

**PRE-ACQUISITION AGREEMENT**

between

**CERTUS OIL AND GAS INC.**

- and -

**PINE CLIFF ENERGY LTD.**

October 30, 2023

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**THIS PRE-ACQUISITION AGREEMENT** (the "**Agreement**") is made this 30<sup>th</sup> day of October, 2023;

**BETWEEN:**

**PINE CLIFF ENERGY LTD.**, a corporation existing under the laws of the Province of Alberta (the "**Purchaser**")

- and -

**CERTUS OIL AND GAS INC.**, a corporation existing under the laws of the Province of Alberta ("**Certus**" and, together with the Purchaser, the "**Parties**", and "**Party**" means either one of them)

**WHEREAS** the Purchaser is prepared to make, or cause a direct or indirect wholly-owned subsidiary to make, an offer (the "**Offer**") by way of take-over bid to acquire all of the outstanding Class B common shares (the "**Common Shares**") and any and all Common Shares issued or issuable upon the exercise of Certus Options (as defined herein), Certus Warrants (as defined herein) and the conversion of Certus Notes (as defined herein), for the consideration set forth herein, all on the terms and conditions set forth in this Agreement;

**AND WHEREAS** the board of directors of Certus (the "**Board of Directors**") has determined to support the Offer and to recommend acceptance of the Offer to its Shareholders (as defined herein), all on the terms and subject to the conditions of this Agreement;

**AND WHEREAS** certain of the directors and officers of Certus and certain Shareholders, all of whom hold (in the aggregate) not less than 50% of the total number of issued and outstanding Common Shares (including Common Shares issuable upon exercise of Certus Options, Certus Warrants and the conversion of Certus Notes) (collectively, the "**Supporting Shareholders**"), concurrently with the execution of this Agreement by Certus, have entered (or committed to enter) into Lock-up Agreements (as defined herein) with the Purchaser, pursuant to which each Supporting Shareholder will, among other things, tender to the Offer all Common Shares (including Common Shares issuable upon the exercise of any Certus Options, Certus Warrants and the conversion of Certus Notes) beneficially owned or controlled by such Supporting Shareholder, directly or indirectly, on the terms and conditions set out in the Lock-up Agreements;

**AND WHEREAS** in connection with this Agreement, the Purchaser shall, directly or indirectly, pursuant to an exempt takeover bid, also acquire ownership or control of all of the issued and outstanding Class A common shares in the capital of Certus (the "**Class A Shares**") by directly and indirectly acquiring all of the issued and outstanding equity securities of Certus HoldCo (as defined herein), to be effective at the Effective time;

**NOW THEREFORE**, in consideration of the respective covenants and agreements hereinafter set out and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party, the Parties hereby agree as follows:

## **ARTICLE 1 DEFINITIONS AND PRINCIPLES OF INTERPRETATION**

### **1.1 Definitions**

Whenever used in this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms have the indicated meanings:

"**1005017**" means 1005017 B.C. Ltd., a direct shareholder of Certus HoldCo;

"**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c.B-9;

**"Acquisition Proposal"** means a proposal or offer (including (i) by way of public announcement, (ii) by way of advertisement or sending an offer to Shareholders, or (iii) entering into any form of agreement, arrangement, or understanding), whether or not subject to due diligence or other conditions and whether or not in writing, (including any single or multi-step transaction or series of related transactions) by any Person or group of Persons "acting jointly or in concert" (within the meaning of National Instrument 62-104 – *Take-Over Bids and Issuer Bids*), other than the Purchaser, and excluding the Offer and the transactions contemplated by this Agreement which constitutes, or may reasonably be expected to lead to:

- (a) any direct or indirect sale, issuance or acquisition of securities of Certus that, when taken together with any securities of Certus held by the proposed acquiror, and any Person acting jointly or in concert with such acquiror, and assuming the conversion of any convertible securities held by the proposed acquiror, and any Person acting jointly or in concert with such acquiror, would constitute beneficial ownership of 20% or more of the outstanding voting securities of Certus or rights or interests therein;
- (b) any direct or indirect acquisition or purchase (or any lease, long-term supply agreement or other arrangement having the same economic effect as an acquisition or purchase) of assets of Certus representing 20% or more of the assets of Certus (measured by the fair market value thereof as of the date of such proposal or offer);
- (c) an amalgamation, arrangement, share exchange, merger, business combination, joint venture, consolidation, reorganization or similar transaction involving Certus;
- (d) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, winding-up or similar transaction involving Certus;
- (e) any other transaction or arrangement similar to, or having the same economic effect or consequences as, the forgoing; or
- (f) any other transaction, the consummation of which would reasonably be expected to prevent, materially impede or significantly delay the making of the Offer, the taking up of Common Shares under the Offer or the completion of the Offer, or which would or could reasonably be expected to materially reduce the benefits to the Purchaser under this Agreement or the Offer;

except that for the purpose of the definition of "**Superior Proposal**", the references in this definition of "Acquisition Proposal" to "20% or more of the outstanding voting securities" shall be deemed to be references to "50% or more of the outstanding voting securities", and the references to "20% or more of the assets" shall be deemed to be references to "all or substantially all of the assets";

**"Adjustment Date"** means December 31, 2023;

**"Advertisement"** has the meaning ascribed thereto in Section 2.1(e);

**"Affiliate"** has the meaning ascribed to it in the Securities Act;

**"Agent"** means Shell Trading Canada;

**"Aggregate Cash Consideration"** means, for all of the outstanding Common Shares, including any Common Shares which may become outstanding pursuant to the exercise of Certus Options, Certus Warrants and conversion of Certus Notes, \$100,000,000.00 less the Certus Net Debt Amount, multiplied by the fraction where the numerator is the number of issued and outstanding Common Shares and the denominator is the sum of the Class A Shares and the Common Shares;

**"Agreement"** has the meaning ascribed to it in the recitals hereto, including all Schedules and all amendments or restatements as permitted, and, unless otherwise noted herein, references to "**Article**", "**Section**" or "**Schedule**" means the specified Article or Section of, or Schedule to, this Agreement;

"**Assessment**" has the meaning ascribed to it in Section 6.1(f)(viii);

"**Benefit Plans**" means all material employee benefit, bonus, incentive, profit sharing, change of control, pension, retirement savings, stock option, stock purchase, stock appreciation, health, welfare, medical, dental, vision, disability, life insurance and similar plans, agreements, programs, policies, practices, undertakings or arrangements, maintained for, available to or otherwise relating to the Corporation's current or former officers or employees, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, registered or unregistered, to which Certus is a party or bound by or obligated to contribute or in any way liable, contingent or otherwise, excluding any government sponsored pension, health insurance, employment insurance, and workers compensation plan;

"**Bid Circular**" has the meaning ascribed thereto in Section 2.1(d);

"**Board of Directors**" has the meaning ascribed to it in the recitals hereto;

"**Business**" means identifying, capturing and exploiting oil and gas resource plays in the Western Canadian Sedimentary Basin;

"**Business Day**" means any day which is not a Saturday, Sunday or statutory holiday in the Province of Alberta, on which the principal commercial banks in downtown Calgary are generally open for the transaction of commercial banking business during regular business hours;

"**Certus**" has the meaning ascribed to it in the recitals hereto;

"**Certus HoldCo**" means Certus Holding Corporation, a corporation existing under the laws of the Province of Alberta and the sole shareholder of the Class A Shares;

"**Certus HoldCo Aggregate Cash Consideration**" means the aggregate cash consideration to be paid to 1005017, **[Redacted – Personal Information]** and the Management HoldCo Shareholders to acquire, directly and indirectly, all of the outstanding equity securities of Certus HoldCo, \$100,000,000 less the Certus Net Debt Amount, multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Common Shares;

"**Certus Key Management Option Plan**" means the key management stock option plan of Certus;

"**Certus Key Management Options**" means stock options granted under the Certus Key Management Option Plan;

"**Certus Net Debt Amount**" means Certus's total indebtedness and liabilities net of Certus's current assets, calculated on an accrual basis in accordance with GAAP (as modified by this definition) as at the Adjustment Date consistent with the manner set forth in Schedule "E" hereto. For certainty, in calculating the Certus Net Debt Amount as at the Adjustment Date, Certus's current indebtedness and liabilities shall include: (i) Certus's long term debt, short term debt and accounts payable and accrued liabilities, including the amounts outstanding under the Credit Facility; (ii) Termination Costs for all Certus Terminated Employees who have not delivered as of the Effective Date a release in the form attached hereto as Schedule K; (iii) Continuing Employee Costs; and (iv) Contractor Costs for all Terminated Contractors who have not delivered as of the Effective Date a release in the form attached hereto as Schedule L. However, Certus's current indebtedness and liabilities shall exclude any costs and expenses associated with: (i) the termination of any Swaps entered into by Certus prior to the Effective Date; provided that any such Swaps shall be disclosed to the Purchaser prior to entering into this Agreement; (ii) the drilling, completion, equipping, testing, and tie-in of the **[Redacted – Commercially Sensitive Information]** horizontal well, in which Certus holds a **[Redacted]**% working interest; and (iii) the purchase of Run-off Insurance. For certainty, in calculating the Certus Net Debt Amount as at the Adjustment Date, Certus's current assets shall include Certus's current assets, as at the Adjustment Date and any cash received by Certus upon the exercise of Certus Options or Certus Warrants prior to the Expiry Time;

"**Certus Nominee**" means Rob Brady, the President and Chief Executive Officer of Certus as of the date hereof;

"**Certus Non-Completion Fee**" has the meaning ascribed to it in Section 6.3(a);

"**Certus Notes**" means the unsecured 10% one-year term notes convertible into Common Shares at a price of \$0.25 per Common Share issued in the aggregate principal amount of \$5,535,000;

"**Certus Option Plan**" means the employee stock option plan of Certus and, where the context requires "**Certus Option Plans**" means both the employee stock option plan and the Key Management Option Plan;

"**Certus Options**" means stock options granted under the Certus Option Plan and where the context requires, includes Certus Key Management Options, as further described in the Disclosure Letter;

"**Certus Representatives**" has the meaning ascribed to it in Section 6.2(a);

"**Certus Reserves Reports**" means the independent engineering evaluation of Certus's oil and natural gas reserves prepared by McDaniel effective July 1, 2023;

"**Certus Terminated Employee**" has the meaning ascribed to it in Section 2.8(a);

"**Certus Warrants**" means the outstanding warrants to acquire an aggregate of 5,960,916 Common Shares and if applicable, includes any replacement warrants to purchase Common Shares issuable on a cashless basis upon exchange of existing Certus Warrants, all as further described in the Disclosure Letter;

"**Claim**" means any claim, demand, complaint, action, suit, cause of action, assessment or reassessment, charge, judgment, debt, liability, expense, cost, damage or loss, contingent or otherwise (including reasonable and documented legal fees on a solicitor and his or her own client basis and other reasonable professional fees and all costs incurred in investigating or pursuing any of the foregoing or any proceeding);

"**Class A Escrow Agent**" means Ryan Shewchuk Professional Corporation, or any replacement escrow agent as may be appointed under the Class A Escrow Agreement;

"**Class A Escrow Agreement**" means the escrow agreement to be entered into between the Purchaser, the Indirect Class A Shareholders, the Certus Nominee and the Class A Escrow Agent, substantially in the form attached as Schedule "H";

"**Class A Escrow Amount**" means \$2,000,000 multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Common Shares;

"**Class A Share Purchase Agreements**" means the share purchase agreements between the Purchaser, or its Affiliates, substantially in the form as set forth in Schedule "G" and each of the Indirect Class A Shareholders, pursuant to which the Purchaser, or its Affiliates, at the Effective Time, will acquire ownership or control of, directly or indirectly, all of the issued and outstanding equity securities of Certus HoldCo by way of exempt takeover bid, for the Certus HoldCo Aggregate Cash Consideration;

"**Class A Shares**" means the Class A common shares in the capital of Certus;

"**Class B Estimated Net Debt Allocation**" means the Estimated Net Debt Amount multiplied by a fraction where the numerator is the number of issued and outstanding Common Shares and the denominator is the sum of the Class A Shares and the Common Shares;

**"Class B Net Debt Allocation"** means the Certus Net Debt Amount multiplied by a fraction where the numerator is the number of issued and outstanding Common Shares and the denominator is the sum of the Class A Shares and the Common Shares;

**"Closing"** means the closing of the transactions contemplated herein which shall occur on the Effective Date;

**"Common Shares"** means the Class B common shares in the capital of Certus;

**"Competition Act"** means the *Competition Act*, R.S.C. 1985, c. C 34;

**"Competition Act Approval"** means (i) the issuance to the Purchaser of an advance ruling certificate by the Commissioner of Competition under Subsection 102(1) of the Competition Act in respect of the purchase of the Common Shares contemplated in the Offer; or (ii) both of (a) the applicable waiting period, including any extension of such waiting period, under Section 123 of the Competition Act shall have expired or been terminated or the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act shall have been waived in accordance with paragraph 113(c) of the Competition Act and (b) unless waived by the Purchaser, the Commissioner of Competition shall have advised the Purchaser in writing that he or she does not, at that time, intend to make an application under section 92 of the Competition Act in respect of the purchase of the Common Shares contemplated in the Offer;

**"Compulsory Acquisition"** has the meaning ascribed to it in Section 2.1(k);

**"Confidentiality Agreement"** means the confidentiality agreement between the Purchaser and Certus, effective July 7, 2023;

**"Continuing Employees"** means the Certus employees that have accepted in writing offers of employment from Purchaser pursuant to Section 2.8(e);

**"Continuing Employee Costs"** means in respect of any Continuing Employee, 50% of the Termination Costs which would be attributable to such Continuing Employee if they were not a Continuing Employee, the Termination Costs shall be calculated as though the Continuing Employee's entitlement to a payment in lieu of reasonable notice of termination is equal to the statutory minimum entitlements payable at Law, plus one week of base salary per completed year of service with Certus as at the Effective Time;

**"Contractor Costs"** has the meaning ascribed to it in Section 2.8(k);

**"Contracts"** means a contract, lease, license, instrument, note, bond, debenture, mortgage, agreement, arrangement, commitment, obligation or understanding to which Certus is a party or under which Certus is bound;

**"Credit Agreement"** means the credit agreement dated March 3, 2023 among Certus, as Borrower, the several banks and other financial institutions or entities from time to time parties to such Credit Agreement, and Shell Trading Canada, as lender and administrative agent for such lenders, as may be amended, supplemented or replaced from time to time;

**"Credit Facility"** means the credit facility of Certus provided by the Lenders and the Agent pursuant to a the Credit Agreement;

**"Deposit"** has the meaning ascribed to it in 10.1(a);

**"Deposit Escrow Agent"** has the meaning ascribed to it in Section 10.1(a);

**"Deposit Escrow Agreement"** has the meaning ascribed to it in Section 10.1(a);

**"Deposit Period News Release"** has the meaning ascribed to it in NI 62-104;

"**Directors' Circular**" has the meaning ascribed to it in Section 2.2(d);

"**Disclosing Party**" has the meaning ascribed to it in Section 6.7(a);

"**Disclosure Letter**" means the letter from Certus to Purchaser dated the date hereof which disclosed certain information with respect to Certus as described in this Agreement;

"**Effective Date**" means the date on which the Effective Time occurs;

"**Effective Time**" means the time at which the Purchaser first takes up and pays for Common Shares deposited pursuant to the Offer;

"**Employee Obligations**" means any and all Liabilities of Certus to pay any amount to, or for the benefit of, its officers, directors, consultants or employees, in respect of the employee's employment with Certus (including but not limited to wages, overtime pay, holiday pay, vacation pay, benefit costs, insurance premiums, pension and RRSP contributions and incentive compensation) and in respect of statutory, contractual and common law termination pay in lieu of reasonable notice of termination, severance, change of control, incentive compensation bonus payments, or similar of any such Person arising from the termination of the employee's employment with Certus;

"**Encumbrances**" means, in the case of property or an asset, any mortgage, pledge, charge, lien, debenture, hypothec, trust deed, outstanding demand, burden, capital lease, assignment by way of security, security interest, conditional sales contract or other title retention agreement or similar interests or instrument charging, or creating a security interest in, or against title to, such property or assets, or any part thereof or interest therein, and any agreement, lease, option, easement, right of way, restriction, execution or other charge or encumbrance (including notices or other registrations in respect of any of the foregoing) (whether by Laws, contract or otherwise) against title to any of the property or asset, or any part thereof or interest therein or capable of becoming any of the foregoing;

"**Environment**" means the air, all layers of the atmosphere, surface water, underground water, any land or underground space, all living organisms and the interacting natural systems that include components of air, land, water, organic and inorganic matters and living organisms;

"**Environmental Laws**" means, with respect to any Person or its business, activities, property, assets or undertaking, all federal, provincial, territorial, state, municipal, local or foreign Laws of any Governmental Authority relating to the Environment or health and safety matters of the jurisdictions applicable to such Person or its business, activities, property, assets or undertaking, including legislation governing the use and storage of Hazardous Substances;

"**Escrow Agent**" means Dentons Canada LLP or any replacement escrow agent as may be appointed under the Escrow Agreement;

"**Escrow Agreement**" means the escrow agreement to be entered into between the Purchaser, Certus, the Certus Nominee and the Escrow Agent, substantially in the form attached as Schedule "F";

"**Escrow Amount**" means \$2,000,000 multiplied by a fraction where the numerator is the number of issued and outstanding Common Shares and the denominator is the sum of the Class A Shares and the Common Shares;

"**Estimated Aggregate Cash Consideration**" means, for all of the outstanding Common Shares, including any Common Shares which may become outstanding pursuant to the exercise of Certus Options and Certus Warrants, and the conversion of Certus Notes, \$100,000,000.00 less the Estimated Net Debt Amount, multiplied by a fraction where the numerator is the number of issued and outstanding Common Shares and the denominator is the sum of the Class A Shares and the Common Shares;

"**Estimated Net Debt Amount**" means the Certus Net Debt Amount estimated as at Effective Date as determined in accordance with the provisions of Section 2.3;

**"Expiry Date"** means the date on which the Expiry Time occurs;

**"Expiry Time"** means the Initial Expiry Time, unless the Offer is accelerated or extended in which case it means the expiry time of the Offer as accelerated or extended from time to time, but for greater certainty, the mandatory 10-day extension required by NI 62-104 shall not alter the Expiry Time for the purposes of this Agreement;

**"Financial Statements"** means the audited financial statements of Certus as at and for the years ended December 31, 2021 and December 31, 2022, including the notes thereto and the auditor's report thereon;

**"GAAP"** means International Financial Reporting Standards, as adopted by the Canadian Accounting Standards Board for publicly accountable enterprises;

**"Governmental Authority"** means any:

- (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department regulatory or administrative authority, department, agency, ministry, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign;
- (b) Canadian securities regulatory authority, self-regulatory organization or stock exchange;
- (c) subdivision, agent, commission, board, or authority of any of the foregoing; or
- (d) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

**"Hazardous Substances"** means any element, waste or other substance, whether natural or artificial and whether consisting of gas, liquid, solid or vapor that is prohibited, listed, defined, judicially interpreted, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant, including any other material or substance that is prohibited, listed, defined, designated, classified or regulated under or pursuant to any applicable Environmental Laws, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials or any substance which is deemed under Environmental Laws to be deleterious to natural resources or worker or public health and safety.

**"Independent Auditor"** means MNP LLP, Chartered Accountants (or such other auditor as is mutually agreeable to the parties) which is "independent" to Certus and the Purchaser, as such term is defined in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

**"Indication of Interest"** means the non-binding indication of interest between Certus and the Purchaser dated September 6, 2023.

**"Indirect Class A Shareholders"** means the Management HoldCo Shareholders, **[Name Redacted]** and 1005017 B.C. Ltd., being the indirect and direct shareholders of all of the issued and outstanding shares of Certus HoldCo, respectively;

**"Initial Expiry Time"** means 5:00 p.m. (Calgary Time) on the first Business Day which falls after the 35<sup>th</sup> day following the commencement of the Offer;

**"Interim Financial Statements"** means the unaudited financial statements of Certus for the three and six month periods ending June 30, 2023 (consisting of a balance sheet and accompanying statements of profit and loss, retained earnings and changes in financial position for the period then ended and all notes (if any) and prepared in accordance with GAAP)

**"Latest Mailing Date"** has the meaning ascribed to it in Section 2.1(d);

**"Laws"** means applicable laws (including common law and statutes) and by-laws, published rules, regulations, published directives, instructions, orders, ordinances, protocols, codes, guidelines, treaties, policies, notices, directions, decrees, judgments, awards or requirements, in each case, of any Governmental Authority;

**"Lenders"** has the meaning given to that term in the Credit Agreement;

**"Liabilities"** means all liabilities and obligations, whether in equity, under Laws, under contract or otherwise, whether tortious, contractual, statutory or otherwise, whether absolute or contingent and whether based on fault, strict liability or otherwise;

**"Lock-Up Agreements"** means the lock-up agreements (substantially in the form attached as Schedule "D" hereto) entered into in connection with the execution of this Agreement by Certus, between the Purchaser and each of the Supporting Shareholders, pursuant to which each Supporting Shareholder has agreed, amongst other things, to tender to the Offer all Common Shares (including Common Shares on any exercise of Certus Options or Certus Warrants or the conversion of Certus Notes) beneficially owned or controlled by such Supporting Shareholders, directly or indirectly;

**"Management HoldCos"** means Certus Brady Holding Corporation, Certus Andrews Holding Corporation and Certus Woodford Holding Corporation;

**"Management HoldCo Shareholders"** means the Woodford Family Trust, the sole shareholder of all of the outstanding equity securities of Certus Woodford Holding Corporation, the Aral Trust, the sole shareholder of all of the outstanding Class A shares of Certus Brady Holding Corporation, Robert Brady the sole shareholder of all of the outstanding First Preferred shares of Certus Brady Holding Corporation and the Andrews Trust, the sole shareholder of all of the outstanding equity securities of Certus Andrews Holding Corporation;

**"Material Adverse Change"** means, in respect of Certus, any fact or state of facts, circumstance, change (or any condition, event or development involving a prospective change), that is, or would reasonably be expected to be (individually or in the aggregate), material and adverse to the condition (financial or otherwise), properties, licenses, affairs, assets, Liabilities (contingent or otherwise), capital, obligations (whether absolute, accrued, conditional or otherwise), capitalization, business, operations, results of operations or cash flows of Certus (taken as a whole), but "Material Adverse Change" shall not include a change (or a condition, event or development involving a prospective change) resulting or arising from:

- (a) a matter that has, prior to the date hereof, been disclosed in writing by or on behalf of Certus to the Purchaser;
- (b) the announcement or completion of the transactions contemplated by this Agreement or any step or other action taken by Certus in the performance of its obligations under this Agreement;
- (c) conditions affecting the Alberta oil and gas industry as a whole;
- (d) general economic, financial, currency exchange or securities market conditions in North America including changes in currency exchange rates or in interest rates;
- (e) changes in the market price of any petroleum substance including crude oil, bitumen, natural gas or natural gas liquids;
- (f) any change in applicable Laws, GAAP, or changes in accounting requirements;
- (g) the failure of Certus to meet any projections, forecasts or estimates of revenues, earnings, cash flows or production of petroleum substances that have been provided to the other Party in connection with its due diligence inquiries or the negotiation of this Agreement (provided, however, that the causes underlying such failure may be considered to determine whether such causes constitute a Material Adverse Change); and

(h) any action or omission taken by the Party that is consented to, in writing, by the other Party pursuant to this Agreement;

provided, however, that: (A) references in this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative for purposes of determining whether a "Material Adverse Change" has occurred; and (B) the change or effect referred to in (c), (d) or (e) above does not primarily relate only to (or have the effect of primarily relating only to) Certus, taken as a whole, or disproportionately affects Certus, taken as a whole, as the case may be, compared to other entities of similar size and operating in the oil and gas industry, in which case, the relevant exclusion from this definition of Material Adverse Change or Material Adverse Effect referred to in (c), (d) or (e) above will not be applicable.

