

AGENCY AGREEMENT

August 8, 2025

Horizon Petroleum Ltd.

Suite 920 – 540, 5th Avenue SW
Calgary, Alberta
T2P 0M2

Attention: Dr. David A. Winter, Chairman and Chief Executive Officer

Dear Sir:

Haywood Securities Inc., (“**Haywood**” or the “**Lead Agent**”) and Canaccord Genuity Corp, (together with the Lead Agent, the “**Agents**”), understands that Horizon Petroleum Ltd. (the “**Company**”) proposes to issue and sell up to 75,000,000 units of the Company (the “**Units**”) at a purchase price of \$0.10 per Unit (the “**Offering Price**”), for aggregate gross proceeds of up to \$7,500,000 (the “**Offering**”). Each Unit shall be comprised of one (1) Common Share (as defined herein) (each, a “**Unit Share**”) and one (1) Common Share purchase warrant (a “**Warrant**”). Each Warrant shall entitle the holder thereof to acquire one (1) Common Share (a “**Warrant Share**”) at an exercise price of \$0.15 for a period of 36 months from the Closing Date (as defined herein). The Warrants shall be duly and validly created and issued pursuant to, and governed by, a warrant indenture (the “**Warrant Indenture**”) to be entered into between the Warrant Agent (as defined herein) appointed thereunder, in its capacity as warrant agent, and the Company, and dated on or prior to the Closing Date (as defined herein). To the extent there is any inconsistency between the description of the terms of the Warrants contained in this Agency Agreement and the Warrant Indenture, the terms set forth in the Warrant Indenture shall govern.

In addition, the Agents shall have an option (the “**Over-Allotment Option**”), which Over-Allotment Option may be exercised in the Agents’ sole discretion and without obligation, to sell up to an additional 15% of the maximum number of Units issuable pursuant to the Offering (the “**Additional Units**” and, together with the Units, the “**Offered Units**”) at the Offering Price. The Over-Allotment Option shall be exercisable by the Agents, in whole or in part at any time and from time to time up to 30 days following the Closing Date, after which time the Over-Allotment Option shall be void and of no further force and effect. Additional Units may be sold solely for the purpose of covering over-allotments made in connection with the Offering and for market stabilization purposes. The Over-Allotment Option shall be exercisable to offer for sale Units, Unit Shares and/or Warrants at the discretion of the Agents at such prices disclosed in the Prospectus Supplement (as defined herein). All references herein to the “**Offering**” shall be deemed to include any exercise of the Over-Allotment Option.

The Company has advised that: (i) it is current in the filing of all materials required to be filed under Canadian Securities Laws (as defined herein) of each of the provinces of Canada, other than Québec (the “**Qualifying Jurisdictions**”); (ii) it has filed the Base Shelf Prospectus (as defined herein) in each of the Qualifying Jurisdictions and the ASC (as defined herein), as principal regulator, has issued a decision document in respect thereof under NP 11-202 (as defined herein) on behalf of itself and the other Securities Commissions (as defined herein); and (iii) it is qualified to file the Prospectus Supplement in each of the Qualifying Jurisdictions as a supplement to the Base Shelf Prospectus in accordance with the requirements of NI 44-101 and NI 44-102 (as such terms are defined herein).

Based on the foregoing, and subject to the terms and conditions contained in this Agency Agreement, the Agents hereby agree to act, and upon acceptance hereof, the Company hereby appoints the Agents, as the Company’s exclusive agent to offer for sale, on a commercially reasonable agency basis, without underwriter liability, the Offered Units and the Agents agree to use commercially reasonable efforts to arrange for purchasers of the Offered Units in the applicable selling jurisdictions. It is understood and agreed by the Company and the Agents that the Agents shall act as an agent only and are under no obligation to purchase any of the Offered Units.

The Lead Agent shall have the right to invite one or more investment dealers (each, a “**Selling Firm**”) to form a selling group to participate in the soliciting of offers to purchase the Offered Units and the Lead Agent has the exclusive right to control all compensation arrangements between the members of the selling group. The Lead Agent shall ensure that

any Selling Firm shall agree with the Lead Agent to comply with all Applicable Laws (as defined herein) and with the covenants and obligations given by the Agents herein.

Subject to Section 12, in consideration of the Agents' services to be rendered in connection with the Offering, the Company shall pay to the Agents the Agents' Fee.

The parties acknowledge that the Offered Units have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered and sold in the United States.

The following are the additional terms and conditions of the agreement between the Company and the Agents:

TERMS AND CONDITIONS

Section 1 Definitions and Interpretation

(1) In this Agency Agreement:

“**ABCA**” means the *Business Corporations Act* (Alberta), including the regulations thereunder, in each case as amended or replaced;

“**Additional Units**” has the meaning ascribed thereto in the second paragraph of this Agency Agreement;

“**affiliate**”, “**associate**”, “**material fact**”, “**material change**”, and “**misrepresentation**” shall have the respective meanings ascribed thereto in the *Securities Act* (Alberta);

“**Agency Agreement**” this agency agreement as it may be amended from time to time and not any particular section or portion except as may be specified, and words such as “hereto”, “herein” and “hereby” refer to this Agency Agreement as the context requires;

“**Agents**” has the meaning ascribed thereto in the first paragraph of this Agency Agreement;

“**Agents' Counsel**” means Borden Ladner Gervais LLP;

“**Agents' Fee**” has the meaning ascribed thereto in Section 12;

“**Apex**” means Apex Global Engineering Inc.;

“**Applicable Laws**” means any law, statute, regulation, decision, ruling, ordinance, code, order, rule, treaty, policy or other requirement of any Governmental Entity (including any stock exchange), including any judicial or administrative interpretation thereof, the common law, or any other requirement or rule of law, applicable to a person or any of its properties, securities, assets, businesses or operations. For avoidance of doubt, this shall also include Environmental Laws and Canadian Securities Law;

“**Applicable Securities Laws**” means Canadian Securities Laws;

“**Base Shelf Prospectus**” means the (final) short form base shelf prospectus of the Company dated May 22, 2025, including all of the Documents Incorporated by Reference;

“**Business Day**” means any day other than a Saturday, Sunday or statutory or civic holiday in Calgary, Alberta;

“**Canadian Securities Laws**” means, collectively, all applicable securities laws of each of the Qualifying Jurisdictions and the respective rules and regulations under such laws, together with applicable published instruments, notices and orders of the securities regulatory authorities in the Qualifying Jurisdictions, and to the extent applicable the rules and policies of the TSXV;

“**CFPOA**” has the meaning ascribed thereto in Section 8(1)(mm);

“**Claim**” and “**Claims**” have the respective meanings ascribed thereto in Section 15(1);

“**Closing**” means the completion of the issue and sale by the Company of the Offered Units pursuant to the Offering as contemplated by this Agency Agreement;

“**Closing Date**” means the date on which the Closing will occur, being August 20, 2025, or any earlier or later date as may be agreed to by the Company and the Agents, each acting reasonably;

“**Closing Time**” means 8:30 a.m. (Toronto time) on the Closing Date or Option Closing Date, as applicable, or any other time on the Closing Date or Option Closing Date, as applicable, as may be mutually agreed to by Company and the Agents;

“**Common Shares**” means common shares in the capital of the Company;

“**Company**” has the meaning ascribed thereto in the first paragraph of this Agency Agreement;

“**Company’s Auditors**” means McGovern Hurley LLP;

“**comparables**”, “**marketing materials**”, “**standard term sheet**” and “**template version**” shall have their respective meanings ascribed thereto in NI 41-101;

“**Compensation Option Certificate**” means the certificate representing the Compensation Options;

“**Compensation Option Shares**” means the Common Shares underlying the Compensation Options;

“**Compensation Options**” means the non-transferable compensation options as is equal to (i) 8.0% of the number of Offered Units sold pursuant to the Offering to purchasers other than those on the President’s List; plus (i) 4.0% of the number of Offered Units sold pursuant to the Offering to purchasers on the President’s List. Each Compensation Option will be exercisable to acquire one Compensation Option Share at the Offering Price until that date which is 36 months from the Closing Date, subject to adjustment in certain customary events;

“**Deposit ID**” has the meaning ascribed thereto in Section 11(3)(a);

“**Directed Selling Efforts**” means “directed selling efforts” as defined in Rule 902 of Regulation S and, without limiting the foregoing, but for greater clarity, it means, subject to the exclusions from the definition of “directed selling efforts” contained in Rule 902 of Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Offered Units, and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Offered Units;

“**distribution**” means distribution or distribution to the public, as the case may be, for the purposes of Canadian Securities Laws;

“**Documents Incorporated by Reference**” means, in respect of any of the Offering Documents, the Public Disclosure Documents specified as being incorporated therein by reference or which are deemed to be incorporated therein by reference pursuant to Canadian Securities Laws;

“**Engagement Letter**” means the engagement letter dated August 5, 2025 entered into between the Lead Agent and the Company;

“**Environmental Laws**” has the meaning ascribed thereto in Section 8(1)(zz);

“**Environmental Permits**” has the meaning ascribed thereto in Section 8(1)(zz)(ii);

“**Exercise Notice**” has the meaning ascribed thereto in Section 7(1);

“**Expiry Date**” means 36 months from the Closing Date;

“**Financial Statements**” means, collectively: (i) the audited annual consolidated financial statements of the Company for the years ended August 31, 2024, and 2023, the related notes thereto and the independent auditors’ reports thereon; and (ii) the unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended May 31, 2025, and 2024, and the related notes thereto;

“**General Solicitation**” and “**General Advertising**” mean “general solicitation” and “general advertising”; respectively, as used in Rule 502(c) of Regulation D under the U.S. Securities Act, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

“**Governmental Entity**” means any: (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (ii) subdivision, agent, commission, board, or authority of any of the foregoing; or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

“**Hazardous Materials**” means and includes, without limitation, any pollutants, contaminants, chemicals or industrial toxic or hazardous wastes, materials or substances, including petroleum or petroleum products or any other matter including any of the foregoing, as defined or described as such pursuant to any Environmental Laws;

“**IFRS**” means the International Financial Reporting Standards as issued by the International Accounting Standards Board and the interpretations thereof by the International Financial Reporting Interpretations Committee and the former Standing Interpretations Committee;

“**including**” means including without limitation;

“**Indemnified Party**” and “**Indemnified Parties**” have the respective meanings ascribed thereto in Section 15(1);

“**Interest**” has the meaning ascribed thereto in Section 8(1)(ww) of this Agency Agreement;

“**Lead Agent**” has the meaning ascribed thereto in the first paragraph of this Agency Agreement;

“**Liens**” means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or right to use or occupy, property or assets;

“**Material Adverse Effect**” or “**Material Adverse Change**” means any change (including a decision to implement a change made by the board of directors or by senior management who believe that confirmation of the decision by the board of directors is probable), effect, event, occurrence, circumstance, violation or inaccuracy, as the case may be, that has or would reasonably be expected to (i) have a material adverse effect on the business, assets, properties, affairs, liabilities (absolute, accrued, contingent or otherwise), capitalization, condition (financial or otherwise), results of operations, cash flows, control, management or prospects of the Company and its Subsidiaries, taken as a whole; or (ii) result in the Prospectus or any Supplementary Material containing a misrepresentation;

“**Material Assets**” has the meaning ascribed thereto in Section 6(3);

“**Material Contracts**” means the contracts, commitments, agreements (written or oral), instruments, leases or other documents or arrangements, which are material to the Company (on a consolidated basis) including any such material agreement or document that enables the Company and its Subsidiaries to carry on its business.

