidentiality agreement between Vendor and Purchaser;

(q) "**Consequential Damages**" has the meaning ascribed to that term in Section 14.5;

(r) "**Court**" means the Court of Queen's Bench of Alberta, Judicial Centre of Calgary;

(s) "**Court Approval**" means both the issuance of the Approval and Vesting Order by the Court approving the sale of the Assets, and such Approval and Vesting Order having become a Final Order;

(t) "**Cure Costs**" means, in respect of any Assumed Contract, all amounts, required to be paid to remedy all of the Vendor's or the Debtor' monetary defaults under such Assumed Contract or required to secure a counterparty's or any other necessary Person's consent to the assignment of such Assumed Contract pursuant to its terms (including any deposits or other forms of security required by any Governmental Authority) or as may be required pursuant to the Approval and Vesting Order, and includes any other fees and expenses required to be paid to a counterparty or any other Person in connection with the assignment of an Assumed Contract pursuant to its terms or Applicable Laws but expressly excludes any secured or unsecured creditor claim against the Debtor other than payments to counterparties under Assumed Contracts;

(u) "**Debtor**" means, Bow River Energy Ltd.;

(v) "**Deposit**" has the meaning ascribed to that term in Section 3.3(a)(i);

(w) "**Due Diligence Information**" means all information made available (by the Vendor, the Debtor or otherwise) for the Purchaser's review in paper or electronic form in relation to the Debtor, its Affiliates and/or the Assets;

(x) "**Encumbrances**" means all mortgages, pledges, charges, liens, debentures, trust deeds, Claims, assignments by way of security or otherwise, security interests, conditional sales contracts or other title retention agreements, security created under the *Bank Act* (Canada), rights of first refusal, or similar interests or instruments charging or creating a security interest in the Assets or any part thereof or interest therein, and any agreements, leases, licenses, occupancy agreements, options, easements, rights of way, restrictions, executions, or other encumbrances (including notices or other registrations in respect of any of the foregoing) affecting title to the Assets or any part thereof or interest therein;

(y) "**Environment**" means the components of the earth and includes the air, the surface and subsurface of the earth, bodies of water (including rivers, streams, lakes and aquifers) and plant and animal life (including humans);

- (z) **"Environmental Laws"** means all Applicable Laws relating to pollution or protection of human health or the Environment (including ambient air, water, surface water, groundwater, land surface, soil, or subsurface) or natural resources, including Applicable Laws relating to the storage, transfer, transportation, investigation, cleanup, treatment, or use of, or release or threatened release into the Environment of, any Hazardous Substances;
- (aa) **"Environmental Liabilities"** means all past, present and future Losses and Liabilities, Claims and other duties and obligations, whether arising under contract, Applicable Laws or otherwise, arising from, relating to or associated with:
- (i) any damage, pollution, contamination or other adverse situations pertaining to the Environment howsoever and by whomsoever caused and regardless of whether such damage, pollution, contamination or other adverse situations occur or arise in whole or in part prior to, at or subsequent to the date of this Agreement;
  - (ii) the presence, storage, use, holding, collection, accumulation, assessment, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, release, emission or discharge of Petroleum Substances, oilfield wastes, water, Hazardous Substances, environmental contaminants and all other substances and materials regulated under any Applicable Law, including any forms of energy, or any corrosion to or deterioration of any structures or other property;
  - (iii) compliance with or the consequences of any non-compliance with, or violation or breach of, any Environmental Law;
  - (iv) sampling, monitoring or assessing the Environment or any potential impacts thereon from any past, present or future activities or operations; or
  - (v) the protection, reclamation, remediation or restoration of the Environment;
- that relate to or arise by virtue of the Assets or the ownership thereof or any past, present or future operations and activities conducted in connection with the Assets or on or in respect of the Lands or any lands pooled or unitized therewith;
- (bb) **"Excluded Assets"** has the meaning set forth in Section 2.6;
- (cc) **"Facilities"** means the Vendor's Interest in and to:
- (i) all 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, as of the Effective Date, used or intended to be used for production, gathering, treatment, compression, transportation, injection, water disposal, measurement, processing, storage or other operations respecting the Leased Substances, including any applicable battery, separator, compressor station, gathering system, pipeline, production storage facility or warehouse;
- (dd) **"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 prescribed therein or otherwise by Applicable Law or order having been satisfied;

- (ee) "**General Conveyance, Assignment and Assumption Agreement**" means an agreement providing for the assignment by the Vendor of the Vendor's Interest in and to the Assets, free and clear of all Encumbrances (other than Permitted Encumbrances), substantially in the form attached hereto as Schedule C, and the assumption by the Purchaser of the Assumed Liabilities, substantially in the form attached hereto as Schedule C;
- (ff) "**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Assets or this Transaction, including for greater certainty the AER;
- (gg) "**GST**" means taxes, interest, penalties and other additions thereto imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and "**GST Legislation**" means such act and regulations collectively;
- (hh) "**Hazardous Substances**" means any substance, material or waste defined, regulated, listed or prohibited by Environmental Laws, including pollutants, contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, radioactive materials, flammable substances, explosives, Petroleum Substances and products of Petroleum Substances, polychlorinated biphenyls, chlorinated solvents and asbestos;
- (ii) "**Lands**" means the lands set out and described in Part 1 of Schedule A, and the Petroleum Substances within, upon or under such lands (subject to the restrictions and exclusions identified in the Title Documents as to Petroleum Substances and geological formations), but excluding the Excluded Assets;
- (jj) "**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);
- (kk) "**Legal Proceeding**" means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;
- (ll) "**Licence Transfers**" means the transfer from the Vendor and/or the Debtor to the Purchaser of any permits, approvals, licences and authorizations granted by the AER or

any other Governmental Authority in relation to the construction, installation, ownership, use or operation of the Wells or the Facilities, as applicable.

- (mm) "**LMR**" means the licensee liability rating program and the license transfer process as set forth by the AER under AER's Directive 006, 011, 068 and Bulletin 2016-21 and related AER regulations, guidelines, directives, information letters, programs and policies, as the same may be amended, supplemented or replaced from time to time;
- (nn) "**LTAs**" has the meaning set forth in Section 2.3(a);
- (oo) "**Losses and Liabilities**" means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations 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 or any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, and those arising under any contract, agreement, arrangement, commitment or undertaking and costs 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) and not excluded as a liability of the Purchaser by the Approval and Vesting Order;
- (pp) "**Miscellaneous Interests**" means, subject to any and all limitations and exclusions provided for in this definition, the Vendor's Interest in and to all property, assets, 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, assets, 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 relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);
  - (ii) all warranties, guarantees and similar rights relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including warranties and guarantees made by suppliers, manufacturers and contractors under the Assets, and claims against other Third Parties in connection with the contracts relating to the Petroleum and Natural Gas Rights and the Tangibles;
  - (iii) all subsisting rights to carry out operations relating to the Lands, the Tangibles or the Wells, and without limitation, all easements and other permits, licenses and authorizations pertaining to the Tangibles or the Wells;
  - (iv) rights to enter upon, use, occupy and enjoy the surface of any lands which are, as of the Effective Date, used or intended to be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them;
  - (v) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them including any of the foregoing that pertain to geological or geophysical matters and, including plats, surveys, maps, cross-sections, production records, electric logs,

cuttings, cores, core data, pressure data, decline and production curves, well files, and related matters, division of interest records, lease files, title opinions, abstracts of title, title curative documents, lease operating statements and all other accounting information, marketing reports, statements, gas balancing information, and all other documents relating to customers, sales information, supplier lists, records, literature and correspondence, physical maps, geologic or geophysical interpretation, electronic and physical project files; and

- (vi) the Wells, including the wellbores and any and all casing and down-hole monitoring and pumping equipment;

but excluding the Excluded Assets and provided that unless otherwise agreed in writing by the Parties, the Miscellaneous Interests shall not include any documents or data to the extent that they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by the Vendor or the Debtor to an assignee;

- (qq) **"Notice Period"** has the meaning ascribed to that term in Section 8.2(b);
- (rr) **"Order"** means any order, writ, judgment, injunction, decree, stipulation, determination, decision, verdict, ruling, subpoena, or award entered by or with any Governmental Authority (whether temporary, preliminary, or permanent);
- (ss) **"Outside Date"** means February 28, 2022 or such other date as the Parties may agree;
- (tt) **"Outstanding ROFR Assets"** has the meaning set forth in Section 10.3(e)(ii);
- (uu) **"Outstanding ROFRs"** has the meaning set forth in Section 10.3(e);
- (vv) **"Parties"** means, collectively, the Purchaser and the Vendor, and **"Party"** means any one of them;
- (ww) **"Permitted Encumbrances"** means:
  - (i) all encumbrances which are provided for under the Title Documents, including any overriding royalties, net profits interests and other burdens;
  - (ii) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, 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;
  - (iii) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
  - (iv) 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;

- (v) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;
- (vi) agreements for the sale, processing, transmission or transportation of Petroleum Substances entered into by the Debtor, or the Vendor for and on behalf of the Debtor, subsequent to the date of this Agreement which are terminable on not more than 30 days notice without an early termination penalty or like cost;
- (vii) any obligation of the Vendor or the Debtor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
- (viii) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;
- (ix) 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 the Vendor's or any Debtor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;
- (x) 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;
- (xi) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;
- (xii) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority; and
- (xiii) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's or any Debtor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof or the Closing Date;
- (xx) "**Person**" means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executory, Governmental Authority, or other entity however designated or instituted;
- (yy) "**Petroleum and Natural Gas Rights**" means the Vendor's 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), but excluding the Excluded Assets;
- (zz) "**Petroleum Substances**" means any of crude oil, petroleum, natural gas, natural gas liquids, coal bed methane and any and all other substances related to any of the

foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur;

- (aaa) "**Prime Rate**" means an annual rate of interest equal to the annual rate of interest announced from time to time by the main branch of the Royal Bank of Canada in Calgary, Alberta, as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans provided that such rate shall be determined on the last day of each month and applied to the next succeeding month;
- (bbb) "**Purchase Price**" has the meaning ascribed to that term in Section 3.1;
- (ccc) "**Purchaser**" has the meaning ascribed to that term in the preamble hereto;
- (ddd) "**Purchaser's Solicitors**" means Jamieson Laurin +Co. or such other firm as may be retained by the Purchaser and notice of which is provided to Vendor;
- (eee) "**Receivership Order**" means the order of the Court dated June 8, 2020, pursuant to which the Vendor was appointed as the receiver and manager of all of the current and future assets, undertakings and properties of every nature or kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof;
- (fff) "**Receivership Proceedings**" means the court proceedings brought in the Court pursuant to Court Action No. 2001 13391, pursuant to which the Vendor was appointed as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof;
- (ggg) "**Representative**" means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its Affiliates;
- (hhh) "**ROFR**" means a right of first refusal, right of first offer or other pre-emptive or preferential right of purchase or similar right to acquire the Assets or certain of them that may become operative by virtue of this Agreement or the completion of the Transaction;
- (iii) "**ROFR Disclosure Letter**" means the letter delivered by the Vendor to the Purchaser concurrent with the execution of this Agreement identifying any applicable ROFRs;
- (jjj) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the Vendor's Interest in and to the Assets to the Purchaser and to novate the Purchaser in the place and stead of the Vendor or the Debtor, as applicable, with respect to the Assets (excluding the Licence Transfers);
- (kkk) "**Surplus Equipment**" means those Assets identified as such in Part 2 of Schedule E hereto, which, if sold by the Vendor to a Third Party prior to Closing, shall constitute Excluded Assets, and if unsold by the Vendor prior to Closing, shall constitute Assets;
- (lll) "**Tangibles**" means the Vendor's Interest in and to:
  - (i) the Facilities; and

- (ii) any and all other tangible depreciable property and assets, if any, which are located within, upon or in the vicinity of the Lands and which, as of the Effective Date, are used or are intended to be used to produce, process, gather, treat, measure, store, transport, make marketable or inject the Leased Substances or any of them, but excluding the Excluded Assets;
- (mmm) "**Third Party**" means any Person who is not a Party or an Affiliate of a Party;
- (nnn) "**Third Party Claim**" means any Claim by a Third Party asserted against the Vendor or any of the Debtor for which the Purchaser has indemnified the Vendor and the Debtor or is otherwise responsible pursuant to this Agreement;
- (ooo) "**Title Documents**" means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements, acreage contribution agreements, joint venture 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;
- (ppp) "**Transaction**" means the transaction for the purchase and sale of the Vendor's Interest in and to the Assets, together with all other transactions contemplated in this Agreement, all as contemplated in this Agreement;
- (qqq) "**Transfer Taxes**" means all transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Assets, including GST; and which, for certainty, shall not include freehold mineral taxes;
- (rrr) "**Vendor**" has the meaning ascribed to that term in the preamble hereto;
- (sss) "**Vendor's Interest**" means, when used in relation to any asset, undertaking or property, the entire right, title and interest, if any, of the Debtor and/or the Vendor, as applicable, in, to and/or under such asset, undertaking or property;
- (ttt) "**Vendor's Solicitors**" means the law firm of Bennett Jones LLP, or such other firm or firms of solicitors as are retained or engaged by the Vendor from time to time and notice of which is provided to the Purchaser; and
- (uuu) "**Wells**" means the Vendor's Interest in and to the wells listed in Part 2 of Schedule A.



## 1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) All references to monetary amounts are to the lawful currency of Canada.
- (b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.
- (c) The word "include" and "including" and derivatives thereof shall be read as if followed by the phrase "without limitation".
- (d) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.
- (e) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.
- (f) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified.
- (g) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.
- (h) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.
- (i) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.
- (j) Reference to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof.
- (k) References to an Applicable Law means such Applicable Law as amended from time to time and includes any successor Applicable Law thereto any regulations promulgated thereunder.

## 1.3 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

|            |  |
|------------|--|
| Schedule A | Assets Listing                           |
|            | Part 1 – Lands                           |
|            | Part 2 – Wells, Facilities and Tangibles |

|            |                                    |
|------------|------------------------------------|
| Schedule B | Form of Approval and Vesting Order |
| Schedule C | Form of General Conveyance         |
| Schedule D | Form of Bring-Down Certificate     |
| Schedule E | Excluded Assets                    |
|            | Part 1 – Excluded Assets           |
|            | Part 2 – Surplus Equipment         |

#### **1.4 Interpretation if Closing Does Not Occur**

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

### **ARTICLE 2 PURCHASE AND SALE**

#### **2.1 Agreement of Purchase and Sale**

Subject to the terms and conditions of this Agreement, and in consideration of the Purchase Price, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase, accept and receive from the Vendor, the Vendor's Interest in and to the Assets.

#### **2.2 Transfer of Property and Assumption of Liabilities**

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk, and legal and beneficial ownership of the Assets shall transfer from the Vendor to the Purchaser on the Closing Date, and the Purchaser agrees to assume, discharge, perform and fulfil all Assumed Liabilities. Without limiting the provisions of this Agreement relating to the General Conveyance, Assignment and Assumption Agreement (and such agreement itself), or any other provisions of this Agreement relating to sale, transfer, assignment, conveyance or delivery, the Assets shall be sold, assigned, transferred, conveyed, and delivered by the Vendor to the Purchaser by way of the Licence Transfers, the Specific Conveyances and other appropriate instruments of transfer, bills of sale, endorsements, assignments, and deeds, in recordable form, or by way of an Order of the Court, as appropriate, and free and clear of any and all Encumbrances of any and every kind, nature, and description, other than Permitted Encumbrances, as applicable.

#### **2.3 AER License Transfers**

- (a) Promptly following the granting by the Court of the Approval and Vesting Order, the Vendor shall electronically submit applications to the AER for the Licence Transfers ("LTAs"), and, in each case, will provide a screen shot or other evidence indicating such submission to the Purchaser, and in addition the Vendor shall provide any information and documentation along with such LTAs to the AER which are required to be provided by the transferor in connection with the foregoing. The Purchaser shall accept or ratify such LTAs without delay, provided that, if the Purchaser in good faith determines or believes that any of the LTAs are not complete and accurate, or the AER refuses to process any such LTAs because of some defect therein, the Parties shall cooperate to duly complete or to correct such incomplete or inaccurate LTAs as soon as practicable and, thereafter, the Vendor shall promptly re-submit such LTAs and the Purchaser shall accept or ratify such re-submitted LTAs without delay. Each Party shall be responsible for its own costs relating to LTAs hereunder. The Purchaser shall provide any information and

documentation in respect of such LTAs to the AER which are required to be provided by the transferee in connection with the foregoing. Following submission of the LTAs, each of the Parties shall use reasonable commercial efforts to obtain the AER's approval of the LTAs, and the registration of the License Transfers, subject to the specific requirements of this Sections 2.3.

- (b) If the AER denies any of the LTAs because of misdescription or other minor deficiencies contained therein, the Vendor shall, within two Business Days of such denial, correct the LTA(s) and amend and re-submit the LTA(s), and the Purchaser shall accept or ratify such re-submitted LTAs without delay.
- (c) If, for any reason, the AER requires the Purchaser to make a deposit, furnish any other form of security, provide any undertakings, information or other documentation or to take any action as a condition of or a prerequisite for the approval of any of the LTAs, then immediately after receiving notice of such requirements and at its sole cost, the Purchaser shall make such deposits, furnish such security, provide such undertakings, information or other documentation and/or take such action, as the case may be.
- (d) If the Purchaser fails to make a deposit or furnish security it is required to make or furnish under Section 2.3(c) within 10 days of the Purchaser's receipt of notification from the applicable Governmental Authority or the Vendor that such deposit or security is required, the Vendor shall have the right to make such deposit or furnish such security. In such event, the Purchaser shall (as applicable) reimburse the amount of such deposit or the costs of such security to the Vendor plus interest thereon at the Prime Rate plus three percent (3%) from the date such deposit or security is made or furnished by the Vendor until such reimbursement is made and, in the case of security, cause the security to be returned to the Vendor as soon as possible and indemnify the Vendor for the amount and costs of any draws on the security plus interest thereon at the Prime Rate from the date such draw is made until such indemnification is made. In addition to all other rights to enforce such reimbursement otherwise available to the Vendor, it shall have the right to set-off the amount of such reimbursement or indemnification (including interest) against other monies due to the Purchaser pursuant to this Agreement.
- (e) The Purchaser shall on a timely and continuing basis keep the Vendor fully apprised and informed regarding all communications the Purchaser may have with the AER in connection with the Transaction, including all communications respecting LTAs, and without limiting the generality of the foregoing the Purchaser shall provide copies to the Vendor of all related correspondence from the Purchaser to the AER, and the Purchaser shall request that the AER provide copies to the Vendor of all related correspondence from the AER to the Purchaser.

## 2.4 Specific Conveyances

- (a) The Parties shall cooperate in the preparation of the Specific Conveyances. A reasonable time following its receipt of the Title Documents from Vendor, Purchaser shall prepare and provide for the Vendor's review all Specific Conveyances. 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, the Purchaser shall register and/or distribute (as applicable), all such Specific Conveyances and shall bear all costs incurred therewith and in preparing and registering any further assurances required to convey the Assets to the Purchaser.

- (b) As soon as practicable following Closing, the Vendor shall deliver or cause to be delivered to the Purchaser such original copies of the Title Documents and any other agreements and documents to which the Assets are subject and such original copies of contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests which are now in the possession or control of the Vendor or the Debtor or of which the Vendor or the Debtor gain possession or control prior to Closing.
- (c) Notwithstanding Sections 2.4(a) and 2.4(b), requests for the transfers from the Vendor to the Purchaser of registered Crown leases or licences, related surface rights and any other Title Documents which are administered by Alberta Energy shall be submitted by the Vendor and accepted by the Purchaser as soon as is practicable after Closing.

## **2.5 Post-Closing Maintenance of Assets**

- (a) Following Closing, if and to the extent that Purchaser must be novated into, recognized as a party to, or otherwise accepted as assignee or transferee of Vendor's and/or the Debtor's interest in the Assets or certain of them, including any Title Documents and Assumed Contracts, the following provisions shall apply with respect to the applicable Assets until such novation, recognition or acceptance has occurred:
  - (i) the Purchaser shall use reasonable commercial efforts to obtain, as may be required by the terms of any Assumed Contracts, consents or approvals to the assignment of such Assumed Contracts; provided that to the extent that any Cure Costs are payable with respect to any Assumed Contract, the Purchaser shall be responsible for and shall pay all such Cure Costs, which Cure Costs shall form part of the Purchase Price for the Assets;
  - (ii) the Vendor and/or the applicable Debtor shall hold the rights, entitlements, benefits, remedies, duties and obligations in respect of the applicable Assets in trust for the exclusive benefit of the Purchaser as bare trustee and agent;
  - (iii) the Vendor will, at the request and expense and under the direction of the Purchaser, in the name of the Vendor and/or the applicable Debtor or otherwise as the Purchaser shall reasonably specify, take all such reasonable actions and do all such reasonable things as shall, in the reasonable opinion of the Purchaser, be necessary or desirable in order that the rights, entitlements, benefits, remedies, duties and obligations of the applicable Debtor in respect of any applicable Assets may be enjoyed, received or performed, as the case may be, in accordance with the terms of the Title Documents and Assumed Contracts, including that all monies receivable under any Title Documents and Assumed Contracts may be received by the Purchaser and that all rights and licenses under any Title Documents and Assumed Contracts may be exercised by the Purchaser;
  - (iv) the Vendor shall, no later than 30 days after receipt of funds, pay over to the Purchaser all such monies collected by the Vendor and/or the applicable Debtor in respect of the Assets following the Closing Date, net of any unpaid related costs or expenses (including any taxes that are payable in respect of the receipt of such amounts);
  - (v) to the extent permitted by any applicable Assumed Contract:

- (A) the Purchaser will pay, perform and discharge the duties and obligations accruing after Closing under such Assumed Contract, on behalf of the Vendor and/or any applicable Debtor, until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser; and
  - (B) the Vendor shall, or shall cause the applicable Debtor to, use reasonable commercial efforts to exercise the rights, entitlements, benefits and remedies under such Assumed Contract, on behalf of the Purchaser until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser, or such Assumed Contract expires or otherwise terminates;
- (vi) neither the Vendor nor the Debtor shall have any liability as a consequence of the Vendor or any applicable Debtor taking any action or causing anything to be done under this Section 2.5(a), and the Purchaser shall be responsible and liable for, and, as a separate covenant, shall hereby indemnify and save harmless the Vendor, the Debtor and their respective Representatives against, all costs and expenses reasonably incurred by the Vendor, the Debtor, their Affiliates or their respective Representatives as a consequence of or in connection with this Section 2.5(a); and
  - (vii) the Vendor shall cause the Debtor to maintain their existence, and continue to be licensed, registered or otherwise qualified and authorized to conduct its affairs and carry on business as is necessary to fulfill its obligations as set out in this Section 2.5(a) until the later of: (i) the earlier of the expiry or assignment to the Purchaser of the last applicable Assumed Contract, and (ii) the AER having approved the LTAs and registered the License Transfers; *provided, however*, that the obligations of the Vendor and any applicable Debtor under this Section 2.5(a) shall expire and terminate and cease to be in effect on the date that is 90 days following Closing.
  - (viii) Nothing in this Agreement shall constitute an agreement to assign, and shall not be construed as an assignment of, or an attempt to assign to the Purchaser, any Assumed Contract until such time as the necessary consents or approvals with respect to the assignment are obtained.
- (b) Both before and after Closing, each of the Parties shall use all commercially reasonable efforts to obtain any and all approvals required under Applicable Law and any and all material consents of Third Parties required to permit this Transaction to be completed. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances, deposits or security that may be required by Governmental Authorities or any Third Parties under the Assumed Contracts or Applicable Laws to permit the transfer of the Assets, including the Assumed Contracts, to the Purchaser.

## 2.6 Assumed Liabilities

Following Closing, the Purchaser shall assume, perform, discharge and pay when due all of the Assumed Liabilities. For greater certainty, the Purchaser acknowledges and agrees that the

Environmental Liabilities and Abandonment and Reclamation Obligations in respect of the Assets are future costs and obligations associated with the ownership of the Assets that are tied and connected to the ownership of the Assets such that they are inextricably linked and embedded with the Assets.

## 2.7 Excluded Assets

Nothing contained herein or in any agreements, instruments, or other documents to be delivered at the Closing shall be deemed to sell, transfer, assign, convey or deliver the Excluded Assets to the Purchaser or any Affiliate of the Purchaser, and the Vendor and the Debtor, as applicable, shall retain all right, title, and interest to, in, and under the Excluded Assets, and neither the Purchaser nor any Affiliate of the Purchaser shall have any liability therefor. "**Excluded Assets**" shall mean the Vendor's Interest in any and all assets (whether tangible or intangible), properties, contracts or rights of the Vendor and/or the Debtor which are not specifically included in the Assets including, for greater certainty, the following assets (whether tangible or intangible), properties and rights of the Vendor and the Debtor, as applicable:

- (a) any Accounts Receivable and any Cash and Cash Equivalents; and
- (b) any assets listed in Schedule E (which are not Surplus Equipment comprising Assets).

To the extent any Title Documents or Assumed Contracts apply to both Assets and Excluded Assets, such Title Document or Assumed Contract, as applicable, shall be assigned and transferred to Purchaser and Purchaser shall, following such assignment and transfer, hold the Title Document or Assumed Contract, as applicable, as bare trustee of Vendor and/or the Debtor (or their assignee) to the extent applicable to any Excluded Assets.

## ARTICLE 3 PURCHASE PRICE

### 3.1 Purchase Price

The consideration payable by the Purchaser for the Assets shall be the sum of [REDACTED] plus the Cure Costs (collectively, the "**Purchase Price**"). The Purchase Price shall be satisfied in accordance with Sections 2.5(a)(i) and 3.3(b), and shall not be subject to any adjustment (and for greater certainty, Cure Costs shall be satisfied in accordance with Section 2.5(a)(i)). The Purchaser and the Vendor acknowledge and agree that the Purchase Price reflects the fair market value of the Assets as of the Closing Date, having due regard to the Environmental Liabilities connected to and embedded in the Assets that depress the value of the Assets.

### 3.2 Allocation of Purchase Price

The Purchase Price shall be allocated among the Assets as follows:

- (a) to the Petroleum and Natural Gas Rights, 80%;
- (b) to the Tangibles, 20% less [REDACTED]; and
- (c) to the Miscellaneous Interests, [REDACTED].

### 3.3 Deposit and Satisfaction of Purchase Price

- (a) The Parties acknowledge that:

- (i) on the date hereof, the Purchaser paid the sum of [REDACTED] (the "**Deposit**") to the Vendor;
  - (ii) the Deposit has been delivered to and shall be held in trust by the Vendor; and
  - (iii) the Deposit shall be held and administered by the Vendor in accordance with the terms and conditions of this Agreement (including this Section 3.3).
- (b) At Closing, the Purchase Price shall be paid and satisfied as follows:
- (i) as to the amount of the Deposit, the Vendor shall retain the amount of the Deposit and apply such amount against the amount of the Purchase Price; and
  - (ii) as to the balance of the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.5(a)(i)), any additional amounts owing in respect of applicable GST, the Purchaser shall pay to the Vendor such amount by electronic wire transfer.
- (c) If this Agreement is terminated:
- (i) (A) pursuant to Section 13.1(a) by mutual agreement of the Parties; (B) pursuant to Sections 13.1(b) or 13.1(c) by the Purchaser; (C) pursuant to Section 13.1(e) by the Vendor; or (D) for any other reason other than as contemplated under Section 3.3(c)(ii); then the Deposit shall be returned to the Purchaser; or
  - (ii) pursuant to Section 13.1(d) by the Vendor, the full amount of the Deposit shall be forfeited to the Vendor,

and, subject to Section 13.2, each Party shall be released from all obligations and liabilities under or in connection with this Agreement. In the event of termination of this Agreement under Section 3.3(c)(ii) pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit, constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

#### **ARTICLE 4 TRANSFER TAXES**

##### **4.1 Transfer Taxes**

The Parties agree that:

- (a) the Purchase Price does not include Transfer Taxes and the Purchaser shall be liable for and shall pay, and be solely responsible for, any and all Transfer Taxes pertaining to the Purchaser's acquisition of the Assets; and
- (b) the Purchaser shall indemnify the Vendor, the Debtor and their respective Affiliates for, from and against any Transfer Taxes (including any interest or penalties imposed by a

Governmental Authority) that any of them are required to pay or for which any of them may become liable as a result of any failure by the Purchaser to self-assess, pay or remit such Transfer Taxes, other than as a result of a failure by the Vendor, the Debtor or their respective Affiliates to timely remit any amounts on account of Transfer Taxes paid by the Purchaser hereunder.

## ARTICLE 5 REPRESENTATIONS AND WARRANTIES

### 5.1 Vendor's Representations

The Vendor hereby represents and warrants to the Purchaser that:

- (a) pursuant to the Receivership Order, it has, among other things, been appointed by the Court as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof, and such appointment is valid and subsisting and has not been varied or amended, except as set forth in the Receivership Order;
- (b) except for: (i) the Court Approval; and (ii) the Licence Transfers and any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Vendor of the Transaction;
- (c) it is not a non-resident of Canada within the meaning of such term under the *Income Tax Act* (Canada) and is not an agent or trustee for anyone with an interest in the Assets who is a non-resident of Canada within the meaning of such term under the *Income Tax Act* (Canada) (or a partnership that is not a "Canadian partnership" within the meaning of such term under the *Income Tax Act* (Canada));
- (d) subject to Court Approval being obtained, this Agreement has been duly executed and delivered and constitutes a legal, valid and binding obligation of it and is enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (e) the Purchaser will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by the Vendor; and
- (f) with respect to the GST imposed under the GST Legislation, the Debtor is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and its GST registration number is:

**Debtor**  
BOW RIVER ENERGY LTD.

**GST Registration Number**  
828997114 RT0002



## 5.2 Purchaser's Representations

The Purchaser hereby represents and warrants to the Vendor that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation or formation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (b) it has taken all necessary corporate or other acts to authorize the execution, delivery and performance by it of this Agreement;
- (c) neither the execution of this Agreement nor its performance by the Purchaser will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which the Purchaser is a party or by which it is bound which breach could materially affect the ability of the Purchaser to perform its obligations hereunder;
- (d) except for: (i) the Court Approval; and (ii) the Licence Transfers and any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of this Transaction;
- (e) subject to Court Approval being obtained, this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (f) the Purchaser is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (g) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser;
- (h) the Purchaser meets all eligibility requirements of Governmental Authorities to purchase and accept a transfer of the Assets, including without limiting the generality of the foregoing, the eligibility requirements of the AER under its LMR program, or any successor program, as applicable to the Purchaser in connection with the transactions as contemplated hereunder;
- (i) with respect to the GST imposed under the GST Legislation, the Purchaser is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and that its GST registration number is 713994473RT001;

- (j) the Purchaser is an entity controlled by a "WTO Investor" for the purposes of the *Investment Canada Act* and shall comply with the *Investment Canada Act* to the extent, if any, that it is applicable to the transaction hereby contemplated;
- (k) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, the Purchase Price (including the Deposit and the Cure Costs), the Transfer Taxes, its legal fees and expenses, registration costs and any other amounts payable by the Purchaser pursuant hereto;
- (l) the Purchaser is not aware of any fact or circumstance that would prevent or delay the Licence Transfers or the approval of the LTAs as contemplated hereunder; and
- (m) the Purchaser has the financial resources necessary to post or satisfy all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Assets and to satisfy the security required by the Assumed Contracts.

### **5.3 Enforcement of Representations and Warranties**

- (a) The representations and warranties of each Party contained in this Agreement shall survive until Closing and shall thereafter be of no further force and effect. Effective upon the occurrence of Closing, each Party hereby releases and forever discharges each other Party from any breach of any representations and warranties set forth in this Agreement. For greater certainty, none of the representations and warranties contained in this Article 5 shall survive Closing and, the Purchaser's sole recourse for any material breach of representation or warranty by the Vendor shall be for the Purchaser to not complete the Transaction in accordance with this Agreement.
- (b) The representations and warranties of the Vendor made herein or pursuant hereto are made for the exclusive benefit of the Purchaser, and the representations and warranties of the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.
- (c) The Parties expressly acknowledge and agree that the provisions of this Section 5.3 and the limit on each Party's liability set out in this Section 5.3 are intended by the Parties as a limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each Party has agreed to assume in connection with the subject matter hereof and is not an agreement within the provision of subsection 7(2) of the *Limitations Act* (Alberta).

## **ARTICLE 6 "AS IS, WHERE IS" AND NO ADDITIONAL REPRESENTATIONS AND WARRANTIES**

### **6.1 Due Diligence Acknowledgement**

The Purchaser acknowledges and agrees that:

- (a) it was solely responsible to perform any inspections it deemed pertinent to the purchase of the Assets and to be satisfied as to the condition of the Assets prior to entering into this Agreement with the Vendor;
- (b) notwithstanding the fact that it was permitted to review any diligence materials and disclosures provided by the Vendor, including the Due Diligence Information, the Vendor assumes no liability for errors or omissions in such diligence materials and disclosure or any other property listings or advertising, promotional or publicity statements and materials, and makes no representations or warranties in respect thereof;
- (c) by entering into this Agreement with the Vendor, the Purchaser shall be deemed to represent, warrant and agree with respect to the Assets that:
  - (i) the Purchaser has inspected the Assets and is familiar and satisfied with the physical condition thereof and has conducted such investigation of the Assets as the Purchaser has determined appropriate;
  - (ii) none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives have made any oral or written representation, warranty, promise or guarantee whatsoever to the Purchaser, expressed or implied, and in particular, that no such representations, warranties, guarantees, or promises have been made with respect to the physical condition, operation, or any other matter or thing affecting or related to the Assets and/or the offering or sale of the Assets;
  - (iii) the Purchaser has not relied upon any representation, warranty, guarantee or promise or upon any statement made or any information provided concerning the Assets, including the Due Diligence Information made available to the Purchaser by the Vendor, the Debtor, their respective Affiliates or their respective Representatives;
  - (iv) the Purchaser has entered into this Agreement after having relied solely on its own independent investigation, inspection, analysis, appraisal and evaluation of the Assets and the facts and circumstances related thereto;
  - (v) any information provided or to be provided by or on behalf of the Vendor with respect to the Assets, including all Due Diligence Information, was obtained from information provided to the Vendor and the Vendor has not made any independent investigation or verification of such information, and makes no representations as to the accuracy or completeness of such information;
  - (vi) without limiting the generality of the foregoing, the Vendor is not under any obligation to disclose to the Purchaser, and shall have no liability for its failure to disclose to the Purchaser, any information known to it relating to the Assets except as may be required by any Applicable Law; and
  - (vii) none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives are liable or bound in any manner by any oral or written statements, representations or information pertaining to the Assets, or the operation thereof, made or furnished by any real estate broker, agent, employee, or other Person.

## 6.2 "As Is, Where Is", No Additional Representations

- (a) Without limiting any other provision of this Agreement, the Purchaser acknowledges and agrees that it is acquiring the Assets on an "as is, where is" and "without recourse" basis with all defects, both patent and latent, and with all faults, whether known or unknown, presently existing or that may hereafter arise. The Purchaser acknowledges and agrees that, except as expressly set forth in this Agreement, the Vendor, the Debtor, their respective Affiliates and their respective Representatives have not made, do not make and specifically negate and disclaim any representation, warranty, promise, covenant, agreement or guaranty of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Assets. For greater certainty, but without limitation, except as expressly set forth in this Agreement, none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives make any condition, representation or warranty whatsoever, express or implied, with respect to:
- (i) the title and interest of the Vendor or the Debtor in and to the Assets;
  - (ii) whether any ROFRs are exercisable by a Third Party in connection with the completion of the Transactions;
  - (iii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;
  - (iv) the income to be derived from the Assets, if any;
  - (v) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;
  - (vi) the rates of production of Petroleum Substances from the Lands;
  - (vii) the quality, condition, marketability, profitability, fitness for a particular purpose or merchantability of any tangible depreciable equipment or property interests which comprise the Assets (including the Tangibles or any personal property);
  - (viii) the suitability of the Assets for any and all purposes, activities and uses which the Purchaser may desire to conduct thereon;
  - (ix) the compliance of or by the Assets or its operation with any Applicable Law (including Environmental Laws);
  - (x) the validity or enforceability of the Assumed Contracts or the ability to assign any of the Assumed Contracts;
  - (xi) any regulatory approvals, permits and licenses, consents or authorizations that may be needed to complete the purchase of the Assets contemplated by this Agreement;
  - (xii) the manner or quality of the construction or materials, if any, incorporated into the Assets;

- (xiii) the manner, quality, state of repair or lack of repair of the Assets;
  - (xiv) the existence of soil instability, past soil repairs, susceptibility to landslides, sufficiency of under-shoring, sufficiency of drainage, or any other matter affecting the stability or integrity of the Assets or any structures or improvements situated thereon;
  - (xv) whether the Assets are located in a seismic hazards zone or a flood hazard zone;
  - (xvi) the presence of pests and any damage to the Assets and/or its improvements that may have occurred as a result;
  - (xvii) the nature and quantum of the Assumed Liabilities; or
  - (xviii) any other matter with respect to the Assets.
- (b) The Purchaser acknowledges that the release and disclaimer described in this Article 6 is intended to be very broad and, except for its express rights under this Agreement, the Purchaser expressly waives and relinquishes any rights or benefits it may have under any Applicable Law designed to invalidate releases of unknown or unsuspected claims.
- (c) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor, the Debtor, their respective Affiliates and their respective Representatives in respect of the Assets and any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means). Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the *Sale of Goods Act* (Alberta) (or similar applicable statutes, all as may be amended, repealed or replaced), warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

## **ARTICLE 7 RISK AND COSTS AND INSURANCE**

### **7.1 Risk and Costs**

The Assets will be at the sole risk and responsibility of the Vendor and the Debtor until the Closing Date, and thereafter at the sole risk and responsibility of the Purchaser.

### **7.2 Insurance**

Any property, liability and other insurance maintained by the Vendor and/or the Debtor in relation to the Assets shall not be transferred at Closing, but shall remain the responsibility of the Vendor and the Debtor until the Closing Date. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Assets in respect of the period from and after 12:01 a.m. on the Closing Date.

## ARTICLE 8 INDEMNIFICATION

### 8.1 Indemnification Given by Purchaser

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, the Debtor, their respective Affiliates and their respective Representatives for; and
- (b) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred following the Closing Date by the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives related to or in connection with the Assets and the Assumed Liabilities, including: (i) all Losses and Liabilities attributable to the ownership, operation, use, construction or maintenance of the Assets during the period following the Closing Date; (ii) all Losses and Liabilities arising or accruing on or after the Closing Date under any Assumed Contract as contemplated in Section 2.5; (iii) any and all Cure Costs, whether such Cure Costs relate to the period prior to or following the Closing Date; (iv) any municipal tax arrears required by the Court to be paid by the Vendor or Debtor in connection with the Assets; and (v) any other Losses and Liabilities for which the Purchaser has otherwise agreed to indemnify the Vendor and the Debtor pursuant to this Agreement, including pursuant to Section 9.2. The Purchaser's indemnity obligations set forth in this Section 8.1 shall survive the Closing Date indefinitely pursuant to Section 14.3.

### 8.2 Third Party Claims

- (a) If any of the Vendor, the Debtor, their respective Affiliates or any of their respective Representatives receives written notice of the commencement or assertion of any Third Party Claim for which the Purchaser is liable pursuant to this Agreement (or has otherwise agreed to indemnify the Vendor, the Debtor, their respective Affiliates or their respective Representatives against), the Vendor shall give the Purchaser reasonably prompt notice thereof, but in any event no later than ten (10) days after receipt of such notice of such Third Party Claim. Such notice to the Purchaser shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount (or the method of computation of the amount) of the Losses and Liabilities that has been or may be sustained by the Vendor, the Debtor, their respective Affiliates or their respective Representatives, respectively, and a reference to the provisions of this Agreement, or other applicable document, upon which such claim is based.
- (b) The Purchaser may assume the carriage and control of the defence of any Third Party Claim by giving notice to that effect to the Vendor or the applicable Debtor(s), respectively, not later than ten (10) days after receiving notice of that Third Party Claim (the "**Notice Period**") so long as: (i) the Purchaser first acknowledges to the Vendor, in writing, liability to the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, under this Agreement with respect to such Third Party Claim and that the outcome of such Third Party Claim does not alter or diminish the Purchaser's obligation to indemnify the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, pursuant to this Agreement, subject to the Purchaser's right to contest in good faith the Third Party Claim; (ii) the Purchaser has the financial resources

to defend against the Third Party Claim and fulfill any indemnification obligations and has provided the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, with evidence thereof; (iii) the Third Party Claim involves monetary damages; and (iv) the Purchaser thereafter pursues the defence or settlement of the Third Party Claim actively and diligently. The Purchaser's right to do so shall be subject to the rights of any insurer or other third party who has potential liability in respect of that Third Party Claim. The Purchaser shall pay all of its own expenses of participating in or assuming such defence. In the event that the Purchaser elects to assume the carriage and control of the defence of a Third Party Claim pursuant to this Section 8.2(b), then the Vendor shall, or shall cause the Debtor, their respective Affiliates and/or their respective Representatives to, cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice at its own expense.

- (c) If the Vendor has not received notice within the Notice Period that the Purchaser has elected to assume the carriage and control of the defence of such Third Party Claim in accordance with Section 8.2(b), or if the Purchaser has given such notice but thereafter fails or is unable to pursue the defence or settlement of such Third Party Claim actively and diligently, the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, may, at their option, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Losses and Liabilities suffered or incurred by the Vendor, the Debtor, their respective Affiliates and/or their Representatives with respect to such Third Party Claim.

### **8.3 Failure to Give Timely Notice**

Notwithstanding that time is of the essence, a failure to give timely notice as provided in this Article 8 shall not affect the rights or obligations of any Party except and only to the extent that, as a result of such failure, any Party which was entitled to receive such notice was deprived of its right to recover any payment under any applicable insurance coverage or was otherwise prejudiced as a result of such failure.

### **8.4 No Merger**

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

### **8.5 Third Party Beneficiary**

The Vendor's Representatives and the Vendor's Affiliates, the Debtor, their respective Affiliates and all of their respective Representatives are intended third party beneficiaries of this Article 8 and shall have the right, power and authority to enforce the provisions hereof as though they were each a party hereto. The Purchaser further agrees to execute such agreements as may be reasonably requested by such Persons in connection with these provisions that are consistent with this Article 8 or that are reasonably necessary to give further effect thereto.

## **ARTICLE 9 ENVIRONMENTAL MATTERS**

### **9.1 Acknowledgements Regarding Environmental Condition**

The Purchaser acknowledges that, insofar as the environmental condition of the Assets is concerned, it will acquire the Assets pursuant hereto on an "as is, where is" basis. The Purchaser acknowledges that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of the Purchaser (insofar as the Vendor could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Vendor, any of the Debtor, or any of their respective Representatives as to the environmental condition of the Assets, or any Environmental Liabilities or Abandonment and Reclamation Obligations in respect thereof.

### **9.2 Assumption of Environmental Liabilities**

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, the Debtor, their respective Affiliates and their respective Representatives for; and
- (b) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, the Debtor, their respective Affiliates or their respective Representatives as a result of any matter or thing arising out of, attributable to or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, the Purchaser shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations as between the Vendor and the Debtor (on one hand) and the Purchaser (on the other hand) including whether occurring or accruing prior to, on or after the Closing Date, and hereby releases the Vendor, the Debtor, their respective Affiliates and their respective Representatives from any claims the Purchaser may have against the Vendor or the Debtor with respect to all such Environmental Liabilities and Abandonment and Reclamation Obligations. Without restricting the generality of the foregoing, the Purchaser shall be responsible for all Environmental Liabilities and Abandonment and Reclamation Obligations (including whether occurring or accruing prior to, on or after the Closing Date) in respect of all Wells and Tangibles.

## **ARTICLE 10 COVENANTS**

### **10.1 Court Filings**

- (a) From and after the date of execution of this Agreement and until the Closing Date, the Vendor shall use commercially reasonable efforts to deliver to the Purchaser copies of all pleadings, motions, notices, statements, schedules, applications, reports and other papers that relate, in whole or in part, to this Agreement, or to the Purchaser or its Representatives, that are to be filed by the Vendor in connection with the Court Approval in advance of their filing, before the filing of such papers, and shall provide the Purchaser with a reasonable opportunity to review and comment thereon.



- (b) The Vendor shall act reasonably and in good faith in considering any comments provided by the Purchaser to such papers; *provided, however* that, subject in each case to the foregoing good faith obligations of the Vendor, the Vendor shall have no obligation to accept and incorporate the Purchaser's comments to such papers and neither the Vendor's inadvertent failure to comply with this Section 10.1, nor the Vendor's failure to comply with this Section 10.1 due to emergency circumstances, shall constitute a breach under this Agreement.

## 10.2 Conduct of Business Until Closing

- (a) Except: (A) as expressly provided in this Agreement; (B) with the prior written consent of the Purchaser (not to be unreasonably withheld, conditioned or delayed); (C) as necessary or advisable in connection with the Receivership Proceedings; or (D) as otherwise provided in the Approval and Vesting Order or any other order of the Court in connection with the Receivership Proceedings; following the date hereof and prior to Closing, to the extent reasonably practicable having regard to the Receivership Proceedings, the Vendor shall use commercially reasonable efforts to:
- (i) cause the Assets to be maintained, in accordance with good industry practice, and in material compliance with all Applicable Laws, the directions of Governmental Authorities and the terms and conditions of the Assumed Contracts;
  - (ii) not sell, pledge, assign, lease, license, or cause, permit, or suffer the imposition of any Encumbrance (other than Permitted Encumbrances) on, or otherwise dispose of, any of the Assets, except in the ordinary course of normal day-to-day operations of the Assets, consistent with past practices;
  - (iii) not make any commitment or propose, initiate or authorize any expenditure with respect to the Assets, for which the Purchaser shall be responsible, in excess of \$25,000, except in the case of an emergency or;
  - (iv) not authorize or agree, in writing or otherwise, to take any of the actions in respect of the foregoing.
- (b) Until the Closing Date, the Vendor shall provide the Purchaser and its Representatives with all access to the Assets (including physical field inspections) as reasonably required by the Purchaser in order to allow for and assist the Purchaser with an orderly passing of the Assets to the Purchaser following Closing in accordance herewith; and
- (c) The access to the Assets to be afforded to the Purchaser and its Representatives pursuant to this Section 10.2 will be subject to the Assumed Contracts and all of the Vendor's and the Debtor' site entry protocols, health, safety and environmental rules, policies and procedures. Further, the Purchaser acknowledges and agrees that it shall:
- (i) be solely liable and responsible for any and all Losses and Liabilities which the Vendor, the Debtor, their respective Affiliates or their respective Representatives may suffer, sustain, pay or incur; and
  - (ii) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives harmless from any and all Claims or Losses and Liabilities whatsoever which may be brought

against, suffered by or incurred by the Vendor, the Debtor, their respective Affiliates or their respective Representatives;

arising out of, resulting from, attributable to or in any way connected with any access provided to the Purchaser or its Representatives pursuant to this Section 10.2.

### 10.3 ROFRs

- (a) The Purchaser acknowledges that it shall be responsible for conducting such separate investigation of the Assets as the Purchaser has determined is appropriate with respect to the identification of ROFRs applicable to the Assets as soon as is reasonably practicable after the date hereof. Promptly following the identification of Assets which are the subject of ROFRs, the Purchaser shall provide the Vendor with its bona fide allocation of the amount of the Purchase Price attributable to each of such Assets which are subject to a ROFR.
- (b) The Vendor shall courier ROFR notices to the Third Parties holding such ROFRs promptly following the receipt of Purchaser's allocation of the Purchase Price attributable thereto pursuant to Section 10.3(a). The Vendor shall utilize the Purchaser's allocation of the Purchase Price attributable to the Assets subject to ROFRs for purposes of preparing and issuing the ROFR notices. The Vendor shall notify the Purchaser in writing forthwith upon each Third Party exercising or waiving such a ROFR.
- (c) If any such Third Party elects to exercise such a ROFR, then:
  - (i) the definition of Assets shall be deemed to be amended to exclude those Assets in respect of which the ROFR has been exercised;
  - (ii) such Assets shall not be conveyed to the Purchaser; and
  - (iii) any proceeds received by the Vendor from a Third Party in respect of the sale and conveyance of any Assets which are subject to a ROFR shall be deemed to form part of the Excluded Assets, and the Purchase Price shall not be subject to any reduction in the event of the exercise of any such ROFR by a Third Party.
- (d) In the event that a Third Party exercises a ROFR and is then unable or unwilling to enter into a conveyance agreement with the Vendor for the relevant Assets, the Purchaser agrees to accept a conveyance of such Assets under the same terms and conditions as this Agreement to whatever extent possible.
- (e) Closing shall not be delayed even though certain of the ROFRs are outstanding and capable of exercise by the holders thereof as of the Closing Date (such ROFRs being referred to as "**Outstanding ROFRs**"). In such case, the following procedures shall apply:
  - (i) the Parties shall proceed with Closing (for greater certainty without any reduction in the Purchase Price for the Outstanding ROFRs, and without variation of any other terms or conditions of this Agreement);

- (ii) the Purchaser shall have (as of the Closing Date) prepared all Specific Conveyances and other closing documentation required for the sale of the Assets subject to the Outstanding ROFRs (the "**Outstanding ROFR Assets**");
- (iii) if an Outstanding ROFR is exercised by a Third Party, the Vendor will promptly notify the Purchaser thereof in writing, the Specific Conveyances and other closing documentation related to such Outstanding ROFR Assets will be of no force or effect and shall be destroyed by the Purchaser, and the provisions of Section 10.3(c) shall apply to the Assets which are the subject of the Outstanding ROFR being exercised by the Third Party, *mutatis mutandis*; and
- (iv) if after Closing an Outstanding ROFR is extinguished by lapse of time, waiver or otherwise (other than as a result of being exercised), the Vendor will promptly notify the Purchaser thereof in writing and promptly deliver copies of the Specific Conveyances and closing documentation previously prepared to the Purchaser, and such documentation shall be effective and the sale of such Outstanding ROFR Assets to Purchaser pursuant hereto shall be deemed to have closed on the Closing Date.