**"Material Adverse Effect"** means any effect resulting from a Material Adverse Change;

**"Material Contract"** means: (i) any Swaps entered into by Certus, (ii) agreements governing the Credit Facility or related thereto, including the Credit Agreement; (iii) any Contract pursuant to which Certus will, or may reasonably be expected to, expend more than an aggregate of \$200,000 or receive or be entitled to receive revenue of more than \$200,000 in either case in the next 12 months; (iv) any Contract or other arrangement to which Certus or Certus Holdco is a party for which breach, non-performance, cancellation or failure to renew could have a Material Adverse Effect; (v) any Contract with a value over \$100,000 that extends for a term longer than 90 days; and (vi) any Contract that is outside of the ordinary course of business of Certus;

**"McDaniel"** means McDaniel & Associates Consultants Ltd., independent oil and natural gas reservoir engineers of Calgary, Alberta;

**"Minimum Tender Condition"** has the meaning ascribed to it in paragraph (a) of Schedule "A" hereto;

**"Misrepresentation"** has the meaning ascribed thereto in the Securities Act.

**"NI 62-104"** means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*;

**"Non-Capital Losses"** has the meaning attributed to such phrase under the Tax Act;

**"Non-Resident"** means a Shareholder who: (i) is not a resident of Canada for the purposes of the Tax Act; or (ii) is a partnership that is not a Canadian partnership for purposes of the Tax Act;

**"Notice"** has the meaning ascribed to it in Section 12.1;

**"Offer"** has the meaning ascribed to it in the recitals hereto and includes any amendments to, or extensions of, the Offer made in accordance with the terms of this Agreement and applicable Laws, including satisfying or waiving any condition or extending or accelerating the date by which Common Shares may be deposited;

**"Offered Employees"** has the meaning ascribed to it in Section 2.8(d);

**"Parties"** or **"Party"** have the meanings ascribed to them in the recitals hereto;

**"Permitted Encumbrances"** means: (i) any overriding royalties, net profits interests or other Encumbrances applicable to the interests of Certus in its petroleum and natural gas rights and leases and all related tangibles, equipment, facilities and miscellaneous interests of Certus, including, for greater certainty, Encumbrances arising from the Credit Agreement; (ii) easements, rights of way, servitudes or other similar rights, including rights of way for highways, railways, sewers, drains, gas or oil pipelines, gas or water mains, electric light, power, telephone or cable television towers, poles, and wires that do not materially impair the use of the Certus's properties or assets affected thereby; (iii) the regulations and any rights reserved to or vested in any municipality or governmental, statutory or public authority to levy taxes or to control or regulate Certus's interests in any manner, including the right to control or regulate production rates and the conduct of operations; (iv) statutory exceptions to title and the reservations, limitations and conditions in any grants or transfers from the Crown of mines and minerals; (v) undetermined or inchoate

liens incurred or created in the ordinary course of business as security for a Party's share of the costs and expenses of the development or operation of any of its assets, which costs and expenses are not delinquent as of the Effective Time; (vi) undetermined or inchoate mechanics' liens and similar liens for which payment for services rendered or goods supplied is not delinquent as of the Effective Time; and (vii) liens granted in the ordinary course of business to a Governmental Authority respecting operations pertaining to any of Certus' assets including any petroleum and natural gas rights held by Certus;

"**Person**" includes any individual, corporation, sole proprietorship, partnership, firm, entity, limited partnership, limited liability company, unlimited liability company, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, or Governmental Authority and any group comprised of more than one Person, and where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or legal representative;

"**Purchaser**" has the meaning ascribed to it in the recitals hereto;

"**Purchaser Representatives**" has the meaning ascribed to it in Section 6.6;

"**Recipient**" has the meaning ascribed to it in Section 6.7(a);

"**Regulatory Approvals**" means governmental and regulatory approvals sanctions, rulings, waivers, consents, orders, exemptions, permits, licences, authorizations and other approvals (including the lapse, without objection, of a prescribed time or waiting period under Laws that states that a transaction may only be implemented if a prescribed time lapses following the giving of notice without an objection or an opposition being filed, made or initiated) of any Governmental Authority and includes the Competition Act Approval;

"**Release**" means a full and final release in favour of Certus from each director and officer in substantially the form set out in Schedule J, of all Claims or obligations accruing up to and including the Effective Time, including any Employee Obligations;

"**Run-off Insurance**" has the meaning ascribed to it in Section 7.4(a);

"**Stifel Opinion**" means an opinion of Stifel Nicolaus Canada Inc. to the effect that, as of the date of such opinion and based on and subject to the assumptions, limitations, qualifications and other matters set forth therein, the Aggregate Cash Consideration to be received under the Offer is fair, from a financial point of view, to the Shareholders;

"**Securities Act**" means the *Securities Act*, R.S.A. 2000, c.S-4, as amended;

"**Shareholders**" means the holders of Common Shares from time to time;

"**Subsequent Transaction**" has the meaning ascribed to it in Section 3.1;

"**subsidiary**" means, with respect to any Person, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to be voted in an election of directors thereof (whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of a certain event or contingency) are at the time owned directly or indirectly by such Person, and shall include any partnership, joint venture or other entity over which it exercises direction or control or which is in a like relation to a subsidiary;

"**Superior Proposal**" means any *bona fide* written Acquisition Proposal:

- (a) that complies with all applicable securities legislation;
- (b) that did not result from a breach of this Agreement;

- (c) in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to the satisfaction of the Board of Directors, acting in good faith, to be likely to be obtained at closing of such Acquisition Proposal,;
- (d) in respect of which the Board of Directors has determined in good faith that:
  - (i) after receiving the advice of its legal counsel, as reflected in the minutes of the Board of Directors, the failure to recommend such Acquisition Proposal to the Shareholders would be inconsistent with its fiduciary duties under applicable Laws; and
  - (ii) such Acquisition Proposal would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), reasonably be expected to be materially superior, from a financial point of view, to the Offer;

**"Supporting Shareholders"** has the meaning ascribed to it in the recitals hereto;

**"Swaps"** means any transaction which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, hedge, commodity option, equity or equity index swap, equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, forward sale, exchange traded futures contract or any other similar transaction (including any option with respect to any of these transaction or any combination of these transactions);

**"Tax Act"** means the *Income Tax Act*, R.S.C. 1985, c.1 (5<sup>th</sup> Supp.);

**"Tax Returns"** includes all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether intangible, electronic or other form) and including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required to be made, prepared or filed by Law in respect of Taxes;

**"Taxes"** means, with respect to any Person, all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, *ad valorem* taxes, value added taxes, transfer taxes, franchise taxes, licence taxes, withholding taxes or other withholding obligations, payroll taxes, employment taxes, Canada Pension Plan premiums, excise, severance, social security premiums, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, property taxes, provincial Crown royalties, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any Governmental Authority on such Person or for which such Person is responsible with respect to the foregoing, and any interest, penalties, additional taxes, additions to tax or other amounts imposed with respect to the foregoing;

**"Terminated Contractors"** has the meaning ascribed to it in Section 2.8(k);

**"Termination Costs"** means, except with respect to Continuing Employees, all Liabilities associated with a Certus Terminated Employee's employment with Certus and the termination thereof, including but not limited to statutory, contractual and common law termination pay in lieu of reasonable notice and all Employee Obligations;

**"Termination Notices"** has the meaning ascribed to it in Section 2.8(b);

**"Transaction Costs"** means all costs and expenses incurred by Certus in connection with the transactions contemplated by this Agreement, including all legal, accounting, audit, financial advisory, depositary, printing and other administrative or professional fees, costs and expenses of Certus, but specifically excluding Termination Costs; and

"**Transferred Information**" has the meaning ascribed to it in Section 6.7(a).

## 1.2 Certain Rules of Interpretation, etc.

In this Agreement:

- (a) **Consent** - Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.
- (b) **Currency** - Unless otherwise specified, all references to money amounts are to the lawful currency of Canada.
- (c) **Governing Law** - This Agreement is a contract made under and shall be governed by and construed in accordance with the Laws of the Province of Alberta and the federal Laws of Canada applicable in the Province of Alberta, without reference to any conflict of laws principles that might result in the application of the Laws of another jurisdiction. The Parties irrevocably submit to the exclusive jurisdiction of the courts of the Province of Alberta in respect of any action or proceeding relating in any way to this Agreement or the subject matter hereof.
- (d) **Injunctive Relief** - The Parties agree that the remedy at Law for any breach of the provisions of this Agreement may be inadequate and that the Party that is not in breach, on any application to a court, shall be entitled to temporary and permanent injunctive relief, specific performance and any other equitable relief against the Party or Parties in breach of the provisions of this Agreement. The Parties further agree to waive any requirement for the deposit of security or posting of any bond in connection with any equitable remedy.
- (e) **Headings** - Headings of Articles, Sections and Schedules are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (f) **Including** - Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation".
- (g) **Disclosure** – Where the wording "disclosed in writing" and where certain specified documents are "provided to" the Purchaser (or words of similar import) are used in this Agreement it means: (i) disclosure made, or documents provided, by Certus to the Purchaser, in the "Certus Dataroom" virtual data room (relating to the transactions contemplated by this Agreement and hosted Certus' Firmex); and/or (ii) disclosure made pursuant to that certain Disclosure Letter delivered to the Purchaser by Certus concurrently with the execution and delivery of this Agreement.
- (h) **No Strict Construction** - The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.
- (i) **Number and Gender** - Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.
- (j) **Severability** - If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other Persons or circumstances.

- (k) **Statutory References** - A reference to a statute includes all rules and regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute, regulation or rule which amends, supplements or supersedes any such statute, regulation or rule.
- (l) **Time** - Time is of the essence in the performance of the Parties' respective obligations.
- (m) **Time Periods** - Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

### 1.3 Entire Agreement

This Agreement and the Confidentiality Agreement, together with the agreements and other documents require to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties, and set out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the Parties, pertaining to the subject matter of this Agreement and the Confidentiality Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written. No reliance has been made upon, and there are and have been no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, between the Parties in connection with the subject matter of this Agreement, except as specifically set out in this Agreement and the Confidentiality Agreement any document required to be delivered pursuant to this Agreement.

### 1.4 Schedules

The schedules to this Agreement, as listed below, are an integral part of this Agreement:

<u>Schedule</u>	<u>Description</u>
"A"	Conditions of the Offer
"B"	Representations and Warranties of the Purchaser
"C"	Representations and Warranties of Certus
"D"	Form of Lock-Up Agreement
"E"	Calculation of Certus Net Debt
"F"	Escrow Agreement
"G"	Class A Share Purchase Agreement
"H"	Class A Escrow Agreement
"I"	Disclosure Letter
"J"	Form of Release
"K"	Form of Employee Release
"L"	Form of Contractor Release

### 1.5 Knowledge

Any reference to the knowledge of:

- (a) the Purchaser, shall mean, unless otherwise specified, the actual knowledge of the officers of the Purchaser; and
- (b) Certus, shall mean, unless otherwise specified, the actual knowledge of the officers of Certus set out in the Disclosure Letter;

and the knowledge that such individuals would reasonably be expected to have after reviewing relevant internal records and making due inquiries.

## ARTICLE 2 THE OFFER

### 2.1 The Offer

- (a) On the terms and subject to satisfaction or waiver of the applicable conditions set out in this Agreement, the Purchaser shall, as soon as practicable but in any event no later than 11:59 p.m. (Calgary time) on November 10, 2023, make the Offer to purchase all of the Common Shares, including any and all Common Shares issued prior to the Expiry Time upon the exercise of any Certus Options and Certus Warrants and upon the conversion of Certus Notes, for the Aggregate Cash Consideration, which shall be distributed to the Shareholders who have deposited their Common Shares under the Offer in cash, rounded to the nearest whole cent.
- (b) For greater certainty, the amount to be paid by the Purchaser to the Shareholders on the Effective Date shall be an amount per share equal to (i) Estimated Aggregate Cash Consideration, less the Escrow Amount, divided by (ii) the number of Common Shares outstanding at the Effective Time; and such Shareholders shall be entitled to receive such additional amount, if any, in respect of their Common Shares as is determined in accordance with Section 2.3(a).
- (c) Concurrently with the Offer, on the terms and subject to satisfaction or waiver of the applicable conditions set out in the Class A Share Purchase Agreements substantially in the form set forth in Schedule "G", the Purchaser, or its Affiliates, shall make the Offer to purchase all of outstanding equity securities of the Management HoldCos from the Management HoldCo Shareholders and purchase all of the equity securities of Certus HoldCo owned by 1005017 and **[Redacted – Personal Information]**, as vendors, for the Certus HoldCo Aggregate Cash Consideration to be effective at the Effective Time.
- (d) The Purchaser shall mail the Offer and accompanying take-over bid circular ("**Bid Circular**"), notice(s) of guaranteed delivery, related letter(s) of transmittal and other ancillary documents (such documents, together with the Offer, being collectively referred to herein as the "**Offer Documents**") in accordance with applicable Laws to each registered Shareholder as soon as reasonably practicable and in any event not later than 11:59 p.m. (Calgary time) on November 10, 2023 (the "**Latest Mailing Date**") and provided, however, that if the mailing of the Offer Documents is delayed by reason of:
- (i) an injunction or order made by a court of competent jurisdiction or Governmental Authority; or
  - (ii) the failure of Certus to provide the Purchaser with the Directors' Circular in accordance with Section 2.2(d) or the shareholder lists referred to in Section 2.2(b),
- then, provided that such injunction or order is being contested or appealed by the Purchaser, if applicable, then the Latest Mailing Date shall be extended for a period ending on the earlier of:
- (iii) 11:59 p.m. (Calgary time) on December 31, 2023; and
  - (iv) the second Business Day following the date on which such injunction or order ceases to be in effect or such Directors' Circular or shareholder list is obtained, as applicable.
- (e) The Purchaser shall file the Offer Documents in the English Language with applicable Governmental Authorities within the time and in the manner required by applicable Laws. The Purchaser may, at its election, commence the Offer by way of advertisement (the "**Advertisement**") in a national Canadian newspaper. If the Offer is commenced by Advertisement, the Purchaser shall mail the Offer to registered Shareholders no later than two (2) Business Days following receipt of the shareholder lists referred to in Section 2.2(b).

- (f) On the Latest Mailing Date, Certus shall issue a Deposit Period News Release in accordance with NI 62-104 and the Purchaser will vary the Offer to change the Initial Expiry Time in accordance with NI 62-104 to the first Business Day that falls after the 35th calendar day after the day that the Offer is commenced.
- (g) The Purchaser or Certus, as the case may be, will instruct the depositary under the Offer to advise the Purchaser and Certus from time to time as the Purchaser or Certus may reasonably request and in such manner as the Purchaser or Certus may reasonably request, as to the number of Common Shares that have been tendered (and not withdrawn) under the Offer.
- (h) Prior to the printing of the Offer Documents and during the course of their preparation, the Purchaser shall provide Certus and its counsel with a reasonable opportunity to review and comment on them, recognizing that whether or not such comments are appropriate will be determined by the Purchaser, acting reasonably. Certus shall provide to the Purchaser for inclusion in the Offer Documents such information regarding Certus as is required by applicable Laws to be included in the Offer Documents and as requested by the Purchaser, acting reasonably. Certus represents, warrants and covenants that any information it provides to the Purchaser for inclusion in the Offer Documents will be accurate and complete in all material respects as of the relevant date of such information and will not contain any Misrepresentation.
- (i) Subject to Section 2.1(m), the Offer shall be subject only to the conditions set out in Schedule "A" hereto. The Purchaser shall use commercially reasonable efforts to consummate the Offer, subject to the terms and conditions hereof and thereof and subject to no other conditions. Upon all of the conditions of the Offer having been satisfied or, in the sole discretion of the Purchaser, waived (to the extent permitted under this Agreement), the Purchaser will, within three (3) Business Days following the time at which it becomes entitled or obligated to take up such Common Shares pursuant to NI 62-104, take up and pay for the Common Shares deposited under the Offer in accordance with the terms of the Offer and applicable Laws.
- (j) At the Expiry Time, if the Minimum Tender Condition and all other conditions of the Offer set forth in Schedule "A" hereto have been satisfied or waived, the Purchaser shall extend the Offer once for an additional ten days past the Expiry Time to allow for subsequent tenders in accordance with NI 62-104.
- (k) If at the Expiry Time or as a result of Common Shares deposited under the Offer during the extension of the Offer pursuant to Section 2.1(j), there shall have been deposited under the Offer and not withdrawn at least 90% of the Common Shares outstanding on a fully-diluted basis other than any Common Shares held at the date of the Offer by or on behalf of the Purchaser or its Affiliates, and all other conditions of the Offer set out in Schedule "A" hereto have been satisfied or waived and the Purchaser has taken up the Common Shares deposited under the Offer at that time, in the event any applicable Shareholder has failed to tender their Common Shares to the Offer and any Shareholder has not executed and delivered such documents as are necessary to transfer the Common Shares of any Shareholder who fails to tender their Common Shares to the Offer, then the Purchaser shall acquire the remainder of the Common Shares from those Shareholders who have not accepted the Offer pursuant to Section 195 of the ABCA (a "**Compulsory Acquisition**") that: (i) consists of the same form of consideration paid pursuant to the Offer; and (ii) is not greater than the consideration paid pursuant to the Offer.
- (l) It is understood and agreed that the Purchaser may, in its sole discretion, modify or waive any term or condition of the Offer, provided that the Purchaser will not, without the prior written consent of Certus (which may be withheld by Certus in its sole discretion):
  - (i) change the number of Common Shares for which the Offer is made;
  - (ii) increase the Minimum Tender Condition;
  - (iii) decrease the Aggregate Cash Consideration;

- (iv) change the form of consideration payable under the Offer (other than to increase the total consideration per Common Share);
  - (v) impose additional conditions to the Offer; or
  - (vi) otherwise amend the Offer or any terms or conditions thereof in a manner adverse to Certus or the Shareholders, provided that a variation consisting solely of a waiver of a condition by the Purchaser shall not be an amendment or variation adverse to Certus or the Shareholders.
- (m) The obligation of the Purchaser to make the Offer is conditional on the satisfaction of the following conditions on or before the Latest Mailing Date, all of which conditions are included for the sole benefit of the Purchaser and any or all of which may be waived by the Purchaser in whole or in part in its sole discretion without prejudice to any other rights it may have under this Agreement or otherwise:
- (i) this Agreement shall not have been terminated pursuant to Section 11.1;
  - (ii) no circumstance, fact, change or event shall have occurred that would render it impossible or impractical for one or more of the conditions set out in Schedule "A" hereto to be satisfied;
  - (iii) no cease trade order, injunction or other prohibition of a Governmental Authority having jurisdiction over the Purchaser shall exist or shall be threatened against the Purchaser making the Offer, the mailing of the Offer Documents or the taking up or paying for Common Shares deposited under the Offer;
  - (iv) Certus shall not have breached or failed to comply with any of its covenants or obligations under this Agreement in any material respect;
  - (v) the Board of Directors shall have caused to be prepared and approved in final form and printed for mailing with the Offer Documents sufficient copies of the Directors' Circular in accordance with Section 2.2(d);
  - (vi) the representations and warranties of Certus set out in this Agreement shall be true and correct as at the time of the mailing of the Offer Documents, as though made on and as at the time of the mailing of the Offer Documents, except to the extent such representations and warranties speak or are stated to be effective as of a specific date (in which case such representations and warranties shall be true and correct as of that specific date), unless the failure to be true or correct, individually or in the aggregate, would not have a Material Adverse Effect in respect of Certus;
  - (vii) in the judgment of the Purchaser, acting reasonably, no Material Adverse Change shall have occurred with respect to Certus since the date of this Agreement; and
  - (viii) the directors and officers of Certus and certain Shareholders holding not less than 50% of the aggregate Common Shares shall have entered into Lock-Up Agreements concurrently with the execution of this Agreement and shall continue to be bound by and not to have breached such agreements.

## **2.2 Certus Support for the Offer**

- (a) Certus represents and warrants to and in favour of the Purchaser as of the date hereof, and acknowledges that the Purchaser is relying upon such representations and warranties in entering into this Agreement, as follows:

- (i) the Board of Directors has unanimously determined that the Offer is in the best interests of Certus, has approved the Offer and the entering into of this Agreement, and has passed a unanimous resolution to recommend that the Shareholders accept the Offer, which recommendation may not be withdrawn, modified or changed in any manner except as provided in Section 6.2; and
  - (ii) after reasonable inquiry, Certus and the Board of Directors have been advised and believe that all of the directors and officers of Certus and certain Shareholders of Certus intend to tender all of their Common Shares prior to the Expiry Time to the Offer including the Common Shares of which they are the beneficial owners or over which they exercise control or direction and any Common Shares issuable on the exercise of any Certus Options or the Certus Warrants or the conversion of any Certus Notes held by them or their Affiliates;
- (b) Certus agrees to provide such assistance as the Purchaser or its agents may reasonably request in connection with communication of the Offer to the holders of Common Shares, Certus Warrants, Certus Options and Certus Notes including providing the Purchaser with, or causing to be provided to the Purchaser, within two Business Days following the execution and delivery of this Agreement, a list (in both written and electronic form) of the registered Shareholders, together with their addresses and respective holdings of Common Shares and a list of the holders of Certus Options, Certus Warrants and Certus Notes, together with their addresses, the date of grant and the date of expiry of all Certus Options and Certus Warrants, the exercise price of each Certus Option and Certus Warrant, the conversion price of each Certus Note and the number of Certus Options and Certus Warrants, and the aggregate face value plus the accrued interest of each Certus Note, held by each holder thereof. Certus shall from time to time furnish the Purchaser with such additional information, including updated or additional lists of Shareholders, mailing labels and lists of securities positions and other assistance, as the Purchaser may reasonably request in order to be able to communicate the Offer to the Shareholders, the holders of Certus Options and the holders of Certus Warrants, the holders of Certus Notes and to such other Persons as are entitled to receive the Offer under applicable Laws. All such deliveries by Certus pursuant to this Section 2.2(b) shall be in printed form and, if available, in computer-readable form.
- (c) The Board of Directors has received an oral Stifel Opinion a written copy of which have been, or will be, delivered to the Board of Directors on or before the date of the Directors' Circular.
- (d) Certus shall prepare, and make available for mailing contemporaneously with the Offer Documents by the Purchaser, a directors' circular (the "**Directors' Circular**"), in accordance with applicable Laws that contains the unanimous recommendation of the Board of Directors that Shareholders accept the Offer, tender their Common Shares to the Offer, reflects the recommendation of the Board of Directors, including the reasons considered by the Board of Directors in arriving at its recommendation, contains a written copy of the Stifel Opinion, and includes a statement that each director of Certus intends to tender all the Common Shares such individual beneficially owns or controls in favour of the Offer. Certus shall take all commercially reasonable actions to endorse the Offer (subject to the exercise by the Board of Directors of its fiduciary duties, including pursuant to and in accordance with Section 6.2). Certus shall file the Directors' Circular with applicable Governmental Authorities within the time and in the manner required by applicable Laws.
- (e) Prior to the printing of the Directors' Circular and during the course of its preparation, Certus shall provide the Purchaser and its counsel with a reasonable opportunity to review and comment on it, recognizing that whether or not such comments are appropriate will be determined by Certus, acting reasonably. The Purchaser shall provide to Certus for inclusion in the Directors' Circular such information regarding the Purchaser as is required by applicable Laws to be included in the Directors' Circular. The Purchaser represents, warrants and covenants that any information it provides to Certus for inclusion in the Directors' Circular will be accurate and complete in all material respects as of the relevant date of such information and will not contain any Misrepresentation.

- (f) Certus shall issue the Deposit Period News Release on the date of mailing the Directors' Circular reaffirming the Board of Director's recommendation that Shareholders deposit all of their Common Shares to the Offer, which press release shall include reference to the recommendations of the Board of Directors, the Stifel Opinion and the intentions of the directors and officers of Certus as indicated in Section 2.2(d).

### **2.3 Estimated Net Debt**

- (a) On or before the date that is three Business Days prior to the Expiry Date (or such later date that is agreed to by the Purchaser and Certus), Certus shall prepare an itemized draft statement setting forth Certus' calculation (in a manner consistent with that which is set forth in Schedule "E" hereto) of the Estimated Net Debt Amount, along with any documentation necessary to support such calculation. The Purchaser and Certus shall work cooperatively with one another to come to an agreement, acting reasonably, on the Estimated Net Debt Amount on or before the date that is two Business Days prior to the Expiry Date (or such later date that is not later than the Effective Date and that is agreed to by the Purchaser and Certus).
- (b) To the extent that Certus and the Purchaser are unable to agree on the Estimated Net Debt Amount, Certus and the Purchaser shall work expeditiously and in good faith in an attempt to resolve all of the items in dispute prior to the date scheduled for Closing. If all items in dispute are not resolved prior to the date scheduled for Closing, the Closing shall be delayed and Certus shall retain the Independent Auditor to resolve the remaining items in dispute and the Independent Auditor shall be required to render its decision without qualifications, other than the usual qualifications relating to engagements of this nature, within five Business Days after the dispute is referred to it. The decision of the Independent Auditor on the dispute shall be final and binding on Certus, the Purchaser and the Shareholders. As soon as reasonably possible following the rendering of the decision by the Independent Auditor, and in any event no later than the later of (i) two Business Days following the rendering of such decision, and (ii) the date that all conditions of the Offer set out in Schedule "A" are satisfied or waived, unless otherwise agreed in writing to by the Parties, acting reasonably, the Purchaser shall be required to take up and pay for the Common Shares validly deposited (and not properly withdrawn) under the Offer in accordance with the terms of the Offer and applicable Laws.
- (c) The fees and expenses of the Independent Auditor shall be borne by the Party or Parties that the Independent Auditor rules against.

### **2.4 Post-Closing Adjustments and Escrow**

- (a) If:
  - (i) the Certus Net Debt Amount is greater than the Estimated Net Debt Amount, the Purchaser shall be entitled to receive from the Escrow Amount, the lesser of: (A) the Escrow Amount; and (B) the amount obtained by subtracting the Class B Estimated Net Debt Allocation from the Class B Net Debt Allocation to a maximum of the Escrow Amount, and the balance of the Escrow Amount, if any, shall be paid to the former Shareholders, on a pro rata basis in accordance with their respective former holdings of Common Shares in accordance with the terms of the Escrow Agreement; or
  - (ii) the Certus Net Debt Amount is less than or equal to the Estimated Net Debt Amount, the Escrow Amount shall be delivered to the Shareholders, on a pro rata basis in accordance with their respective former holdings of Common Shares in accordance with the terms of the Escrow Agreement.
- (b) Subject to the terms of this Agreement, subsequent to the Effective Date, the Purchaser shall have sole discretion with regard to all matters relating to the operation of Certus; provided that the Purchaser shall not, directly or indirectly, take any actions in bad faith that would have the

purpose of affecting the calculation of the Certus Net Debt Amount to avoid or decrease the Escrow Amount which would otherwise be paid to the Shareholders.

## 2.5 Certus Options, Certus Warrants and Certus Notes

- (a) Certus has disclosed in writing to the Purchaser, as well as set out in the Disclosure Letter, the particulars of the Certus Options, the Certus Warrants and the Certus Notes outstanding as of the date hereof, including without limitation the following: (i) the names of the holders of the Certus Options, Certus Warrants and Certus Notes; (ii) the date of grant and the date of expiry of all Certus Options and Certus Warrants; (iii) the exercise price of each Certus Option and Certus Warrant; (iv) the date of issuance and the maturity date of all Certus Notes; (v) the principal amount and amount of the accrued interest of each Certus Note; (vi) the conversion price of each Certus Note; and (vii) the number of Certus Options and Certus Warrants held by each holder thereof.
- (b) The Parties acknowledge and agree that holders of outstanding Certus Options and/or Certus Warrants and/or Certus Notes as of the date of this Agreement may exchange their Certus Options and/or Certus Warrants on a cashless basis for Common Shares, and convert their Certus Notes, prior to the Expiry Time.
- (c) Certus agrees and represents to the Purchaser that the Board of Directors has:
  - (i) directed Certus to use its commercially reasonable efforts to ensure that, prior to the Expiry Time, all Persons holding Certus Options and/or Certus Warrants and/or Certus Notes either:
    - (A) exercise (on a cashless basis or otherwise) their Certus Options and/or Certus Warrants and tender all Common Shares issued in connection therewith to the Offer;
    - (B) convert their Certus Notes and tender all Common Shares issued in connection therewith to the Offer; or
    - (C) cancel, terminate or surrender the rights to exercise or convert, as the case may be, any of their Certus Options and/or Certus Warrants and/or Certus Notes,
  - (ii) authorized and directed Certus to:
    - (A) cause the vesting of entitlements of the Certus Options and Certus Warrants to accelerate, such that all outstanding Certus Options and Certus Warrants shall be exercisable and fully vested concurrent with the Expiry Time;
    - (B) satisfy all other obligations of Certus under the Certus Options, the Certus Option Plans or the Certus Warrants or, upon the acquisition by the Purchaser of the Common Shares pursuant to the Offer, to cause all entitlements under the terms of the Certus Options and Certus Warrants to terminate or be surrendered.
- (d) It is agreed by the Purchaser that all Certus Options, Certus Warrants and Certus Notes that are tendered to Certus for exercise on or before the Expiry Time, conditional on the Purchaser taking up Common Shares under the Offer (a "**Conditional Exercise**"), shall be deemed by the Purchaser to have been exercised or converted as the case may be, immediately prior to the Expiry Time and the Purchaser shall accept as validly tendered under the Offer as of the Expiry Time, all Common Shares that are to be issued pursuant to the Conditional Exercise; *provided that*, the holders of such Certus Options and/or Certus Warrants indicate that such Common Shares are tendered pursuant to the Offer and provided that such holders agree to surrender any of their remaining unexercised Certus Options and/or Certus Warrants for cancellation for no consideration immediately prior to the Expiry Time. The Purchaser agrees to cooperate with Certus in

implementing one or more mechanisms to facilitate exercise of the Certus Options and Certus Warrants, and the conversion of the Certus Notes, pursuant to the Conditional Exercise.