“**Material Subsidiaries**” means Energia Karpaty Zachodnie spolka z ograniczona odpowiedzialnoscia Sp.K. and Energia Karpaty Zachodnie Sp. Z.O.O.;

“**Money Laundering Laws**” has the meaning ascribed thereto in Section 8(1)(nn);

“**NI 41-101**” means National Instrument 41-101 – *General Prospectus Requirements*;

“**NI 44-101**” means National Instrument 44-101 – *Short Form Prospectus Distributions*;

“**NI 44-102**” means National Instrument 44-102 – *Shelf Distributions*;

“**NI 51-101**” means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*;

“**NI 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*;

“**NP 11-202**” means National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions*;

“**Offering**” has the meaning ascribed thereto in the first and second paragraphs of this Agency Agreement;

“**Offering Documents**” means, collectively, the Base Shelf Prospectus, the Prospectus Supplement, any Prospectus Amendment, any Supplementary Material, and the Documents Incorporated by Reference therein;

“**Offering Price**” has the meaning ascribed thereto in the first paragraph of this Agency Agreement;

“**Option Closing**” means the closing of the Over-Allotment Option;

“**Option Closing Date**” has the meaning ascribed to such term in Section 7(1);

“**Over-Allotment Option**” has the meaning ascribed thereto in the second paragraph of this Agency Agreement;

“**Passport System**” means the passport system procedures provided for under Multilateral Instrument 11-102 – Passport System and NP 11-202;

“**Permits**” has the meaning ascribed thereto in Section 8(1)(oo);

“**Permitted Encumbrances**” has the meaning ascribed thereto in Section 8(1)(vv) of this Agency Agreement;

“**person**” shall be interpreted broadly and include any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or any other entity, including any Governmental Entity;

“**President’s List**” has the meaning ascribed thereto in Section 12;

“**Prospectus**” means, collectively, the Base Shelf Prospectus, as supplemented by the Prospectus Supplement and any Prospectus Amendment, in each case including all of the Documents Incorporated by Reference;

“**Prospectus Amendment**” means any amendment to the Base Shelf Prospectus or the Prospectus Supplement required to be prepared and filed by the Company pursuant to Canadian Securities Laws;

“**Prospectus Supplement**” means the prospectus supplement of the Company, to be dated August 8, 2025, to the Base Shelf Prospectus, including all of the Documents Incorporated by Reference;

“**Public Disclosure Documents**” means, collectively, all of the documents which have been filed by or on behalf of the Company prior to the Closing Time under its profile on SEDAR+;

“**purchasers**” means, collectively, each of the purchasers of the Offered Units arranged by the Agents pursuant to the Offering;

“**Qualifying Jurisdictions**” has the meaning ascribed thereto in the third paragraph of this Agency Agreement;

“**Regulation D**” means Regulation D under the U.S. Securities Act;

“**Regulation S**” means Regulation S under the U.S. Securities Act;

“**Reserves Report**” means the independent engineering reserve and resources evaluation conducted by Apex Global Engineering Inc., in respect of the Company’s Lachowice conventional natural gas field in the Bielsko-Biala concession in southern Poland as of August 31, 2024, with a preparation date of December 4, 2024;

“**Securities Commissions**” means the applicable securities commission or similar regulatory authority in each of the Qualifying Jurisdictions;

“**SEDAR+**” means the System for Electronic Document Analysis and Retrieval Plus of the Canadian Securities Administrators;

“**Selling Firm**” has the meaning ascribed thereto in the fifth paragraph of this Agency Agreement;

“**Standard Listing Conditions**” has the meaning ascribed thereto in Section 9(1)(b);

“**Subsidiaries**” means the Material Subsidiaries, Kotlarka Energy spolka z ograniczona odpowiedzialnoscia and Prusice Energy spolka z ograniczona odpowiedzialnoscia and each of them a “**Subsidiary**”;

“**Supplementary Material**” means, collectively, any Prospectus Amendment, any amendment to any of the other Offering Documents or any amendment or supplemental prospectus or ancillary materials that may be filed by or on behalf of the Company under Canadian Securities Laws relating to the distribution of the Offered Units;

“**Taxes**” has the meaning ascribed thereto in Section 8(1)(tt);

“**Transaction Documents**” means, collectively, this Agency Agreement, the Warrant Indenture and the Compensation Option Certificates.

“**Transfer Agent**” means Computershare Investor Services Inc, in its capacity as transfer agent and registrar of the Common Shares of the Company;

“**TSXV**” means the TSX Venture Exchange;

“**U.S. Affiliate**” of any Agents means the United States registered broker-dealer affiliate of such Agents;

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended;

“**Unit Share**” has the meaning ascribed thereto in the first paragraph of this Agency Agreement;

“**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

“Units” has the meaning ascribed thereto in the first paragraph of this Agency Agreement;

“Warrant” has the meaning ascribed thereto in the first paragraph of this Agency Agreement;

“Warrant Agent” means Computershare Trust Company;

“Warrant Indenture” has the meaning ascribed thereto in the first paragraph of this Agency Agreement; and

“Warrant Share” has the meaning ascribed thereto in the first paragraph of this Agency Agreement.

- (2) **Headings, etc.** The division of this Agency Agreement into sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agency Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to sections, subsections, paragraphs and other subdivisions are to sections, subsections, paragraphs and other subdivisions of this Agency Agreement.
- (3) **Currency.** Except as otherwise indicated, all amounts expressed herein in terms of money refer to lawful currency of Canada and all payments to be made hereunder shall be made in such currency.
- (4) **Capitalized Terms.** Capitalized terms used but not defined herein have the meanings ascribed to them in the Prospectus.
- (5) **Knowledge.** Any reference in this Agency Agreement to “knowledge” of the Company (or similar phrases) means to the actual knowledge of the following individuals: David Winter, Chief Executive Officer of the Company and Ian Habke, Chief Financial Officer of the Company, after having made due inquiry.

Section 2 Prospectus Covenants

- (1) As soon as practicable after the execution of this Agency Agreement, on August 8, 2025, the Company will prepare and file the Prospectus Supplement, including copies of any documents or information incorporated by reference therein, with the Securities Commissions, and will have taken all other steps and proceedings that may be necessary in order to qualify the Offered Units for distribution in each of the Qualifying Jurisdictions by the Agents and other persons who are registered in a category permitting them to distribute the Offered Units under Canadian Securities Laws and who comply with Canadian Securities Laws.
- (2) Until the earlier of the date on which (i) the distribution of the Offered Units is completed; or (ii) the Agents have exercised their termination rights pursuant to Section 13, the Company will promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required under Canadian Securities Laws to continue to qualify the distribution of the Offered Units, or, in the event that the Offered Units has, for any reason, ceased so to qualify, to so qualify again the distribution of the Offered Units in the Qualifying Jurisdictions.
- (3) The Company and the Agents covenant and agree:
 - (a) that during the distribution of the Offered Units, the Company and the Agents shall, prior to the provision of such marketing materials to potential investors, approve in writing, any marketing materials reasonably requested to be provided by the Agents to any potential investor of Units, such marketing materials to comply with Canadian Securities Laws. The Company shall file a template version of such marketing materials with the Securities Commissions as soon as reasonably practicable after such marketing materials are so approved in writing by the Company and the Agents, and in any event on or before the day the marketing materials are first provided to any potential investor of Units, and such filing shall constitute the Agents authority to use such marketing materials in connection with the Offering. The Company and the Agents may agree that any comparables shall be redacted from the template version in accordance with NI 44-101 prior to filing such template version with the Securities Commissions and a complete template version

containing such comparables and any disclosure relating to the comparables, if any, shall be delivered to the Securities Commissions by the Company;

- (b) not to provide any potential investor of Units with any marketing materials unless a template version of such marketing materials has been filed by the Company with the Securities Commissions on or before the day such marketing materials are first provided to any potential investor of Units; and
- (c) not to provide any potential investor with any materials or information in relation to the distribution of the Offered Units or the Company other than: (i) such marketing materials as have been approved and filed in accordance with Section 2(3)(a); (ii) the Offering Documents; and (iii) any standard term sheet(s) approved in writing by the Company and the Agents.

Section 3 Delivery of Offering Documents and Other Documents

- (1) Delivery of the Prospectus will be satisfied in accordance with the “access equals delivery” provisions contained in Part 6A of NI 44-102 and the Agents and the Company shall satisfy any request for electronic or paper copies of the Prospectus in accordance with the requirements of NI 44-102, without charge. If requested by the Agents in writing, the Company will deliver without charge to the Agents, as soon as practicable, but in any event on the next Business Day after the filing of the Prospectus Supplement for deliveries to be made within Calgary, Alberta and on the second Business Day following filing of the Prospectus Supplement for deliveries to be made outside of Calgary, Alberta, as many commercial copies of the applicable Offering Documents as the Agents may reasonably request for the purposes contemplated hereunder and permitted by Applicable Securities Laws, and each such delivery of the Offering Documents will have constituted and shall constitute the consent of the Company to the use of such documents by the Agents in connection with the distribution of the Offered Units, subject to the Agents complying with the provisions of Applicable Securities Laws and the provisions of this Agency Agreement.
- (2) Each of the filing of and delivery of the Offering Documents to the Agents by the Company in accordance with this Agency Agreement will constitute the representation and warranty of the Company to the Agents that (except for information and statements relating solely to the Agents and furnished by them specifically for use in the Offering Documents), at the respective date of such document:
 - (a) the information and statements contained in each of the Offering Documents (including, for greater certainty, the Documents Incorporated by Reference, except to the extent such Documents Incorporated by Reference have been updated or superseded by information and statements contained in the Offering Documents or a subsequent Document Incorporated by Reference): (i) are true and correct in all material respects and contain no misrepresentation; and (ii) constitute full, true and plain disclosure of all material facts relating to the Offered Units, the Company and its Subsidiaries; and
 - (b) the Prospectus complies in all material respects with Canadian Securities Laws.
- (3) The Company will also deliver to the Agents, prior to the filing of the Prospectus Supplement, as applicable, unless otherwise indicated:
 - (a) a copy of the Prospectus Supplement in the form required by Canadian Securities Laws;
 - (b) a copy of any other document filed with, or delivered to, the Securities Commissions by the Company under Canadian Securities Laws in connection with the Offering, including any Supplementary Material and any Document Incorporated by Reference in the Prospectus not previously filed on SEDAR+;
 - (c) a “long-form” comfort letter dated the date of the Prospectus Supplement, in form and substance satisfactory to the Agents, acting reasonably, addressed to the Agents and the directors of the Company, from the Company’s Auditors, and based on a review completed not more than two

Business Days prior to the date of the letter, with respect to financial and accounting information relating to the Company included and incorporated by reference in the Prospectus, which letter shall be in addition to the auditors' report contained in the Prospectus and any auditors' consent letter addressed to the Securities Commissions and filed with or delivered to the Securities Commissions under Canadian Securities Laws; and

- (d) evidence satisfactory to the Agents of the application by the Company to the TSXV in respect of the listing and posting for trading on the TSXV of the Unit Shares, Warrant Shares and Compensation Option Shares and as soon as practicable after the filing of the Prospectus Supplement, copies of correspondence indicating that the application for the listing and posting for trading on the TSXV of the Unit Shares, Warrant Shares and Compensation Option Shares has been approved subject only to satisfaction by the Company of certain standard post-closing conditions imposed by the TSXV.
- (4) The Company shall deliver to the Agents, contemporaneously with, or prior to, any filing of any Supplementary Material, comfort letters and other documents substantially similar to those referred to in Section 3(3), with respect to such Supplementary Material.

Section 4 Notifications of Material Changes During the Distribution of the Offered Units

- (1) The Company will promptly notify the Agents during the period prior to the completion of the distribution of the Offered Units of the full particulars of:
- (a) any material change (actual, threatened or contemplated) in the business, affairs, operations, assets, liabilities (contingent or otherwise), financial condition, prospects or capital of the Company and its Subsidiaries, taken as a whole;
 - (b) any material fact that has arisen or has been discovered and would have been required to have been stated in any of the Offering Documents had that fact arisen or been discovered on, or prior to, the date of the Offering Documents, as the case may be;
 - (c) any change in any material fact or any misstatement of any material fact contained in any of the Offering Documents, or the existence of any new material fact, in each case which is of a nature as to render any of the Offering Documents misleading or untrue in any material respect or would result in a misrepresentation therein; or
 - (d) any notice or other material correspondence received by the Company from any regulatory or governmental body and any requests from such bodies for information or a hearing that would affect the Company, the Offering, the issue and sale of the Offered Units or grant of the Over-Allotment Option;

and the Company shall promptly, and in any event within any applicable time limitation, comply with all applicable filings and other requirements under the Applicable Securities Laws as a result of such fact or change, including, for greater certainty, filing any Supplementary Material which may be necessary under Canadian Securities Laws to qualify the distribution of the Offered Units and the Over-Allotment Option in the Qualifying Jurisdictions; provided that the Company shall not file any Supplementary Material or other document without first providing the Agents with a copy of such Supplementary Material or other document and consulting with the Agents and the Agents' Counsel with respect to the form and content thereof.

- (2) In addition to the provisions of Section 4(1), the Company will, in good faith, discuss with the Agents any change, event, development or fact, contemplated, anticipated, threatened, or proposed in Section 4(1) that is of such a nature that there is a reasonable likelihood that notice will be required to be given to the Agents under Section 4(1) and will consult with the Agents with respect to the form and content of any Supplementary Material proposed to be filed by the Company, it being understood and agreed that no such Supplementary Material will be filed with any Securities Commission until the Agents and their legal counsel

have been given a reasonable opportunity to review and comment on, and, if required under Canadian Securities Laws, approve such material.

Section 5 Due Diligence

Prior to the Closing Time and, if applicable, prior to the filing of any Supplementary Material, the Agents and their legal counsel will be provided with timely access to all information required to permit them to conduct a full due diligence investigation of the Company and its Material Subsidiaries and its business operations, properties, assets, affairs and financial condition. In particular, the Agents shall be permitted to conduct all due diligence that they may reasonably require in order to fulfil their obligations under Applicable Securities Laws and, in that regard, the Company will make available to the Agents and their legal counsel, on a timely basis, all corporate and operating records, material contracts, financial information, budgets, key officers, and other relevant information necessary in order to complete the due diligence investigation of the Company and its Subsidiaries and its business, properties, assets, affairs and financial condition for this purpose, and without limiting the scope of the due diligence inquiries the Agents may conduct, to participate and cause their counsel, the Company's Auditors, and the Company's technical consultants to participate in, or provide written responses for, one or more due diligence sessions to be held prior to the filing of the Prospectus Supplement and the Closing Time. It shall be a condition precedent to the Agents' execution of any certificate in any Offering Document that the Agents be satisfied, acting reasonably, as to the form and content of the document based on their due diligence review. The Agents shall not unreasonably withhold or delay the execution of such Offering Document required to be executed by the Agents and filed in compliance with Canadian Securities Laws for the purposes of the Offering.