#### **10.4 Document Review**

Prior to Closing, Vendor shall provide Purchaser with reasonable access to the Title Documents and other Miscellaneous Interests in the possession or under the control of Vendor for the purpose of verifying the continued validity and effect of the Title Documents, the identification of Assets the subject of ROFRs, the preparation of Specific Conveyances and other matters related to this Agreement and the Transaction.

### **ARTICLE 11 CONDITIONS**

#### **11.1 Mutual Conditions**

The respective obligations of the Parties to complete the purchase and sale of the Assets are subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) the Court shall have granted the Approval and Vesting Order and the Approval and Vesting Order shall be a Final Order;
- (b) no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable order or Applicable Law subsequent to the date hereof which has the effect of:
  - (i) making any of the transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the Vendor from the sale of the Assets; and
- (c) the Closing is not otherwise prohibited by Applicable Law.

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be asserted by the Vendor or the Purchaser regardless of the circumstances and may be waived only with the agreement of the Vendor and the Purchaser.

## **11.2 Conditions for the Benefit of the Purchaser**

The obligation of the Purchaser to complete the purchase of the Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Vendor contained in Section 5.1 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time, and the Vendor shall have delivered to the Purchaser a certificate to that effect substantially similar in form to that attached hereto as Schedule D;
- (b) the Vendor shall have complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement;
- (c) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 12.2.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have.

## **11.3 Conditions for the Benefit of the Vendor**

The obligation of the Vendor to complete the sale of the Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Purchaser contained in Section 5.2 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time, and the Purchaser shall have delivered to the Vendor a certificate to that effect substantially similar in form to that attached hereto as Schedule D;
- (b) the Purchaser shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement;
- (c) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at or before the Closing all the documents contemplated in Section 12.3; and
- (d) the Vendor has not lost its ability to convey the Assets due to an order of the Court.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Vendor may have.

## **11.4 Satisfaction of Conditions**

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 11.1, 11.2 and 11.3. In addition, each of the Parties agrees not to take any action that could reasonably be expected to preclude,

delay or have an adverse effect on the Transaction or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

## **ARTICLE 12 CLOSING**

### **12.1 Closing Date and Place of Closing**

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date, or at such other time as the Parties may agree in writing.

### **12.2 Deliveries on Closing by the Vendor**

The Vendor shall deliver (or cause to be delivered) to the Purchaser on or before the Closing Date:

- (a) a Court certified copy of the Approval and Vesting Order;
- (b) the General Conveyance, Assignment and Assumption Agreement duly executed by the Vendor;
- (c) all documents listed in Section 12.3 which contemplate execution by the Vendor;
- (d) the certificate of the Vendor referred to in Section 11.2(a); and
- (e) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

### **12.3 Deliveries on Closing by the Purchaser**

The Purchaser shall deliver (or cause to be delivered) to the Vendor's Solicitor on or before the Closing Date:

- (a) payment of the Purchase Price in accordance with Section 3.3(b);
- (b) payment of all Transfer Taxes payable on Closing to the Vendor or the Vendor's Solicitors (or evidence of self-assessment and payment by the Purchaser thereof to the relevant Governmental Authorities);
- (c) the General Conveyance, Assignment and Assumption Agreement duly executed by the Purchaser;
- (d) all documents listed in Section 12.2 which contemplate execution by the Purchaser;
- (e) the certificate of the Purchaser referred to in Section 11.3(a); and
- (f) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

## **ARTICLE 13 TERMINATION**

### **13.1 Grounds for Termination**

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

- (a) by the written agreement of the Vendor and the Purchaser, provided however that if this Agreement has been approved by the Court, any such termination shall require the approval of the Court;
- (b) by the Purchaser, upon written notice to the Vendor, if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Vendor received such notice;
- (c) by the Purchaser, upon written notice to the Vendor, any time after the Outside Date, if (A) the Approval and Vesting Order has not been obtained, or (B) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Purchaser's breach of this Agreement;
- (d) by the Vendor, upon written notice to the Purchaser, if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.3 impossible by the Outside Date; or (ii) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Purchaser received such notice; or
- (e) by the Vendor, upon written notice to the Purchaser, any time after the Outside Date, if (A) the Approval and Vesting Order has not been obtained, or (B) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the breach of this Agreement by the Vendor.

### **13.2 Effect of Termination**

Notwithstanding any termination of this Agreement as permitted under Section 13.1, or as otherwise provided for in this Agreement, the provisions of Sections 3.3 (Deposit), 14.1 (Public Announcements), 14.4 (Governing Law), 14.5 (Consequential Damages), 14.11 (Costs and Expenses) and 14.15 (Third Party Beneficiaries) shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.3.

## **ARTICLE 14 GENERAL**

### **14.1 Public Announcements**

- (a) Subject to Section 14.1(b), if a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Parties with an advance copy of any such press release or public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure without the prior written consent of the other Parties, such consent not to be unreasonably withheld.
- (b) Notwithstanding Section 14.1(a): (i) this Agreement may be filed by the Vendor with the Court; and (ii) the Transaction may be disclosed by the Vendor to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Law. The Parties further agree that:
  - (i) the Vendor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms of the Transaction;
  - (ii) the Vendor may forward a copy of this Agreement and all related documentation to the Orphan Well Association and its Representatives, agents, legal counsel and financial advisors, and may further advise such Persons of the existence and nature of any discussions and negotiations in relation thereto or in relation to the Transaction; provided that the Orphan Well Association and its Representatives agree in advance to be bound by any confidentiality undertakings or similar confidentiality requirements reasonably requested by the Vendor; and
  - (iii) the Vendor and its professional advisors may prepare and file such reports and other documents with the Court containing references to the Transaction contemplated by this Agreement and the terms of such Transaction as may reasonably be necessary to obtain the Court Approvals and to complete the Transaction contemplated by this Agreement or to comply with their obligations to the Court.

### **14.2 Dissolution of Debtor**

Subject to the Vendor's obligations in Section 2.5, the Purchaser acknowledges and agrees that nothing in this Agreement shall operate to prohibit or diminish in any way the right of the Vendor or any of its Affiliates to cause the dissolution or wind-up of the Debtor subsequent to the Closing Date, or otherwise cause or allow the Debtor to cease operations in any manner or at any time subsequent to the Closing Date as the Vendor may determine in its sole discretion, which may be exercised without regard to the impact any such action may have on the Vendor's ability to fulfil its obligations under this Agreement that survive Closing.

### **14.3 Survival**

Upon Closing, the obligations, covenants, representations and warranties of the Parties set out in this Agreement shall expire, be terminated and extinguished and of no further force or effect, provided that notwithstanding the Closing contemplated hereunder or the delivery of documents pursuant to this

Agreement, the obligations and covenants of the Parties set out in Section 2.3 (AER Licence Transfers), Section 2.3 (Assignment of Assumed Contracts and Third Party Consents), Section 2.4 (Specific Conveyances), Section 5.3 (Enforcement of Representations and Warranties), Section 10.3 (ROFRs) and Article 4 (Transfer Taxes), Article 6 ("As Is, Where Is" and No Additional Representations and Warranties), Article 8 (Indemnification), Article 9 (Environmental Matters) and Article 14 (General), shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties indefinitely thereafter except as expressly stated to the contrary therein or otherwise in accordance with Applicable Laws.

#### **14.4 Governing Law**

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.
- (b) Notwithstanding Section 14.4(a), any and all documents or orders that may be filed, made or entered in the Receivership Proceedings, and the rights and obligations of the Parties thereunder, including all matters of construction, validity and performance thereunder, shall in all respects be governed by, and interpreted, construed and determined in accordance with the laws of the Province of Alberta. The Parties consent to the jurisdiction and venue of the Court, as applicable, for the resolution of any such disputes, regardless of whether such disputes arose under this Agreement. Each Party agrees that service of process on such Party as provided in Section 14.13 shall be deemed effective service of process on such Party.

#### **14.5 Consequential Damages**

Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any punitive, exemplary, consequential or indirect damages (including for greater certainty, any loss of profits) (collectively, "**Consequential Damages**") that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the Transaction, other than Consequential Damages for which the Purchaser is liable as a result of a Third Party Claim (which liability shall be subject to and recoverable under Article 8 (Indemnification)). For greater certainty, the Parties agree that none of the Parties, the Debtor, their respective Affiliates or their respective Representatives shall be liable for any lost profits whatsoever, whether such lost profits are considered to be direct, consequential or indirect losses, and regardless of whether such lost profits were foreseeable by the Parties at any time or whether such lost profits were the direct and natural result of a Party's breach of its obligations under this Agreement.

#### **14.6 Further Assurances**

Each of the Parties from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.



#### **14.7 Assignment**

The Purchaser shall not, without the Vendor's prior written consent, assign any right or interest in this Agreement, which consent may be withheld in the Vendor's sole and absolute discretion, except that the Purchaser shall have the right to assign any or all of its rights, interests or obligations hereunder to one or more Affiliates of the Purchaser, provided that: (a) such Affiliate agrees to be bound by the terms of this Agreement; (b) the Purchaser shall remain liable hereunder for any breach of the terms of this Agreement by such Affiliate; (c) such assignment shall not release the Purchaser from any obligation or liability hereunder in favour of the Vendor; and (d) the Purchaser shall acknowledge and confirm its continuing obligations in favour of the Vendor in an assignment and assumption agreement in form and substance satisfactory to the Vendor.

#### **14.8 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. 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.

#### **14.9 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.

#### **14.10 Time of the Essence**

Time is of the essence in this Agreement.

#### **14.11 Costs and Expenses**

Unless otherwise provided for in this Agreement, each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the Transaction. Notwithstanding any other provision of this Agreement, the Purchaser shall pay the cost of all surveys, title insurance policies and title reports ordered by the Purchaser.

#### **14.12 Entire Agreement**

This Agreement and the Confidentiality Agreement (the terms and conditions of which are incorporated by reference into this Agreement, and binding upon the Parties, as if such agreement were signed directly by the Parties) constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement or in the Confidentiality Agreement.

### 14.13 Notices

Any notice, direction or other communication given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or electronic mail and addressed:

- (a) in the case of the Vendor:

BDO Canada Limited  
#110, 5800 – 2nd Street SW  
Calgary, Alberta T2H 0H2

Attention: Marc Kelly  
Email: [makelly@bdo.ca](mailto:makelly@bdo.ca)

With a copy to the Vendor's Solicitors:

Bennett Jones LLP  
4500, 855 - 2<sup>nd</sup> Avenue S.W.  
Calgary, AB T2P 4K7

Attention: Keely Cameron  
Email: [Cameronk@bennettjones.com](mailto:Cameronk@bennettjones.com)

- (b) In the case of the Purchaser:

ERDOL Resources Corp.  
1000, 250 – 2nd Street SW  
Calgary, AB T2P 0C1  
Attention: Troy Smith, Vice President, Land  
Email: [troysmith@erdol.ca](mailto:troysmith@erdol.ca)

With a copy to the Purchaser's Solicitors:

Jamieson Laurin +Co.  
P.O. Box 904  
23 White Ave  
Bragg Creek, AB T0L 0K0

Attention: William M. Laurin  
Email: [wlaurin@jamiesonlaurin.com](mailto:wlaurin@jamiesonlaurin.com)

A notice is deemed to be given and received if: (i) sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day; or (ii) email, on the date of transmission if it is a Business Day and the transmission was made prior to 4:00 p.m. (local time in place of receipt), and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a notice in accordance with the foregoing. Any subsequent notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a notice will be assumed not to be changed. **Sending a copy of a notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice to that Party.**

**The failure to send a copy of a notice to legal counsel does not invalidate delivery of that notice to a Party.**

**14.14 Enurement**

This Agreement shall be binding upon, and enure to the benefit of, the Parties and their respective successors and permitted assigns.

**14.15 Third Party Beneficiaries**

Except as otherwise provided for in this Agreement, each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns and, except as otherwise provided for in this Agreement, no Person, other than the Parties and their successors and permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum. The Purchaser acknowledges to the Vendor, the Debtor, their respective Affiliates and their respective Representatives their direct rights against the Purchaser under this Agreement. To the extent required by Applicable Law to give full effect to these direct rights, the Purchaser agrees and acknowledges that the Vendor is acting as agent and/or as trustee of its Representatives, its Affiliates and their respective Representatives and the Debtor, their respective Affiliates and their respective Representatives.

**14.16 Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

**14.17 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

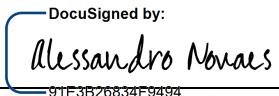
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**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**BDO CANADA LIMITED, SOLELY IN ITS CAPACITY AS THE RECEIVER AND MANAGER OF THE ASSETS, PROPERTY AND UNDERTAKING OF BOW RIVER ENERGY LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

Per:   
Name: Marc Kelly  
Title: Senior Vice President

**ERDOL RESOURCES CORP.**

Per:   
Name: Alessandro Rodrigues Novaes  
Title: President and CEO

**SCHEDULE A**

**Assets Listing**

Report Date: Nov 29, 2021 12:15 pm

Page 1 of 5

**Bow River Energy Ltd.**  
**Mineral Schedule Report - ERDOL PSA MINERALS 11.29.21**

Report Id: RP-0053

| File Number | Title Information  | Lands  | Seller's Interests             | Encumbrances                                     | Operating Contract | Wells |
|-------------|--|--|--------------------------------|--|--------------------|-------|
| M00588 A    | LSE TYPE: CR PNG<br>CR: 0493040096<br>LSE DATE: 1993 Apr 01<br>EFF DATE: 1993 Apr 01<br>EXP DATE: 1998 Mar 31<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 04 W4M E & SW 14<br>PNG TO BASE MANNVILLE_GROUP                  | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>PDBY BOWRIVER 100.0% |                    |       |
| M00588 B    | LSE TYPE: CR PNG<br>CR: 0493040096<br>LSE DATE: 1993 Apr 01<br>EFF DATE: 1993 Apr 01<br>EXP DATE: 1998 Mar 31<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 04 W4M NW 14<br>PNG TO BASE MANNVILLE_GROUP                      | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>PDBY BOWRIVER 100.0% |                    |       |
| M00589 A    | LSE TYPE: CR PNG<br>CR: 0493100084<br>LSE DATE: 1993 Oct 14<br>EFF DATE: 1993 Oct 14<br>EXP DATE: 1998 Oct 13<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 04 W4M LSD 11, 13<br>SEC 15<br>PNG TO BASE MANNVILLE_GROUP       | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>PDBY BOWRIVER 100.0% |                    |       |
| M00589 B    | LSE TYPE: CR PNG<br>CR: 0493100084<br>LSE DATE: 1993 Oct 14<br>EFF DATE: 1993 Oct 14<br>EXP DATE: 1998 Oct 13<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 04 W4M LSD 12, 14<br>SEC 15, S 15<br>PNG TO BASE MANNVILLE_GROUP | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>PDBY BOWRIVER 100.0% |                    |       |

Report Date: Nov 29, 2021 12:15 pm

Page 2 of 5

**Bow River Energy Ltd.**  
**Mineral Schedule Report - ERDOL PSA MINERALS 11.29.21**

Report Id: RP-0053

| File Number | Title Information  | Lands   | Seller's Interests             | Encumbrances  | Operating Contract   | Wells |
|-------------|--|---|--------------------------------|---|--|-------|
| M00577 A    | LSE TYPE: CR PNG<br>CR: 0487080318<br>LSE DATE: 1987 Aug 27<br>EFF DATE: 1987 Aug 27<br>EXP DATE: 1992 Aug 26<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 04 W4M LSD 15, 16<br>SEC 15<br>PNG TO BASE MANNVILLE_GROUP              | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>PDBY BOWRIVER 100.0%                    |  |       |
| M00577 B    | LSE TYPE: CR PNG<br>CR: 0487080318<br>LSE DATE: 1987 Aug 27<br>EFF DATE: 1987 Aug 27<br>EXP DATE: 1992 Aug 26<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 04 W4M LSD 9, 10<br>SEC 15<br>PNG TO BASE MANNVILLE_GROUP               | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>PDBY BOWRIVER 100.0%                    |  |       |
| M00598 A    | LSE TYPE: FH PNG<br>LSE DATE: 1995 Jun 01<br>EFF DATE: 1995 Jun 01<br>EXP DATE: 1998 May 31<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: HBP                  | TWP 041 RGE 04 W4M LSD 9, 10<br>SEC 19<br>PNG TO BASE MANNVILLE_GROUP<br>(EXCL CBM) | CUR INT: WI<br>BOWRIVER 100.0% | NONCONV LOR<br>ALL 20.0%<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0% |  |       |
| M00597 A    | LSE TYPE: CR PNG<br>CR: 0477090078<br>LSE DATE: 1977 Sep 21<br>EFF DATE: 1977 Sep 21<br>EXP DATE: 1982 Sep 20<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 04 W4M SEC 20<br>PET TO BASE MANNVILLE_GROUP                            | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0% | ROYALTY LINKS<br>C00301 A<br>General 0000<br>No ROFR Applies |       |
|             |  |   |                                | SLIDING SCALE<br>OIL S/S 23.8365<br>(MIN 5.0 MAX 15.0 )             |  |       |

Report Date: Nov 29, 2021 12:15 pm

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**Bow River Energy Ltd.**  
**Mineral Schedule Report - ERDOL PSA MINERALS 11.29.21**

Report Id: RP-0053

| File Number | Title Information  | Lands  | Seller's Interests             | Encumbrances   | Operating Contract   | Wells |
|-------------|--|--|--------------------------------|--|--|-------|
|             |  |  |                                | GAS 15.0% (MIN \$7.00/103M3<br>OTHER 15%<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0%  |  |       |
| M00597 B    | LSE TYPE: CR PNG<br>CR: 0477090078<br>LSE DATE: 1977 Sep 21<br>EFF DATE: 1977 Sep 21<br>EXP DATE: 1982 Sep 20<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 04 W4M SEC 20<br>NG TO BASE MANNVILLE_GROUP  | CUR INT: WI<br>BOWRIVER 25.0%  | SLIDING SCALE<br>ALL S/S<br>BASED ON 100.0%<br>PDBY BOWRIVER 25.0%<br><br>NONCONV ORR<br>GAS 15.0%<br>BASED ON 100.0%<br>PDBY BOWRIVER 25.0% | CUR INT OPER CONT<br>C00331 A<br>CAPL 1990<br>No ROFR Applies<br>OPER: WEST LAKE<br><br>ROYALTY LINKS<br>C00301 B<br>General 0000<br>No ROFR Applies |       |
| M00600 A    | LSE TYPE: FH PET<br>LSE DATE: 1994 May 11<br>EFF DATE: 1994 May 11<br>EXP DATE: 1997 May 10<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: PEND                 | TWP 041 RGE 04 W4M LSD 7, 11,<br>12, 13, 14 SEC 21<br>(EXCL NG AND COAL)<br>(HERITAGE IS SAYING THAT BRE<br>ONLY HAS LSDS 7,11&12 AND<br>REQUIRES A LEASE IN LSD 13&14<br>TO COMPLETE THE SPACING FOR<br>08/12-21 WELL - WE BELIEVE<br>THAT WE HAVE LSD 13&14 AND<br>THEY ARE LEFT IN THE LAND<br>DESCRIPTION - SEE REMARKS)<br>PETROLEUM TO BASE LLOYDMINSTEI | CUR INT: WI<br>BOWRIVER 100.0% | NONCONV LOR<br>OIL 20.0%<br>PDBY BOWRIVER 100.0%   |  |       |
| M00594 A    | LSE TYPE: FH PET<br>LSE DATE: 1994 May 11<br>EFF DATE: 1994 May 11<br>EXP DATE: 1997 May 10<br>INT TYPE: WI<br>MNRL INT: 100.0                                   | TWP 041 RGE 04 W4M LSD 10, 16<br>SEC 21<br>PETROLEUM TO BASE LLOYDMINSTEI<br>(EXCL CBM)  | CUR INT: WI<br>BOWRIVER 100.0% | NONCONV LOR<br>OIL 20.0%<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0%  |  |       |



Report Date: Nov 29, 2021 12:15 pm

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**Bow River Energy Ltd.**  
**Mineral Schedule Report - ERDOL PSA MINERALS 11.29.21**

Report Id: RP-0053

| File Number | Title Information  | Lands   | Seller's Interests             | Encumbrances  | Operating Contract | Wells |
|-------------|--|---|--------------------------------|---|--------------------|-------|
|             | EXT CODE: HBP  |   |                                |   |                    |       |
| M00593 A    | LSE TYPE: CR PNG<br>CR: 0487080319<br>LSE DATE: 1987 Aug 27<br>EFF DATE: 1987 Aug 27<br>EXP DATE: 1992 Aug 27<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 04 W4M SEC 22<br>PNG TO BASE MANNVILLE_GROUP                    | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>PDBY BOWRIVER 100.0%                      |                    |       |
| M00599 A    | LSE TYPE: FH PET<br>LSE DATE: 1994 Feb 13<br>EFF DATE: 1994 Feb 13<br>EXP DATE: 1997 Feb 12<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: PEND                 | TWP 041 RGE 04 W4M LSD 10 SEC 23<br>PETROLEUM IN LLOYDMINSTER<br>(EXCL CBM) | CUR INT: WI<br>BOWRIVER 100.0% | NONCONV LOR<br>OIL 20.0%<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0%   |                    |       |
| M00690 A    | LSE TYPE: FH PET<br>LSE DATE: 2006 Dec 22<br>EFF DATE: 2006 Dec 22<br>EXP DATE: 2008 Dec 21<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: HBP                  | TWP 041 RGE 04 W4M LSD 13 SEC 23<br>PETROLEUM IN LLOYDMINSTER<br>(EXCL CBM) | CUR INT: WI<br>BOWRIVER 100.0% | NONCONV LOR<br>OIL 25.0%<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0%   |                    |       |
|             |  |   |                                | NONCONV LOR<br>GAS 20.0%<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0%   |                    |       |
|             |  |   |                                | NONCONV LOR<br>OTHER 20.0%<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0% |                    |       |
| M00680 A    | LSE TYPE: FH PET   | TWP 041 RGE 04 W4M LSD 14 SEC   | CUR INT: WI                    | NONCONV LOR   |                    |       |

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**Bow River Energy Ltd.**  
**Mineral Schedule Report - ERDOL PSA MINERALS 11.29.21**

Report Id: RP-0053

| File Number | Title Information  | Lands   | Seller's Interests             | Encumbrances  | Operating Contract | Wells |
|-------------|--|---|--------------------------------|---|--------------------|-------|
|             | LSE DATE: 2003 Sep 15<br>EFF DATE: 2003 Sep 15<br>EXP DATE: 2005 Mar 14<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: HBP                                      | 23<br>PET IN LLOYDMINSTER                                       | BOWRIVER 100.0%                | OIL 22.0%<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0%                |                    |       |
| M00673 A    | LSE TYPE: CR PNG<br>CR: 0404010092<br>LSE DATE: 2004 Jan 08<br>EFF DATE: 2004 Jan 08<br>EXP DATE: 2009 Jan 07<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 05 W4M SEC 19<br>PNG TO BASE MANNVILLE_GROUP        | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0% |                    |       |
| M00674 A    | LSE TYPE: CR PNG<br>CR: 0404010093<br>LSE DATE: 2004 Jan 08<br>EFF DATE: 2004 Jan 08<br>EXP DATE: 2009 Jan 07<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 05 W4M SEC 22<br>PNG TO BASE<br>FISH_SCALE-WESTGATE | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0% |                    |       |
| M00676 A    | LSE TYPE: CR PNG<br>CR: 0404010544<br>LSE DATE: 2004 Jan 22<br>EFF DATE: 2004 Jan 22<br>EXP DATE: 2009 Jan 21<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 042 RGE 05 W4M SEC 05, 06<br>PNG TO BASE MANNVILLE_GROUP    | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0% |                    |       |

**Wells**

100/15-15-041-04W4/00  
102/15-15-041-04W4/00  
100/16-15-041-04W4/00  
103/09-19-041-04W4/00  
100/09-19-041-04W4/00  
102/09-19-041-04W4/00  
102/10-19-041-04W4/00  
103/10-19-041-04W4/00  
104/10-19-041-04W4/00  
100/06-20-041-04W4/00  
106/09-20-041-04W4/00  
100/09-20-041-04W4/00  
104/09-20-041-04W4/00  
105/09-20-041-04W4/00  
102/10-20-041-04W4/00  
103/10-20-041-04W4/02  
100/10-20-041-04W4/00  
102/11-20-041-04W4/00  
100/11-20-041-04W4/00  
103/11-20-041-04W4/00  
104/11-20-041-04W4/00  
105/11-20-041-04W4/02  
106/12-20-041-04W4/00  
107/12-20-041-04W4/02  
103/14-20-041-04W4/00  
100/15-20-041-04W4/00  
102/15-20-041-04W4/00  
103/15-20-041-04W4/00  
100/16-20-041-04W4/00  
103/16-20-041-04W4/00  
104/16-20-041-04W4/00  
100/06-21-041-04W4/02  
107/06-21-041-04W4/00  
102/07-21-041-04W4/00  
103/07-21-041-04W4/00  
104/07-21-041-04W4/00  
106/07-21-041-04W4/00

102/10-21-041-04W4/00  
104/10-21-041-04W4/00  
105/10-21-041-04W4/00  
100/11-21-041-04W4/00  
105/11-21-041-04W4/00  
104/11-21-041-04W4/00  
107/11-21-041-04W4/00  
100/12-21-041-04W4/00  
108/12-21-041-04W4/00  
106/13-21-041-04W4/00  
102/13-21-041-04W4/00  
105/13-21-041-04W4/00  
100/14-21-041-04W4/00  
100/15-21-041-04W4/00  
100/16-21-041-04W4/00  
104/01-22-041-04W4/00  
100/01-22-041-04W4/00  
103/01-22-041-04W4/00  
100/02-22-041-04W4/00  
104/02-22-041-04W4/00  
102/04-22-041-04W4/00  
100/05-22-041-04W4/00  
103/05-22-041-04W4/00  
100/07-22-041-04W4/00  
102/09-22-041-04W4/00  
102/11-22-041-04W4/00  
102/12-22-041-04W4/00  
100/12-22-041-04W4/00  
100/13-22-041-04W4/00  
100/09-23-041-04W4/00  
100/10-23-041-04W4/00  
103/12-23-041-04W4/00  
100/13-23-041-04W4/00  
100/14-23-041-04W4/00  
100/04-19-041-05W4/00  
100/13-22-041-05W4/00  
1W0/13-05-042-05W4/00

**Facilities**

| <u>Govt Code</u> | <u>License</u> |
|------------------|----------------|
| F8429            | F8429          |
| ABBT0128557      | F8450          |
| ABGS0127931      | F8450          |
| ABIF0139406      | F8450          |
| ABBT0052328      | F8450          |
| F8437            | F8437          |

**Pipelines**

| <u>License</u> | <u>Line</u> |       |    |
|----------------|-------------|-------|----|
|                |             | 59110 | 49 |
| 29146          | 2           | 59110 | 50 |
| 38673          | 5           | 59110 | 51 |
| 38673          | 15          | 59110 | 52 |
| 38673          | 17          | 59110 | 53 |
| 45124          | 1           | 59110 | 54 |
| 45124          | 2           | 59110 | 55 |
| 45124          | 5           | 59110 | 56 |
| 45124          | 6           | 59110 | 61 |
| 59110          | 1           | 59110 | 62 |
| 59110          | 2           | 59110 | 63 |
| 59110          | 3           | 59110 | 64 |
| 59110          | 4           | 59110 | 65 |
| 59110          | 5           | 59110 | 78 |
| 59110          | 6           | 59110 | 79 |
| 59110          | 7           | 59110 | 80 |
| 59110          | 8           | 59110 | 81 |
| 59110          | 9           | 59110 | 86 |
| 59110          | 12          | 59110 | 87 |
| 59110          | 13          | 59110 | 90 |
| 59110          | 14          | 59110 | 91 |
| 59110          | 15          | 59110 | 92 |
| 59110          | 16          | 59111 | 27 |
| 59110          | 17          | 59111 | 28 |
| 59110          | 18          | 59111 | 29 |
| 59110          | 19          | 59111 | 30 |
| 59110          | 20          | 59111 | 31 |
| 59110          | 21          | 59111 | 32 |
| 59110          | 22          | 59111 | 33 |
| 59110          | 27          | 59111 | 34 |
| 59110          | 28          | 59111 | 35 |
| 59110          | 29          | 59111 | 36 |
| 59110          | 30          | 59111 | 37 |
| 59110          | 31          | 59111 | 38 |
| 59110          | 32          | 59111 | 39 |
| 59110          | 33          | 59111 | 40 |
| 59110          | 34          | 59111 | 41 |
| 59110          | 35          | 59111 | 42 |
| 59110          | 36          | 59111 | 44 |
| 59110          | 37          | 59111 | 45 |
| 59110          | 38          | 59111 | 46 |
| 59110          | 39          |       |    |
| 59110          | 40          |       |    |
| 59110          | 41          |       |    |
| 59110          | 42          |       |    |
| 59110          | 43          |       |    |
| 59110          | 44          |       |    |
| 59110          | 45          |       |    |
| 59110          | 46          |       |    |
| 59110          | 47          |       |    |
| 59110          | 48          |       |    |

**SCHEDULE B**

**Form of Approval and Vesting Order**

(attached)

CLERK'S STAMP

COURT FILE NUMBER 2001-13391

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT ORPHAN WELL ASSOCIATION

RESPONDENT BOW RIVER ENERGY LTD.

DOCUMENT **APPROVAL AND VESTING ORDER**  
(Sale by Receiver of certain assets to Erdol Resources Corp.)

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855 – 2nd Street S.W.  
Calgary, Alberta T2P 4K7

Attention: Keely Cameron  
Telephone No.: 403-298-3324  
Fax No.: 403-265-7219  
Client File No.: 068775.0005

**DATE ON WHICH ORDER WAS PRONOUNCED:** December 13, 2021

**NAME OF JUDGE WHO MADE THIS ORDER:** Justice K.M. Horner

**LOCATION OF HEARING:** Calgary, Alberta

**UPON THE APPLICATION** of BDO Canada Limited, solely in its capacity as Court-appointed receiver and manager ("**Receiver**") of the current and future assets, undertakings and properties of the Respondent (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver and Erdol Resources Corp. (the "**Purchaser**") dated December 1, 2021, (the "**Sale Agreement**") and appended to the Confidential Supplement dated December 6, 2021 (the "**Confidential Supplement**"), and vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement as the Assets (the "**Purchased Assets**") but excluding all of the Debtor's other assets and interests;

**AND UPON HAVING READ** the Receivership Order dated October 29, 2020 (the "**Receivership Order**"), the Third Report of the Receiver dated December 6, 2021, and the Confidential Supplement; **AND UPON** hearing counsel for the Receiver and any other interested parties that may be present; **AND UPON IT APPEARING** that all interested and affected parties have been served with notice of this Application; **AND UPON** having read the pleadings, proceedings, orders and other materials filed in this action;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

**APPROVAL OF TRANSACTION**

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

**VESTING OF PROPERTY**

3. Subject only to approval by the AER of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta), upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets listed at **Schedule "B"** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:



- (a) any encumbrances or charges created by the Receivership Order;
- (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
- (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta);
- (d) any linear or non-linear municipal tax claims under the *Municipal Government Act*, or otherwise;
- (e) any outstanding amounts owing in respect of the AER Orphan Fund Levy and Administration Fees; and
- (f) those Claims listed in **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "D"** (collectively, "**Permitted Encumbrances**")).

For greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of Land Titles ("**Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:
  - (i) cancel existing Certificates of Title for those lands and premises municipally or legally described as "Land Title Lands" in Schedule B (the "**Lands**");

- (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee);
  - (iii) transfer to the New Certificate of Title the existing instruments listed in Schedule "D", to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule "D"; and
  - (iv) discharge and expunge the Encumbrances listed in Schedule "C" to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;
- (b) Alberta Energy ("**Energy Ministry**") shall and is hereby authorized, requested and directed to forthwith:
- (i) cancel and discharge those Claims including builders' liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Debtor in and to any of the Purchased Assets located in the Province of Alberta; and
  - (ii) transfer all Crown leases conveyed under the Sale Agreement standing in the name of the Debtor, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances; and
- (c) the Registrar of the Alberta Personal Property Registry shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate

shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims excluding Permitted Encumbrances.

6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement, other than any required approval by the AER referenced in paragraph 3 above.
7. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims excluding Permitted Encumbrances shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order or as against any Receiver's Charge outstanding pursuant to the Receivership Order.
9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.

10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

#### **MISCELLANEOUS MATTERS**

14. Notwithstanding:
  - (a) the pendency of these proceedings and any declaration of insolvency made herein;
  - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
  - (c) any assignment in bankruptcy made in respect of the Debtor; and
  - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall

not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

15. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
16. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
17. Service of this Order shall be deemed good and sufficient by:
  - (a) Serving the same on:
    - (i) the persons listed on the service list created in these proceedings;
    - (ii) any other person served with notice of the application for this Order;
    - (iii) any other parties attending or represented at the application for this Order;
    - (iv) the Purchaser or the Purchaser's solicitors; and
  - (b) Posting a copy of this Order on the Receiver's website, and service on any other person is hereby dispensed with.

18. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

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Justice of the Court of Queen's  
Bench of Alberta

**Schedule "A"**

**FORM OF RECEIVER'S CERTIFICATE**

CLERK'S STAMP

|   |  |
|---|--|
| COURT FILE NUMBER   | 2001-13391   |
| COURT   | COURT OF QUEEN'S BENCH OF ALBERTA  |
| JUDICIAL CENTRE   | CALGARY  |
| APPLICANT   | ORPHAN WELL ASSOCIATION  |
| RESPONDENT  | BOW RIVER ENERGY LTD.  |
| DOCUMENT  | <b><u>RECEIVER'S CERTIFICATE</u></b>   |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | <b>BENNETT JONES LLP</b><br>Barristers and Solicitors<br>4500, 855 – 2nd Street S.W.<br>Calgary, Alberta T2P 4K7<br><br>Attention: Keely Cameron<br>Telephone No.: 403-298-3324<br>Fax No.: 403-265-7219<br>Client File No.: 068775.0005 |

**RECITALS**

- A. Pursuant to an Order of the Honourable Madam Justice D.L. Shelley of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**"), dated October 29, 2020, BDO Canada Limited was appointed as the Receiver (the "**Receiver**") of the undertaking, property and assets of Bow River Energy Ltd. ("**Bow River**").
- B. Pursuant to an Order of the Court dated ●, 2021 (the "**Vesting Order**"), the Court approved the Transaction (as defined in the Vesting Order) between the Receiver and Erdol Resources Corp. (the "**Purchaser**") dated as of December 1, 2021 (the "**Sale Agreement**"), and provided for the vesting in the Purchaser of Bow River's right, title and interest in and to the Purchased Assets (as defined in the Vesting Order), which vesting is to be effective with respect to the Purchased Assets upon

the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price (as defined in the Sale Agreement) for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price (as defined in the Sale Agreement) for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver to the Purchaser at [TIME] on [DATE].

**BDO CANADA LIMITED in its capacity as Receiver of the undertaking, property and assets of Bow River Energy Ltd., and not in its personal capacity.**

Per: \_\_\_\_\_

Name:

Title:



**Schedule "B"**

**List of Purchased Assets**

The Purchased Assets consist of the Assets (as defined in the Sale Agreement, and each subsequent capitalized term herein having the respective meaning as defined therein).

Assets Listing

(Attached hereto)

Report Date: Nov 29, 2021 12:15 pm

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**Bow River Energy Ltd.**  
**Mineral Schedule Report - ERDOL PSA MINERALS 11.29.21**

Report Id: RP-0053

| File Number | Title Information  | Lands  | Seller's Interests             | Encumbrances                                     | Operating Contract | Wells |
|-------------|--|--|--------------------------------|--|--------------------|-------|
| M00588 A    | LSE TYPE: CR PNG<br>CR: 0493040096<br>LSE DATE: 1993 Apr 01<br>EFF DATE: 1993 Apr 01<br>EXP DATE: 1998 Mar 31<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 04 W4M E & SW 14<br>PNG TO BASE MANNVILLE_GROUP                  | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>PDBY BOWRIVER 100.0% |                    |       |
| M00588 B    | LSE TYPE: CR PNG<br>CR: 0493040096<br>LSE DATE: 1993 Apr 01<br>EFF DATE: 1993 Apr 01<br>EXP DATE: 1998 Mar 31<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 04 W4M NW 14<br>PNG TO BASE MANNVILLE_GROUP                      | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>PDBY BOWRIVER 100.0% |                    |       |
| M00589 A    | LSE TYPE: CR PNG<br>CR: 0493100084<br>LSE DATE: 1993 Oct 14<br>EFF DATE: 1993 Oct 14<br>EXP DATE: 1998 Oct 13<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 04 W4M LSD 11, 13<br>SEC 15<br>PNG TO BASE MANNVILLE_GROUP       | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>PDBY BOWRIVER 100.0% |                    |       |
| M00589 B    | LSE TYPE: CR PNG<br>CR: 0493100084<br>LSE DATE: 1993 Oct 14<br>EFF DATE: 1993 Oct 14<br>EXP DATE: 1998 Oct 13<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 04 W4M LSD 12, 14<br>SEC 15, S 15<br>PNG TO BASE MANNVILLE_GROUP | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>PDBY BOWRIVER 100.0% |                    |       |

Report Date: Nov 29, 2021 12:15 pm

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**Bow River Energy Ltd.**  
**Mineral Schedule Report - ERDOL PSA MINERALS 11.29.21**

Report Id: RP-0053

| File Number | Title Information  | Lands   | Seller's Interests             | Encumbrances  | Operating Contract   | Wells |
|-------------|--|---|--------------------------------|---|--|-------|
| M00577 A    | LSE TYPE: CR PNG<br>CR: 0487080318<br>LSE DATE: 1987 Aug 27<br>EFF DATE: 1987 Aug 27<br>EXP DATE: 1992 Aug 26<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 04 W4M LSD 15, 16<br>SEC 15<br>PNG TO BASE MANNVILLE_GROUP              | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>PDBY BOWRIVER 100.0%                    |  |       |
| M00577 B    | LSE TYPE: CR PNG<br>CR: 0487080318<br>LSE DATE: 1987 Aug 27<br>EFF DATE: 1987 Aug 27<br>EXP DATE: 1992 Aug 26<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 04 W4M LSD 9, 10<br>SEC 15<br>PNG TO BASE MANNVILLE_GROUP               | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>PDBY BOWRIVER 100.0%                    |  |       |
| M00598 A    | LSE TYPE: FH PNG<br>LSE DATE: 1995 Jun 01<br>EFF DATE: 1995 Jun 01<br>EXP DATE: 1998 May 31<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: HBP                  | TWP 041 RGE 04 W4M LSD 9, 10<br>SEC 19<br>PNG TO BASE MANNVILLE_GROUP<br>(EXCL CBM) | CUR INT: WI<br>BOWRIVER 100.0% | NONCONV LOR<br>ALL 20.0%<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0% |  |       |
| M00597 A    | LSE TYPE: CR PNG<br>CR: 0477090078<br>LSE DATE: 1977 Sep 21<br>EFF DATE: 1977 Sep 21<br>EXP DATE: 1982 Sep 20<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 04 W4M SEC 20<br>PET TO BASE MANNVILLE_GROUP                            | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0% | ROYALTY LINKS<br>C00301 A<br>General 0000<br>No ROFR Applies |       |
|             |  |   |                                | SLIDING SCALE<br>OIL S/S 23.8365<br>(MIN 5.0 MAX 15.0 )             |  |       |

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**Bow River Energy Ltd.**  
**Mineral Schedule Report - ERDOL PSA MINERALS 11.29.21**

Report Id: RP-0053

| File Number | Title Information  | Lands  | Seller's Interests             | Encumbrances   | Operating Contract   | Wells |
|-------------|--|--|--------------------------------|--|--|-------|
|             |  |  |                                | GAS 15.0% (MIN \$7.00/103M3<br>OTHER 15%<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0%  |  |       |
| M00597 B    | LSE TYPE: CR PNG<br>CR: 0477090078<br>LSE DATE: 1977 Sep 21<br>EFF DATE: 1977 Sep 21<br>EXP DATE: 1982 Sep 20<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 04 W4M SEC 20<br>NG TO BASE MANNVILLE_GROUP  | CUR INT: WI<br>BOWRIVER 25.0%  | SLIDING SCALE<br>ALL S/S<br>BASED ON 100.0%<br>PDBY BOWRIVER 25.0%<br><br>NONCONV ORR<br>GAS 15.0%<br>BASED ON 100.0%<br>PDBY BOWRIVER 25.0% | CUR INT OPER CONT<br>C00331 A<br>CAPL 1990<br>No ROFR Applies<br>OPER: WEST LAKE<br><br>ROYALTY LINKS<br>C00301 B<br>General 0000<br>No ROFR Applies |       |
| M00600 A    | LSE TYPE: FH PET<br>LSE DATE: 1994 May 11<br>EFF DATE: 1994 May 11<br>EXP DATE: 1997 May 10<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: PEND                 | TWP 041 RGE 04 W4M LSD 7, 11,<br>12, 13, 14 SEC 21<br>(EXCL NG AND COAL)<br>(HERITAGE IS SAYING THAT BRE<br>ONLY HAS LSDS 7,11&12 AND<br>REQUIRES A LEASE IN LSD 13&14<br>TO COMPLETE THE SPACING FOR<br>08/12-21 WELL - WE BELIEVE<br>THAT WE HAVE LSD 13&14 AND<br>THEY ARE LEFT IN THE LAND<br>DESCRIPTION - SEE REMARKS)<br>PETROLEUM TO BASE LLOYDMINSTEI | CUR INT: WI<br>BOWRIVER 100.0% | NONCONV LOR<br>OIL 20.0%<br>PDBY BOWRIVER 100.0%   |  |       |
| M00594 A    | LSE TYPE: FH PET<br>LSE DATE: 1994 May 11<br>EFF DATE: 1994 May 11<br>EXP DATE: 1997 May 10<br>INT TYPE: WI<br>MNRL INT: 100.0                                   | TWP 041 RGE 04 W4M LSD 10, 16<br>SEC 21<br>PETROLEUM TO BASE LLOYDMINSTEI<br>(EXCL CBM)  | CUR INT: WI<br>BOWRIVER 100.0% | NONCONV LOR<br>OIL 20.0%<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0%  |  |       |

Report Date: Nov 29, 2021 12:15 pm

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**Bow River Energy Ltd.**  
**Mineral Schedule Report - ERDOL PSA MINERALS 11.29.21**

Report Id: RP-0053

| File Number | Title Information  | Lands   | Seller's Interests             | Encumbrances  | Operating Contract | Wells |
|-------------|--|---|--------------------------------|---|--------------------|-------|
|             | EXT CODE: HBP  |   |                                |   |                    |       |
| M00593 A    | LSE TYPE: CR PNG<br>CR: 0487080319<br>LSE DATE: 1987 Aug 27<br>EFF DATE: 1987 Aug 27<br>EXP DATE: 1992 Aug 27<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 04 W4M SEC 22<br>PNG TO BASE MANNVILLE_GROUP                    | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>PDBY BOWRIVER 100.0%                      |                    |       |
| M00599 A    | LSE TYPE: FH PET<br>LSE DATE: 1994 Feb 13<br>EFF DATE: 1994 Feb 13<br>EXP DATE: 1997 Feb 12<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: PEND                 | TWP 041 RGE 04 W4M LSD 10 SEC 23<br>PETROLEUM IN LLOYDMINSTER<br>(EXCL CBM) | CUR INT: WI<br>BOWRIVER 100.0% | NONCONV LOR<br>OIL 20.0%<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0%   |                    |       |
| M00690 A    | LSE TYPE: FH PET<br>LSE DATE: 2006 Dec 22<br>EFF DATE: 2006 Dec 22<br>EXP DATE: 2008 Dec 21<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: HBP                  | TWP 041 RGE 04 W4M LSD 13 SEC 23<br>PETROLEUM IN LLOYDMINSTER<br>(EXCL CBM) | CUR INT: WI<br>BOWRIVER 100.0% | NONCONV LOR<br>OIL 25.0%<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0%   |                    |       |
|             |  |   |                                | NONCONV LOR<br>GAS 20.0%<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0%   |                    |       |
|             |  |   |                                | NONCONV LOR<br>OTHER 20.0%<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0% |                    |       |
| M00680 A    | LSE TYPE: FH PET   | TWP 041 RGE 04 W4M LSD 14 SEC   | CUR INT: WI                    | NONCONV LOR   |                    |       |

Report Date: Nov 29, 2021 12:15 pm

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**Bow River Energy Ltd.**  
**Mineral Schedule Report - ERDOL PSA MINERALS 11.29.21**

Report Id: RP-0053

| File Number | Title Information  | Lands   | Seller's Interests             | Encumbrances  | Operating Contract | Wells |
|-------------|--|---|--------------------------------|---|--------------------|-------|
|             | LSE DATE: 2003 Sep 15<br>EFF DATE: 2003 Sep 15<br>EXP DATE: 2005 Mar 14<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: HBP                                      | 23<br>PET IN LLOYDMINSTER                                       | BOWRIVER 100.0%                | OIL 22.0%<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0%                |                    |       |
| M00673 A    | LSE TYPE: CR PNG<br>CR: 0404010092<br>LSE DATE: 2004 Jan 08<br>EFF DATE: 2004 Jan 08<br>EXP DATE: 2009 Jan 07<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 05 W4M SEC 19<br>PNG TO BASE MANNVILLE_GROUP        | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0% |                    |       |
| M00674 A    | LSE TYPE: CR PNG<br>CR: 0404010093<br>LSE DATE: 2004 Jan 08<br>EFF DATE: 2004 Jan 08<br>EXP DATE: 2009 Jan 07<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 041 RGE 05 W4M SEC 22<br>PNG TO BASE<br>FISH_SCALE-WESTGATE | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0% |                    |       |
| M00676 A    | LSE TYPE: CR PNG<br>CR: 0404010544<br>LSE DATE: 2004 Jan 22<br>EFF DATE: 2004 Jan 22<br>EXP DATE: 2009 Jan 21<br>INT TYPE: WI<br>MNRL INT: 100.0<br>EXT CODE: 15 | TWP 042 RGE 05 W4M SEC 05, 06<br>PNG TO BASE MANNVILLE_GROUP    | CUR INT: WI<br>BOWRIVER 100.0% | SLIDING SCALE<br>ALL S/S<br>BASED ON 100.0%<br>PDBY BOWRIVER 100.0% |                    |       |

**Wells**

100/15-15-041-04W4/00  
102/15-15-041-04W4/00  
100/16-15-041-04W4/00  
103/09-19-041-04W4/00  
100/09-19-041-04W4/00  
102/09-19-041-04W4/00  
102/10-19-041-04W4/00  
103/10-19-041-04W4/00  
104/10-19-041-04W4/00  
100/06-20-041-04W4/00  
106/09-20-041-04W4/00  
100/09-20-041-04W4/00  
104/09-20-041-04W4/00  
105/09-20-041-04W4/00  
102/10-20-041-04W4/00  
103/10-20-041-04W4/02  
100/10-20-041-04W4/00  
102/11-20-041-04W4/00  
100/11-20-041-04W4/00  
103/11-20-041-04W4/00  
104/11-20-041-04W4/00  
105/11-20-041-04W4/02  
106/12-20-041-04W4/00  
107/12-20-041-04W4/02  
103/14-20-041-04W4/00  
100/15-20-041-04W4/00  
102/15-20-041-04W4/00  
103/15-20-041-04W4/00  
100/16-20-041-04W4/00  
103/16-20-041-04W4/00  
104/16-20-041-04W4/00  
100/06-21-041-04W4/02  
107/06-21-041-04W4/00  
102/07-21-041-04W4/00  
103/07-21-041-04W4/00  
104/07-21-041-04W4/00  
106/07-21-041-04W4/00

102/10-21-041-04W4/00  
104/10-21-041-04W4/00  
105/10-21-041-04W4/00  
100/11-21-041-04W4/00  
105/11-21-041-04W4/00  
104/11-21-041-04W4/00  
107/11-21-041-04W4/00  
100/12-21-041-04W4/00  
108/12-21-041-04W4/00  
106/13-21-041-04W4/00  
102/13-21-041-04W4/00  
105/13-21-041-04W4/00  
100/14-21-041-04W4/00  
100/15-21-041-04W4/00  
100/16-21-041-04W4/00  
104/01-22-041-04W4/00  
100/01-22-041-04W4/00  
103/01-22-041-04W4/00  
100/02-22-041-04W4/00  
104/02-22-041-04W4/00  
102/04-22-041-04W4/00  
100/05-22-041-04W4/00  
103/05-22-041-04W4/00  
100/07-22-041-04W4/00  
102/09-22-041-04W4/00  
102/11-22-041-04W4/00  
102/12-22-041-04W4/00  
100/12-22-041-04W4/00  
100/13-22-041-04W4/00  
100/09-23-041-04W4/00  
100/10-23-041-04W4/00  
103/12-23-041-04W4/00  
100/13-23-041-04W4/00  
100/14-23-041-04W4/00  
100/04-19-041-05W4/00  
100/13-22-041-05W4/00  
1W0/13-05-042-05W4/00

**Facilities**

| <u>Govt Code</u> | <u>License</u> |
|------------------|----------------|
| F8429            | F8429          |
| ABBT0128557      | F8450          |
| ABGS0127931      | F8450          |
| ABIF0139406      | F8450          |
| ABBT0052328      | F8450          |
| F8437            | F8437          |



**Pipelines**

| <u>License</u> | <u>Line</u> |       |    |
|----------------|-------------|-------|----|
|                |             | 59110 | 49 |
| 29146          | 2           | 59110 | 50 |
| 38673          | 5           | 59110 | 51 |
| 38673          | 15          | 59110 | 52 |
| 38673          | 17          | 59110 | 53 |
| 45124          | 1           | 59110 | 54 |
| 45124          | 2           | 59110 | 55 |
| 45124          | 5           | 59110 | 56 |
| 45124          | 6           | 59110 | 61 |
| 59110          | 1           | 59110 | 62 |
| 59110          | 2           | 59110 | 63 |
| 59110          | 3           | 59110 | 64 |
| 59110          | 4           | 59110 | 65 |
| 59110          | 5           | 59110 | 78 |
| 59110          | 6           | 59110 | 79 |
| 59110          | 7           | 59110 | 80 |
| 59110          | 8           | 59110 | 81 |
| 59110          | 9           | 59110 | 86 |
| 59110          | 12          | 59110 | 87 |
| 59110          | 13          | 59110 | 90 |
| 59110          | 14          | 59110 | 91 |
| 59110          | 15          | 59110 | 92 |
| 59110          | 16          | 59111 | 27 |
| 59110          | 17          | 59111 | 28 |
| 59110          | 18          | 59111 | 29 |
| 59110          | 19          | 59111 | 30 |
| 59110          | 20          | 59111 | 31 |
| 59110          | 21          | 59111 | 32 |
| 59110          | 22          | 59111 | 33 |
| 59110          | 27          | 59111 | 34 |
| 59110          | 28          | 59111 | 35 |
| 59110          | 29          | 59111 | 36 |
| 59110          | 30          | 59111 | 37 |
| 59110          | 31          | 59111 | 38 |
| 59110          | 32          | 59111 | 39 |
| 59110          | 33          | 59111 | 40 |
| 59110          | 34          | 59111 | 41 |
| 59110          | 35          | 59111 | 42 |
| 59110          | 36          | 59111 | 44 |
| 59110          | 37          | 59111 | 45 |
| 59110          | 38          | 59111 | 46 |
| 59110          | 39          |       |    |
| 59110          | 40          |       |    |
| 59110          | 41          |       |    |
| 59110          | 42          |       |    |
| 59110          | 43          |       |    |
| 59110          | 44          |       |    |
| 59110          | 45          |       |    |
| 59110          | 46          |       |    |
| 59110          | 47          |       |    |
| 59110          | 48          |       |    |

**Schedule "C"**

**Claims**

## Schedule "D"

### Permitted Encumbrances

Permitted Encumbrances consist of the following (with capitalized terms having the definitions given to them in the Sale Agreement, unless otherwise defined in this Order):

- (i) all Encumbrances, including any overriding royalties, net profits interests and other burdens, which are provided for under the Title Documents;
- (ii) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, 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;
- (iii) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
- (iv) 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;
- (v) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;
- (vi) agreements for the sale, processing, transmission or transportation of Petroleum Substances entered into by the Debtor, or the Vendor for and on behalf of the Debtor, subsequent to the date of this Agreement, provided that such agreements can be terminated on less than 1 month's notice;
- (vii) any obligation of the Vendor or the Debtor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
- (viii) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;
- (ix) 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 the Vendor's or any Debtor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;

- (x) 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;
- (xi) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;
- (xii) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority; and
- (xiii) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's or any Debtor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof;

provided that in no circumstance shall any amounts owing by the Debtor to a Governmental Authority prior to the Closing Date in respect of taxes on linear or non linear property (as defined in the Municipal Government Act (Alberta)) be a Permitted Encumbrance.