- (e) The Parties acknowledge that no deduction will be claimed in any taxation year by Certus or any Person who does not deal at arm's length with Certus for purposes of the Tax Act in computing its taxable income in respect of any payment made to or for the benefit of a holder of Certus Options in respect of the settlement of Certus Options pursuant to this Agreement, and Certus shall:
  - (i) where applicable, make an election pursuant to subsection 110(1.1) of the Tax Act in respect of the Common Shares issuable on a cashless basis made in exchange for the surrender of the Certus Options; and
  - (ii) provide evidence in writing of such election to holders of Certus Options, such evidence to be provided by making the appropriate notation on the T4 slips issued to such holders, or in such other manner as may be prescribed under the Tax Act; it being understood that holders of Certus Options shall be entitled to claim any deductions available to such persons pursuant to the Tax Act in respect of the calculation of any income arising from the surrender of the Certus Options

## **2.6 Registrar and Transfer Agent**

- (a) Certus agrees to permit the registrar and transfer agent for Certus to act as depositary in connection with the Offer, and to instruct that transfer agent to furnish to the Purchaser (and such Persons as it may designate) at such times as it may request such information and provide to the Purchaser (and such Persons as it may designate) such other assistance as it may request in connection with the implementation and completion of the Offer and the other transactions contemplated in this Agreement.

## **2.7 Information Agent and Dealer Manager**

- (a) The Purchaser may, if it decides to do so and at its own cost, appoint an information agent, solicitation agent and/or dealer manager in connection with the Offer to solicit acceptances of the Offer. Any dealer manager may form a soliciting dealer group comprised of members of the Investment Industry Regulatory Organization of Canada and the stock exchanges in Canada to solicit acceptances of the Offer. Certus shall cooperate with any information agent, solicitation agent and/or dealer manager so appointed, including using commercially reasonable efforts to promptly provide any information requested by the information agent, solicitation agent and/or dealer manager, acting reasonably.

## **2.8 Certus Directors, Officers and Employees**

- (a) The Parties acknowledge and agree that, other than in respect of employees who are on an approved disability or other protected leave at the Effective Time and Continuing Employees, the employment of all of the officers and employees of Certus will be terminated by Certus on a without cause basis before or immediately prior to the Effective Time (the "**Certus Terminated Employees**").
- (b) Prior to the Effective Time, Certus shall provide notices of termination to all Certus Terminated Employees, the material terms of which are set out in the Disclosure Letter (the "**Termination Notices**"), with such terminations to be effective immediately prior to the Effective Time or such earlier date as determined by Certus. Certus shall pay and satisfy all Termination Costs arising in connection with the termination of these Certus Terminated Employees.
- (c) As soon as reasonably practicable and no later than five (5) Business Days following the date hereof, Certus shall provide the Purchaser with a complete list of each employee, director, independent contractor, consultant and agent of Certus who currently provides services to the administration, operation, maintenance and management of Certus, whether actively at work or

not, which list includes their start dates, title and role description, age, salaries, wage rates, commissions and consulting fees, bonus arrangements, benefits, positions, status as full-time or part-time employees and location of employment, including whether any such employees are on a disability or other protected leave. As part of this disclosure, Certus shall also provide the Purchaser with a complete list of each employee and officer currently on a leave, the reason for the leave, the start date for the leave, their anticipated return to work date, and the aggregate financial obligation of Certus with respect to providing benefits to such employee.

- (d) As soon as reasonably practicable and no later than ten (10) Business Days prior to the Expiry Date, the Purchaser shall identify and confirm, in its sole discretion, which Certus employees will be offered employment following the Closing (the "**Offered Employees**"). The Purchaser will provide an offer of employment to each of the Offered Employees shall recognize the employee's years of service with Certus and its predecessors.
- (e) Such Offered Employees shall be given five (5) Business Days following receipt to accept or reject the employment offer set out in Section 2.8(d).
- (f) If any Offered Employee does not accept the employment offered by Purchaser in accordance with Section 2.8(e) on the terms presented by Purchaser, Certus will provide a Termination Notice to such Offered Employee and such employee shall be considered a Certus Terminated Employee, and Certus shall be responsible for all Termination Costs related to such employee.
- (g) At or prior to the Effective Time, Continuing Employee Costs shall be calculated and shall comprise a portion of the Certus Net Debt Amount.
- (h) The payment and satisfaction of all Employee Obligations and Termination Costs for Certus Terminated Employees in excess of statutory minimum entitlements at Law and contractual entitlements will be conditional upon the execution and delivery of a release from each Certus Terminated Employee in the form attached hereto at Schedule K.
- (i) For greater certainty, Certus shall be responsible for the payment of all change of control or other similar agreement or payment in respect of all employees (regardless of whether such employee is or becomes a Certus Terminated Employee or a Continuing Employee) which vest as a result of the transactions contemplated by this Agreement.
- (j) The Purchaser acknowledges and agrees that Certus may execute and deliver a general release, in form and substance satisfactory to the Purchaser, acting reasonably, to each officer of Certus that delivers a Release to Certus as contemplated by Section 2.8(h).
- (k) Not less than the earlier of ten (10) Business Days prior to the Effective Time or such other notice period that may be required pursuant to any written agreement between Certus and any independent contractor of Certus, Certus shall provide notices of termination of service to all of Certus' independent contractors ("**Terminated Contractors**") with such terminations to be effective as at, and conditional on the occurrence of, the Effective Time. On or before the Effective Time, Certus will be responsible for paying Certus' independent contractors all fees earned or accrued by such independent contractors but unpaid up to the Effective Time as well as any and claims by the independent contractor for payments, costs and expenses associated with their tenure with Certus and the termination thereof, including but not limited to claims for contractual, statutory and common law termination pay (collectively, "**Contractor Costs**"). Prior to the Effective Date, Certus will provide consideration for and obtain from each independent contractor, a release in the form attached hereto as Schedule L.
- (l) If the Purchaser takes up and pays for the number Common Shares specified in the Minimum Tender Condition, the Board of Directors will, immediately following such acquisition by the Purchaser, be reconstituted through resignations of all existing Certus directors and the appointment of the Purchaser's nominees in their stead. Certus shall, in accordance with the foregoing and subject to the provisions of the ABCA, assist the Purchaser to secure resignations

and mutual releases of the Certus directors (which are to be effective at such time) as the Purchaser may reasonably request and to use its commercially reasonable efforts to cause the election of the Purchaser's nominees to fill the vacancies so created in order to effect the foregoing without the necessity of a Shareholder meeting.

## **2.9 Withholding Tax**

- (a) Each of the Purchaser and Certus shall be entitled to deduct and withhold from any consideration or amounts payable pursuant to this Agreement to any Person (including all amounts in respect of the Certus Options) such amounts as the Purchaser or Certus reasonably determines are required to be deducted or withheld therefrom or in connection therewith under the Tax Act or Applicable Law. To the extent such amounts are so deducted or withheld, such amounts shall be treated for all purposes under this Agreement as having been paid to the Person to whom such amounts would otherwise have been paid
- (b) Certus acknowledges that its Common Shares constitute taxable Canadian property within the meaning of the Tax Act, and that compliance with section 116 of the Tax Act is required upon a disposition thereof by a Shareholder who is a Non-Resident.
- (c) If any Shareholder has not given the representation and warranty contained in the letter of transmittal (which shall accompany the Offer Documents) that such holder is not a Non-Resident, then the Purchaser shall withhold twenty-five percent (25%) of the Aggregate Cash Consideration to be given to such Shareholder, unless a clearance certificate is provided to the Purchaser by the holder on or before the Effective Date, which certificate has been issued pursuant to s. 116(2) or s. 116(4) of the Tax Act, in which case the Purchaser shall withhold twenty-five percent (25%) of the Cash Consideration to be given to such Shareholder in excess of the certificate limit of such clearance certificate. Any amounts withheld by the Purchaser shall be held by the Purchaser in trust and such amounts shall be remitted to the Canada Revenue Agency on the 27<sup>th</sup> day of the month following the month in which the Effective Date occurs, or such later Business Day as the Canada Revenue Agency advises the Purchaser and the applicable Shareholder, if the Purchaser has not received the clearance certificate prior to such 27<sup>th</sup> day or later Business Day. If a clearance certificate is received by the Purchaser while the Purchaser continues to hold back funds with a certificate limit not less than the Cash Consideration to be given to the Shareholder, such amounts shall be released to the Shareholder entitled thereto. The Purchaser agrees to release funds it holds back under this Section 2.9(c) by way of payment directly to the Canada Revenue Agency against receipt of a clearance certificate supporting the payment.
- (d) Notwithstanding Section 2.9(c), upon the request of a Non-Resident, the Purchaser will enter into an escrow agreement, in a form satisfactory to the Purchaser, acting reasonably, with the Non-Resident holder and Bennett Jones LLP, or such law firm as escrow agent as is acceptable to the Purchaser and such Non-Resident, each acting reasonably, with respect to the Purchaser's withholding and remittance obligations under Section 2.9(c).

## **ARTICLE 3 TRANSACTION FOLLOWING COMPLETION OF THE OFFER**

### **3.1 Subsequent Transaction**

Certus agrees with the Purchaser that, in the event the Purchaser takes up and pays for Common Shares under the Offer representing at least 66 2/3% of the Common Shares, it will assist the Purchaser in connection with any proposed Compulsory Acquisition pursuant to Section 195 of the ABCA (if applicable), amalgamation, statutory arrangement, capital reorganization or other transaction of Certus and the Purchaser or an Affiliate of the Purchaser (a "**Subsequent Transaction**") to acquire the remaining Common Shares, provided that the consideration offered in connection with the Subsequent Transaction consists of the same form of consideration paid pursuant to the Offer and is at least equivalent in value to the consideration offered under the Offer.

### **3.2 Information Circular**

Certus agrees that, if the Purchaser takes steps to effect a Subsequent Transaction that requires approval of shareholders in a meeting of the Shareholders, Certus will take all action necessary, in accordance with securities Laws, other applicable Laws or any Governmental Authority having jurisdiction, to duly call, give notice of, convene and hold a meeting of Shareholders as promptly as practicable to consider and vote upon the action proposed by the Purchaser. In the event of such a meeting or meetings, Certus shall use commercially reasonable efforts to mail to the Shareholders an Information Circular with respect to any such meeting of the Shareholders. The term "**Information Circular**" shall mean such proxy or other required informational statement or circular, as the case may be, and all related materials prepared in accordance with Laws at the time required to be mailed to the Shareholders and all amendments or supplements thereto, if any. The Purchaser and Certus each shall use all commercially reasonable efforts to obtain and furnish the information required to be included in any Information Circular. The information provided and to be provided by the Purchaser and Certus for use in the Information Circular on both the date the Information Circular is first mailed to the Shareholders and on the date that any such meeting is held shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading and will comply in all material respects with all applicable requirements of Law. The Purchaser and Certus each agree to correct promptly any such information provided by it for use in any Information Circular that shall have become false or misleading.

## **ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser hereby represents and warrants to Certus as set out on Schedule "B" hereto and acknowledges that Certus is relying upon these representations and warranties in connection with its execution and delivery of this Agreement and the performance of its obligations hereunder.

## **ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF CERTUS**

Certus represents and warrants to the Purchaser as set out on Schedule "C" hereto and acknowledges that the Purchaser is relying upon these representations and warranties in connection with its execution and delivery of this Agreement and the performance of its obligations hereunder.

## **ARTICLE 6 COVENANTS OF CERTUS**

### **6.1 Conduct of Business by Certus**

During the period from the date hereof to the earlier of (i) the Effective Time and (ii) the time this Agreement is terminated in accordance with its terms, unless: (A) the Purchaser otherwise consents in writing, such consent not to be unreasonably withheld; or (B) otherwise contemplated or permitted by this Agreement, or (C) otherwise necessary or advisable to ensure compliance with applicable Laws or as may be necessary to preserve life, property or the environment, Certus covenants and agrees that:

- (a) Certus shall conduct its business only in the usual, ordinary and regular course of business, consistent with past practices and in compliance with applicable Laws and, for greater certainty, where it is an operator of any property, it shall operate and maintain such property in a proper and prudent manner in accordance with good industry practice and the agreements governing the ownership and operation of such property, and it shall use commercially reasonable efforts to maintain and preserve its business, assets (excluding the sale of oil and gas production in the ordinary course of business), properties (including real property interests in their current state) and goodwill and maintain satisfactory business relationships with suppliers, distributors, service providers and others having business relationships with it;

- (b) Certus shall provide the Purchaser, in writing, with a weekly activity report detailing the prior week's (i) field estimated production; (ii) planned and unplanned downtime; (iii) health, safety and environmental incidents, if any; (iv) operational reports for ongoing drilling, completions and tie-ins being completed in connection with the assets of Certus; and (v) departures of any employee, consultant or contractor, including terms of such departure and any amounts owing to employees, consultants or contractors pursuant to such departures;
- (c) Certus shall not, directly or indirectly, do or permit to occur any of the following:
  - (i) issue, grant, sell, hypothecate, pledge, lease, dispose of, encumber, exclusively license or agree to issue, grant, sell, hypothecate, pledge, lease, dispose of, encumber or exclusively license:
    - (A) other than pursuant to the exercise of Certus Options and Certus Warrants, or the conversion of Certus Notes, that are currently outstanding, any additional shares in the capital of Certus or any options, warrants, calls, puts, conversion privileges or rights of any kind to acquire any shares in the capital of Certus, or other securities of Certus; or
    - (B) any assets of Certus (excluding the sale of oil and gas production in the ordinary course of business);
  - (ii) amend or propose to amend the articles, by-laws or other constating documents of Certus or create any new subsidiaries;
  - (iii) split, combine or reclassify any outstanding Common Shares or Class A Shares;
  - (iv) redeem, purchase or offer to purchase any Common Shares, Class A Shares or other securities of Certus;
  - (v) declare, set aside or pay any dividend or other distribution payable in cash, stock, securities, property or otherwise with respect to the Common Shares or Class A Shares or other securities of Certus;
  - (vi) reorganize, amalgamate or merge Certus with any other Person;
  - (vii) reduce the stated capital of Certus;
  - (viii) acquire or agree to acquire (by merger, amalgamation, acquisition of shares or assets, lease or otherwise) any Person or make any investment either by purchase of shares or securities, contributions of capital, property transfer or purchase of, any property or assets of any other Person;
  - (ix) other than in the ordinary course of business incur or commit to incur any indebtedness for borrowed money of Certus (except for such current liabilities that will be accounted for in the calculation of Certus Net Debt Amount in accordance with Schedule "E"), make any donation, or issue any debt securities, or guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other Person or make any loans or advances;
  - (x) take any action or fail to take action that would accelerate or trigger defaults or repayments in respect of any obligation, Contract or Regulatory Approval;
  - (xi) other than as set forth in the Disclosure Letter, make any capital, operating or other expenditure or incur any Liabilities individually in excess of \$50,000, other than in the ordinary course of business without the prior written consent of the Purchaser, except

- authorizations for expenditure approved in writing by the Purchaser after the date of the Indication of Interest;
- (xii) other than as disclosed in writing by Certus to the Purchaser, enter into, amend or terminate any Material Contract, or waive, release or assign any material rights or Claims;
  - (xiii) enter into or amend any Contract, covenant or transaction for Swaps, sales, transportation or storage of petroleum substances, other than in connection with the termination of any Swaps on or prior to Closing or in the ordinary course of business;
  - (xiv) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of Certus;
  - (xv) pay, discharge or satisfy any material Claims or Liabilities other than the payment, discharge or satisfaction of Claims or Liabilities incurred in the ordinary course of business, consistent with past practice;
  - (xvi) enter into any material transactions with directors, officers, employees or shareholders of Certus;
  - (xvii) commence or settle any litigation, proceeding, Claim or investigation involving Certus before any Governmental Authority;
  - (xviii) publicly disclose any information regarding Certus, its business, properties or operations other than in the ordinary course of business or as required by applicable Laws (in which event Certus will use commercially reasonable efforts to provide the Purchaser with an opportunity to comment thereon);
  - (xix) authorize, recommend, propose or agree to any release, relinquishment or amendment of any material right under any licence or permit;
  - (xx) enter into or modify any employment, severance, or similar agreements or arrangements with, or grant any share options, additional benefits, bonuses, salary increases, severance or termination pay to, any officers, directors, employees or former employees, other than pursuant to binding commitments already entered into prior to the date hereof; or
  - (xxi) adopt any shareholder rights plan or similar plan;
- (d) Certus shall use its commercially reasonable efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse unless, simultaneously with such termination, cancellation or lapse, replacement policies providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;
- (e) Certus shall promptly notify the Purchaser in writing of any event or occurrence that would reasonably be expected to have a significant and adverse effect on Certus and of any governmental or third party complaints involving Certus that are received by or known to Certus or any investigations or hearings involving Certus (or communications indicating that the same may be contemplated); and
- (f) Certus shall:
- (i) duly and timely file all Tax Returns required to be filed by it on or after the date hereof and ensure that all such Tax Returns are true, complete and correct in all material respects;
  - (ii) timely pay all Taxes that are due and payable;

- (iii) not make, rescind or amend any Tax Return, including, for greater certainty, any election, relating to Taxes;
  - (iv) not enter into any agreement with a Governmental Authority with respect to Taxes;
  - (v) not make a request for a tax ruling with any Governmental Authority with respect to Taxes;
  - (vi) not settle or compromise any material Claim relating to Taxes;
  - (vii) not change in any material respect any of its methods of reporting income, deductions or accounting for income tax purposes from those employed in the preparation of its income Tax Return for the taxation year ended December 31, 2021 or any prior years, except as may be required by applicable Law; and
  - (viii) promptly notify the Purchaser of any audit inquiry, assessment, reassessment, confirmation, inquiry, investigation or variation of an assessment, indication that a Tax assessment is being considered, request for filing of a waiver or extension of time or any other notice relating to Taxes (an "**Assessment**") and deliver to the Purchaser a copy thereof together with a statement setting out, to the extent then determinable, an estimate of the obligations, if any, of Certus on the assumption that such Assessment is valid and binding;
- (g) Certus shall continue to make all filings required under applicable Laws, in accordance with timelines prescribed under applicable Laws, and all such documents or information, when filed, shall comply as to form and substance, in all material respects, with the requirements of applicable Laws and Certus shall provide the Purchaser with an opportunity to review and comment on all such documents or information prior to filing, subject to Certus's obligations to make filings in a timely manner under applicable Laws;
- (h) Certus shall not make or permit to be made any change to any accounting method, policy or principle used by Certus, except as may be prescribed by the Canadian Institute of Chartered Accountants, including any prescribed changes to GAAP;
- (i) except as otherwise contemplated or permitted by this Agreement, Certus shall not authorize or propose, or enter into or modify any Contract to do any of the things prohibited by the other paragraphs of this Section 6.1;
- (j) Certus shall use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions of the Offer set out in Schedule "A" hereto, to the extent the same is within its control, and Certus shall use its commercially reasonable efforts to:
- (i) obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable Law; and
  - (ii) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting the Purchaser's ability to consummate, the transactions contemplated hereby or the Offer;
- (k) Certus shall not take any action that would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement, untrue or incorrect in any respect;
- (l) Certus shall promptly notify the Purchaser in writing of any change in any representation or warranty provided by Certus in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and Certus shall in good faith discuss with the Purchaser any change in circumstances (actual, anticipated, contemplated, or to the knowledge of Certus, threatened) which is of such a nature that there may

be a reasonable question as to whether notice need to be given to the Purchaser pursuant to this provision; and

- (m) Certus will furnish promptly to the Purchaser or the Purchaser's counsel, a copy of each notice, report, schedule or other document delivered, filed or received by Certus in connection with: (i) the Offer; (ii) any filings under applicable Laws in connection with the Offer; and (iii) any dealings with any Governmental Authority in connection with the Offer.

## 6.2 No Solicitation and Right to Match

- (a) Certus shall: (i) immediately cease and cause to be terminated all existing discussions, solicitations, initiations, encouragements and negotiations, if any, with any Person (other than the Purchaser or its Affiliates) conducted on or before the date of this Agreement by Certus or on behalf of Certus by any of its officers, directors, employees, financial advisors, legal counsel, representatives or agents (collectively, the "**Certus Representatives**") with respect to any Acquisition Proposal; (ii) as and from the date of this Agreement until termination of this Agreement pursuant to Article 11 discontinue providing access to any of its confidential information and not allow or establish further access to any of its confidential information, or any data room, virtual or otherwise; (iii) pursuant to and in accordance with each applicable confidentiality agreement between Certus and any third parties, promptly request the return or destruction of all information provided to any third parties that have entered into a confidentiality agreement with Certus and shall use commercially reasonable efforts to cause such requests to be honoured; and (iv) not, directly or indirectly, waive, release or otherwise forbear in the enforcement of or enter into or participate in any discussions, negotiations or agreements to waive or otherwise forbear in respect of, any rights or other benefits of Certus under confidentiality agreements, including any "standstill provisions" thereunder. Certus undertakes to take commercially reasonable efforts to enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar covenants that it has entered into prior to the date of this Agreement.
- (b) After the date hereof, Certus will not, and will not authorize or permit any Certus Representatives to, directly or indirectly:
  - (i) solicit, assist or knowingly facilitate, initiate or encourage, or engage in or continue any discussions or negotiations or participate in or take any other action in respect of, directly or indirectly, or which would reasonably be expected to lead to, an Acquisition Proposal;
  - (ii) provide or furnish to any Person any information concerning Certus and its business, properties and assets if the provision or furnishing of such information would reasonably be expected to lead to, an Acquisition Proposal;
  - (iii) withdraw or modify, or propose to withdraw or modify, in any manner adverse to the Purchaser, the approvals, determinations and recommendations of the Board of Directors set out in Section 2.2(a)(i); or
  - (iv) accept, recommend, approve, remain neutral to or enter into any agreement to implement, an Acquisition Proposal,

provided however, that notwithstanding any other provisions of 6.2(a) or 6.2(b); Certus may, subject to Section 6.2(c):

- (v) engage in discussions or negotiations with any Person who (without any solicitation, initiation or encouragement, directly or indirectly, by Certus or Certus Representatives after the date hereof) seeks to initiate such discussions or negotiations, may provide or furnish such Person with information concerning Certus and its business, properties and assets that has previously been provided to the Purchaser if, and only to the extent that: (A) such Person has first made a Superior Proposal; (B) prior to furnishing such information to or entering into discussions or negotiations with such person, Certus provides prompt notice

(and in any event within 24 hours) orally and in writing to the Purchaser specifying that it is furnishing information to or entering into discussions or negotiations with such person in respect of a Superior Proposal, and immediately provides the Purchaser with a copy of such Superior Proposal and any amendments thereto and confirming in writing the determination of the Certus Board that the Acquisition Proposal, if completed, would constitute a Superior Proposal; and (C) Certus provides immediate notice to the Purchaser at such time as it or such Person terminates any such discussions or negotiations;

- (vi) comply with applicable securities Laws with regard to a tender or exchange offer, if applicable, and other rules relating to the provision of directors' circulars and make appropriate disclosure with respect to any such Acquisition Proposal to Shareholders; and
  - (vii) withdraw any approval, determination or recommendation set out in Section 2.2(a)(i) and accept, recommend, approve or enter into any agreement to implement a Superior Proposal, but only if prior to such acceptance, recommendation, approval or entering into of an agreement, the Board of Directors shall have concluded in good faith, after considering the provisions of applicable Law and after giving effect to all proposals to adjust the terms and conditions of this Agreement and the Offer that may be offered by the Purchaser during the two Business Day period set out in Section 6.2(c) hereof, that such action is necessary in order for the Board of Directors to discharge its fiduciary duties under applicable Law.
- (c) Neither Certus nor Certus Representatives shall provide or furnish any information to any Person in accordance with Section 6.2(b) unless Certus shall have entered into a confidentiality and standstill agreement having confidentiality and standstill terms substantially similar to those contained in the Confidentiality Agreement, following which Certus shall immediately provide the Purchaser with any information provided to any such other Person, whether or not previously provided to the Purchaser. Immediately following receipt of an Acquisition Proposal, and in any event not later than 24 hours following such receipt, Certus will provide notice thereof to the Purchaser, including the identity of the Person, and shall provide the Purchaser with a written description of any such Acquisition Proposal and any amendments thereto and a copy thereof. Certus will immediately notify the Purchaser if the Board of Directors determines that any *bona fide* written Acquisition Proposal constitutes a Superior Proposal. For a period of two Business Days from the time that Certus notifies the Purchaser of the fact that the Board of Directors has determined that an Acquisition Proposal received by Certus constitutes a Superior Proposal, the Board of Directors will not accept, recommend, approve or authorize Certus to enter into any agreement to implement such Superior Proposal and shall not withdraw, modify or change its recommendation in respect of the Offer. In addition, during such two Business Day period, Certus shall, and shall cause its respective financial and legal advisors, if any, to, negotiate in good faith with the Purchaser to make such adjustments in the terms and conditions of this Agreement and the Offer as would enable the Purchaser to proceed with the Offer as amended rather than the Superior Proposal. If the Purchaser makes an offer in writing to Certus to amend this Agreement and the Offer to provide that the Shareholders shall receive a value per Common Share equal to or having a value greater than the value per Common Share provided in the Superior Proposal prior to the expiry of such two Business Days period, the Board of Directors shall not accept, recommend, approve or authorize Certus to enter into any agreement to implement such Superior Proposal and shall not release the Person making the Superior Proposal or any other Person from any applicable standstill provisions and shall not withdraw, modify or change its recommendation in respect of the Offer.
- (d) For greater certainty, any Acquisition Proposal received from a Person who, prior to the date hereof, entered into a confidentiality agreement with Certus to permit such Person to have access to information concerning Certus to identify and select an acquiror of Certus, shall be considered to be "unsolicited" for purposes of this Section 6.2, provided that neither Certus nor any of its Representatives has, directly or indirectly, solicited, initiated or encouraged such Acquisition Proposal or otherwise provided information such Person in breach of this Section 6.2 at any time subsequent to the date hereof.