Section 6 Conditions of Closing the Offering

The Agents' obligations to complete the Closing pursuant to this Agency Agreement (including the obligation to arrange for the purchase and sale of the Offered Units at the Closing Time) shall be subject to the following conditions:

- (1) *Legal Opinion.* The Agents having received at the Closing Time, a legal opinion dated the Closing Date, in form and substance satisfactory to the Agents, acting reasonably, addressed to the Agents from DLA Piper (Canada) LLP, counsel to the Company, as to qualification of the Offered Units for sale to the public in the Qualifying Jurisdictions and as to other customary matters governed by the laws of Alberta and other applicable jurisdictions in Canada, which counsel in turn may rely upon the opinions of local counsel where it deems such reliance proper (or alternatively, make arrangements to have such opinions directly addressed to the Agents), and all of such counsel may rely upon, as to matters of fact, certificates of the auditors of the Company, public officials and officers of the Company, as applicable, substantially to the effect set forth below, subject to customary limitations, assumptions and qualifications;
 - (a) the Company is validly existing and in good standing under the laws of the Province of Alberta;
 - (b) the Company has the corporate power and corporate capacity under the constating documents of the Company to (i) carry on its business and activities and to own, lease and operate its properties and assets, as described in the Prospectus, (ii) execute and deliver the Agency Agreement and the Warrant Indenture, as applicable, and perform its obligations hereunder and thereunder; (iii) create, offer, issue and sell, as applicable, the Units and the Warrant Shares; and to grant the Over-Allotment Option;
 - (c) as to the authorized and issued share capital of the Company and that the Prospectus describes, in all material respects, the attributes of the Common Shares;
 - (d) all necessary corporate action has been taken by the Company to authorize the execution and delivery of the Agency Agreement and the Warrant Indenture and the performance by the Company of its obligations under this Agency Agreement and the Warrant Indenture, and this Agency Agreement and the Warrant Indenture have been duly authorized, executed and delivered by the Company and constitute legal, valid and binding obligations of the Company enforceable against it in accordance with their terms, subject to bankruptcy, insolvency and other laws affecting the rights

of creditors generally and subject to such other standard assumptions and qualifications including the qualifications that equitable remedies may be granted in the discretion of a court of competent jurisdiction and that enforcement of rights to indemnity, contribution and waiver of contribution set out in this Agency Agreement and the Warrant Indenture may be limited by applicable Law;

- (e) the execution and delivery of the Agency Agreement and the Warrant Indenture and the performance by the Company of its obligations hereunder and thereunder, including the issuance, sale and delivery of the Units and the Warrant Shares, as applicable, in accordance with the Agency Agreement and the Warrant Indenture, do not and will not result in a breach of, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under (i) constating documents of the Company, or (ii) any applicable corporate laws or Securities Laws having force in the Province of Alberta;
- (f) all necessary corporate action has been taken by the Company to authorize (i) the signing by the Company of the Offering Documents and the filing thereof with the Securities Commissions, as applicable, and (ii) the application for the listing of the applicable securities on the TSXV;
- (g) the Unit Shares have been validly issued as fully paid and non-assessable shares in the capital of the Company;
- (h) the Warrants have been validly created and issued as warrants of the Company;
- (i) the Warrants have been duly and validly authorized, allotted and reserved for issuance, and upon due exercise of the Warrants and payment of the consideration therefor, in accordance with their terms, the Warrant Shares will be validly issued as fully paid and non-assessable shares in the capital of the Company;
- (j) the Compensation Options have been validly created and duly authorized by the Company and upon their issuance in accordance with the terms of this Agency Agreement, will constitute a legally binding agreement of the Company, enforceable in accordance with the terms of the certificate representing such Compensation Options;
- (k) the Compensation Option Shares issuable upon the exercise of the Compensation Options have been authorized and allotted for issuance and, upon the due exercise of the Compensation Options in accordance with the terms thereof and receipt by the Company of payment therefor, will be validly issued as fully paid and non-assessable Common Shares;
- (l) all necessary documents have been filed, all requisite proceedings have been taken, all legal requirements have been fulfilled and all necessary authorizations of the Securities Commissions have been obtained, in each case by the Company to qualify for distribution the Offered Units for sale to the public in each of the Qualifying Jurisdictions, the grant of the Over-Allotment Option and the issuance of the Compensation Options through investment dealers or brokers registered in such categories under the Applicable Laws of the Qualifying Jurisdictions and who have complied with the relevant provisions of such Applicable Laws;
- (m) the issuance of the Warrant Shares issuable upon due exercise of the Warrants and the Compensation Option Shares issuable upon the exercise of the Compensation Options will be exempt from, or will not be subject to, the prospectus requirements of applicable Canadian Securities Laws and no documents are required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under applicable Canadian Securities Laws to permit such issuance;
- (n) the first trade in Warrant Shares underlying the Warrants, and Compensation Option Shares underlying the Compensation Options are exempt from the prospectus requirements of the applicable Canadian Securities Laws in the Qualifying Jurisdictions and no prospectus or other document is required to be filed, no proceeding is required to be taken and no approval, permit,

consent or authorization of regulatory authorities is required to be obtained by the Company under applicable Canadian Securities Laws of the Qualifying Jurisdictions to permit such trade through registrants registered under applicable Canadian Securities Laws who have complied with such laws and the terms and conditions of their registration, provided that (i) such trade is not a “control distribution” as that term is defined in National Instrument 45-102 – Resale of Securities at the time of such trade, and (ii) the Company is a reporting issuer (as defined under applicable Canadian Securities Laws) at the time of such first trade;

- (o) the Company is a “reporting issuer” or the equivalent thereof in each of the Qualifying Jurisdictions where such concept exists and is not included in the list of defaulting issuers maintained by the Securities Commission of each Qualifying Jurisdiction;
 - (p) the Common Shares (including the Unit Shares, Warrant Shares and Compensation Option Shares) have been conditionally approved for listing on the TSXV, subject to the Company fulfilling all of the requirements of the TSXV and the Standard Listing Conditions;
 - (q) the Transfer Agent has been duly appointed as registrar and transfer agent of the Common Shares and as of the Closing Time, the Warrant Agent (or such other party as the Company and the Lead Agent may mutually agree upon as warrant agent) will be duly appointed as warrant agent under the Warrant Indenture;
 - (r) subject to the limitations, qualifications, assumptions and understandings set out therein, the statements set forth in the Prospectus Supplement under the headings “Eligibility for Investment” and “Certain Canadian Federal Income Tax Considerations” provide accurate summaries of the matters of Canadian federal income tax law addressed therein; and
 - (s) such other matters as the Agents’ legal counsel may reasonably request prior to Closing.
- (2) *Material Subsidiaries Opinion.* The Agents having received at the Closing Time, legal opinions, in form and substance satisfactory to counsel to the Agents, acting reasonably, dated as of the Closing Date, from counsel to the Company in the jurisdiction of existence of each of its Material Subsidiaries, which counsel in turn may rely, as to matters of fact, on certificates of public officials and officers of the Company or the Material Subsidiaries, as appropriate, with respect to the following matters: (a) such Material Subsidiaries is a Company existing under the laws of the jurisdiction in which it exists, and has all requisite corporate power to carry on its business as now conducted and to own, lease and operate its property and assets; and (b) as to the issued and outstanding shares of such Material Subsidiaries registered, directly or indirectly, in the name of the Company in the central securities register or equivalent of such Material Subsidiaries.
- (3) *Title Opinion.* The Agents having received at the Closing Time a legal opinion addressed to the Agents, in form and substance satisfactory to the Agents, acting reasonably, dated as of the Closing Date, from counsel to the Company, which counsel in turn may rely, as to matters of fact, on certificates of public officials with respect to title to, and the interest of the Company and the applicable Material Subsidiaries in its title to the concession for the exploration, appraisal and exploitation of hydrocarbons on the Cieszyn Concession and Bielsko-Biala Concession (the “**Material Assets**”);
- (4) *Corporate Certificate.* The Agents having received at the Closing Time, a certificate dated the Closing Date, addressed to the Agents and signed by the Chief Executive Officer or Chief Financial Officer of the Company, or such other officer(s) of the Company as the Agents may agree, certifying in their capacity as officers of the Company and not in their personal capacity, with respect to: (i) the constating documents of the Company; (ii) the resolutions of the Company’s board of directors relevant to the issue and sale of the Offered Units by the Company and the authorization of this Agency Agreement and the transactions contemplated herein; and (iii) the incumbency and specimen signatures of signing officers of the Company;
- (5) *Bring-Down Certificate.* The Agents having received at the Closing Time, a certificate dated the Closing Date, addressed to the Agents and signed by the Chief Executive Officer and Chief Financial Officer of the

Company, or such other officer(s) of the Company as the Agents may agree, certifying in their capacity as officers of the Company and not in their personal capacities, after having made due inquiries, with respect to the following matters:

- (a) the Company having complied with all of the covenants, in all material respects, and being satisfied all the terms and conditions of this Agency Agreement on its part to be complied with and satisfied at or prior to the Closing Time;
 - (b) that no order, ruling or determination having the effect of ceasing or suspending the trading in the Common Shares or prohibiting the sale of the Offered Units or grant of the Over-Allotment Option or any other securities of the Company has been issued by any regulatory authority and is continuing in effect and no proceedings for such purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened under any relevant securities laws (including Applicable Securities Laws) or by any regulatory authority;
 - (c) subsequent to the respective dates as at which information is given in the Prospectus, there having not occurred a Material Adverse Effect or any change or development involving a prospective Material Adverse Effect, other than as disclosed in the Prospectus or any Supplementary Material, as the case may be;
 - (d) other than the Offering, no material change relating to the Company and its Material Subsidiaries on a consolidated basis having occurred since the date hereof with respect to which the requisite material change report has not been filed, and no such disclosure having been made on a confidential basis that remains confidential; and
 - (e) the representations and warranties of the Company contained in this Agency Agreement and in any certificates of the Company delivered pursuant to or in connection with this Agency Agreement, being true and correct in all material respects (except for representations and warranties subject to a materiality qualification, which are true and correct in all respects) as at the Closing Time, with the same force and effect as if made on and as at the Closing Time, except for such representations and warranties which are in respect of a specific date in which case such representations and warranties shall be true and correct in all material respects (or, as regards specific representations and warranties if qualified by materiality, in all respects), as of such date, after giving effect to the transactions contemplated by this Agency Agreement;
- (6) *Board Authorization.* The Company's board of directors will have authorized and approved (i) the Offering Document and the Transaction Documents, and (ii) the sale and issuance of the Offered Units and Compensation Options and the Warrant Shares and Compensation Option Shares, and all matters relating to the foregoing;
- (7) *Certificate of Transfer Agent.* The Company having delivered to the Agents at the Closing Time a certificate or letter of the Transfer Agent certifying as to: (i) its appointment as transfer agent and registrar of the Common Shares; and (ii) the number of Common Shares issued and outstanding as of the close of business on the Business Day prior to the Closing Date;
- (8) *Certificate of Warrant Agent.* The Company having delivered to the Agents at the Closing Time a certificate or letter of the Warrant Agent certifying as to its appointment as Warrant Agent pursuant to the Warrant Indenture;
- (9) *Bring-Down Auditors Comfort Letter.* The Company having caused the Company's Auditors to deliver to the Agents a comfort letter, dated the Closing Date, in form and substance satisfactory to the Agents acting reasonably, bringing forward to the date which is not more than two Business Days prior to the Closing Date, the information contained in the comfort letter referred to in Section 3(3)(c);

- (10) *Certificate of Good Standing.* The Agents having received a certificate of good standing (or the equivalent) in respect of the Company and its Material Subsidiaries, issued by the appropriate regulatory authority, as applicable, in each jurisdiction under which the Company and its Material Subsidiaries exists;
- (11) *Lock-up Agreements.* The Agents having received executed lock-up agreements dated as of the Closing Date in forms satisfactory to the Agents pursuant to Section 9(1)(g) in favour of the Agents from each of the officers and directors of the Company that for a period commencing on the Closing Date.
- (12) *Regulatory Approvals.* The Agents having received at the Closing Time evidence that all requisite approvals, consents and acceptances of the board of directors of the Company, the appropriate regulatory authorities, including the TSXV, and any other applicable third parties required to be made or obtained by the Company or any Subsidiary in order to complete the Offering or in connection with any other transactions contemplated by this Agency Agreement have been made or obtained, on terms satisfactory to the Agents, acting reasonably;
- (13) *TSXV Acceptance.* The Unit Shares, the Warrant Shares and the Compensation Option Shares, will have been conditionally accepted for listing by the TSXV, subject only to the satisfaction by the Company of Standard Listing Conditions;
- (14) *No Termination.* The Agents not having exercised any rights of termination set forth in Section 13;
- (15) *Due Diligence.* The Agents shall, in their sole discretion, be satisfied with its due diligence review with respect to the business, assets, financial condition, affairs and prospects of the Company;
- (16) *Minimum Amount.* The Offering is subject to receipt of proceeds of not less than \$6,662,000. All subscription funds received by the Agents will be held by the Agent until the minimum has been attained. Notwithstanding any other term of this Agency Agreement, all funds received by the Agent will be return to purchasers without interest or deduction if the minimum for the Offering is not attained by the Closing Date; and
- (17) *Other Documentation.* The Agents having received at the Closing Time such further opinions, certificates and other documentation from the Company as may be contemplated herein, provided, however, that the Agents shall request any such opinion, certificate or document within a reasonable period prior to the Closing Time that is sufficient for the Company to obtain and deliver such certificate or document and provided further that any such requested opinion, certificate or document is customary for financings of the nature contemplated hereby.