## SCHEDULE C

### Form of General Conveyance, Assignment and Assumption Agreement

#### GENERAL CONVEYANCE, ASSIGNMENT, AND ASSUMPTION AGREEMENT

**THIS** General Conveyance, Assignment, and Assumption Agreement (this "**Agreement**") is made as of the [•] day of [•], 2021.

#### AMONG:

**BDO CANADA LIMITED**, a corporation existing under the federal laws of Canada, solely in its capacity as the receiver and manager of the assets, property and undertaking of **BOW RIVER ENERGY LTD.**, and not in its personal or corporate capacity (herein referred to as the "**Vendor**")

- and -

**ERDOL RESOURCES CORP.**, a corporation existing under the laws of the Province of Alberta (the "**Purchaser**")

#### RECITALS:

- A. In accordance with the terms of that certain Asset Purchase and Sale Agreement dated as of December 1, 2021 by and between the Vendor and the Purchaser (the "**Purchase Agreement**"), the Vendor has agreed to sell, assign, and transfer the Assets to the Purchaser and the Purchaser has agreed to purchase the Assets from the Vendor;
- B. the Purchaser has agreed to assume the Assumed Liabilities; and
- C. this Agreement is delivered pursuant to the Purchase Agreement.

**NOW THEREFORE**, for good and valuable consideration now paid by the Purchaser to the Vendor pursuant to the Purchase Agreement (the receipt and sufficiency of which is hereby acknowledged by the Vendor) the Parties hereto agree as follows:

#### 1. Definitions

All capitalized terms used but not otherwise defined in this Agreement shall have the meaning ascribed to such terms in the Purchase Agreement.

#### 2. Certain Rules of Interpretation

- (i) In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (ii) The division of this Agreement into Sections and the inclusion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

- (iii) The terms "hereof," "hereunder," and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.
- (iv) Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections of this Agreement.
- (v) The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

### **3. Conveyance**

The Vendor hereby sells, transfers, assigns, conveys and delivers to the Purchaser, and the Purchaser hereby purchases, accepts and receives from the Vendor, upon the terms and subject to the conditions of the Purchase Agreement, the Vendor's Interest in and to the Assets, free and clear of any and all Encumbrances of any and every kind, nature, and description, other than Permitted Encumbrances, as applicable, with effect as of the Closing on the date hereof, to have and to hold the Assets and all such right, title, interest, property, claim, and demand unto and to the use of the Purchaser.

### **4. Assumption of Assumed Liabilities**

Effective as of the Closing on the date hereof, the Purchaser hereby assumes and agrees to pay, perform, and discharge, when due, the Assumed Liabilities.

### **5. Further Assurances**

Each of the Parties hereto from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

### **6. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.

### **7. Entire Agreement**

This Agreement, the Purchase Agreement, and the documents referred to therein and contemplated thereby constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement, the Purchase Agreement, the Confidentiality Agreement and the documents referred to therein and contemplated thereby.

**8. Successors and Assigns**

This Agreement shall be binding upon, and enure to the benefit of, the Parties and their respective successors and permitted assigns.

**9. Counterparts**

This Agreement may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one instrument. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

**10. Amendments**

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. Any amendment effected in accordance with this Section 10 will be binding upon the Parties and their respective successors and permitted assigns.

**11. Paramountcy**

This Agreement is delivered pursuant to, and is subject to, all of the terms and conditions contained in the Purchase Agreement. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Purchase Agreement, the provisions of the Purchase Agreement shall prevail.

**12. Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

**[Signature Page Follows.]**

**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**BDO CANADA LIMITED, SOLELY IN ITS  
CAPACITY AS THE RECEIVER AND  
MANAGER OF THE ASSETS, PROPERTY  
AND UNDERTAKING OF BOW RIVER  
ENERGY LTD., AND NOT IN ITS  
PERSONAL OR CORPORATE CAPACITY**

Per: \_\_\_\_\_  
Name:  
Title:

**ERDOL RESOURCES CORP.**

Per: \_\_\_\_\_  
Name: Alessandro Rodrigues Novaes  
Title: President and CEO



**SCHEDULE D**

**Form of Bring-Down Certificate**

**TO:** [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")]

**RE:** Agreement of Purchase and Sale dated [●], 2021 between the Vendor and the 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:

1. The undersigned is personally familiar, in [his][her] capacity as an officer of [Vendor][Purchaser], with the matters hereinafter mentioned.
2. Each of the representations and warranties of the [Vendor][Purchaser] contained in Section [5.1 / 5.2] of the Agreement were true and correct in all material respects when made and are true and correct in all material respects as of the Closing Date.
3. All covenants and obligations of [Vendor][Purchaser] contained in the Agreement to be performed prior to or at Closing have been timely performed in all material respects.
4. 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.
5. 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 \_\_\_\_\_, 2021.

[Name of Vendor/Purchaser]

Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE E**

**Excluded Assets**

Part 1 – Excluded Assets

Attached

Part 2 – Surplus Equipment

None.

**EXCLUDED ASSETS****Well Exclusion List**

| <b><u>Licence</u></b> | <b><u>UWI</u></b>     |         |                       |
|-----------------------|-----------------------|---------|-----------------------|
| 0202576               | 100/02-18-041-03W4/00 | 0190106 | 104/12-20-041-04W4/00 |
| 0202577               | 102/02-18-041-03W4/00 | 0190087 | 105/12-20-041-04W4/00 |
| 0202579               | 102/03-18-041-03W4/00 | 0188704 | 100/13-20-041-04W4/00 |
| 0202580               | 103/03-18-041-03W4/00 | 0206696 | 108/12-20-041-04W4/00 |
| 0202581               | 104/03-18-041-03W4/00 | 0186072 | 105/16-20-041-04W4/00 |
| 0202684               | 105/03-18-041-03W4/00 | 0171982 | 100/05-21-041-04W4/00 |
| 0202046               | 103/05-18-041-03W4/00 | 0181356 | 102/05-21-041-04W4/00 |
| 0202381               | 104/05-18-041-03W4/00 | 0180207 | 102/06-21-041-04W4/00 |
| 0198755               | 105/05-18-041-03W4/00 | 0174327 | 100/07-21-041-04W4/00 |
| 0201178               | 100/06-18-041-03W4/00 | 0187682 | 105/07-21-041-04W4/00 |
| 0202379               | 102/06-18-041-03W4/00 | 0374540 | 107/07-21-041-04W4/00 |
| 0202492               | 103/06-18-041-03W4/00 | 0181049 | 100/08-21-041-04W4/00 |
| 0202575               | 104/06-18-041-03W4/00 | 0186043 | 103/10-21-041-04W4/00 |
| 0202578               | 105/06-18-041-03W4/00 | 0180210 | 102/11-21-041-04W4/00 |
| 0200578               | 100/11-18-041-03W4/00 | 0180982 | 103/11-21-041-04W4/00 |
| 0201179               | 102/12-18-041-03W4/00 | 0182552 | 106/11-21-041-04W4/00 |
| 0201268               | 103/12-18-041-03W4/00 | 0181050 | 102/12-21-041-04W4/00 |
| 0202493               | 104/12-18-041-03W4/00 | 0181852 | 103/12-21-041-04W4/00 |
| 0202638               | 105/12-18-041-03W4/00 | 0183053 | 105/12-21-041-04W4/00 |
| 0204436               | 106/12-18-041-03W4/00 | 0191384 | 107/12-21-041-04W4/00 |
| 0187213               | 100/16-02-042-03W4/00 | 0174280 | 100/13-21-041-04W4/00 |
| 0330741               | 100/10-04-042-03W4/00 | 0180190 | 103/13-21-041-04W4/00 |
| 0329012               | 100/07-09-042-03W4/00 | 0182254 | 104/13-21-041-04W4/00 |
| 0328977               | 100/03-10-042-03W4/00 | 0208644 | 107/13-21-041-04W4/00 |
| 0365172               | 100/04-11-042-03W4/00 | 0193185 | 102/15-21-041-04W4/00 |
| 0209978               | 102/05-32-039-04W4/00 | 0180195 | 102/01-22-041-04W4/00 |
| 0158775               | 100/09-05-040-04W4/00 | 0182438 | 103/02-22-041-04W4/00 |
| 0315565               | 103/02-36-040-04W4/00 | 0188859 | 100/03-22-041-04W4/00 |
| 0397022               | 100/13-01-041-04W4/00 | 0191282 | 102/03-22-041-04W4/00 |
| 0417065               | 100/04-02-041-04W4/00 | 0191285 | 104/03-22-041-04W4/00 |
| 0332857               | 100/07-02-041-04W4/00 | 0191287 | 102/05-22-041-04W4/00 |
| 0332881               | 100/11-02-041-04W4/00 | 0201884 | 104/05-22-041-04W4/00 |
| 0270195               | 100/12-03-041-04W4/00 | 0172968 | 100/11-22-041-04W4/00 |
| 0374658               | 100/08-11-041-04W4/00 | 0192838 | 103/12-22-041-04W4/00 |
| 0204358               | 100/14-11-041-04W4/00 | 0164463 | 100/04-23-041-04W4/00 |
| 0363672               | 100/03-14-041-04W4/00 | 0180189 | 102/04-23-041-04W4/00 |
| 0211629               | 100/12-14-041-04W4/00 | 0174819 | 100/08-23-041-04W4/00 |
| 0212122               | 100/01-15-041-04W4/00 | 0190026 | 102/08-23-041-04W4/00 |
| 0375379               | 100/09-15-041-04W4/00 | 0181968 | 102/09-23-041-04W4/00 |
| 0233466               | 100/11-15-041-04W4/00 | 0375237 | 103/09-23-041-04W4/00 |
| 0205141               | 102/13-15-041-04W4/00 | 0177080 | 102/12-23-041-04W4/00 |
| 0211656               | 102/16-15-041-04W4/00 | 0124650 | 100/14-23-042-04W4/00 |
| 0363686               | 103/16-15-041-04W4/00 | 0134049 | 100/07-30-039-05W4/00 |
| 0188702               | 100/10-19-041-04W4/00 | 0148152 | 100/10-34-039-05W4/00 |
| 0201951               | 100/11-19-041-04W4/00 | 0341566 | 100/16-34-040-05W4/00 |
| 0183339               | 103/09-20-041-04W4/00 | 0334794 | 100/15-35-040-05W4/00 |
| 0186030               | 102/14-20-041-04W4/00 | 0324798 | 100/10-36-040-05W4/00 |
| 0190104               | 103/12-20-041-04W4/00 | 0307946 | 100/10-02-041-05W4/00 |
|                       |                       | 0334374 | 100/16-02-041-05W4/00 |

|         |                       |         |                       |
|---------|-----------------------|---------|-----------------------|
| 0337628 | 100/08-03-041-05W4/00 | 0339067 | 100/07-14-041-05W4/00 |
| 0324956 | 100/15-03-041-05W4/00 | 0351322 | 100/13-15-041-05W4/00 |
| 0317020 | 100/10-04-041-05W4/00 | 0214232 | 100/10-16-041-05W4/00 |
| 0342846 | 100/09-09-041-05W4/00 | 0166675 | 100/06-17-041-05W4/00 |
| 0307925 | 100/08-10-041-05W4/00 | 0308088 | 100/15-31-041-05W4/00 |
| 0336731 | 102/08-10-041-05W4/00 | 0307955 | 102/11-13-041-06W4/00 |
| 0336717 | 100/10-10-041-05W4/00 | 0081727 | 100/01-05-042-04W4/00 |
| 0339483 | 100/11-10-041-05W4/00 | 0307952 | 100/13-12-041-06W4/00 |
| 0334355 | 102/07-11-041-05W4/00 | 0324552 | 102/06-02-041-04W4/00 |
| 0332852 | 100/09-11-041-05W4/00 |         |                       |

**Pipeline Exclusion List**

| <u>License</u> | <u>Line</u> |       |    |
|----------------|-------------|-------|----|
|                |             | 59110 | 58 |
| 29146          | 1           | 59110 | 59 |
| 29146          | 3           | 59110 | 60 |
| 29146          | 4           | 59110 | 66 |
| 29146          | 5           | 59110 | 67 |
| 30536          | 1           | 59110 | 68 |
| 30536          | 2           | 59110 | 69 |
| 30536          | 3           | 59110 | 70 |
| 30536          | 4           | 59110 | 71 |
| 30536          | 5           | 59110 | 72 |
| 30536          | 6           | 59110 | 73 |
| 30660          | 1           | 59110 | 74 |
| 30660          | 2           | 59110 | 75 |
| 30660          | 3           | 59110 | 76 |
| 38541          | 1           | 59110 | 77 |
| 38541          | 2           | 59110 | 82 |
| 38541          | 3           | 59110 | 83 |
| 38541          | 4           | 59110 | 84 |
| 38673          | 1           | 59110 | 85 |
| 38673          | 2           | 59110 | 88 |
| 38673          | 3           | 59110 | 89 |
| 38673          | 16          | 59111 | 1  |
| 40351          | 1           | 59111 | 2  |
| 40351          | 2           | 59111 | 3  |
| 40902          | 1           | 59111 | 4  |
| 44571          | 1           | 59111 | 5  |
| 45094          | 1           | 59111 | 6  |
| 45124          | 3           | 59111 | 7  |
| 45124          | 4           | 59111 | 8  |
| 45124          | 7           | 59111 | 9  |
| 45124          | 8           | 59111 | 10 |
| 45124          | 9           | 59111 | 11 |
| 45124          | 10          | 59111 | 12 |
| 45124          | 11          | 59111 | 13 |
| 45124          | 12          | 59111 | 14 |
| 45124          | 13          | 59111 | 15 |
| 45124          | 14          | 59111 | 16 |
| 45124          | 15          | 59111 | 17 |
| 45124          | 16          | 59111 | 18 |
| 45124          | 17          | 59111 | 19 |
| 45124          | 18          | 59111 | 20 |
| 45124          | 19          | 59111 | 21 |
| 45124          | 20          | 59111 | 22 |
| 47644          | 1           | 59111 | 23 |
| 59110          | 10          | 59111 | 24 |
| 59110          | 11          | 59111 | 25 |
| 59110          | 23          | 59111 | 26 |
| 59110          | 24          | 59111 | 43 |
| 59110          | 25          |       |    |
| 59110          | 26          |       |    |
| 59110          | 57          |       |    |

## Facility Exclusion List

### License

F33970

F35179

F35180

F38305

F38531

F41344

F8404

F8413

F8417

# APPENDIX “C”

**BDO CANADA LIMITED, SOLELY IN ITS CAPACITY AS THE RECEIVER AND MANAGER  
OF THE ASSETS, PROPERTY AND UNDERTAKING OF BOW RIVER ENERGY LTD. AND  
NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

**- and -**

**SILVERLEAF RESOURCES INC.**, a body corporate having an office in the City of Calgary in the Province of Alberta.

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**ASSET PURCHASE AND SALE AGREEMENT**

**November 24, 2021**

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## AGREEMENT OF PURCHASE AND SALE

**THIS AGREEMENT OF PURCHASE AND SALE** dated as of November 24, 2021,

**BETWEEN:**

**BDO CANADA LIMITED**, a corporation existing under the federal laws of Canada, solely in its capacity as the receiver and manager of the assets, property and undertaking of Bow River Energy Ltd. ("**Bow River**" or the "**Debtor**"), and not in its personal or corporate capacity (herein referred to as the "**Vendor**")

- and -

**SILVERLEAF RESOURCES INC.**, a corporation existing under the laws of Alberta (herein referred to as the "**Purchaser**")

**WHEREAS:**

- A. pursuant to the Receivership Order, the Vendor was appointed as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof;
- B. the Purchaser, subject to Court Approval, has agreed to purchase and acquire and the Vendor has agreed to sell, transfer and assign to the Purchaser, all of the Vendor's Interest in and to the Assets, on the terms and conditions set forth herein.

**NOW THEREFORE**, this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged by each Party to the other, the Parties covenant and agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement:

- (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 forming part of the Wells and Tangibles or otherwise located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands; and
  - (ii) restore, remediate and reclaim the surface and subsurface locations of the Wells and the Tangibles and any lands used to gain access thereto, including such obligations relating to wells, pipelines and facilities which were abandoned or

decommissioned prior to the Closing Date 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 sub-surface lands affected by any environmental damage, contamination or other environmental issues emanating from or relating to the sites for the Wells or the Tangibles;

all in accordance with generally accepted oil and gas industry practices and in compliance with all Applicable Laws;

- (b) "**Accounts Receivable**" means all trade and other accounts receivable, notes receivable, unbilled accounts and other debts due or accruing due to the Vendor and/or the Debtor in relation to the Assets;
- (c) "**AER**" means the Alberta Energy Regulator, or any successor thereto having jurisdiction over the Assets or certain of them or the operation thereof;
- (d) "**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with that specified Person. For the purposes of this definition, "control" (including with correlative meanings, controlling, controlled by and under common control with) means the power to direct or cause the direction of the management and policies of that Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and, it being understood and agreed that with respect to a corporation or partnership, control shall mean direct or indirect ownership of more than 50% of the voting shares in any such corporation or of the general partnership interest or voting interest in any such partnership;
- (e) "**Agreement**" means this agreement of purchase and sale and any schedules attached hereto which are referred to in this agreement, together with any amendment or supplement thereto;
- (f) "**Applicable Law**" means, in respect of any Person, asset, transaction, event or circumstance: (i) statutes (including regulations enacted thereunder); (ii) judgments, decrees and orders of courts of competent jurisdiction (including the common law); (iii) regulations, orders, ordinances and directives issued by Governmental Authorities; and (iv) the terms and conditions of all permits, licenses, approvals and authorizations, in each case which are applicable to such Person, asset, transaction, event or circumstance;
- (g) "**Approval and Vesting Order**" means an order of the Court approving the Transaction in accordance with the provisions of this Agreement, and vesting all of the Vendor's Interest in and to the Assets in the Purchaser free and clear of all Claims, Encumbrances (other than Permitted Encumbrances) and interests, such order to be substantially in the form attached hereto as Schedule B together with such modifications and amendments to such form as may be approved by both the Vendor and the Purchaser, acting reasonably;
- (h) "**Assets**" means the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests, but specifically excluding the Excluded Assets;
- (i) "**Assumed Contracts**" means, other than contracts which are Excluded Assets:

- (i) the contracts referenced in subsection (i) of the definition of Miscellaneous Interests; and
- (ii) and (ii) any other contract, agreement, commitment, understanding, arrangement, license or lease entered into by the Vendor or the Debtor (whether oral or written) or affecting or related to the Assets or the Assumed Liabilities or by which either the Vendor or the Debtor are bound or by which any property of the Debtor is subject to an Encumbrance;

which contracts shall be assigned by the Vendor in its own right or for and on behalf of the Debtor and assumed by the Purchaser in accordance with the terms of this Agreement, the relevant contracts and/or the Approval and Vesting Order, and/or other order of the Court in form and substance satisfactory to the Parties;

- (j) "**Assumed Liabilities**" means, collectively, all liabilities and obligations arising from the possession, ownership and/or use of the Assets, including:
  - (i) all Environmental Liabilities and Abandonment and Reclamation Obligations;
  - (ii) any Losses and Liabilities of the Vendor and/or the Debtor under, and the Cure Costs in respect of, Assumed Contracts;
- (k) "**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the City of Calgary in the Province of Alberta;
- (l) "**Cash and Cash Equivalents**" means cash, cash equivalents, money on deposit with banks, certificates of deposit and similar instruments and short-term investments held by the Debtor or the Vendor for and on behalf of the Debtor;
- (m) "**Claim**" means any right, claim, cause of action or complaint of any Person that may be asserted or made in whole or in part against any Vendor, any of their respective Affiliates and their respective Representatives, 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 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, claim, cause of action or complaint is executory or anticipatory in nature;
- (n) "**Closing**" means the completion of the purchase by the Purchaser, and sale by the Vendor, of the Vendor's Interest in and to the Assets and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such purchase and sale, all subject to and in accordance with the terms and conditions of this Agreement;
- (o) "**Closing Date**" means the date on which Closing occurs, being the later of December 19, 2021, or the date which is two Business Days following the date upon which all conditions

in Sections 11.1, 11.2 and 11.3 have been satisfied or waived, or such other date as the Parties may agree in writing; provided, however, that the Closing Date shall not be later than the Outside Date;

- (p) "**Confidentiality Agreement**" means the confidentiality agreement between Vendor and Purchaser dated January 6, 2021;
- (q) "**Consequential Damages**" has the meaning ascribed to that term in Section 14.5;
- (r) "**Court**" means the Court of Queen's Bench of Alberta, Judicial Centre of Calgary;
- (s) "**Court Approval**" means both the issuance of the Approval and Vesting Order by the Court approving the sale of the Assets, and such Approval and Vesting Order having become a Final Order;
- (t) "**Cure Costs**" means, in respect of any Assumed Contract, all amounts, required to be paid to remedy all of the Vendor's or the Debtor' monetary defaults under such Assumed Contract or required to secure a counterparty's or any other necessary Person's consent to the assignment of such Assumed Contract pursuant to its terms (including any deposits or other forms of security required by any Governmental Authority) or as may be required pursuant to the Approval and Vesting Order, and includes any other fees and expenses required to be paid to a counterparty or any other Person in connection with the assignment of an Assumed Contract pursuant to its terms or Applicable Laws, but expressly excludes any secured or unsecured creditor claim against the Debtor other than payments to counterparties under Assumed Contract;
- (u) "**Debtor**" means, Bow River Energy Ltd.;
- (v) "**Deposit**" has the meaning ascribed to that term in Section 3.3(a)(i);
- (w) "**Due Diligence Information**" means all information made available (by the Vendor, the Debtor or otherwise) for the Purchaser's review in paper or electronic form in relation to the Debtor, its Affiliates and/or the Assets;
- (x) "**Encumbrances**" means all mortgages, pledges, charges, liens, debentures, trust deeds, Claims, assignments by way of security or otherwise, security interests, conditional sales contracts or other title retention agreements, security created under the *Bank Act* (Canada), rights of first refusal, or similar interests or instruments charging or creating a security interest in the Assets or any part thereof or interest therein, and any agreements, leases, licenses, occupancy agreements, options, easements, rights of way, restrictions, executions, or other encumbrances (including notices or other registrations in respect of any of the foregoing) affecting title to the Assets or any part thereof or interest therein;
- (y) "**Environment**" means the components of the earth and includes the air, the surface and subsurface of the earth, bodies of water (including rivers, streams, lakes and aquifers) and plant and animal life (including humans);
- (z) "**Environmental Laws**" means all Applicable Laws relating to pollution or protection of human health or the Environment (including ambient air, water, surface water, groundwater, land surface, soil, or subsurface) or natural resources, including Applicable

Laws relating to the storage, transfer, transportation, investigation, cleanup, treatment, or use of, or release or threatened release into the Environment of, any Hazardous Substances;

(aa) "**Environmental Liabilities**" means all past, present and future Losses and Liabilities, Claims and other duties and obligations, whether arising under contract, Applicable Laws or otherwise, arising from, relating to or associated with:

- (i) any damage, pollution, contamination or other adverse situations pertaining to the Environment howsoever and by whomsoever caused and regardless of whether such damage, pollution, contamination or other adverse situations occur or arise in whole or in part prior to, at or subsequent to the date of this Agreement;
- (ii) the presence, storage, use, holding, collection, accumulation, assessment, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, release, emission or discharge of Petroleum Substances, oilfield wastes, water, Hazardous Substances, environmental contaminants and all other substances and materials regulated under any Applicable Law, including any forms of energy, or any corrosion to or deterioration of any structures or other property;
- (iii) compliance with or the consequences of any non-compliance with, or violation or breach of, any Environmental Law;
- (iv) sampling, monitoring or assessing the Environment or any potential impacts thereon from any past, present or future activities or operations; or
- (v) the protection, reclamation, remediation or restoration of the Environment;

that relate to or arise by virtue of the Assets or the ownership thereof or any past, present or future operations and activities conducted in connection with the Assets or on or in respect of the Lands or any lands pooled or unitized therewith;

(bb) "**Excluded Assets**" has the meaning set forth in Section 2.6;

(cc) "**Facilities**" means the Vendor's Interest in and to all 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, injection, water disposal, measurement, processing, storage or other operations respecting the Leased Substances, including any applicable battery, separator, compressor station, gathering system, pipeline, production storage facility or warehouse, including those facilities and pipelines identified in Part 2 of Schedule A;

(dd) "**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 prescribed therein or otherwise by Applicable Law or order having been satisfied;

- (ee) "**General Conveyance, Assignment and Assumption Agreement**" means an agreement providing for the assignment by the Vendor of the Vendor's Interest in and to the Assets, free and clear of all Encumbrances (other than Permitted Encumbrances), substantially in the form attached hereto as Schedule C, and the assumption by the Purchaser of the Assumed Liabilities, substantially in the form attached hereto as Schedule C;
- (ff) "**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Assets or this Transaction, including for greater certainty the AER;
- (gg) "**GST**" means taxes, interest, penalties and other additions thereto imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and "**GST Legislation**" means such act and regulations collectively;
- (hh) "**Hazardous Substances**" means any substance, material or waste defined, regulated, listed or prohibited by Environmental Laws, including pollutants, contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, radioactive materials, flammable substances, explosives, Petroleum Substances and products of Petroleum Substances, polychlorinated biphenyls, chlorinated solvents and asbestos;
- (ii) "**Lands**" means the lands set out and described in Part 1 of Schedule A, and the Petroleum Substances within, upon or under such lands (subject to the restrictions and exclusions identified in the Title Documents as to Petroleum Substances and geological formations), but excluding the Excluded Assets;
- (jj) "**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);
- (kk) "**Legal Proceeding**" means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;
- (ll) "**Licence Transfers**" means the transfer from the Vendor and/or the Debtor to the Purchaser of any permits, approvals, licences and authorizations granted by the AER or any other Governmental Authority in relation to the construction, installation, ownership, use or operation of the Wells or the Facilities, as applicable.
- (mm) "**LMR**" means the licensee liability rating program and the license transfer process as set forth by the AER under AER's Directive 006, 011, 068 and Bulletin 2016-21 and related AER regulations, guidelines, directives, information letters, programs and policies, as the same may be amended, supplemented or replaced from time to time;



- (nn) "**LTA**" has the meaning set forth in Section 2.3(a);
- (oo) "**Losses and Liabilities**" means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations 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 or any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, and those arising under any contract, agreement, arrangement, commitment or undertaking and costs 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);
- (pp) "**Miscellaneous Interests**" means, subject to any and all limitations and exclusions provided for in this definition, the Vendor's Interest in and to all property, assets, 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, assets, 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 relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);
  - (ii) all warranties, guarantees and similar rights relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including warranties and guarantees made by suppliers, manufacturers and contractors under the Assets, and claims against other Third Parties in connection with the contracts relating to the Petroleum and Natural Gas Rights and the Tangibles;
  - (iii) all subsisting rights to carry out operations relating to the Lands, the Tangibles or the Wells, and without limitation, all easements and other permits, licenses and authorizations pertaining to the Tangibles or the Wells;
  - (iv) 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;
  - (v) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them including any of the foregoing that pertain to geological or geophysical matters and, including plats, surveys, maps, cross-sections, production records, electric logs, cuttings, cores, core data, pressure data, decline and production curves, well files, and related matters, division of interest records, lease files, title opinions, abstracts of title, title curative documents, lease operating statements and all other accounting information, marketing reports, statements, gas balancing information, and all other documents relating to customers, sales information, supplier lists, records, literature and correspondence, physical maps, geologic or geophysical interpretation, electronic and physical project files; and

- (vi) the Wells, including the wellbores and any and all casing and down-hole monitoring and pumping equipment;

but excluding the Excluded Assets and provided that unless otherwise agreed in writing by the Parties, the Miscellaneous Interests shall not include any documents or data to the extent that they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by the Vendor or the Debtor to an assignee;

- (qq) "**Notice Period**" has the meaning ascribed to that term in Section 8.2(b);
- (rr) "**Order**" means any order, writ, judgment, injunction, decree, stipulation, determination, decision, verdict, ruling, subpoena, or award entered by or with any Governmental Authority (whether temporary, preliminary, or permanent);
- (ss) "**Outside Date**" means December 31, 2021 or such other date as the Parties may agree;
- (tt) "**Outstanding ROFR Assets**" has the meaning set forth in Section 10.3(e)(ii);
- (uu) "**Outstanding ROFRs**" has the meaning set forth in Section 10.3(e);
- (vv) "**Parties**" means, collectively, the Purchaser and the Vendor, and "**Party**" means any one of them;
- (ww) "**Permitted Encumbrances**" means:
  - (i) all encumbrances, including any overriding royalties, net profits interests and other burdens, which are provided for under the Title Documents;
  - (ii) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, 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;
  - (iii) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
  - (iv) 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;
  - (v) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;
  - (vi) agreements for the sale, processing, transmission or transportation of Petroleum Substances entered into by the Debtor, or the Vendor for and on behalf of the Debtor, subsequent to the date of this Agreement;

- (vii) any obligation of the Vendor or the Debtor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
- (viii) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;
- (ix) 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 the Vendor's or any Debtor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;
- (x) 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;
- (xi) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;
- (xii) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority; and
- (xiii) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's or any Debtor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof or the Closing Date;
- (xx) "**Person**" means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executory, Governmental Authority, or other entity however designated or instituted;
- (yy) "**Petroleum and Natural Gas Rights**" means the Vendor's 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), but excluding the Excluded Assets;
- (zz) "**Petroleum Substances**" means any of crude oil, petroleum, natural gas, natural gas liquids, coal bed methane and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur;
- (aaa) "**Prime Rate**" means an annual rate of interest equal to the annual rate of interest announced from time to time by the main branch of the Royal Bank of Canada in Calgary, Alberta, as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans provided that such rate shall be determined on the last day of each month and applied to the next succeeding month;
- (bbb) "**Purchase Price**" has the meaning ascribed to that term in Section 3.1;
- (ccc) "**Purchaser**" has the meaning ascribed to that term in the preamble hereto;

- (ddd) "**Purchaser's Solicitors**" means McCarthy Tetrault LLP, or such other firm or firms of solicitors as are retained or engaged by Purchaser from time to time and notice of which is provided to the Vendor;
- (eee) "**Receivership Order**" means the order of the Court dated June 8, 2020, pursuant to which the Vendor was appointed as the receiver and manager of all of the current and future assets, undertakings and properties of every nature or kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof;
- (fff) "**Receivership Proceedings**" means the court proceedings brought in the Court pursuant to Court Action No. 2001 13391, pursuant to which the Vendor was appointed as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof;
- (ggg) "**Representative**" means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its Affiliates;
- (hhh) "**ROFR**" means a right of first refusal, right of first offer or other pre-emptive or preferential right of purchase or similar right to acquire the Assets or certain of them that may become operative by virtue of this Agreement or the completion of the Transaction;
- (iii) "**ROFR Disclosure Letter**" means the letter delivered by the Vendor to the Purchaser concurrent with the execution of this Agreement identifying any applicable ROFRs;
- (jjj) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the Vendor's Interest in and to the Assets to the Purchaser and to novate the Purchaser in the place and stead of the Vendor or the Debtor, as applicable, with respect to the Assets (excluding the Licence Transfers);
- (kkk) "**Surplus Equipment**" means those Assets identified as such in Part 2 of Schedule E hereto, which, if sold by the Vendor to a Third Party prior to Closing, shall constitute Excluded Assets, and if unsold by the Vendor prior to Closing, shall constitute Assets;
- (lll) "**Tangibles**" means the Vendor's Interest in and to the Facilities and any and all other tangible depreciable property and assets, if any, which are located within, upon or in the vicinity of the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, store, transport, make marketable or inject the Leased Substances or any of them, but excluding the Excluded Assets;
- (mmm) "**Third Party**" means any Person who is not a Party or an Affiliate of a Party;
- (nnn) "**Third Party Claim**" means any Claim by a Third Party asserted against the Vendor or any of the Debtor for which the Purchaser has indemnified the Vendor and the Debtor or is otherwise responsible pursuant to this Agreement;
- (ooo) "**Title Documents**" means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-

in agreements, sale and purchase agreements, pooling agreements, acreage contribution agreements, joint venture 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;

- (ppp) "**Transaction**" means the transaction for the purchase and sale of the Vendor's Interest in and to the Assets, together with all other transactions contemplated in this Agreement, all as contemplated in this Agreement;
- (qqq) "**Transfer Taxes**" means all transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Assets, including GST; and which, for certainty, shall not include freehold mineral taxes;
- (rrr) "**Vendor**" has the meaning ascribed to that term in the preamble hereto;
- (sss) "**Vendor's Interest**" means, when used in relation to any asset, undertaking or property, the entire right, title and interest, if any, of the Debtor and/or the Vendor, as applicable, in, to and/or under such asset, undertaking or property;
- (ttt) "**Vendor's Solicitors**" means the law firm of Bennett Jones LLP, or such other firm or firms of solicitors as are retained or engaged by the Vendor from time to time and notice of which is provided to the Purchaser; and
- (uuu) "**Wells**" means the Vendor's Interest in and to the wells listed in Part 2 of Schedule A.

## 1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) All references to monetary amounts are to the lawful currency of Canada.
- (b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.
- (c) The word "include" and "including" and derivatives thereof shall be read as if followed by the phrase "without limitation".
- (d) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.
- (e) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.

- (f) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified.
- (g) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.
- (h) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.
- (i) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.
- (j) Reference to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof.
- (k) References to an Applicable Law means such Applicable Law as amended from time to time and includes any successor Applicable Law thereto any regulations promulgated thereunder.

### **1.3 Schedules**

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

|            |  |
|------------|--|
| Schedule A | Assets Listing<br>Part 1 – Lands<br>Part 2 – Wells, Facilities and Tangibles |
| Schedule B | Form of Approval and Vesting Order   |
| Schedule C | Form of General Conveyance   |
| Schedule D | Form of Bring-Down Certificate   |
| Schedule E | Excluded Assets<br>Part 1 – Excluded Assets<br>Part 2 – Surplus Equipment    |

### **1.4 Interpretation if Closing Does Not Occur**

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

## **ARTICLE 2 PURCHASE AND SALE**

### **2.1 Agreement of Purchase and Sale**

Subject to the terms and conditions of this Agreement, and in consideration of the Purchase Price, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase, accept and receive from the Vendor, the Vendor's Interest in and to the Assets.

### **2.2 Transfer of Property and Assumption of Liabilities**

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk, and legal and beneficial ownership of the Assets shall transfer from the Vendor to the Purchaser on the Closing Date, and the Purchaser agrees to assume, discharge, perform and fulfil all Assumed Liabilities. Without limiting the provisions of this Agreement relating to the General Conveyance, Assignment and Assumption Agreement (and such agreement itself), or any other provisions of this Agreement relating to sale, transfer, assignment, conveyance or delivery, the Assets shall be sold, assigned, transferred, conveyed, and delivered by the Vendor to the Purchaser by way of the Licence Transfers, the Specific Conveyances and other appropriate instruments of transfer, bills of sale, endorsements, assignments, and deeds, in recordable form, or by way of an Order of the Court, as appropriate, and free and clear of any and all Encumbrances of any and every kind, nature, and description, other than Permitted Encumbrances, as applicable.

### **2.3 AER License Transfers**

- (a) Promptly following the granting by the Court of the Approval and Vesting Order, the Vendor shall electronically submit applications to the AER for the Licence Transfer ("LTA"), and will provide a screen shot or other evidence indicating such submission to the Purchaser, and in addition the Vendor shall provide any information and documentation along with such LTA to the AER which are required to be provided by the transferor in connection with the foregoing. The Purchaser shall accept or ratify such LTA without delay, provided that, if the Purchaser in good faith determines or believes that the LTA is not complete and accurate, or the AER refuses to process such LTA because of some defect therein, the Parties shall cooperate to duly complete or to correct such incomplete or inaccurate LTA as soon as practicable and, thereafter, the Vendor shall promptly re-submit such LTA and the Purchaser shall accept or ratify such re-submitted LTA without delay. Each Party shall be responsible for its own costs relating to LTA hereunder. The Purchaser shall provide any information and documentation in respect of such LTA to the AER which is required to be provided by the transferee in connection with the foregoing. Following submission of the LTA, each of the Parties shall use reasonable commercial efforts to obtain the AER's approval of the LTA and registration of the License Transfer, subject to the specific requirements of this Sections 2.3.
- (b) If the AER denies any of the LTA because of misdescription or other minor deficiencies contained therein, the Vendor shall, within two Business Days of such denial, correct the LTA and amend and re-submit the LTA, and the Purchaser shall accept or ratify such re-submitted LTA without delay.
- (c) If, for any reason, the AER requires the Purchaser to make a deposit, furnish any other form of security, provide any undertakings, information or other documentation or to take any action as a condition of or a prerequisite for the approval of the LTA, then immediately

after receiving notice of such requirements and at its sole cost, the Purchaser shall make such deposits, furnish such security, provide such undertakings, information or other documentation and/or take such action, as the case may be.

- (d) If the Purchaser fails to make a deposit or furnish security it is required to make or furnish under Section 2.3(c) within 10 days of the Purchaser's receipt of notification from the applicable Governmental Authority or the Vendor that such deposit or security is required, the Vendor shall have the right to make such deposit or furnish such security. In such event, the Purchaser shall (as applicable) reimburse the amount of such deposit or the costs of such security to the Vendor plus interest thereon at the Prime Rate plus three percent (3%) from the date such deposit or security is made or furnished by the Vendor until such reimbursement is made and, in the case of security, cause the security to be returned to the Vendor as soon as possible and indemnify the Vendor for the amount and costs of any draws on the security plus interest thereon at the Prime Rate from the date such draw is made until such indemnification is made. In addition to all other rights to enforce such reimbursement otherwise available to the Vendor, it shall have the right to set-off the amount of such reimbursement or indemnification (including interest) against other monies due to the Purchaser pursuant to this Agreement.
- (e) The Purchaser shall on a timely and continuing basis keep the Vendor fully apprised and informed regarding all communications the Purchaser may have with the AER in connection with the Transaction, including all communications respecting the LTA, and without limiting the generality of the foregoing the Purchaser shall provide copies to the Vendor of all related correspondence from the Purchaser to the AER, and the Purchaser shall request that the AER provide copies to the Vendor of all related correspondence from the AER to the Purchaser.

## **2.4 Specific Conveyances**

- (a) The Parties shall cooperate in the preparation of the Specific Conveyances. A reasonable time following its receipt of the Title Documents from Vendor, Purchaser shall prepare and provide for the Vendor's review all Specific Conveyances. 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, the Purchaser shall register and/or distribute (as applicable), all such Specific Conveyances and shall bear all costs incurred therewith and in preparing and registering any further assurances required to convey the Assets to the Purchaser.
- (b) As soon as practicable following Closing, the Vendor shall deliver or cause to be delivered to the Purchaser such original copies of the Title Documents and any other agreements and documents to which the Assets are subject and such original copies of contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests which are now in the possession or control of the Vendor or the Debtor or of which the Vendor or the Debtor gain possession or control prior to Closing.
- (c) Notwithstanding Sections 2.4(a) and 2.4(b), requests for the transfers from the Vendor to the Purchaser of registered Crown leases or licences, related surface rights and any other Title Documents which are administered by Alberta Energy shall be submitted by the Vendor and accepted by the Purchaser as soon as is practicable after Closing.



## 2.5 Post-Closing Maintenance of Assets

- (a) Following Closing, if and to the extent that Purchaser must be novated into, recognized as a party to, or otherwise accepted as assignee or transferee of Vendor's and/or the Debtor's interest in the Assets or certain of them, including any Title Documents and Assumed Contracts, the following provisions shall apply with respect to the applicable Assets until such novation, recognition or acceptance has occurred:
- (i) the Purchaser shall use reasonable commercial efforts to obtain, as may be required by the terms of any Assumed Contracts, consents or approvals to the assignment of such Assumed Contracts; provided that to the extent that any Cure Costs are payable with respect to any Assumed Contract, the Purchaser shall be responsible for and shall pay all such Cure Costs, which shall be paid directly to the applicable counterparty, which Cure Costs shall form part of the Purchase Price for the Assets;
  - (ii) the Vendor and/or the applicable Debtor shall hold the rights, entitlements, benefits, remedies, duties and obligations in respect of the applicable Assets in trust for the exclusive benefit of the Purchaser as bare trustee and agent;
  - (iii) the Vendor will, at the request and expense and under the direction of the Purchaser, in the name of the Vendor and/or the applicable Debtor or otherwise as the Purchaser shall reasonably specify, take all such reasonable actions and do all such reasonable things as shall, in the reasonable opinion of the Purchaser, be necessary or desirable in order that the rights, entitlements, benefits, remedies, duties and obligations of the applicable Debtor in respect of any applicable Assets may be enjoyed, received or performed, as the case may be, in accordance with the terms of the Title Documents and Assumed Contracts, including that all monies receivable under any Title Documents and Assumed Contracts may be received by the Purchaser and that all rights and licenses under any Title Documents and Assumed Contracts may be exercised by the Purchaser;
  - (iv) the Vendor shall, no later than 30 days after receipt of funds, pay over to the Purchaser all such monies collected by the Vendor and/or the applicable Debtor in respect of the Assets following the Closing Date, net of any unpaid related costs or expenses (including any taxes that are payable in respect of the receipt of such amounts);
  - (v) to the extent permitted by any applicable Assumed Contract:
    - (A) the Purchaser will pay, perform and discharge the duties and obligations accruing after Closing under such Assumed Contract, on behalf of the Vendor and/or any applicable Debtor, until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser; and
    - (B) the Vendor shall, or shall cause the applicable Debtor to, use reasonable commercial efforts to exercise the rights, entitlements, benefits and remedies under such Assumed Contract, on behalf of the Purchaser until such time as the effective transfer or assignment of the relevant Assumed

Contract to the Purchaser, or such Assumed Contract expires or otherwise terminates;

- (vi) neither the Vendor nor the Debtor shall have any liability as a consequence of the Vendor or any applicable Debtor taking any action or causing anything to be done under this Section 2.5(a), and the Purchaser shall be responsible and liable for, and, as a separate covenant, shall hereby indemnify and save harmless the Vendor, the Debtor and their respective Representatives against, all costs and expenses reasonably incurred by the Vendor, the Debtor, their Affiliates or their respective Representatives as a consequence of or in connection with this Section 2.5(a); and
  - (vii) the Vendor shall cause the applicable Debtor to maintain their existence, and continue to be licensed, registered or otherwise qualified and authorized to conduct its affairs and carry on business as is necessary to fulfill its obligations as set out in this Section 2.5(a) until the later of: (i) the earlier of the expiry or assignment to the Purchaser of the last applicable Assumed Contract, and (ii) the AER having approved the LTAs and registered the License Transfers; *provided, however*, that the obligations of the Vendor and any applicable Debtor under this Section 2.5(a) shall expire and terminate and cease to be in effect on the date that is 90 days following Closing.
  - (viii) Nothing in this Agreement shall constitute an agreement to assign, and shall not be construed as an assignment of, or an attempt to assign to the Purchaser, any Assumed Contract until such time as the necessary consents or approvals with respect to the assignment are obtained.
- (b) Both before and after Closing, each of the Parties shall use all commercially reasonable efforts to obtain any and all approvals required under Applicable Law and any and all material consents of Third Parties required to permit this Transaction to be completed. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances, deposits or security that may be required by Governmental Authorities or any Third Parties under the Assumed Contracts or Applicable Laws to permit the transfer of the Assets, including the Assumed Contracts, to the Purchaser.