### 6.3 Certus Non-Completion Fee

- (a) Notwithstanding any other provision of this Agreement, if at any time after the execution of this Agreement:
- (i) the Board of Directors fails to make, withdraws, modifies or changes, announces or proposes publicly to withdraw, modify or change any of its recommendations or determinations required to be made by it in Section 2.2(a)(i) in a manner adverse to the Purchaser or resolves to do so;
  - (ii) the Board of Directors (or any committee thereof) recommends, approves, agrees to, endorses or enters into, announces or proposes publicly to approve, agree to, endorse or enter into an agreement to implement a Superior Proposal or recommend that Shareholders accept or vote in favour of, a Superior Proposal;
  - (iii) the Board of Directors shall have failed to reaffirm its recommendation of the Offer within three Business Days after the public announcement of any *bona fide* Acquisition Proposal (or, in the event the Offer shall be scheduled to expire within such three Business Day period, prior to the scheduled expiry of the Offer) and the Effective Time does not occur;
  - (iv) Certus breaches in any material respect its obligations set out in Section 6.2;
  - (v) another Acquisition Proposal has been publicly announced and not withdrawn prior to the Expiry Time, the Minimum Tender Condition has not been satisfied at the Expiry Time, and such Acquisition Proposal is subsequently completed within six months of the Expiry Time;
  - (vi) Certus enters into any agreement with any Person with respect to an Acquisition Proposal prior to the Expiry Time; or
  - (vii) this Agreement is terminated by Certus pursuant to Section 11.1(f),

then in any such case, Certus shall require that it be a condition of (i) any Superior Proposal and (ii) any Acquisition Proposal, where Certus or any Affiliate has entered into any agreement to support such Acquisition Proposal, that the Person making such Acquisition Proposal shall advance or otherwise provide to Certus the cash required for Certus, to pay the sum of \$5,000,000 (the "**Certus Non-Completion Fee**") to the Purchaser or as the Purchaser otherwise directs, within ten (10) Business Days after such event, by way of wire transfer of immediately available funds to an account designated by the Purchaser (or such other form of consideration as the Parties may agree). Certus shall only be obligated to pay the Certus Non-Completion Fee once pursuant to this Section 6.3(a).

- (b) For greater certainty, the obligation of Certus under this Section 6.3 shall survive termination of this Agreement, provided that the event giving rise to the obligation of Certus under this Section 6.3 (other than under subsection 6.3(a)(v)) arose prior to the termination of this Agreement, or in the event contemplated by subsection 6.3(a)(v), the Acquisition Proposal is publicly announced prior to the termination of this Agreement.

### 6.4 Effect of Certus Non-Completion Fee Payment

For greater certainty, the Parties agree that any Certus Non-Completion Fee paid pursuant to Section 6.3 is a payment of liquidated damages which are a genuine pre-estimate of the damages that the Purchaser will suffer or incur as a result of the event giving rise to such damages and are not penalties. Each Party irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. Any payment made pursuant to Section 6.3 hereof is the sole monetary remedy of the Purchaser hereunder; provided however, that this limitation shall be without prejudice to the rights and remedies available to the Purchaser in respect of any Claim based on any intentional, fraudulent or bad faith breach, wilful failure to comply with or intentional default of this Agreement by Certus or Certus

Representatives and nothing herein shall prevent, however, the Purchaser from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set out in this Agreement or otherwise to obtain specific performance of any such act, covenants or agreements, without the necessity of posting bond or security in connection therewith.

## 6.5 Certus Deliveries

- (a) Immediately prior to the Expiry Time, Certus shall provide to the Purchaser a certificate of Certus, signed on behalf of Certus by at least two senior officers of Certus, not in their personal capacities and without personal liability, confirming, after due inquiry, that:
- (i) all covenants of Certus under this Agreement to be performed on or before the Effective Time shall have been duly performed by Certus, in all material respects;
  - (ii) the representations and warranties of Certus set out in this Agreement shall be true and correct as of the Effective Time, as though made on and as of the Effective Time, except to the extent such representations and warranties speak or are stated to be effective as of a specific date (in which case such representations and warranties shall be true and correct as of that specific date), unless the failure to be true or correct, individually or in the aggregate, would not have a Material Adverse Effect on Certus; and
  - (iii) a payout and release from Shell Trading Canada, including confirmation that, upon receiving the amounts owed under the Credit Agreement in accordance with Section 7.1(b), security relating to the Credit Agreement will be released.

## 6.6 Access to Information

Subject to the Confidentiality Agreement, Laws and the terms of any Contracts, Certus shall afford the Purchaser's officers, employees, counsel, accountants and other authorized representatives and advisors (collectively, the "**Purchaser Representatives**") access from the date hereof and until the earlier of the Expiry Time or the termination of this Agreement, to its properties, books, Contracts and records as well as to its management personnel to, among other things, enable the Purchaser to efficiently integrate the business and affairs of Certus with the Purchaser after the Effective Time and during such period, Certus shall promptly provide the Purchaser with all information concerning Certus's businesses, properties and personnel as the Purchaser or the Purchaser Representatives may reasonably request.

## 6.7 Privacy Issues

- (a) For the purposes of this Section 6.7, "**Transferred Information**" means the personal information (namely, information about an identifiable individual other than their business contact information when used or disclosed for the purpose of contacting such individual in that individual's capacity as an employee or an official of an organization and for no other purpose) to be disclosed or conveyed to one Party or any of its officers, directors, employees, financial advisors, legal counsel, representatives or agents ("**Recipient**") by or on behalf of the other Party ("**Disclosing Party**") as a result of or in conjunction with the transactions contemplated herein, and includes all such personal information disclosed to the Recipient prior to the execution of this Agreement.
- (b) Each Disclosing Party covenants and agrees to, upon request, use commercially reasonable efforts to advise the Recipient of the purposes for which the Transferred Information was initially collected from or in respect of the individual to which such Transferred Information relates and any additional purposes where the Disclosing Party has notified the individual of such additional purpose, and where required by Law, obtained the consent of such individual to such use or disclosure.
- (c) In addition to its other obligations hereunder, Recipient covenants and agrees to:
- (i) prior to the completion of the transactions contemplated herein, collect, use and disclose the Transferred Information solely for the purpose of reviewing and completing the

transactions contemplated herein, including for the purpose of determining to complete such transactions;

- (ii) after the completion of the transactions contemplated herein,
    - (A) collect, use and disclose the Transferred Information only for those purposes for which the Disclosing Party has notified the Recipient that Transferred Information was initially collected from or in respect of the individual to which such Transferred Information relates or for the completion of the transactions contemplated herein, unless (a) the Disclosing Party or Recipient have first notified such individual of such additional purpose, and where required by Laws, obtained the consent of such individual to such additional purpose, or (b) such use or disclosure is permitted or authorized by Law, without notice to, or consent from, such individual; and
    - (B) where required by Law, promptly notify the individuals to whom the Transferred Information relates that the transactions contemplated herein have taken place and that the Transferred Information has been disclosed to Recipient;
  - (iii) if the Transferred Information is still in the custody of or under the control of the Recipient, return or destroy the Transferred Information, at the option of the Disclosing Party, should the transactions contemplated herein not be completed;
  - (iv) notwithstanding any other provision herein, where the disclosure or transfer of Transferred Information to Recipient requires the consent of, or the provision of notice to, the individual to which such Transferred Information relates, to not require or accept the disclosure or transfer of such Transferred Information until the Disclosing Party has first notified such individual of such disclosure or transfer and the purpose for same, and where required by Laws, obtained the individual's consent to same and to only collect, use and disclose such information to the extent necessary to complete the transactions contemplated herein and as authorized or permitted by Laws; and
  - (v) to use all commercially reasonable efforts to protect and safeguard the Transferred Information appropriate to the sensitivity of the personal information including, to protect the Transferred Information from loss, theft, unauthorized access or disclosure, copying, use, modification, disposal or destruction and promptly advise the Disclosing Party should any such loss, theft or unauthorized activity occur prior to the completion of the transactions contemplated herein.
- (d) The parties agree that the primary purpose or result of the transactions contemplated herein is not the purchase, sale or other acquisition or disposition, or lease, of personal information.

## **ARTICLE 7 COVENANTS OF THE PURCHASER**

### **7.1 Deliveries of the Purchaser**

- (a) Immediately prior to the Expiry Time, the Purchaser shall provide to Certus a certificate signed on behalf of the Purchaser by two senior officers of the Purchaser, confirming, after due inquiry, that:
  - (i) all covenants of the Purchaser under this Agreement to be performed on or before the Effective Time shall have been duly performed by the Purchaser, except where the failure to perform such covenants, individually or in the aggregate, would not reasonably be expected to prevent, significantly impede or materially delay the completion of the Offer;
  - (ii) the representations and warranties of the Purchaser set out in this Agreement shall be true and correct as of the Effective Time, as though made on and as of the Effective Time,

except to the extent such representations and warranties speak or are stated to be effective as of a specific date (in which case such representations and warranties shall be true and correct as of that specific date), unless the failure to be true or correct, individually or in the aggregate, would not reasonably be expected to prevent, significantly impede or materially delay the completion of the Offer.

- (b) At the Effective Time, the Purchaser shall, on written direction by Certus, deliver the necessary funds to the Lenders by wire transfer or otherwise directed by the Lenders to fully satisfy all amount owing and all other Liabilities under the Credit Facility.

## **7.2 Availability of Funds**

The Purchaser covenants and agrees that, at all times when the Offer is outstanding, the Purchaser shall not take any action, or fail to take any action, that would result in the representation and warranty set out in Section 4 of Schedule "B" being untrue in any material respect at any time while the Offer is outstanding.

## **7.3 Other Covenants of the Purchaser**

During the period from the date hereof to the earlier of (i) the Effective Time and (ii) the time this Agreement is terminated in accordance with its terms, unless: (A) Certus otherwise consents in writing, such consent not to be unreasonably withheld; or (B) otherwise contemplated or permitted by this Agreement, the Purchaser covenants and agrees that it:

- (a) shall furnish promptly to Certus or Certus's counsel, a copy of each notice, report, schedule or other document delivered, filed or received by the Purchaser in connection with: (i) the Offer; (ii) any filings under applicable Laws in connection with the transactions contemplated hereby; and (iii) any dealings with any Governmental Authority in connection with the transactions contemplated hereby;
- (b) shall use commercially reasonable efforts to satisfy (or cause the satisfaction of) each of the conditions of the Offer set out in Schedule "A" to this Agreement, to the extent the same is within its control;
- (c) shall use all commercially reasonable efforts to take, or cause to be taken, all other action and to do, or cause to be done, all other things that the Purchaser may consider necessary, proper or advisable under all applicable Laws to complete the Offer, in accordance with the terms thereof, including using commercially reasonable efforts to:
  - (i) obtain all necessary consents, approvals, authorizations and filings as are required to be obtained or made by it under any applicable Law and to satisfy any condition provided for under this Agreement;
  - (ii) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affect its ability to consummate the Offer;
  - (iii) co-operate with Certus in connection with the performance by Certus of its obligations hereunder;
- (d) shall provide such cooperation to Certus as Certus may reasonably request in connection with the making by Certus of any filings and applications under applicable Laws that may be required in connection with the transactions contemplated hereby;
- (e) shall not take any action that would render, or may reasonably be expected to render, any representation or warranty of the Purchaser made by it in this Agreement, untrue or incorrect in any respect, unless the failure to be true or correct would not reasonably be expected to prevent, significantly impede or materially delay the consummation of the transactions contemplated hereby; and

- (f) shall promptly notify Certus in writing of any change in any representation or warranty provided by the Purchaser in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and the Purchaser shall in good faith discuss with Certus any change in circumstances (actual, anticipated, contemplated, or to the knowledge of the Purchaser, threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to Certus pursuant to this provision.

#### **7.4 Officers' and Directors' Insurance; Indemnities**

- (a) The Purchaser agrees that, for a period of six years after the Effective Time, the Purchaser will or will cause Certus or any successor to Certus (including any successor resulting from the winding up or liquidation or dissolution of Certus) to, maintain Certus's current directors' and officers' insurance policy or an equivalent policy on a six year "trailing" or "run-off" basis, subject in either case to terms and conditions no less advantageous to the directors and officers of Certus than those contained in the policy in effect on the date hereof, for all present and former directors and officers of Certus ("**Run-off Insurance**"), covering Claims made prior to or within six years after the Effective Time. In the alternative, Certus shall be entitled to purchase Run-off Insurance for a period of up to six years from the Effective Time and in such event none of the Parties will have any further obligations under this Section 7.4(a) other than the Purchaser shall not take any action during such six year period that may result in the cancellation, termination or revocation of such Run-off Insurance.
- (b) The Purchaser agrees that it shall honour all indemnification agreements or rights now existing in favour of present and former officers and directors of Certus. For greater certainty, all rights to indemnification shall survive the completion of the Offer or the termination of this Agreement.
- (c) The obligations under this Section 7.4 shall survive Closing and not be terminated or modified in such a manner as to adversely affect any person who served as a director or officer of Certus at or prior to the Effective Time without the consent of such affected person (it being expressly agreed that each person who served as a director or officer of Certus at or prior to the Effective Time shall be a third party beneficiary of this Section 7.4 and shall be entitled to enforce the covenants contained herein). In the event that Certus or the Purchaser or any of their respective successors or assigns: (i) consolidates or amalgamates with or merges into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation, amalgamation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any Person, then, and in each such case, proper provision shall be made so that the successors and assigns of Certus or the Purchaser, as the case may be, assume the obligations set forth in this Section 7.4.

### **ARTICLE 8 MUTUAL COVENANTS**

#### **8.1 Additional Agreements**

Subject to the terms and conditions herein provided and to fiduciary obligations under applicable Law, each of the Parties hereto agrees to use all commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement and to co-operate with each other in connection with the foregoing, including using commercially reasonable efforts (i) to obtain all necessary waivers, consents and approvals from other parties to material agreements, leases and other contracts (including the agreement of any Persons as may be required pursuant to any agreement, arrangement or understanding relating to Certus's operations), (ii) to defend all lawsuits or other legal proceedings challenging this Agreement, the Offer or the consummation of the transactions contemplated hereby, and (iii) to effect all necessary registrations and other filings and submissions of information requested by Governmental Authorities. For purposes of the foregoing, the obligation to use "commercially reasonable efforts" to obtain waivers, consents and approvals to material agreements, leases and other contracts shall not include any obligation to agree to a materially adverse

modification of the terms of such documents or to prepay or incur additional material obligations to any other Person.

## **8.2 Notice of Failure to Comply with Covenants or Conditions**

Each Party shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date of this Agreement to the Closing, of any event or state of facts that would, or would be likely to (i) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect, or (ii) result in the failure to comply with or satisfy any covenant or condition to be complied with or satisfied by such Party; provided, however, that no such notification shall affect the representations or warranties of the Parties or the conditions to the obligations of the Parties.

## **ARTICLE 9 COVENANTS RELATING TO REGULATORY APPROVALS**

### **9.1 Regulatory Filings and Approvals**

- (a) As promptly as practicable after the date hereof, each of the Purchaser and Certus shall use commercially reasonable efforts, in a coordinated fashion, to make all filings, applications and submissions that are necessary by such Party in order to obtain the Regulatory Approvals.
- (b) Without limiting the generality of Section 9.1(a), as soon as reasonably possible following the date hereof, and in any event within five (5) Business Days of the date hereof or such other period of time as may be agreed to by the Parties in writing, the Purchaser shall in respect of the purchase of Common Shares contemplated in the Offer file a request for an advance ruling certificate or, in the alternative, a no-action letter and waiver of the obligation to file a pre-merger notification, under the Competition Act. In addition, if Competition Act Approval is not received within fifteen (15) Business Days of the submission of the request for an advance ruling certificate or, in the alternative, a no-action letter, unless the Purchaser and Certus mutually agree in writing not to take such action, the Purchaser and Certus shall within five (5) Business Days thereafter each make, or shall cause their Affiliates to make a premerger notification filing in respect of the purchase of Common Shares contemplated in the Offer with the Commissioner of the Competition in accordance with Part IX of the Competition Act.
- (c) Each of Certus and the Purchaser shall use commercially reasonable efforts to promptly satisfy all orders and requests for additional information and documentation received from any Governmental Authority in relation to obtaining the Regulatory Approvals.
- (d) The Purchaser shall use commercially reasonable efforts to obtain the Regulatory Approvals on a timely basis.
- (e) Certus shall use commercially reasonable efforts to assist the Purchaser to obtain all Regulatory Approvals, provided that Certus shall not make any commitments, provide any undertakings or assume any obligations without the prior written consent of the Purchaser, and shall not take any action that will have, or would reasonably be expected to have, the effect of delaying, impairing or impeding the granting of the Regulatory Approvals.
- (f) The Parties shall coordinate and cooperate in exchanging information and supplying assistance that is reasonably requested in connection with this Section 9.1. The Parties shall provide each other with advance copies of and a reasonable opportunity to comment on all notices, filings, submissions, correspondence, documents and information proposed to be supplied to or filed with any Governmental Authority and promptly provide copies of all notices, filings, submissions, correspondence and information received from any Governmental Authority. Each Party shall provide to the other Party or Parties, as applicable, and its or their respective counsel, full opportunity to attend and participate in all substantive meetings, discussions or telephone calls with a Governmental Authority or legal counsel for any such entity. Subject to the foregoing, the Purchaser shall have primary responsibility for determining the strategy for securing the Regulatory

Approvals and manner of engaging and communicating with the Governmental Authorities. To the extent that any information or documentation to be provided by one Party to the other Party pursuant to this Section 9.1 is competitively sensitive, such information shall be provided only to external counsel of the receiving Party on an external counsel only basis and to the extent that such information relates to valuation of the transaction or purchase price, may be redacted.

- (g) The Purchaser shall keep Certus informed as to the status of each of the Regulatory Approvals and shall provide Certus with updates regarding the status of each of the Regulatory Approvals as and when requested by Certus. Upon receipt of any Regulatory Approval or notification that any Regulatory Approval will not be obtained, the Purchaser shall immediately notify Certus.
- (h) The Purchaser shall pay all government filing fees incurred in connection with the Competition Act Approval.

## **ARTICLE 10 DEPOSIT**

### **10.1 Deposit**

- (a) Upon execution of this Agreement, the Purchaser shall pay to Dentons Canada LLP, solicitors for Certus (the "**Deposit Escrow Agent**") the amount of \$5,000,000 dollars (the "**Deposit**"), which shall be held and applied in accordance with this Article 10 and the Deposit Escrow Agreement; provided that in the event of any conflict between this Article 10 and the Deposit Escrow Agreement, the Deposit Escrow Agreement shall govern and supersede this Article 10. The Deposit shall be paid to the Deposit Escrow Agent in trust, pursuant to a mutually acceptable escrow agreement (the "**Deposit Escrow Agreement**") to be entered into, as at the date hereof, by Certus, the Purchaser and the Deposit Escrow Agent. The Deposit Escrow Agreement shall provide that the Deposit shall be deposited by the Deposit Escrow Agent into an interest bearing trust account, held in trust and disbursed pursuant to the terms of this Article 10. Any interest accrued on the Deposit will be paid to the party ultimately entitled to receive the Deposit.
- (b) At the Effective Time, the Purchaser and Certus shall jointly instruct the Deposit Escrow Agent, in writing, to forthwith pay the Deposit as directed by the Purchaser, by wire transfer, solicitor's trust cheque, certified cheque or bank draft and upon receipt of such joint instruction the Deposit Escrow Agent shall comply therewith.
- (c) If this Agreement is terminated by Certus pursuant to Subsections 11.1(c), Certus shall be entitled to be paid the Deposit. In such event, the Parties shall mutually instruct the Deposit Escrow Agent in writing to pay the Deposit to Certus and Certus shall be paid by the Deposit Escrow Agent to the Purchaser not later than the second Business Day after the Agreement terminates all in accordance with the terms of the Deposit Escrow Agreement. The Deposit shall thereupon be deemed to be forfeited by the Purchaser to Certus on account of the damages suffered by Certus as a consequence of Closing not occurring. The Parties agree that such amount constitutes the genuine pre-estimate of the liquidated damages suffered by Certus by virtue of such failure of Closing to occur and is not a penalty. Any payment made pursuant to this Section 10.1(c) is the sole monetary remedy of Certus hereunder; provided however, that this limitation shall be without prejudice to the rights and remedies available to Certus in respect of any Claim based on any intentional, fraudulent or bad faith breach, wilful failure to comply with or intentional default of this Agreement by the Purchaser or Purchaser Representative and nothing herein shall prevent, however, Certus from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set out in this Agreement or otherwise to obtain specific performance of any such act, covenants or agreements, without the necessity of posting bond or security in connection therewith.
- (d) If this Agreement is terminated for any reason or circumstance other than that described in Subsection 10.1(c), the Purchaser shall be entitled to be paid the Deposit. In such event, the Parties shall mutually instruct the Deposit Escrow Agent in writing to pay the Deposit to the Purchaser and the Deposit shall be paid by the Deposit Escrow Agent to the Purchaser not later than the second

Business Day after the Agreement terminates all in accordance with the terms of the Deposit Escrow Agreement.

- (e) The provisions of this Article 10 shall be made the subject of the Deposit Escrow Agreement to be entered into upon the signing of this Agreement, which Deposit Escrow Agreement shall provide, without limitation:
  - (i) that the Deposit Escrow Agent shall be required to act only upon the receipt of joint instructions from Certus and the Purchaser, failing which, or in the event of any dispute arising between the Parties in respect of the payment of the Deposit, the Deposit Escrow Agent shall be entitled to pay all sums held by it into the Court of King's Bench of Alberta; and
  - (ii) for standard indemnification protections of the Deposit Escrow Agent.

## **ARTICLE 11 TERMINATION, AMENDMENT AND WAIVER**

### **11.1 Termination**

This Agreement may be terminated by notice in writing:

- (a) at any time prior to the Effective Time by mutual written consent of the Purchaser and Certus;
- (b) by the Purchaser at any time:
  - (i) after the Latest Mailing Date if any condition to making the Offer set out in Section 2.1 is not satisfied or waived by such date;
  - (ii) if Certus is in default of any material covenant or obligation under this Agreement and such default is not curable or, if curable, is not cured by the earlier of the date which is three Business Days from the date that written notice of such breach or default is given by the Purchaser to Certus or by Certus to the Purchaser and the Expiry Time;
  - (iii) if any condition of the Offer shall not be satisfied or waived at the Expiry Time and the Purchaser does not elect to waive such condition, unless the failure to satisfy such condition shall be due to the failure of the Purchaser to perform any of its covenants or obligations hereunder;
  - (iv) if the Certus Non-Completion Fee becomes payable;
  - (v) if any representation or warranty made by Certus in this Agreement is untrue or incorrect in any respect as of such time, as though made on and as of such time, except to the extent such representations and warranties speak or are stated to be effective as of a specific date (in which case such representations and warranties shall be true and correct as of that specific date), unless the failure to be true or correct, individually or in the aggregate, would not have a Material Adverse Effect on Certus such breach, default or inaccuracy is not curable or, if curable, is not cured by the earlier of the date which is three Business Days from the date that written notice of such breach, default or inaccuracy is received from the Purchaser and the Expiry Time; or
  - (vi) if there shall have occurred, subsequent to the date of this Agreement, any Material Adverse Change with respect to Certus;
- (c) by Certus at any time:

- (i) after the Latest Mailing Date if all of the conditions to making the Offer were satisfied on the Latest Mailing Date and the Purchaser has refused to make the Offer or does not mail the Offer by the Latest Mailing Date (other than as a result of any breach by Certus of any of its obligations hereunder);
  - (ii) if the Purchaser is in default of any material covenant or obligation under this Agreement, unless such default has not had or would not reasonably be expected to prevent, significantly impede or materially delay the consummation of the transactions contemplated hereby, and if such default is not curable or, if curable, is not cured by the earlier of the date which is three Business Days from the date that written notice of such default is given by Certus to the Purchaser and the Expiry Time; or
  - (iii) if any representation or warranty of the Purchaser shall be untrue or incorrect in any respect as of such time, as though made on and as of such time, unless the failure to be true or correct has not had or would not reasonably be expected to prevent, significantly impede or materially delay the consummation of the transactions contemplated hereby, and such breach, default or inaccuracy is not curable or, if curable, is not cured by the earlier of the date which is three Business Days from the date of written notice of such breach, default or inaccuracy is given by Certus to the Purchaser and the Expiry Time;
- (d) by the Purchaser or Certus if the Effective Time has not occurred within 30 days following the Expiry Time (provided that the Effective Time did not occur as a result of any breach by the Party seeking to terminate this Agreement of any of its obligations hereunder);
- (e) by either the Purchaser or Certus if a Governmental Authority shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting any of the transactions contemplated by this Agreement and such order, decree, ruling or other action shall have become final and non-appealable (provided that the order, decree or ruling or other action of a Governmental Authority did not occur as a result of any breach by the Party seeking to terminate this Agreement of any of its obligations hereunder); or
- (f) by Certus if it has entered into a definitive agreement with respect to a Superior Proposal in compliance with the provisions of Section 6.2, provided that Certus has prior to or concurrently with termination ensured that adequate provision has been made in such definitive agreement with respect to the Person making the Acquisition Proposal or the Superior Proposal for payment of the Certus Non-Completion Fee in accordance with Section 6.2(c).

For greater certainty, each paragraph and subparagraph of this Section 11.1 is independent of and in addition to each other paragraph and subparagraph of this Section 11.1, and may be asserted irrespective of whether any other such paragraph or subparagraph may be asserted in connection with any particular event occurrence or state of facts or otherwise.

If this Agreement is terminated in accordance with the foregoing provisions of this Section 11.1, this Agreement shall forthwith terminate and be of no further force or effect and no Party shall have any further obligations or liability hereunder except as provided in Sections 1.2(c), 1.2(h), 1.2(j), 1.2(k), 6.3, 6.4, 6.7, 10.1, 12.1, 12.2 and 12.5 this Section 11.1 and as otherwise expressly contemplated hereby. For greater certainty, if this Agreement is terminated in accordance with the foregoing provisions of this Section 11.1, the Parties' obligations under the Confidentiality Agreement shall survive such termination. Nothing in this Section 11.1 shall relieve any Party from liability for any breach by it of this Agreement that occurred prior to the date of termination.

## **11.2 Amendment**

This Agreement may not be amended except by an instrument signed by each of the Parties hereto.