Section 7 Over-Allotment Closing

- (1) If the Agents elects to exercise the Over-Allotment Option, the Agents shall provide written notice (the “**Exercise Notice**”) to the Company not later than 11:59 p.m. (Calgary time) on the 30th day after the Closing Date, which Exercise Notice shall specify the number of Additional Units to be sold through the Agents and the date on which such Additional Units are to be sold, which may not be earlier than the Closing Date (the “**Option Closing Date**”). Pursuant to the Exercise Notice, the Company shall deliver and sell the number of Additional Units indicated in such notice, in accordance with the provisions of this Agency Agreement.
- (2) The Agents shall deliver the Exercise Notice to the Company at least two Business Days, but not more than five Business Days, prior to the Option Closing Date, provided that if the Closing of the Over-Allotment Option is to occur concurrently with the Closing of the issue and sale of the Units, the Agents may deliver the Exercise Notice to the Company not later than 12:00 p.m. (Calgary time) on the Business Day preceding the Closing Date. The purchase and sale of the Additional Units issuable on exercise of the Over-Allotment Option, if required, shall be completed at 6:00 a.m. (Calgary time) on the Option Closing Date at such place as the Agents and the Company may agree.

- (3) The applicable terms, conditions and provisions of this Agency Agreement (including the provisions of Section 6 relating to Closing deliveries, but excluding Section 6(4)) shall apply mutatis mutandis to the Closing of the issuance of any Additional Units pursuant to the exercise of the Over-Allotment Option.

Section 8 Representations and Warranties of the Company

- (1) The Company represents and warrants to the Agents and acknowledges and agrees that the Agents are relying upon such representations and warranties in connection with the Offering, that as of the date hereof, the Closing Date, and the Option Closing Date, if applicable:
- (a) *Incorporation and Good Standing of the Company.* The Company (i) has been duly incorporated under the ABCA, is a valid and existing company, and with respect to the filing of annual reports, is in good standing under the ABCA; (ii) has all requisite corporate power and capacity to carry on its business as described in the Offering Documents and to own, lease and operate its properties and assets; and (iii) has all requisite corporate capacity, power and authority to enter into the Transaction Documents and to perform its obligations set out herein and therein (including, without limitation, to create, issue and sell the Offered Units and the Compensation Options, to issue the Warrant Shares on valid exercise of the Warrants and to issue the Compensation Option Shares on valid exercise of the Compensation Options) and this Agency Agreement has been and the Warrant Indenture, the certificates representing the Warrants and the certificates representing the Compensation Options will be, on the Closing Date, duly authorized, executed and delivered by the Company and this Agency Agreement is, and the Warrant Indenture, the certificates representing the Warrants and the certificates representing the Compensation Options will on the Closing Date be, legal, valid and binding obligations of the Company enforceable against the Company in accordance with their terms subject to Applicable Laws relating to creditors' rights generally and except as rights to indemnity may be limited by Applicable Laws.
- (b) *Authorization.* The Transaction Documents have been duly authorized, executed and delivered by the Company and are valid and binding agreements of the Company, enforceable in accordance with their terms, except as the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.
- (c) *Subsidiaries.* As of the date of this Agency Agreement, other than the Subsidiaries, the Company has no other subsidiaries and holds no shares or other ownership, equity or proprietary interests in any other person. The Material Subsidiaries is the only subsidiary of the Company that is material to the Company. The Company owns directly or indirectly all of the issued and outstanding shares of the Subsidiaries, free and clear of all Liens, claims or demands whatsoever. Other than as disclosed in the Financial Statements, no person has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase from the Company or the Subsidiaries of any interest in any of the shares in the capital of the Subsidiaries. All outstanding shares in the capital of, or other equity interests, as applicable, in each Subsidiary have been duly authorized and are validly issued, fully paid and non- assessable.
- (i) Each Subsidiary: (i) has been duly incorporated, amalgamated, continued or organized and is validly existing as a company or other legal entity in good standing under the laws of its jurisdiction of incorporation, amalgamation, continuation or organization and has the corporate power, capacity and authority to own, lease and operate its assets, to conduct its business as now conducted and as currently proposed to be conducted and to carry out the provisions hereof; and (ii) where required, has been duly qualified as a foreign corporation for the transaction of its business and is in good standing under the laws of each other jurisdiction in which it owns or leases property, or conducts any business and is not precluded from carrying on business or owning property in such jurisdictions by any other commitment, agreement or document.

- (ii) The Company and each Subsidiary (i) has conducted and has been conducting their respective business in compliance in all material respects with all Applicable Laws of each jurisdiction in which their business is carried on or in which its services are provided and has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such Applicable Laws, (ii) is not in breach or violation of any judgment, order or decree of any Governmental Entity or court having jurisdiction over the Company or any Subsidiary, as applicable, (iii) holds all, and are not in breach of any, Permits that enable its business to be carried on as now conducted in each of the jurisdictions it carries on business and enable it to own, lease or operate its assets and properties, and none of the Subsidiaries nor, to the knowledge of the Company, any other person, has taken any steps or proceedings, voluntary or otherwise, requiring or authorizing such Subsidiaries' dissolution or winding up.
- (d) *No Proceedings for Dissolution.* No acts or proceedings have been taken, instituted or, to the knowledge of the Company, are pending for the bankruptcy, dissolution or liquidation of the Company or any Subsidiary.
- (e) *Outstanding Securities and Forms of Certificates.* The authorized share capital of the Company consists of an unlimited number of Common Shares and preferred shares. As of the close of business on August 7, 2025, 58,206,864 Common Shares were outstanding as fully paid and non-assessable common shares of the Company. The attributes of the Common Shares conform in all material respects with their description in the Prospectus. The form of certificate respecting the Common Shares has been approved and adopted by the board of directors of the Company and does not conflict with any Applicable Laws and complies with the rules and policies of the TSXV.
- (f) *Stock Exchange Listings.* The outstanding Common Shares are listed and posted for trading on the TSXV under the symbol "HPL" and no order to cease trading or suspending trading in the Common Shares or prohibiting the trading of any Common Shares is in force and no proceedings for such purpose are pending or, to the knowledge of the Company, threatened.
- (g) *Transfer Agent and Warrant Agent.* The Transfer Agent and the Warrant Agent have each been duly appointed as registrar and transfer agent for the Common Shares and Warrants, respectively.
- (h) *Options and Warrants to Purchase Securities.* Other than (i) 4,440,000 options; (ii) 14,793,364 warrants; and (iii) 598,024 broker warrants of the Company, there are no authorized or outstanding options, warrants, pre-emptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable or exercisable for, any Common Shares of the Company, granted by the Company.
- (i) *No Cease Trade Order.* No order ceasing or suspending trading in any securities of the Company or prohibiting the issuance, sale or delivery of the Offered Units has been issued and, to the knowledge of the Company, no proceedings for such purpose have been threatened or are pending.
- (j) *No Shareholder or Voting Agreements.* The Company and its Subsidiaries are not a party to, nor is the Company aware of, any shareholders' agreements, pooling agreements, voting agreements or voting trusts or other similar agreements with respect to the ownership or voting of any of the securities of the Company or any Subsidiary or pursuant to which any person may have any right or claim in connection with any existing or past equity interest in the Company or any Subsidiary. The Company has not adopted a shareholders' rights plan or any similar plan or agreement.
- (k) *Proposed Acquisitions.* The Company represents and warrants that: (i) it has not made any significant acquisitions as such term is defined in Part 8 of NI 51-102 in its current financial year or prior financial years in respect of which historical and/or pro forma financial statements or other information would be required to be included or incorporated by reference into the Prospectus Supplement and for which a business acquisition report has not been filed under NI 51-102; (ii) it

has not entered into any agreement or arrangement in respect of a transaction that would be a significant acquisition for purposes of Part 8 of NI 51-102; and (iii) there are no proposed acquisitions by the Company that have progressed to the state where a reasonable person would believe that the likelihood of the Company completing the acquisition is high and would be a significant acquisition for the purposes of Part 8 of NI 51-102 if completed as of the date of the Prospectus Supplement.

- (l) *Title to Properties.* The Company or its Subsidiaries have good and marketable title to all property and other assets reflected as owned by it in the Financial Statements (including the Material Assets), free and clear of all Liens, except those that do not materially and adversely affect the value of such property and do not materially interfere with the use made or proposed to be made of such property by the Company or its Subsidiaries. The real property, improvements, equipment and personal property held under lease by the Company or its Subsidiaries are held under valid and enforceable leases, with such exceptions as are not material and do not materially interfere with the conduct of the business of the Company or its Subsidiaries.
- (m) *Dividends.* There is not, in the constating documents of the Company or any Subsidiary or in any other instrument or document to which the Company or subject, any restriction upon or impediment to, the declaration of dividends by the directors of the Company or any Subsidiary or the payment of dividends by the Company to the holders of the Common Shares or by any Subsidiary to the Company.
- (n) *Stock Exchange Listing, Filings and Fees.* The Company has applied for conditional approval of the listing of the Unit Shares, Warrant Shares and Compensation Option Shares on the TSXV. All filings and fees required to be made and paid by the Company pursuant to Canadian Securities Laws and general corporate law, as applicable, have been made and paid or will be made and paid, including in accordance with such conditional approval.
- (o) *Filing of Prospectuses.* Each of the Base Shelf Prospectus and the Prospectus Supplement, the execution, and filing with the Securities Commissions and delivery of each of the Base Shelf Prospectus and the Prospectus Supplement, have been duly approved and authorized by all necessary corporate action by the Company, and each of the Base Shelf Prospectus and the Prospectus Supplement has been, in the case of the Base Shelf Prospectus, and will be promptly following the execution of this Agency Agreement, in the case of the Prospectus Supplement, duly executed and filed by and on behalf of the Company.
- (p) *Forward-Looking Information.* With respect to forward-looking information (including, but not limited to, any future-oriented financial information) contained in the Offering Documents and otherwise in the Public Disclosure Documents, the Company: (i) has, or had at the time the disclosure was made, a reasonable basis for the forward-looking information; (ii) complied in all material respects with the requirements of NI 51-102 in respect of such forward-looking information; and (iii) is not, as of the date hereof, required to update such forward-looking information pursuant to NI 51-102.
- (q) *Oral Due Diligence Sessions.* The responses given by the Company and its officers at all oral due diligence sessions conducted by the Agents in connection with the Offering, (i) as they relate to matters of fact, have been and shall continue until the Closing of the Offering to be true and correct in all material respects as at the time such responses have been or are given, as the case may be, and such responses taken as a whole have not and shall not omit any fact or information necessary to make any of the responses not misleading in light of the circumstances in which such responses were given or shall be given, as the case may be; and (ii) where the responses reflect the opinion or view of the Company or its officers (including responses or portions of such responses which are forward-looking or otherwise relate to projections, forecasts, or estimates of future performance or results (operating, financial or otherwise)), such opinions or views have been and will be honestly held and believed to be reasonable given the circumstances at the time they are given.

- (r) *Valid and Binding Document.* Upon the execution and delivery of this Agency Agreement by all of the parties thereto, this Agency Agreement shall constitute a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, provided that enforcement thereof may be limited by bankruptcy, insolvency and other laws affecting creditors' rights generally and that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction and provisions relating to indemnity, contribution and waiver of contribution may be unenforceable.
- (s) *Necessary Consents and Approvals.* All consents, approvals, permits, authorizations or filings as may be required by the Company under Applicable Laws or from or with any third party necessary for the execution and delivery by the Company of this Agency Agreement, the issuance, sale and delivery by the Company of the Offered Units, the grant by the Company of the Over-Allotment Option and the consummation of the transactions contemplated hereby and thereby, have been made or obtained, as applicable, except such customary post-closing notices or filings required to be submitted by the Company within the applicable time frame pursuant to Applicable Law as may be required in connection with the Offering.
- (t) *Validly Issued Units.* The Company will ensure that:
- (i) the Unit Shares are authorized after the execution of this Agency Agreement and before the Closing Time by the Company and, when issued and delivered and paid for as provided herein, will be validly issued as fully paid and non-assessable and will conform to the description thereof in the Prospectus; and the issuance of the Unit Shares is not subject to any pre-emptive or similar rights;
 - (ii) the Warrants will, at the Closing Time, be duly authorized and created by the Company and, when issued and delivered as provided herein, will be validly issued and will conform to the description thereof in the Prospectus and the Warrant Indenture. The Company will ensure that the Warrant Shares will, at the Closing Time, be duly authorized and reserved for issuance pursuant to the terms of the Warrants and the Company will ensure at all times prior to the applicable expiry date, that sufficient Warrant Shares are authorized and allotted for issuance upon due and proper exercise of the Warrants and, when issued and delivered by the Company upon valid exercise of the Warrants and payment of the applicable exercise price therefor, will be duly and validly issued, fully paid and non-assessable and will not be subject to pre-emptive or similar rights; and
 - (iii) the Compensation Options will, at the Closing Time, be duly authorized and created by the Company and, when issued and delivered as provided herein, will be validly issued and will conform to the description thereof in the Prospectus. The Company will ensure that the Compensation Option Shares will, at the Closing Time, be duly authorized and reserved for issuance pursuant to the terms of the Compensation Options, the Company will ensure at all times prior to the expiry of the Compensation Options, that sufficient Compensation Option Shares are authorized and allotted for issuance upon due and proper exercise of the Compensation Options, and, when issued and delivered by the Company upon valid exercise of the Compensation Options and payment of the applicable exercise price therefor, will be duly and validly issued, fully paid and non-assessable and will not be subject to pre-emptive or similar rights.
- (u) *Validly Granted Option.* The Over-Allotment Option has been authorized for grant, and upon acceptance of this Agency Agreement by the Company, will be duly and validly granted to the Agents by the Company pursuant to this Agency Agreement.
- (v) *Absence of Rights.* Other than as disclosed in the Financial Statements, there is no person that has any agreement or option or right or privilege (whether at law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase, subscription or issuance of, or conversion into, any unissued shares, securities, warrants or convertible obligations of any nature of the

Company. Other than as disclosed in the Financial Statements, no person has any agreement or option or right or privilege (whether at law or contractual) capable of becoming an agreement or option to require the Company to purchase, redeem or otherwise acquire any of the issued and outstanding shares of the Company.