## **2.6 Assumed Liabilities**

Following Closing, the Purchaser shall assume, perform, discharge and pay when due all of the Assumed Liabilities. For greater certainty, the Purchaser acknowledges and agrees that the Environmental Liabilities and Abandonment and Reclamation Obligations in respect of the Assets are future costs and obligations associated with the ownership of the Assets that are tied and connected to the ownership of the Assets such that they are inextricably linked and embedded with the Assets.

## **2.7 Excluded Assets**

Nothing contained herein or in any agreements, instruments, or other documents to be delivered at the Closing shall be deemed to sell, transfer, assign, convey or deliver the Excluded Assets to the Purchaser or any Affiliate of the Purchaser, and the Vendor and the Debtor, as applicable, shall retain all right, title, and interest to, in, and under the Excluded Assets, and neither the Purchaser nor any Affiliate of the Purchaser shall have any liability therefor. "**Excluded Assets**" shall mean the Vendor's Interest in any and

all assets (whether tangible or intangible), properties, contracts or rights of the Vendor and/or the Debtor which are not specifically included in the Assets including, for greater certainty, the following assets (whether tangible or intangible), properties and rights of the Vendor and the Debtor, as applicable:

- (a) any Accounts Receivable and any Cash and Cash Equivalents; and
- (b) any assets listed in Schedule E (which are not Surplus Equipment comprising Assets).

To the extent any Title Documents or Assumed Contracts apply to both Assets and Excluded Assets, such Title Document or Assumed Contract, as applicable, shall be assigned and transferred to Purchaser and Purchaser shall, following such assignment and transfer, hold the Title Document or Assumed Contract, as applicable, as bare trustee of Vendor and/or the Debtor (or their assignee) to the extent applicable to any Excluded Assets.

### **ARTICLE 3 PURCHASE PRICE**

#### **3.1 Purchase Price**

The consideration payable by the Purchaser for the Assets shall be the sum of [REDACTED] plus the Cure Costs (collectively, the "**Purchase Price**"). The Purchase Price shall be satisfied in accordance with Sections 2.5(a)(i) and 3.3(b), and shall not be subject to any adjustment (and for greater certainty, Cure Costs shall be satisfied in accordance with Section 2.5(a)(i)). The Purchaser and the Vendor acknowledge and agree that the Purchase Price reflects the fair market value of the Assets as of the Closing Date, having due regard to the Environmental Liabilities connected to and embedded in the Assets that depress the value of the Assets.

#### **3.2 Allocation of Purchase Price**

The Purchase Price shall be allocated among the Assets as follows:

- (a) to the Petroleum and Natural Gas Rights, 80%;
- (b) to the Tangibles, 20% less [REDACTED]; and
- (c) to the Miscellaneous Interests, [REDACTED].

#### **3.3 Deposit and Satisfaction of Purchase Price**

- (a) The Parties acknowledge that:
  - (i) on the date hereof, the Purchaser paid the sum of [REDACTED] (the "**Deposit**") to the Vendor;
  - (ii) the Deposit has been delivered to and shall be held in trust by the Vendor; and
  - (iii) the Deposit shall be held and administered by the Vendor in accordance with the terms and conditions of this Agreement (including this Section 3.3).
- (b) At Closing, the Purchase Price shall be paid and satisfied as follows:

- (i) as to the amount of the Deposit, the Vendor shall retain the amount of the Deposit and apply such amount against the amount of the Purchase Price; and
  - (ii) as to the balance of the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.5(a)(i)), along with any additional amounts owing in respect of applicable GST, the Purchaser shall pay to the Vendor such amount by electronic wire transfer.
- (c) If this Agreement is terminated:
- (i) (A) pursuant to Section 13.1(a) by mutual agreement of the Parties; (B) pursuant to Sections 13.1(b) or 13.1(c) by the Purchaser; (C) pursuant to Section 13.1(e) by the Vendor; or (D) for any other reason other than as contemplated under Section 3.3(c)(ii); then the Deposit shall be returned to the Purchaser; or
  - (ii) pursuant to Section 13.1(d) by the Vendor, the full amount of the Deposit shall be forfeited to the Vendor,

and, subject to Section 13.2, each Party shall be released from all obligations and liabilities under or in connection with this Agreement. In the event of termination of this Agreement under Section 3.3(c)(ii) pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit, constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

#### **ARTICLE 4 TRANSFER TAXES**

##### **4.1 Transfer Taxes**

The Parties agree that:

- (a) the Purchase Price does not include Transfer Taxes and the Purchaser shall be liable for and shall pay, and be solely responsible for, any and all Transfer Taxes pertaining to the Purchaser's acquisition of the Assets; and
- (b) the Purchaser shall indemnify the Vendor, the Debtor and their respective Affiliates for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that any of them are required to pay or for which any of them may become liable as a result of any failure by the Purchaser to self-assess, pay or remit such Transfer Taxes, other than as a result of a failure by the Vendor, the Debtor or their respective Affiliates to timely remit any amounts on account of Transfer Taxes paid by the Purchaser hereunder.

**ARTICLE 5  
REPRESENTATIONS AND WARRANTIES**

**5.1 Vendor's Representations**

The Vendor hereby represents and warrants to the Purchaser that:

- (a) pursuant to the Receivership Order, it has, among other things, been appointed by the Court as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof, and such appointment is valid and subsisting and has not been varied or amended, except as set forth in the Receivership Order;
- (b) except for: (i) the Court Approval; and (ii) the Licence Transfers and any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Vendor of the Transaction;
- (c) it is not a non-resident of Canada within the meaning of such term under the *Income Tax Act* (Canada) and is not an agent or trustee for anyone with an interest in the Assets who is a non-resident of Canada within the meaning of such term under the *Income Tax Act* (Canada) (or a partnership that is not a "Canadian partnership" within the meaning of such term under the *Income Tax Act* (Canada));
- (d) subject to Court Approval being obtained, this Agreement has been duly executed and delivered and constitutes a legal, valid and binding obligation of it and is enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (e) the Purchaser will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by the Vendor; and
- (f) with respect to the GST imposed under the GST Legislation, the following Debtor are registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and their respective GST registration numbers are:

**Debtor**  
BOW RIVER ENERGY LTD.

**GST Registration Number**  
828997114 RT0002

**5.2 Purchaser's Representations**

The Purchaser hereby represents and warrants to the Vendor that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation or formation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (b) it has taken all necessary corporate or other acts to authorize the execution, delivery and performance by it of this Agreement;
- (c) neither the execution of this Agreement nor its performance by the Purchaser will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which the Purchaser is a party or by which it is bound which breach could materially affect the ability of the Purchaser to perform its obligations hereunder;
- (d) except for: (i) the Court Approval; and (ii) the Licence Transfers and any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of this Transaction;
- (e) subject to Court Approval being obtained, this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (f) the Purchaser is not a non-Canadian Person within the meaning of the *Investment Canada Act* (Canada) nor a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (g) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser;
- (h) the Purchaser meets all eligibility requirements of Governmental Authorities to purchase and accept a transfer of the Assets, including without limiting the generality of the foregoing, the eligibility requirements of the AER under its LMR program, or any successor program, as applicable to the Purchaser in connection with the transactions as contemplated hereunder;
- (i) as of the date of submission of the LTAs the Purchaser will not have a LMR in respect of its assets and interests located in the Province of Alberta that is less than 1.0;
- (j) with respect to the GST imposed under the GST Legislation, the Purchaser is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and that its GST registration number is **834893505 RT0001**;
- (k) the Purchaser is a "Canadian" within the meaning of the *Investment Canada Act* (Canada);

- (l) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, the Purchase Price (including the Deposit and the Cure Costs), the Transfer Taxes, its legal fees and expenses, registration costs and any other amounts payable by the Purchaser pursuant hereto;
- (m) the Purchaser is not aware of any fact or circumstance that would prevent or delay the Licence Transfer or the approval of the LTA as contemplated hereunder; and
- (n) the Purchaser has the financial resources necessary to post or satisfy all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Assets and to satisfy the security required by the Assumed Contracts.

### **5.3 Enforcement of Representations and Warranties**

- (a) The representations and warranties of each Party contained in this Agreement shall survive until Closing and shall thereafter be of no further force and effect. Effective upon the occurrence of Closing, each Party hereby releases and forever discharges each other Party from any breach of any representations and warranties set forth in this Agreement. For greater certainty, none of the representations and warranties contained in this Article 5 shall survive Closing and, the Purchaser's sole recourse for any material breach of representation or warranty by the Vendor shall be for the Purchaser to not complete the Transaction in accordance with this Agreement.
- (b) The representations and warranties of the Vendor made herein or pursuant hereto are made for the exclusive benefit of the Purchaser, and the representations and warranties of the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.
- (c) The Parties expressly acknowledge and agree that the provisions of this Section 5.3 and the limit on each Party's liability set out in this Section 5.3 are intended by the Parties as a limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each Party has agreed to assume in connection with the subject matter hereof and is not an agreement within the provision of subsection 7(2) of the *Limitations Act* (Alberta).

## **ARTICLE 6 "AS IS, WHERE IS" AND NO ADDITIONAL REPRESENTATIONS AND WARRANTIES**

### **6.1 Due Diligence Acknowledgement**

The Purchaser acknowledges and agrees that:

- (a) it was solely responsible to perform any inspections it deemed pertinent to the purchase of the Assets and to be satisfied as to the condition of the Assets prior to entering into this Agreement with the Vendor;
- (b) notwithstanding the fact that it was permitted to review any diligence materials and disclosures provided by the Vendor, including the Due Diligence Information, the Vendor assumes no liability for errors or omissions in such diligence materials and disclosure or

any other property listings or advertising, promotional or publicity statements and materials, and makes no representations or warranties in respect thereof;

- (c) by entering into this Agreement with the Vendor, the Purchaser shall be deemed to represent, warrant and agree with respect to the Assets that:
- (i) the Purchaser has inspected the Assets and is familiar and satisfied with the physical condition thereof and has conducted such investigation of the Assets as the Purchaser has determined appropriate;
  - (ii) none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives have made any oral or written representation, warranty, promise or guarantee whatsoever to the Purchaser, expressed or implied, and in particular, that no such representations, warranties, guarantees, or promises have been made with respect to the physical condition, operation, or any other matter or thing affecting or related to the Assets and/or the offering or sale of the Assets;
  - (iii) the Purchaser has not relied upon any representation, warranty, guarantee or promise or upon any statement made or any information provided concerning the Assets, including the Due Diligence Information made available to the Purchaser by the Vendor, the Debtor, their respective Affiliates or their respective Representatives;
  - (iv) the Purchaser has entered into this Agreement after having relied solely on its own independent investigation, inspection, analysis, appraisal and evaluation of the Assets and the facts and circumstances related thereto;
  - (v) any information provided or to be provided by or on behalf of the Vendor with respect to the Assets, including all Due Diligence Information, was obtained from information provided to the Vendor and the Vendor has not made any independent investigation or verification of such information, and makes no representations as to the accuracy or completeness of such information;
  - (vi) without limiting the generality of the foregoing, the Vendor is not under any obligation to disclose to the Purchaser, and shall have no liability for its failure to disclose to the Purchaser, any information known to it relating to the Assets except as may be required by any Applicable Law; and
  - (vii) none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives are liable or bound in any manner by any oral or written statements, representations or information pertaining to the Assets, or the operation thereof, made or furnished by any real estate broker, agent, employee, or other Person.

## **6.2 "As Is, Where Is", No Additional Representations**

- (a) Without limiting any other provision of this Agreement, the Purchaser acknowledges and agrees that it is acquiring the Assets on an "as is, where is" and "without recourse" basis with all defects, both patent and latent, and with all faults, whether known or unknown, presently existing or that may hereafter arise. The Purchaser acknowledges and agrees that, except as expressly set forth in this Agreement, the Vendor, the Debtor, their



respective Affiliates and their respective Representatives have not made, do not make and specifically negate and disclaim any representation, warranty, promise, covenant, agreement or guaranty of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Assets. For greater certainty, but without limitation, except as expressly set forth in this Agreement, none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives make any condition, representation or warranty whatsoever, express or implied, with respect to:

- (i) the title and interest of the Vendor or the Debtor in and to the Assets;
- (ii) whether any ROFRs are exercisable by a Third Party in connection with the completion of the Transactions;
- (iii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;
- (iv) the income to be derived from the Assets, if any;
- (v) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;
- (vi) the rates of production of Petroleum Substances from the Lands;
- (vii) the quality, condition, marketability, profitability, fitness for a particular purpose or merchantability of any tangible depreciable equipment or property interests which comprise the Assets (including the Tangibles or any personal property);
- (viii) the suitability of the Assets for any and all purposes, activities and uses which the Purchaser may desire to conduct thereon;
- (ix) the compliance of or by the Assets or its operation with any Applicable Law (including Environmental Laws);
- (x) the validity or enforceability of the Assumed Contracts or the ability to assign any of the Assumed Contracts;
- (xi) any regulatory approvals, permits and licenses, consents or authorizations that may be needed to complete the purchase of the Assets contemplated by this Agreement;
- (xii) the manner or quality of the construction or materials, if any, incorporated into the Assets;
- (xiii) the manner, quality, state of repair or lack of repair of the Assets;
- (xiv) the existence of soil instability, past soil repairs, susceptibility to landslides, sufficiency of under-shoring, sufficiency of drainage, or any other matter affecting the stability or integrity of the Assets or any structures or improvements situated thereon;
- (xv) whether the Assets are located in a seismic hazards zone or a flood hazard zone;

- (xvi) the presence of pests and any damage to the Assets and/or its improvements that may have occurred as a result;
  - (xvii) the nature and quantum of the Assumed Liabilities; or
  - (xviii) any other matter with respect to the Assets.
- (b) The Purchaser acknowledges that the release and disclaimer described in this Article 6 is intended to be very broad and, except for its express rights under this Agreement, the Purchaser expressly waives and relinquishes any rights or benefits it may have under any Applicable Law designed to invalidate releases of unknown or unsuspected claims.
- (c) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor, the Debtor, their respective Affiliates and their respective Representatives in respect of the Assets and any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means). Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the *Sale of Goods Act* (Alberta) (or similar applicable statutes, all as may be amended, repealed or replaced), warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

## **ARTICLE 7 RISK AND COSTS AND INSURANCE**

### **7.1 Risk and Costs**

The Assets will be at the sole risk and responsibility of the Vendor and the Debtor until the Closing Date, and thereafter at the sole risk and responsibility of the Purchaser.

### **7.2 Insurance**

Any property, liability and other insurance maintained by the Vendor and/or the Debtor in relation to the Assets shall not be transferred at Closing, but shall remain the responsibility of the Vendor and the Debtor until the Closing Date. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Assets in respect of the period from and after 12:01 a.m. on the Closing Date.

## **ARTICLE 8 INDEMNIFICATION**

### **8.1 Indemnification Given by Purchaser**

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, the Debtor, their respective Affiliates and their respective Representatives for; and
- (b) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred following the Closing Date by the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives related to or in connection with the Assets and the Assumed Liabilities, including: (i) all Losses and Liabilities attributable to the ownership, operation, use, construction or maintenance of the Assets during the period following the Closing Date; (ii) all Losses and Liabilities arising or accruing on or after the Closing Date under any Assumed Contract as contemplated in Section 2.5; (iii) any and all Cure Costs, whether such Cure Costs relate to the period prior to or following the Closing date; (iv) any municipal tax arrears required by the Court to be paid by the Vendor or Debtor in connection with the Assets; and (v) any other Losses and Liabilities for which the Purchaser has otherwise agreed to indemnify the Vendor and the Debtor pursuant to this Agreement, including pursuant to Section 9.2. The Purchaser's indemnity obligations set forth in this Section 8.1 shall survive the Closing Date indefinitely pursuant to Section 14.3.

## 8.2 Third Party Claims

- (a) If any of the Vendor, the Debtor, their respective Affiliates or any of their respective Representatives receives written notice of the commencement or assertion of any Third Party Claim for which the Purchaser is liable pursuant to this Agreement (or has otherwise agreed to indemnify the Vendor, the Debtor, their respective Affiliates or their respective Representatives against), the Vendor shall give the Purchaser reasonably prompt notice thereof, but in any event no later than ten (10) days after receipt of such notice of such Third Party Claim. Such notice to the Purchaser shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount (or the method of computation of the amount) of the Losses and Liabilities that has been or may be sustained by the Vendor, the Debtor, their respective Affiliates or their respective Representatives, respectively, and a reference to the provisions of this Agreement, or other applicable document, upon which such claim is based.
- (b) The Purchaser may assume the carriage and control of the defence of any Third Party Claim by giving notice to that effect to the Vendor or the applicable Debtor(s), respectively, not later than ten (10) days after receiving notice of that Third Party Claim (the "**Notice Period**") so long as: (i) the Purchaser first acknowledges to the Vendor, in writing, liability to the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, under this Agreement with respect to such Third Party Claim and that the outcome of such Third Party Claim does not alter or diminish the Purchaser's obligation to indemnify the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, pursuant to this Agreement, subject to the Purchaser's right to contest in good faith the Third Party Claim; (ii) the Purchaser has the financial resources to defend against the Third Party Claim and fulfill any indemnification obligations and has provided the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, with evidence thereof; (iii) the Third Party Claim involves monetary damages; and (iv) the Purchaser thereafter pursues the defence or settlement of the Third Party Claim actively and diligently. The Purchaser's right to do so shall be subject to the rights of any insurer or other third party who has potential liability in respect of that Third Party Claim. The Purchaser shall pay all of its own expenses of participating in or assuming such defence. In the event that the Purchaser elects to assume the carriage and control of the defence of

a Third Party Claim pursuant to this Section 8.2(b), then the Vendor shall, or shall cause the Debtor, their respective Affiliates and/or their respective Representatives to, cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice at its own expense.

- (c) If the Vendor has not received notice within the Notice Period that the Purchaser has elected to assume the carriage and control of the defence of such Third Party Claim in accordance with Section 8.2(b), or if the Purchaser has given such notice but thereafter fails or is unable to pursue the defence or settlement of such Third Party Claim actively and diligently, the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, may, at their option, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Losses and Liabilities suffered or incurred by the Vendor, the Debtor, their respective Affiliates and/or their Representatives with respect to such Third Party Claim.

### **8.3 Failure to Give Timely Notice**

Notwithstanding that time is of the essence, a failure to give timely notice as provided in this Article 8 shall not affect the rights or obligations of any Party except and only to the extent that, as a result of such failure, any Party which was entitled to receive such notice was deprived of its right to recover any payment under any applicable insurance coverage or was otherwise prejudiced as a result of such failure.

### **8.4 No Merger**

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

### **8.5 Third Party Beneficiary**

The Vendor's Representatives and the Vendor's Affiliates, the Debtor, their respective Affiliates and all of their respective Representatives are intended third party beneficiaries of this Article 8 and shall have the right, power and authority to enforce the provisions hereof as though they were each a party hereto. The Purchaser further agrees to execute such agreements as may be reasonably requested by such Persons in connection with these provisions that are consistent with this Article 8 or that are reasonably necessary to give further effect thereto.

## **ARTICLE 9 ENVIRONMENTAL MATTERS**

### **9.1 Acknowledgements Regarding Environmental Condition**

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

the Assets, or any Environmental Liabilities or Abandonment and Reclamation Obligations in respect thereof.

## **9.2 Assumption of Environmental Liabilities**

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, the Debtor, their respective Affiliates and their respective Representatives for; and
- (b) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, the Debtor, their respective Affiliates or their respective Representatives as a result of any matter or thing arising out of, attributable to or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, the Purchaser shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations as between the Vendor and the Debtor (on one hand) and the Purchaser (on the other hand) including whether occurring or accruing prior to, on or after the Closing Date, and hereby releases the Vendor, the Debtor, their respective Affiliates and their respective Representatives from any claims the Purchaser may have against the Vendor or the Debtor with respect to all such Environmental Liabilities and Abandonment and Reclamation Obligations. Without restricting the generality of the foregoing, the Purchaser shall be responsible for all Environmental Liabilities and Abandonment and Reclamation Obligations (including whether occurring or accruing prior to, on or after the Closing Date) in respect of all Wells and Tangibles.

## **ARTICLE 10 COVENANTS**

### **10.1 Court Filings**

- (a) From and after the date of execution of this Agreement and until the Closing Date, the Vendor shall use commercially reasonable efforts to deliver to the Purchaser copies of all pleadings, motions, notices, statements, schedules, applications, reports and other papers that relate, in whole or in part, to this Agreement, or to the Purchaser or its Representatives, that are to be filed by the Vendor in connection with the Court Approval in advance of their filing, before the filing of such papers, and shall provide the Purchaser with a reasonable opportunity to review and comment thereon.
- (b) The Vendor shall act reasonably and in good faith in considering any comments provided by the Purchaser to such papers; *provided, however* that, subject in each case to the foregoing good faith obligations of the Vendor, the Vendor shall have no obligation to accept and incorporate the Purchaser's comments to such papers and neither the Vendor's inadvertent failure to comply with this Section 10.1, nor the Vendor's failure to comply with this Section 10.1 due to emergency circumstances, shall constitute a breach under this Agreement.

### **10.2 Conduct of Business Until Closing**

- (a) Except: (A) as expressly provided in this Agreement; (B) with the prior written consent of the Purchaser (not to be unreasonably withheld, conditioned or delayed); (C) as necessary

or advisable in connection with the Receivership Proceedings; or (D) as otherwise provided in the Approval and Vesting Order or any other order of the Court in connection with the Receivership Proceedings; following the date hereof and prior to Closing, to the extent reasonably practicable having regard to the Receivership Proceedings, the Vendor shall use commercially reasonable efforts to:

- (i) cause the Assets to be maintained, in accordance with good industry practice, and in material compliance with all Applicable Laws, the directions of Governmental Authorities and the terms and conditions of the Assumed Contracts;
  - (ii) not sell, pledge, assign, lease, license, or cause, permit, or suffer the imposition of any Encumbrance (other than Permitted Encumbrances) on, or otherwise dispose of, any of the Assets, except in the ordinary course of normal day-to-day operations of the Assets, consistent with past practices;
  - (iii) not authorize or agree, in writing or otherwise, to take any of the actions in respect of the foregoing.
- (b) Until the Closing Date, the Vendor shall provide the Purchaser with all access to the Assets as reasonably required by the Purchaser in order to allow for and assist the Purchaser with an orderly passing of the Assets to the Purchaser following Closing in accordance herewith.
- (c) The access to the Assets to be afforded to the Purchaser and its Representatives pursuant to this Section 10.2 will be subject to the Assumed Contracts and all of the Vendor's and the Debtor' site entry protocols, health, safety and environmental rules, policies and procedures. Further, the Purchaser acknowledges and agrees that it shall:
- (i) be solely liable and responsible for any and all Losses and Liabilities which the Vendor, the Debtor, their respective Affiliates or their respective Representatives may suffer, sustain, pay or incur; and
  - (ii) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives harmless from any and all Claims or Losses and Liabilities whatsoever which may be brought against, suffered by or incurred by the Vendor, the Debtor, their respective Affiliates or their respective Representatives;

arising out of, resulting from, attributable to or in any way connected with any access provided to the Purchaser or its Representatives pursuant to this Section 10.2.

### **10.3 ROFRs**

- (a) The Purchaser acknowledges that it shall be responsible for conducting such separate investigation of the Assets as the Purchaser has determined is appropriate with respect to the identification of ROFRs applicable to the Assets as soon as is reasonably practicable after the date hereof. Promptly following the identification of Assets which are the subject of ROFRs, the Purchaser shall provide the Vendor with its bona fide allocation of the amount of the Purchase Price attributable to each of such Assets which are subject to a ROFR.

- (b) The Vendor shall courier ROFR notices to the Third Parties holding such ROFRs promptly following the receipt of Purchaser's allocation of the Purchase Price attributable thereto pursuant to Section 10.3(a). The Vendor shall utilize the Purchaser's allocation of the Purchase Price attributable to the Assets subject to ROFRs for purposes of preparing and issuing the ROFR notices. The Vendor shall notify the Purchaser in writing forthwith upon each Third Party exercising or waiving such a ROFR.
- (c) If any such Third Party elects to exercise such a ROFR, then:
  - (i) the definition of Assets shall be deemed to be amended to exclude those Assets in respect of which the ROFR has been exercised;
  - (ii) such Assets shall not be conveyed to the Purchaser; and
  - (iii) any proceeds received by the Vendor from a Third Party in respect of the sale and conveyance of any Assets which are subject to a ROFR shall be deemed to form part of the Excluded Assets, and the Purchase Price shall not be subject to any reduction in the event of the exercise of any such ROFR by a Third Party.
- (d) In the event that a Third Party exercises a ROFR and is then unable or unwilling to enter into a conveyance agreement with the Vendor for the relevant Assets, the Purchaser agrees to accept a conveyance of such Assets under the same terms and conditions as this Agreement to whatever extent possible.
- (e) Closing shall not be delayed even though certain of the ROFRs are outstanding and capable of exercise by the holders thereof as of the Closing Date (such ROFRs being referred to as "**Outstanding ROFRs**"). In such case, the following procedures shall apply:
  - (i) the Parties shall proceed with Closing (for greater certainty without any reduction in the Purchase Price for the Outstanding ROFRs, and without variation of any other terms or conditions of this Agreement);
  - (ii) the Purchaser shall have (as of the Closing Date) prepared all Specific Conveyances and other closing documentation required for the sale of the Assets subject to the Outstanding ROFRs (the "**Outstanding ROFR Assets**");
  - (iii) if an Outstanding ROFR is exercised by a Third Party, the Vendor will promptly notify the Purchaser thereof in writing, the Specific Conveyances and other closing documentation related to such Outstanding ROFR Assets will be of no force or effect and shall be destroyed by the Purchaser, and the provisions of Section 10.3(c) shall apply to the Assets which are the subject of the Outstanding ROFR being exercised by the Third Party, *mutatis mutandis*; and
  - (iv) if after Closing an Outstanding ROFR is extinguished by lapse of time, waiver or otherwise (other than as a result of being exercised), the Vendor will promptly notify the Purchaser thereof in writing and promptly deliver copies of the Specific Conveyances and closing documentation previously prepared to the Purchaser, and such documentation shall be effective and the sale of such Outstanding ROFR Assets to Purchaser pursuant hereto shall be deemed to have closed on the Closing Date.

#### **10.4 Document Review**

Prior to Closing, Vendor shall provide Purchaser with reasonable access to the Title Documents and other Miscellaneous Interests in the possession or under the control of Vendor for the purpose of verifying the continued validity and effect of the Title Documents, the identification of Assets the subject of ROFRs, the preparation of Specific Conveyances and other matters related to this Agreement and the Transaction.

### **ARTICLE 11 CONDITIONS**

#### **11.1 Mutual Conditions**

The respective obligations of the Parties to complete the purchase and sale of the Assets are subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) the Court shall have granted the Approval and Vesting Order and the Approval and Vesting Order shall be a Final Order;
- (b) no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable order or Applicable Law subsequent to the date hereof which has the effect of: (i) making any of the transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the Vendor from the sale of the Assets; and
- (c) the Closing is not otherwise prohibited by Applicable Law.

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be asserted by the Vendor or the Purchaser regardless of the circumstances and may be waived only with the agreement of the Vendor and the Purchaser.

#### **11.2 Conditions for the Benefit of the Purchaser**

The obligation of the Purchaser to complete the purchase of the Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Vendor contained in Section 5.1 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time, and the Vendor shall have delivered to the Purchaser a certificate to that effect substantially similar in form to that attached hereto as Schedule D;
- (b) the Vendor shall have complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement;
- (c) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 12.2.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have.



### **11.3 Conditions for the Benefit of the Vendor**

The obligation of the Vendor to complete the sale of the Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Purchaser contained in Section 5.2 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time, and the Purchaser shall have delivered to the Vendor a certificate to that effect substantially similar in form to that attached hereto as Schedule D;
- (b) the Purchaser shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement;
- (c) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at or before the Closing all the documents contemplated in Section 12.3; and
- (d) the Vendor has not lost its ability to convey the Assets due to an order of the Court.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Vendor may have.

### **11.4 Satisfaction of Conditions**

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 11.1, 11.2 and 11.3. In addition, each of the Parties agrees not to take any action that could reasonably be expected to preclude, delay or have an adverse effect on the Transaction or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

## **ARTICLE 12 CLOSING**

### **12.1 Closing Date and Place of Closing**

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date, or at such other time as the Parties may agree in writing.

### **12.2 Deliveries on Closing by the Vendor**

The Vendor shall deliver (or cause to be delivered) to the Purchaser on or before the Closing Date:

- (a) a Court certified copy of the Approval and Vesting Order;
- (b) the General Conveyance, Assignment and Assumption Agreement duly executed by the Vendor;
- (c) all documents listed in Section 12.3 which contemplate execution by the Vendor;
- (d) the certificate of the Vendor referred to in Section 11.2(a); and

- (e) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

### **12.3 Deliveries on Closing by the Purchaser**

The Purchaser shall deliver (or cause to be delivered) to the Vendor's Solicitor on or before the Closing Date:

- (a) Payment of the Purchase Price in accordance with Section 3.3(b);
- (b) payment of all Transfer Taxes payable on Closing to the Vendor or the Vendor's Solicitors (or evidence of self-assessment and payment by the Purchaser thereof to the relevant Governmental Authorities);
- (c) the General Conveyance, Assignment and Assumption Agreement duly executed by the Purchaser;
- (d) all documents listed in Section 12.2 which contemplate execution by the Purchaser;
- (e) the certificate of the Purchaser referred to in Section 11.3(a); and
- (f) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

## **ARTICLE 13 TERMINATION**

### **13.1 Grounds for Termination**

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

- (a) by the written agreement of the Vendor and the Purchaser, provided however that if this Agreement has been approved by the Court, any such termination shall require the approval of the Court;
- (b) by the Purchaser, upon written notice to the Vendor, if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Vendor received such notice;
- (c) by the Purchaser, upon written notice to the Vendor, any time after the Outside Date, if (A) the Approval and Vesting Order has not been obtained, or (B) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Purchaser's breach of this Agreement;

- (d) by the Vendor, upon written notice to the Purchaser, if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.3 impossible by the Outside Date; or (ii) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Purchaser received such notice; or
- (e) by the Vendor, upon written notice to the Purchaser, any time after the Outside Date, if (A) the Approval and Vesting Order has not been obtained, or (B) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the breach of this Agreement by the Vendor.

### **13.2 Effect of Termination**

Notwithstanding any termination of this Agreement as permitted under Section 13.1, or as otherwise provided for in this Agreement, the provisions of Sections 3.3 (Deposit), 14.1 (Public Announcements), 14.4 (Governing Law), 14.5 (Consequential Damages), 14.11 (Costs and Expenses) and 14.15 (Third Party Beneficiaries) shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.3.

## **ARTICLE 14 GENERAL**

### **14.1 Public Announcements**

- (a) Subject to Section 14.1(b), if a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Parties with an advance copy of any such press release or public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure without the prior written consent of the other Parties, such consent not to be unreasonably withheld.
- (b) Notwithstanding Section 14.1(a): (i) this Agreement may be filed by the Vendor with the Court; and (ii) the Transaction may be disclosed by the Vendor to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Law. The Parties further agree that:
  - (i) the Vendor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms of the Transaction;
  - (ii) the Vendor may forward a copy of this Agreement and all related documentation to the Orphan Well Association and its Representatives, agents, legal counsel and financial advisors, and may further advise such Persons of the existence and nature of any discussions and negotiations in relation thereto or in relation to the Transaction; provided that the Orphan Well Association and its Representatives agree in advance to be bound by any confidentiality undertakings or similar confidentiality requirements reasonably requested by the Vendor; and

- (iii) the Vendor and its professional advisors may prepare and file such reports and other documents with the Court containing references to the Transaction contemplated by this Agreement and the terms of such Transaction as may reasonably be necessary to obtain the Court Approvals and to complete the Transaction contemplated by this Agreement or to comply with their obligations to the Court.

## **14.2 Dissolution of Debtor**

Subject to the Vendor's obligations in Section 2.5, the Purchaser acknowledges and agrees that nothing in this Agreement shall operate to prohibit or diminish in any way the right of the Vendor or any of its Affiliates to cause the dissolution or wind-up of any of the Debtor subsequent to the Closing Date, or otherwise cause or allow any of the Debtor to cease operations in any manner or at any time subsequent to the Closing Date as the Vendor may determine in its sole discretion, which may be exercised without regard to the impact any such action may have on the Vendor's ability to fulfil its obligations under this Agreement that survive Closing.

## **14.3 Survival**

Upon Closing, the obligations, covenants, representations and warranties of the Parties set out in this Agreement shall expire, be terminated and extinguished and of no further force or effect, provided that notwithstanding the Closing contemplated hereunder or the delivery of documents pursuant to this Agreement, the obligations and covenants of the Parties set out in Section 2.3 (AER Licence Transfers), Section 2.3 (Assignment of Assumed Contracts and Third Party Consents), Section 2.4 (Specific Conveyances), Section 5.3 (Enforcement of Representations and Warranties), Section 10.3 (ROFRs) and Article 4 (Transfer Taxes), Article 6 ("As Is, Where Is" and No Additional Representations and Warranties), Article 8 (Indemnification), Article 9 (Environmental Matters) and Article 14 (General), shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties indefinitely thereafter except as expressly stated to the contrary therein or otherwise in accordance with Applicable Laws.

## **14.4 Governing Law**

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.
- (b) Notwithstanding Section 14.4(a), any and all documents or orders that may be filed, made or entered in the Receivership Proceedings, and the rights and obligations of the Parties thereunder, including all matters of construction, validity and performance thereunder, shall in all respects be governed by, and interpreted, construed and determined in accordance with the laws of the Province of Alberta. The Parties consent to the jurisdiction and venue of the Court, as applicable, for the resolution of any such disputes, regardless of whether such disputes arose under this Agreement. Each Party agrees that service of process on such Party as provided in Section 14.13 shall be deemed effective service of process on such Party.

#### **14.5 Consequential Damages**

Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any punitive, exemplary, consequential or indirect damages (including for greater certainty, any loss of profits) (collectively, "**Consequential Damages**") that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the Transaction, other than Consequential Damages for which the Purchaser is liable as a result of a Third Party Claim (which liability shall be subject to and recoverable under Article 8 (Indemnification)). For greater certainty, the Parties agree that none of the Parties, the Debtor, their respective Affiliates or their respective Representatives shall be liable for any lost profits whatsoever, whether such lost profits are considered to be direct, consequential or indirect losses, and regardless of whether such lost profits were foreseeable by the Parties at any time or whether such lost profits were the direct and natural result of a Party's breach of its obligations under this Agreement.

#### **14.6 Further Assurances**

Each of the Parties from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

#### **14.7 Assignment**

The Purchaser shall not, without the Vendor's prior written consent, assign any right or interest in this Agreement, which consent may be withheld in the Vendor's sole and absolute discretion, except that the Purchaser shall have the right to assign any or all of its rights, interests or obligations hereunder to one or more Affiliates of the Purchaser, provided that: (a) such Affiliate agrees to be bound by the terms of this Agreement; (b) the Purchaser shall remain liable hereunder for any breach of the terms of this Agreement by such Affiliate; (c) such assignment shall not release the Purchaser from any obligation or liability hereunder in favour of the Vendor; and (d) the Purchaser shall acknowledge and confirm its continuing obligations in favour of the Vendor in an assignment and assumption agreement in form and substance satisfactory to the Vendor.

#### **14.8 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. 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.

#### **14.9 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.

#### **14.10 Time of the Essence**

Time is of the essence in this Agreement.

#### **14.11 Costs and Expenses**

Unless otherwise provided for in this Agreement, each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the Transaction. Notwithstanding any other provision of this Agreement, the Purchaser shall pay the cost of all surveys, title insurance policies and title reports ordered by the Purchaser.

#### **14.12 Entire Agreement**

This Agreement and the Confidentiality Agreement (the terms and conditions of which are incorporated by reference into this Agreement, and binding upon the Parties, as if such agreement were signed directly by the Parties) constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement or in the Confidentiality Agreement.

#### **14.13 Notices**

Any notice, direction or other communication given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or electronic mail and addressed:

- (a) in the case of the Vendor:

BDO Canada Limited  
#110, 5800 – 2nd Street SW  
Calgary, Alberta T2H 0H2

Attention: Marc Kelly  
Email: makelly@bdo.ca

With a copy to the Vendor's Solicitors:

Bennett Jones LLP  
4500, 855 - 2<sup>nd</sup> Avenue S.W.  
Calgary, AB T2P 4K7

Attention: Keely Cameron  
Email: Cameronk@bennettjones.com

- (b) In the case of the Purchaser:

Silverleaf Resources Inc.  
33 Nolanfield Point NW  
Calgary, AB T3R 0S7

Attention: Farhat Hyderi  
Email: fhyderi@silverleafres.com

With a copy to the Purchaser's Solicitors:

McCarthy Tetrault LLP  
Suite 4000, 421 – 7<sup>th</sup> Ave SW  
Calgary, AB T2P 4K9

Attention: Jessica Brown  
Email: jbrown@mccarthy.ca

A notice is deemed to be given and received if: (i) sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day; or (ii) email, on the date of transmission if it is a Business Day and the transmission was made prior to 4:00 p.m. (local time in place of receipt), and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a notice in accordance with the foregoing. Any subsequent notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a notice will be assumed not to be changed. **Sending a copy of a notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice to that Party. The failure to send a copy of a notice to legal counsel does not invalidate delivery of that notice to a Party.**

#### **14.14 Enurement**

This Agreement shall be binding upon, and enure to the benefit of, the Parties and their respective successors and permitted assigns.

#### **14.15 Third Party Beneficiaries**

Except as otherwise provided for in this Agreement, each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns and, except as otherwise provided for in this Agreement, no Person, other than the Parties and their successors and permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum. The Purchaser acknowledges to the Vendor, the Debtor, their respective Affiliates and their respective Representatives their direct rights against the Purchaser under this Agreement. To the extent required by Applicable Law to give full effect to these direct rights, the Purchaser agrees and acknowledges that the Vendor is acting as agent and/or as trustee of its Representatives, its Affiliates and their respective Representatives and the Debtor, their respective Affiliates and their respective Representatives.

#### **14.16 Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

**14.17 Counterparts**

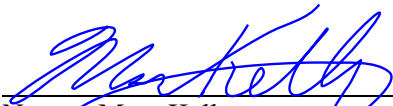
This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

**[THE BALANCE OF THIS PAGE INTENTIONALLY BLANK]**




**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**BDO CANADA LIMITED, SOLELY IN ITS CAPACITY AS THE RECEIVER AND MANAGER OF THE ASSETS, PROPERTY AND UNDERTAKING OF BOW RIVER ENERGY LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

Per:   
Name: Marc Kelly  
Title: Senior Vice President

**SILVERLEAF RESOURCES INC.**

Per:   
Name: Farhat Hyderi  
Title: President

Per: \_\_\_\_\_  
Name:  
Title:

## SCHEDULE A

### Assets Listing

LANDS: T40, R 01 W4M: LSD 12 of Section 22  
AB Crown Lease: 0406090118  
Eff: September 7, 2006  
Encumbrances: Crown Sliding Scale Landowner Royalty  
  
Vendor Working Interest: 100%

#### WELL:

| Licence # | UWI                  | Status | Formation | Licensee  | Working Interest |
|-----------|----------------------|--------|-----------|-----------|------------------|
| 0367960   | 102/12-22-040-01W4/0 | Oil    | Dina      | Bow River | 100%             |

#### FACILITY:

AREA: Hayter  
LOCATION: 13-22-040-01W4  
FACILITY ID: ABBT0093378  
TYPE: Crude Oil Single-Well Battery  
LICENSE #: W0367960  
LICENSEE: Bow River Energy Ltd.

#### PIPELINE:

None

**SCHEDULE B**

**Form of Approval and Vesting Order**

(attached)

CLERK'S STAMP

COURT FILE NUMBER 2001-13391

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT ORPHAN WELL ASSOCIATION

RESPONDENT BOW RIVER ENERGY LTD.

DOCUMENT **APPROVAL AND VESTING ORDER**  
**(Sale by Receiver of certain assets to Silverleaf Resources Inc.)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855 – 2nd Street S.W.  
Calgary, Alberta T2P 4K7

Attention: Keely Cameron  
Telephone No.: 403-298-3324  
Fax No.: 403-265-7219  
Client File No.: 068775.0005

**DATE ON WHICH ORDER WAS PRONOUNCED:** December 13, 2021

**NAME OF JUDGE WHO MADE THIS ORDER:** Justice K.M. Horner

**LOCATION OF HEARING:** Calgary, Alberta

**UPON THE APPLICATION** of BDO Canada Limited, solely in its capacity as Court-appointed receiver and manager ("**Receiver**") of the current and future assets, undertakings and properties of the Respondent (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver and Silverleaf Resources Inc. (the "**Purchaser**") dated November 26, 2021, (the "**Sale Agreement**") and appended to the Confidential Supplement dated December 6, 2021 (the "**Confidential Supplement**"), and vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement as the Assets (the "**Purchased Assets**") but excluding all of the Debtor's other assets and interests;

**AND UPON HAVING READ** the Receivership Order dated October 29, 2020 (the "**Receivership Order**"), the Third Report of the Receiver dated December 6, 2021, and the Confidential Supplement; **AND UPON** hearing counsel for the Receiver and any other interested parties that may be present; **AND UPON IT APPEARING** that all interested and affected parties have been served with notice of this Application; **AND UPON** having read the pleadings, proceedings, orders and other materials filed in this action;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

**APPROVAL OF TRANSACTION**

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

**VESTING OF PROPERTY**

3. Subject only to approval by the AER of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta), upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets listed at **Schedule "B"** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have

attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
- (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta);
- (d) any linear or non-linear municipal tax claims under the *Municipal Government Act*, or otherwise;
- (e) any outstanding amounts owing in respect of the AER Orphan Fund Levy and Administration Fees; and
- (f) those Claims listed in **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "D"** (collectively, "**Permitted Encumbrances**")).

For greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of Land Titles ("**Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:

- (i) cancel existing Certificates of Title for those lands and premises municipally or legally described as "Land Title Lands" in Schedule B (the "**Lands**");
  - (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee);
  - (iii) transfer to the New Certificate of Title the existing instruments listed in Schedule "D", to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule "D"; and
  - (iv) discharge and expunge the Encumbrances listed in Schedule "C" to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;
- (b) Alberta Energy ("**Energy Ministry**") shall and is hereby authorized, requested and directed to forthwith:
- (i) cancel and discharge those Claims including builders' liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Debtor in and to any of the Purchased Assets located in the Province of Alberta; and
  - (ii) transfer all Crown leases conveyed under the Sale Agreement standing in the name of the Debtor, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances; and
- (c) the Registrar of the Alberta Personal Property Registry shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial number goods.

5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims excluding Permitted Encumbrances.
6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement, other than any required approval by the AER referenced in paragraph 3 above.
7. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims excluding Permitted Encumbrances shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order or as against any Receiver's Charge outstanding pursuant to the Receivership Order.



9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

#### **MISCELLANEOUS MATTERS**

14. Notwithstanding:
  - (a) the pendency of these proceedings and any declaration of insolvency made herein;
  - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
  - (c) any assignment in bankruptcy made in respect of the Debtor; and

(d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

15. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
16. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
17. Service of this Order shall be deemed good and sufficient by:
  - (a) Serving the same on:
    - (i) the persons listed on the service list created in these proceedings;
    - (ii) any other person served with notice of the application for this Order;
    - (iii) any other parties attending or represented at the application for this Order;
    - (iv) the Purchaser or the Purchaser's solicitors; and
  - (b) Posting a copy of this Order on the Receiver's website, and service on any other person is hereby dispensed with.

18. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

---

Justice of the Court of Queen's  
Bench of Alberta

**Schedule "A"**

**FORM OF RECEIVER'S CERTIFICATE**

CLERK'S STAMP

|   |  |
|---|--|
| COURT FILE NUMBER   | 2001-13391   |
| COURT   | COURT OF QUEEN'S BENCH OF ALBERTA  |
| JUDICIAL CENTRE   | CALGARY  |
| APPLICANT   | ORPHAN WELL ASSOCIATION  |
| RESPONDENT  | BOW RIVER ENERGY LTD.  |
| DOCUMENT  | <b><u>RECEIVER'S CERTIFICATE</u></b>   |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | <b>BENNETT JONES LLP</b><br>Barristers and Solicitors<br>4500, 855 – 2nd Street S.W.<br>Calgary, Alberta T2P 4K7<br><br>Attention: Keely Cameron<br>Telephone No.: 403-298-3324<br>Fax No.: 403-265-7219<br>Client File No.: 068775.0005 |

**RECITALS**

- A. Pursuant to an Order of the Honourable Madam Justice D.L. Shelley of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**"), dated October 29, 2020, BDO Canada Limited was appointed as the Receiver (the "**Receiver**") of the undertaking, property and assets of Bow River Energy Ltd. ("**Bow River**").
- B. Pursuant to an Order of the Court dated ●, 2021 (the "**Vesting Order**"), the Court approved the Transaction (as defined in the Vesting Order) between the Receiver and Silverleaf Resources Inc. (the "**Purchaser**") dated as of November 26, 2021 (the "**Sale Agreement**"), and provided for the vesting in the Purchaser of Bow River's right, title and interest in and to the Purchased Assets (as defined in the Vesting Order), which vesting is to be effective with respect to the Purchased Assets

upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price (as defined in the Sale Agreement) for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price (as defined in the Sale Agreement) for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver to the Purchaser at [TIME] on [DATE].

**BDO CANADA LIMITED in its capacity as Receiver of the undertaking, property and assets of Bow River Energy Ltd., and not in its personal capacity.**

Per: \_\_\_\_\_

Name:

Title:

**Schedule "B"**

**List of Purchased Assets**

The Purchased Assets consist of the Assets (as defined in the Sale Agreement, and each subsequent capitalized term herein having the respective meaning as defined therein).

LANDS: T40, R 01 W4M: LSD 12 of Section 22  
AB Crown Lease: 0406090118  
Eff: September 7, 2006  
Encumbrances: Crown Sliding Scale Landowner Royalty  
  
Vendor Working Interest: 100%

WELL:

| Licence # | UWI                  | Status | Formation | Licensee  | Working Interest |
|-----------|----------------------|--------|-----------|-----------|------------------|
| 0367960   | 102/12-22-040-01W4/0 |        | Oil Dina  | Bow River | 100%             |

FACILITY:

AREA: Hayter  
LOCATION: 13-22-040-01W4  
FACILITY ID: ABBT0093378  
TYPE: Crude Oil Single-Well Battery  
LICENSE #: W0367960  
LICENSEE: Bow River Energy Ltd.

PIPELINE:

None

**Schedule "C"**

**Claims**

## Schedule "D"

### Permitted Encumbrances

Permitted Encumbrances consist of the following (with capitalized terms having the definitions given to them in the Sale Agreement, unless otherwise defined in this Order):

- (i) all Encumbrances, including any overriding royalties, net profits interests and other burdens, which are provided for under the Title Documents;
- (ii) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, 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;
- (iii) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
- (iv) 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;
- (v) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;
- (vi) agreements for the sale, processing, transmission or transportation of Petroleum Substances entered into by the Debtor, or the Vendor for and on behalf of the Debtor, subsequent to the date of this Agreement, provided that such agreements can be terminated on less than 1 month's notice;
- (vii) any obligation of the Vendor or the Debtor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
- (viii) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;
- (ix) 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 the Vendor's or any Debtor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;



- (x) 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;
- (xi) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;
- (xii) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority; and
- (xiii) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's or any Debtor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof;

provided that in no circumstance shall any amounts owing by the Debtor to a Governmental Authority prior to the Closing Date in respect of taxes on linear or non linear property (as defined in the Municipal Government Act (Alberta)) be a Permitted Encumbrance.

## SCHEDULE C

### Form of General Conveyance, Assignment and Assumption Agreement

#### GENERAL CONVEYANCE, ASSIGNMENT, AND ASSUMPTION AGREEMENT

**THIS** General Conveyance, Assignment, and Assumption Agreement (this "**Agreement**") is made as of the [•] day of [•], [•].

#### AMONG:

**BDO CANADA LIMITED**, a corporation existing under the federal laws of Canada, solely in its capacity as the receiver and manager of the assets, property and undertaking of **BOW RIVER ENERGY LTD.**, and not in its personal or corporate capacity (herein referred to as the "**Vendor**")

- and -

[•], a corporation existing under the laws of the Province of Alberta (the "**Purchaser**")

#### RECITALS:

- A. In accordance with the terms of that certain Asset Purchase and Sale Agreement dated as of [•], by and between the Vendor and the Purchaser (the "**Purchase Agreement**"), the Vendor has agreed to sell, assign, and transfer the Assets to the Purchaser and the Purchaser has agreed to purchase the Assets from the Vendor;
- B. the Purchaser has agreed to assume the Assumed Liabilities; and
- C. this Agreement is delivered pursuant to the Purchase Agreement.