### 11.3 Waiver

At any time prior to the Effective Time, either Party may:

- (a) extend the time for the performance of any of the obligations or other acts of the other Party contained herein; or
- (b) waive compliance with any of the agreements of the other Party or with the fulfillment of any conditions to its own obligations contained herein; or
- (c) waive inaccuracies in any other Party's representations and warranties contained herein or in any document delivered by the other Party,

provided, however, that any such extension or waiver shall be valid only if set out in an instrument in writing signed on behalf of such Party and, unless otherwise provided in the written waiver, will be limited to the specific breach, covenant or condition waived. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other further exercise of that right or the exercise of any other right.

## ARTICLE 12 GENERAL

### 12.1 Notices

Each Party hereby consents to receiving messages by email from the other Party for the purposes of communication between the Parties on an ongoing basis, and the foregoing consent shall include commercial electronic messages as defined in Canadian anti-spam legislation.

Except as expressly permitted or contemplated by this Agreement, any notice, consent or approval required or permitted to be given in connection with this Agreement (referred to in this Section 12.1 as a "**Notice**") shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by e-mail:

- (a) If to the Purchaser at:

Pine Cliff Energy Ltd.  
850, 1015 4<sup>th</sup> Street W  
Calgary, AB T2R 1J4

Attention: Philip B. Hodge  
E-mail: **[Redacted – Personal Information]**

with a copy to:

Bennett Jones LLP  
4500, 855 – 2<sup>nd</sup> Street SW  
Calgary, AB T2P 4K7

Attention: Will Osler  
E-mail: **[Redacted – Personal Information]**

- (b) If to Certus at:

Certus Oil and Gas Inc.  
250 2 Street SW, Suite 400W  
Calgary, AB T2P 0C1

Attention: Robert Brady, President and Chief Executive Officer  
E-mail: **[Redacted – Personal Information]**

with a copy to:

Dentons Canada LLP  
1500, 850 – 2nd Street S.W.  
Calgary, Alberta T2P 0R8

Attention: James O'Sullivan  
E-mail: **[Redacted – Personal Information]**

Any Notice delivered or transmitted to a Party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. (Calgary time) in the place of delivery or receipt. However, if the Notice is delivered or transmitted after 5:00 p.m. (Calgary time) or if such day is not a Business Day then the Notice shall be deemed to have been given and received on the next Business Day.

Any Party may, from time to time, change its address by giving Notice to the other Party in accordance with this Section 12.1.

## **12.2 Publicity**

Each of the Purchaser and Certus shall advise, consult and cooperate with each other prior to issuing, or permitting any of its subsidiaries, directors, officers, employees, agents or advisors to issue, any news release or other public statement to the media with respect to this Agreement or the Offer. Subject to Section 2.1(f) the Purchaser and Certus shall not issue any such news release or make any such public statement prior to such consultation, except as may be required by applicable securities Laws and only after using its commercially reasonable efforts to consult the other Party taking into account the time constraints to which it is subject as a result of applicable securities Laws.

## **12.3 Assignment and Enurement**

Neither this Agreement nor any rights or obligations under this Agreement shall be assignable by any Party without the prior written consent of the other Party. For greater certainty, the Purchaser may assign all or part of its rights or obligations hereunder to one or more of its direct or indirect wholly-owned subsidiaries that is (are) reasonably acceptable to Certus, but the Purchaser shall continue to be liable to Certus as principal obligor for any default by such entity or entities in the performance of any of the Purchaser's obligations hereunder. This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. No third party shall have any rights hereunder unless expressly stated to the contrary; provided that the provisions of Section 7.4 are intended for the benefit of the present and former directors and officers of Certus, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such Persons and his or her heirs, executors administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**") and Certus shall hold the rights and benefits of Section 7.4 in trust for and on behalf of the Third Party Beneficiaries and Certus hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Beneficiaries in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by contract or otherwise.

## **12.4 Further Assurances**

Each of the Parties shall with reasonable diligence do all such acts and things and provide all such assurances as the other Party may reasonably request to consummate the transactions contemplated by this Agreement, and each Party shall execute and deliver such further documents or instruments as the other Party may reasonably request to effect the purpose of this Agreement and carry out its provisions.

**12.5 Expenses**

Subject to Sections 6.3 and 10.1, the Parties agree that all fees, costs and expenses of the Parties relating to this Agreement and the transactions contemplated hereby, including legal fees, accounting fees, financial advisory fees, regulatory filing fees, all disbursements of advisors and printing and mailing costs, shall be paid by the Party incurring such fees, costs and expenses, whether or not such transactions are completed.

**12.6 Execution and Delivery**

This Agreement may be executed by the Parties in counterparts and may be executed and delivered by facsimile or similar executed electronic copy and all such counterparts and facsimiles or similar executed electronic copies shall together constitute one and the same agreement.

***[signature page follows]***

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

**PINE CLIFF ENERGY LTD.**

Per: (signed) "Philip B. Hodge"  
Philip B. Hodge  
President and Chief Executive Officer

**CERTUS OIL AND GAS INC.**

Per: (signed) "Robert Brady"  
Robert Brady  
President and Chief Executive Officer

## SCHEDULE "A"

### CONDITIONS OF THE OFFER

The capitalized terms used in this Schedule "A" have the meanings set forth in the Pre-Acquisition Agreement dated October 30, 2023 between Certus and the Purchaser.

Subject to the provisions of this Agreement, the Purchaser shall have the right to withdraw the Offer or terminate the Offer and shall not be required to take up, purchase or pay for, and shall have the right to extend the period of time during which the Offer is open and postpone taking up and paying for, any Common Shares deposited under the Offer unless all of the following conditions are satisfied or waived by the Purchaser at or prior to the Expiry Time:

- (a) there shall have been deposited under the Offer and not withdrawn at least 66 2/3% of the Common Shares outstanding (for the purposes of the calculation of the percentage of the Common Shares, the number of Common Shares issuable upon the exercise of the Certus Options and Certus Warrants and conversion of the Certus Notes that have been deposited to the Offer shall be included and shall be considered deposited) other than any Common Shares held at the date of the Offer by or on behalf of the Purchaser or its Affiliates (the "**Minimum Tender Condition**");
- (b) all requisite Regulatory Approvals shall have been obtained and all applicable statutory or regulatory waiting periods shall have expired or been terminated;
- (c) the Purchaser shall have determined in its discretion, acting reasonably, that no act, action, suit or proceeding shall have been threatened or taken before or by any Governmental Authority, whether or not having the force of Law, and no Law shall have been proposed, enacted, promulgated or applied, in either case:
  - (i) to cease trade, enjoin, prohibit or impose material limitations, damages or conditions on the purchase by or the sale to the Purchaser of the Common Shares or the right of the Purchaser to own or exercise full rights of ownership of the Common Shares;
  - (ii) which, if the Offer were consummated, would reasonably be expected to have a Material Adverse Effect on the Purchaser or Certus; or
  - (iii) which would reasonably be expected to materially and adversely affect or interfere with the ability of the Purchaser to proceed with the Offer (or any Compulsory Acquisition or Subsequent Transaction) and/or take up and pay for any Common Shares deposited under the Offer;
- (d) the Purchaser shall have determined, acting reasonably (after receipt of advice from outside legal counsel), that there shall not exist any prohibition at Law against the Purchaser making the Offer or taking up and paying for any Common Shares deposited under the Offer or completing any Compulsory Acquisition or Subsequent Transaction;
- (e) there shall not have occurred, at any time subsequent to the date of the Agreement, a Material Adverse Change in respect of Certus;
- (f) at the Expiry Time:
  - (i) the representations and warranties of Certus set out in this Agreement shall be true and correct, as though made on and as of the Expiry Time, except to the extent such representations and warranties speak or are stated to be effective as of a specific date (in which case such representations and warranties shall be true and correct as of that specific date), unless the failure to be true or correct, individually or in the aggregate, would not have a Material Adverse Effect on Certus;

- (ii) Certus shall have observed and performed its covenants in this Agreement in all material respects to the extent that such covenants were to have been observed or performed by Certus at or prior to the Expiry Time,
- (g) this Agreement shall not have been terminated in accordance with its terms;
- (h) the Lock-up Agreements shall not have been terminated and there shall not have occurred and be existing any uncured material breach of any provision, covenant, representation or warranty by any holder of Common Shares that is a party to a Lock-up Agreement, and no holder of Common Shares which is party to a Lock-up Agreement shall have exercised its right to withdraw its Common Shares from the Offer pursuant to the terms of such Lock-up Agreement, and no provision of the Agreement or a Lock-up Agreement shall have been held by a Governmental Authority to be invalid or unenforceable in accordance with its terms;
- (i) collectively, there shall be no greater than 124,250,518 Common Shares issued and outstanding (excluding any Common Shares that may be issued on the valid exercise of Certus Options and Certus Warrants or the conversion of Certus Notes prior to the Expiry Time);
- (j) all outstanding Certus Options and Certus Warrants shall have been exercised or shall expire, and all Certus Notes shall have been converted, immediately prior to the Expiry Time and there shall not be rights or entitlements outstanding to purchase or otherwise acquire unissued Common Shares or other securities of Certus;
- (k) the Purchaser and the Indirect Class A Shareholders shall have entered into Class A Share Purchase Agreements which has the effect of the Purchaser owning or controlling, directly or indirectly, all of the issued and outstanding Class A Shares;
- (l) Certus shall have received resignations and mutual releases from all directors and officers of Certus in the form and substance satisfactory to the Purchaser;
- (m) the Purchaser shall be satisfied, acting reasonably, that Certus has satisfied all Termination Costs and other Employee Obligations.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be asserted by the Purchaser regardless of the circumstances giving rise to such assertion excluding any action or inaction by the Purchaser or any of its Affiliates giving rise to any such condition. The Purchaser may, in the Purchaser's sole discretion, waive any of the foregoing conditions, in whole or in part, at any time and from time to time, both before and after the Expiry Time, without prejudice to any other rights which the Purchaser may have. The failure by the Purchaser at any time to exercise any of the foregoing rights will not be deemed to be a waiver of any such right and each such right shall be deemed to be an ongoing right which may be asserted at any time and from time to time. For greater certainty, each of the conditions set out in this Schedule "A" is independent of and in addition to each other condition set out in this Schedule "A" and may be asserted irrespective of whether any other condition may be asserted in connection with any particular event, occurrence or state of facts or otherwise.

## **SCHEDULE "B"**

### **REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

#### **1. Organization and Qualification**

The Purchaser is a corporation validly subsisting under the laws of the Province of Alberta and has the requisite corporate power and capacity to conduct its business as is now being conducted.

#### **2. Authority Relative to this Agreement**

The Purchaser has the requisite corporate power and capacity to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the performance by the Purchaser of its obligations hereunder have been duly authorized by the board of directors of the Purchaser, and no other corporate proceedings on their part are necessary to authorize this Agreement and the performance by the Purchaser of its obligations hereunder. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Laws relating to or affecting creditors' rights generally, and to general principles of equity.

#### **3. No Violations**

- (a) None of the execution and delivery of this Agreement by the Purchaser, the consummation of the transactions contemplated hereby or the compliance by the Purchaser with any of the provisions hereof will: (i) violate, conflict with, or result in breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any Encumbrance upon any of the properties or assets of the Purchaser, under any of the terms, conditions or provisions of (x) the certificate and articles of incorporation and by-laws of the Purchaser, as amended; or (y) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other material instrument or obligation to which the Purchaser is a party or to which it, or any of its properties or assets, may be subject or by which the Purchaser is bound; (ii) subject to compliance with the Laws referred to in Section 3(b) of this Schedule "B", violate any judgement, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to the Purchaser; or (iii) cause the suspension or revocation of any authorization, consent, approval or licence currently in effect (except, in the case of each of clauses (i), (ii) and (iii) for such violations, conflicts, breaches, defaults, terminations, suspensions or revocations which, or any consents, approvals or notices which if not given or received, would not have a Material Adverse Effect on the ability of the Purchaser to consummate the transactions contemplated by this Agreement).
- (b) Other than in connection with or in compliance with the provisions of corporate and securities Laws, and the Regulatory Approvals: (i) there is no legal impediment to the performance by the Purchaser of its obligations hereunder; and (ii) no filing or registration with, or authorization, consent or approval of any Governmental Authority is necessary by the Purchaser in connection with the making or the consummation of the Offer, except such other filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not have a Material Adverse Effect on the ability of the Purchaser to consummate the transactions contemplated by this Agreement.

#### **4. Financial Capacity**

The Purchaser has currently available to it and will have at the Effective Time financial resources sufficient to fund: (i) the Escrow Amount; (ii) the Deposit; (iii) Aggregate Cash Consideration payable by the

Purchaser to the Shareholders pursuant to the Offer; and (iv) to satisfy the obligations of Certus in respect of the Credit Facility.

## SCHEDULE "C"

### REPRESENTATIONS AND WARRANTIES OF CERTUS

#### 1. Organization and Qualification.

Certus is a corporation validly subsisting under the laws of the Province of Alberta and has the requisite corporate power and capacity to own its properties and conduct its business as now owned and conducted. Certus is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary.

#### 2. Authority Relative to this Agreement.

Certus has the requisite corporate power and capacity to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the performance by Certus of its obligations hereunder have been duly authorized by the Board of Directors and no other corporate proceedings on the part of Certus are necessary to authorize this Agreement (except for obtaining any application shareholder approval in respect of any Subsequent Transaction) and the performance by Certus of its obligations hereunder. This Agreement has been duly executed and delivered by Certus and constitutes a legal, valid and binding obligation of Certus enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Laws relating to or affecting creditors' rights generally, and to the general principles of equity.

#### 3. No Violations.

- (a) None of the execution and delivery of this Agreement by Certus, the consummation of the transactions contemplated hereby or the compliance by Certus with any of the provisions hereof will: (i) violate, conflict with, or result in breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any Encumbrance upon any of the properties or assets of Certus under, any of the terms, conditions or provisions of (x) the certificate and articles of incorporation and by-laws of Certus, as amended; or (y) subject to such waivers, consents and approvals as may be required under any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other material instrument or obligation to which Certus is a party or to which it, or any of its properties or assets, may be subject or by which Certus is bound; (ii) subject to compliance with the Laws referred to in Section 3(b) of this Schedule "C", violate any judgement, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Certus; or (iii) cause the suspension or revocation of any authorization, consent, approval or licence currently in effect (except, in the case of each of clauses (i), (ii) and (iii), for such violations, conflicts, breaches, defaults, terminations, suspensions or revocations which, or any consents, approvals or notices which if not given or received, would not have a Material Adverse Effect on Certus or have a Material Adverse Effect on the ability of Certus to perform its obligations hereunder).
- (b) Other than, in connection or in compliance with the provisions of corporate and securities Laws, and the Regulatory Approvals: (i) there is no legal impediment to the performance by Certus of its obligations hereunder; and (ii) no filing or registration with, or authorization, consent or approval of, any Governmental Authority is necessary by Certus in connection with the making or the consummation of the Offer, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not have a material adverse effect on the ability of Certus to perform its obligations hereunder.

#### 4. Subsidiaries.

Certus has no subsidiaries and Certus does not hold any interests in any other Person.

**5. Capitalization.**

As of the date hereof, the authorized capital of Certus consists of an unlimited number of Class A Shares and an unlimited number of Class B Shares. As of the date hereof, there are 19,903,637 Class A Shares issued and outstanding and 104,346,881 Common Shares issued and outstanding. Other than Certus Options providing for the issuance of up to 6,190,173 Common Shares, the Certus Warrants providing for the issuance of 5,960,916 Common Shares, options issued to certain key management under the Certus Key Management Option Plan providing for the issuance of 36,000,000 Common Shares and \$5,535,000 aggregate principal amount of Certus Notes, plus accrued but unpaid interest, which may be converted into 24,900,035 Common Shares at a price of \$0.25 per Common Share as of the date hereof, the details of which are set forth in the Disclosure Letter, there are no options, warrants or other rights, plans, agreements or commitments of any nature whatsoever requiring the issuance, sale or transfer by Certus of any securities of Certus (including Common Shares and Class A Shares) or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of Certus (including Common Shares and Class A Shares) nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attribute of Certus. All outstanding Common Shares and Class A Shares are duly authorized, validly issued, fully paid and non-assessable and were not issued in violation of any pre-emptive rights. Other than the Common Shares and the Class A Shares, there are no securities of Certus outstanding which have the right to vote generally with Shareholders on any matter. In accordance with the terms of the Certus Option Plan, the Board of Directors has accelerated the expiry time of all outstanding Certus Options and Certus Warrants to immediately prior to the Expiry Time and conditional on the occurrence of the Effective Time. As of the date hereof, Certus Holdco is the sole shareholder of the Class A Shares.

**6. No Material Transactions**

Other than as set out in the Disclosure Letter, since December 31, 2022, Certus has not incurred, assumed or suffered any liability (absolute, accrued, contingent or otherwise) or entered into any transaction, which is or may be material to Certus, which is not in the ordinary course of business.

**7. Unanimous Shareholder Agreement**

None of Certus, nor any of its shareholders is a party to any unanimous shareholders agreement, pooling agreement, voting trust or similar type of arrangement in respect of outstanding securities of Certus.

**8. Reporting Issuer**

Certus is not a reporting issuer or equivalent under applicable securities Laws and the issued and outstanding Common Shares are not listed and posted for trading on a stock exchange

**9. No Material Adverse Change.**

Since June 30, 2023, there has not been any Material Adverse Change in respect of Certus.

**10. Litigation.**

Other than as set out in the Disclosure Letter, there are no Claims in existence or pending or, to the knowledge of Certus, threatened, affecting or that would reasonably be expected to affect Certus, or affecting or that would reasonably be expected to affect any of the Certus's assets, at law or in equity or before or by any court or Governmental Authority which Claim involves a possibility of any judgment against or liability of Certus or would significantly impede the ability of Certus to consummate the Offer.

**11. Shareholder Rights Plan.**

Certus has no shareholder rights plan or any other form of plan, agreement, contract or instrument that will trigger any rights to acquire Common Shares or other securities of Certus or rights, entitlements or privileges in favour of any Person upon the entering into of this Agreement or the making of the Offer.

## 12. Employees.

- (a) The Disclosure Letter contains:
- (i) a complete and accurate list of all Certus' employees and independent contractors as of the date of this Agreement, which indicates for each employee or independent contractor: (i) the employee's name; (ii) status (as full-time or part-time); (iii) length of service; (iv) job title or classification; (v) salary or hourly wage; (vi) eligibility (if any) to receive incentive compensation (including commissions, bonuses, equity incentives and any other variable pay); (vii) the employee's incentive payment history over the past three years; and (viii) all employment benefits the employee is entitled to receive under Certus' benefit plans;
  - (ii) a complete and accurate list of all employees who are now on disability, maternity or other authorized or unauthorized leave which indicates for each employee: (i) the reason for such absence; (ii) expected date of return; and (iii) the aggregate financial obligation of Certus with respect to providing benefits to such employee;
  - (iii) a complete and accurate list of the material terms, including amount of termination pay in lieu of notice, to be included in each Termination Notice for each relevant Certus Terminated Employee; and
  - (iv) a complete and accurate list of all consultants and independent contractors engaged by Certus, which indicates for each consultant or independent contractor: (i) their name; (ii) description of engagement, including whether the contractor is permitted to do work for others and subcontract work for Certus; (iii) location of engagement; (iv) engagement date; (v) term of engagement; (vi) summary of the fees and other compensation paid in the current year and the previous year; (vii) whether the consultant or independent contractor is providing services pursuant to a written agreement with Certus; (viii) whether the consultant or the independent contractor is a sole proprietor or incorporated. Certus has provided the Purchaser with true and complete copies of all written agreements with the contractors and independent contractors disclosed in the Disclosure Letter.
- (b) Certus is in compliance in all material respects with all applicable Laws regarding employment and employment practices, terms and conditions of employment and wages in respect of all of its employees.
- (c) Certus has withheld from each payment made to any of its present or former employees, officers or directors, or to other Persons, all amounts required by law or administrative practice to be withheld by it on account of income Taxes, pension plan contributions, employment insurance premiums, employer health Taxes and similar Taxes, and levies, and has remitted such withheld amounts within the required time to the appropriate governmental authority. Certus has charged, collected and remitted on a timely basis all sales, goods and services, value-added and other commodity Taxes as required under Laws on any sale, supply or delivery made by them. All Certus' consultants or independent contractors are properly characterized as independent contractors and will not be reclassified as employees by any governmental authority in accordance with Laws.
- (d) Other than as set out in the Disclosure Letter, Certus is not a party to any employment agreement or to any written or oral policy, agreement, obligation or understanding or any amendment thereto which contains any specific agreement as to continuation of employment, notice of termination or termination pay in lieu thereof or which cannot be terminated without cause on giving reasonable notice as may be implied by Law (including any severance, termination, retention, change of control

or other similar agreement or payment). Certus has provided the Purchaser with complete and accurate copies of all written employment agreements disclosed in the Disclosure Letter.

- (e) Other than as set out in the Disclosure Letter, Certus is not a party to any change of control, retention, transaction bonus, supplemental executive retirement plan (registered or unregistered) or any other agreement pertaining to compensation, other than a contemplated Employee Obligation, with executives or other employees or consultants, including former employees and consultants, of Certus, nor are any such agreements contemplated, being negotiated or otherwise have been executed as of the date hereof.
- (f) Certus is not subject to any collective bargaining agreement or other similar agreement with any labour union, employee association or similar organization, and has not made any commitment to or conducted negotiations with or voluntarily recognize any labour union, employee association or similar organization with respect to any future agreement. No union or employee association or similar organization is or has been certified by the Alberta Labour Relations Board or any other labour relations board to represent or collectively bargain on behalf of any employees of Certus including during the five-year period immediately preceding the date of this Agreement, and to the knowledge of Certus during such five-year period there has been no attempt to organize, certify or establish any labour union or employee association with respect to any employees of Certus.
- (g) There are no existing or, to the knowledge of Certus, threatened strikes, labour disputes, work slow-downs or stoppages, grievances, controversies or other labour relations difficulties affecting Certus, and no such event has occurred within the last three years.
- (h) To the knowledge of Certus, Certus has complied in all material respects with all Laws relating to the employment of its current and former employees, including all Laws concerning statutory employment standards (including the payment of wages, hours of work and overtime), human rights, privacy, occupational health and safety, hazardous materials, fair employment practices, pay equity, employment equity, employment immigration and workers' compensation.
- (i) To the knowledge of Certus, Certus is not subject to any complaints or legal proceedings filed or commenced against it pursuant to any labour or employment Laws, or any complaints or legal proceedings by current or former employees of Certus or their dependents, and to the knowledge of Certus, no such complaint or legal proceeding has been threatened and there is no basis for any such complaint or legal proceeding.
- (j) All amounts due and payable by Certus to its former and current employees, consultants and contractors have been paid in full and all amounts accruing due to same have been reflected in the Certus' financial records.
- (k) Certus has not, during the three-year period immediately preceding the date of this Agreement, received any notice of assessment, increased assessment or penalty assessment from any workers compensation board or other similar governmental authority in any jurisdiction where the business is conducted. Certus has paid in full all amounts owing under any workers' compensation Laws. To Certus' knowledge, no audit of Certus is currently being performed pursuant to any workers' compensation or other legislation.
- (l) There are no pending charges, outstanding compliance orders, inspection orders or other similar orders issued by a governmental authority under the any occupational health and safety Laws relating to Certus or the business, and to the knowledge of Certus, no investigation is ongoing or contemplated with respect to a potential charge or order. There have been no fatal or critical accidents within the last five years. Certus has complied in all respects with any orders issued under any occupational health and safety Laws. All inspection reports received by Certus in the last three years under the *Occupational Health and Safety Act* (Alberta) or other applicable legislation have been made available to the Purchaser.

### 13. Employee Benefit Plans.

- (a) The Disclosure Letter contains a complete and accurate list of all Benefit Plans. Certus has made complete and correct copies of all Benefit Plans and all other contracts material to the Benefit Plans available to the Purchaser (or, where such Benefit Plans or contracts are oral, written summaries of same).
- (b) Each Benefit Plan is in compliance with and is, and has been, established, registered (where required by Law), administered, funded and invested in all material respects in accordance with all Laws, the terms of such Benefit Plans, and the terms of the material documents that support such Benefit Plans.
- (c) Certus has all of the data required to administer the Benefit Plans and all such data is, to Certus' knowledge, correct and up-to-date.
- (d) Except as set forth in the Disclosure Letter, none of the Benefit Plans provide benefits beyond retirement or other termination of service benefits to the current and former employees of Certus or to the beneficiaries or dependents of such employees, except as required by Law.
- (e) Except as set forth in the Disclosure Letter, Certus may amend, revise or terminate each Benefit Plan after the Effective Date in accordance with its terms without material Liability other than ordinary administrative expenses typically incurred in terminating benefit plans of a similar nature. No improvements to any Benefit Plan have been promised, and Certus has not represented or promised any amendment or improvement to any Benefit Plan.
- (f) Certus has satisfied all of its obligations under the Benefit Plans, and is not in breach or default of any provision under such Benefit Plans. There are no Liabilities or Taxes owing under any Benefit Plan or under any former Benefit Plan that has been terminated by Certus.
- (g) Certus has not received notice of any investigation, examination or other legal proceeding from any governmental authority or other person (other than claims for benefits payable in the ordinary course of the Benefit Plans) and, to the knowledge of Certus, there are no facts which could reasonably be expected to give rise to any such investigation, examination or other legal proceeding in respect of any Benefit Plan.
- (h) Except as set forth in the Disclosure Letter, this Agreement will not trigger any payment, acceleration of payment, vesting of benefits, increasing of benefits or obligation to fund benefits under any Benefit Plan.
- (i) No Benefit Plan is a pension plan. Certus does not contribute to, and is not required to contribute to, any pension plan.
- (j) Other than as set out in the Disclosure Letter, Certus:
  - (i) has no retirement savings plans (either registered or unregistered) or other employee Benefit Plans, and has not made any promises with respect to increased benefits under such plans; and
  - (ii) has provided adequate accruals in its Financial Statements for all pension or other employee benefit obligations of Certus arising under or relating to each of the pension or retirement income plans or other employee Benefit Plans or agreements or policies maintained by or binding on Certus as well as for any other payment required to be made by Certus in connection with the termination of employment or retirement of any employee of Certus in respect of the fiscal period ended December 31, 2023.