- (w) *Preparation of the Financial Statements.* The Financial Statements (i) have been prepared in accordance with IFRS, applied on a consistent basis throughout the periods involved or as noted therein, and comply as to form with applicable accounting requirements of Canadian Securities Laws; (ii) are consistent with the books and records of the Company (on a consolidated basis), and do not contain any misrepresentation with respect to the periods covered therein; (iii) contain and reflect all material adjustments for the fair presentation of the results of operations and the financial condition of the business of the Company (on a consolidated basis) for the periods covered thereby; (iv) present fairly the financial condition and cash flows of the Company (on a consolidated basis) as at the dates thereof, and the results of their operations and the changes in their financial position and shareholders' equity for the periods then ended; (v) contain and reflect adequate provision or allowance for all reasonably anticipated liabilities, expenses and losses of the Company (on a consolidated basis); and (vi) do not omit to state any material fact that is required by the applicable generally accepted accounting principles or by Applicable Law to be stated or reflected therein or which is necessary to make the statements contained therein not misleading.
- (x) *Off-Balance Sheet Arrangements and Liabilities.* There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) or liabilities of the Company (on a consolidated basis) which are required to be disclosed or reflected and are not disclosed or reflected in the Financial Statements and the Company (on a consolidated basis) does not have any material liabilities, obligations, indebtedness or commitments, whether direct, indirect, accrued, absolute, contingent or otherwise, which are not disclosed or referred to in the Financial Statements.
- (y) *Brokers.* Except pursuant to this Agency Agreement, the Company has incurred no liability for any finder's or broker's fee or agent's commission in connection with the execution and delivery of this Agency Agreement or the consummation of the transactions contemplated hereby.
- (z) *No Outstanding Loans or Other Extensions of Credit.* The Company has not extended or maintained credit, arranged for the extension of credit, or renewed any extension of credit, in the form of a personal loan, to or for any shareholder, director or executive officer (or equivalent thereof) of the Company and which remains outstanding.
- (aa) *Accounting Policies.* There has been no change in accounting policies or practices of the Company (on a consolidated basis) since August 31, 2024, other than as required by IFRS and as disclosed in the Financial Statements.
- (ab) *Accounting Controls and Disclosure Controls and Procedures.* The Company (on a consolidated basis) maintains, or will establish and maintain, by the time required to do so under Canadian Securities Laws, a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with applicable generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorizations; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company maintains, or will establish and maintain, by the time required to do so under Canadian Securities Laws, a system of disclosure controls and procedures that is designed to provide reasonable assurance that information required to be disclosed by the Company under Canadian Securities Laws is recorded, processed, summarized and reported within the time periods specified under Canadian Securities Laws and to ensure that information required to be disclosed by the Company under Canadian Securities Laws is accumulated and communicated to the

Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

- (ac) *Independent Auditors.* The Company's Auditors are independent public accountants as required by Canadian Securities Laws and there has not been any "reportable event" (within the meaning of NI 51-102) with respect to the auditors of the Company.
- (ad) *No Material Changes.* Since August 31, 2024, other than as disclosed in the Prospectus:
 - (i) each of the Company and its Subsidiaries have carried on their business in the ordinary course and there have not been any material change in the business, assets, properties, affairs, liabilities (absolute, accrued, contingent or otherwise), capitalization, condition (financial or otherwise), results of operations, cash flows, ownership, control, management or prospects of the Company (on a consolidated basis);
 - (ii) neither the Company nor any Subsidiary has entered into, or is in discussions to enter into, or has completed any transaction or proposed transaction which, as the case may be, has materially affected, is material to or will materially affect the Company (on a consolidated basis); and
 - (iii) there has been no Material Adverse Change.
- (ae) *Purchases and Sales.* The Company is not contemplating, has not approved and has not entered into any agreement in respect of, nor has any knowledge of:
 - (i) the purchase of any material property or assets or any interest therein or the sale, transfer or disposition of any material property or assets or any interest therein by the Company or any subsidiary, whether by asset or share purchase or sale or otherwise;
 - (ii) the change of control of the Company or any Subsidiary, by the sale, transfer or issue of shares or sale of all or substantially all of the property and assets of the Company or any Subsidiary or otherwise; or
 - (iii) a proposed or planned disposition of Common Shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding shares of the Company.
- (af) *Compliance with Laws.* The Company and its Subsidiaries are conducting their business in compliance with all Applicable Laws of each jurisdiction in which their respective businesses are carried on or being operated and are licensed, registered or qualified in all jurisdictions in which they own, lease or operate their properties and assets or carry on business to enable their business to be carried on as now conducted and proposed to be conducted and their properties and assets to be owned, leased and operated and all such licences, registrations and qualifications are valid, subsisting and in good standing, except in respect of matters which do not or will not result in a Material Adverse Effect, and the Company and its Subsidiaries have not received a notice of non-compliance, nor are aware of, nor have reasonable grounds to be aware of, any facts that could give rise to a notice of non-compliance with any such laws, rules, regulations, licenses, registrations or qualifications which could have a Material Adverse Effect and will at the Closing Time be valid, subsisting and in good standing.
- (ag) *Material Agreements.* Other than the Material Contracts, the Company and/or any Subsidiary is not a party to or otherwise bound by any contract, commitment, agreement (written or oral), instrument, lease or other document or arrangement, which is material to the Company (on a consolidated basis). The Material Contracts are valid, subsisting, in good standing in all material respects and in full force and effect, enforceable in accordance with the terms thereof. The Company and its subsidiary have performed all material obligations (including payment obligations) in a timely manner (and in

accordance with all applicable payment schedules or requirements) under, anticipate being able to continue to perform all such obligations moving forward and are in material compliance with all terms, conditions and covenants contained in, the Material Contracts. The Company and its Subsidiaries are not in violation, breach or default nor have they received any notification from any party claiming that the Company or any Subsidiary is in breach, violation or default of any material term, condition or covenant contained in the Material Contracts and to the knowledge of the Company, no other party is in breach, violation or default of any material term, condition or covenant contained in the Material Contracts. The Company does not expect the Material Contracts or the relationship with the counterparties thereto to be terminated or adversely modified, amended or varied or adversely enforced against the Company or its Subsidiaries, as applicable. The carrying out of the business of the Company and its Subsidiaries as currently conducted and as proposed to be conducted does not result in a material violation or breach of or default under the Material Contracts. The Company and its Subsidiaries are not substantially dependent upon any supplier or other third party in respect of the purchase of goods, services and raw materials necessary for the operation of their business and the Company and its Subsidiaries have alternatives to such suppliers and other third parties reasonably available to them such that a termination of any such existing agreements or relationships would not reasonably be expected to result in a Material Adverse Effect.

- (ah) *No Material Indebtedness.* Other than as disclosed in the Prospectus, the Company is not a party to or otherwise bound by any agreement, note, loan, bond, debenture, indenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability, which is material to the Company (on a consolidated basis). Other than as disclosed in the Prospectus, the Company does not have any material loans or other material indebtedness made to or from any of its shareholders, officers, directors or employees, past or present, or any person not dealing at “arm’s length” with the Company. The Company has not made any material loans to or secured or guaranteed the obligations of any person other than the Company and its Subsidiaries.
- (ai) *Previous Transactions.* All previous material transactions completed by the Company and its Subsidiaries have been fully disclosed to the Agents, were completed in material compliance with all Applicable Laws and all necessary corporate, third party and regulatory approvals, consents, authorizations, registrations and filings required in connection therewith were obtained or made, as applicable, and complied with in all material respects. The Company’s and/or the relevant Subsidiary’s, as applicable, due diligence review, including financial due diligence, in connection with all previous material transactions did not result in the discovery of any fact or circumstance which may reasonably be expected to have a Material Adverse Effect.
- (aj) *No Default or Breach.* The Company is not in default or breach of, and the execution and delivery of, and the performance of and compliance with the terms of this Agency Agreement by the Company or any of the transactions contemplated hereby, does not and will not result in any breach of, or constitute a default under, and does not and will not create a state of facts which, after notice or lapse of time or both, would result in a breach of or constitute a default under, any term or provision of the articles, by-laws or resolutions of the Company, or any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which the Company is a party or by which it is bound, or any Applicable Law to the Company which default or breach might reasonably be expected to constitute a Material Adverse Effect or would impair the ability of the Company to consummate the transactions contemplated hereby or to perform any of its covenants or obligations contained in this Agency Agreement.
- (ak) *No Restrictions to Compete.* The Company and its Subsidiaries are not a party to or bound by any commitment, agreement or document containing any covenant which expressly limits the freedom of the Company or any Subsidiary to compete in any line of business or transfer or move any assets or operations.
- (al) *No Actions or Proceedings.* Other than as disclosed in the Financial Statements, there are no material actions, proceedings or investigations currently outstanding, or, to the knowledge of the Company, threatened or pending, against the Company or any Subsidiary or involving the properties, assets or

business of the Company or any Subsidiary, at law or in equity (whether in any court, arbitration or similar tribunal) or before or by any federal, provincial, state, municipal or other governmental department, commission, board or agency, domestic or foreign. There are no judgments or orders against the Company or any Subsidiary which are unsatisfied, nor are there any consent decrees or injunctions to which the Company or its Subsidiaries or their properties, assets or business are subject.

- (am) *Anti-Bribery and Anti-Corruption Laws.* Neither the Company nor any Subsidiary nor, to the knowledge of the Company, any director, officer, employee, consultant, representative or agent of the foregoing has (i) violated or is in violation of any provision of the *Corruption of Foreign Public Officials Act* (Canada), as amended (the “**CFPOA**”), or (ii) taken any unlawful action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any “foreign public official” (as such term is defined in the CFPOA) (iii) violated or is in violation of any provision of any other anti-bribery or anticorruption laws applicable to them, (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment, or (v) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity. The Company and its Subsidiaries and, to the knowledge of the Company, the directors, officers, employees, consultants, representatives and agents of the foregoing, have not (x) conducted or initiated any review, audit, or internal investigation that concluded the Company or any Subsidiary or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws or committed any material wrongdoing, or (y) made a voluntary, directed, or involuntary disclosure to any Governmental Entity responsible for enforcing anti-bribery or anti-corruption laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such laws, or received any notice, request, or citation from any person alleging non-compliance with any such laws. The Company will institute, and maintain and enforce, policies and procedures designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws.
- (an) *Anti-Money Laundering.* The operations of the Company and the Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any Governmental Entity involving the Company or any Subsidiary with respect to Money Laundering Laws is, to the knowledge of the Company, pending or threatened.
- (ao) *Possession of Permits and Authorizations.* The Company and its Subsidiaries hold all permits, certificates, licences, approvals, consents, registrations and other authorizations (collectively, the “**Permits**”) issued by the appropriate federal, provincial, regional, state, local or foreign regulatory agencies or bodies necessary to carry on the business of the Company and its Subsidiaries as it is currently conducted and that are material to the conduct of the business of the Company and its Subsidiaries and the Company anticipates that any additional Permits that are required to carry out its and its Subsidiaries planned business activities can be obtained in the ordinary course. The Company and its Subsidiaries are in compliance with the terms and conditions of all such Permits except where such non-compliance would not reasonably be expected to have a Material Adverse Effect. All of such Permits are valid, in full force and effect and in good standing. The Company and its Subsidiaries have not received and are not otherwise aware of any notice of proceedings relating to the revocation, limitation or other adverse modification of any such Permits or any notice advising of the refusal to grant any Permit that has been applied for or is in process of being granted, and to the knowledge of the Company no such revocation, limitation, other adverse modification or refusal has been threatened.
- (ap) *U.S. General Solicitation or General Advertising.* None of the Company, any of its affiliates, or its Subsidiaries, or any person acting on any of their behalf (other than the Agents, their affiliates

(including the U.S. Affiliates) or any person acting on any of their behalf, as to whom no representation, warranty, covenant or agreement is made) has engaged or will engage in any form of General Solicitation, General Advertising or Directed Selling Efforts.