**NOW THEREFORE**, for good and valuable consideration now paid by the Purchaser to the Vendor pursuant to the Purchase Agreement (the receipt and sufficiency of which is hereby acknowledged by the Vendor) the parties hereto agree as follows:

#### 1. Definitions

All capitalized terms used but not otherwise defined in this Agreement shall have the meaning ascribed to such terms in the Purchase Agreement.

#### 2. Certain Rules of Interpretation

- (i) In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (ii) The division of this Agreement into Sections and the inclusion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

- (iii) The terms "hereof," "hereunder," and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.
- (iv) Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections of this Agreement.
- (v) The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

### **3. Conveyance**

The Vendor hereby sells, transfers, assigns, conveys and delivers to the Purchaser, and the Purchaser hereby purchases, accepts and receives from the Vendor, upon the terms and subject to the conditions of the Purchase Agreement, the Vendor's Interest in and to the Assets, free and clear of any and all Encumbrances of any and every kind, nature, and description, other than Permitted Encumbrances, as applicable, with effect as of the Closing on the date hereof, to have and to hold the Assets and all such right, title, interest, property, claim, and demand unto and to the use of the Purchaser.

### **4. Assumption of Assumed Liabilities**

Effective as of the Closing on the date hereof, the Purchaser hereby assumes and agrees to pay, perform, and discharge, when due, the Assumed Liabilities.

### **5. Further Assurances**

Each of the Parties hereto from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

### **6. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.

### **7. Entire Agreement**

This Agreement, the Purchase Agreement, and the documents referred to therein and contemplated thereby constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement, the Purchase Agreement, the Confidentiality Agreement and the documents referred to therein and contemplated thereby.

**8. Successors and Assigns**

This Agreement shall be binding upon, and enure to the benefit of, the Parties and their respective successors and permitted assigns.

**9. Counterparts**

This Agreement may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one instrument. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

**10. Amendments**

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. Any amendment effected in accordance with this Section 10 will be binding upon the Parties and their respective successors and permitted assigns.

**11. Paramountcy**

This Agreement is delivered pursuant to, and is subject to, all of the terms and conditions contained in the Purchase Agreement. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Purchase Agreement, the provisions of the Purchase Agreement shall prevail.

**12. Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

**[Signature Page Follows.]**

**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**BDO CANADA LIMITED, SOLELY IN ITS CAPACITY AS THE RECEIVER AND MANAGER OF THE ASSETS, PROPERTY AND UNDERTAKING OF BOW RIVER ENERGY LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

Per: \_\_\_\_\_  
Name:  
Title:

**SILVERLEAF RESOURCES INC.**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE D**

**Form of Bring-Down Certificate**

**TO:** [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")]

**RE:** Agreement of Purchase and Sale dated [●] between the Vendor and the 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:

1. The undersigned is personally familiar, in [his][her] capacity as an officer of [Vendor][Purchaser], with the matters hereinafter mentioned.
2. Each of the covenants, representations and warranties of the [Vendor][Purchaser] contained in Section [5.1 / 5.2] of the Agreement were true and correct in all material respects when made and are true and correct in all material respects as of the Closing Date.
3. 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.
4. 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.
5. 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 \_\_\_\_\_, [●].

[Name of Vendor/Purchaser]

Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE E**

**Excluded Assets**

Part 1 – Excluded Assets

None

Part 2 – Surplus Equipment

None

# APPENDIX “D”



**BDO CANADA LIMITED, SOLELY IN ITS CAPACITY AS THE RECEIVER AND MANAGER  
OF THE ASSETS, PROPERTY AND UNDERTAKING OF BOW RIVER ENERGY LTD. AND  
NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

**- and -**

**GHOST RIVER RESOURCES INC., A BODY CORPORATE WITH AN OFFICE IN THE CITY  
OF AIRDRIE, ALBERTA**

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**ASSET PURCHASE AND SALE AGREEMENT**

**November 26, 2021**

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## AGREEMENT OF PURCHASE AND SALE

**THIS AGREEMENT OF PURCHASE AND SALE** dated as of November 26, 2021,

**BETWEEN:**

**BDO CANADA LIMITED**, a corporation existing under the federal laws of Canada, solely in its capacity as the receiver and manager of the assets, property and undertaking of Bow River Energy Ltd. ("**Bow River**" or the "**Debtor**"), and not in its personal or corporate capacity (herein referred to as the "**Vendor**")

- and -

**GHOST RIVER RESOURCES INC.**, a corporation existing under the laws of Alberta (herein referred to as the "**Purchaser**")

**WHEREAS:**

- A. pursuant to the Receivership Order, the Vendor was appointed as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof;
- B. the Purchaser, subject to Court Approval, has agreed to purchase and acquire and the Vendor has agreed to sell, transfer and assign to the Purchaser, all of the Vendor's Interest in and to the Assets, on the terms and conditions set forth herein.

**NOW THEREFORE**, this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged by each Party to the other, the Parties covenant and agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement:

- (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 forming part of the Wells and Tangibles or otherwise located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands; and
  - (ii) restore, remediate and reclaim the surface and subsurface locations of the Wells and the Tangibles and any lands used to gain access thereto, including such obligations relating to wells, pipelines and facilities which were abandoned or

decommissioned prior to the Closing Date 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 sub-surface lands affected by any environmental damage, contamination or other environmental issues emanating from or relating to the sites for the Wells or the Tangibles;

all in accordance with generally accepted oil and gas industry practices and in compliance with all Applicable Laws;

- (b) "**Accounts Receivable**" means all trade and other accounts receivable, notes receivable, unbilled accounts and other debts due or accruing due to the Vendor and/or the Debtor in relation to the Assets;
- (c) "**AER**" means the Alberta Energy Regulator, or any successor thereto having jurisdiction over the Assets or certain of them or the operation thereof;
- (d) "**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with that specified Person. For the purposes of this definition, "control" (including with correlative meanings, controlling, controlled by and under common control with) means the power to direct or cause the direction of the management and policies of that Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and, it being understood and agreed that with respect to a corporation or partnership, control shall mean direct or indirect ownership of more than 50% of the voting shares in any such corporation or of the general partnership interest or voting interest in any such partnership;
- (e) "**Agreement**" means this agreement of purchase and sale and any schedules attached hereto which are referred to in this agreement, together with any amendment or supplement thereto;
- (f) "**Applicable Law**" means, in respect of any Person, asset, transaction, event or circumstance: (i) statutes (including regulations enacted thereunder); (ii) judgments, decrees and orders of courts of competent jurisdiction (including the common law); (iii) regulations, orders, ordinances and directives issued by Governmental Authorities; and (iv) the terms and conditions of all permits, licenses, approvals and authorizations, in each case which are applicable to such Person, asset, transaction, event or circumstance;
- (g) "**Approval and Vesting Order**" means an order of the Court approving the Transaction in accordance with the provisions of this Agreement, and vesting all of the Vendor's Interest in and to the Assets to the Purchaser free and clear of all Claims, Encumbrances (other than Permitted Encumbrances) and interests, such order to be substantially in the form attached hereto as Schedule B together with such modifications and amendments to such form as may be approved by both the Vendor and the Purchaser, acting reasonably;
- (h) "**Assets**" means the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests, but specifically excluding the Excluded Assets;
- (i) "**Assumed Contracts**" means, other than contracts which are Excluded Assets:

- (i) the contracts referenced in subsection (i) of the definition of Miscellaneous Interests; and
- (ii) and (ii) any other contract, agreement, commitment, understanding, arrangement, license or lease entered into by the Vendor or the Debtor (whether oral or written) or affecting or related to the Assets or the Assumed Liabilities or by which either the Vendor or the Debtor are bound or by which any property of the Debtor is subject to an Encumbrance;

which contracts shall be assigned by the Vendor in its own right or for and on behalf of the Debtor and assumed by the Purchaser in accordance with the terms of this Agreement, the relevant contracts and/or the Approval and Vesting Order, and/or other order of the Court in form and substance satisfactory to the Parties;

- (j) "**Assumed Liabilities**" means, collectively, all liabilities and obligations arising from the possession, ownership and/or use of the Assets, including:
  - (i) all Environmental Liabilities and Abandonment and Reclamation Obligations;
  - (ii) any Losses and Liabilities of the Vendor and/or the Debtor under, and the Cure Costs in respect of, Assumed Contracts;
- (k) "**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the City of Calgary in the Province of Alberta;
- (l) "**Cash and Cash Equivalents**" means cash, cash equivalents, money on deposit with banks, certificates of deposit and similar instruments and short-term investments held by the Debtor or the Vendor for and on behalf of the Debtor;
- (m) "**Claim**" means any right, claim, cause of action or complaint of any Person that may be asserted or made in whole or in part against any Vendor, any of their respective Affiliates and their respective Representatives, 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 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, claim, cause of action or complaint is executory or anticipatory in nature;
- (n) "**Closing**" means the completion of the purchase by the Purchaser, and sale by the Vendor, of the Vendor's Interest in and to the Assets and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such purchase and sale, all subject to and in accordance with the terms and conditions of this Agreement;

- (o) "**Closing Date**" means the date on which Closing occurs, being the later of December 20, 2021 or the date which is two Business Days following the date upon which all conditions in Sections 11.1, 11.2 and 11.3 have been satisfied or waived, or such other date as the Parties may agree in writing; provided, however, that the Closing Date shall not be later than the Outside Date;
- (p) "**Confidentiality Agreement**" means the confidentiality agreement between Vendor and Purchaser dated January 5, 2021;
- (q) "**Consequential Damages**" has the meaning ascribed to that term in Section 14.5;
- (r) "**Court**" means the Court of Queen's Bench of Alberta, Judicial Centre of Calgary;
- (s) "**Court Approval**" means both the issuance of the Approval and Vesting Order by the Court approving the sale of the Assets, and such Approval and Vesting Order having become a Final Order;
- (t) "**Cure Costs**" means, in respect of any Assumed Contract, all amounts, required to be paid to remedy all of the Vendor's or the Debtor' monetary defaults under such Assumed Contract or required to secure a counterparty's or any other necessary Person's consent to the assignment of such Assumed Contract pursuant to its terms (including any deposits or other forms of security required by any Governmental Authority) or as may be required pursuant to the Approval and Vesting Order, and includes any other fees and expenses required to be paid to a counterparty or any other Person in connection with the assignment of an Assumed Contract pursuant to its terms or Applicable Laws, but expressly excludes any secured or unsecured creditor claim against the Debtor other than payments to counterparties under Assumed Contract;
- (u) "**Debtor**" means, Bow River Energy Ltd.;
- (v) "**Deposit**" has the meaning ascribed to that term in Section 3.3(a)(i);
- (w) "**Due Diligence Information**" means all information made available (by the Vendor, the Debtor or otherwise) for the Purchaser's review in paper or electronic form in relation to the Debtor, its Affiliates and/or the Assets;
- (x) "**Encumbrances**" means all mortgages, pledges, charges, liens, debentures, trust deeds, Claims, assignments by way of security or otherwise, security interests, conditional sales contracts or other title retention agreements, security created under the *Bank Act* (Canada), rights of first refusal, or similar interests or instruments charging or creating a security interest in the Assets or any part thereof or interest therein, and any agreements, leases, licenses, occupancy agreements, options, easements, rights of way, restrictions, executions, or other encumbrances (including notices or other registrations in respect of any of the foregoing) affecting title to the Assets or any part thereof or interest therein;
- (y) "**Environment**" means the components of the earth and includes the air, the surface and subsurface of the earth, bodies of water (including rivers, streams, lakes and aquifers) and plant and animal life (including humans);
- (z) "**Environmental Laws**" means all Applicable Laws relating to pollution or protection of human health or the Environment (including ambient air, water, surface water,

groundwater, land surface, soil, or subsurface) or natural resources, including Applicable Laws relating to the storage, transfer, transportation, investigation, cleanup, treatment, or use of, or release or threatened release into the Environment of, any Hazardous Substances;

(aa) "**Environmental Liabilities**" means all past, present and future Losses and Liabilities, Claims and other duties and obligations, whether arising under contract, Applicable Laws or otherwise, arising from, relating to or associated with:

- (i) any damage, pollution, contamination or other adverse situations pertaining to the Environment howsoever and by whomsoever caused and regardless of whether such damage, pollution, contamination or other adverse situations occur or arise in whole or in part prior to, at or subsequent to the date of this Agreement;
- (ii) the presence, storage, use, holding, collection, accumulation, assessment, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, release, emission or discharge of Petroleum Substances, oilfield wastes, water, Hazardous Substances, environmental contaminants and all other substances and materials regulated under any Applicable Law, including any forms of energy, or any corrosion to or deterioration of any structures or other property;
- (iii) compliance with or the consequences of any non-compliance with, or violation or breach of, any Environmental Law;
- (iv) sampling, monitoring or assessing the Environment or any potential impacts thereon from any past, present or future activities or operations; or
- (v) the protection, reclamation, remediation or restoration of the Environment;

that relate to or arise by virtue of the Assets or the ownership thereof or any past, present or future operations and activities conducted in connection with the Assets or on or in respect of the Lands or any lands pooled or unitized therewith;

(bb) "**Excluded Assets**" has the meaning set forth in Section 2.6;

(cc) "**Facilities**" means the Vendor's Interest in and to all 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, injection, water disposal, measurement, processing, storage or other operations respecting the Leased Substances, including any applicable battery, separator, compressor station, gathering system, pipeline, production storage facility or warehouse, including those facilities and pipelines identified in Part 2 of Schedule A;

(dd) "**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 prescribed therein or otherwise by Applicable Law or order having been satisfied;

- (ee) "**General Conveyance, Assignment and Assumption Agreement**" means an agreement providing for the assignment by the Vendor of the Vendor's Interest in and to the Assets, free and clear of all Encumbrances (other than Permitted Encumbrances), substantially in the form attached hereto as Schedule C, and the assumption by the Purchaser of the Assumed Liabilities, substantially in the form attached hereto as Schedule C;
- (ff) "**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Assets or this Transaction, including for greater certainty the AER;
- (gg) "**GST**" means taxes, interest, penalties and other additions thereto imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and "**GST Legislation**" means such act and regulations collectively;
- (hh) "**Hazardous Substances**" means any substance, material or waste defined, regulated, listed or prohibited by Environmental Laws, including pollutants, contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, radioactive materials, flammable substances, explosives, Petroleum Substances and products of Petroleum Substances, polychlorinated biphenyls, chlorinated solvents and asbestos;
- (ii) "**Lands**" means the lands set out and described in Part 1 of Schedule A, and the Petroleum Substances within, upon or under such lands (subject to the restrictions and exclusions identified in the Title Documents as to Petroleum Substances and geological formations), but excluding the Excluded Assets;
- (jj) "**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);
- (kk) "**Legal Proceeding**" means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;
- (ll) "**Licence Transfers**" means the transfer from the Vendor and/or the Debtor to the Purchaser of any permits, approvals, licences and authorizations granted by the AER or any other Governmental Authority in relation to the construction, installation, ownership, use or operation of the Wells or the Facilities, as applicable.
- (mm) "**LMR**" means the licensee liability rating program and the license transfer process as set forth by the AER under AER's Directive 006, 011, 068 and Bulletin 2016-21 and related

AER regulations, guidelines, directives, information letters, programs and policies, as the same may be amended, supplemented or replaced from time to time;

- (nn) "**LTAs**" has the meaning set forth in Section 2.3(a);
- (oo) "**Losses and Liabilities**" means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations 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 or any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, and those arising under any contract, agreement, arrangement, commitment or undertaking and costs 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);
- (pp) "**Miscellaneous Interests**" means, subject to any and all limitations and exclusions provided for in this definition, the Vendor's Interest in and to all property, assets, 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, assets, 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 relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);
  - (ii) all warranties, guarantees and similar rights relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including warranties and guarantees made by suppliers, manufacturers and contractors under the Assets, and claims against other Third Parties in connection with the contracts relating to the Petroleum and Natural Gas Rights and the Tangibles;
  - (iii) all subsisting rights to carry out operations relating to the Lands, the Tangibles or the Wells, and without limitation, all easements and other permits, licenses and authorizations pertaining to the Tangibles or the Wells;
  - (iv) 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;
  - (v) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them including any of the foregoing that pertain to geological or geophysical matters and, including plats, surveys, maps, cross-sections, production records, electric logs, cuttings, cores, core data, pressure data, decline and production curves, well files, and related matters, division of interest records, lease files, title opinions, abstracts of title, title curative documents, lease operating statements and all other accounting information, marketing reports, statements, gas balancing information, and all other documents relating to customers, sales information,

supplier lists, records, literature and correspondence, physical maps, geologic or geophysical interpretation, electronic and physical project files; and

- (vi) the Wells, including the wellbores and any and all casing and down-hole monitoring and pumping equipment;

but excluding the Excluded Assets and provided that unless otherwise agreed in writing by the Parties, the Miscellaneous Interests shall not include any documents or data to the extent that they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by the Vendor or the Debtor to an assignee;

- (qq) "**Notice Period**" has the meaning ascribed to that term in Section 8.2(b);
- (rr) "**Order**" means any order, writ, judgment, injunction, decree, stipulation, determination, decision, verdict, ruling, subpoena, or award entered by or with any Governmental Authority (whether temporary, preliminary, or permanent);
- (ss) "**Outside Date**" means January 15, 2022 or such other date as the Parties may agree;
- (tt) "**Outstanding ROFR Assets**" has the meaning set forth in Section 10.3(e)(ii);
- (uu) "**Outstanding ROFRs**" has the meaning set forth in Section 10.3(e);
- (vv) "**Parties**" means, collectively, the Purchaser and the Vendor, and "**Party**" means any one of them;
- (ww) "**Permitted Encumbrances**" means:
  - (i) all encumbrances, including any overriding royalties, net profits interests and other burdens, which are provided for under the Title Documents;
  - (ii) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, 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;
  - (iii) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
  - (iv) 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;
  - (v) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;

- (vi) agreements for the sale, processing, transmission or transportation of Petroleum Substances entered into by the Debtor, or the Vendor for and on behalf of the Debtor, subsequent to the date of this Agreement;
- (vii) any obligation of the Vendor or the Debtor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
- (viii) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;
- (ix) 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 the Vendor's or any Debtor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;
- (x) 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;
- (xi) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;
- (xii) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority; and
- (xiii) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's or any Debtor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof or the Closing Date;
- (xx) "**Person**" means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executory, Governmental Authority, or other entity however designated or instituted;
- (yy) "**Petroleum and Natural Gas Rights**" means the Vendor's 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), but excluding the Excluded Assets;
- (zz) "**Petroleum Substances**" means any of crude oil, petroleum, natural gas, natural gas liquids, coal bed methane and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur;
- (aaa) "**Prime Rate**" means an annual rate of interest equal to the annual rate of interest announced from time to time by the main branch of the Royal Bank of Canada in Calgary, Alberta, as a reference rate then in effect for determining interest rates on

Canadian dollar commercial loans provided that such rate shall be determined on the last day of each month and applied to the next succeeding month;

- (bbb) "**Purchase Price**" has the meaning ascribed to that term in Section 3.1;
- (ccc) "**Purchaser**" has the meaning ascribed to that term in the preamble hereto;
- (ddd) "**Receivership Order**" means the order of the Court dated October 29, 2020, pursuant to which the Vendor was appointed as the receiver and manager of all of the current and future assets, undertakings and properties of every nature or kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof;
- (eee) "**Receivership Proceedings**" means the court proceedings brought in the Court pursuant to Court Action No. 2001-13391, pursuant to which the Vendor was appointed as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof;
- (fff) "**Representative**" means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its Affiliates;
- (ggg) "**ROFR**" means a right of first refusal, right of first offer or other pre-emptive or preferential right of purchase or similar right to acquire the Assets or certain of them that may become operative by virtue of this Agreement or the completion of the Transaction;
- (hhh) "**ROFR Disclosure Letter**" means the letter delivered by the Vendor to the Purchaser concurrent with the execution of this Agreement identifying any applicable ROFRs;
- (iii) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the Vendor's Interest in and to the Assets to the Purchaser and to novate the Purchaser in the place and stead of the Vendor or the Debtor, as applicable, with respect to the Assets (excluding the Licence Transfers);
- (jjj) "**Surplus Equipment**" means those Assets identified as such in Part 2 of Schedule E hereto, which, if sold by the Vendor to a Third Party prior to Closing, shall constitute Excluded Assets, and if unsold by the Vendor prior to Closing, shall constitute Assets;<sup>1</sup>
- (kkk) "**Tangibles**" means the Vendor's Interest in and to the Facilities and any and all other tangible depreciable property and assets, if any, which are located within, upon or in the vicinity of the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, store, transport, make marketable or inject the Leased Substances or any of them, but excluding the Excluded Assets;
- (lll) "**Third Party**" means any Person who is not a Party or an Affiliate of a Party;
- (mmm) "**Third Party Claim**" means any Claim by a Third Party asserted against the Vendor or any of the Debtor for which the Purchaser has indemnified the Vendor and the Debtor or is otherwise responsible pursuant to this Agreement;

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<sup>1</sup> Note to Purchaser: To be determined if applicable.

- (nnn) "**Title Documents**" means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements, acreage contribution agreements, joint venture 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;
- (ooo) "**Transaction**" means the transaction for the purchase and sale of the Vendor's Interest in and to the Assets, together with all other transactions contemplated in this Agreement, all as contemplated in this Agreement;
- (ppp) "**Transfer Taxes**" means all transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Assets, including GST; and which, for certainty, shall not include freehold mineral taxes;
- (qqq) "**Vendor**" has the meaning ascribed to that term in the preamble hereto;
- (rrr) "**Vendor's Interest**" means, when used in relation to any asset, undertaking or property, the entire right, title and interest, if any, of the Debtor and/or the Vendor, as applicable, in, to and/or under such asset, undertaking or property;
- (sss) "**Vendor's Solicitors**" means the law firm of Bennett Jones LLP, or such other firm or firms of solicitors as are retained or engaged by the Vendor from time to time and notice of which is provided to the Purchaser; and
- (ttt) "**Wells**" means the Vendor's Interest in and to the wells listed in Part 2 of Schedule A.

## 1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) All references to monetary amounts are to the lawful currency of Canada.
- (b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.
- (c) The word "include" and "including" and derivatives thereof shall be read as if followed by the phrase "without limitation".
- (d) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.

- (e) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.
- (f) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified.
- (g) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.
- (h) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.
- (i) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.
- (j) Reference to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof.
- (k) References to an Applicable Law means such Applicable Law as amended from time to time and includes any successor Applicable Law thereto any regulations promulgated thereunder.

### **1.3 Schedules**

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

|            |  |
|------------|--|
| Schedule A | Assets Listing<br>Part 1 – Lands<br>Part 2 – Wells, Facilities and Tangibles |
| Schedule B | Form of Approval and Vesting Order   |
| Schedule C | Form of General Conveyance   |
| Schedule D | Form of Bring-Down Certificate   |
| Schedule E | Excluded Assets<br>Part 1 – Excluded Assets<br>Part 2 – Surplus Equipment    |

### **1.4 Interpretation if Closing Does Not Occur**

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

## **ARTICLE 2 PURCHASE AND SALE**

### **2.1 Agreement of Purchase and Sale**

Subject to the terms and conditions of this Agreement, and in consideration of the Purchase Price, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase, accept and receive from the Vendor, the Vendor's Interest in and to the Assets.

### **2.2 Transfer of Property and Assumption of Liabilities**

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk, and legal and beneficial ownership of the Assets shall transfer from the Vendor to the Purchaser on the Closing Date, and the Purchaser agrees to assume, discharge, perform and fulfil all Assumed Liabilities. Without limiting the provisions of this Agreement relating to the General Conveyance, Assignment and Assumption Agreement (and such agreement itself), or any other provisions of this Agreement relating to sale, transfer, assignment, conveyance or delivery, the Assets shall be sold, assigned, transferred, conveyed, and delivered by the Vendor to the Purchaser by way of the Licence Transfers, the Specific Conveyances and other appropriate instruments of transfer, bills of sale, endorsements, assignments, and deeds, in recordable form, or by way of an Order of the Court, as appropriate, and free and clear of any and all Encumbrances of any and every kind, nature, and description, other than Permitted Encumbrances, as applicable.

### **2.3 AER License Transfers**

- (a) Promptly following the granting by the Court of the Approval and Vesting Order, the Vendor shall electronically submit applications to the AER for the Licence Transfers ("LTAs"), and, in each case, will provide a screen shot or other evidence indicating such submission to the Purchaser, and in addition the Vendor shall provide any information and documentation along with such LTAs to the AER which are required to be provided by the transferor in connection with the foregoing. The Purchaser shall accept or ratify such LTAs without delay, provided that, if the Purchaser in good faith determines or believes that any of the LTAs are not complete and accurate, or the AER refuses to process any such LTAs because of some defect therein, the Parties shall cooperate to duly complete or to correct such incomplete or inaccurate LTAs as soon as practicable and, thereafter, the Vendor shall promptly re-submit such LTAs and the Purchaser shall accept or ratify such re-submitted LTAs without delay. Each Party shall be responsible for its own costs relating to LTAs hereunder. The Purchaser shall provide any information and documentation in respect of such LTAs to the AER which are required to be provided by the transferee in connection with the foregoing. Following submission of the LTAs, each of the Parties shall use reasonable commercial efforts to obtain the AER's approval of the LTAs and registration of the License Transfers, subject to the specific requirements of this Sections 2.3.
- (b) If the AER denies any of the LTAs because of misdescription or other minor deficiencies contained therein, the Vendor shall, within two Business Days of such denial, correct the LTA(s) and amend and re-submit the LTA(s), and the Purchaser shall accept or ratify such re-submitted LTAs without delay.
- (c) If, for any reason, the AER requires the Purchaser to make a deposit, furnish any other form of security, provide any undertakings, information or other documentation or to take



any action as a condition of or a prerequisite for the approval of any of the LTAs, then immediately after receiving notice of such requirements and at its sole cost, the Purchaser shall make such deposits, furnish such security, provide such undertakings, information or other documentation and/or take such action, as the case may be.

- (d) If the Purchaser fails to make a deposit or furnish security it is required to make or furnish under Section 2.3(c) within 10 days of the Purchaser's receipt of notification from the applicable Governmental Authority or the Vendor that such deposit or security is required, the Vendor shall have the right to make such deposit or furnish such security. In such event, the Purchaser shall (as applicable) reimburse the amount of such deposit or the costs of such security to the Vendor plus interest thereon at the Prime Rate plus three percent (3%) from the date such deposit or security is made or furnished by the Vendor until such reimbursement is made and, in the case of security, cause the security to be returned to the Vendor as soon as possible and indemnify the Vendor for the amount and costs of any draws on the security plus interest thereon at the Prime Rate from the date such draw is made until such indemnification is made. In addition to all other rights to enforce such reimbursement otherwise available to the Vendor, it shall have the right to set-off the amount of such reimbursement or indemnification (including interest) against other monies due to the Purchaser pursuant to this Agreement.
- (e) The Purchaser shall on a timely and continuing basis keep the Vendor fully apprised and informed regarding all communications the Purchaser may have with the AER in connection with the Transaction, including all communications respecting LTAs, and without limiting the generality of the foregoing the Purchaser shall provide copies to the Vendor of all related correspondence from the Purchaser to the AER, and the Purchaser shall request that the AER provide copies to the Vendor of all related correspondence from the AER to the Purchaser.

## **2.4 Specific Conveyances**

- (a) The Parties shall cooperate in the preparation of the Specific Conveyances. A reasonable time following its receipt of the Title Documents from Vendor, Purchaser shall prepare and provide for the Vendor's review all Specific Conveyances. 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, the Purchaser shall register and/or distribute (as applicable), all such Specific Conveyances and shall bear all costs incurred therewith and in preparing and registering any further assurances required to convey the Assets to the Purchaser, including but not limited to, transferring registration in all Title Documents into the name of Purchaser by submission on the Alberta Energy Electronic Transfer System (ETS)..
- (b) As soon as practicable following Closing, the Vendor shall deliver or cause to be delivered to the Purchaser such original copies of the Title Documents and any other agreements and documents to which the Assets are subject and such original copies of contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests which are now in the possession or control of the Vendor or the Debtor or of which the Vendor or the Debtor gain possession or control prior to Closing.
- (c) Notwithstanding Sections 2.4(a) and 2.4(b), requests for the transfers from the Vendor to the Purchaser of registered Crown leases or licences, related surface rights and any other

Title Documents which are administered by Alberta Energy shall be submitted by the Vendor and accepted by the Purchaser as soon as is practicable after Closing.

## **2.5 Post-Closing Maintenance of Assets**

- (a) Following Closing, if and to the extent that Purchaser must be novated into, recognized as a party to, or otherwise accepted as assignee or transferee of Vendor's and/or the Debtor's interest in the Assets or certain of them, including any Title Documents and Assumed Contracts, the following provisions shall apply with respect to the applicable Assets until such novation, recognition or acceptance has occurred:
- (i) the Purchaser shall use reasonable commercial efforts to obtain, as may be required by the terms of any Assumed Contracts, consents or approvals to the assignment of such Assumed Contracts; provided that to the extent that any Cure Costs are payable with respect to any Assumed Contract, the Purchaser shall be responsible for and shall pay all such Cure Costs, which shall be paid directly to the applicable counterparty, which Cure Costs shall form part of the Purchase Price for the Assets;
  - (ii) the Vendor and/or the Debtor shall hold the rights, entitlements, benefits, remedies, duties and obligations in respect of the applicable Assets in trust for the exclusive benefit of the Purchaser as bare trustee and agent;
  - (iii) the Vendor will, at the request and expense and under the direction of the Purchaser, in the name of the Vendor and/or the Debtor or otherwise as the Purchaser shall reasonably specify, take all such reasonable actions and do all such reasonable things as shall, in the reasonable opinion of the Purchaser, be necessary or desirable in order that the rights, entitlements, benefits, remedies, duties and obligations of the Debtor in respect of any applicable Assets may be enjoyed, received or performed, as the case may be, in accordance with the terms of the Title Documents and Assumed Contracts, including that all monies receivable under any Title Documents and Assumed Contracts may be received by the Purchaser and that all rights and licenses under any Title Documents and Assumed Contracts may be exercised by the Purchaser;
  - (iv) the Vendor shall, no later than 30 days after receipt of funds, pay over to the Purchaser all such monies collected by the Vendor and/or the Debtor in respect of the Assets following the Closing Date, net of any unpaid related costs or expenses (including any taxes that are payable in respect of the receipt of such amounts);
  - (v) to the extent permitted by any applicable Assumed Contract:
    - (A) the Purchaser will pay, perform and discharge the duties and obligations accruing after Closing under such Assumed Contract, on behalf of the Vendor and/or Debtor, until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser; and
    - (B) the Vendor shall, or shall cause the Debtor to, use reasonable commercial efforts to exercise the rights, entitlements, benefits and remedies under such Assumed Contract, on behalf of the Purchaser until such time as the

effective transfer or assignment of the relevant Assumed Contract to the Purchaser, or such Assumed Contract expires or otherwise terminates;

- (vi) neither the Vendor nor the Debtor shall have any liability as a consequence of the Vendor or Debtor taking any action or causing anything to be done under this Section 2.5(a), and the Purchaser shall be responsible and liable for, and, as a separate covenant, shall hereby indemnify and save harmless the Vendor, the Debtor and their respective Representatives against, all costs and expenses reasonably incurred by the Vendor, the Debtor, their Affiliates or their respective Representatives as a consequence of or in connection with this Section 2.5(a); and
  - (vii) the Vendor shall cause the Debtor to maintain their existence, and continue to be licensed, registered or otherwise qualified and authorized to conduct its affairs and carry on business as is necessary to fulfill its obligations as set out in this Section 2.5(a) until the later of: (i) the earlier of the expiry or assignment to the Purchaser of the last applicable Assumed Contract, and (ii) the AER having approved the LTAs and registered the License Transfers; *provided, however*, that the obligations of the Vendor and Debtor under this Section 2.5(a) shall expire and terminate and cease to be in effect on the date that is 90 days following Closing.
  - (viii) Nothing in this Agreement shall constitute an agreement to assign, and shall not be construed as an assignment of, or an attempt to assign to the Purchaser, any Assumed Contract until such time as the necessary consents or approvals with respect to the assignment are obtained.
- (b) Both before and after Closing, each of the Parties shall use all commercially reasonable efforts to obtain any and all approvals required under Applicable Law and any and all material consents of Third Parties required to permit this Transaction to be completed. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances, deposits or security that may be required by Governmental Authorities or any Third Parties under the Assumed Contracts or Applicable Laws to permit the transfer of the Assets, including the Assumed Contracts, to the Purchaser.

## **2.6 Assumed Liabilities**

Following Closing, the Purchaser shall assume, perform, discharge and pay when due all of the Assumed Liabilities. For greater certainty, the Purchaser acknowledges and agrees that the Environmental Liabilities and Abandonment and Reclamation Obligations in respect of the Assets are future costs and obligations associated with the ownership of the Assets that are tied and connected to the ownership of the Assets such that they are inextricably linked and embedded with the Assets.

## **2.7 Excluded Assets**

Nothing contained herein or in any agreements, instruments, or other documents to be delivered at the Closing shall be deemed to sell, transfer, assign, convey or deliver the Excluded Assets to the Purchaser or any Affiliate of the Purchaser, and the Vendor and the Debtor, as applicable, shall retain all right, title, and interest to, in, and under the Excluded Assets, and neither the Purchaser nor any Affiliate

of the Purchaser shall have any liability therefor. "**Excluded Assets**" shall mean the Vendor's Interest in any and all assets (whether tangible or intangible), properties, contracts or rights of the Vendor and/or the Debtor which are not specifically included in the Assets including, for greater certainty, the following assets (whether tangible or intangible), properties and rights of the Vendor and the Debtor, as applicable:

- (a) any Accounts Receivable and any Cash and Cash Equivalents; and
- (b) any assets listed in Schedule E (which are not Surplus Equipment comprising Assets).

To the extent any Title Documents or Assumed Contracts apply to both Assets and Excluded Assets, such Title Document or Assumed Contract, as applicable, shall be assigned and transferred to Purchaser and Purchaser shall, following such assignment and transfer, hold the Title Document or Assumed Contract, as applicable, as bare trustee of Vendor and/or the Debtor (or their assignee) to the extent applicable to any Excluded Assets.

### **ARTICLE 3 PURCHASE PRICE**

#### **3.1 Purchase Price**

The consideration payable by the Purchaser for the Assets shall be the sum of [REDACTED] plus payment by the Purchaser of all Cure Costs (collectively, the "**Purchase Price**"). The Purchase Price shall be satisfied in accordance with Sections 2.5(a)(i) and 3.3(b), and shall not be subject to any adjustment (and for greater certainty, Cure Costs shall be satisfied in accordance with Section 2.5(a)(i)). The Purchaser and the Vendor acknowledge and agree that the Purchase Price reflects the fair market value of the Assets as of the Closing Date, having due regard to the Environmental Liabilities connected to and embedded in the Assets that depress the value of the Assets.

#### **3.2 Allocation of Purchase Price**

The Purchase Price shall be allocated among the Assets as follows:

- (a) to the Petroleum and Natural Gas Rights, 80%;
- (b) to the Tangibles, 20% less [REDACTED]; and
- (c) to the Miscellaneous Interests, [REDACTED].

#### **3.3 Deposit and Satisfaction of Purchase Price**

- (a) The Parties acknowledge that:
  - (i) on the date hereof, the Purchaser paid the sum of [REDACTED] (the "**Deposit**") to the Vendor;
  - (ii) the Deposit has been delivered to and shall be held in trust by the Vendor; and
  - (iii) the Deposit shall be held and administered by the Vendor in accordance with the terms and conditions of this Agreement (including this Section 3.3).
- (b) At Closing, the Purchase Price shall be paid and satisfied as follows:

- (i) as to the amount of the Deposit, the Vendor shall retain the amount of the Deposit and apply such amount against the amount of the Purchase Price; and
  - (ii) as to the balance of the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.5(a)(i)), along with any additional amounts owing in respect of applicable GST, the Purchaser shall pay to the Vendor such amount by electronic wire transfer.
- (c) If this Agreement is terminated:
- (i) (A) pursuant to Section 13.1(a) by mutual agreement of the Parties; (B) pursuant to Sections 13.1(b) or 13.1(c) by the Purchaser; (C) pursuant to Section 13.1(e) by the Vendor; or (D) for any other reason other than as contemplated under Section 3.3(c)(ii); then the Deposit shall be returned to the Purchaser; or
  - (ii) pursuant to Section 13.1(d) by the Vendor, the full amount of the Deposit shall be forfeited to the Vendor,

and, subject to Section 13.2, each Party shall be released from all obligations and liabilities under or in connection with this Agreement. In the event of termination of this Agreement under Section 3.3(c)(ii) pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit, constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

#### **ARTICLE 4 TRANSFER TAXES**

##### **4.1 Transfer Taxes**

The Parties agree that:

- (a) the Purchase Price does not include Transfer Taxes and the Purchaser shall be liable for and shall pay, and be solely responsible for, any and all Transfer Taxes pertaining to the Purchaser's acquisition of the Assets; and
- (b) the Purchaser shall indemnify the Vendor, the Debtor and their respective Affiliates for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that any of them are required to pay or for which any of them may become liable as a result of any failure by the Purchaser to self-assess, pay or remit such Transfer Taxes, other than as a result of a failure by the Vendor, the Debtor or their respective Affiliates to timely remit any amounts on account of Transfer Taxes paid by the Purchaser hereunder.

**ARTICLE 5  
REPRESENTATIONS AND WARRANTIES**

**5.1 Vendor's Representations**

The Vendor hereby represents and warrants to the Purchaser that:

- (a) pursuant to the Receivership Order, it has, among other things, been appointed by the Court as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof, and such appointment is valid and subsisting and has not been varied or amended, except as set forth in the Receivership Order;
- (b) except for: (i) the Court Approval; and (ii) the Licence Transfers and any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Vendor of the Transaction;
- (c) it is not a non-resident of Canada within the meaning of such term under the *Income Tax Act* (Canada) and is not an agent or trustee for anyone with an interest in the Assets who is a non-resident of Canada within the meaning of such term under the *Income Tax Act* (Canada) (or a partnership that is not a "Canadian partnership" within the meaning of such term under the *Income Tax Act* (Canada));
- (d) subject to Court Approval being obtained, this Agreement has been duly executed and delivered and constitutes a legal, valid and binding obligation of it and is enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (e) the Purchaser will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by the Vendor; and
- (f) with respect to the GST imposed under the GST Legislation, the following Debtor are registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and their respective GST registration numbers are:

**Debtor**  
BOW RIVER ENERGY LTD.

**GST Registration Number**  
828997114RT0002

**5.2 Purchaser's Representations**

The Purchaser hereby represents and warrants to the Vendor that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation or formation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (b) it has taken all necessary corporate or other acts to authorize the execution, delivery and performance by it of this Agreement;
- (c) neither the execution of this Agreement nor its performance by the Purchaser will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which the Purchaser is a party or by which it is bound which breach could materially affect the ability of the Purchaser to perform its obligations hereunder;
- (d) except for: (i) the Court Approval; and (ii) the Licence Transfers and any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of this Transaction;
- (e) subject to Court Approval being obtained, this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (f) the Purchaser is not a non-Canadian Person within the meaning of the *Investment Canada Act* (Canada) nor a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (g) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser;
- (h) the Purchaser meets all eligibility requirements of Governmental Authorities to purchase and accept a transfer of the Assets, including without limiting the generality of the foregoing, the eligibility requirements of the AER under its LMR program, or any successor program, as applicable to the Purchaser in connection with the transactions as contemplated hereunder;
- (i) as of the date of submission of the LTAs the Purchaser will not have a LMR in respect of its assets and interests located in the Province of Alberta that is less than 4.5;
- (j) with respect to the GST imposed under the GST Legislation, the Purchaser is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and that its GST registration number is 719569725 RT001;

- (k) the Purchaser is a "Canadian" within the meaning of the *Investment Canada Act* (Canada);
- (l) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, the Purchase Price (including the Deposit and the Cure Costs), the Transfer Taxes, its legal fees and expenses, registration costs and any other amounts payable by the Purchaser pursuant hereto;
- (m) the Purchaser is not aware of any fact or circumstance that would prevent or delay the Licence Transfers or the approval of the LTAs as contemplated hereunder; and
- (n) the Purchaser has the financial resources necessary to post or satisfy all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Assets and to satisfy the security required by the Assumed Contracts.

### **5.3 Enforcement of Representations and Warranties**

- (a) The representations and warranties of each Party contained in this Agreement shall survive until Closing and shall thereafter be of no further force and effect. Effective upon the occurrence of Closing, each Party hereby releases and forever discharges each other Party from any breach of any representations and warranties set forth in this Agreement. For greater certainty, none of the representations and warranties contained in this Article 5 shall survive Closing and, the Purchaser's sole recourse for any material breach of representation or warranty by the Vendor shall be for the Purchaser to not complete the Transaction in accordance with this Agreement.
- (b) The representations and warranties of the Vendor made herein or pursuant hereto are made for the exclusive benefit of the Purchaser, and the representations and warranties of the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.
- (c) The Parties expressly acknowledge and agree that the provisions of this Section 5.3 and the limit on each Party's liability set out in this Section 5.3 are intended by the Parties as a limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each Party has agreed to assume in connection with the subject matter hereof and is not an agreement within the provision of subsection 7(2) of the *Limitations Act* (Alberta).

## **ARTICLE 6 "AS IS, WHERE IS" AND NO ADDITIONAL REPRESENTATIONS AND WARRANTIES**

### **6.1 Due Diligence Acknowledgement**

The Purchaser acknowledges and agrees that:

- (a) it was solely responsible to perform any inspections it deemed pertinent to the purchase of the Assets and to be satisfied as to the condition of the Assets prior to entering into this Agreement with the Vendor;



- (b) notwithstanding the fact that it was permitted to review any diligence materials and disclosures provided by the Vendor, including the Due Diligence Information, the Vendor assumes no liability for errors or omissions in such diligence materials and disclosure or any other property listings or advertising, promotional or publicity statements and materials, and makes no representations or warranties in respect thereof;
- (c) by entering into this Agreement with the Vendor, the Purchaser shall be deemed to represent, warrant and agree with respect to the Assets that:
  - (i) the Purchaser has inspected the Assets and is familiar and satisfied with the physical condition thereof and has conducted such investigation of the Assets as the Purchaser has determined appropriate;
  - (ii) none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives have made any oral or written representation, warranty, promise or guarantee whatsoever to the Purchaser, expressed or implied, and in particular, that no such representations, warranties, guarantees, or promises have been made with respect to the physical condition, operation, or any other matter or thing affecting or related to the Assets and/or the offering or sale of the Assets;
  - (iii) the Purchaser has not relied upon any representation, warranty, guarantee or promise or upon any statement made or any information provided concerning the Assets, including the Due Diligence Information made available to the Purchaser by the Vendor, the Debtor, their respective Affiliates or their respective Representatives;
  - (iv) the Purchaser has entered into this Agreement after having relied solely on its own independent investigation, inspection, analysis, appraisal and evaluation of the Assets and the facts and circumstances related thereto;
  - (v) any information provided or to be provided by or on behalf of the Vendor with respect to the Assets, including all Due Diligence Information, was obtained from information provided to the Vendor and the Vendor has not made any independent investigation or verification of such information, and makes no representations as to the accuracy or completeness of such information;
  - (vi) without limiting the generality of the foregoing, the Vendor is not under any obligation to disclose to the Purchaser, and shall have no liability for its failure to disclose to the Purchaser, any information known to it relating to the Assets except as may be required by any Applicable Law; and
  - (vii) none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives are liable or bound in any manner by any oral or written statements, representations or information pertaining to the Assets, or the operation thereof, made or furnished by any real estate broker, agent, employee, or other Person.

## **6.2 "As Is, Where Is", No Additional Representations**

- (a) Without limiting any other provision of this Agreement, the Purchaser acknowledges and agrees that it is acquiring the Assets on an "as is, where is" and "without recourse" basis

with all defects, both patent and latent, and with all faults, whether known or unknown, presently existing or that may hereafter arise. The Purchaser acknowledges and agrees that, except as expressly set forth in this Agreement, the Vendor, the Debtor, their respective Affiliates and their respective Representatives have not made, do not make and specifically negate and disclaim any representation, warranty, promise, covenant, agreement or guaranty of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Assets. For greater certainty, but without limitation, except as expressly set forth in this Agreement, none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives make any condition, representation or warranty whatsoever, express or implied, with respect to:

- (i) the title and interest of the Vendor or the Debtor in and to the Assets;
- (ii) whether any ROFRs are exercisable by a Third Party in connection with the completion of the Transactions;
- (iii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;
- (iv) the income to be derived from the Assets, if any;
- (v) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;
- (vi) the rates of production of Petroleum Substances from the Lands;
- (vii) the quality, condition, marketability, profitability, fitness for a particular purpose or merchantability of any tangible depreciable equipment or property interests which comprise the Assets (including the Tangibles or any personal property);
- (viii) the suitability of the Assets for any and all purposes, activities and uses which the Purchaser may desire to conduct thereon;
- (ix) the compliance of or by the Assets or its operation with any Applicable Law (including Environmental Laws);
- (x) the validity or enforceability of the Assumed Contracts or the ability to assign any of the Assumed Contracts;
- (xi) any regulatory approvals, permits and licenses, consents or authorizations that may be needed to complete the purchase of the Assets contemplated by this Agreement;
- (xii) the manner or quality of the construction or materials, if any, incorporated into the Assets;
- (xiii) the manner, quality, state of repair or lack of repair of the Assets;
- (xiv) the existence of soil instability, past soil repairs, susceptibility to landslides, sufficiency of under-shoring, sufficiency of drainage, or any other matter

affecting the stability or integrity of the Assets or any structures or improvements situated thereon;

- (xv) whether the Assets are located in a seismic hazards zone or a flood hazard zone;
  - (xvi) the presence of pests and any damage to the Assets and/or its improvements that may have occurred as a result;
  - (xvii) the nature and quantum of the Assumed Liabilities; or
  - (xviii) any other matter with respect to the Assets.
- (b) The Purchaser acknowledges that the release and disclaimer described in this Article 6 is intended to be very broad and, except for its express rights under this Agreement, the Purchaser expressly waives and relinquishes any rights or benefits it may have under any Applicable Law designed to invalidate releases of unknown or unsuspected claims.
- (c) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor, the Debtor, their respective Affiliates and their respective Representatives in respect of the Assets and any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means). Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the *Sale of Goods Act* (Alberta) (or similar applicable statutes, all as may be amended, repealed or replaced), warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

## **ARTICLE 7 RISK AND COSTS AND INSURANCE**

### **7.1 Risk and Costs**

The Assets will be at the sole risk and responsibility of the Vendor and the Debtor until the Closing Date, and thereafter at the sole risk and responsibility of the Purchaser.

### **7.2 Insurance**

Any property, liability and other insurance maintained by the Vendor and/or the Debtor in relation to the Assets shall not be transferred at Closing, but shall remain the responsibility of the Vendor and the Debtor until the Closing Date. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Assets in respect of the period from and after 12:01 a.m. on the Closing Date.

## **ARTICLE 8 INDEMNIFICATION**

### **8.1 Indemnification Given by Purchaser**

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, the Debtor, their respective Affiliates and their respective Representatives for; and
- (b) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred following the Closing Date by the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives related to or in connection with the Assets and the Assumed Liabilities, including: (i) all Losses and Liabilities attributable to the ownership, operation, use, construction or maintenance of the Assets during the period following the Closing Date; (ii) all Losses and Liabilities arising or accruing on or after the Closing Date under any Assumed Contract as contemplated in Section 2.5; (iii) any and all Cure Costs, whether such Cure Costs relate to the period prior to or following the Closing Date; (iv) any municipal tax arrears required by the Court to be paid by the Vendor or Debtor in connection with the Assets; and (v) any other Losses and Liabilities for which the Purchaser has otherwise agreed to indemnify the Vendor and the Debtor pursuant to this Agreement, including pursuant to Section 9.2. The Purchaser's indemnity obligations set forth in this Section 8.1 shall survive the Closing Date indefinitely pursuant to Section 14.3.