**14. Taxes, etc.**

- (a) All Tax Returns required and due to be filed by or on behalf of Certus for periods ended prior to the date hereof have been filed and such Tax Returns are complete and correct in all material respects. All Taxes shown to be payable on such Tax Returns or on subsequent assessments with respect thereto have been paid in full on a timely basis, and no other Taxes are payable by Certus with respect to items or periods covered by such Tax Returns.
- (b) Certus has paid or has withheld and remitted to the appropriate Taxing Authority all Taxes, including any instalments or prepayments of Taxes, that are due and payable on or prior to the date hereof whether or not shown as being due on any Tax Return, or, where payment is not yet due, Certus has established adequate accruals in conformity with GAAP in the Financial Statements for the periods covered by such Financial Statements for any Taxes, including income taxes and related future taxes, if applicable, that have not been paid, whether or not shown as being due on any Tax Return. Certus has made adequate provision or disclosure in its books and records for any Taxes accruing in respect of any period subsequent to the period covered by such Financial Statements, whether or not shown as being due on any Tax Return.
- (c) No material deficiencies have been asserted in writing by any Governmental Authority with respect to material Taxes of Certus that have not yet been settled.
- (d) No liability (or reasonable claim of liability) shall arise under any tax sharing, tax indemnity or tax allocation agreement or arrangement to which Certus is a party as a result of the Offer.
- (e) Certus is not a party to any action or proceeding for assessment or collection of Taxes, nor has such an event been asserted in writing by any Governmental Authority or threatened against Certus or any of its assets. No waiver or extension of any statute of limitations is in effect with respect to Taxes or Tax Returns of Certus or its subsidiaries. No audit by Taxing Authorities of Certus or its subsidiaries is in process or to the knowledge of Certus, pending.
- (f) Certus has not applied for, claimed or received a refund of Tax (or amount deemed for purposes of the Tax Act to be an overpayment of Tax) to which it was not entitled pursuant to applicable Laws.
- (g) Certus is not a party to or bound by any Tax sharing agreement, Tax indemnity agreement, Tax allocation agreement or similar agreement which will have effect after the Effective Time.

**15. No Orders.**

No order, ruling or determination having the effect of suspending the sale of, preventing, suspending or ceasing the trading of, the Common Shares or any other securities of Certus has been issued by any Governmental Authority and is continuing in effect and no proceedings for that purpose have been instituted, are pending or, to the knowledge of Certus, are contemplated or threatened under any Laws or by any Governmental Authority.

**16. Financial Statements.**

The Financial Statements provided by Certus to the Purchaser prior to the date hereof have been prepared in accordance with GAAP, and present fairly in accordance with GAAP the financial position, results of operations and changes in financial position of Certus as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments). Certus has no material assets and has no liabilities or obligations (absolute, accrued, contingent or otherwise), except as disclosed in the Financial Statements. Certus does not intend to correct or restate, nor, to the knowledge of Certus is there any basis for any correction or restatement of, any aspect of any of the Financial Statements. There are no, nor are there any commitments to become a party to, any off-balance sheet transaction, arrangement, obligation (including contingent obligations) or other

relationship of Certus with unconsolidated entities or other Persons. The Interim Financial Statements have been provided to the Purchaser.

**17. Accounts Receivable.**

To the knowledge of Certus, all accounts receivable to Certus are collectible, subject to any provisions for bad debts as set forth in the Financial Statements or bad debts accounted for in the ordinary course of business consistent with past practice since the date of the Financial Statements.

**18. Interested Party Transactions.**

Other than in respect of Employee Obligations, certain of the Certus Notes, fees paid to directors and indemnity agreements with directors and officers, Certus is not indebted to or party to any agreement with and director, executive officer, employee of, or any Person not dealing at arm's length (as such term is defined in the Tax Act). No director, officer, employee or agent of, or any other Person not dealing at arm's length with Certus has any indebtedness, Liability or obligation owing to Certus.

**19. No Solicitation**

Since the date of the Indication of Interest Certus has not taken any actions, including initiating, assisting soliciting, encouraging or entertaining any discussions or negotiations in respect of the assets or the Common Shares, with any Third Party which would reasonably be expected to lead to, an Acquisition Proposal.

**20. Indebtedness and No Undisclosed Material Liabilities.**

Other than as set out in the Disclosure Letter, there are no Liabilities or obligations of Certus of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, or which would be required by GAAP to be reflected on a balance sheet of Certus other than:

- (a) Liabilities or obligations disclosed in the Financial Statements; and
- (b) Liabilities or obligations incurred:
  - (i) in the ordinary course of business consistent with past practice since December 31, 2022;
  - (ii) pursuant to the terms of this Agreement;
- (c) Liabilities or obligations that would not be reasonably expected to result in, individually or in the aggregate, a Material Adverse Change or which would not prevent, materially impede or materially delay the consummation of the transactions contemplated herein.

**21. Internal Controls.**

Certus has maintained systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) that are suitable for a corporation of its size and are sufficient to provide reasonable assurances that:

- (a) transactions are executed in accordance with management's general or specific authorization; and
- (b) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets.

**22. Books and Records.**

The books and records of Certus, in all material respects, (i) have been maintained in accordance with good business practices on a basis consistent with prior years, (ii) are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the assets of Certus and (iii) accurately and fairly reflect the basis for Certus's financial statements. The corporate records and minute books of Certus have been maintained in compliance with Laws and, except for certain minutes of the Board of Directors and committee of the Board of Directors that have not yet been approved, are complete and accurate in all material respects and full access thereto has been provided to the Purchaser.

### **23. Insurance.**

Policies of insurance that are in force as of the date hereof naming Certus as an insured party adequately and reasonably cover all risks as are customarily covered by oil and gas producers in the industry in which Certus operates and having regard to the nature of the risk insured and the relative cost of obtaining insurance, protect Certus's interests. Except as contemplated by Section 6.4 of the Agreement, all such policies shall remain in force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated hereby or by the Offer.

### **24. Registration, Exemption Orders, Licenses, etc.**

Certus has obtained and is in material compliance with all Regulatory Approvals necessary in connection with its business as it is now, individually or in the aggregate, being or conducted, except where the failure to obtain or be in compliance could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change or significantly impact the ability of Certus to consummate the Offer.

### **25. Compliance with Laws.**

Certus is not in violation of any Laws which violation could reasonably be expected to result in a Material Adverse Change or significantly impact the ability of Certus to consummate the Offer. The operations and business of Certus is and has been carried out in compliance with and not in violation of any Laws, other than non-compliance or violation which would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change or significantly impact the ability of Certus to consummate the Offer, and Certus has not received any notice of any alleged violation of any such Laws.

### **26. Corrupt Practices.**

None of Certus nor, to Certus's knowledge, any of its directors, officers, agents, employees or other Persons associated with or acting on behalf of Certus:

- (a) has used any funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity;
- (b) has violated or is in violation of any provision of the *Corruption of Foreign Public Officials Act* (Canada), or any other similar anti-corruption laws applicable to such Person;
- (c) has made, directly or indirectly, any unlawful payment or offer or promise to pay any money, gift or anything of value to any foreign public official (as defined in the *Corruption of Foreign Public Officials Act* (Canada)), domestic official or employee; or
- (d) has made, directly or indirectly, any illegal bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

### **27. Brokers and Finders.**

Other than as will be accounted for in the Transaction Costs as set out in the Disclosure Letter, Certus has not retained nor will it retain any financial advisor, broker, agent or finder or paid or agreed to pay any

financial advisor, broker, agent or finder on account of this Agreement, any transaction contemplated hereby or any transaction presently ongoing or contemplated for which the Purchaser could be liable or for which Certus could be liable following the Effective Time.

## **28. Certus Reserves Reports.**

Certus has provided the Purchaser with a true and complete copy of the Certus Reserves Report and since the date of such report, no other reports in respect of Certus's reserves (whether complete or in draft form) have been prepared by any external or independent qualified reserves evaluator or auditor. Certus has made available to McDaniel prior to the issuance of the Certus Reserves Reports for the purpose of preparing the Certus Reserves Report, all information requested by McDaniel, which information did not contain any misrepresentation at the time such information was provided. Except with respect to changes in commodity prices, Certus has no knowledge of a material adverse change in any production, cost, price, reserves or other relevant information related to Certus's assets provided to McDaniel since the dates that such information was provided.

## **29. Bankruptcy and Insolvency Matters.**

- (a) No action or proceeding has been commenced or filed by or against Certus or which seeks or may lead to receivership, bankruptcy, a commercial proposal or similar proceeding of Certus, the adjustment or compromise of claims against it or the appointment of a trustee, receiver, liquidator, custodian or other similar officer for Certus or any portion of its assets. No such action or proceeding has been authorized or is being considered by or on behalf of Certus and no creditor or equity security holder of Certus has threatened to commence or advised that it may commence, any such action or proceeding.
- (b) Certus has not made, nor is it considering making, an assignment for the benefit of its creditors, and has not requested, nor is it considering requesting, a meeting of its creditors to seek a reduction, compromise, composition or other accommodation with respect to its indebtedness.

## **30. Environmental.**

Other than as disclosed in writing to the Purchaser prior to the date hereof and except to the extent that any violation or other matter referred to below does not have a Material Adverse Effect on Certus:

- (a) to the knowledge of Certus, with respect of Certus's assets, there have been no spills, releases, deposits or discharges of Hazardous Substances, or wastes into the earth, subsoil, underground waters, air or into any body of water or any municipal or other sewer or drain water systems, or on or underneath any location, that have not been fully remediated;
- (b) as at the date hereof, no orders, directions or notices from any Governmental Authority pursuant to any Environmental Laws relating to Certus's assets have been received;
- (c) Certus has not failed to report to the proper Governmental Authority the occurrence of any event which is required to be so reported by any Environmental Law in respect of Certus's assets except to the extent that any such failure would not individually or in the aggregate result in a Material Adverse Change;
- (d) Certus holds all material environmental licences, permits and approvals required in connection with the operation of Certus's assets and the ownership and use of Certus's assets, all such environmental licences, permits and approvals are in full force and effect, and Certus has not received any notification in relation to Certus's assets pursuant to any Environmental Laws that any material work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws or such environmental licences, permits and approvals, or that any environmental licence, permit and approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated;

- (e) all material environmental licenses, permits and approvals described in subsection (d) herein are set out in the Disclosure Letter; and
- (f) there are no pending or, to the knowledge of Certus, threatened Claims (other than Permitted Encumbrances) resulting from Environmental Laws with respect to any of Certus's assets.

**31. Title.**

Although it does not warrant title, Certus does represent and warrant that (other than Permitted Encumbrances) (i) Certus's assets are free and clear of all Encumbrances created by, through or under Certus, (ii) Certus has not alienated or encumbered Certus's assets or any part or portion thereof, and (iii) Certus has done no act or thing whereby any of Certus's assets may be reduced, cancelled or terminated. Certus is not aware of any defects, failures or impairments to the title to its oil and gas properties, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party which in the aggregate could reasonably be expected to have a Material Adverse Effect.

**32. Long Term and Derivative Transactions.**

As of the date hereof, except as disclosed in writing to the Purchaser prior to the date hereof, Certus has no obligations or Liabilities, direct or indirect, vested or contingent in respect of any Swaps.

**33. Material Contracts.**

- (a) Except as set out in the Disclosure Letter and the Credit Agreement, there are no Material Contracts or agreements to which Certus is a party, or by which it is bound.
- (b) All Swaps entered into by Certus that are currently in place are set out in the Disclosure Letter.
- (c) All Material Contracts are in full force and effect, have been provided to the Purchaser (or its advisors) and are unamended from the copies provided to the Purchaser (or its advisors) and there are no outstanding material defaults (or events which would constitute a material default with the passage of time or giving of notice or both) under any such Material Contract on the part of Certus, or, to the knowledge of Certus, on the part of the other party to such Material Contract of its obligations under the Material Contracts.
- (d) Except as set forth in the Financial Statements, no event of default or material breach of any covenant has occurred under any of Certus' existing banking and lending agreements, including the Credit Agreement, which has not been cured.

**34. No Guarantees.**

Except for indemnity agreements with its directors and officers as contemplated by the by-laws of Certus and Laws, and other than standard indemnity agreements in financial services agreements and in the ordinary course provided to service providers, Certus is not a party to or bound by any agreement, guarantee, indemnification, or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any Person.

**35. Default.**

Certus has not received written notice of any default or purported default under the leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements in which Certus derives its interests in Certus' assets that have not been remedied in all material respects or if unremedied would in the aggregate, result in a Material Adverse Change.

**36. Area of Mutual Interest.**

None of Certus's assets are subject to an agreement that provides for an area of mutual interest or an area of exclusion.

**37. No Limitation.**

There is no non-competition, exclusivity or other similar agreement, commitment, judgement, injunction, order, decree, understanding or other restriction in place to which Certus is a party or by which it is otherwise bound that would now or hereafter in any way limit the business or operations of Certus (or the Purchaser following the completion of the Offer) in a particular manner or to a particular locality or geographic region or for a limited period of time, and the execution, delivery and performance of this Agreement does not and will not result in the restriction of Certus (or the Purchaser following the completion of the Offer) from engaging in its business or from competing with any Person or in any geographic area.

**38. No Reduction of Interests.**

Except as provided in the mineral rights reports provided to the Purchaser prior to the date hereof, none of Certus's assets are subject to reduction by reference to payout of or production penalty on any well or otherwise or to change to an interest of any other size or nature by virtue of or through any right or interest granted by, through or under Certus, which would in the aggregate result in a Material Adverse Change.

**39. Royalties, Rentals and Taxes Paid.**

All royalties, and all ad valorem, property, production, severance and similar Taxes, assessment and rentals payable on or before the date hereof and based on, or measured by, Certus's ownership of Certus's assets, the production of petroleum substances from Certus's assets or the receipt of proceeds therefrom under the title and operating documents pertaining to Certus's assets and all ad valorem, property, production, severance and similar Taxes and assessments based upon or measured by the ownership of Certus's assets or the production of petroleum substances derived therefrom or allocated thereto or the proceeds of sale thereof payable on or before the date hereof, have been properly paid in full and in a timely manner, except where the failure to do so would not individually or in the aggregate result in a Material Adverse Change.

**40. Offset Obligations.**

To Certus's knowledge, except as disclosed in writing to the Purchaser prior to the date hereof, none of Certus's assets is subject to any offset obligations (including obligations to drill wells, surrender rights or pay compensatory royalties) which have not been fully complied with or permanently waived.

**41. Condition of Assets**

The assets of Certus which are material to the business of Certus are in operable working condition and have been maintained in accordance with generally accepted oil and gas standards (normal wear and tear excepted) except where the failure to do so would not have a Material Adverse Effect on Certus. No buildings, plants, structures, fixtures, equipment or other property owned or leased by Certus in relation to the business of Certus are in need of material repairs except for ordinary routine maintenance and repairs consistent with past practice that are not material in nature or cost.

**42. Operation and Condition of Wells.**

All wells included in Certus's assets:

- (a) for which Certus was or is operator, were or have been drilled and, if and as applicable, completed, operated and abandoned (and if abandoned, plugged and abandoned and the wellsite therefor properly restored) in accordance with good and prudent oil and gas industry practices in Canada and all Laws; and

- (b) for which Certus was not or is not an operator, to Certus's knowledge, were or have been drilled and, if and as applicable, completed, operated and abandoned (and if abandoned, plugged and abandoned and the wellsite therefor properly restored) in accordance with good and prudent oil and gas industry practices in Canada and all Laws,

except, in either case, to the extent that such non-compliance with prudent oil and gas industry practices or Laws would not in the aggregate result in a Material Adverse Change.

#### **43. Operation and Condition of Tangibles.**

All Certus's tangible depreciable property used or intended for use in connection with Certus's assets:

- (a) for which Certus was or is operator, was or has been constructed, operated and maintained in accordance with good and prudent oil and gas industry practices in Canada and all Laws during all periods in which Certus was operator thereof and is in good condition and repair, ordinary wear and tear excepted; and
- (b) for which Certus was not or is not operator, to Certus's knowledge, was or has been constructed, operated and maintained in accordance with good and prudent oil and gas industry practices in Canada and all Laws during all periods in which Certus was not operator thereof and is in good condition and repair, ordinary wear and tear excepted;

except, in either case, to the extent that such non-compliance with prudent oil and gas industry practices or Laws or failure to be in good condition and repair would not in the aggregate result in a Material Adverse Change.

#### **44. Outstanding AFEs.**

Except as set out in the Disclosure Letter, excluding operating expenses incurred in the ordinary course of business, there are no outstanding authorizations for expenditures or other financial commitments pertaining to Certus's assets under which expenditures in excess of \$50,000 are or may be required to be made by the Purchaser following the Effective Time;

#### **45. Flow-Through Obligations.**

Certus has not entered into any agreements or made any covenants with any parties with respect to the issuance of "flow-through" shares or the incurring and renunciation of Canadian exploration expense or Canadian development expense, except where such amounts have been fully expended and renounced as required thereunder.

#### **46. Tax Pools.**

Based on its as filed Canadian federal Tax Returns as at December 31, 2022, Certus's tax pools were not less than \$[Redacted – Commercially Sensitive Information], including not less than \$[Redacted – Commercially Sensitive Information] of Canadian development expense, \$[Redacted – Commercially Sensitive Information] of Successored Canadian development expense, \$[Redacted – Commercially Sensitive Information] of Successored Canadian oil and gas property expense, \$[Redacted – Commercially Sensitive Information] of undepreciated capital cost and \$[Redacted – Commercially Sensitive Information] of Non-Capital Losses. For greater certainty, the Purchaser acknowledges and agrees that Certus is not providing any representations or warranties as to the utility of such tax pools to Certus or any other Person after the Effective Time.

#### **47. No Dividends.**

There are no dividends declared or other distributions or payments that are unpaid or due to be paid by Certus to the Shareholders.

**48. No Withholding.**

The data and information in respect of Certus and its assets, Liabilities, business and operations provided by Certus and its Representatives to the Purchaser or its Representatives, taken as a whole, was and is accurate and correct in all material respects as at the respective dates thereof and, in respect of any information provided or requested, did not knowingly omit any material data or information necessary to make any data or information provided misleading as at the respective dates thereof.

**SCHEDULE "D"**  
**FORM OF LOCK-UP AGREEMENT**

## LOCK UP AGREEMENT

October 30, 2023

To whom it may concern,

**RE: Offer by Pine Cliff Energy Ltd. to Purchase all of the Class B Common Shares ("Common Shares") of Certus Oil and Gas Inc.**

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Reference is made to the Pre-Acquisition Agreement dated on or about October 30, 2023 (the "**Pre-Acquisition Agreement**") between Pine Cliff Energy Ltd. (the "**Purchaser**") and Certus Oil and Gas Inc. ("**Certus**") pursuant to which the Purchaser has agreed to make an offer to purchase all of the issued and outstanding Common Shares. Unless otherwise defined herein, all capitalized terms referred to herein shall have the meanings attributed thereto in the Pre-Acquisition Agreement.

We understand that you (the "**Selling Shareholder**") or your Affiliates beneficially own, directly or indirectly, or exercise control or direction over, the number of Common Shares, Certus Options, Certus Warrants and principal amount of Certus Notes set forth in your acceptance at the end of this lock-up agreement (the "**Lock-Up Agreement**"). Any references in this Lock-Up Agreement to Common Shares owned by the Selling Shareholder will mean such number of Common Shares and, where the context requires, will include all Common Shares acquired by the Selling Shareholder after the date hereof, including upon exercise or conversion of Certus Options, Certus Warrants and/or Certus Notes held by the Selling Shareholder.

This Lock-Up Agreement sets out the terms and conditions upon which the Selling Shareholder has agreed, among other things, to support the Offer and to deposit under the Offer, or cause to be deposited under the Offer, all of the Common Shares held by the Selling Shareholder that are, or will be, beneficially owned or controlled by the Selling Shareholder.

### 1. Covenants of Selling Shareholder

By the acceptance of this Lock-Up Agreement, the Selling Shareholder hereby agrees, subject to Section 5 of this Lock-Up Agreement, from the date hereof until the termination of this Lock-Up Agreement:

- (a) not to, directly or indirectly, sell, assign, convey, grant an option on, transfer, pledge, encumber, convey, hypothecate, grant any Lien on or otherwise dispose of any right or interest in any of the Common Shares owned by such Selling Shareholder and not to permit any Affiliate of such Selling Shareholder to, directly or indirectly, sell, assign, convey, grant an option on, transfer, pledge, encumber, convey, hypothecate, grant any Lien on or otherwise dispose of any of the Common Shares owned by it, or enter into any forward sale, repurchase agreement or similar transaction in respect of any Common Shares held by such Selling Shareholder, or any right or interest therein (legal or equitable) with any Person other than the Purchaser and its Affiliates;
- (b) unconditionally and irrevocably to accept and to cause any Affiliate of such Selling Shareholder to unconditionally and irrevocably accept the Offer made by the Purchaser by depositing the Common Shares presently owned or hereafter acquired by such Selling Shareholder or Affiliate in accordance with the terms and conditions of the Offer: (i) within

20 days after the commencement of the Offer; or (ii) in respect of any Common Shares acquired by, directly or indirectly, or over which the Selling Shareholder comes to exercise control or direction over, after the commencement of the Offer, not later than the earlier of (A) five days after the acquisition of, or the date on which the Selling Shareholder comes to exercise control or direction over, such Common Shares; and (B) immediately prior to the Initial Expiry Time; *provided that* if the Purchaser increases the consideration to be paid for Common Shares under the Offer, the Common Shares purchased from the Selling Shareholder are purchased at such increased consideration;

- (c) to exercise (on a cashless basis or otherwise) or surrender for cancellation all Certus Options, Certus Warrants and Certus Notes held by the Selling Shareholder as contemplated by Section 2.5 of the Pre-Acquisition Agreement, provided that such surrender may be conditional upon the take-up by the Purchaser of Common Shares under the Offer;
- (d) subject to the performance by the Purchaser of all of its obligations under this Lock-Up Agreement, not to exercise any statutory or other rights of withdrawal with respect to any Common Shares owned by such Selling Shareholder or any Affiliate of such Selling Shareholder once deposited pursuant to the Offer unless this Lock-Up Agreement is terminated prior to the Purchaser taking up the Common Shares under the Offer;
- (e) subject to the performance by the Purchaser of all of its obligations under this Lock-Up Agreement, not to exercise any shareholder rights or remedies available at common law or pursuant to the ABCA or applicable securities legislation to delay, hinder, upset or challenge the Offer unless this Lock-Up Agreement is terminated prior to the Purchaser taking up the Common Shares under the Offer;
- (f) notify the Purchaser promptly of any new Common Shares, Certus Options, Certus Warrants or Certus Notes acquired by the Selling Shareholder after the execution of this Lock-Up Agreement, if any, and acknowledges that any such new Common Shares, Certus Options Certus Warrants, or Certus Notes will be subject to the terms of this Lock-Up Agreement as though owned by the Selling Shareholder on the date of this Lock-Up Agreement;
- (g) to consent to: (A) detail of, or a summary of, this Lock-Up Agreement being set out in the Offer Documents, the Directors' Circular or any new release or public disclosure produced by Certus or Pine Cliff in connection with the transactions contemplated by this Lock-Up Agreement and the Pre-Acquisition Agreement; and (B) this Lock-Up Agreement being made publicly available, including by filing on SEDAR+, if applicable; and
- (h) to vote or cause to be voted all of the Common Shares against any proposed action by Certus or any of its subsidiaries or shareholders in furtherance of any Acquisition Proposal or that might reasonably be regarded as likely to prevent, impede, delay, interfere, postpone or discourage the successful completion of the Offer or any of the transactions contemplated under the Pre-Acquisition Agreement;
- (i) not to, directly or indirectly, make, solicit, initiate or encourage (including by way of furnishing information) or participate in or take any action to facilitate any inquiries or the making of any proposal which constitutes or may reasonably be expected to lead to an

Acquisition Proposal from any Person, or engage in any discussion, negotiation or inquiries relating thereto or accept any Acquisition Proposal unless expressly authorized by the terms of the Pre-Acquisition Agreement.

## **2. Representations and Warranties of Selling Shareholder**

The Selling Shareholder hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-Up Agreement and that, upon the reasonable request of the Purchaser or Certus, the undersigned will execute any additional documents necessary or desirable in connection with the enforcement of this Lock-Up Agreement. This Lock-Up Agreement is irrevocable and shall be binding upon the heirs, legal representatives, successors and assigns of the undersigned Selling Shareholder.

## **3. Representations and Warranties of the Purchaser**

The Purchaser hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-Up Agreement. This Lock-Up Agreement is irrevocable and shall be binding upon the heirs, legal representatives, successors and assigns of the undersigned Purchaser.

## **4. Modification of the Offer**

The Selling Shareholder acknowledges that, subject to the Pre-Acquisition Agreement, the Purchaser may, in its sole discretion, from time to time, amend, supplement, modify or waive any term of the Offer and any such amendment, supplement, modification or waiver will not in any way affect the obligations of the Selling Shareholder under this Lock-Up Agreement; *provided that*, the Purchaser shall not (i) decrease the Aggregate Cash Consideration payable per Common Share under the terms of the Offer without the prior written consent of the Selling Shareholder or (ii) otherwise vary the Offer except as may be permitted under the Pre-Acquisition Agreement.

## **5. Fiduciary Duties**

Nothing herein shall restrict or limit the actions of any director or officer or Certus required to be taken in the discharge of his fiduciary duties as a director or officer of Certus when acting in such capacity.

## **6. Expenses**

The Purchaser and the Selling Shareholder agree to pay their own respective expenses incurred in connection with this Lock-Up Agreement.

## **7. Termination**

It is understood and agreed that the respective rights and obligations hereunder of the Purchaser and the Selling Shareholder will cease and this Lock-Up Agreement shall terminate if:

- (a) this Lock-Up Agreement is terminated by mutual written consent of the Purchaser and the Selling Shareholder;
- (b) the Purchaser decreases the Aggregate Cash Consideration offered pursuant to the Offer, other than pursuant to the Escrow Agreement, or otherwise modifies or amends the Offer in a manner materially adverse to the Shareholders, *provided that*, for greater certainty, an extension, or waiver, in whole or in part, of any conditions under the Offer shall not

constitute a modification or amendment of the Offer in a manner materially adverse to holders of Common Shares;

- (c) notice being delivered to the Selling Shareholder if the Selling Shareholder is in material breach of any representation, warranty or covenant of the Selling Shareholder contained in this Lock-Up Agreement and such breach has not been cured within five Business Days following receipt of such notice; or
- (d) the Pre-Acquisition Agreement is terminated pursuant to Section 11.1 thereof.

In the event of termination of this Lock-Up Agreement, the Selling Shareholder may withdraw all of the Common Shares deposited in accordance with the terms and conditions of the Offer, this Lock-Up Agreement shall forthwith be of no further force and effect and there will be no obligation or liability on the part of either the Selling Shareholder or the Purchaser, except as set forth in Sections 2, 3, 6 and this Section 7, which provisions shall survive the termination of this Lock-Up Agreement. Nothing herein shall relieve any Party from liability for any breach of this Lock-Up Agreement that occurs prior to termination.