- (aq) *No Work Stoppage or Interruptions.* There are no actions, proceedings, inquiries, disruptions, protests, blockades or, to the knowledge of the Company, initiatives by non-governmental organizations, activist groups or similar persons, that are ongoing or anticipated which could materially adversely affect the ability to explore, develop, exploit or otherwise operate the Company's assets (including the Material Assets).
- (ar) *No Asset Impairment.* The Company does not anticipate making any material write downs in respect of the Company's assets (including the Material Assets), or any parts thereof.
- (as) *Employment Matters.* The Company is in compliance in all material respects with Applicable Laws respecting employment and employment practices. To the knowledge of the Company, none of the executive officers named in the Offering Documents have any plans to terminate their employment. Except as would not result in a Material Adverse Effect, to the knowledge of the Company, none of the executive officers named in the Offering Documents are subject to any secrecy or non-competition agreement or any other agreement or restriction of any kind that would impede in any way the ability of such officer to carry out fully all activities of such officer in furtherance of the Company's and its Subsidiaries' business.
- (at) *Taxes.* (i) All material taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by the Company or any Subsidiary have been paid; (ii) all tax returns, declarations, remittances and filings required to be filed by the Company or any Subsidiary have been filed with all appropriate Governmental Entities and all such returns, declarations, remittances and filings are complete and accurate in all material respects and no material fact or facts have been omitted therefrom which would make any of them misleading; (iii) to the knowledge of the Company, no audit of any Tax return of the Company or of any Subsidiary is currently in progress; and (iv) there are no material issues or disputes outstanding with any Governmental Entity respecting any material Taxes that have been paid, or may be payable, by the Company or any Subsidiary.
- (au) *Oilfield Practices.* Any and all operations of the Company and, to the best of the knowledge, information and belief of the Company, any and all operations by third parties on or in respect of the assets and properties of the Company have been conducted in accordance with good oilfield practices, except where failure to conduct the operations would not have a Material Adverse Effect on the Company.
- (av) *Permitted Encumbrances.* The properties and assets of the Company are, and at Closing will be, free and clear of all mortgages, pledges, Liens, charges and encumbrances other than those encumbrances that are standard in the oil and gas industry, or which do not and will not have a Material Adverse Effect on the ownership or operation of such assets and properties ("**Permitted Encumbrances**") and other than Permitted Encumbrances, the Company has not done any act or suffered or permitted any action to be done whereby any person has acquired or may acquire an interest in or to the material properties and assets of the Company, nor has it done any act, omitted to do any act or permitted any act to be done that may adversely affect or defeat its title to any of its material properties or assets.
- (aw) *Interest.* Although it does not warrant title, the Company does not have reason to believe that it does not have title to or the right to produce and sell its petroleum, natural gas and related hydrocarbons (for the purpose of this subsection, the foregoing are referred to as the "**Interest**") and does represent and warrant that the Interest is free and clear of adverse claims created by, through or under the Company and except for the Permitted Encumbrances and those arising in the ordinary course of

business, and that, to its knowledge, the Company holds its Interest under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements except where the failure to so hold its Interest would not have a Material Adverse Effect on the Company.

- (ax) *Defects.* To the knowledge of the Company, there are no defects, failures or impairments in the title of the Company to its oil and gas properties, or the Material Assets, as applicable, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which in aggregate could have a Material Adverse Effect, and the Company is not aware of any pending or threatened action, suit, proceeding or inquiry which, in aggregate, could have a Material Adverse Effect on; (i) the quantity of and pre-tax present value of estimated future net revenue from the oil and natural gas reserves of the Company as shown in the Reserves Report; and (ii) the Material Assets.
- (ay) *Minute Books.* The corporate records and minute books of the Company that have been made available to the Agents and the Agents' Counsel contain, in all material respects, complete and accurate minutes of all meetings of the directors and shareholders of the Company held since its inception, and originals or copies of all resolutions and by-laws duly passed or confirmed by the directors or shareholders of the Company other than at a meeting.
- (az) *Environmental Matters.* Except to the extent that any violation or other matter referred to below would not, individually, or in the aggregated, reasonable be expected to have a Material Adverse Effect:
 - (i) there has not been a breach of any applicable federal, provincial, state, municipal and local laws, statutes, ordinances, by-laws and regulations and orders, directives and decisions rendered by any ministry, department or administrative or regulatory agency, domestic or foreign, including laws, ordinances, regulations or orders, relating to the protection of the environment, occupational health and safety or the processing, use, treatment, storage, disposal, discharge, transport or handling of any pollutants, contaminants, chemicals or industrial, toxic or hazardous wastes or substances (the "**Environmental Laws**");
 - (ii) there has not been any breach of Environmental Laws or Permits issued or made under applicable Environmental Laws (the "**Environmental Permits**"), to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any hazardous substance, and no conditions exist which, with the passage of time, or the giving of notice or both, would give rise to liability under any Environmental Laws or Environmental Permits;
 - (iii) any and all operations of the Company and, to the knowledge of the Company, any and all operations by third parties on or in respect of the assets and properties of the Company, have been conducted in accordance with good oil and gas industry practices and in compliance with Applicable Laws, rules, regulations, orders and directions of governmental and other competent authorities;
 - (iv) the Company has not used, except in material compliance with all Environmental Laws and authorizations, any properties or facilities which it owns or leases or previously owned or leased, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any Hazardous Materials;
 - (v) neither the Company, nor to the knowledge of the Company, any predecessor companies, have received any notice of, or been prosecuted for an offence alleging, non-compliance with any laws, ordinances, regulations and orders, including Environmental Laws, and the Company has not settled any allegation of non-compliance short of prosecution. There are no orders or directions relating to environmental matters requiring any material work,

repairs, construction or capital expenditures to be made with respect to any of the assets of the Company and the Company has not received notice of any of the same;

- (vi) there have been no past unresolved claims, complaints, notices or requests for information received by the Company with respect to any alleged material violation of any Environmental Laws which would reasonably be expected to result in a Material Adverse Effect in respect of the Corporation and the Subsidiaries, taken as a whole, and to the knowledge of the Company, none that are threatened or pending. No conditions exist at, on or under any properties now or previously owned, operated or leased by the Company which, with the passage of time or the giving of notice or both, would give rise to liability under any law, statute, order, regulation, ordinance or decree; and
 - (vii) except as ordinarily or customarily required by applicable permit, the Company has not received any notice wherein it is alleged or stated that it is potentially responsible for a federal, provincial, state, municipal or local clean-up site or corrective action under any Applicable Law including any Environmental Laws. The Company has not received any request for information in connection with any federal, state, municipal or local inquiries as to disposal sites.
- (ba) There are no environmental audits, evaluations, assessments, studies or tests relating to the Company except for ongoing assessments conducted by or on behalf of the Company in the ordinary course.
- (bb) Reserves Report.
- (i) A true and complete copy of the Reserves Report has been provided to the Agents which information did not contain any material misrepresentation; to the knowledge of the Company, there has not been a Material Adverse Effect in the aggregate reserves applicable to its properties from that disclosed in the Prospectus; the Company believes that (except as a result of the price and cost assumptions utilized in such reports, as to which the Company makes no representation or warranty) the Prospectus reasonably presents the aggregate quantity and, where applicable, aggregate pre-tax net present values of future net revenues attributable to the Company's oil and gas activities as at the date of the applicable report based upon information available (including the price and cost assumptions) at the time such reserves information was prepared; and the reserves information disclosed in the Prospectus reflects a summary of the Reserves Report, in accordance with NI 51-101 and all other applicable disclosure requirements under Applicable Securities Laws;
 - (ii) The Company made available to Apex, prior to the issuance of the Reserves Report and for the purpose of preparing such report, all information reasonably requested by Apex, which information, to the best of the knowledge of the Corporation, did not contain any material misrepresentation at the time such information was so provided. The Company has no knowledge of a Material Adverse Change in any information provided to Apex since that date;
 - (iii) Neither Apex nor any other independent evaluator or consultant engaged by the Company has updated the Reserves Report or independently evaluated the proved or probable reserves or other resources attributable to the properties evaluated therein (or any part thereof) or the resources attributable to any other properties in which the Company has an interest; and
 - (iv) Based upon representations made to the Company by Apex, Apex is an independent qualified reserves evaluator pursuant to NI 51-101.
- (bc) *Insurance.* The Company maintains insurance covering the properties, operations, personnel and business of the Company and its Subsidiaries in such amounts and with such deductibles and covering such risks as are reasonably adequate and customary for its business. The Company has

no knowledge that it will not be able to (i) renew its existing insurance coverage as and when such policies expire or (ii) obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not reasonably be expected to result in a Material Adverse Effect. The Company has not been denied any insurance coverage which it has sought or for which it has applied in the past two years.

- (bd) *Related Parties.* None of the current directors, officers or employees of the Company or any Subsidiary, or to the knowledge of the Company, any holder of more than 10% of any class of shares of the Company, or to the knowledge of the Company, any known associate or affiliate of any of the foregoing persons, has had or has any material interest, direct or indirect, in any transaction or any proposed transaction involving the Company or any Subsidiary which, as the case may be, materially affected, is material to or is reasonably expected to materially affect the Company (on a consolidated basis).
 - (be) *Directors and Officers.* To the knowledge of the Company, none of the current or any proposed directors or officers of the Company or any Subsidiary are now, or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a company.
 - (bf) *Entitlement to Proceeds.* Other than the Company, no person is or will be entitled to the proceeds from the sale of the Offered Units under the terms of any instrument or document to which the Company or any Subsidiary is a party or otherwise subject.
 - (bg) *Use of Proceeds.* As of the date hereof, the Company intends to use the net proceeds from the issue and sale of the Offered Units in accordance with the disclosure set out in the Offering Document.
 - (bh) *Fees and Commissions.* Other than the Agents (or any Selling Firm) pursuant to this Agency Agreement, there is no person acting or purporting to act at the request of the Company who is entitled to any brokerage, agency or other fiscal advisory or similar fee in connection with the Offering.
 - (bi) *Stabilization.* Neither the Company nor any Subsidiary has taken, nor will the Company or any Subsidiary take, directly or indirectly, any action which is designed to or which constitutes or might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Offered Units.
 - (bj) *Change in Legislation.* The Company is not aware of any legislation, or proposed legislation, which would be reasonably expected to have Material Adverse Effect;
 - (bk) *Full Disclosure.* All material information which has been prepared by or on behalf of the Company relating to the Company and its Subsidiaries and their business, properties, assets and liabilities and provided to the Agents and the Agents' Counsel, for the purposes of their due diligence review including all corporate, financial, marketing, sales and operational information provided to the Agents and the Agents' Counsel by or on behalf of the Company are, as of the date of such information, true and correct in all material respects, and no material fact or facts have been omitted therefrom which would make such information materially misleading.
- (2) Any certificate signed by any officer on behalf of the Company and delivered to the Agents or Agents' Counsel in connection with the Offering shall be deemed to be a representation and warranty by the Company as to matters covered thereby to the Agents.
- (3) *Restrictions on Further Issues or Sales.* During the period commencing on the Closing Date and continuing for a period of 90 days thereafter, the Company will not, without the written consent of the Lead Agent, on behalf of the Agents, issue, agree to issue, or announce an intention to issue, any Common Shares or equity securities of the Company or any securities convertible into or exchangeable for Common Shares or equity

securities of the Company or any quasi-equity securities of the Company other than in connection with: (i) the Offering, including, without limitation, the Compensation Options; (ii) pursuant to the exercise of the Over-Allotment Option; (iii) under existing director or employee stock options, bonus or purchase plans or similar share or equity-linked compensation arrangements as detailed in the Company's most recently-filed management's discussion and analysis; (iv) under director or employee stock options granted subsequently in accordance with regulatory approval; (v) upon the exercise of convertible securities, warrants or options outstanding prior to the date of this Agency Agreement; (vi) directly to the vendors of assets or shares acquired by the Company pursuant to an arm's length acquisition; or (vii) directly to lenders in connection with an arm's non-convertible debt financing and in accordance with regulatory approval.

Section 9 Additional Covenants of the Company

- (1) In addition to any other covenant of the Company set forth in this Agency Agreement, the Company covenants with the Agents that:
 - (a) at the Closing Time,
 - (i) the Unit Shares will be duly and validly authorized and reserved for issuance and, when issued and delivered by the Company, the Unit Shares will be validly issued as fully paid and non-assessable Common Shares;
 - (ii) the Warrants will be duly and validly created and authorized for issuance and, when issued and delivered by the Company pursuant to this Agency Agreement and the Warrant Indenture, the Warrants will be validly issued;
 - (iii) the Warrant Shares will be duly and validly authorized and reserved for issuance and, upon exercise of the Warrants in accordance with the terms and conditions of the Warrant Indenture, including payment on exercise, the Warrant Shares will be validly issued as fully paid and non-assessable Common Shares;
 - (iv) the Compensation Options will be duly and validly authorized for issuance, and upon issuance and delivery by the Company, will be validly issued; and
 - (v) the Compensation Option Shares will be duly and validly authorized and reserved for issuance and, upon exercise of the Compensation Options, including payment on exercise, the Compensation Option Shares will be validly issued as fully paid and non-assessable Common Shares;
 - (b) the Company will: (i) prior to the Closing Date, file or cause to be filed with the TSXV all necessary documents and will take commercially reasonable steps to ensure that the Unit Shares, the Warrant Shares and Compensation Option Shares have been approved (or conditionally approved) for listing and for trading on the TSXV, prior to the filing of the Prospectus Supplement with the Securities Commissions, subject only to satisfaction by the Company of the customary post-closing conditions imposed by the TSXV in similar circumstances (the '**Standard Listing Conditions**'), and the Company shall thereafter fulfil the Standard Listing Conditions within the time period prescribed by the TSXV;
 - (c) the Company will use commercially reasonable efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Canadian Securities Laws in each of the provinces of Canada (except Quebec) until the date that is at least 36 months following the Closing Date, provided that the foregoing requirement is subject to the obligations of the directors to comply with their fiduciary duties to the Company and further provided that the Company shall not be required to comply with this Section 9(1)(c) following the completion of a merger, amalgamation, arrangement, business combination or take-over bid pursuant to which the Company ceases to be a "reporting issuer" (within the meaning of Canadian Securities Laws);

- (d) the Company will make all necessary filings, use commercially reasonable efforts to obtain all necessary regulatory consents and approvals (if any) and the Company will pay all filing fees required to be paid in connection with the transactions contemplated in this Agency Agreement;
- (e) subject to compliance with Applicable Law, any press release of the Company to be issued during the period of distribution of the Offered Units will be provided in advance to the Agents (other than in respect of non-material matters which would not reasonably be expected to affect the Offering), and the Company will consider in good faith all comments provided by the Agents as to the form and content thereof prior to its release, and any press release shall include the following legend: “Not for distribution to United States newswire services or for dissemination in the United States”;
- (f) the Company will have, at or prior to the Closing, fulfilled or caused to be fulfilled, each of the conditions set out in Section 6 hereof; and
- (g) the Company shall cause each of the Company’s officers and directors to execute and deliver to the Agents a lock-up agreement (the ‘**Lock-Up Agreement**’) in favour of the Agents in a form satisfactory to the Lead Agent, on behalf of the Agents, acting reasonably, on or before the Closing Date, whereby such director and officer of the Company shall agree not to, without the prior written consent of the Lead Agent, on behalf of the Agents, such consent not to be unreasonably withheld, for a period of 90 days following Closing Date, directly or indirectly, offer, sell, transfer, assign, pledge, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, any equity securities of the Company or other securities of the Company convertible into, exchangeable for or exercisable to acquire, equity securities of the Company, directly or indirectly.