### **8.2 Third Party Claims**

- (a) If any of the Vendor, the Debtor, their respective Affiliates or any of their respective Representatives receives written notice of the commencement or assertion of any Third Party Claim for which the Purchaser is liable pursuant to this Agreement (or has otherwise agreed to indemnify the Vendor, the Debtor, their respective Affiliates or their respective Representatives against), the Vendor shall give the Purchaser reasonably prompt notice thereof, but in any event no later than ten (10) days after receipt of such notice of such Third Party Claim. Such notice to the Purchaser shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount (or the method of computation of the amount) of the Losses and Liabilities that has been or may be sustained by the Vendor, the Debtor, their respective Affiliates or their respective Representatives, respectively, and a reference to the provisions of this Agreement, or other applicable document, upon which such claim is based.
- (b) The Purchaser may assume the carriage and control of the defence of any Third Party Claim by giving notice to that effect to the Vendor or the Debtor, respectively, not later than ten (10) days after receiving notice of that Third Party Claim (the "**Notice Period**") so long as: (i) the Purchaser first acknowledges to the Vendor, in writing, liability to the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, under this Agreement with respect to such Third Party Claim and that the outcome of such Third Party Claim does not alter or diminish the Purchaser's obligation to indemnify the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, pursuant to this Agreement, subject to the Purchaser's right to contest in good faith the Third Party Claim; (ii) the Purchaser has the financial resources to defend against the

Third Party Claim and fulfill any indemnification obligations and has provided the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, with evidence thereof; (iii) the Third Party Claim involves monetary damages; and (iv) the Purchaser thereafter pursues the defence or settlement of the Third Party Claim actively and diligently. The Purchaser's right to do so shall be subject to the rights of any insurer or other third party who has potential liability in respect of that Third Party Claim. The Purchaser shall pay all of its own expenses of participating in or assuming such defence. In the event that the Purchaser elects to assume the carriage and control of the defence of a Third Party Claim pursuant to this Section 8.2(b), then the Vendor shall, or shall cause the Debtor, their respective Affiliates and/or their respective Representatives to, cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice at its own expense.

- (c) If the Vendor has not received notice within the Notice Period that the Purchaser has elected to assume the carriage and control of the defence of such Third Party Claim in accordance with Section 8.2(b), or if the Purchaser has given such notice but thereafter fails or is unable to pursue the defence or settlement of such Third Party Claim actively and diligently, the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, may, at their option, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Losses and Liabilities suffered or incurred by the Vendor, the Debtor, their respective Affiliates and/or their Representatives with respect to such Third Party Claim.

### **8.3 Failure to Give Timely Notice**

Notwithstanding that time is of the essence, a failure to give timely notice as provided in this Article 8 shall not affect the rights or obligations of any Party except and only to the extent that, as a result of such failure, any Party which was entitled to receive such notice was deprived of its right to recover any payment under any applicable insurance coverage or was otherwise prejudiced as a result of such failure.

### **8.4 No Merger**

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

### **8.5 Third Party Beneficiary**

The Vendor's Representatives and the Vendor's Affiliates, the Debtor, their respective Affiliates and all of their respective Representatives are intended third party beneficiaries of this Article 8 and shall have the right, power and authority to enforce the provisions hereof as though they were each a party hereto. The Purchaser further agrees to execute such agreements as may be reasonably requested by such Persons in connection with these provisions that are consistent with this Article 8 or that are reasonably necessary to give further effect thereto.

**ARTICLE 9  
ENVIRONMENTAL MATTERS**

**9.1 Acknowledgements Regarding Environmental Condition**

The Purchaser acknowledges that, insofar as the environmental condition of the Assets is concerned, it will acquire the Assets pursuant hereto on an "as is, where is" basis. The Purchaser acknowledges that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of the Purchaser (insofar as the Vendor could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Vendor, any of the Debtor, or any of their respective Representatives as to the environmental condition of the Assets, or any Environmental Liabilities or Abandonment and Reclamation Obligations in respect thereof.

**9.2 Assumption of Environmental Liabilities**

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, the Debtor, their respective Affiliates and their respective Representatives for; and
- (b) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, the Debtor, their respective Affiliates or their respective Representatives as a result of any matter or thing arising out of, attributable to or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, the Purchaser shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations as between the Vendor and the Debtor (on one hand) and the Purchaser (on the other hand) including whether occurring or accruing prior to, on or after the Closing Date, and hereby releases the Vendor, the Debtor, their respective Affiliates and their respective Representatives from any claims the Purchaser may have against the Vendor or the Debtor with respect to all such Environmental Liabilities and Abandonment and Reclamation Obligations. Without restricting the generality of the foregoing, the Purchaser shall be responsible for all Environmental Liabilities and Abandonment and Reclamation Obligations (including whether occurring or accruing prior to, on or after the Closing Date) in respect of all Wells and Tangibles.

**ARTICLE 10  
COVENANTS**

**10.1 Court Filings**

- (a) From and after the date of execution of this Agreement and until the Closing Date, the Vendor shall use commercially reasonable efforts to deliver to the Purchaser copies of all pleadings, motions, notices, statements, schedules, applications, reports and other papers that relate, in whole or in part, to this Agreement, or to the Purchaser or its Representatives, that are to be filed by the Vendor in connection with the Court Approval in advance of their filing, before the filing of such papers, and shall provide the Purchaser with a reasonable opportunity to review and comment thereon.

- (b) The Vendor shall act reasonably and in good faith in considering any comments provided by the Purchaser to such papers; *provided, however* that, subject in each case to the foregoing good faith obligations of the Vendor, the Vendor shall have no obligation to accept and incorporate the Purchaser's comments to such papers and neither the Vendor's inadvertent failure to comply with this Section 10.1, nor the Vendor's failure to comply with this Section 10.1 due to emergency circumstances, shall constitute a breach under this Agreement.

## 10.2 Conduct of Business Until Closing

- (a) Except: (A) as expressly provided in this Agreement; (B) with the prior written consent of the Purchaser (not to be unreasonably withheld, conditioned or delayed); (C) as necessary or advisable in connection with the Receivership Proceedings; or (D) as otherwise provided in the Approval and Vesting Order or any other order of the Court in connection with the Receivership Proceedings; following the date hereof and prior to Closing, to the extent reasonably practicable having regard to the Receivership Proceedings, the Vendor shall use commercially reasonable efforts to:
  - (i) cause the Assets to be maintained, in accordance with good industry practice, and in material compliance with all Applicable Laws, the directions of Governmental Authorities and the terms and conditions of the Assumed Contracts;
  - (ii) not sell, pledge, assign, lease, license, or cause, permit, or suffer the imposition of any Encumbrance (other than Permitted Encumbrances) on, or otherwise dispose of, any of the Assets, except in the ordinary course of normal day-to-day operations of the Assets, consistent with past practices;
  - (iii) not authorize or agree, in writing or otherwise, to take any of the actions in respect of the foregoing.
- (b) Until the Closing Date, the Vendor shall provide the Purchaser with all access to the Assets as reasonably required by the Purchaser in order to allow for and assist the Purchaser with an orderly passing of the Assets to the Purchaser following Closing in accordance herewith.
- (c) The access to the Assets to be afforded to the Purchaser and its Representatives pursuant to this Section 10.2 will be subject to the Assumed Contracts and all of the Vendor's and the Debtor' site entry protocols, health, safety and environmental rules, policies and procedures. Further, the Purchaser acknowledges and agrees that it shall:
  - (i) be solely liable and responsible for any and all Losses and Liabilities which the Vendor, the Debtor, their respective Affiliates or their respective Representatives may suffer, sustain, pay or incur; and
  - (ii) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives harmless from any and all Claims or Losses and Liabilities whatsoever which may be brought against, suffered by or incurred by the Vendor, the Debtor, their respective Affiliates or their respective Representatives;

arising out of, resulting from, attributable to or in any way connected with any access provided to the Purchaser or its Representatives pursuant to this Section 10.2.

### 10.3 ROFRs

- (a) The Purchaser acknowledges that it shall be responsible for conducting such separate investigation of the Assets as the Purchaser has determined is appropriate with respect to the identification of ROFRs applicable to the Assets as soon as is reasonably practicable after the date hereof. Promptly following the identification of Assets which are the subject of ROFRs, the Purchaser shall provide the Vendor with its bona fide allocation of the amount of the Purchase Price attributable to each of such Assets which are subject to a ROFR.
- (b) The Vendor shall courier ROFR notices to the Third Parties holding such ROFRs promptly following the receipt of Purchaser's allocation of the Purchase Price attributable thereto pursuant to Section 10.3(a). The Vendor shall utilize the Purchaser's allocation of the Purchase Price attributable to the Assets subject to ROFRs for purposes of preparing and issuing the ROFR notices. The Vendor shall notify the Purchaser in writing forthwith upon each Third Party exercising or waiving such a ROFR.
- (c) If any such Third Party elects to exercise such a ROFR, then:
  - (i) the definition of Assets shall be deemed to be amended to exclude those Assets in respect of which the ROFR has been exercised;
  - (ii) such Assets shall not be conveyed to the Purchaser; and
  - (iii) any proceeds received by the Vendor from a Third Party in respect of the sale and conveyance of any Assets which are subject to a ROFR shall be deemed to form part of the Excluded Assets, and the Purchase Price shall not be subject to any reduction in the event of the exercise of any such ROFR by a Third Party.
- (d) In the event that a Third Party exercises a ROFR and is then unable or unwilling to enter into a conveyance agreement with the Vendor for the relevant Assets, the Purchaser agrees to accept a conveyance of such Assets under the same terms and conditions as this Agreement to whatever extent possible.
- (e) Closing shall not be delayed even though certain of the ROFRs are outstanding and capable of exercise by the holders thereof as of the Closing Date (such ROFRs being referred to as "**Outstanding ROFRs**"). In such case, the following procedures shall apply:
  - (i) the Parties shall proceed with Closing (for greater certainty without any reduction in the Purchase Price for the Outstanding ROFRs, and without variation of any other terms or conditions of this Agreement);
  - (ii) the Purchaser shall have (as of the Closing Date) prepared all Specific Conveyances and other closing documentation required for the sale of the Assets subject to the Outstanding ROFRs (the "**Outstanding ROFR Assets**");



- (iii) if an Outstanding ROFR is exercised by a Third Party, the Vendor will promptly notify the Purchaser thereof in writing, the Specific Conveyances and other closing documentation related to such Outstanding ROFR Assets will be of no force or effect and shall be destroyed by the Purchaser, and the provisions of Section 10.3(c) shall apply to the Assets which are the subject of the Outstanding ROFR being exercised by the Third Party, *mutatis mutandis*; and
- (iv) if after Closing an Outstanding ROFR is extinguished by lapse of time, waiver or otherwise (other than as a result of being exercised), the Vendor will promptly notify the Purchaser thereof in writing and promptly deliver copies of the Specific Conveyances and closing documentation previously prepared to the Purchaser, and such documentation shall be effective and the sale of such Outstanding ROFR Assets to Purchaser pursuant hereto shall be deemed to have closed on the Closing Date.

#### **10.4 Document Review**

Prior to Closing, Vendor shall provide Purchaser with reasonable access to the Title Documents and other Miscellaneous Interests in the possession or under the control of Vendor for the purpose of verifying the continued validity and effect of the Title Documents, the identification of Assets the subject of ROFRs, the preparation of Specific Conveyances and other matters related to this Agreement and the Transaction.

### **ARTICLE 11 CONDITIONS**

#### **11.1 Mutual Conditions**

The respective obligations of the Parties to complete the purchase and sale of the Assets are subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) the Court shall have granted the Approval and Vesting Order and the Approval and Vesting Order shall be a Final Order;
- (b) no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable order or Applicable Law subsequent to the date hereof which has the effect of:
  - (i) making any of the transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the Vendor from the sale of the Assets; and
- (c) the Closing is not otherwise prohibited by Applicable Law.

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be asserted by the Vendor or the Purchaser regardless of the circumstances and may be waived only with the agreement of the Vendor and the Purchaser.

#### **11.2 Conditions for the Benefit of the Purchaser**

The obligation of the Purchaser to complete the purchase of the Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Vendor contained in Section 5.1 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time, and the Vendor shall have delivered to the Purchaser a certificate to that effect substantially similar in form to that attached hereto as Schedule D;
- (b) the Vendor shall have complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement;
- (c) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 12.2.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have.

### **11.3 Conditions for the Benefit of the Vendor**

The obligation of the Vendor to complete the sale of the Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Purchaser contained in Section 5.2 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time, and the Purchaser shall have delivered to the Vendor a certificate to that effect substantially similar in form to that attached hereto as Schedule D;
- (b) the Purchaser shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement;
- (c) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at or before the Closing all the documents contemplated in Section 12.3; and
- (d) the Vendor has not lost its ability to convey the Assets due to an order of the Court.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Vendor may have.

### **11.4 Satisfaction of Conditions**

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 11.1, 11.2 and 11.3. In addition, each of the Parties agrees not to take any action that could reasonably be expected to preclude, delay or have an adverse effect on the Transaction or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

**ARTICLE 12  
CLOSING**

**12.1 Closing Date and Place of Closing**

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date, or at such other time as the Parties may agree in writing.

**12.2 Deliveries on Closing by the Vendor**

The Vendor shall deliver (or cause to be delivered) to the Purchaser on or before the Closing Date:

- (a) a Court certified copy of the Approval and Vesting Order;
- (b) the General Conveyance, Assignment and Assumption Agreement duly executed by the Vendor;
- (c) all documents listed in Section 12.3 which contemplate execution by the Vendor;
- (d) the certificate of the Vendor referred to in Section 11.2(a); and
- (e) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

**12.3 Deliveries on Closing by the Purchaser**

The Purchaser shall deliver (or cause to be delivered) to the Vendor's Solicitor on or before the Closing Date:

- (a) payment of the Purchase Price in accordance with Section 3.3(b);
- (b) payment of all Transfer Taxes payable on Closing to the Vendor or the Vendor's Solicitors (or evidence of self-assessment and payment by the Purchaser thereof to the relevant Governmental Authorities);
- (c) the General Conveyance, Assignment and Assumption Agreement duly executed by the Purchaser;
- (d) all documents listed in Section 12.2 which contemplate execution by the Purchaser;
- (e) the certificate of the Purchaser referred to in Section 11.3(a); and
- (f) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

## **ARTICLE 13 TERMINATION**

### **13.1 Grounds for Termination**

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

- (a) by the written agreement of the Vendor and the Purchaser, provided however that if this Agreement has been approved by the Court, any such termination shall require the approval of the Court;
- (b) by the Purchaser, upon written notice to the Vendor, if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Vendor received such notice;
- (c) by the Purchaser, upon written notice to the Vendor, any time after the Outside Date, if (A) the Approval and Vesting Order has not been obtained, or (B) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Purchaser's breach of this Agreement;
- (d) by the Vendor, upon written notice to the Purchaser, if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.3 impossible by the Outside Date; or (ii) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Purchaser received such notice; or
- (e) by the Vendor, upon written notice to the Purchaser, any time after the Outside Date, if (A) the Approval and Vesting Order has not been obtained, or (B) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the breach of this Agreement by the Vendor.

### **13.2 Effect of Termination**

Notwithstanding any termination of this Agreement as permitted under Section 13.1, or as otherwise provided for in this Agreement, the provisions of Sections 3.3 (Deposit), 14.1 (Public Announcements), 14.4 (Governing Law), 14.5 (Consequential Damages), 14.11 (Costs and Expenses) and 14.15 (Third Party Beneficiaries) shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.3.

## ARTICLE 14 GENERAL

### 14.1 Public Announcements

- (a) Subject to Section 14.1(b), if a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Parties with an advance copy of any such press release or public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure without the prior written consent of the other Parties, such consent not to be unreasonably withheld.
- (b) Notwithstanding Section 14.1(a): (i) this Agreement may be filed by the Vendor with the Court; and (ii) the Transaction may be disclosed by the Vendor to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Law. The Parties further agree that:
  - (i) the Vendor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms of the Transaction;
  - (ii) the Vendor may forward a copy of this Agreement and all related documentation to the Orphan Well Association and its Representatives, agents, legal counsel and financial advisors, and may further advise such Persons of the existence and nature of any discussions and negotiations in relation thereto or in relation to the Transaction; provided that the Orphan Well Association and its Representatives agree in advance to be bound by any confidentiality undertakings or similar confidentiality requirements reasonably requested by the Vendor; and
  - (iii) the Vendor and its professional advisors may prepare and file such reports and other documents with the Court containing references to the Transaction contemplated by this Agreement and the terms of such Transaction as may reasonably be necessary to obtain the Court Approvals and to complete the Transaction contemplated by this Agreement or to comply with their obligations to the Court.

### 14.2 Dissolution of Debtor

Subject to the Vendor's obligations in Section 2.5, the Purchaser acknowledges and agrees that nothing in this Agreement shall operate to prohibit or diminish in any way the right of the Vendor or any of its Affiliates to cause the dissolution or wind-up of any of the Debtor subsequent to the Closing Date, or otherwise cause or allow any of the Debtor to cease operations in any manner or at any time subsequent to the Closing Date as the Vendor may determine in its sole discretion, which may be exercised without regard to the impact any such action may have on the Vendor's ability to fulfil its obligations under this Agreement that survive Closing.

### 14.3 Survival

Upon Closing, the obligations, covenants, representations and warranties of the Parties set out in this Agreement shall expire, be terminated and extinguished and of no further force or effect, provided that notwithstanding the Closing contemplated hereunder or the delivery of documents pursuant to this

Agreement, the obligations and covenants of the Parties set out in Section 2.3 (AER Licence Transfers), Section 2.3 (Assignment of Assumed Contracts and Third Party Consents), Section 2.4 (Specific Conveyances), Section 5.3 (Enforcement of Representations and Warranties), Section 10.3 (ROFRs) and Article 4 (Transfer Taxes), Article 6 ("As Is, Where Is" and No Additional Representations and Warranties), Article 8 (Indemnification), Article 9 (Environmental Matters) and Article 14 (General), shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties indefinitely thereafter except as expressly stated to the contrary therein or otherwise in accordance with Applicable Laws.

#### **14.4 Governing Law**

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.
- (b) Notwithstanding Section 14.4(a), any and all documents or orders that may be filed, made or entered in the Receivership Proceedings, and the rights and obligations of the Parties thereunder, including all matters of construction, validity and performance thereunder, shall in all respects be governed by, and interpreted, construed and determined in accordance with the laws of the Province of Alberta. The Parties consent to the jurisdiction and venue of the Court, as applicable, for the resolution of any such disputes, regardless of whether such disputes arose under this Agreement. Each Party agrees that service of process on such Party as provided in Section 14.13 shall be deemed effective service of process on such Party.

#### **14.5 Consequential Damages**

Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any punitive, exemplary, consequential or indirect damages (including for greater certainty, any loss of profits) (collectively, "**Consequential Damages**") that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the Transaction, other than Consequential Damages for which the Purchaser is liable as a result of a Third Party Claim (which liability shall be subject to and recoverable under Article 8 (Indemnification)). For greater certainty, the Parties agree that none of the Parties, the Debtor, their respective Affiliates or their respective Representatives shall be liable for any lost profits whatsoever, whether such lost profits are considered to be direct, consequential or indirect losses, and regardless of whether such lost profits were foreseeable by the Parties at any time or whether such lost profits were the direct and natural result of a Party's breach of its obligations under this Agreement.

#### **14.6 Further Assurances**

Each of the Parties from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

#### **14.7 Assignment**

The Purchaser shall not, without the Vendor's prior written consent, assign any right or interest in this Agreement, which consent may be withheld in the Vendor's sole and absolute discretion, except that the Purchaser shall have the right to assign any or all of its rights, interests or obligations hereunder to one or more Affiliates of the Purchaser, provided that: (a) such Affiliate agrees to be bound by the terms of this Agreement; (b) the Purchaser shall remain liable hereunder for any breach of the terms of this Agreement by such Affiliate; (c) such assignment shall not release the Purchaser from any obligation or liability hereunder in favour of the Vendor; and (d) the Purchaser shall acknowledge and confirm its continuing obligations in favour of the Vendor in an assignment and assumption agreement in form and substance satisfactory to the Vendor.

#### **14.8 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. 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.

#### **14.9 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.

#### **14.10 Time of the Essence**

Time is of the essence in this Agreement.

#### **14.11 Costs and Expenses**

Unless otherwise provided for in this Agreement, each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the Transaction. Notwithstanding any other provision of this Agreement, the Purchaser shall pay the cost of all surveys, title insurance policies and title reports ordered by the Purchaser.

#### **14.12 Entire Agreement**

This Agreement and the Confidentiality Agreement (the terms and conditions of which are incorporated by reference into this Agreement, and binding upon the Parties, as if such agreement were signed directly by the Parties) constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement or in the Confidentiality Agreement.

### 14.13 Notices

Any notice, direction or other communication given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or electronic mail and addressed:

- (a) in the case of the Vendor:

BDO Canada Limited  
#110, 5800 – 2nd Street SW  
Calgary, Alberta T2H 0H2

Attention: Marc Kelly  
Email: makelly@bdo.ca

With a copy to the Vendor's Solicitors:

Bennett Jones LLP  
4500, 855 - 2<sup>nd</sup> Avenue S.W.  
Calgary, AB T2P 4K7

Attention: Keely Cameron  
Email: Cameronk@bennettjones.com

- (b) In the case of the Purchaser

Ghost River Resources Inc.  
212 Stonegate Pl NW  
Airdrie, Alberta T4B 2P3

Attention: Sheldon Kasper – President & CEO  
Email: sheldonk@ghostriverresources.com

A notice is deemed to be given and received if: (i) sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day; or (ii) email, on the date of transmission if it is a Business Day and the transmission was made prior to 4:00 p.m. (local time in place of receipt), and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a notice in accordance with the foregoing. Any subsequent notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a notice will be assumed not to be changed. **Sending a copy of a notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice to that Party. The failure to send a copy of a notice to legal counsel does not invalidate delivery of that notice to a Party.**



**14.14 Enurement**

This Agreement shall be binding upon, and enure to the benefit of, the Parties and their respective successors and permitted assigns.

**14.15 Third Party Beneficiaries**

Except as otherwise provided for in this Agreement, each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns and, except as otherwise provided for in this Agreement, no Person, other than the Parties and their successors and permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum. The Purchaser acknowledges to the Vendor, the Debtor, their respective Affiliates and their respective Representatives their direct rights against the Purchaser under this Agreement. To the extent required by Applicable Law to give full effect to these direct rights, the Purchaser agrees and acknowledges that the Vendor is acting as agent and/or as trustee of its Representatives, its Affiliates and their respective Representatives and the Debtor, their respective Affiliates and their respective Representatives.

**14.16 Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

**14.17 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

**[THE BALANCE OF THIS PAGE INTENTIONALLY BLANK]**

**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**BDO CANADA LIMITED, SOLELY IN ITS CAPACITY AS THE RECEIVER AND MANAGER OF THE ASSETS, PROPERTY AND UNDERTAKING OF BOW RIVER ENERGY LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

Per:   
Name: Marc Kely  
Title: Senior Vice President

**GHOST RIVER RESOURCES INC.**

Per:   
Name: Sheldon Kasper  
Title: President & CEO

**SCHEDULE A**

**Assets Listing**

**LANDS**

| <b>Lands<br/>(Petroleum and<br/>Natural Gas Rights)</b>   | <b>Title Document</b>             | <b>Vendors Interest</b> | <b>Encumbrances</b>   |
|---|-----------------------------------|-------------------------|---|
| Twp 033 Rge 04 W4M:<br>NE/4 Sec 26<br><br>All PNG from Surface<br>to base<br>Mannville Group<br><br>64 hectares       | Crown PNG Lease No.<br>0405090381 | 100 %                   | Crown Sliding<br>Scale  |
| Twp 033 Rge 04 W4M:<br>Sec 34<br><br>All PNG from Surface<br>to base<br>Mannville Group<br><br>256 hectares           | Crown PNG Lease No.<br>0405020063 | 100 %                   | Crown Sliding<br>Scale  |
| Twp 040 Rge 03 W4M:<br>W/2 & Lsd 1, 2, 7, 10<br>& 15 Sec 24<br><br>PNG in the Sparky<br>Formation<br><br>208 hectares | Crown PNG Lease No.<br>24166A     | 100 %                   | Crown Sliding<br>Scale<br>+ 5% Gross<br>Overriding<br>Royalty pursuant<br>to a Royalty<br>Agreement dated<br>December 1, 1988 |

**WELLS**

| <b>UWI</b>                                     | <b>Licence No.</b> | <b>Vendor's Interest</b> |
|--|--------------------|--------------------------|
| 100/09-34-033-04W4/00<br>100/09-34-033-04W4/02 | 0337311            | 100%                     |

**FACILITIES**

|                | <b>Licence No.</b> | <b>Vendor's Interest</b> |
|----------------|--------------------|--------------------------|
| 09-34-033-04W4 | F39251             | 100%                     |

**PIPELINES**

**None**

**SCHEDULE B**

**Form of Approval and Vesting Order**

(attached)

CLERK'S STAMP

COURT FILE NUMBER 2001-13391

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT ORPHAN WELL ASSOCIATION

RESPONDENT BOW RIVER ENERGY LTD.

DOCUMENT **APPROVAL AND VESTING ORDER**  
**(Sale by Receiver of certain assets to Ghost River Resources Inc.)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855 – 2nd Street S.W.  
Calgary, Alberta T2P 4K7

Attention: Keely Cameron  
Telephone No.: 403-298-3324  
Fax No.: 403-265-7219  
Client File No.: 068775.0005

**DATE ON WHICH ORDER WAS PRONOUNCED:** December 13, 2021

**NAME OF JUDGE WHO MADE THIS ORDER:** Justice K.M. Horner

**LOCATION OF HEARING:** Calgary, Alberta

**UPON THE APPLICATION** of BDO Canada Limited, solely in its capacity as Court-appointed receiver and manager ("**Receiver**") of the current and future assets, undertakings and properties of the Respondent (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver and Ghost River Resources Inc. (the "**Purchaser**") dated November 26, 2021, (the "**Sale Agreement**") and appended to the Confidential Supplement dated December 6, 2021 (the "**Confidential Supplement**"), and vesting in the Purchaser (or its nominee) the Debtor's right, title and interest in and to the assets described in the Sale Agreement as the Assets (the "**Purchased Assets**") but excluding all of the Debtor's other assets and interests;

**AND UPON HAVING READ** the Receivership Order dated October 29, 2020 (the "**Receivership Order**"), the Third Report of the Receiver dated December 6, 2021, and the Confidential Supplement; **AND UPON** hearing counsel for the Receiver and any other interested parties that may be present; **AND UPON IT APPEARING** that all interested and affected parties have been served with notice of this Application; **AND UPON** having read the pleadings, proceedings, orders and other materials filed in this action;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

**APPROVAL OF TRANSACTION**

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

**VESTING OF PROPERTY**

3. Subject only to approval by the AER of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta), upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets listed at **Schedule "B"** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have

attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
- (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta);
- (d) any linear or non-linear municipal tax claims under the *Municipal Government Act*, or otherwise;
- (e) any outstanding amounts owing in respect of the AER Orphan Fund Levy and Administration Fees; and
- (f) those Claims listed in **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "D"** (collectively, "**Permitted Encumbrances**")).

For greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of Land Titles ("**Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:



- (i) cancel existing Certificates of Title for those lands and premises municipally or legally described as "Land Title Lands" in Schedule B (the "**Lands**");
  - (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee);
  - (iii) transfer to the New Certificate of Title the existing instruments listed in Schedule "D", to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule "D"; and
  - (iv) discharge and expunge the Encumbrances listed in Schedule "C" to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;
- (b) Alberta Energy ("**Energy Ministry**") shall and is hereby authorized, requested and directed to forthwith:
- (i) cancel and discharge those Claims including builders' liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Debtor in and to any of the Purchased Assets located in the Province of Alberta; and
  - (ii) transfer all Crown leases conveyed under the Sale Agreement standing in the name of the Debtor, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances; and
- (c) the Registrar of the Alberta Personal Property Registry shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial number goods.

5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims excluding Permitted Encumbrances.
6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement, other than any required approval by the AER referenced in paragraph 3 above.
7. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims excluding Permitted Encumbrances shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order or as against any Receiver's Charge outstanding pursuant to the Receivership Order.

9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

#### **MISCELLANEOUS MATTERS**

14. Notwithstanding:
  - (a) the pendency of these proceedings and any declaration of insolvency made herein;
  - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
  - (c) any assignment in bankruptcy made in respect of the Debtor; and

(d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

15. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
16. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
17. Service of this Order shall be deemed good and sufficient by:
  - (a) Serving the same on:
    - (i) the persons listed on the service list created in these proceedings;
    - (ii) any other person served with notice of the application for this Order;
    - (iii) any other parties attending or represented at the application for this Order;
    - (iv) the Purchaser or the Purchaser's solicitors; and
  - (b) Posting a copy of this Order on the Receiver's website, and service on any other person is hereby dispensed with.

18. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

---

Justice of the Court of Queen's  
Bench of Alberta

**Schedule "A"**

**FORM OF RECEIVER'S CERTIFICATE**

CLERK'S STAMP

|   |  |
|---|--|
| COURT FILE NUMBER   | 2001-13391   |
| COURT   | COURT OF QUEEN'S BENCH OF ALBERTA  |
| JUDICIAL CENTRE   | CALGARY  |
| APPLICANT   | ORPHAN WELL ASSOCIATION  |
| RESPONDENT  | BOW RIVER ENERGY LTD.  |
| DOCUMENT  | <b><u>RECEIVER'S CERTIFICATE</u></b>   |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | <b>BENNETT JONES LLP</b><br>Barristers and Solicitors<br>4500, 855 – 2nd Street S.W.<br>Calgary, Alberta T2P 4K7<br><br>Attention: Keely Cameron<br>Telephone No.: 403-298-3324<br>Fax No.: 403-265-7219<br>Client File No.: 068775.0005 |

**RECITALS**

- A. Pursuant to an Order of the Honourable Madam Justice D.L. Shelley of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**"), dated October 29, 2020, BDO Canada Limited was appointed as the Receiver (the "**Receiver**") of the undertaking, property and assets of Bow River Energy Ltd. ("**Bow River**").
- B. Pursuant to an Order of the Court dated ●, 2021 (the "**Vesting Order**"), the Court approved the Transaction (as defined in the Vesting Order) between the Receiver and Ghost River Resources Inc. (the "**Purchaser**") dated as of November 26, 2021 (the "**Sale Agreement**"), and provided for the vesting in the Purchaser of Bow River's right, title and interest in and to the Purchased Assets (as defined in the Vesting Order), which vesting is to be effective with respect to the Purchased

Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price (as defined in the Sale Agreement) for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price (as defined in the Sale Agreement) for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver to the Purchaser at [TIME] on [DATE].

**BDO CANADA LIMITED in its capacity as Receiver of the undertaking, property and assets of Bow River Energy Ltd., and not in its personal capacity.**

Per: \_\_\_\_\_

Name:

Title:

**Schedule "B"**

**List of Purchased Assets**

The Purchased Assets consist of the Assets (as defined in the Sale Agreement, and each subsequent capitalized term herein having the respective meaning as defined therein).

**Assets Listing**

**LANDS**

| <b>Lands<br/>(Petroleum and<br/>Natural Gas<br/>Rights)</b>   | <b>Title Document</b>                         | <b>Vendors<br/>Interest</b> | <b>Encumbrances</b>  |
|---|---|-----------------------------|--|
| <p>Twp 033 Rge 04<br/>W4M:<br/>NE/4 Sec 26</p> <p>All PNG from<br/>Surface to base<br/>Mannville Group</p> <p>64 hectares</p> | <p>Crown PNG Lease<br/>No.<br/>0405090381</p> | <p>100 %</p>                | <p>Crown Sliding<br/>Scale</p>   |
| <p>Twp 033 Rge 04<br/>W4M:<br/>Sec 34</p> <p>All PNG from<br/>Surface to base<br/>Mannville Group</p> <p>256 hectares</p>     | <p>Crown PNG Lease<br/>No.<br/>0405020063</p> | <p>100 %</p>                | <p>Crown Sliding<br/>Scale</p>   |
| <p>Twp 040 Rge 03<br/>W4M:<br/>W/2 &amp; Lsd 1, 2, 7,<br/>10 &amp; 15 Sec 24</p> <p>PNG in the Sparky<br/>Formation</p>       | <p>Crown PNG Lease<br/>No.<br/>24166A</p>     | <p>100 %</p>                | <p>Crown Sliding<br/>Scale<br/>+ 5% Gross<br/>Overriding<br/>Royalty<br/>pursuant to a<br/>Royalty</p> |



|              |  |  |                                  |
|--------------|--|--|----------------------------------|
| 208 hectares |  |  | Agreement dated December 1, 1988 |
|--------------|--|--|----------------------------------|

**WELLS**

| <b>UWI</b>                                     | <b>Licence No.</b> | <b>Vendor's Interest</b> |
|--|--------------------|--------------------------|
| 100/09-34-033-04W4/00<br>100/09-34-033-04W4/02 | 0337311            | 100%                     |

**FACILITIES**

|                | <b>Licence No.</b> | <b>Vendor's Interest</b> |
|----------------|--------------------|--------------------------|
| 09-34-033-04W4 | F39251             | 100%                     |

**PIPELINES**

**None**

**Schedule "C"**

**Claims**

## Schedule "D"

### Permitted Encumbrances

Permitted Encumbrances consist of the following (with capitalized terms having the definitions given to them in the Sale Agreement, unless otherwise defined in this Order):

- (i) all Encumbrances, including any overriding royalties, net profits interests and other burdens, which are provided for under the Title Documents;
- (ii) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, 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;
- (iii) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
- (iv) 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;
- (v) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;
- (vi) agreements for the sale, processing, transmission or transportation of Petroleum Substances entered into by the Debtor, or the Vendor for and on behalf of the Debtor, subsequent to the date of this Agreement, provided that such agreements can be terminated on less than 1 month's notice;
- (vii) any obligation of the Vendor or the Debtor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
- (viii) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;
- (ix) 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 the Vendor's or any Debtor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;

- (x) 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;
- (xi) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;
- (xii) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority; and
- (xiii) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's or any Debtor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof;

provided that in no circumstance shall any amounts owing by the Debtor to a Governmental Authority prior to the Closing Date in respect of taxes on linear or non linear property (as defined in the Municipal Government Act (Alberta)) be a Permitted Encumbrance.

## SCHEDULE C

### Form of General Conveyance, Assignment and Assumption Agreement

#### GENERAL CONVEYANCE, ASSIGNMENT, AND ASSUMPTION AGREEMENT

**THIS** General Conveyance, Assignment, and Assumption Agreement (this "**Agreement**") is made as of the [•] day of [•], [•].

#### AMONG:

**BDO CANADA LIMITED**, a corporation existing under the federal laws of Canada, solely in its capacity as the receiver and manager of the assets, property and undertaking of **BOW RIVER ENERGY LTD.**, and not in its personal or corporate capacity (herein referred to as the "**Vendor**")

- and -

**GHOST RIVER RESOURCES INC.**, a corporation existing under the laws of the Province of Alberta (the "**Purchaser**")

#### RECITALS:

- A. In accordance with the terms of that certain Asset Purchase and Sale Agreement dated as of ●, 2021, by and between the Vendor and the Purchaser (the "**Purchase Agreement**"), the Vendor has agreed to sell, assign, and transfer the Assets to the Purchaser and the Purchaser has agreed to purchase the Assets from the Vendor;
- B. the Purchaser has agreed to assume the Assumed Liabilities; and
- C. this Agreement is delivered pursuant to the Purchase Agreement.

**NOW THEREFORE**, for good and valuable consideration now paid by the Purchaser to the Vendor pursuant to the Purchase Agreement (the receipt and sufficiency of which is hereby acknowledged by the Vendor) the parties hereto agree as follows:

#### 1. Definitions

All capitalized terms used but not otherwise defined in this Agreement shall have the meaning ascribed to such terms in the Purchase Agreement.

#### 2. Certain Rules of Interpretation

- (i) In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (ii) The division of this Agreement into Sections and the inclusion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

- (iii) The terms "hereof," "hereunder," and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.
- (iv) Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections of this Agreement.
- (v) The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

### **3. Conveyance**

The Vendor hereby sells, transfers, assigns, conveys and delivers to the Purchaser, and the Purchaser hereby purchases, accepts and receives from the Vendor, upon the terms and subject to the conditions of the Purchase Agreement, the Vendor's Interest in and to the Assets, free and clear of any and all Encumbrances of any and every kind, nature, and description, other than Permitted Encumbrances, as applicable, with effect as of the Closing on the date hereof, to have and to hold the Assets and all such right, title, interest, property, claim, and demand unto and to the use of the Purchaser.

### **4. Assumption of Assumed Liabilities**

Effective as of the Closing on the date hereof, the Purchaser hereby assumes and agrees to pay, perform, and discharge, when due, the Assumed Liabilities.

### **5. Further Assurances**

Each of the Parties hereto from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

### **6. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.

### **7. Entire Agreement**

This Agreement, the Purchase Agreement, and the documents referred to therein and contemplated thereby constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement, the Purchase Agreement, the Confidentiality Agreement and the documents referred to therein and contemplated thereby.

**8. Successors and Assigns**

This Agreement shall be binding upon, and enure to the benefit of, the Parties and their respective successors and permitted assigns.

**9. Counterparts**

This Agreement may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one instrument. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

**10. Amendments**

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. Any amendment effected in accordance with this Section 10 will be binding upon the Parties and their respective successors and permitted assigns.

**11. Paramountcy**

This Agreement is delivered pursuant to, and is subject to, all of the terms and conditions contained in the Purchase Agreement. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Purchase Agreement, the provisions of the Purchase Agreement shall prevail.

**12. Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

**[Signature Page Follows.]**

**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**BDO CANADA LIMITED, SOLELY IN ITS CAPACITY AS THE RECEIVER AND MANAGER OF THE ASSETS, PROPERTY AND UNDERTAKING OF BOW RIVER ENERGY LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

Per: \_\_\_\_\_  
Name:  
Title:

**GHOST RIVER RESOURCES INC.**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:



## SCHEDULE D

### Form of Bring-Down Certificate

**TO:** [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")]

**RE:** Agreement of Purchase and Sale dated [●] between the Vendor and the 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:

1. The undersigned is personally familiar, in [his][her] capacity as an officer of [Vendor][Purchaser], with the matters hereinafter mentioned.
2. Each of the covenants, representations and warranties of the [Vendor][Purchaser] contained in Section [5.1 / 5.2] of the Agreement were true and correct in all material respects when made and are true and correct in all material respects as of the Closing Date.
3. 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.
4. 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.
5. 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 \_\_\_\_\_, [●].

[Name of Vendor/Purchaser]

Per: \_\_\_\_\_  
Name:  
Title:

## **SCHEDULE E**

### **Excluded Assets**

#### Part 1 – Excluded Assets

##### **Wells**

All of Vendors wells, except 100/09-34-033-04W4/00 (License 0337311)

##### **Facilities**

All of Vendors facilities, except 09-34-033-04W4 (F39251)

##### **Pipelines**

All of Vendors pipelines.

#### Part 2 – Surplus Equipment

None

# APPENDIX “E”

CLERK'S STAMP

COURT FILE NUMBER 2001-13391  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
APPLICANT ORPHAN WELL ASSOCIATION  
RESPONDENT BOW RIVER ENERGY LTD.  
DOCUMENT **ORDER FOR LIMITED DISCHARGE OF RECEIVER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

**BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855 – 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 4K7  
Attention: Keely Cameron  
Telephone No.: 403-298-3324  
Fax No.: 403-265-7219  
Client File No.: 68775.3

**DATE ON WHICH ORDER WAS PRONOUNCED:**

December 13, 2021

**LOCATION WHERE ORDER WAS PRONOUNCED:**

Calgary, Alberta

**NAME OF JUSTICE WHO MADE THIS ORDER:**

The Honourable K. M. Horner

**UPON THE APPLICATION** of BDO Canada Limited, in its capacity as the Court-appointed receiver (the "**Receiver**" or "**BDO**") of Bow River Energy Ltd. ("**Bow River**"); **AND UPON** having read the Receiver's Third Report dated December 6, 2021 (the "**Third Report**");

**AND UPON** having read the Supplement to the Third Report dated December 6, 2021 (the "**Third Supplement**"); **AND UPON** hearing counsel for the Receiver and counsel for other interested parties; **AND UPON** being satisfied that it is appropriate to do so, **IT IS ORDERED THAT**:

#### **DEFINITIONS**

1. All capitalized terms used but not defined herein shall bear their meanings as defined in the Third Report and Third Supplement.

#### **SERVICE**

2. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this application.

#### **LIMITED DISCHARGE OF RECEIVER**

3. The limited discharge of the Receiver from and over the assets set out in Schedule :A: to this Order, consisting of approximately (i) 262 wells, 217 pipelines and 28 facilities licensed to the Debtor and remaining with the estate which are not subject to a sale, and (ii) the non-operated working interest of the Debtor in approximately 175 wells (the "**Remaining Alberta Assets**"), is hereby approved, which limited discharge shall take effect in accordance with paragraph 5 hereof.
4. On the evidence before the Court, the Receiver has satisfied the obligations under and pursuant to the terms of the Orders granted in the within proceedings up to and including the date hereof with respect to the Remaining Alberta Assets, and the Receiver shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any fraud, gross negligence or willful misconduct on the part of the Receiver, or with leave of the Court. Subject to the foregoing, any claims against the Receiver in connection with the performance of its duties for the Remaining Alberta Assets are hereby stayed, extinguished and forever barred.
5. Paragraph 3 of this Order shall take effect at 11:59 p.m. Mountain Time on the date of delivery by the Receiver to the Alberta Energy Regulator of a Receiver's certificate

substantially in the form set out in Schedule "B" hereto (the "**Receiver's Certificate**"), with respect only to those specific licenses or non-operating working interests included within the Remaining Alberta Assets that are listed in each such Receiver's Certificate (the "**Discharged Properties**").

6. For certainty, the Receiver is authorized to effect the limited discharge from and over the Remaining Alberta Assets in several tranche(s) and is authorized to file a Receiver's Certificate for each tranche of Discharged Properties.

#### **MISCELLANEOUS**

7. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by Facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
8. Service of this Order on any party not attending this application is hereby dispensed with.

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J.C.Q.B.A.