## 8. Notice

Any Notice or other communication required or permitted to be given hereunder shall be sufficiently given if in writing, and delivered or sent by email:

- (a) in the case of the Selling Shareholder, at the email address set out immediately under the Selling Shareholder's name on the signature pages hereto, and
- (b) in the case of the Purchaser:

Pine Cliff Energy Ltd.

Attention: Philip B. Hodge

E-mail: [REDACTED]

with a copy to:

Bennett Jones LLP

Attention: Will Osler

E-mail: [REDACTED]

- (c) Any Notice delivered or transmitted to a Party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. (Calgary time) in the place of delivery or receipt. However, if the Notice is delivered or transmitted after 5:00 p.m. (Calgary time) or if such day is not a Business Day then the Notice shall be deemed to have been given and received on the next Business Day.

## 9. Amendment

Except as expressly set forth herein, this Lock-Up Agreement constitutes the whole of the agreement between the Parties and may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by the Parties hereto.

**10. Assignment**

Except as expressly set forth herein, no Party to this Lock-Up Agreement may assign any of its rights or obligations under this Lock-Up Agreement without the prior written consent of the other Party.

**11. Disclosure**

Prior to first public disclosure of the existence and terms and conditions of this Lock-Up Agreement in accordance with the second sentence of this section 11, neither Party will disclose the existence of this Lock-Up Agreement, or any details hereof, to any Person other than Certus, its directors and officers, without the prior written consent of the other Party hereto, except to the extent required by Law or pursuant to a request from a stock exchange.

**12. Enurement**

This Lock-Up Agreement will be binding upon and enure to the benefit of the Purchaser, the Selling Shareholder and their respective executors, administrators, successors and permitted assigns.

**13. Applicable Law**

This Lock-Up Agreement shall be governed and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and each of the Parties hereto irrevocably attorns to the jurisdictions of the Courts of the Province of Alberta.

**14. Counterparts**

This Lock-Up Agreement may be signed in counterparts which together shall be deemed to constitute one valid and binding agreement and delivery of such counterparts may be effected by means of facsimile or email.

Very truly yours,

Certus

**CERTUS OIL & GAS INC.**

Name: \_\_\_\_\_  
Rob Brady  
Title: Chief Executive Officer

Purchaser

**PINE CLIFF ENERGY LTD.**

Name: \_\_\_\_\_  
Philip J. Hodge  
Title: Chief Executive Officer

ACCEPTED AND ACKNOWLEDGED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2023.

Selling Shareholder

**[Corporation Name]**

Name: \_\_\_\_\_

Title:

Email:

**Number of Common Shares owned or subject to warrants, options or exchangeable or convertible securities:**

<b>Security Type:</b>	<b>Number of Securities:</b>
Certus Options	
Certus Warrants	
Certus Notes	
Common Shares	

**SCHEDULE "E"**  
**CALCULATION OF CERTUS NET DEBT**

***[Redacted – Commercially Sensitive Information]***

**SCHEDULE "F"**  
**ESCROW AGREEMENT**

## ESCROW AGREEMENT

THIS AGREEMENT is made as of the [●] day of [●], 2023.

### AMONG:

**ROBERT BRADY**, an individual residing in the city of Calgary, in the Province of Alberta (the "**Certus Nominee**")

### AND

**CERTUS OIL AND GAS INC.**, a corporation incorporated under the laws of the Province of Alberta ("**Certus**")

### AND

**DENTONS CANADA LLP**, a limited liability partnership formed under the laws of the Province of Alberta (the "**Escrow Agent**")

### AND

**PINE CLIFF ENERGY LTD.**, a corporation incorporated under the laws of the Province of Alberta (the "**Purchaser**")

**WHEREAS** Certus and the Purchaser are parties to a pre-acquisition agreement dated as of the 30<sup>th</sup> day of October, 2023 (the "**Pre-Acquisition Agreement**").

**AND WHEREAS** pursuant to the terms of the Pre-Acquisition Agreement, the Purchaser agreed to deposit the Escrow Amount with the Escrow Agent, to be held in escrow in accordance with terms of this Agreement.

**AND WHEREAS** the Escrow Agent has agreed to hold the Escrow Amount in trust, for and on behalf of the former holders of Class B common shares of Certus (the "**Certus Shares**") and the Purchaser in accordance with the terms of this Agreement.

**NOW THEREFORE** in consideration of the premises hereto and the covenants and agreements contained herein and, with respect to Certus and the Purchaser, in the Pre-Acquisition Agreement, the parties hereto (the "**Parties**") covenant and agree as follows:

### 1. Definitions

When used herein, capitalized words shall have the meaning attributed to them in the Pre-Acquisition Agreement, except that:

- (a) "**Adjustment Statement**" means an itemized statement provided by the Purchaser pursuant to Section 5(a) of this Agreement setting forth the Purchaser's calculation of the Certus Net Debt Amount calculated in substantially the same manner as set forth in Schedule "E" of the Pre-Acquisition Agreement and the amounts payable from the Escrow Amount in accordance with the calculations set forth in Section 2.4 of the Pre-Acquisition Agreement;

- (b) **"Court"** means the Court of King's Bench of the Province of Alberta;
- (c) **"Dispute Notice"** has the meaning set forth in Section 5(d);
- (d) **"Independent Auditor"** means MNP LLP, Chartered Accountants which is "independent" to the Certus Nominee and the Purchaser, as such term is defined in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta;
- (e) **"Release Notice"** unless otherwise provided for herein, means a joint written direction to the Escrow Agent directing the pay out of the Escrow Amount in accordance with such direction, which shall include amounts payable in respect of the "out of pocket" expenses of the Certus Nominee payable pursuant to Section 17(b) hereof; and
- (f) **"Review Period"** has the meaning set forth in Section 5(b).

## **2. Appointment of Escrow Agent**

The Parties hereby appoint the Escrow Agent to act as escrow agent to hold the Escrow Amount upon and subject to the terms of this Agreement, and the Escrow Agent hereby accepts such appointment.

## **3. Deposit of Monies into Escrow**

The Escrow Agent agrees to hold the Escrow Amount in trust for the former holders of Certus Shares and the Purchaser, until authorized for release in accordance with the provisions of this Agreement and the Pre-Acquisition Agreement. Except as specifically provided for in this Agreement, the Escrow Agent shall not release, deliver, give up possession of or otherwise deal with the Escrow Amount in any way.

## **4. Deposit of Escrow Amount to Interest Bearing Account**

Promptly following receipt, the Escrow Agent shall deposit the Escrow Amount in an interest bearing account. Interest earned on the Escrow Amount shall follow the principal and all references to Escrow Amount shall include, in each case, any interest earned thereon from the date such Escrow Amount (or portion thereof, as applicable) was deposited into escrow to the date of release. Should the Purchaser receive interest, if any, on the Escrow Amount it shall pay all income and other taxes applicable thereto or exigible thereon. Notwithstanding anything herein contained to the contrary, should the former holders of Certus Shares be entitled to receive interest, if any, on the Escrow Amount such interest shall be paid to the former holders of Certus Shares, net of all applicable withholdings, which shall be governed by Section 2.9 of the Pre-Acquisition Agreement.

## **5. Adjustment Statement; Notice of Recourse to Escrow Amount**

- (a) Not later than March 31, 2024, the Purchaser shall provide the Adjustment Statement to the Certus Nominee and the Escrow Agent. If the Certus Nominee and the Escrow Agent do not receive an Adjustment Statement from the Purchaser on or before March 31, 2024, the Escrow Agent shall automatically and without any further action on behalf of the Parties release the Escrow Amount and all interest earned thereon to the former holders of Certus Shares on a pro-rata basis. The Purchaser shall be entitled to provide the Certus Nominee and the Escrow Agent with only one Adjustment Statement, which may be modified or amended by agreement of the Parties until such time as the Escrow Amount is disbursed by the Escrow Agent in accordance with this Agreement.

- (b) The Certus Nominee shall have fifteen (15) Business Days from receipt of the Adjustment Statement (the "**Review Period**") during which to review the Adjustment Statement. For the purposes of review, the Purchaser shall permit and shall cause Certus to permit the Certus Nominee to examine all documents and information used or prepared by the Purchaser in connection with the preparation of the Adjustment Statement and to have reasonable access to appropriate personnel of the Purchaser for the Certus Nominee to verify the accuracy and presentation and other matters relating to the preparation of the Adjustment Statement.
- (c) Upon receipt of an Adjustment Statement, the Escrow Agent shall set aside from the Escrow Amount the amount claimed in the Adjustment Statement (to a maximum of the Escrow Amount). The Escrow Agent shall hold the said amount until it disburses such amount pursuant to the terms of this Agreement.
- (d) If the Certus Nominee wishes to dispute the Purchaser's recourse to the Escrow Amount under the Adjustment Statement, the Certus Nominee shall, prior to the expiry of the Review Period, send a signed written notice to the Escrow Agent and to the Purchaser stating such dispute and summarizing the basis for such dispute (a "**Dispute Notice**"). If the Escrow Agent receives a Dispute Notice within the allotted time period, it shall take no further action pursuant to such Adjustment Statement (and the amount set aside pursuant to Section 5(c)), until receipt by it of a final and binding determination by the Independent Auditor pursuant to Section 6 below, or alternatively, receipt by it of written instructions with respect to the Escrow Amount signed by the Certus Nominee and the Purchaser. The Escrow Agent shall have no duty to inquire as to the validity of or the truth of any statements made in an Adjustment Statement or Dispute Notice.
- (e) If no Dispute Notice is received by the Escrow Agent prior to the expiry of the Review Period, the Certus Nominee shall be deemed to have accepted the Adjustment Statement and the Parties shall provide the Escrow Agent with a Release Notice, promptly following receipt of which the Escrow Agent shall disburse the amount set aside pursuant to Section 5(c) and any remaining funds in accordance with the Release Notice.

## **6. Independent Auditor**

If the Certus Nominee delivers a Dispute Notice, the Certus Nominee and the Purchaser shall work expeditiously and in good faith in an attempt to resolve all of the items in dispute within ten (10) Business Days of receipt of the Dispute Notice. If all items in dispute are not resolved within such ten (10) Business Day period, the Certus Nominee shall retain the Independent Auditor to resolve the remaining items in dispute and the Independent Auditor shall be required to render its decision without qualifications, other than the usual qualifications relating to engagements of this nature, within ten (10) Business Days after the dispute is referred to it. The decision of the Independent Auditor on the dispute shall be final and binding on the Purchaser, Certus, the Certus Nominee, the Escrow Agent and the former holders of Certus Shares, and shall be deemed to be a valid Release Notice. The fees and expenses of the Independent Auditor shall be borne by the Party or Parties that the Independent Auditor rules against. The Parties acknowledge and agree that the Certus Nominee shall not be personally liable for any such amounts. If the Certus Nominee and the Purchaser resolve all disputes contemplated in the Dispute Notice without engaging the Independent Auditor, the Certus Nominee and the Purchaser shall provide a Release Notice to the Escrow Agent promptly following resolution of such disputes.

## **7. Release of Escrow Amount**

The Escrow Amount shall be released by the Escrow Agent as follows:

- (a) automatically and without any further action on behalf of the Parties if the Certus Nominee and the Escrow Agent do not receive an Adjustment Statement on or before March 31, 2024;
- (b) at any time upon receipt of a Release Notice, the Escrow Agent shall be irrevocably authorized and directed to pay the Escrow Amount and interest accrued thereon, if any, in accordance with such Release Notice and the Escrow Agent shall have no duty to inquire as to the validity of or the truth of any statements made in a Release Notice; and
- (c) at any time upon receipt of a decision of the Independent Auditor or the agreement of the Certus Nominee and the Purchaser, the Escrow Agent shall be irrevocably authorized and directed to pay the Escrow Amount and interest accrued thereon, if any, in accordance with a Release Notice delivered by the Parties or as directed by the Independent Auditor pursuant to Section 6.

## **8. Resignation of Escrow Agent**

The Escrow Agent may, at any time, resign its obligations under this Agreement and be discharged from all further duties and liabilities hereunder by giving each of the Certus Nominee and the Purchaser at least ten (10) days notice in writing of its intention to resign or such shorter notice as the Certus Nominee and the Purchaser may accept as sufficient. The Certus Nominee and the Purchaser agree that they shall forthwith upon receipt of such notice appoint a new escrow agent to act in the place and stead of the Escrow Agent and if they fail to agree on such appointment, any of the Certus Nominee or the Purchaser or the Escrow Agent may apply to the Court on such notice as the Court may direct for the appointment of a new escrow agent. Upon any such appointment, the new escrow agent will be vested with the same powers, rights, duties and obligations as if it had been originally named herein as escrow agent and such new escrow agent shall enter into an agreement with the Certus Nominee, Certus and the Purchaser agreeing to be bound by all of the provisions of this Agreement.

## **9. Discharge from Duties**

Upon disposing of the Escrow Amount and interest thereon, if any, in accordance with the provisions of this Agreement, the Escrow Agent shall be relieved and discharged from all Claims and Liabilities relating to the Escrow Amount and interest thereon, if any, and the Escrow Agent shall not be subject to any Claims made by or on behalf of any Party hereto.

## **10. Disputes**

Notwithstanding anything herein or in any other agreement or instrument expressed or implied to the contrary, if at any time the Escrow Agent in its sole discretion believes that there is a *bona fide* question, confusion or dispute in respect of the release of the Escrow Amount or any matter under this Agreement that may affect the release of the Escrow Amount, the Escrow Agent may in its sole discretion, and notwithstanding any notices or demands received by the Escrow Agent from any of the other Parties hereto or any other Person, deposit the Escrow Amount or portion thereof in dispute, with the clerk of the Court, and may interplead each of the other Parties hereto and any other interested party or parties in the proceedings pursuant thereto. Upon making such deposit, and following the filing of its pleadings relative

to its complaint in interpleader, the Escrow Agent shall be released from all liability under the terms of this Agreement with respect to the Escrow Amount or portion thereof so deposited and shall be entitled to recover from the Parties, in such manner as may be determined by the Court, the Escrow Agent's reasonable fees and related costs and expenses incurred in connection with such action.

#### **11. Indemnity of Escrow Agent**

The Escrow Agent shall not be liable for any action taken or omitted to be taken by it in good faith and in the exercise of its reasonable judgment, and any act done or omitted by it pursuant to the advice of any legal counsel it may employ shall be conclusive evidence of such good faith. The Escrow Agent may at any time consult with independent legal counsel of its own choice in any such matters, shall have full and complete authorization and protection from any action taken or omitted by it hereunder in accordance with the advice of such legal counsel, and shall incur no liability for any delay reasonably required to obtain the advice of any such legal counsel. The Purchaser shall indemnify the Escrow Agent for, and hold it harmless against, any loss, liability, cost or expense (including reasonable fees and disbursements of legal counsel), reasonably incurred by it without gross negligence, bad faith, fraud or wilful misconduct on its part, arising out of or in connection with this Agreement, including the costs and expenses of defending itself against any claim or liability in connection with any such matter. The Escrow Agent shall not be liable for any loss of any of the Escrow Amount not resulting from its gross negligence, bad faith, fraud or wilful misconduct.

#### **12. Indemnity of Certus Nominee**

The Certus Nominee shall not be liable for any action taken or omitted to be taken by it in connection with this Agreement in good faith and in the exercise of its reasonable judgment. The Certus Nominee may at any time consult with independent legal counsel of its own choice in any such matters, shall have full and complete authorization and protection from any action taken or omitted by it hereunder in accordance with the advice of such legal counsel, and shall incur no liability for any delay reasonably required to obtain the advice of any such legal counsel. The Purchaser shall indemnify the Certus Nominee for, and hold it harmless against, any loss, liability, cost or expense (including reasonable fees and disbursements of legal counsel), reasonably incurred by it without gross negligence, bad faith, fraud or wilful misconduct on its part, arising out of or in connection with this Agreement, including the costs and expenses of defending itself against any claim or liability in connection with any such matter.

#### **13. Limitation of Responsibility**

- (a) The Escrow Agent shall have no duty to know or determine the performance or non-performance by Certus or the Purchaser of any provision of the Pre-Acquisition Agreement, or any other agreement except as expressly required or contemplated in the performance of the Escrow Agent of its duties and responsibilities under this Agreement.
- (b) The Escrow Agent shall not be bound in any way by any other contract or agreement between the parties hereto, whether or not the Escrow Agent has knowledge thereof or of its terms and conditions; the Escrow Agent's only duty, liability and responsibility shall be to hold and deal with the Escrow Amount as herein directed, and the Escrow Agent has no duties and responsibilities other than those expressly stated herein.
- (c) The provisions of this clause are not intended to, and shall not, restrict or remove any other rights which the Escrow Agent may have at law or in equity to seek relief or direction from the Court in addition to such as are expressly set forth herein.

- (d) Except as otherwise expressly provided herein, the Escrow Agent is hereby authorized to disregard any and all notices or warnings, other than written notices given by any of the other Parties hereto, and is hereby expressly authorized to comply with and obey any and all processes, orders, judgments or decrees of any Court and shall not be liable to any of the other Parties for such compliance, notwithstanding any such process, order, judgment or decree being subsequently reversed, modified, annulled, set aside, or vacated, or being subsequently found to have been issued or entered without jurisdiction.
- (e) The Escrow Agent shall be under no duty or obligation to ascertain the identity, authority, or rights of the Parties (or their agents) executing or delivering or purporting to execute or deliver this Agreement, or any directions, instruments, documents, or papers related hereto.
- (f) The Escrow Agent shall not be obligated to take any legal action hereunder which might, in the Escrow Agent's judgment, involve any expense or liability unless the Escrow Agent shall have been furnished with reasonable retainer or indemnity.

#### **14. Acknowledgement of Escrow Agent's Representation of the Purchaser and Certus**

The Parties acknowledge that:

- (a) the Escrow Agent or its partners, employees, agents or associates have provided counsel to the Certus Nominee and Certus in connection with the transactions contemplated by the Pre-Acquisition Agreement and in connection with this Agreement;
- (b) the duties of the Escrow Agent hereunder are purely mechanical and are not subject to any discretion on the part of the Escrow Agent;
- (c) the Escrow Agent is acting hereunder for the convenience of the Parties and shall not be impeachable or accountable because of any conflicting or potentially conflicting duty to the Certus Nominee, Certus or any advice provided to the Certus Nominee or Certus; and
- (d) the Escrow Agent shall continue to be a liberty to act as counsel to the Purchaser, the Certus Nominee and Certus and their related entities on this or any other matter notwithstanding the Escrow Agent's role as escrow agent hereunder.

#### **15. Term and Termination**

This Agreement shall be effective as of the date hereof and shall terminate on such date as the Escrow Amount held by the Escrow Agent hereunder has been fully released in accordance with Section 7 or pursuant to an order of a Court or arbitrator(s) of competent jurisdiction.

#### **16. Notices**

- (a) Whether or not so stipulated herein, each notice, direction, communication or statement (herein called a "**notice**") required or permitted hereunder shall be in writing. A notice may be served:
  - (i) by delivering it to the Party to whom it is being given at that Party's address for notices hereunder, provided such delivery shall be during normal business hours

of the addressee on a Business Day. Such notice shall be deemed to be received by the addressee when actually delivered as aforesaid; or

- (ii) electronically or by facsimile (or by any other like method by which a written and recorded message may be sent) directed to the Party to whom it is being given at that Party's facsimile number for notices hereunder. Such notice shall be deemed received by the addressee thereof (i) when actually received by it if sent within the normal working hours of a Business Day, or (ii) otherwise at the commencement of the next ensuing Business Day following transmission thereof.

(b) The address and facsimile numbers of the Parties for notices hereunder shall be as follows:

- (i) to Certus and the Purchaser, at the contact information set forth in the Pre-Acquisition Agreement;
- (ii) to the Certus Nominee, at the contact information set forth in the Pre-Acquisition Agreement for Certus and as follows:

Robert Brady  
915 Drury Avenue NE  
Calgary, AB T2E 0M3

Phone: (403) 852-9712

E-Mail: [REDACTED]

- (iii) to the Escrow Agent:

Dentons Canada LLP  
1500, 850 – 2<sup>nd</sup> Street SW  
Calgary, AB T2P 0R8

Attention: James O'Sullivan

Phone: [REDACTED]

Fax: [REDACTED]

E-Mail: [REDACTED]

- (c) A Party may change its address or facsimile number for notices hereunder by notice to the other Party.

**17. Fees, Costs and Expenses**

- (a) Without limiting the liability of the Purchaser to the Escrow Agent set forth in Section 11 hereof, the Purchaser agrees that any and all losses, liabilities, costs and expenses (including reasonable fees and disbursements of legal counsel) reasonably incurred by the Escrow Agent in the performance of its obligations under this Agreement without gross negligence, bad faith, fraud or wilful misconduct on the part of the Escrow Agent, shall be borne by the Purchaser.
- (b) Each of the Parties agrees that the Certus Nominee shall not be required to expend or risk his own funds or incur any liability in discharging his obligations under this Agreement and that (i) the reasonable "out-of-pocket" expenses and third party professional fees incurred by the Certus Nominee and (ii) a fee rate of \$150 per hour for the Certus Nominee's reasonable time, such fees and expenses up to a maximum of an aggregate of \$25,000, in connection with the performance of its obligations under this Agreement will be paid from the Escrow Amount before any such funds are paid to the former Certus Shareholders and/or the Purchaser, as applicable, provided however that no payment will be made to the Certus Nominee in respect of such expenses and fees if the Escrow Amount is released pursuant to Section 7(a) of this Agreement.

**18. Applicable Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta except any conflict of laws or rules that would otherwise require the application of the laws of another jurisdiction. Each of the Parties hereto attorns to the exclusive jurisdiction of the Courts of the Province of Alberta and the Supreme Court of Canada.

**19. Further Assurances**

Each of the Parties shall make, do and execute or cause to be made, done and executed all such further and other things, acts, deeds, documents and assurances necessary to carry out the intent and purposes of this Agreement fully and effectually.

**20. No Waiver; Amendments**

Any waiver of any provision of this Agreement must be in writing and must be duly executed by the Party or Parties, as applicable, giving such waiver. No failure or delay of any Party in exercising any right, power or remedy provided herein shall be, or be deemed to be, a waiver thereof; nor shall any single or partial exercise of any right, power or remedy preclude any other or further exercise of such rights, power or remedy or any other right, power or remedy. This Agreement shall not be amended except by written instrument duly executed by the Parties affected by the amendment.

**21. No Assignment**

Neither this Agreement nor any rights or obligations under this Agreement shall be assignable by operation of law, amalgamation or otherwise by any Party without the prior written consent of the other Parties, except that the Purchaser may assign, without being required to obtain Certus's consent, all or part of its rights or obligations hereunder to one or more of its direct or indirect wholly-owned subsidiaries, but the Purchaser shall continue to be liable to Certus and the Certus Nominee as principal obligor for any default by such entities in the performance of any of the Purchaser's obligations hereunder. Subject thereto, this Agreement

shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. No third party shall have any rights hereunder unless expressly stated to the contrary.

**22. Successors**

This Agreement shall be binding upon and shall enure to the benefit of the Parties, their heirs, legal representatives, successors (including successors by amalgamation or arrangement) and permitted assigns.

**23. Counterparts**

This Agreement and any written instructions or notices delivered under this Agreement, may be executed in any number of counterparts each of which when so executed shall be an original and all of them when taken together shall constitute one and the same instrument. A telecopy or by e-mail in PDF format of the execution page of a counterpart shall be sufficient evidence of execution for the purposes of this section and shall be equivalent to an originally executed page of such counterpart.

***The Remainder of this Page Left Intentionally Blank***

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the day and year first above written.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
**ROBERT BRADY**

**CERTUS OIL AND GAS INC.**

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

**DENTONS CANADA LLP**

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

**PINE CLIFF ENERGY LTD.**

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

**SCHEDULE "G"**  
**CLASS A SHARE PURCHASE AGREEMENT**

## SECURITIES PURCHASE AGREEMENT

**THIS AGREEMENT** made as of the \_\_\_\_ day of \_\_\_\_\_, 2023

**AMONG:**

**ROBERT BRADY**, an individual residing in the Province of Alberta ("**Brady**")

and

**ARAL TRUST**, an trust established under the laws of the Province of Alberta ("**Brady Trust**" and together with Brady, the "**Vendors**" and separately, a "**Vendor**")

and

**PINE CLIFF ENERGY LTD.**, a corporation incorporated pursuant to the laws of the Province of Alberta (the "**Purchaser**")

(each a **Party** and collectively, the **Parties**)

**WHEREAS** Certus Brady Holding Corporation ("**Brady Management Holdco**") is the registered holder of 51,967,384 Class A Shares (the "**Certus Holdco A Shares**") in the capital of Certus Holding Corporation ("**Certus Holdco**"), such shares representing all of the issued and outstanding Class "A" shares of Certus Holdco;

**AND WHEREAS** Brady Trust is the registered holder of 200 Class A Shares in the capital of Brady Management Holdco (the "**Brady Trust Shares**") and Brady is the registered holder of 1,000 First Preferred Shares in the capital of Brady Management Holdco (the "**Brady Management Holdco Preferred Shares**" and together with the Brady Trust Shares, the "**Brady Management Holdco Shares**"), such shares representing all of the issued and outstanding shares of Management Holdco;

**AND WHEREAS** the Purchaser has entered into a pre-acquisition agreement (the "**Pre-Acquisition Agreement**") with Certus Oil and Gas Inc. ("**Certus**") dated October 30, 2023 pursuant to which the Purchaser has agreed to make an offer to acquire all of the issued and outstanding Class B common shares of Certus (the "**Class B Shares**") by way of take-over bid (the "**Takeover Bid**");

**AND WHEREAS** the Purchaser wishes to acquire control or direction over, directly or indirectly, all of the issued and outstanding Class A common shares of Certus (the "**Class A Shares**") at the Effective Time, as such term is defined in the Pre-Acquisition Agreement;

**AND WHEREAS** Certus Holdco is the sole shareholder of all of the issued and outstanding Class A Shares;

**AND WHEREAS** concurrent with the execution of this Agreement, the Purchaser has entered into a Securities Purchase Agreement with each of the other Indirect Class A Shareholders to purchase the securities of the Management Holdcos and of Certus Holdco, as applicable, held by them

**AND WHEREAS** the Vendors wish to sell and the Purchaser wishes to purchase the Brady Management Holdco Shares upon the terms and conditions contained herein such that the Purchaser will, following such purchase, own or control, directly or indirectly, at the Effective Time, all of the issued and outstanding Class A Shares (the "**Transaction**");

**AND WHEREAS** the board of directors of Brady Management Holdco has approved the transfer of the Brady Management Holdco Shares pursuant to this agreement of purchase and sale;

**NOW THEREFORE, IN CONSIDERATION OF THE TERMS AND CONDITIONS CONTAINED IN THIS AGREEMENT, THE PARTIES AGREE AS FOLLOWS:**

**ARTICLE 1  
AGREEMENT OF PURCHASE AND SALE**

**1.1 Definitions**

Unless otherwise defined herein, all capitalized terms referred to herein shall have the meanings attributed thereto in the Pre-Acquisition Agreement. Whenever used in this Agreement, the following words and terms have the indicated meanings:

- (a) **"Certus Holdco Aggregate Cash Consideration"** means the aggregate cash consideration to be paid by the Purchaser to acquire, directly and indirectly, all of the outstanding equity securities of Certus HoldCo, being \$100,000,000.00 less the Certus Net Debt Amount, multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Class B Shares;
- (b) **"Class A Escrow Amount"** means \$2,000,000 multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Class B Shares;
- (c) **"Class A Estimated Net Debt Allocation"** means the Estimated Net Debt Amount multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Class B Shares;
- (d) **"Class A Net Debt Allocation"** means the Certus Net Debt Amount multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Class B Shares;
- (e) **"Closing"** has the meaning set out in Section 1.2(b);
- (f) **"Closing Date"** means the date on which Closing occurs;
- (g) **"Estimated Certus Holdco Aggregate Cash Consideration"** means the aggregate cash consideration to be paid by the Purchaser to acquire, directly and indirectly, all of the outstanding equity securities of Certus HoldCo, being \$100,000,000.00 less the Estimated Net Debt Amount, multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Class B Shares;
- (h) **"Purchaser's Indemnified Parties"** means the Purchaser and its Affiliates (including from and after the Closing, Certus Holdco and Management Holdco) and their respective successors, assigns, directors, officers, employees and agents of any of them; and
- (i) **"Vendors' Indemnified Parties"** means the Vendors, Brady Trust's trustees, directors, officers, employees and agents (as applicable) or any of them.