Section 10 Representations, Warranties and Covenants of the Agents

- (1) Each Agent hereby represents, warrants and covenants with the Company, that:
 - (a) it is, and will remain so, until the completion of the Offering, duly qualified and registered to carry on business as a securities dealer in each of the jurisdictions where the sale of the Offered Units requires such qualification and/or registration in a manner that permits the sale of the Offered Units on the basis described hereunder;
 - (b) this Agency Agreement has been duly authorized, executed and delivered by it and upon such execution and delivery by it, the Agency Agreement constitutes a legal, valid and binding obligation of it enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by Applicable Law;
 - (c) it will offer and solicit offers for the purchase of the Offered Units in compliance with Applicable Laws and only from such Persons and in such manner that, pursuant to Applicable Securities Laws, no prospectus, registration statement or similar document need be delivered or filed, other than the Offering Documents and any prescribed reports of the issue and sale of the Offered Units and, in the case of any jurisdiction other than the Qualifying Jurisdictions, no continuous disclosure obligations will be created;
 - (d) it will comply with Applicable Securities Laws in connection with Offering; and

- (e) it will use their commercially reasonable efforts to complete the distribution of the Offered Units as promptly as practicable after the Closing Time. The Agents will notify the Company as soon as practicable when, in the Agents' opinion, the Agents and the Selling Firms have ceased the distribution of the Offered Units and, within 30 days after completion of the distribution, the Agents will provide the Company, in writing, with a breakdown of the number of Units distributed in each of the Qualifying Jurisdictions by the Agents where that breakdown is required by a Securities Commission for the purpose of calculating fees payable to, or making filings with, that Securities Commission.
- (2) No Agent shall be liable to the Company under this Section 10 or otherwise with respect to a default by any of the other Agents or by any members of the selling group appointed by any of the other Agents.

Section 11 Closings

- (1) *Location of Closing of the Offering.* The Closing and any Option Closing will be completed electronically at the Closing Time on the Closing Date or Option Closing Date, as applicable, or at such other place as the Agents and the Company may agree.
- (2) *Securities and Proceeds of the Offering.* At the Closing Time on the Closing Date and any Option Closing Date, subject to the terms and conditions contained in this Agency Agreement: (i) the Company shall deliver to the Agents the Offered Units in electronic form; and (ii) the Agent shall deliver to the Company the gross proceeds of the Offering (or, or including, the proceeds of the Over-Allotment Option, if and as applicable) less the Agents' Fee, plus applicable taxes thereon, the expenses of the Agents payable in accordance with Section 16, and any other funds in respect of Units to be settled directly between certain purchasers and the Company, if applicable.
- (3) *Settlement.* The Company shall cause the Transfer Agent and Warrant Agent to issue electronically and register through the non-certificated inventory process, the Units against payment therefor in the manner as set forth above, such electronic issuance being registered in the name of CDS (or in such other name as the Agents may direct); and
- (a) the Agents will create an instant deposit in CDS' automated clearing and settlement system in the aggregate amount of the Units to be purchased through the non-certificated inventory process and shall provide the deposit identification number (the "**Deposit ID**") to the Transfer Agent and Warrant Agent prior to the Closing Time, to permit the further crediting of the accounts of those participants of CDS acting on behalf of purchasers;
 - (b) the Company shall provide an executed treasury direction, dated as of the Closing Date, to the Transfer Agent and Warrant Agent authorizing and directing the Transfer Agent and Warrant Agent to issue a non-certificated inventory credit to CDS in the amount equal to the aggregate number of Units to be purchased through the non-certificated inventory process; and
 - (c) the Company shall cause the Transfer Agent and Warrant Agent to electronically confirm the CDS deposit represented by the Deposit ID.

Section 12 Compensation of the Agents

The Company shall pay to the Agents: (i) a cash fee (the "**Agents' Fee**") equal to 8.0% of the gross proceeds from the sale of the Offered Units under the Offering. Notwithstanding the foregoing, to the extent Units are purchased by officers, directors or employees of the Company, or anyone else on the president's list (the "**President's List**") as agreed to between the Company and the Agents, the Agents' Fee payable to the Agents in connection therewith shall be reduced to 4.0%. The aggregate gross proceeds of orders on the President's List shall be up to a maximum of \$2,000,000, which amount and allocation to those purchasers on the President's List the Agents acknowledge and agree shall not be reduced. Each of the Agents' Fee shall be paid to the Agents on the Closing Date and any Option Closing Date, as applicable, with the payment of such fees to be reflected by the Agents making payment of the gross

proceeds of the sale of the Offered Units to the Company less the amount of the Agents' Fee and all fees, disbursements and expenses incurred by the Agents in accordance with the provisions in Section 16 hereof.

As further consideration for the services hereunder, the Company will issue to the Agents, on the Closing Date, such number of Compensation Options as is equal to 8.0% of the number of Units sold pursuant to the Offering (including for certainty on any exercise of the Over-Allotment Option), excluding those Units sold to purchasers on the President's List, for whom the number of Compensation Options issued connection therewith shall be reduced to 4.0%. Each Compensation Option will be exercisable to acquire one Compensation Option Share at the Offering Price until the date which is 36 months from the Closing Date.

Section 13 Termination Rights

- (1) The Agents shall also be entitled to terminate its obligations under this Agency Agreement by written notice to that effect to the Company at or prior to the Closing if:
 - (i) there shall occur, be discovered by the Agents or announced by the Company, any material change or a change in any material fact in the business affairs, financial condition, assets, liabilities (contingent or otherwise), results of operations of the Company and its Subsidiaries (taken as a whole), or there shall exist or be discovered any material fact which is, or may be, untrue, false or misleading in a material respect or result in a misrepresentation (other than a change or fact related solely to the Agents), which, in the opinion of the Agents, acting reasonably, has or could be reasonably expected to have a significant adverse effect on the Company or the market price or value of the Offered Units or the Common Shares or which materially adversely affects the distribution of the Offered Units or the Common Shares;
 - (ii) any order to cease or suspend trading in any securities of the Company or prohibiting or restricting the distribution of any of the Offered Units, Common Shares is made, or proceedings are announced, commenced or threatened for the making of any such order, by any securities commission or similar regulatory authority, the TSXV, or other competent authority and has not been rescinded, revoked or withdrawn;
 - (iii) there is an inquiry, action, investigation or other proceeding (whether formal or informal) commenced, announced or threatened or an order made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including without limitation, the TSXV or any securities regulatory authority, in relation to the Company (except for any inquiry, action, suit, proceeding, investigation or order based upon activities of the Agents and not upon activities of the Company), or there is any change in law or regulation, or the interpretation or administration thereof, or there is a general moratorium on banking activities in the United States or Canada declared by relevant authorities, or a material disruption in commercial banking or securities settlement or clearance services, which, in any such case, in the opinion of the Agents, acting reasonably, operates to materially impact, prevent or restrict the distribution or trading of the Common Shares;
 - (iv) there should develop, occur or come into effect or existence, or be announced, any event, action, state, condition or occurrence of national or international consequence (including any natural catastrophe, act of war, terrorism, pandemic), or any law, action, regulation, tariff or other occurrence of any nature whatsoever, which, in the opinion of the Agents, acting reasonably, seriously adversely affects or involves, or will seriously adversely affect or involve, the financial markets generally or the business, operations or affairs of the Company;
 - (v) the state of the financial markets, whether national or international, is such that in the opinion of the Agents, acting reasonably, it would be impractical or unprofitable to offer or continue to offer the Offered Units for sale;

- (vi) if the Agents are not satisfied in their sole discretion, acting reasonably, with their due diligence review and investigations in respect of the Company;
 - (vii) any condition shall remain outstanding and uncompleted at any time after the time which is it required to be completed or waived, or the Company is in breach of any representation, warranty or covenant contained in this Agency Agreement; or
 - (viii) each of the Agents and the Company mutually agree in writing to terminate this Agency Agreement as provided for herein.
- (2) The Agents may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to their respective rights in respect of any other of such terms and conditions or any other or subsequent breach or non-compliance, provided that any such waiver or extension will be binding upon the Agents only if the same is in writing and signed by it.
- (3) The rights of termination contained in this Section 13 may be exercised by the Agents and are in addition to any other rights or remedies the Agents may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by this Agency Agreement or otherwise. If the obligations of the Agents under this Agency Agreement are terminated pursuant to the termination rights in this Section 13, the liability of the Company to the Agents shall be limited to the obligations under Section 15 and Section 16.
- (4) The Agents will use commercially reasonable efforts to give notice to the Company (in writing or by other means) of the occurrence of any of the events referred to in this Section 13 provided that neither the giving nor the failure to give such notice will in any way affect the entitlement of the Agents to exercise their rights under this Section 13, at any time prior to or at the Closing Time.

Section 14 Survival of Representations, Warranties, Covenants and Agreements

All representations, warranties, covenants and agreements herein contained or contained in any documents delivered pursuant to this Agency Agreement and in connection with the transactions herein contemplated shall survive the issuance and sale of the Offered Units and the termination of this Agency Agreement until the latest date under Canadian Securities Laws relevant to a purchaser of any Units that a purchaser of Units may be entitled to commence an action or exercise a right of rescission, with respect to a misrepresentation contained in the Prospectus or, if applicable, any Supplementary Material, notwithstanding such Closing or any investigation made by or on behalf of the Agents with respect thereto, and shall continue in full force and effect for the benefit of the Agents and/or the Company, as the case may be, regardless of the Closing of the Offering, any subsequent disposition of the Offered Units and any investigation by or on behalf of the Agents with respect thereto. Without any limitation of the foregoing, the provisions contained in this Agency Agreement in any way related to indemnification or contribution obligations shall survive and continue, in full force and effect, indefinitely.

Section 15 Indemnity, Contribution and Limitation of Liability

- (1) The Company hereby covenants and agrees to indemnify and hold harmless, the Agents and their affiliates and their respective directors, officers, employees, partners, personnel and shareholders (collectively, the **‘Indemnified Parties’** and individually, an **‘Indemnified Party’**) from and against any and all losses, claims, actions, suits, proceedings, investigations, damages, liabilities or expenses of whatsoever nature or kind (excluding losses of profit in connection with the sale of the Offered Units) whether joint or several, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims, and the reasonable fees, disbursements and taxes of their counsel in connection with any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or in enforcing this indemnity (each, a **“Claim”** and collectively, the **“Claims”**) to which an

Indemnified Party may become subject or otherwise involved in any capacity insofar as the Claim relates to, is caused by, results from, arises out of or is based upon, directly or indirectly:

- (a) any information or statement contained in the Offering Documents or in any other document or material filed or delivered pursuant hereto (other than any information or statement relating solely to the Agents and furnished, in writing, to the Company by the Agents expressly for inclusion in the Offering Documents) which is or is alleged to be untrue or any omission or alleged omission to provide any information or state any fact (other than any information or fact relating solely to the Agents) the omission of which makes or is alleged to make any such information or statement untrue or misleading in light of the circumstances in which it was made;
 - (b) any misrepresentation or alleged misrepresentation (except a misrepresentation which is based upon information relating solely to the Agents and furnished, in writing, to the Company by the Agents expressly for inclusion in the Offering Documents) contained in the Offering Documents or in any other document filed by or on behalf of the Company;
 - (c) any prohibition or restriction on trading in the securities of the Company or any prohibition or restriction affecting the distribution of the Offered Units or Common Shares imposed by any Governmental Entity if such prohibition or restriction is based on any misrepresentation or alleged misrepresentation of a kind referred to in Section 15(1)(b);
 - (d) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any one or more Governmental Entity (not based upon the activities or the alleged activities of the Agents or its Selling Firms, if any) prohibiting, restricting, relating to or materially affecting the trading or distribution of the Offered Units or Common Shares; or
 - (e) any breach of, default under or non-compliance by the Company with any requirements of Applicable Securities Laws, Money Laundering Laws, the by-laws, rules or regulations of any stock exchange or any representation, warranty, term or condition of this Agency Agreement or in any certificate or other document delivered by or on behalf of the Company hereunder or pursuant hereto.
- (2) If and to the extent that a court of competent jurisdiction, in a final non-appealable judgment in a proceeding in which an Indemnified Party is named as a party, determines that a Claim was caused by or resulted from an Indemnified Party's material breach of this Agency Agreement, breach of Applicable Laws, willful misconduct, gross negligence, dishonest or fraudulent act, this indemnity shall cease to apply to such Indemnified Party in respect of such Claim and such Indemnified Party shall reimburse any funds advanced by the Company to the Indemnified Party pursuant to this indemnity in respect of such Claim. This indemnity shall not be available to an Indemnified Party in respect of losses incurred by an Indemnified Party as a result of being a purchaser of the Offered Units and not solely as a result of providing services as an Agents or on behalf of an Agents pursuant to this Agency Agreement. The Company agrees to waive any right the Company might have of first requiring the Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under this indemnity.
- (3) If any Claim is brought against an Indemnified Party or an Indemnified Party has received notice of the commencement of any investigation in respect of which indemnity may be sought against the Company, the Indemnified Party will give the Company prompt written notice of any such Claim of which the Indemnified Party has knowledge and the Company will undertake the investigation and defence thereof on behalf of the Indemnified Party, including the prompt employment of counsel acceptable to the Indemnified Parties affected, acting reasonably, and the payment of all expenses. Failure by the Indemnified Party to so notify shall not relieve the Company of its obligation of indemnification hereunder except to the extent that the failure to so provide such notice shall actually and materially damage the Company or materially prejudices the Company's ability to defend such claim.
- (4) No admission of liability and no settlement, compromise or termination of any Claim, or investigation shall be made without the consent of the Company and the consent of the Indemnified Parties affected, such

consents not to be unreasonably withheld or delayed. The rights accorded to the Indemnified Parties hereunder shall be in addition to any rights the Indemnified Parties may have at common law or otherwise.