**Schedule "A"**

**Remaining Alberta Assets**

# WELL LICENCES



**Well Licenses Held by Bow River**

| <b>Operator</b>       | <b>Licence #</b> | <b>UWI</b>            | <b>Surface Location</b> |          | <b>Bow River W1%</b> | <b>Status</b>   |
|-----------------------|------------------|-----------------------|-------------------------|----------|----------------------|-----------------|
| BOW RIVER ENERGY LTD. | 0395781          | 103/10-19-062-01W4/00 | 10-19-062-01W4M         | Operated | 100.0%               | ABD Zn OIL      |
| BOW RIVER ENERGY LTD. | 0126747          | 100/01-24-040-03W4/00 | 01-24-040-03W4M         | Operated | 100.0%               | ABD WTR Inj     |
| BOW RIVER ENERGY LTD. | 0123823          | 100/02-24-040-03W4/00 | 02-24-040-03W4M         | Operated | 100.0%               | Susp WTR Inj    |
| BOW RIVER ENERGY LTD. | 0139582          | 1A0/03-24-040-03W4/00 | 03-24-040-03W4M         | Operated | 100.0%               | ABD OIL         |
| BOW RIVER ENERGY LTD. | 0136241          | 100/04-24-040-03W4/00 | 04-24-040-03W4M         | Operated | 100.0%               | ABD OIL         |
| BOW RIVER ENERGY LTD. | 0142342          | 102/04-24-040-03W4/00 | 04-24-040-03W4M         | Operated | 100.0%               | ABD Zn WTR Inj  |
| BOW RIVER ENERGY LTD. | 0127616          | 100/05-24-040-03W4/00 | 06-24-040-03W4M         | Operated | 100.0%               | ABD WTR Inj     |
| BOW RIVER ENERGY LTD. | 0139150          | 102/05-24-040-03W4/00 | 12-24-040-03W4M         | Operated | 100.0%               | Susp OIL        |
| BOW RIVER ENERGY LTD. | 0143498          | 102/06-24-040-03W4/00 | 06-24-040-03W4M         | Operated | 100.0%               | ABD OIL         |
| BOW RIVER ENERGY LTD. | 0155484          | 1C0/06-24-040-03W4/00 | 06-24-040-03W4M         | Operated | 100.0%               | Susp OIL        |
| BOW RIVER ENERGY LTD. | 0126773          | 100/07-24-040-03W4/00 | 07-24-040-03W4M         | Operated | 100.0%               | ABD OIL         |
| BOW RIVER ENERGY LTD. | 0155205          | 102/07-24-040-03W4/00 | 07-24-040-03W4M         | Operated | 100.0%               | ABD OIL         |
| BOW RIVER ENERGY LTD. | 0187927          | 1C0/07-24-040-03W4/00 | 07-24-040-03W4M         | Operated | 100.0%               | ABD Zn WTR Disp |
| BOW RIVER ENERGY LTD. | 0155711          | 102/10-24-040-03W4/00 | 07-24-040-03W4M         | Operated | 100.0%               | Susp OIL        |
| BOW RIVER ENERGY LTD. | 0155275          | 102/11-24-040-03W4/00 | 11-24-040-03W4M         | Operated | 100.0%               | ABD OIL         |
| BOW RIVER ENERGY LTD. | 0139364          | 1F1/12-24-040-03W4/00 | 12-24-040-03W4M         | Operated | 100.0%               | ABD WTR Src     |
| BOW RIVER ENERGY LTD. | 0142169          | 1A0/14-24-040-03W4/00 | 14-24-040-03W4M         | Operated | 100.0%               | ABD OIL         |
| BOW RIVER ENERGY LTD. | 0187742          | 1C0/14-24-040-03W4/00 | 14-24-040-03W4M         | Operated | 100.0%               | Drld & ABD      |
| BOW RIVER ENERGY LTD. | 0086738          | 100/04-25-040-03W4/00 | 04-25-040-03W4M         | Operated | 100.0%               | ABD Zn OIL      |
| BOW RIVER ENERGY LTD. | 0233128          | 103/04-25-040-03W4/00 | 04-25-040-03W4M         | Operated | 100.0%               | ABD Zn OIL      |
| BOW RIVER ENERGY LTD. | 0146501          | 1B0/05-25-040-03W4/00 | 05-25-040-03W4M         | Operated | 100.0%               | ABD Zn OIL      |
| BOW RIVER ENERGY LTD. | 0313176          | 100/10-21-032-08W4/00 | 10-21-032-08W4M         | Operated | 50.0%                | ABD Zn          |
| BOW RIVER ENERGY LTD. | 0367921          | 100/13-17-035-01W4/00 | 13-17-035-01W4M         | Operated | 100.0%               | Cased           |
| BOW RIVER ENERGY LTD. | 0358792          | 103/16-18-035-01W4/00 | 16-18-035-01W4M         | Operated | 100.0%               | ABD Zn          |
| BOW RIVER ENERGY LTD. | 0360772          | 100/01-26-033-04W4/00 | 01-26-033-04W4M         | Operated | 100.0%               | ABD Zn          |
| BOW RIVER ENERGY LTD. | 0396246          | 100/14-06-040-04W4/00 | 14-06-040-04W4M         | Operated | 75.0%                | ABD GAS         |
| BOW RIVER ENERGY LTD. | 0191588          | 100/15-30-033-05W4/00 | 15-30-033-05W4M         | Operated | 63.2%                | ABD GAS         |
| BOW RIVER ENERGY LTD. | 0218650          | 100/12-03-045-05W4/00 | 12-03-045-05W4M         | Operated | 41.7%                | Drld & ABD      |
| BOW RIVER ENERGY LTD. | 0294854          | 100/03-22-045-05W4/00 | 03-22-045-05W4M         | Operated | 100.0%               | ABD Zn GAS      |
| BOW RIVER ENERGY LTD. | 0380649          | 100/02-32-032-06W4/00 | 02-32-032-06W4M         | Operated | 100.0%               | ABD GAS         |
| BOW RIVER ENERGY LTD. | 0300256          | 100/15-33-032-06W4/00 | 15-33-032-06W4M         | Operated | 100.0%               | Cased           |
| BOW RIVER ENERGY LTD. | 0206767          | 100/07-25-033-06W4/00 | 07-25-033-06W4M         | Operated | 60.0%                | ABD GAS         |
| BOW RIVER ENERGY LTD. | 0336378          | 100/14-25-033-06W4/00 | 14-25-033-06W4M         | Operated | 60.0%                | Drld & ABD      |
| BOW RIVER ENERGY LTD. | 0207374          | 100/06-35-033-06W4/00 | 06-35-033-06W4M         | Operated | 96.0%                | ABD GAS         |

**Well Licenses Held by Bow River**

| <b>Operator</b>       | <b>Licence #</b> | <b>UWI</b>            | <b>Surface Location</b> |          | <b>Bow River WI%</b> | <b>Status</b> |
|-----------------------|------------------|-----------------------|-------------------------|----------|----------------------|---------------|
| BOW RIVER ENERGY LTD. | 0336361          | 100/07-35-033-06W4/00 | 07-35-033-06W4M         | Operated | 100.0%               | ABD GAS       |
| BOW RIVER ENERGY LTD. | 0199447          | 100/12-01-034-06W4/00 | 12-01-034-06W4M         | Operated | 100.0%               | Susp GAS      |
| BOW RIVER ENERGY LTD. | 0325600          | 100/15-15-033-07W4/00 | 15-15-033-07W4M         | Operated | 100.0%               | ABD Zn        |
| BOW RIVER ENERGY LTD. | 0379302          | 100/16-28-033-09W4/00 | 16-28-033-09W4M         | Operated | 100.0%               | ABD Zn GAS    |
| BOW RIVER ENERGY LTD. | 0365066          | 100/10-22-033-10W4/00 | 10-22-033-10W4M         | Operated | 100.0%               | ABD Zn        |
| BOW RIVER ENERGY LTD. | 0365965          | 100/13-06-035-11W4/00 | 13-06-035-11W4M         | Operated | 100.0%               | ABD Zn        |
| BOW RIVER ENERGY LTD. | 0365847          | 100/09-29-044-11W4/00 | 09-29-044-11W4M         | Operated | 100.0%               | ABD Zn        |
| BOW RIVER ENERGY LTD. | 0356896          | 100/14-30-044-11W4/00 | 14-30-044-11W4M         | Operated | 100.0%               | ABD Zn GAS    |
| BOW RIVER ENERGY LTD. | 0073034          | 100/06-13-039-10W4/00 | 06-13-039-10W4M         | Operated | 42.5%                | ABD GAS       |
| BOW RIVER ENERGY LTD. | 0217769          | 100/08-27-034-05W4/00 | 08-27-034-05W4M         | Operated | 100.0%               | Susp GAS      |
| BOW RIVER ENERGY LTD. | 0287884          | 100/16-34-040-07W4/00 | 16-34-040-07W4M         | Operated | 58.7%                | Susp GAS      |
| BOW RIVER ENERGY LTD. | 0335285          | 100/13-03-033-09W4/00 | 13-03-033-09W4M         | Operated | 100.0%               | Flow GAS      |
| BOW RIVER ENERGY LTD. | 0338202          | 100/11-04-033-09W4/00 | 11-04-033-09W4M         | Operated | 100.0%               | Susp GAS      |
| BOW RIVER ENERGY LTD. | 0340675          | 100/02-10-032-06W4/00 | 02-10-032-06W4M         | Operated | 100.0%               | Susp GAS      |
| BOW RIVER ENERGY LTD. | 0365543          | 100/01-09-032-06W4/00 | 01-09-032-06W4M         | Operated | 100.0%               | Flow GAS      |
| BOW RIVER ENERGY LTD. | 0375492          | 102/02-28-033-09W4/00 | 02-28-033-09W4M         | Operated | 100.0%               | Susp GAS      |
| BOW RIVER ENERGY LTD. | 0095445          | 100/16-14-038-01W4/00 | 16-14-038-01W4M         | Operated | 44.8%                | ABD GAS       |
| BOW RIVER ENERGY LTD. | 0159022          | 100/06-34-038-01W4/00 | 06-34-038-01W4M         | Operated | 100.0%               | ABD Zn GAS    |
| BOW RIVER ENERGY LTD. | 0099127          | 100/10-01-039-01W4/00 | 10-01-039-01W4M         | Operated | 93.2%                | ABD Zn OIL    |
| BOW RIVER ENERGY LTD. | 0089876          | 100/01-04-040-01W4/00 | 01-04-040-01W4M         | Operated | 100.0%               | ABD OIL       |
| BOW RIVER ENERGY LTD. | 0363756          | 100/01-12-040-01W4/00 | 02-12-040-01W4M         | Operated | 95.0%                | ABD Zn        |
| BOW RIVER ENERGY LTD. | 0359892          | 100/13-25-034-02W4/00 | 13-25-034-02W4M         | Operated | 100.0%               | Drld & ABD    |
| BOW RIVER ENERGY LTD. | 0154569          | 100/06-02-040-02W4/00 | 06-02-040-02W4M         | Operated | 100.0%               | ABD Zn OIL    |
| BOW RIVER ENERGY LTD. | 0242920          | 100/10-02-040-02W4/00 | 07-02-040-02W4M         | Operated | 100.0%               | ABD OIL       |
| BOW RIVER ENERGY LTD. | 0135749          | 1B0/15-10-040-02W4/00 | 15-10-040-02W4M         | Operated | 50.0%                | ABD OIL       |
| BOW RIVER ENERGY LTD. | 0238685          | 100/01-09-043-02W4/00 | 01-09-043-02W4M         | Operated | 100.0%               | ABD OIL       |
| BOW RIVER ENERGY LTD. | 0242937          | 104/01-09-043-02W4/00 | 01-09-043-02W4M         | Operated | 100.0%               | ABD OIL       |
| BOW RIVER ENERGY LTD. | 0351426          | 102/06-22-043-02W4/00 | 07-22-043-02W4M         | Operated | 100.0%               | Drld & ABD    |
| BOW RIVER ENERGY LTD. | 0320817          | 100/09-03-041-07W4/00 | 09-03-041-07W4M         | Operated | 100.0%               | ABD Zn        |
| BOW RIVER ENERGY LTD. | 0317895          | 102/10-02-041-08W4/00 | 10-02-041-08W4M         | Operated | 100.0%               | ABD Zn        |
| BOW RIVER ENERGY LTD. | 0368147          | 102/16-18-035-01W4/00 | 16-18-035-01W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0368450          | 100/05-32-038-01W4/00 | 05-32-038-01W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0335320          | 100/06-32-038-01W4/00 | 06-32-038-01W4M         | Operated | 100.0%               | ABD Zn OIL    |
| BOW RIVER ENERGY LTD. | 0335346          | 100/11-32-038-01W4/00 | 11-32-038-01W4M         | Operated | 100.0%               | Susp OIL      |

**Well Licenses Held by Bow River**

| <b>Operator</b>       | <b>Licence #</b> | <b>UWI</b>            | <b>Surface Location</b> |          | <b>Bow River W1%</b> | <b>Status</b> |
|-----------------------|------------------|-----------------------|-------------------------|----------|----------------------|---------------|
| BOW RIVER ENERGY LTD. | 0364945          | 102/11-32-038-01W4/00 | 11-32-038-01W4M         | Operated | 100.0%               | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0364944          | 100/12-32-038-01W4/00 | 12-32-038-01W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0337892          | 102/14-32-038-01W4/00 | 14-32-038-01W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0364943          | 103/14-32-038-01W4/00 | 14-32-038-01W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0365104          | 104/14-32-038-01W4/00 | 11-32-038-01W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0315371          | 100/15-32-038-01W4/00 | 15-32-038-01W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0336081          | 102/15-32-038-01W4/00 | 15-32-038-01W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0365638          | 103/15-32-038-01W4/00 | 15-32-038-01W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0365664          | 104/15-32-038-01W4/00 | 15-32-038-01W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0397562          | 100/16-32-038-01W4/00 | 16-32-038-01W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0262737          | 102/02-34-040-07W4/00 | 02-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0325920          | 104/02-34-040-07W4/00 | 02-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0362879          | 106/02-34-040-07W4/00 | 02-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0262738          | 102/03-34-040-07W4/00 | 03-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0333950          | 105/03-34-040-07W4/00 | 03-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0334054          | 106/03-34-040-07W4/00 | 03-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0334059          | 107/03-34-040-07W4/00 | 03-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0342871          | 108/03-34-040-07W4/00 | 02-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0342872          | 109/03-34-040-07W4/00 | 02-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0346218          | 110/03-34-040-07W4/00 | 03-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0146088          | 1B0/03-34-040-07W4/00 | 03-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0146094          | 1C0/03-34-040-07W4/00 | 03-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0189552          | 1D3/03-34-040-07W4/00 | 06-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0146095          | 1D0/04-34-040-07W4/00 | 03-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0118765          | 102/05-34-040-07W4/00 | 05-34-040-07W4M         | Operated | 58.7%                | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0145194          | 1D2/05-34-040-07W4/00 | 05-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0128639          | 103/06-34-040-07W4/00 | 06-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0189425          | 1A0/06-34-040-07W4/00 | 06-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0189477          | 1C0/06-34-040-07W4/00 | 06-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0132607          | 1D0/06-34-040-07W4/00 | 06-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0375746          | 104/07-34-040-07W4/00 | 07-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0375711          | 104/10-34-040-07W4/00 | 11-34-040-07W4M         | Operated | 58.7%                | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0305125          | 110/11-34-040-07W4/00 | 12-34-040-07W4M         | Operated | 58.7%                | Act Drn       |
| BOW RIVER ENERGY LTD. | 0315495          | 113/11-34-040-07W4/00 | 11-34-040-07W4M         | Operated | 58.7%                | Pump OIL      |

**Well Licenses Held by Bow River**

| <b>Operator</b>       | <b>Licence #</b> | <b>UWI</b>            | <b>Surface Location</b> |          | <b>Bow River W1%</b> | <b>Status</b>   |
|-----------------------|------------------|-----------------------|-------------------------|----------|----------------------|-----------------|
| BOW RIVER ENERGY LTD. | 0307090          | 114/11-34-040-07W4/00 | 11-34-040-07W4M         | Operated | 58.7%                | Act Drn         |
| BOW RIVER ENERGY LTD. | 0304897          | 118/11-34-040-07W4/00 | 06-34-040-07W4M         | Operated | 58.7%                | Susp OIL        |
| BOW RIVER ENERGY LTD. | 0271121          | 105/12-34-040-07W4/00 | 12-34-040-07W4M         | Operated | 58.7%                | Pump OIL        |
| BOW RIVER ENERGY LTD. | 0284564          | 106/12-34-040-07W4/00 | 11-34-040-07W4M         | Operated | 58.7%                | Pump OIL        |
| BOW RIVER ENERGY LTD. | 0305951          | 111/12-34-040-07W4/00 | 05-34-040-07W4M         | Operated | 58.7%                | Pump OIL        |
| BOW RIVER ENERGY LTD. | 0378056          | 114/12-34-040-07W4/00 | 12-34-040-07W4M         | Operated | 58.7%                | Pump OIL        |
| BOW RIVER ENERGY LTD. | 0377454          | 100/13-34-040-07W4/00 | 13-34-040-07W4M         | Operated | 58.7%                | ABD Zn WTR Disp |
| BOW RIVER ENERGY LTD. | 0377665          | 100/05-04-041-07W4/00 | 05-04-041-07W4M         | Operated | 100.0%               | Drld & ABD      |
| BOW RIVER ENERGY LTD. | 0202684          | 105/03-18-041-03W4/00 | 03-18-041-03W4M         | Operated | 100.0%               | ABD Zn WTR Inj  |
| BOW RIVER ENERGY LTD. | 0202575          | 104/06-18-041-03W4/00 | 06-18-041-03W4M         | Operated | 100.0%               | Pump OIL        |
| BOW RIVER ENERGY LTD. | 0200578          | 100/11-18-041-03W4/00 | 05-18-041-03W4M         | Operated | 100.0%               | ABD OIL         |
| BOW RIVER ENERGY LTD. | 0201179          | 102/12-18-041-03W4/00 | 05-18-041-03W4M         | Operated | 100.0%               | ABD OIL         |
| BOW RIVER ENERGY LTD. | 0204436          | 106/12-18-041-03W4/00 | 12-18-041-03W4M         | Operated | 100.0%               | Drld & ABD      |
| BOW RIVER ENERGY LTD. | 0187213          | 100/16-02-042-03W4/00 | 16-02-042-03W4M         | Operated | 100.0%               | Cased           |
| BOW RIVER ENERGY LTD. | 0329012          | 100/07-09-042-03W4/00 | 07-09-042-03W4M         | Operated | 100.0%               | ABD Zn          |
| BOW RIVER ENERGY LTD. | 0328977          | 100/03-10-042-03W4/00 | 03-10-042-03W4M         | Operated | 100.0%               | ABD Zn          |
| BOW RIVER ENERGY LTD. | 0365172          | 100/04-11-042-03W4/00 | 04-11-042-03W4M         | Operated | 100.0%               | Cased           |
| BOW RIVER ENERGY LTD. | 0209978          | 102/05-32-039-04W4/00 | 05-32-039-04W4M         | Operated | 100.0%               | ABD Zn          |
| BOW RIVER ENERGY LTD. | 0315565          | 103/02-36-040-04W4/00 | 02-36-040-04W4M         | Operated | 100.0%               | Flow GAS        |
| BOW RIVER ENERGY LTD. | 0397022          | 100/13-01-041-04W4/00 | 13-01-041-04W4M         | Operated | 100.0%               | ABD GAS         |
| BOW RIVER ENERGY LTD. | 0417065          | 100/04-02-041-04W4/00 | 03-02-041-04W4M         | Operated | 100.0%               | Susp OIL        |
| BOW RIVER ENERGY LTD. | 0204358          | 100/14-11-041-04W4/00 | 15-11-041-04W4M         | Operated | 100.0%               | ABD Zn OIL      |
| BOW RIVER ENERGY LTD. | 0363672          | 100/03-14-041-04W4/00 | 02-14-041-04W4M         | Operated | 100.0%               | ABD Zn GAS      |
| BOW RIVER ENERGY LTD. | 0211629          | 100/12-14-041-04W4/00 | 12-14-041-04W4M         | Operated | 100.0%               | ABD Zn OIL      |
| BOW RIVER ENERGY LTD. | 0212122          | 100/01-15-041-04W4/00 | 01-15-041-04W4M         | Operated | 100.0%               | ABD GAS         |
| BOW RIVER ENERGY LTD. | 0375379          | 100/09-15-041-04W4/00 | 16-15-041-04W4M         | Operated | 100.0%               | Susp OIL        |
| BOW RIVER ENERGY LTD. | 0233466          | 100/11-15-041-04W4/00 | 11-15-041-04W4M         | Operated | 100.0%               | Susp OIL        |
| BOW RIVER ENERGY LTD. | 0205141          | 102/13-15-041-04W4/00 | 13-15-041-04W4M         | Operated | 100.0%               | ABD OIL         |
| BOW RIVER ENERGY LTD. | 0211656          | 102/16-15-041-04W4/00 | 16-15-041-04W4M         | Operated | 100.0%               | ABD OIL         |
| BOW RIVER ENERGY LTD. | 0363686          | 103/16-15-041-04W4/00 | 16-15-041-04W4M         | Operated | 100.0%               | Susp OIL        |
| BOW RIVER ENERGY LTD. | 0188702          | 100/10-19-041-04W4/00 | 10-19-041-04W4M         | Operated | 100.0%               | ABD Zn WTR Src  |
| BOW RIVER ENERGY LTD. | 0201951          | 100/11-19-041-04W4/00 | 10-19-041-04W4M         | Operated | 100.0%               | ABD OIL         |
| BOW RIVER ENERGY LTD. | 0183339          | 103/09-20-041-04W4/00 | 09-20-041-04W4M         | Operated | 100.0%               | Pump OIL        |
| BOW RIVER ENERGY LTD. | 0190104          | 103/12-20-041-04W4/00 | 12-20-041-04W4M         | Operated | 100.0%               | ABD Zn WTR Src  |

**Well Licenses Held by Bow River**

| <b>Operator</b>       | <b>Licence #</b> | <b>UWI</b>            | <b>Surface Location</b> |          | <b>Bow River Wl%</b> | <b>Status</b> |
|-----------------------|------------------|-----------------------|-------------------------|----------|----------------------|---------------|
| BOW RIVER ENERGY LTD. | 0190106          | 104/12-20-041-04W4/00 | 12-20-041-04W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0190087          | 105/12-20-041-04W4/00 | 12-20-041-04W4M         | Operated | 100.0%               | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0206696          | 108/12-20-041-04W4/00 | 12-20-041-04W4M         | Operated | 100.0%               | Susp WTR Src  |
| BOW RIVER ENERGY LTD. | 0186072          | 105/16-20-041-04W4/00 | 15-20-041-04W4M         | Operated | 100.0%               | ABD Zn OIL    |
| BOW RIVER ENERGY LTD. | 0181356          | 102/05-21-041-04W4/00 | 05-21-041-04W4M         | Operated | 100.0%               | Act WTR Inj   |
| BOW RIVER ENERGY LTD. | 0180207          | 102/06-21-041-04W4/00 | 11-21-041-04W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0174327          | 100/07-21-041-04W4/00 | 07-21-041-04W4M         | Operated | 100.0%               | ABD WTR Inj   |
| BOW RIVER ENERGY LTD. | 0187682          | 105/07-21-041-04W4/00 | 07-21-041-04W4M         | Operated | 100.0%               | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0374540          | 107/07-21-041-04W4/00 | 07-21-041-04W4M         | Operated | 100.0%               | Act WTR Inj   |
| BOW RIVER ENERGY LTD. | 0181049          | 100/08-21-041-04W4/00 | 08-21-041-04W4M         | Operated | 100.0%               | Drld & ABD    |
| BOW RIVER ENERGY LTD. | 0186043          | 103/10-21-041-04W4/00 | 10-21-041-04W4M         | Operated | 100.0%               | ABD OIL       |
| BOW RIVER ENERGY LTD. | 0180982          | 103/11-21-041-04W4/00 | 11-21-041-04W4M         | Operated | 100.0%               | ABD OIL       |
| BOW RIVER ENERGY LTD. | 0182552          | 106/11-21-041-04W4/00 | 11-21-041-04W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0181050          | 102/12-21-041-04W4/00 | 13-21-041-04W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0181852          | 103/12-21-041-04W4/00 | 11-21-041-04W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0183053          | 105/12-21-041-04W4/00 | 12-21-041-04W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0191384          | 107/12-21-041-04W4/00 | 12-21-041-04W4M         | Operated | 100.0%               | ABD OIL       |
| BOW RIVER ENERGY LTD. | 0174280          | 100/13-21-041-04W4/00 | 14-21-041-04W4M         | Operated | 100.0%               | ABD OIL       |
| BOW RIVER ENERGY LTD. | 0180190          | 103/13-21-041-04W4/00 | 13-21-041-04W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0182254          | 104/13-21-041-04W4/00 | 13-21-041-04W4M         | Operated | 100.0%               | ABD OIL       |
| BOW RIVER ENERGY LTD. | 0208644          | 107/13-21-041-04W4/00 | 13-21-041-04W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0193185          | 102/15-21-041-04W4/00 | 15-21-041-04W4M         | Operated | 100.0%               | ABD           |
| BOW RIVER ENERGY LTD. | 0180195          | 102/01-22-041-04W4/00 | 01-22-041-04W4M         | Operated | 100.0%               | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0182438          | 103/02-22-041-04W4/00 | 02-22-041-04W4M         | Operated | 100.0%               | Drld & ABD    |
| BOW RIVER ENERGY LTD. | 0188859          | 100/03-22-041-04W4/00 | 05-22-041-04W4M         | Operated | 100.0%               | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0191287          | 102/05-22-041-04W4/00 | 05-22-041-04W4M         | Operated | 100.0%               | ABD OIL       |
| BOW RIVER ENERGY LTD. | 0201884          | 104/05-22-041-04W4/00 | 05-22-041-04W4M         | Operated | 100.0%               | ABD Zn OIL    |
| BOW RIVER ENERGY LTD. | 0172968          | 100/11-22-041-04W4/00 | 11-22-041-04W4M         | Operated | 100.0%               | Drld & ABD    |
| BOW RIVER ENERGY LTD. | 0192838          | 103/12-22-041-04W4/00 | 12-22-041-04W4M         | Operated | 100.0%               | ABD Zn OIL    |
| BOW RIVER ENERGY LTD. | 0164463          | 100/04-23-041-04W4/00 | 04-23-041-04W4M         | Operated | 100.0%               | ABD Zn OIL    |
| BOW RIVER ENERGY LTD. | 0180189          | 102/04-23-041-04W4/00 | 04-23-041-04W4M         | Operated | 100.0%               | Act WTR Inj   |
| BOW RIVER ENERGY LTD. | 0174819          | 100/08-23-041-04W4/00 | 10-23-041-04W4M         | Operated | 100.0%               | Drld & ABD    |
| BOW RIVER ENERGY LTD. | 0190026          | 102/08-23-041-04W4/00 | 08-23-041-04W4M         | Operated | 100.0%               | ABD GAS       |
| BOW RIVER ENERGY LTD. | 0181968          | 102/09-23-041-04W4/00 | 09-23-041-04W4M         | Operated | 100.0%               | Susp GAS      |

**Well Licenses Held by Bow River**

| <b>Operator</b>       | <b>Licence #</b> | <b>UWI</b>            | <b>Surface Location</b> |          | <b>Bow River WI%</b> | <b>Status</b> |
|-----------------------|------------------|-----------------------|-------------------------|----------|----------------------|---------------|
| BOW RIVER ENERGY LTD. | 0375237          | 103/09-23-041-04W4/00 | 09-23-041-04W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0177080          | 102/12-23-041-04W4/00 | 12-23-041-04W4M         | Operated | 100.0%               | ABD Zn OIL    |
| BOW RIVER ENERGY LTD. | 0124650          | 100/14-23-042-04W4/00 | 14-23-042-04W4M         | Operated | 100.0%               | ABD Zn GAS    |
| BOW RIVER ENERGY LTD. | 0148152          | 100/10-34-039-05W4/00 | 10-34-039-05W4M         | Operated | 100.0%               | Drld & ABD    |
| BOW RIVER ENERGY LTD. | 0341566          | 100/16-34-040-05W4/00 | 09-34-040-05W4M         | Operated | 100.0%               | ABD GAS       |
| BOW RIVER ENERGY LTD. | 0334794          | 100/15-35-040-05W4/00 | 16-35-040-05W4M         | Operated | 100.0%               | Susp GAS      |
| BOW RIVER ENERGY LTD. | 0324798          | 100/10-36-040-05W4/00 | 10-36-040-05W4M         | Operated | 100.0%               | ABD Zn        |
| BOW RIVER ENERGY LTD. | 0307946          | 100/10-02-041-05W4/00 | 10-02-041-05W4M         | Operated | 100.0%               | Susp GAS      |
| BOW RIVER ENERGY LTD. | 0334374          | 100/16-02-041-05W4/00 | 16-02-041-05W4M         | Operated | 100.0%               | Susp GAS      |
| BOW RIVER ENERGY LTD. | 0337628          | 100/08-03-041-05W4/00 | 07-03-041-05W4M         | Operated | 100.0%               | ABD GAS       |
| BOW RIVER ENERGY LTD. | 0324956          | 100/15-03-041-05W4/00 | 02-10-041-05W4M         | Operated | 100.0%               | ABD OIL       |
| BOW RIVER ENERGY LTD. | 0342846          | 100/09-09-041-05W4/00 | 07-09-041-05W4M         | Operated | 100.0%               | Flow GAS      |
| BOW RIVER ENERGY LTD. | 0307925          | 100/08-10-041-05W4/00 | 08-10-041-05W4M         | Operated | 100.0%               | Susp GAS      |
| BOW RIVER ENERGY LTD. | 0336731          | 102/08-10-041-05W4/00 | 08-10-041-05W4M         | Operated | 100.0%               | ABD Zn GAS    |
| BOW RIVER ENERGY LTD. | 0336717          | 100/10-10-041-05W4/00 | 10-10-041-05W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0339483          | 100/11-10-041-05W4/00 | 11-10-041-05W4M         | Operated | 100.0%               | Drld & ABD    |
| BOW RIVER ENERGY LTD. | 0334355          | 102/07-11-041-05W4/00 | 06-11-041-05W4M         | Operated | 100.0%               | Cased         |
| BOW RIVER ENERGY LTD. | 0332852          | 100/09-11-041-05W4/00 | 09-11-041-05W4M         | Operated | 100.0%               | Flow GAS      |
| BOW RIVER ENERGY LTD. | 0339067          | 100/07-14-041-05W4/00 | 07-14-041-05W4M         | Operated | 100.0%               | Flow GAS      |
| BOW RIVER ENERGY LTD. | 0351322          | 100/13-15-041-05W4/00 | 13-15-041-05W4M         | Operated | 100.0%               | ABD Zn        |
| BOW RIVER ENERGY LTD. | 0214232          | 100/10-16-041-05W4/00 | 10-16-041-05W4M         | Operated | 100.0%               | Drld & ABD    |
| BOW RIVER ENERGY LTD. | 0166675          | 100/06-17-041-05W4/00 | 06-17-041-05W4M         | Operated | 100.0%               | Pump GAS      |
| BOW RIVER ENERGY LTD. | 0308088          | 100/15-31-041-05W4/00 | 15-31-041-05W4M         | Operated | 100.0%               | Susp GAS      |
| BOW RIVER ENERGY LTD. | 0307955          | 102/11-13-041-06W4/00 | 11-13-041-06W4M         | Operated | 100.0%               | Cased         |
| BOW RIVER ENERGY LTD. | 0081727          | 100/01-05-042-04W4/00 | 01-05-042-04W4M         | Operated | 50.0%                | Susp GAS      |
| BOW RIVER ENERGY LTD. | 0307952          | 100/13-12-041-06W4/00 | 13-12-041-06W4M         | Operated | 100.0%               | Susp GAS      |
| BOW RIVER ENERGY LTD. | 0324552          | 102/06-02-041-04W4/00 | 06-02-041-04W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0274259          | 100/06-09-041-04W4/00 | 06-09-041-04W4M         | Operated | 100.0%               | ABD GAS       |
| BOW RIVER ENERGY LTD. | 0174572          | 100/12-23-041-04W4/00 | 12-23-041-04W4M         | Operated | 100.0%               | ABD Zn OIL    |
| BOW RIVER ENERGY LTD. | 0166563          | 100/10-25-038-06W4/00 | 11-25-038-06W4M         | Operated | 0.0%                 | ABD OIL       |
| BOW RIVER ENERGY LTD. | 0273503          | 100/10-31-038-01W4/00 | 10-31-038-01W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0362355          | 100/08-31-040-02W4/00 | 08-31-040-02W4M         | Operated | 100.0%               | Cased         |
| BOW RIVER ENERGY LTD. | 0155858          | 102/02-24-040-03W4/00 | 02-24-040-03W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0176732          | 103/02-24-040-03W4/00 | 02-24-040-03W4M         | Operated | 100.0%               | Susp OIL      |

**Well Licenses Held by Bow River**

| <b>Operator</b>       | <b>Licence #</b> | <b>UWI</b>            | <b>Surface Location</b> |          | <b>Bow River W1%</b> | <b>Status</b> |
|-----------------------|------------------|-----------------------|-------------------------|----------|----------------------|---------------|
| BOW RIVER ENERGY LTD. | 0139537          | 1A0/02-24-040-03W4/00 | 02-24-040-03W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0123779          | 100/03-24-040-03W4/00 | 03-24-040-03W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0176740          | 102/03-24-040-03W4/00 | 03-24-040-03W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0139583          | 1A0/04-24-040-03W4/00 | 03-24-040-03W4M         | Operated | 100.0%               | ABD OIL       |
| BOW RIVER ENERGY LTD. | 0155625          | 1B0/05-24-040-03W4/00 | 04-24-040-03W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0126774          | 100/06-24-040-03W4/00 | 06-24-040-03W4M         | Operated | 100.0%               | ABD Zn OIL    |
| BOW RIVER ENERGY LTD. | 0110622          | 100/11-24-040-03W4/00 | 11-24-040-03W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0233129          | 103/11-24-040-03W4/00 | 14-24-040-03W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0139373          | 1C0/12-24-040-03W4/00 | 12-24-040-03W4M         | Operated | 100.0%               | Susp WTR Inj  |
| BOW RIVER ENERGY LTD. | 0091700          | 100/13-24-040-03W4/00 | 13-24-040-03W4M         | Operated | 100.0%               | ABD OIL       |
| BOW RIVER ENERGY LTD. | 0139496          | 1C0/13-24-040-03W4/00 | 13-24-040-03W4M         | Operated | 100.0%               | Susp WTR Inj  |
| BOW RIVER ENERGY LTD. | 0108262          | 100/14-24-040-03W4/00 | 14-24-040-03W4M         | Operated | 100.0%               | Susp WTR Inj  |
| BOW RIVER ENERGY LTD. | 0139445          | 102/15-24-040-03W4/00 | 15-24-040-03W4M         | Operated | 100.0%               | ABD WTR Inj   |
| BOW RIVER ENERGY LTD. | 0089806          | 100/03-25-040-03W4/00 | 03-25-040-03W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0143014          | 1C0/03-25-040-03W4/00 | 03-25-040-03W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0143015          | 1D0/04-25-040-03W4/00 | 04-25-040-03W4M         | Operated | 100.0%               | ABD Zn OIL    |
| BOW RIVER ENERGY LTD. | 0104980          | 100/05-25-040-03W4/00 | 05-25-040-03W4M         | Operated | 100.0%               | ABD Zn OIL    |
| BOW RIVER ENERGY LTD. | 0176753          | 103/05-25-040-03W4/00 | 05-25-040-03W4M         | Operated | 100.0%               | Susp WTR Inj  |
| BOW RIVER ENERGY LTD. | 0359716          | 100/03-12-040-01W4/02 | 03-12-040-01W4M         | Operated | 87.6%                | Cased         |
| BOW RIVER ENERGY LTD. | 0416303          | 100/10-06-041-02W4/00 | 10-06-041-02W4M         | Operated | 100.0%               | Cased         |
| BOW RIVER ENERGY LTD. | 0262107          | 100/04-15-032-04W4/00 | 04-15-032-04W4M         | Operated | 100.0%               | ABD GAS       |
| BOW RIVER ENERGY LTD. | 0291991          | 100/09-10-047-05W4/00 | 09-10-047-05W4M         | Operated | 100.0%               | Drld & ABD    |
| BOW RIVER ENERGY LTD. | 0336391          | 100/15-26-033-06W4/00 | 15-26-033-06W4M         | Operated | 100.0%               | ABD GAS       |
| BOW RIVER ENERGY LTD. | 0067731          | 100/06-26-041-01W4/00 | 06-26-041-01W4M         | Operated | 72.7%                | Susp GAS      |
| BOW RIVER ENERGY LTD. | 0378362          | 100/10-14-040-01W4/00 | 10-14-040-01W4M         | Operated | 86.2%                | Susp GAS      |
| BOW RIVER ENERGY LTD. | 0378363          | 100/14-12-040-01W4/00 | 14-12-040-01W4M         | Operated | 100.0%               | Susp GAS      |
| BOW RIVER ENERGY LTD. | 0193299          | 102/06-34-038-01W4/00 | 06-34-038-01W4M         | Operated | 100.0%               | Susp GAS      |
| BOW RIVER ENERGY LTD. | 0352024          | 100/06-14-040-01W4/03 | 06-14-040-01W4M         | Operated | 73.8%                | ABD Zn        |
| BOW RIVER ENERGY LTD. | 0238748          | 102/01-09-043-02W4/00 | 02-09-043-02W4M         | Operated | 100.0%               | ABD OIL       |
| BOW RIVER ENERGY LTD. | 0335801          | 100/04-32-038-01W4/00 | 04-32-038-01W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0335354          | 100/03-32-038-01W4/00 | 03-32-038-01W4M         | Operated | 100.0%               | ABD Zn OIL    |
| BOW RIVER ENERGY LTD. | 0337884          | 102/06-32-038-01W4/00 | 06-32-038-01W4M         | Operated | 100.0%               | ABD Zn OIL    |
| BOW RIVER ENERGY LTD. | 0202576          | 100/02-18-041-03W4/00 | 03-18-041-03W4M         | Operated | 100.0%               | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0202577          | 102/02-18-041-03W4/00 | 03-18-041-03W4M         | Operated | 100.0%               | Pump OIL      |

**Well Licenses Held by Bow River**

| <b>Operator</b>       | <b>Licence #</b> | <b>UWI</b>            | <b>Surface Location</b> |          | <b>Bow River W1%</b> | <b>Status</b> |
|-----------------------|------------------|-----------------------|-------------------------|----------|----------------------|---------------|
| BOW RIVER ENERGY LTD. | 0202579          | 102/03-18-041-03W4/00 | 06-18-041-03W4M         | Operated | 100.0%               | Act WTR Inj   |
| BOW RIVER ENERGY LTD. | 0202580          | 103/03-18-041-03W4/00 | 06-18-041-03W4M         | Operated | 100.0%               | ABD Zn OIL    |
| BOW RIVER ENERGY LTD. | 0202581          | 104/03-18-041-03W4/00 | 06-18-041-03W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0202046          | 103/05-18-041-03W4/00 | 05-18-041-03W4M         | Operated | 100.0%               | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0202381          | 104/05-18-041-03W4/00 | 05-18-041-03W4M         | Operated | 100.0%               | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0198755          | 105/05-18-041-03W4/00 | 05-18-041-03W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0201178          | 100/06-18-041-03W4/00 | 05-18-041-03W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0202379          | 102/06-18-041-03W4/00 | 05-18-041-03W4M         | Operated | 100.0%               | Act WTR Inj   |
| BOW RIVER ENERGY LTD. | 0202492          | 103/06-18-041-03W4/00 | 06-18-041-03W4M         | Operated | 100.0%               | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0202578          | 105/06-18-041-03W4/00 | 06-18-041-03W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0201268          | 103/12-18-041-03W4/00 | 05-18-041-03W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0202493          | 104/12-18-041-03W4/00 | 12-18-041-03W4M         | Operated | 100.0%               | Pump OIL      |
| BOW RIVER ENERGY LTD. | 0202638          | 105/12-18-041-03W4/00 | 12-18-041-03W4M         | Operated | 100.0%               | ABD           |
| BOW RIVER ENERGY LTD. | 0330741          | 100/10-04-042-03W4/00 | 10-04-042-03W4M         | Operated | 100.0%               | Drld & ABD    |
| BOW RIVER ENERGY LTD. | 0158775          | 1C0/09-05-040-04W4/00 | 09-05-040-04W4M         | Operated | 100.0%               | ABD OIL       |
| BOW RIVER ENERGY LTD. | 0332857          | 100/07-02-041-04W4/00 | 07-02-041-04W4M         | Operated | 100.0%               | ABD OIL       |
| BOW RIVER ENERGY LTD. | 0332881          | 100/11-02-041-04W4/00 | 11-02-041-04W4M         | Operated | 100.0%               | ABD OIL       |
| BOW RIVER ENERGY LTD. | 0270195          | 100/12-03-041-04W4/00 | 12-03-041-04W4M         | Operated | 100.0%               | ABD Zn        |
| BOW RIVER ENERGY LTD. | 0374658          | 100/08-11-041-04W4/00 | 08-11-041-04W4M         | Operated | 100.0%               | ABD Zn        |
| BOW RIVER ENERGY LTD. | 0180210          | 102/11-21-041-04W4/00 | 11-21-041-04W4M         | Operated | 100.0%               | Susp OIL      |
| BOW RIVER ENERGY LTD. | 0191282          | 102/03-22-041-04W4/00 | 03-22-041-04W4M         | Operated | 100.0%               | ABD OIL       |
| BOW RIVER ENERGY LTD. | 0191285          | 104/03-22-041-04W4/00 | 03-22-041-04W4M         | Operated | 100.0%               | Drld & ABD    |
| BOW RIVER ENERGY LTD. | 0134049          | 100/07-30-039-05W4/00 | 07-30-039-05W4M         | Operated | 100.0%               | Drld & ABD    |
| BOW RIVER ENERGY LTD. | 0317020          | 100/10-04-041-05W4/00 | 06-04-041-05W4M         | Operated | 100.0%               | ABD GAS       |



# **PIPELINE LICENCES**

## Bow River Licensed Pipelines

| Company Name          | Licence Number | Line Number | From            | To              | Bow River Energy WI (%) |
|-----------------------|----------------|-------------|-----------------|-----------------|-------------------------|
| Bow River Energy Ltd. | 19510          | 2           | 06-13-39-10 W4M | 10-14-39-10 W4M | 42.5%                   |
| Bow River Energy Ltd. | 20945          | 8           | 16-28-39-04 W4M | 01-33-39-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 22017          | 2           | 05-34-40-07 W4M | 04-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 22017          | 3           | 06-34-40-07 W4M | 04-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 22017          | 4           | 03-34-40-07 W4M | 04-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 22017          | 5           | 02-34-40-07 W4M | 04-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 22017          | 6           | 05-34-40-07 W4M | 04-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 22017          | 7           | 06-34-40-07 W4M | 04-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 22017          | 8           | 03-34-40-07 W4M | 04-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 22017          | 9           | 05-34-40-07 W4M | 04-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 22017          | 10          | 06-34-40-07 W4M | 04-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 22017          | 11          | 05-34-40-07 W4M | 04-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 22017          | 12          | 12-34-40-07 W4M | 04-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 22017          | 13          | 03-34-40-07 W4M | 04-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 22017          | 14          | 03-34-40-07 W4M | 04-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 22017          | 15          | 03-34-40-07 W4M | 03-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 22017          | 16          | 03-34-40-07 W4M | 03-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 22017          | 17          | 06-34-40-07 W4M | 03-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 24086          | 2           | 02-24-40-03 W4M | 03-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24086          | 3           | 02-24-40-03 W4M | 03-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24086          | 5           | 03-24-40-03 W4M | 03-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24086          | 6           | 03-24-40-03 W4M | 03-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24086          | 8           | 03-24-40-03 W4M | 06-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24086          | 9           | 03-24-40-03 W4M | 06-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24086          | 10          | 07-24-40-03 W4M | 06-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24086          | 11          | 06-24-40-03 W4M | 12-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24086          | 12          | 06-24-40-03 W4M | 12-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24086          | 14          | 06-24-40-03 W4M | 06-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24086          | 15          | 11-24-40-03 W4M | 11-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24086          | 16          | 07-24-40-03 W4M | 06-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24086          | 17          | 04-24-40-03 W4M | 03-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24086          | 18          | 07-24-40-03 W4M | 06-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24086          | 20          | 06-24-40-03 W4M | 12-24-40-03 W4M | 100.0%                  |

## Bow River Licensed Pipelines

| Company Name          | Licence Number | Line Number | From            | To              | Bow River Energy WI (%) |
|-----------------------|----------------|-------------|-----------------|-----------------|-------------------------|
| Bow River Energy Ltd. | 24086          | 21          | 03-24-40-03 W4M | 03-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24086          | 22          | 02-24-40-03 W4M | 03-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24087          | 1           | 13-24-40-03 W4M | 12-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24087          | 2           | 13-24-40-03 W4M | 12-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24087          | 4           | 14-24-40-03 W4M | 11-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24087          | 5           | 11-24-40-03 W4M | 12-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24087          | 6           | 11-24-40-03 W4M | 12-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24087          | 7           | 04-25-40-03 W4M | 13-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24087          | 8           | 04-25-40-03 W4M | 13-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24087          | 9           | 03-25-40-03 W4M | 04-25-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24087          | 10          | 03-25-40-03 W4M | 04-25-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24087          | 11          | 05-25-40-03 W4M | 04-25-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24087          | 12          | 04-25-40-03 W4M | 04-25-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24087          | 15          | 14-24-40-03 W4M | 11-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24453          | 1           | 15-10-40-02 W4M | 14-10-40-02 W4M | 50.0%                   |
| Bow River Energy Ltd. | 24454          | 1           | 16-10-40-02 W4M | 15-10-40-02 W4M | 50.0%                   |
| Bow River Energy Ltd. | 24454          | 2           | 15-10-40-02 W4M | 15-10-40-02 W4M | 50.0%                   |
| Bow River Energy Ltd. | 24454          | 3           | 15-10-40-02 W4M | 15-10-40-02 W4M | 50.0%                   |
| Bow River Energy Ltd. | 24454          | 4           | 15-10-40-02 W4M | 15-10-40-02 W4M | 50.0%                   |
| Bow River Energy Ltd. | 24454          | 5           | 15-10-40-02 W4M | 15-10-40-02 W4M | 50.0%                   |
| Bow River Energy Ltd. | 24454          | 6           | 15-10-40-02 W4M | 15-10-40-02 W4M | 50.0%                   |
| Bow River Energy Ltd. | 24454          | 8           | 10-10-40-02 W4M | 15-10-40-02 W4M | 50.0%                   |
| Bow River Energy Ltd. | 24524          | 1           | 12-24-40-03 W4M | 13-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24524          | 2           | 12-24-40-03 W4M | 03-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24524          | 3           | 03-24-40-03 W4M | 04-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24524          | 4           | 03-24-40-03 W4M | 02-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24524          | 5           | 13-24-40-03 W4M | 15-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24524          | 6           | 03-24-40-03 W4M | 01-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24524          | 7           | 12-24-40-03 W4M | 03-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24524          | 8           | 14-24-40-03 W4M | 14-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24524          | 9           | 05-24-40-03 W4M | 05-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24524          | 10          | 13-24-40-03 W4M | 05-25-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 24524          | 11          | 12-24-40-03 W4M | 13-24-40-03 W4M | 100.0%                  |

## Bow River Licensed Pipelines

| Company Name          | Licence Number | Line Number | From            | To              | Bow River Energy WI (%) |
|-----------------------|----------------|-------------|-----------------|-----------------|-------------------------|
| Bow River Energy Ltd. | 24524          | 12          | 06-24-40-03 W4M | 07-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 29146          | 1           | 09-23-41-04 W4M | 07-22-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 29146          | 3           | 07-22-41-04 W4M | 01-28-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 29146          | 4           | 08-23-41-04 W4M | 09-23-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 29146          | 5           | 09-22-41-04 W4M | 09-22-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 29302          | 1           | 05-25-40-03 W4M | 12-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 30536          | 1           | 03-18-41-03 W4M | 05-18-41-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 30536          | 2           | 03-18-41-03 W4M | 05-18-41-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 30536          | 3           | 06-18-41-03 W4M | 05-18-41-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 30536          | 4           | 06-18-41-03 W4M | 05-18-41-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 30536          | 5           | 12-18-41-03 W4M | 05-18-41-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 30536          | 6           | 12-18-41-03 W4M | 05-18-41-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 30660          | 1           | 04-18-41-03 W4M | 05-18-41-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 30660          | 2           | 05-18-41-03 W4M | 03-18-41-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 30660          | 3           | 05-18-41-03 W4M | 06-18-41-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 32230          | 1           | 08-27-34-05 W4M | 13-22-34-05 W4M | 100.0%                  |
| Bow River Energy Ltd. | 34828          | 2           | 01-26-33-04 W4M | 09-34-33-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 36635          | 1           | 04-34-40-07 W4M | 12-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 38281          | 1           | 02-34-40-07 W4M | 06-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 38281          | 2           | 03-34-40-07 W4M | 03-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 38281          | 3           | 05-34-40-07 W4M | 04-34-40-08 W4M | 58.7%                   |
| Bow River Energy Ltd. | 38281          | 4           | 05-34-40-07 W4M | 06-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 38281          | 5           | 11-34-40-07 W4M | 06-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 38281          | 6           | 04-34-40-07 W4M | 04-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 38281          | 11          | 12-34-40-07 W4M | 12-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 38281          | 12          | 12-34-40-07 W4M | 12-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 38281          | 24          | 04-34-40-07 W4M | 04-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 38281          | 25          | 12-34-40-07 W4M | 06-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 38281          | 26          | 12-34-40-07 W4M | 06-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 38281          | 27          | 11-34-40-07 W4M | 06-34-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 38541          | 1           | 12-14-41-04 W4M | 01-15-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 38541          | 2           | 15-11-41-04 W4M | 15-11-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 38541          | 3           | 01-15-41-04 W4M | 08-15-41-04 W4M | 100.0%                  |

## Bow River Licensed Pipelines

| Company Name          | Licence Number | Line Number | From            | To              | Bow River Energy WI (%) |
|-----------------------|----------------|-------------|-----------------|-----------------|-------------------------|
| Bow River Energy Ltd. | 38541          | 4           | 02-14-41-04 W4M | 15-11-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 38673          | 1           | 06-17-41-05 W4M | 10-06-41-05 W4M | 100.0%                  |
| Bow River Energy Ltd. | 38673          | 2           | 01-12-42-06 W4M | 05-06-42-05 W4M | 100.0%                  |
| Bow River Energy Ltd. | 38673          | 3           | 15-31-41-05 W4M | 13-31-41-05 W4M | 100.0%                  |
| Bow River Energy Ltd. | 38673          | 16          | 13-12-41-06 W4M | 03-12-41-06 W4M | 100.0%                  |
| Bow River Energy Ltd. | 40351          | 1           | 06-09-41-04 W4M | 09-02-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 40351          | 2           | 10-04-41-04 W4M | 12-03-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 40902          | 1           | 01-05-42-04 W4M | 11-32-41-04 W4M | 50.0%                   |
| Bow River Energy Ltd. | 41502          | 1           | 06-11-45-05 W4M | 09-11-45-05 W4M | 50.0%                   |
| Bow River Energy Ltd. | 41502          | 2           | 03-22-45-05 W4M | 03-22-45-05 W4M | 100.0%                  |
| Bow River Energy Ltd. | 41874          | 3           | 16-34-40-07 W4M | 04-35-40-07 W4M | 58.7%                   |
| Bow River Energy Ltd. | 44571          | 1           | 02-36-40-04 W4M | 13-25-40-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 44683          | 2           | 13-03-33-09 W4M | 10-09-33-09 W4M | 100.0%                  |
| Bow River Energy Ltd. | 44683          | 3           | 11-04-33-09 W4M | 13-03-33-09 W4M | 100.0%                  |
| Bow River Energy Ltd. | 44819          | 5           | 10-22-33-10 W4M | 07-14-33-10 W4M | 100.0%                  |
| Bow River Energy Ltd. | 44819          | 6           | 02-28-33-09 W4M | 10-28-33-09 W4M | 100.0%                  |
| Bow River Energy Ltd. | 44819          | 7           | 16-28-33-09 W4M | 09-28-33-09 W4M | 100.0%                  |
| Bow River Energy Ltd. | 45094          | 1           | 05-32-39-04 W4M | 09-05-40-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 45124          | 3           | 02-11-41-05 W4M | 08-10-41-05 W4M | 100.0%                  |
| Bow River Energy Ltd. | 45124          | 4           | 08-10-41-05 W4M | 10-16-41-05 W4M | 100.0%                  |
| Bow River Energy Ltd. | 45124          | 7           | 09-34-40-05 W4M | 08-03-41-05 W4M | 100.0%                  |
| Bow River Energy Ltd. | 45124          | 8           | 08-03-41-05 W4M | 07-02-41-05 W4M | 100.0%                  |
| Bow River Energy Ltd. | 45124          | 9           | 16-02-41-05 W4M | 10-02-41-05 W4M | 100.0%                  |
| Bow River Energy Ltd. | 45124          | 10          | 09-11-41-05 W4M | 02-11-41-05 W4M | 100.0%                  |
| Bow River Energy Ltd. | 45124          | 11          | 02-10-41-05 W4M | 08-10-41-05 W4M | 100.0%                  |
| Bow River Energy Ltd. | 45124          | 12          | 07-09-41-05 W4M | 01-16-41-05 W4M | 100.0%                  |
| Bow River Energy Ltd. | 45124          | 13          | 01-16-41-05 W4M | 08-16-41-05 W4M | 100.0%                  |
| Bow River Energy Ltd. | 45124          | 14          | 13-15-41-05 W4M | 16-16-41-05 W4M | 100.0%                  |
| Bow River Energy Ltd. | 45124          | 15          | 10-36-40-05 W4M | 15-35-40-05 W4M | 100.0%                  |
| Bow River Energy Ltd. | 45124          | 16          | 15-35-40-05 W4M | 07-02-41-05 W4M | 100.0%                  |
| Bow River Energy Ltd. | 45124          | 17          | 07-14-41-05 W4M | 09-11-41-05 W4M | 100.0%                  |
| Bow River Energy Ltd. | 45124          | 18          | 08-10-41-05 W4M | 08-10-41-05 W4M | 100.0%                  |
| Bow River Energy Ltd. | 45124          | 19          | 07-02-41-05 W4M | 10-02-41-05 W4M | 100.0%                  |