- (5) The Indemnified Party shall have the right to retain separate counsel in any proceeding relating to a claim contemplated by this Section 15 but the fees and expenses of such counsel shall be at the expense of the Indemnified Party, unless:
- (i) the Indemnified Party has been advised by counsel that: (A) there may be a reasonable legal defense available to the Indemnified Party which is different from or additional to a defense available to the Company and/or (B) representation of the Indemnified Party and the Company by the same counsel would be inappropriate due to the actual or potential differing interests between them (in which case the Company shall not have the right to assume the defense of such proceedings on the Indemnified Party's behalf);
 - (ii) the Company shall not have taken the defense of such proceedings and employed counsel within ten (10) days after notice has been given to the Company of commencement of such proceedings; or
 - (iii) the employment of such counsel has been authorized by the Company in connection with the defense of such proceedings, and, in any such event, the reasonable fees and expenses of such Indemnified Party's counsel (on a solicitor and his own client basis) shall be paid by the Company,

provided that the Company shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate law firm (in addition to any local counsel) for all such Indemnified Parties.

- (6) Without limiting the generality of the foregoing, this indemnity shall apply to all reasonable and documented expenses (including legal expenses), losses, claims and liabilities that the Agents may incur as a result of any action, suit, proceeding or claim that may be threatened or brought against the Company.
- (7) If for any reason the foregoing indemnification is unavailable (other than in accordance with the terms hereof) to the Indemnified Parties (or any of them) or insufficient to hold them harmless, the Company agrees to contribute to the amount paid or payable by the Indemnified Parties as a result of such Claims in such proportion as is appropriate to reflect not only the relative benefits received by the Company or the Company's shareholders, and its constituencies on the one hand and the Indemnified Parties on the other, but also the relative fault of the parties and other equitable considerations which may be relevant. Notwithstanding the foregoing, the Company will in any event contribute to the amount paid or payable by the Indemnified Parties as a result of such Claim any amount in excess of the fees actually received by the Indemnified Parties hereunder.
- (8) The Company hereby constitutes the Agents as trustee for each of the other Indemnified Parties of the covenants of the Company under this indemnity with respect to such persons and the Agents agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.
- (9) The Company agrees that, in any event, no Indemnified Party shall have any liability (either direct or indirect, in contract or tort or otherwise) to the Company, or any person asserting claims on their behalf or in right for or in connection with the engagement, except to the extent that any losses, expenses, claims, actions, damages or liabilities incurred by the Company are determined by a court of competent jurisdiction in a final judgment (in a proceeding in which an Indemnified Party is named as a party) that has become non-appealable to have resulted from a material breach of this Agency Agreement, breach of Applicable Laws, willful misconduct, gross negligence or fraudulent act of such Indemnified Party.

- (10) The Company also agrees that if any action, suit, proceeding or claim shall be brought against, or an investigation commenced in respect of the Company and the Agents and personnel of the Agents shall be required to participate or respond in respect thereof, the Agents shall have the right to employ its own counsel in connection therewith and the Company will reimburse the reasonable and documented out-of-pocket expenses as may be incurred by the Agents and their personnel in connection therewith, including the fees and disbursements of such Agents' Counsel and the time spent by the Agents' personnel.
- (11) The indemnity, contribution and other obligations and agreements of the Company under this Section 15 shall be in addition to, and not in substitution for, any liability which the Company may otherwise have at law or in equity, shall extend upon the same terms and conditions to all of the Indemnified Parties and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Company and the Indemnified Parties.
- (12) This Section 15 shall survive the completion of the professional services rendered under this Agency Agreement or any termination of this Agency Agreement and shall continue in full force and effect without limitation other than any limitation requirements of Applicable Law, regardless of any investigation by or on behalf of the Agents with respect thereto.

Section 16 Expenses

The Company will pay: (i) all expenses of or incidental to the creation, issue, sale or distribution of the Offered Units and the filing of the Prospectus; and (ii) all other costs and expenses incurred in connection with the preparation of documentation relating to the Offering, including the reasonable legal fees of legal counsel for the Agents (to a maximum of \$110,000 plus applicable taxes and disbursements in respect of counsel to the Agents). The Company shall also pay any GST payable on the foregoing amounts, if any. All of the above expenses initially paid by the Agents as agent on behalf of the Company shall be reimbursed by the Company to the Agents on the Closing Date and any Option Closing Date, as applicable.

Section 17 Business of the Agents.

The Company acknowledges that the Agents and certain of their affiliates: (i) act as traders of, and dealers in, securities both as principal and on behalf of clients and, as such, may have had, and may in the future have, long or short positions in the securities of the Company or related entities and, from time to time, may have executed or may execute transaction on behalf of such persons, (ii) may provide research or investment advice or portfolio management services to clients on investment matters, including the Company, (iii) may participate in securities transactions on a proprietary basis, including transactions in the Offering or other securities of the Company or related entities, and (iv) nothing in this Agency Agreement shall restrict its ability to conduct business in the ordinary course and in compliance with applicable laws.

Section 18 Action by Agents

All steps or other actions which must or may be taken by the Agents in connection with this Agency Agreement, with the exception of the matters relating to indemnification or contribution contemplated by Section 15 or termination contemplated by Section 13 shall be taken by the Lead Agent, on behalf of the Agents, and the execution of this Agency Agreement by the Agents shall constitute the Company's authority for dealing solely with, and accepting notification of any such steps from, the Lead Agent, and for delivering the documents contemplated hereunder and the applicable securities to or as directed by the Lead Agent.

Section 19 Obligations of the Agents

The rights and obligations of the Agents in connection with the Offering at the Closing Time on the Closing Date shall be several, and not joint, nor joint and several. The Agents shall share the Agents' Fee in the following percentages:

Haywood Securities Inc. 60%

Canaccord Genuity Corp. 40%

Section 20 Advertisements

The Company acknowledges that the Agents shall have the right, subject to its obligations under this Agency Agreement, and with prior written approval by the Company, at their own expense, to place such advertisement or advertisements relating to the sale of the Offered Units as the Agents may consider desirable or appropriate and as may be permitted by Applicable Law, including Applicable Securities Laws (including in respect of the use of marketing materials). The Company and the Agents agrees that they will not make or publish any advertisement in any media whatsoever relating to, or otherwise publicize, the transaction provided for herein so as to result in any exemption from the prospectus and registration requirements of Applicable Securities Laws.

Section 21 Governing Law

This Agency 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. Each of the parties irrevocably attorns to the jurisdiction of the courts of the Province of Alberta.

Section 22 Notices

All notices or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery or by email to such other party as follows:

- (a) in the case of the Company:

Horizon Petroleum Ltd.
Suite 920, 540, 5th Avenue SW
Calgary, Alberta
T2P 0M2

Attention: Dr. David A. Winter
Email: [Redacted - Email Addresses]

with a copy to (which copy shall not constitute notice):

DLA Piper (Canada) LLP
Suite 100, Livingston Place West
250, 2nd Street SW,
Calgary, Alberta
T2P 0C1

Attention: Trevor Wong-Chor
Email: [Redacted - Email Addresses]

(b) in the case of the Agents:

Haywood Securities Inc.
Suite 400 – 808 1st Street SW
Calgary, AB T2P 1M9
Attention: Clark Andrews
Email: [Redacted - Email Addresses]

with a copy of any such notice (which shall not constitute notice) to:

Borden Ladner Gervais LLP
Centennial Place, East Tower,
1900, 520 – 3rd Ave. SW
Calgary, AB, Canada T2P 0R3

Attention: Michael Saliken
Email: [Redacted - Email Addresses]

or at such other address or email address as may be given by any of them to the other in writing from time to time and such notices or other communications shall be deemed to have been received when personally delivered or, if delivered by email, on the date of receipt (with receipt confirmed) provided notice or communication is received prior to 5:00 p.m. (recipient's time) on a Business Day or, in any other case, on the next Business Day after such notice or other communication has been delivered by email.

Section 23 Counterparts

This Agency Agreement may be executed in one or more counterparts (including counterparts by facsimile or other electronic means), which together shall constitute an original copy hereof as of the date first noted above.

Section 24 Electronic Copies

Each of the parties hereto shall be entitled to rely on delivery of a facsimile or PDF copy of this Agency Agreement and acceptance by each such party of any such facsimile or PDF copy shall be legally effective to create a valid and binding agreement between the parties hereto in accordance with the terms hereof.

Section 25 Time of the Essence

Time shall be of the essence in this Agency Agreement.

Section 26 Severability

If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agency Agreement, but this Agency Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

Section 27 Entire Agreement

This Agency Agreement constitutes the entire agreement between the Agents and the Company relating to the subject matter hereof and supersedes all prior agreements between the Agents and the Company relating to the Offering, including the provisions of the Engagement Letter.

Section 28 Market Stabilization

In connection with the distribution of the Offered Units, the Agents (or any of them) may effect transactions which are intended to stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market, but in each case as permitted by applicable Canadian Securities Laws. Such stabilizing transactions, if any, may be discontinued by the Agents at any time.

Section 29 Successors and Assigns

The terms and provisions of this Agency Agreement shall be binding upon and enure to the benefit of the Company and the Agents and their respective executors, heirs, successors and permitted assigns; provided that, except as provided herein, this Agency Agreement shall not be assignable by any party without the written consent of the others.

Section 30 No Fiduciary Duty

The Company hereby acknowledges that the Agents are acting solely as agent in connection with the offer and sale of the Company's securities contemplated hereby. The Company further acknowledges that the Agents are acting pursuant to a contractual relationship created solely by this Agency Agreement entered into on an arm's length basis, and in no event do the parties intend that the Agents act or be responsible as a fiduciary to the Company, its management, shareholders or creditors or any other person in connection with any activity that the Agents may undertake or have undertaken in furtherance of such offer and sale of the Company's securities, either before or after the date hereof. The Agents hereby expressly disclaims any fiduciary or similar obligations to the Company, either in connection with the transactions contemplated by this Agency Agreement or any matters leading up to such transactions, and the Company hereby confirms its understanding and agreement to that effect. The Company and the Agents agrees that they are each responsible for making their own independent judgments with respect to any such transactions and that any opinions or views expressed by the Agents to the Company regarding such transactions, including, but not limited to, any opinions or views with respect to the price or market for the Company's securities, do not constitute advice or recommendations to the Company. The Company and the Agents agree that the Agents are acting as agent and not as a fiduciary of the Company and the Agents has not assumed, and the Agents will not assume, any advisory responsibility in favour of the Company with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Agents has advised or is currently advising the Company on other matters). The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the Agents with respect to any breach or alleged breach of any fiduciary, advisory or similar duty to the Company in connection with the transactions contemplated by this Agency Agreement or any matters leading up to such transactions.

Section 31 Further Assurances

Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agency Agreement.

Section 32 Effective Date

This Agency Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

[Remainder of Page Left Blank Intentionally]

If the Company is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this Agency Agreement where indicated below and delivering the same to the Agents.

Yours very truly,

HAYWOOD SECURITIES INC.

Per: "Clark Andrews"
Name: Clark Andrews
Title: Head of Energy Investment Banking

CANACCORD GENUITY CORP.

Per: "Anthony Petrucci"
Name: Anthony Petrucci
Title: Managing Director, Energy Investment
Banking

The foregoing accurately reflects the terms of the transaction that we are to enter into and such terms are agreed to.

ACCEPTED as of this 8th day of August, 2025.

HORIZON PETROLEUM LTD.

Per: “Ian Habke”
Name: Ian Habke
Title: Chief Financial Officer