## Bow River Licensed Pipelines

| Company Name          | Licence Number | Line Number | From            | To              | Bow River Energy WI (%) |
|-----------------------|----------------|-------------|-----------------|-----------------|-------------------------|
| Bow River Energy Ltd. | 45124          | 20          | 10-02-41-05 W4M | 02-11-41-05 W4M | 100.0%                  |
| Bow River Energy Ltd. | 45126          | 1           | 15-15-33-07 W4M | 16-15-33-07 W4M | 100.0%                  |
| Bow River Energy Ltd. | 46042          | 1           | 10-02-41-08 W4M | 06-11-41-08 W4M | 100.0%                  |
| Bow River Energy Ltd. | 47004          | 1           | 05-24-40-03 W4M | 12-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 47004          | 2           | 06-24-40-03 W4M | 12-24-40-03 W4M | 100.0%                  |
| Bow River Energy Ltd. | 47129          | 1           | 06-26-41-01 W4M | 16-23-41-01 W4M | 72.7%                   |
| Bow River Energy Ltd. | 47644          | 1           | 14-23-42-04 W4M | 06-28-42-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 47708          | 2           | 09-34-33-04 W4M | 15-15-34-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 48152          | 1           | 14-30-44-11 W4M | 06-36-44-12 W4M | 100.0%                  |
| Bow River Energy Ltd. | 49193          | 1           | 13-06-35-11 W4M | 06-07-35-11 W4M | 100.0%                  |
| Bow River Energy Ltd. | 50446          | 1           | 09-29-44-11 W4M | 10-29-44-11 W4M | 100.0%                  |
| Bow River Energy Ltd. | 50544          | 1           | 14-06-40-04 W4M | 04-07-40-04 W4M | 75.0%                   |
| Bow River Energy Ltd. | 52137          | 1           | 10-06-41-02 W4M | 15-06-41-02 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 10          | 04-23-41-04 W4M | 01-22-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 11          | 04-23-41-04 W4M | 01-22-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 23          | 12-21-41-04 W4M | 11-21-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 24          | 12-21-41-04 W4M | 11-21-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 25          | 13-21-41-04 W4M | 13-21-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 26          | 13-21-41-04 W4M | 13-21-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 57          | 12-22-41-04 W4M | 12-22-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 58          | 12-22-41-04 W4M | 12-22-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 59          | 11-21-41-04 W4M | 11-21-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 60          | 11-21-41-04 W4M | 11-21-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 66          | 06-22-41-04 W4M | 05-22-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 67          | 05-22-41-04 W4M | 05-22-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 68          | 05-22-41-04 W4M | 05-22-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 69          | 13-15-41-04 W4M | 05-22-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 70          | 13-15-41-04 W4M | 05-22-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 71          | 16-15-41-04 W4M | 16-15-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 72          | 16-15-41-04 W4M | 16-15-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 73          | 12-13-41-04 W4M | 09-23-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 74          | 12-13-41-04 W4M | 07-14-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 75          | 05-18-41-03 W4M | 12-13-41-04 W4M | 100.0%                  |

## Bow River Licensed Pipelines

| Company Name          | Licence Number | Line Number | From            | To              | Bow River Energy WI (%) |
|-----------------------|----------------|-------------|-----------------|-----------------|-------------------------|
| Bow River Energy Ltd. | 59110          | 76          | 11-15-41-04 W4M | 13-15-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 77          | 11-15-41-04 W4M | 13-15-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 82          | 09-15-41-04 W4M | 16-15-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 83          | 09-15-41-04 W4M | 16-15-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 84          | 16-15-41-04 W4M | 16-15-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 85          | 16-15-41-04 W4M | 16-15-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 88          | 09-23-41-04 W4M | 09-23-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59110          | 89          | 09-23-41-04 W4M | 09-23-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 1           | 01-28-41-04 W4M | 15-21-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 2           | 01-28-41-04 W4M | 07-22-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 3           | 14-21-41-04 W4M | 05-21-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 4           | 01-28-41-04 W4M | 15-20-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 5           | 13-21-41-04 W4M | 13-21-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 6           | 16-20-41-04 W4M | 09-20-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 7           | 15-20-41-04 W4M | 10-20-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 8           | 15-20-41-04 W4M | 10-19-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 9           | 12-22-41-04 W4M | 05-22-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 10          | 09-21-41-04 W4M | 07-21-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 11          | 07-22-41-04 W4M | 12-23-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 12          | 11-22-41-04 W4M | 11-22-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 13          | 11-20-41-04 W4M | 11-20-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 14          | 16-20-41-04 W4M | 16-20-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 15          | 11-21-41-04 W4M | 11-21-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 16          | 06-21-41-04 W4M | 06-21-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 17          | 05-22-41-04 W4M | 05-22-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 18          | 03-22-41-04 W4M | 05-22-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 19          | 04-23-41-04 W4M | 07-22-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 20          | 12-20-41-04 W4M | 12-20-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 21          | 10-19-41-04 W4M | 10-19-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 22          | 07-22-41-04 W4M | 02-22-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 23          | 11-21-41-04 W4M | 10-21-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 24          | 10-19-41-04 W4M | 12-20-41-04 W4M | 100.0%                  |
| Bow River Energy Ltd. | 59111          | 25          | 15-21-41-04 W4M | 07-21-41-04 W4M | 100.0%                  |

## Bow River Licensed Pipelines

| <b>Company Name</b>   | <b>Licence Number</b> | <b>Line Number</b> | <b>From</b>     | <b>To</b>       | <b>Bow River Energy WI (%)</b> |
|-----------------------|-----------------------|--------------------|-----------------|-----------------|--------------------------------|
| Bow River Energy Ltd. | 59111                 | 26                 | 11-21-41-04 W4M | 11-21-41-04 W4M | 100.0%                         |
| Bow River Energy Ltd. | 59111                 | 43                 | 07-22-41-04 W4M | 04-23-41-04 W4M | 100.0%                         |
| Bow River Energy Ltd. | 28247                 | 6                  | 03-12-39-04 W4M | 03-12-39-04 W4M | 100.0%                         |
| Bow River Energy Ltd. | 47198                 | 1                  | 02-10-32-06 W4M | 02-03-32-06 W4M | 100.0%                         |
| Bow River Energy Ltd. | 47198                 | 2                  | 01-09-32-06 W4M | 15-03-32-06 W4M | 100.0%                         |
| Bow River Energy Ltd. | 48881                 | 1                  | 15-32-38-01 W4m | 15-32-38-01 W4m | 100.0%                         |
| Bow River Energy Ltd. | 48881                 | 2                  | 15-32-38-01 W4m | 15-32-38-01 W4m | 100.0%                         |
| Bow River Energy Ltd. | 48881                 | 3                  | 15-32-38-01 W4m | 15-32-38-01 W4m | 100.0%                         |
| Bow River Energy Ltd. | 48881                 | 4                  | 14-32-38-01 W4m | 15-32-38-01 W4m | 100.0%                         |
| Bow River Energy Ltd. | 48881                 | 5                  | 11-32-38-01 W4m | 15-32-38-01 W4m | 100.0%                         |
| Bow River Energy Ltd. | 48881                 | 6                  | 15-32-38-01 W4m | 05-32-38-01 W4m | 100.0%                         |
| Bow River Energy Ltd. | 48881                 | 7                  | 11-32-38-01 W4m | 05-32-38-01 W4m | 100.0%                         |
| Bow River Energy Ltd. | 52057                 | 1                  | 15-32-38-01 W4m | 15-32-38-01 W4m | 100.0%                         |
| Bow River Energy Ltd. | 52057                 | 2                  | 15-32-38-01 W4m | 15-32-38-01 W4m | 100.0%                         |
| Bow River Energy Ltd. | 52057                 | 3                  | 14-32-38-01 W4m | 15-32-38-01 W4m | 100.0%                         |
| Bow River Energy Ltd. | 52057                 | 4                  | 14-32-38-01 W4m | 14-32-38-01 W4m | 100.0%                         |
| Bow River Energy Ltd. | 52057                 | 5                  | 05-32-38-01 W4m | 15-32-38-01 W4m | 100.0%                         |
| Bow River Energy Ltd. | 58985                 | 4                  | 03-35-40-03 W4M | 03-35-40-03 W4M | 100.0%                         |
| Bow River Energy Ltd. | 39943                 | 10                 | 02-32-32-06 W4M | 11-33-32-06 W4M | 100.0%                         |



# **FACILITY LICENCES**

**Bow River Licensed Facilities**

| <b>Company</b>   | <b>Licence Number</b> | <b>Surface Location</b> | <b>Bow River Energy WI (%)</b> |
|------------------|-----------------------|-------------------------|--------------------------------|
| Bow River Energy | F34262                | 00/15-24-032-07W4       | 100.0%                         |
| Bow River Energy | F35429                | 00/11-30-034-05W4       | 100.0%                         |
| Bow River Energy | F35722                | 00/04-24-040-03W4       | 100.0%                         |
| Bow River Energy | F37701                | 00/13-22-040-01W4       | 100.0%                         |
| Bow River Energy | F37971                | 00/16-18-035-01W4       | 100.0%                         |
| Bow River Energy | F39183                | 00/14-12-040-01W4       | 86.2%                          |
| Bow River Energy | F39251                | 00/09-34-033-04W4       | 100.0%                         |
| Bow River Energy | F7560                 | 00/15-10-040-02W4       | 100.0%                         |
| Bow River Energy | F7658                 | 00/05-10-040-03W4       | 100.0%                         |
| Bow River Energy | F7709                 | 00/12-24-040-03W4       | 100.0%                         |
| Bow River Energy | F39952                | 00/09-17-040-07W4       | 58.7%                          |
| Bow River Energy | F33970                | 00/06-02-041-04W4       | 100.0%                         |
| Bow River Energy | F35179                | 00/11-02-041-04W4       | 100.0%                         |
| Bow River Energy | F35180                | 00/07-02-041-04W4       | 100.0%                         |
| Bow River Energy | F38305                | 00/08-10-041-05W4       | 100.0%                         |
| Bow River Energy | F38531                | 00/08-11-041-04W4       | 100.0%                         |
| Bow River Energy | F41344                | 00/03-02-041-04W4       | 100.0%                         |
| Bow River Energy | F8404                 | 00/05-18-041-03W4       | 100.0%                         |
| Bow River Energy | F8413                 | 00/12-14-041-04W4       | 100.0%                         |
| Bow River Energy | F8417                 | 00/10-19-041-04W4       | 100.0%                         |
| Bow River Energy | F28698                | 00/10-31-038-01W4       | 100.0%                         |
| Bow River Energy | F35422                | 00/11-29-038-01W4       | 100.0%                         |
| Bow River Energy | F35428                | 00/13-29-038-01W4       | 100.0%                         |
| Bow River Energy | F35562                | 00/04-32-038-01W4       | 100.0%                         |
| Bow River Energy | F37535                | 00/05-32-038-01W4       | 100.0%                         |
| Bow River Energy | F37537                | 00/15-32-038-01W4       | 100.0%                         |
| Bow River Energy | F45340                | 02/15-32-038-01W4       | 100.0%                         |

**WELL LICENCES  
NON-OPERATED WORKING  
INTERESTS**

**Well Licenses that Bow River has Non-Op WI**

| <b>Operator</b>           | <b>Licence #</b> | <b>UWI</b>            | <b>Surface Location</b> |        | <b>Bow River WI%</b> | <b>Status</b> |
|---------------------------|------------------|-----------------------|-------------------------|--------|----------------------|---------------|
| Commercial O&G Ltd        | 0115762          | 100/04-34-040-07W4/00 | 04-34-040-07W4M         | Non-Op | 58.7%                | Drld & ABD    |
| Commercial O&G Ltd        | 0118110          | 100/07-34-040-07W4/00 | 07-34-040-07W4M         | Non-Op | 58.7%                | Drld & ABD    |
| NuVista Enrg Ltd          | 0359852          | 100/04-18-034-01W4/00 | 04-18-034-01W4M         | Non-Op | 100.0%               | Drld & ABD    |
| Caltex RsrCs Ltd          | 0365131          | 100/05-15-037-01W4/00 | 09-16-037-01W4M         | Non-Op | 3.6%                 | ABD Zn OIL    |
| Cdn Nat RsrCs Ltd         | 0094994          | 100/01-14-038-01W4/00 | 01-14-038-01W4M         | Non-Op | 44.8%                | ABD OIL       |
| Prairie Provident RsrCs C | 0289271          | 100/03-16-038-01W4/00 | 03-16-038-01W4M         | Non-Op | 7.3%                 | Susp OIL      |
| Prairie Provident RsrCs C | 0293357          | 102/03-16-038-01W4/00 | 03-16-038-01W4M         | Non-Op | 7.3%                 | Susp OIL      |
| Prairie Provident RsrCs C | 0294581          | 103/03-16-038-01W4/00 | 03-16-038-01W4M         | Non-Op | 7.3%                 | Susp OIL      |
| Prairie Provident RsrCs C | 0317465          | 104/03-16-038-01W4/00 | 03-16-038-01W4M         | Non-Op | 7.3%                 | Susp OIL      |
| Prairie Provident RsrCs C | 0259942          | 100/04-16-038-01W4/00 | 04-16-038-01W4M         | Non-Op | 7.3%                 | ABD OIL       |
| Prairie Provident RsrCs C | 0096955          | 100/06-16-038-01W4/00 | 06-16-038-01W4M         | Non-Op | 7.3%                 | Susp OIL      |
| Prairie Provident RsrCs C | 0257741          | 102/06-16-038-01W4/00 | 03-16-038-01W4M         | Non-Op | 7.3%                 | Susp OIL      |
| Prairie Provident RsrCs C | 0087434          | 100/07-16-038-01W4/00 | 07-16-038-01W4M         | Non-Op | 7.3%                 | ABD Zn OIL    |
| Prairie Provident RsrCs C | 0257742          | 102/07-16-038-01W4/00 | 03-16-038-01W4M         | Non-Op | 0.0%                 | Susp OIL      |
| Prairie Provident RsrCs C | 0085037          | 100/10-16-038-01W4/00 | 10-16-038-01W4M         | Non-Op | 7.3%                 | Susp OIL      |
| Prairie Provident RsrCs C | 0260787          | 102/10-16-038-01W4/00 | 15-16-038-01W4M         | Non-Op | 7.3%                 | Susp OIL      |
| Prairie Provident RsrCs C | 0260788          | 103/10-16-038-01W4/00 | 15-16-038-01W4M         | Non-Op | 7.3%                 | Susp OIL      |
| Prairie Provident RsrCs C | 0094586          | 100/11-16-038-01W4/00 | 11-16-038-01W4M         | Non-Op | 7.3%                 | Pump OIL      |
| Prairie Provident RsrCs C | 0146897          | 1A0/11-16-038-01W4/00 | 11-16-038-01W4M         | Non-Op | 7.3%                 | Susp OIL      |
| Prairie Provident RsrCs C | 0096639          | 100/12-16-038-01W4/00 | 12-16-038-01W4M         | Non-Op | 7.3%                 | Susp OIL      |
| Prairie Provident RsrCs C | 0088046          | 100/13-16-038-01W4/00 | 13-16-038-01W4M         | Non-Op | 7.3%                 | ABD OIL       |
| Prairie Provident RsrCs C | 0121152          | 1C0/13-16-038-01W4/00 | 13-16-038-01W4M         | Non-Op | 7.3%                 | ABD OIL       |
| Prairie Provident RsrCs C | 0121153          | 1D0/13-16-038-01W4/00 | 13-16-038-01W4M         | Non-Op | 7.3%                 | ABD OIL       |
| Prairie Provident RsrCs C | 0151831          | 1B0/13-16-038-01W4/00 | 13-16-038-01W4M         | Non-Op | 0.0%                 | Susp OIL      |
| Prairie Provident RsrCs C | 0094587          | 100/14-16-038-01W4/00 | 14-16-038-01W4M         | Non-Op | 0.0%                 | ABD OIL       |
| Prairie Provident RsrCs C | 0121194          | 1C0/14-16-038-01W4/00 | 14-16-038-01W4M         | Non-Op | 7.3%                 | ABD OIL       |
| Prairie Provident RsrCs C | 0121196          | 1D0/14-16-038-01W4/00 | 14-16-038-01W4M         | Non-Op | 0.0%                 | ABD OIL       |
| Prairie Provident RsrCs C | 0146898          | 1A0/14-16-038-01W4/00 | 14-16-038-01W4M         | Non-Op | 0.0%                 | Susp OIL      |
| Prairie Provident RsrCs C | 0097092          | 100/15-16-038-01W4/00 | 15-16-038-01W4M         | Non-Op | 7.3%                 | Flow OIL      |
| Prairie Provident RsrCs C | 0317555          | 102/15-16-038-01W4/00 | 15-16-038-01W4M         | Non-Op | 7.3%                 | Susp OIL      |
| Cenovus Enrg Inc          | 0101862          | 100/16-16-038-01W4/00 | 16-16-038-01W4M         | Non-Op | 7.3%                 | ABD OIL       |
| Prairie Provident RsrCs C | 0317469          | 102/16-16-038-01W4/00 | 09-16-038-01W4M         | Non-Op | 7.3%                 | ABD OIL       |
| Cenovus Enrg Inc          | 0096638          | 100/09-17-038-01W4/00 | 09-17-038-01W4M         | Non-Op | 3.6%                 | Drld & ABD    |
| Prairie Provident RsrCs C | 0193093          | 1C0/09-17-038-01W4/00 | 07-17-038-01W4M         | Non-Op | 3.6%                 | Susp OIL      |

**Well Licenses that Bow River has Non-Op WI**

| <b>Operator</b>           | <b>Licence #</b> | <b>UWI</b>            | <b>Surface Location</b> |        | <b>Bow River WI%</b> | <b>Status</b> |
|---------------------------|------------------|-----------------------|-------------------------|--------|----------------------|---------------|
| Prairie Provident Rsrcs C | 0193094          | 1B0/09-17-038-01W4/00 | 07-17-038-01W4M         | Non-Op | 3.6%                 | Susp OIL      |
| Prairie Provident Rsrcs C | 0317458          | 102/09-17-038-01W4/00 | 09-17-038-01W4M         | Non-Op | 3.6%                 | Susp OIL      |
| Prairie Provident Rsrcs C | 0193086          | 1C0/10-17-038-01W4/00 | 07-17-038-01W4M         | Non-Op | 3.6%                 | ABD OIL       |
| Prairie Provident Rsrcs C | 0193095          | 1A0/10-17-038-01W4/00 | 07-17-038-01W4M         | Non-Op | 3.6%                 | Susp OIL      |
| Prairie Provident Rsrcs C | 0193096          | 1D0/10-17-038-01W4/00 | 07-17-038-01W4M         | Non-Op | 3.6%                 | Susp OIL      |
| Prairie Provident Rsrcs C | 0193097          | 1B0/10-17-038-01W4/00 | 07-17-038-01W4M         | Non-Op | 3.6%                 | ABD OIL       |
| Prairie Provident Rsrcs C | 0259880          | 102/10-17-038-01W4/00 | 09-17-038-01W4M         | Non-Op | 0.0%                 | Susp OIL      |
| Prairie Provident Rsrcs C | 0259881          | 103/10-17-038-01W4/00 | 09-17-038-01W4M         | Non-Op | 3.6%                 | Susp OIL      |
| Prairie Provident Rsrcs C | 0073557          | 100/16-17-038-01W4/00 | 16-17-038-01W4M         | Non-Op | 3.6%                 | Susp OIL      |
| Prairie Provident Rsrcs C | 0147896          | 102/16-17-038-01W4/00 | 16-17-038-01W4M         | Non-Op | 0.0%                 | Susp OIL      |
| Prairie Provident Rsrcs C | 0147908          | 104/16-17-038-01W4/00 | 16-17-038-01W4M         | Non-Op | 3.6%                 | Susp OIL      |
| Prairie Provident Rsrcs C | 0147909          | 103/16-17-038-01W4/00 | 16-17-038-01W4M         | Non-Op | 3.6%                 | Susp OIL      |
| Husky Oil Oprtns Ltd      | 0085652          | 101/02-19-048-22W3/00 | 03-19-048-22W3M         | Non-Op | 7.3%                 | Cased Obsrv   |
| Prairie Provident Rsrcs C | 0121219          | 1A0/01-20-038-01W4/00 | 01-20-038-01W4M         | Non-Op | 0.0%                 | Susp OIL      |
| Prairie Provident Rsrcs C | 0121220          | 1D0/01-20-038-01W4/00 | 01-20-038-01W4M         | Non-Op | 7.3%                 | Susp OIL      |
| Prairie Provident Rsrcs C | 0101829          | 100/02-20-038-01W4/00 | 02-20-038-01W4M         | Non-Op | 7.3%                 | Susp OIL      |
| Prairie Provident Rsrcs C | 0179781          | 1B0/02-20-038-01W4/00 | 05-20-038-01W4M         | Non-Op | 7.3%                 | ABD OIL       |
| Prairie Provident Rsrcs C | 0179782          | 1C0/02-20-038-01W4/00 | 05-20-038-01W4M         | Non-Op | 7.3%                 | ABD OIL       |
| Prairie Provident Rsrcs C | 0098033          | 100/07-20-038-01W4/00 | 07-20-038-01W4M         | Non-Op | 7.3%                 | ABD OIL       |
| Prairie Provident Rsrcs C | 0179806          | 1B0/07-20-038-01W4/00 | 03-20-038-01W4M         | Non-Op | 7.3%                 | ABD OIL       |
| Prairie Provident Rsrcs C | 0093237          | 100/08-20-038-01W4/00 | 08-20-038-01W4M         | Non-Op | 7.3%                 | ABD OIL       |
| Prairie Provident Rsrcs C | 0121221          | 1A0/08-20-038-01W4/00 | 08-20-038-01W4M         | Non-Op | 7.3%                 | Pump OIL      |
| Prairie Provident Rsrcs C | 0257215          | 102/08-20-038-01W4/00 | 07-20-038-01W4M         | Non-Op | 0.0%                 | Susp OIL      |
| Prairie Provident Rsrcs C | 0098014          | 100/09-20-038-01W4/00 | 09-20-038-01W4M         | Non-Op | 7.3%                 | Susp OIL      |
| Prairie Provident Rsrcs C | 0093238          | 100/10-20-038-01W4/00 | 10-20-038-01W4M         | Non-Op | 7.3%                 | Pump OIL      |
| Prairie Provident Rsrcs C | 0262434          | 102/10-20-038-01W4/00 | 10-20-038-01W4M         | Non-Op | 7.3%                 | Susp OIL      |
| Prairie Provident Rsrcs C | 0097007          | 100/15-20-038-01W4/00 | 15-20-038-01W4M         | Non-Op | 7.3%                 | Susp OIL      |
| Prairie Provident Rsrcs C | 0257471          | 102/15-20-038-01W4/00 | 15-20-038-01W4M         | Non-Op | 0.0%                 | Susp OIL      |
| Prairie Provident Rsrcs C | 0087944          | 100/16-20-038-01W4/00 | 16-20-038-01W4M         | Non-Op | 7.3%                 | Susp OIL      |
| Cenovus Enrg Inc          | 0185206          | 100/13-29-038-01W4/00 | 13-29-038-01W4M         | Non-Op | 100.0%               | ABD OIL       |
| Harvest Oprtns Corp       | 0075725          | 100/14-07-039-01W4/00 | 14-07-039-01W4M         | Non-Op | 5.0%                 | ABD GAS       |
| Cdn Nat Rsrcs Ltd         | 0324399          | 102/06-01-040-01W4/00 | 06-01-040-01W4M         | Non-Op | 3.6%                 | Susp GAS      |
| Cdn Nat Rsrcs Ltd         | 0134361          | 100/10-10-040-02W4/00 | 10-10-040-02W4M         | Non-Op | 50.0%                | ABD OIL       |
| Cdn Nat Rsrcs Ltd         | 0136289          | 1C0/10-10-040-02W4/00 | 15-10-040-02W4M         | Non-Op | 50.0%                | ABD OIL       |

**Well Licenses that Bow River has Non-Op WI**

| <b>Operator</b>       | <b>Licence #</b> | <b>UWI</b>            | <b>Surface Location</b> |        | <b>Bow River WI%</b> | <b>Status</b> |
|-----------------------|------------------|-----------------------|-------------------------|--------|----------------------|---------------|
| Cdn Nat Rsrcs Ltd     | 0134854          | 100/14-10-040-02W4/00 | 14-10-040-02W4M         | Non-Op | 100.0%               | ABD Zn        |
| Koch Expl Cda Ltd     | 0135745          | 1A0/15-10-040-02W4/00 | 15-10-040-02W4M         | Non-Op | 50.0%                | ABD OIL       |
| NuVista Enrg Ltd      | 0341458          | 102/12-30-040-02W4/00 | 12-30-040-02W4M         | Non-Op | 100.0%               | Drld & ABD    |
| Harvest Oprtns Corp   | 0086099          | 100/04-31-040-02W4/00 | 04-31-040-02W4M         | Non-Op | 3.6%                 | Drld & ABD    |
| Surge Enrg Inc        | 0098696          | 100/08-03-041-02W4/00 | 08-03-041-02W4M         | Non-Op | 2.2%                 | ABD OIL       |
| Cdn Nat Rsrcs Ltd     | 0048331          | 100/10-09-041-02W4/00 | 10-09-041-02W4M         | Non-Op | 4.5%                 | Drld & ABD    |
| Battle River Enrg Ltd | 0086554          | 100/14-09-041-02W4/00 | 14-09-041-02W4M         | Non-Op | 4.5%                 | ABD Zn        |
| NuVista Enrg Ltd      | 0339347          | 100/10-25-036-03W4/00 | 10-25-036-03W4M         | Non-Op | 100.0%               | Drld & ABD    |
| Enerplus Corp         | 0177312          | 103/10-24-040-03W4/00 | 10-24-040-03W4M         | Non-Op | 100.0%               | Drld & ABD    |
| Enerplus Corp         | 0187740          | 102/04-25-040-03W4/00 | 04-25-040-03W4M         | Non-Op | 100.0%               | Drld & ABD    |
| NuVista Enrg Ltd      | 0401348          | 100/11-06-040-04W4/00 | 12-06-040-04W4M         | Non-Op | 100.0%               | Drld & ABD    |
| Repsol O&G Cda Inc    | 0064281          | 100/06-06-045-04W4/00 | 06-06-045-04W4M         | Non-Op | 41.7%                | ABD GAS       |
| NuVista Enrg Ltd      | 0375718          | 100/15-14-032-05W4/00 | 15-14-032-05W4M         | Non-Op | 100.0%               | ABD Zn        |
| NuVista Enrg Ltd      | 0337636          | 100/02-01-034-05W4/00 | 02-01-034-05W4M         | Non-Op | 100.0%               | Drld & ABD    |
| Tamarack Acqstn Corp  | 0474348          | 100/08-30-034-05W4/00 | 05-30-034-05W4M         | Non-Op | 25.0%                | Pump OIL      |
| Sequoia Rsrcs Corp    | 0358671          | 102/13-17-044-05W4/00 | 13-17-044-05W4M         | Non-Op | 16.7%                | Susp OIL      |
| Sequoia Rsrcs Corp    | 0170973          | 100/15-17-044-05W4/00 | 15-17-044-05W4M         | Non-Op | 16.7%                | Susp GAS      |
| Repsol O&G Cda Inc    | 0046720          | 100/11-33-044-05W4/00 | 11-33-044-05W4M         | Non-Op | 62.5%                | Susp GAS      |
| Repsol O&G Cda Inc    | 0212079          | 102/11-34-044-05W4/00 | 11-34-044-05W4M         | Non-Op | 33.3%                | Susp GAS      |
| Repsol O&G Cda Inc    | 0051883          | 100/06-03-045-05W4/00 | 06-03-045-05W4M         | Non-Op | 41.7%                | ABD Zn        |
| Repsol O&G Cda Inc    | 0205072          | 100/11-03-045-05W4/00 | 11-03-045-05W4M         | Non-Op | 41.7%                | ABD Zn OIL    |
| Repsol O&G Cda Inc    | 0050683          | 100/07-05-045-05W4/00 | 07-05-045-05W4M         | Non-Op | 31.3%                | ABD Zn GAS    |
| 925011 Alta Ltd       | 0104650          | 100/14-05-045-05W4/00 | 14-05-045-05W4M         | Non-Op | 7.0%                 | ABD OIL       |
| Repsol O&G Cda Inc    | 0053631          | 100/07-09-045-05W4/00 | 07-09-045-05W4M         | Non-Op | 41.7%                | ABD Zn OIL    |
| 925011 Alta Ltd       | 0104884          | 100/14-09-045-05W4/00 | 14-09-045-05W4M         | Non-Op | 7.0%                 | ABD OIL       |
| Repsol O&G Cda Inc    | 0207902          | 100/05-10-045-05W4/00 | 05-10-045-05W4M         | Non-Op | 25.0%                | ABD GAS       |
| Repsol O&G Cda Inc    | 0293822          | 100/06-11-045-05W4/00 | 06-11-045-05W4M         | Non-Op | 50.0%                | ABD Zn GAS    |
| Repsol O&G Cda Inc    | 0195191          | 100/09-11-045-05W4/00 | 09-11-045-05W4M         | Non-Op | 41.7%                | Flow GAS      |
| Repsol O&G Cda Inc    | 0049978          | 100/10-11-045-05W4/00 | 10-11-045-05W4M         | Non-Op | 40.0%                | Flow GAS      |
| Repsol O&G Cda Inc    | 0114118          | 100/14-11-045-05W4/00 | 14-11-045-05W4M         | Non-Op | 40.0%                | ABD Zn OIL    |
| Surge Enrg Inc        | 0129215          | 100/01-15-045-05W4/00 | 01-15-045-05W4M         | Non-Op | 18.8%                | Susp OIL      |
| Lockwood Rsrcs Ltd    | 0105344          | 100/06-15-045-05W4/03 | 06-15-045-05W4M         | Non-Op | 21.7%                | Susp GAS      |
| Surge Enrg Inc        | 0115875          | 100/08-15-045-05W4/00 | 08-15-045-05W4M         | Non-Op | 18.8%                | Susp OIL      |
| Lockwood Rsrcs Ltd    | 0095267          | 100/06-22-045-05W4/02 | 06-22-045-05W4M         | Non-Op | 100.0%               | Act CmgI      |

**Well Licenses that Bow River has Non-Op WI**

| <b>Operator</b>           | <b>Licence #</b> | <b>UWI</b>            | <b>Surface Location</b> |        | <b>Bow River WI%</b> | <b>Status</b>  |
|---------------------------|------------------|-----------------------|-------------------------|--------|----------------------|----------------|
| Repsol O&G Cda Inc        | 0053625          | 100/07-23-045-05W4/00 | 07-23-045-05W4M         | Non-Op | 25.0%                | Drld & ABD     |
| Bellatrix Expl Ltd        | 0198633          | 100/12-36-033-06W4/00 | 12-36-033-06W4M         | Non-Op | 100.0%               | Drld & ABD     |
| Obsidian Enrg Ltd         | 0206705          | 100/15-36-033-06W4/00 | 15-36-033-06W4M         | Non-Op | 60.0%                | Drld & ABD     |
| Tamarack Acqstn Corp      | 0475384          | 100/11-25-034-06W4/00 | 05-30-034-05W4M         | Non-Op | 12.5%                | Pump OIL       |
| Kanati Enrg Inc'd         | 0204107          | 100/16-25-034-06W4/00 | 16-25-034-06W4M         | Non-Op | 100.0%               | ABD Re-ent GAS |
| Crescent Point Enrg Corp  | 0082418          | 100/15-18-039-06W4/00 | 15-18-039-06W4M         | Non-Op | 2.1%                 | Drld & ABD     |
| Obsidian Enrg Ltd         | 0059870          | 100/11-04-033-07W4/00 | 11-04-033-07W4M         | Non-Op | 50.0%                | Susp GAS       |
| Obsidian Enrg Ltd         | 0118487          | 100/10-05-033-07W4/00 | 10-05-033-07W4M         | Non-Op | 50.0%                | Susp GAS       |
| Conocophillips Cda Rsr(2) | 0041533          | 100/10-06-033-07W4/00 | 10-06-033-07W4M         | Non-Op | 50.0%                | Drld & ABD     |
| Obsidian Enrg Ltd         | 0050281          | 102/10-06-033-07W4/00 | 10-06-033-07W4M         | Non-Op | 50.0%                | ABD GAS        |
| Tamarack Acqstn Corp      | 0328936          | 100/08-07-033-07W4/00 | 08-07-033-07W4M         | Non-Op | 17.6%                | ABD Zn         |
| Obsidian Enrg Ltd         | 0118488          | 100/11-09-033-07W4/00 | 11-09-033-07W4M         | Non-Op | 50.0%                | Susp GAS       |
| Obsidian Enrg Ltd         | 0041279          | 100/06-16-033-07W4/00 | 06-16-033-07W4M         | Non-Op | 50.0%                | Susp GAS       |
| Tamarack Acqstn Corp      | 0304052          | 100/10-17-033-07W4/00 | 10-17-033-07W4M         | Non-Op | 50.0%                | ABD Zn         |
| Tamarack Acqstn Corp      | 0318224          | 100/05-20-033-07W4/00 | 05-20-033-07W4M         | Non-Op | 42.0%                | ABD Zn         |
| Battle River Enrg Ltd     | 0335380          | 100/12-20-039-07W4/00 | 12-20-039-07W4M         | Non-Op | 1.7%                 | Pump GAS       |
| Husky Oil Oprtns Ltd      | 0087097          | 100/03-28-039-07W4/00 | 03-28-039-07W4M         | Non-Op | 1.7%                 | ABD GAS        |
| Cdn Nat Rsrcs Ltd         | 0225870          | 102/13-21-047-07W4/00 | 15-21-047-07W4M         | Non-Op | 12.5%                | ABD OIL        |
| Cdn Nat Rsrcs Ltd         | 0224377          | 100/14-21-047-07W4/00 | 14-21-047-07W4M         | Non-Op | 12.5%                | ABD OIL        |
| Cdn Nat Rsrcs Ltd         | 0232039          | 102/14-21-047-07W4/00 | 14-21-047-07W4M         | Non-Op | 12.5%                | ABD OIL        |
| Cdn Nat Rsrcs Ltd         | 0232041          | 103/14-21-047-07W4/00 | 14-21-047-07W4M         | Non-Op | 12.5%                | ABD OIL        |
| Obsidian Enrg Ltd         | 0070036          | 100/10-17-032-08W4/00 | 10-17-032-08W4M         | Non-Op | 50.0%                | Susp GAS       |
| Obsidian Enrg Ltd         | 0044300          | 100/07-21-032-08W4/00 | 07-21-032-08W4M         | Non-Op | 50.0%                | Susp GAS       |
| Obsidian Enrg Ltd         | 0188096          | 100/14-22-032-08W4/00 | 14-22-032-08W4M         | Non-Op | 50.0%                | Susp GAS       |
| Tamarack Acqstn Corp      | 0274256          | 100/12-28-032-08W4/00 | 12-28-032-08W4M         | Non-Op | 15.0%                | Cased          |
| Tamarack Acqstn Corp      | 0331423          | 102/10-33-032-08W4/00 | 10-33-032-08W4M         | Non-Op | 15.0%                | Susp GAS       |
| Mke Cda Ltd               | 0165061          | 100/07-04-035-08W4/00 | 07-04-035-08W4M         | Non-Op | 20.0%                | Drld & ABD     |
| NuVista Enrg Ltd          | 0240843          | 100/03-20-033-09W4/00 | 03-20-033-09W4M         | Non-Op | 100.0%               | Drld & ABD     |
| NuVista Enrg Ltd          | 0382303          | 100/09-17-034-09W4/00 | 09-17-034-09W4M         | Non-Op | 100.0%               | ABD Zn         |
| NuVista Enrg Ltd          | 0335976          | 102/05-10-035-09W4/00 | 05-10-035-09W4M         | Non-Op | 100.0%               | Drld & ABD     |
| NuVista Enrg Ltd          | 0332279          | 102/06-15-035-09W4/00 | 06-15-035-09W4M         | Non-Op | 100.0%               | Drld & ABD     |
| NuVista Enrg Ltd          | 0378080          | 100/09-23-033-10W4/00 | 09-23-033-10W4M         | Non-Op | 100.0%               | ABD Zn         |
| Obsidian Enrg Ltd         | 0069981          | 100/10-20-041-11W4/00 | 10-20-041-11W4M         | Non-Op | 14.5%                | Drld & ABD     |
| Surge Enrg Inc            | 0189635          | 100/04-18-040-03W4/00 | 04-18-040-03W4M         | Non-Op | 0.0%                 | ABD Zn OIL     |

**Well Licenses that Bow River has Non-Op WI**

| <b>Operator</b>           | <b>Licence #</b> | <b>UWI</b>            | <b>Surface Location</b> | <b>Non-Op</b> | <b>Bow River WI%</b> | <b>Status</b>   |
|---------------------------|------------------|-----------------------|-------------------------|---------------|----------------------|-----------------|
| Surge Enrg Inc            | 0149747          | 100/05-13-040-04W4/00 | 05-13-040-04W4M         | Non-Op        | 0.0%                 | ABD Zn OIL      |
| West Lake Enrg Corp       | 0097227          | 100/14-20-041-04W4/00 | 14-20-041-04W4M         | Non-Op        | 25.0%                | Susp GAS        |
| Husky Oil Oprtns Ltd      | 0153695          | 100/09-09-038-03W4/00 | 16-09-038-03W4M         | Non-Op        | 0.0%                 | ABD Re-ent OIL  |
| Husky Oil Oprtns Ltd      | 0131522          | 100/16-09-038-03W4/00 | 16-09-038-03W4M         | Non-Op        | 0.0%                 | ABD Re-ent OIL  |
| West Lake Enrg Corp       | 0129791          | 1C0/09-13-038-04W4/00 | 09-13-038-04W4M         | Non-Op        | 0.0%                 | ABD Zn OIL      |
| West Lake Enrg Corp       | 0130015          | 1D0/11-13-038-04W4/00 | 11-13-038-04W4M         | Non-Op        | 0.0%                 | ABD Zn OIL      |
| West Lake Enrg Corp       | 0156799          | 100/06-16-038-04W4/00 | 12-16-038-04W4M         | Non-Op        | 0.0%                 | ABD Zn OIL      |
| West Lake Enrg Corp       | 0160214          | 100/13-16-038-04W4/00 | 12-16-038-04W4M         | Non-Op        | 0.0%                 | ABD Zn OIL      |
| West Lake Enrg Corp       | 0160995          | 102/13-16-038-04W4/00 | 11-16-038-04W4M         | Non-Op        | 0.0%                 | ABD Zn OIL      |
| Battle River Enrg Ltd     | 0136033          | 100/07-21-038-04W4/00 | 07-21-038-04W4M         | Non-Op        | 0.0%                 | ABD Zn GAS      |
| West Lake Enrg Corp       | 0131413          | 1C0/01-24-038-04W4/00 | 01-24-038-04W4M         | Non-Op        | 0.0%                 | ABD Zn OIL      |
| West Lake Enrg Corp       | 0128417          | 100/02-24-038-04W4/00 | 02-24-038-04W4M         | Non-Op        | 0.0%                 | ABD Zn OIL      |
| West Lake Enrg Corp       | 0126374          | 100/06-24-038-04W4/00 | 06-24-038-04W4M         | Non-Op        | 0.0%                 | ABD Zn GAS      |
| Repsol O&G Cda Inc        | 0054932          | 100/07-08-045-05W4/00 | 07-08-045-05W4M         | Non-Op        | 41.7%                | ABD GAS         |
| Cdn Nat Rsrcs Ltd         | 0027367          | 100/05-14-047-06W4/00 | 05-14-047-06W4M         | Non-Op        | 100.0%               | ABD Zn WTR Disp |
| Murphy Oil Co Ltd         | 0055990          | 100/10-32-039-01W4/00 | 10-32-039-01W4M         | Non-Op        | 12.7%                | Drld & ABD      |
| Cdn Nat Rsrcs Ltd         | 0065839          | 100/04-26-053-02W4/00 | 04-26-053-02W4M         | Non-Op        | 72.7%                | Susp BIT OIL    |
| Cdn Nat Rsrcs Ltd         | 0067732          | 1C0/11-26-047-06W4/00 | 11-26-047-06W4M         | Non-Op        | 72.7%                | ABD Zn          |
| Devon Cda Corp            | 0070399          | 100/11-30-047-07W4/00 | 11-30-047-07W4M         | Non-Op        | 25.0%                | Drld & ABD      |
| Cdn Nat Rsrcs Ltd         | 0072306          | 100/13-26-053-02W4/00 | 13-26-053-02W4M         | Non-Op        | 72.7%                | ABD BIT OIL     |
| Cdn Nat Rsrcs Ltd         | 0078737          | 100/10-31-039-01W4/00 | 10-31-039-01W4M         | Non-Op        | 5.0%                 | Drld & ABD      |
| Cdn Nat Rsrcs Ltd         | 0083790          | 100/09-16-039-01W4/00 | 09-16-039-01W4M         | Non-Op        | 9.7%                 | Drld & ABD      |
| Husky Oil Oprtns Ltd      | 0084820          | 100/03-29-039-07W4/00 | 03-29-039-07W4M         | Non-Op        | 1.7%                 | ABD GAS         |
| Cdn Nat Rsrcs Ltd         | 0089702          | 100/13-14-038-01W4/00 | 13-14-038-01W4M         | Non-Op        | 44.8%                | ABD OIL         |
| Husky Oil Oprtns Ltd      | 0104041          | 100/13-24-040-02W4/00 | 13-24-040-02W4M         | Non-Op        | 80.0%                | Drld & ABD      |
| 925011 Alta Ltd           | 0104879          | 100/06-08-045-05W4/00 | 06-08-045-05W4M         | Non-Op        | 26.3%                | ABD OIL         |
| 925011 Alta Ltd           | 0133817          | 100/02-15-045-05W4/00 | 02-15-045-05W4M         | Non-Op        | 14.7%                | Drld & ABD      |
| Koch Expl Cda Ltd         | 0135744          | 1D0/15-10-040-02W4/00 | 15-10-040-02W4M         | Non-Op        | 50.0%                | ABD OIL         |
| Cdn Nat Rsrcs Ltd         | 0136503          | 1D2/15-10-040-02W4/00 | 15-10-040-02W4M         | Non-Op        | 50.0%                | ABD OIL         |
| Obsidian Enrg Ltd         | 0139397          | 100/16-21-039-07W4/00 | 16-21-039-07W4M         | Non-Op        | 1.7%                 | Drld & ABD      |
| Prairie Provident Rsrcs C | 0139591          | 100/11-28-038-01W4/00 | 11-28-038-01W4M         | Non-Op        | 9.7%                 | ABD OIL         |
| Prairie Provident Rsrcs C | 0151830          | 1B0/01-20-038-01W4/00 | 01-20-038-01W4M         | Non-Op        | 0.0%                 | Susp OIL        |
| Prairie Provident Rsrcs C | 0179807          | 1C0/07-20-038-01W4/00 | 03-20-038-01W4M         | Non-Op        | 7.3%                 | Drld & ABD      |
| Coldstream Enrg Ltd       | 0191304          | 100/14-32-039-01W4/00 | 14-32-039-01W4M         | Non-Op        | 10.0%                | ABD OIL         |

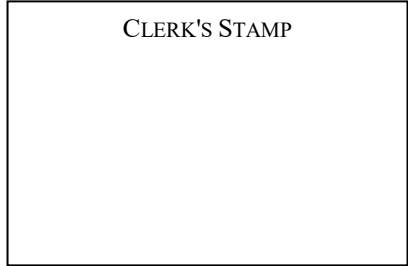


**Well Licenses that Bow River has Non-Op WI**

| <b>Operator</b>           | <b>Licence #</b> | <b>UWI</b>            | <b>Surface Location</b> |        | <b>Bow River WI%</b> | <b>Status</b> |
|---------------------------|------------------|-----------------------|-------------------------|--------|----------------------|---------------|
| Cdn Nat Rsrcs Ltd         | 0225871          | 100/13-21-047-07W4/00 | 15-21-047-07W4M         | Non-Op | 12.5%                | ABD OIL       |
| Caltex Rsrcs Ltd          | 0365138          | 100/13-16-037-01W4/00 | 13-16-037-01W4M         | Non-Op | 3.6%                 | Act Obsrv     |
| Prairie Provident Rsrcs C | 0146898          | 1A0/14-16-038-01W4/00 | 14-16-038-01W4M         | Non-Op | 0.0%                 | Susp OIL      |
| Repsol O&G Cda Inc        | 0465249          | 100/04-33-044-05W4/00 | 04-33-044-05W4M         | Non-Op | 0.0%                 | Pumping Oil   |
| Repsol O&G Cda Inc        | 0471646          | 100/12-33-044-05W4/00 | 12-33-044-05W4M         | Non-Op | 0.0%                 | Pumping Oil   |

**Schedule "B"**

**FORM OF RECEIVER'S CERTIFICATE**



COURT FILE NUMBER 2001-13391  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
APPLICANT ORPHAN WELL ASSOCIATION  
RESPONDENT BOW RIVER ENERGY LTD.  
DOCUMENT **RECEIVER'S CERTIFICATE**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855 – 2nd Street S.W.  
Calgary, Alberta T2P 4K7

Attention: Keely Cameron  
Telephone No.: 403-298-3324  
Fax No.: 403-265-7219  
Client File No.: 068775.0005

**RECITALS**

- A. Pursuant to an Order of the Honourable Madam Justice D.L. Shelley of the Court of Queen’s Bench of Alberta, Judicial District of Calgary (the "**Court**"), dated October 29, 2020, BDO Canada Limited was appointed as the Receiver (the "**Receiver**") of the undertaking, property and assets of Bow River Energy Ltd. ("**Bow River**").
  
- B. Pursuant to an Order of the Court dated December 13, 2021, the limited discharge of the Receiver from and over the Remaining Alberta Assets as defined that Order was approved (the "**Limited Discharge Order**"), with such limited discharge to take effect at 11:59 p.m. Mountain Time on the date of delivery by the Receiver to the Alberta Energy Regulator of a Receiver's certificate detailing the specific licenses and/or non-operated working interested included within the Remaining Alberta Assets from and over which the Receiver is seeking discharge.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Limited Discharge Order.

**THE RECEIVER CERTIFIES** the following:

1. The Receiver is discharged with respect to the Remaining Alberta Assets set out in Schedule "A" hereto.
2. The Receiver has transferred care and custody of the Properties listed in Schedule "A" to the Alberta Energy Regulator where applicable.
3. This Certificate was delivered by the Receiver to the Alberta Energy Regulator on [DATE].

**BDO CANADA LIMITED in its capacity as Receiver of the undertaking, property and assets of Bow River Energy Ltd., and not in its personal capacity.**

Per: \_\_\_\_\_  
Name:  
Title:

# APPENDIX “F”

**Bow River Energy Ltd., in receivership (ALBERTA)**  
**Statement of Receipts and Disbursements**  
**as at December 3, 2021**

**Receipts**

|                       |                 |
|-----------------------|-----------------|
| Revenues              | \$ 8,548,816.13 |
| Sales of assets       | 2,569,925.72    |
| Cash in bank          | 1,443,001.53    |
| GST collected         | 470,671.73      |
| Wage subsidy refunds  | 181,576.00      |
| Accounts receivable   | 134,324.43      |
| Settlement            | 100,000.00      |
| Insurance proceeds    | 83,947.62       |
| Miscellaneous refunds | 46,353.20       |
| GST recovered         | 36,236.84       |

13,614,853.20

**Disbursements**

|   |              |
|---|--------------|
| Utilities                                   | 2,682,430.28 |
| Field operating expenses                    | 1,456,828.75 |
| Operational consultants and field operators | 1,366,066.32 |
| Royalties                                   | 661,734.69   |
| GST paid                                    | 300,843.10   |
| Leases                                      | 281,552.16   |
| GST remitted                                | 231,366.05   |
| Oil and gas software                        | 167,650.73   |
| Sales agent commission                      | 157,500.00   |
| Insurance                                   | 119,874.74   |
| Legal fees and disbursements                | 84,600.54    |
| Security deposits                           | 83,669.61    |
| Receiver's fees                             | 79,478.00    |
| Rent  | 72,530.35    |
| Consulting                                  | 15,993.62    |
| Miscellaneous                               | 9,186.26     |

7,771,305.20

Cash on hand

\$ 5,843,548.00

# APPENDIX “G”

**Bow River Energy Ltd., in receivership (ALBERTA)**  
**Summary of Professional Fees and Disbursements**

|   | <u>Invoice #</u> | <u>Date</u> | <u>Amount</u>       | <u>GST</u>         | <u>Total</u>        |
|---|------------------|-------------|---------------------|--------------------|---------------------|
| <b><u>Receiver's Fees and Disbursements</u></b> | CINV1476096      | 2-Dec-21    | \$ 102,456.00       | \$ 5,122.80        | \$ 107,578.80       |
| <b><u>Legal Fees and Disbursements</u></b>      |                  |             |                     |                    |                     |
|   | 1394032          | 14-May-21   | 49,392.16           | 2,469.61           | 51,861.77           |
|   | 1399350          | 16-Jun-21   | 765.25              | 38.26              | 803.51              |
|   | 1402698          | 12-Jul-21   | 1,421.49            | 66.57              | 1,488.06            |
|   | 1407764          | 11-Aug-21   | 3,593.50            | 177.58             | 3,771.08            |
|   | 1411258          | 8-Sep-21    | 2,354.00            | 117.20             | 2,471.20            |
|   | 1416432          | 12-Oct-21   | 3,564.50            | 178.23             | 3,742.73            |
|   | 1420273          | 5-Nov-21    | 3,605.00            | 179.85             | 3,784.85            |
|   |                  |             | <u>\$ 64,695.90</u> | <u>\$ 3,227.30</u> | <u>\$ 67,923.20</u> |