**1.2 Purchase and Sale**

- (a) Upon and subject to the terms and conditions hereof:
  - (i) Brady hereby sells, assigns, and conveys to the Purchaser all of such Vendor's right, title, and interest in and to the Brady Management Holdco Preferred Shares, to have and to hold the same, together with all benefit and advantage to be derived

therefrom, and the Purchaser hereby purchases the Brady Management Holdco Preferred Shares from Brady; and

- (ii) Brady Trust hereby sells, assigns, and conveys to the Purchaser all of such Vendor's right, title, and interest in and to the Brady Trust Shares, to have and to hold the same, together with all benefit and advantage to be derived therefrom, and the Purchaser hereby purchases the Brady Trust Shares from Brady Trust;
- (b) This Agreement is intended to and shall operate as an immediate and full transfer of the Brady Management Holdco Shares and the Purchaser shall acquire the Brady Management Holdco Shares effective at the Effective Time (the "**Closing**").

### 1.3 Purchase Price

In consideration for the Brady Management Holdco Shares purchased by the Purchaser hereunder, the Purchaser agrees to pay and deliver to the Vendors an aggregate amount equal to the Vendors' proportionate direct or indirect interest in Certus Holdco as set forth at Schedule "A" attached hereto (the "**Vendors' Proportionate Holdings**") of the Certus Holdco Aggregate Cash Consideration (the "**Purchase Price**") to be satisfied by the Purchaser by delivering to the Vendors at Closing the Vendors' Proportionate Holdings of the Estimated Certus HoldCo Aggregate Cash Consideration and less the Vendors' Proportionate Holdings of Class A Escrow Amount.

### 1.4 Post-Closing Adjustments and Escrow

- (a) The Vendors acknowledge and agree that at the Effective Time:
  - (i) the Purchaser will deposit the Class A Escrow Amount in trust with the Class A Escrow Agent, such Class A Escrow Amount to be retained for all Indirect Class A Shareholders on a pro rata basis in accordance with their respective interests, directly or indirectly, in Certus Holdco; and
  - (ii) the Purchaser, the Indirect Class A Shareholders, the Certus Nominee and the Class A Escrow Agent shall enter into the Class A Escrow Agreement. Any payments resulting from the adjustments set forth below shall be paid from the Class A Escrow Amount by the Class A Escrow Agent in accordance with the terms and mechanisms provided in the Class A Escrow Agreement.
- (b) The Parties acknowledge and agree that pursuant to the Class A Escrow Agreement, the reasonable "out-of-pocket" expenses incurred by the Certus Nominee in connection with the performance of its obligations under the Class A Escrow Agreement will be paid from the Class A Escrow Amount.
- (c) If:
  - (i) the Certus Net Debt Amount is greater than the Estimated Net Debt Amount, the Purchaser shall be entitled to receive from the Class A Escrow Amount, the lesser of: (A) the Class A Escrow Amount; and (B) the amount obtained by subtracting the Class A Estimated Net Debt Allocation from the Class A Net Debt Allocation to a maximum of the Class A Escrow Amount, and the balance of the Class A Escrow Amount, if any, shall be paid to the Indirect Class A Shareholders, on a pro rata basis in accordance with their respective Vendors Proportionate Holdings and in accordance with the terms of the Class A Escrow Agreement; or
  - (ii) the Certus Net Debt Amount is less than or equal to the Estimated Net Debt Amount, the Class A Escrow Amount shall be delivered to the Indirect Class A Shareholders on a pro rata basis in accordance with their respective Vendors

Proportionate Holdings and in accordance with the terms of the Class A Escrow Agreement.

## **ARTICLE 2 REPRESENTATIONS AND WARRANTIES**

### **2.1 Representations and Warranties of the Vendors**

The Vendors, jointly and severally, represent and warrant to the Purchaser the following as of the date hereof and acknowledge that the Purchaser is specifically relying on each of such representations, warranties and covenants in entering into this Agreement, notwithstanding any investigation made by or on behalf of the Purchaser, that:

#### **Representations and Warranties of the Vendors Regarding Itself:**

- (a) Brady Trust is a trust duly established and validly existing under the province of Alberta. The Vendors have all requisite power and authority to enter into and deliver this Agreement and to sell the Brady Management Holdco Shares on the terms described herein, and to perform its other obligations under this Agreement;
- (b) each Vendor has duly executed and delivered this Agreement and all other agreements to which such Vendor is a party in connection with the transactions contemplated herein, and each such other agreement constitutes a legal, valid and binding obligation of the Vendors, enforceable against the Vendor in accordance with its terms;
- (c) the Vendors are the sole and absolute registered and beneficial owner and holder of, and have good and marketable title to, the Brady Management Holdco Shares. The Brady Management Holdco Shares are being transferred to the Purchaser free and clear of any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), title retention agreement or arrangement, restrictive covenant, or any other encumbrance, arrangement or condition of any nature;
- (d) neither Vendor is a party to any option, warrant, purchase right or other contract, commitment or agreement (other than this Agreement) that could require such Vendor to sell, transfer or otherwise dispose of any of the Brady Management Holdco Shares to another person as a consequence of entering into this Agreement or otherwise, and the Vendors are not in default or breach under any agreement or obligation affecting the Brady Management Holdco Shares and has not received notice of any such default or breach, and the completion of the sale of the Brady Management Holdco Shares will not result in a default or breach of any such agreement or obligation;
- (e) the consummation of the transactions contemplated by this Agreement will not violate, or be in conflict with, any applicable law or any agreement, judgment, decree, order, or other instrument to which the Vendors are a party or by which it is bound;
- (f) each of the Vendors is resident in Canada within the meaning of the Income Tax Act (Canada) and is not a non-resident of Canada for such purposes;

#### **Representations and Warranties of the Vendors regarding Brady Management Holdco**

- (g) Brady Management Holdco is a body corporate duly incorporated and validly existing under the laws of its jurisdiction of incorporation. Brady Management Holdco has all requisite power and authority to enter into and deliver this Agreement and the necessary corporate power and capacity to own and operate its assets and to carry on the business as it is now being conducted;

- (h) the board of directors of Brady Management Holdco has, or will have by the Effective Time, taken all necessary corporate actions, steps and other proceedings to approve and authorize all transactions contemplated by this Agreement, including the transfer of the Brady Management Holdco Shares to the Purchaser; into and deliver this Agreement and to perform its other obligations under this Agreement;
- (i) the completion of the transactions contemplated by this Agreement will not constitute or result in a violation or breach of, or conflict with any term or provision of, Brady Management Holdco's articles, by-laws or other constating documents;
- (j) as of the date hereof, the authorized capital of Brady Management Holdco is set out in Schedule "C" hereto. As of the date hereof there are 200 Brady Trust Shares and 1,000 Brady Management Holdco Preferred Shares issued and outstanding. There are no options, warrants or other rights, plans, agreements or commitments of any nature whatsoever requiring the issuance, sale or transfer by any Vendor of any securities of Brady Management Holdco or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of Management Holdco, nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attribute of Management Holdco. All outstanding Brady Management Holdco Shares are duly authorized, validly issued, fully paid and non-assessable and were not issued in violation of any pre-emptive rights;
- (k) Brady Management Holdco is the sole and absolute registered and beneficial owner and holder of, and has good and marketable title to, the Certus Holdco Shares held by Brady Management Holdco. The Certus Holdco Shares held by Brady Management Holdco are free and clear of any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), title retention agreement or arrangement, restrictive covenant, or any other encumbrance, arrangement or condition of any nature;
- (l) Brady Management Holdco is not in default or breach under any agreement or obligation affecting the Certus Holdco Shares held by it and has not received notice of any such default or breach, and the completion of the sale of the Brady Management Holdco Shares will not result in a default or breach of any such agreement or obligation;

**Representations and Warranties of the Vendors regarding Certus Holdco:**

- (m) Certus Holdco is a body corporate duly incorporated and validly existing under the laws of its jurisdiction of incorporation. Certus Holdco has the necessary corporate power and capacity to own and operate its assets and to carry on the business as it is now being conducted;
- (n) the completion of the transactions contemplated by this Agreement will not constitute or result in a violation or breach of, or conflict with any term or provision of, Certus Holdco's articles, by-laws or other constating documents;
- (o) as of the date hereof, the authorized capital of Certus Holdco is set out in Schedule "B" hereto. As of the date hereof, there are 51,967,384 Certus Holdco A Shares, 45,789,492 class "B" shares, 31,068,583 class "C" shares and 10,500,000 class "D" shares issued and outstanding. There are no options, warrants or other rights, plans, agreements or commitments of any nature whatsoever requiring the issuance, sale or transfer by the Vendors of any securities of Certus Holdco or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of Certus Holdco, nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value,

income or other attribute of Certus Holdco. All outstanding Certus Holdco Shares are duly authorized, validly issued, fully paid and non-assessable and were not issued in violation of any pre-emptive rights;

- (p) Certus Holdco is the sole and absolute registered and beneficial owner and holder of, and has good and marketable title to, the Class A Shares held by Certus Holdco. The Class A Shares held by Certus Holdco are free and clear of any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), title retention agreement or arrangement, restrictive covenant, or any other encumbrance, arrangement or condition of any nature;
- (q) Certus Holdco is not in default or breach under any agreement or obligation affecting the Class A Shares and has not received notice of any such default or breach, and the completion of the indirect sale of the Class A Shares will not result in a default or breach of any such agreement or obligation;

**Representations and Warranties of the Vendors Regarding the Status of the Vendors, Brady Management Holdco and Certus Holdco:**

- (r) Neither Brady Management Holdco nor Certus Holdco currently employs or engages any employees, contractors, or consultants in any capacity whatsoever and has not employed or engaged any employees, contractors or consultants in any capacity whatsoever in the past five years. Neither Brady Management Holdco nor Certus Holdco has made any promises to hire or engage any employee, contractor or consultant in any capacity whatsoever;
- (s) no bankruptcy or similar proceedings have been commenced or are pending or proposed in respect of either Vendor, Brady Management Holdco or Certus Holdco; and
- (t) no litigation, arbitration or other judicial or regulatory proceeding is pending or, to the knowledge of the Vendors, threatened by or against the Vendors, Brady Management Holdco or Certus Holdco before any court or any tribunal that could reasonably be expected to have any effect on the ability of the Vendors to complete the sale of the Brady Management Holdco Shares to the Purchaser pursuant to this Agreement

**2.2 Survival of Representations and Warranties of the Vendors**

The representations and warranties made by the Vendors contained in this Agreement will survive the Closing and will continue in full force and effect for a period of 24 months after the Closing, except that if there is fraud or fraudulent misrepresentation, intentional misrepresentation, willful misconduct, wrongful breach or criminal conduct with respect to any representation or warranty, such representation or warranty will survive the Closing and will continue in full force and effect indefinitely.

**2.3 Representations and Warranties of the Purchaser**

The Purchaser represents, warrants and covenants to and with the Vendors as of the date hereof, and acknowledges that the Vendors are specifically relying on each of such representations, warranties and covenants in entering into this Agreement, that:

- (a) the Purchaser has all requisite power and authority to enter into this Agreement, to purchase the Brady Management Holdco Shares on the terms described herein, to enter into the Agreement, and to perform its other obligations under this Agreement;
- (b) the consummation of the transactions contemplated by this Agreement will not violate, or be in conflict with, any applicable law or any agreement, judgment, decree, order, or other instrument to which the Purchaser is a party or by which he is bound; and

- (c) this Agreement constitutes a valid and binding obligation of the Purchaser enforceable in accordance with its terms and conditions, subject to the qualification that such enforceability may be subject to bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditors' rights generally.

### **ARTICLE 3 CONDITIONS**

#### **3.1 Conditions to Closing**

The obligation of the Parties to complete the transactions contemplated by this Agreement is subject to the following conditions being fulfilled, performed or waived at or before Closing:

- (a) The representations and warranties of the Vendors contained in this Agreement and in all applicable ancillary agreements will be true and accurate in all respects on the date hereof and as at Closing in all respects with the same force and effect as though such representations and warranties had been made as of Closing (or, if made as of a particular date, as of such date);
- (b) The representations and warranties of the Purchaser contained in this Agreement and in all applicable ancillary agreements will be true and accurate in all respects on the date hereof and as at Closing in all respects with the same force and effect as though such representations and warranties had been made as of the Closing (or, if made as of a particular date, as of such date).
- (c) The Takeover Bid shall have been completed in accordance with the terms of the Pre-Acquisition Agreement such that the Purchaser holds or will hold, concurrent with Closing, such number of Class B Shares that the Minimum Tender Condition is satisfied.

#### **3.2 Waiver or Termination Upon Unfulfilled Condition**

- (a) If the condition in Section 3.1(a) has not been fulfilled at or before Closing, then the Purchaser in its sole discretion may, without limiting any rights available to the Purchaser at Law, either:
  - (i) terminate this Agreement by notice to the Vendors; or
  - (ii) waive compliance with any such condition without prejudice to the Purchaser's right of termination in the event of non-fulfillment of any other condition.
- (b) If the condition in Section 3.1(b) has not been fulfilled, performed or waived at or before Closing, then the Vendors, in their sole discretion may, without limiting any rights available to the Vendors at Law, either:
  - (i) terminate this Agreement by notice to the Purchaser; or
  - (ii) waive compliance with any such condition without prejudice to the Purchaser's right of termination in the event of non-fulfillment of any other condition.
- (c) If the condition in Section 3.1(c) has not been fulfilled at or before Closing, then this agreement shall terminate and shall be of no further force and effect.

## **ARTICLE 4 CLOSING DELIVERABLES**

### **4.1 Closing**

Closing of the Transaction will occur electronically on the Closing Date, or in such other manner as the Parties may agree.

### **4.2 Closing Deliverables**

- (a) At or before Closing, the Vendors shall execute and deliver, or cause to be executed and delivered, to the Purchaser the following in form satisfactory to the Purchaser, acting reasonably:
  - (i) share certificates representing the Brady Management Holdco Shares accompanied with duly executed share transfer forms or duly issued share certificates representing the Brady Management Holdco Shares in the name of the Purchaser, in either case, together with security registers evidencing that the Purchaser is the sole holder of the Brady Management Holdco Shares;
  - (ii) certified copies of: (A) the articles, by-laws and other constating documents of the Certus Holdco and Management Holdco; and (B) all necessary director and shareholder resolutions, authorizations and proceedings of each Vendor, Brady Management Holdco and Certus Holdco, as applicable, that are required to be taken or obtained to permit the valid transfer and registration of the Brady Management Holdco Shares to and in the name of the Purchaser and the completion of such other transactions contemplated in this Agreement;
  - (iii) a certificate of good standing with respect to Certus Holdco and Management Holdco;
  - (iv) a duly executed resignation and mutual release of claims from each of the directors and officers of both Certus Holdco and Management Holdco;
  - (v) a duly executed mutual releases of claims between Brady Management Holdco and each Vendor; and
  - (vi) the minute book and corporate seal (if any) of Certus Holdco and Brady Management Holdco and all other books and records of, or documents relating to, Certus Holdco and Management Holdco.
- (b) At of before Closing, the Parties shall execute and deliver the Class A Escrow Agreement; and
- (c) At or before Closing, the Purchaser shall deliver or cause to be delivered to the Vendors or at the direction of the Vendors a wire transfer in the amount set out in Section 1.3 and deposit the Class A Escrow Amount with the Class A Escrow Agent.

## **ARTICLE 5 INDEMNIFICATION**

### **5.1 Indemnity by the Vendors**

- (a) The Vendors agree, jointly and severally, to indemnify and hold harmless the Purchaser's Indemnified Parties from and against any Losses incurred or suffered by the Purchaser's Indemnified Parties, directly or indirectly, as a result of, in respect of or arising out of:

- (i) any breach or failure to perform or fulfill any covenant or obligation on the part of the Vendors contained in this Agreement or in any document or certificate given by them in order to carry out the transactions contemplated by this Agreement;
- (ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Vendors (or either of them) contained in this Agreement or in any document or certificate given by them in order to carry out the transactions contemplated by this Agreement; and
- (iii) any Taxes: (A) on or in respect of Management Holdco, for all taxation years or periods ending on or before the Closing Date or the portion of any Taxes for any taxation year or period ending after the Closing Date that is attributable to the portion of such year or period ending on the Closing Date; or (B) as a result of or in connection with any transactions, reorganizations or distributions effected by Management Holdco, prior to the Closing Date;

## **5.2 Indemnity by the Purchaser**

- (a) The Purchaser agrees to indemnify and hold harmless the Vendors' Indemnified Parties from and against any Losses incurred or suffered by the Vendors' Indemnified Parties, directly or indirectly, as a result of, in respect of or arising out of:
  - (i) any breach or failure to perform or fulfill any covenant or obligation on the part of the Purchaser contained in this Agreement or in any document or certificate given by the Purchaser in order to carry out the transactions contemplated by this Agreement; and
  - (ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Purchaser contained in this Agreement or in any document or certificate given by the Purchaser in order to carry out the transactions contemplated by this Agreement.

## **ARTICLE 6 MISCELLANEOUS**

### **6.1 Currency**

All dollar amounts in this Agreement are stated in Canadian dollars.

### **6.2 Further Assurances**

Each of the Parties shall and will from time to time hereafter execute and deliver all such further documents and other instruments and shall do all such other acts and things which are reasonably necessary or required in the circumstances to give effect to the terms of this Agreement.

### **6.3 Headings; Sections**

Headings wherever used herein are for reference purposes only and do no limit or extend the meaning of the provisions contained in this Agreement. A reference to a section, subsection or schedule shall mean a section, subsection or schedule of this Agreement, as applicable.

### **6.4 Severability**

Any provision of this Agreement which is or becomes void, illegal or unenforceable in any jurisdiction shall be severed from this Agreement and be ineffective in such jurisdiction to the extent thereof but without

affecting the validity, legality or enforceability of the provision in any other jurisdiction or of any other provision of this Agreement.

#### **6.5 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in Alberta without regard to the substantive laws of such jurisdiction relating to conflicts of laws.

#### **6.6 Enurement**

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

#### **6.7 Non-Merger**

The covenants, representations, warranties and other provisions set forth in this Agreement will not merge on Closing but will survive (a) the execution, delivery and performance of this Agreement and any related transfer or conveyance documents, (b) the Closing, and (c) the payment of the Purchase Price.

#### **6.8 Entire Agreement**

This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. Except as specifically set forth in this Agreement, there are no representations, warranties, covenants, conditions or other agreements, express or implied, statutory or otherwise, between the Parties relating to the subject matter hereof. No Party has relied or is relying on any other information, discussions or understandings in entering into and completing the transactions contemplated in this Agreement.

#### **6.9 Counterparts**

This Agreement may be executed in any number of counterparts, and when a counterpart has been executed and delivered by each of the Parties, whether via delivery of an original copy thereof, facsimile or email, all such counterparts shall together constitute one instrument and shall have the same force and effect as if all of the Parties had executed and delivered the same instrument.

*[Remainder of page intentionally left blank – signature page follows.]*

**IN WITNESS WHEREOF** the Parties have executed and delivered this Agreement, dated as of the date first above written.

**ARAL TRUST**, by its Trustee

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Name: Robert Brady  
Title: Trustee

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**Robert Brady**

**PINE CLIFF ENERGY LTD.**

Per:

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Name: Philip Hodge  
Title: President & CEO

**SCHEDULE "A"**  
**ALLOCATION OF ESTIMATED CERTUS HOLDCO AGGREGATE CASH CONSIDERATION AND**  
**CLASS A ESCROW AMOUNT**

<b>VENDOR</b>	<b>PERCENTAGE INTEREST IN CERTUS HOLDCO</b>	<b>ALLOCATION OF ESTIMATED CERTUS HOLDCO AGGREGATE CASH CONSIDERATION</b>
ARAL TRUST AND ROBERT BRADY	37.30%	[●]
ANDREWS TRUST	32.87%	[●]
WOODFORD FAMILY TRUST	22.30%	[●]
1005017 B.C. LTD AND [REDACTED]	7.54%	[●]

**SCHEDULE "B"**  
**AUTHORIZED SHARE CAPITAL OF CERTUS HOLDING CORPORATION**

Authorized Share Capital: an unlimited number of each of the following classes of shares (in each case without nominal or par value):

**With Voting Rights:** Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class E Shares, Class F Shares, Class G Shares, Class H Shares, Class I Shares, Class J Shares, Class K Shares, and Class L Shares;

**Without Voting Rights:** Non-Voting Shares, First Preferred Shares, Second Preferred Shares, Third Preferred Shares, Fourth Preferred Shares, Fifth Preferred Shares, Sixth Preferred Shares, Seventh Preferred Shares, Eighth Preferred Shares, Ninth Preferred Shares, Tenth Preferred Shares, Eleventh Preferred Shares, Twelfth Preferred Shares, Thirteenth Preferred Shares, Fourteenth Preferred Shares, Fifteenth Preferred Shares, Sixteenth Preferred Shares, Seventeenth Preferred Shares, Eighteenth Preferred Shares, Nineteenth Preferred Shares, Twentieth Preferred Shares, Twenty-first Preferred Shares, Twenty-second Preferred Shares, Twenty-third Preferred Shares, and Twenty-fourth Preferred Shares.

**SCHEDULE "C"**  
**AUTHORIZED SHARE CAPITAL OF MANAGEMENT HOLDCO**

Authorized Share Capital: an unlimited number of each of the following classes of shares (in each case without nominal or par value):

**With Voting Rights:** Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class E Shares, Class F Shares, Class G Shares, Class H Shares, Class I Shares, Class J Shares, Class K Shares, and Class L Shares;

**Without Voting Rights:** Non-Voting Shares, First Preferred Shares, Second Preferred Shares, Third Preferred Shares, Fourth Preferred Shares, Fifth Preferred Shares, Sixth Preferred Shares, Seventh Preferred Shares, Eighth Preferred Shares, Ninth Preferred Shares, Tenth Preferred Shares, Eleventh Preferred Shares, Twelfth Preferred Shares, Thirteenth Preferred Shares, Fourteenth Preferred Shares, Fifteenth Preferred Shares, Sixteenth Preferred Shares, Seventeenth Preferred Shares, Eighteenth Preferred Shares, Nineteenth Preferred Shares, Twentieth Preferred Shares, Twenty-first Preferred Shares, Twenty-second Preferred Shares, Twenty-third Preferred Shares, and Twenty-fourth Preferred Shares.

## SECURITIES PURCHASE AGREEMENT

**THIS AGREEMENT** made as of the \_\_\_\_ day of \_\_\_\_\_, 2023

**BETWEEN:**

**WOODFORD FAMILY TRUST**, a trust established under the laws of the Province of Alberta (the "**Vendor**")

and

**PINE CLIFF ENERGY LTD.**, a corporation incorporated pursuant to the laws of the Province of Alberta (the "**Purchaser**")

(each a **Party** and collectively, the **Parties**)

**WHEREAS** Certus Woodford Holding Corporation ("**Woodford Management Holdco**") is the registered holder of 31,068,583 Class C Shares (the "**Certus Holdco C Shares**") in the capital of Certus Holding Corporation ("**Certus Holdco**"), such shares representing all of the issued and outstanding Class "C" shares of Certus Holdco;

**AND WHEREAS** the Vendor is the registered holder of 200 Class A Shares in the capital of Woodford Management Holdco (the "**Woodford Management Holdco Shares**"), such shares representing all of the issued and outstanding shares of Woodford Management Holdco;

**AND WHEREAS** the Purchaser has entered into a pre-acquisition agreement (the "**Pre-Acquisition Agreement**") with Certus Oil and Gas Inc. ("**Certus**") dated October 30, 2023 pursuant to which the Purchaser has agreed to make an offer to acquire all of the issued and outstanding Class B common shares of Certus (the "**Class B Shares**") by way of take-over bid (the "**Takeover Bid**");

**AND WHEREAS** the Purchaser wishes to acquire control or direction over, directly or indirectly, all of the issued and outstanding Class A common shares of Certus (the "**Class A Shares**") at the Effective Time, as such term is defined in the Pre-Acquisition Agreement;

**AND WHEREAS** Certus Holdco is the sole shareholder of all of the issued and outstanding Class A Shares;

**AND WHEREAS** concurrent with the execution of this Agreement, the Purchaser has entered into a Securities Purchase Agreement with each of the other Indirect Class A Shareholders to purchase the securities of the Management Holdcos and of Certus Holdco, as applicable, held by them;

**AND WHEREAS** the Vendor wishes to sell and the Purchaser wishes to purchase the Woodford Management Holdco Shares upon the terms and conditions contained herein such that the Purchaser will, following such purchase and the Purchaser will own or control, directly or indirectly, at the Effective Time, all of the issued and outstanding Class A Shares (the "**Transaction**");

**AND WHEREAS** the board of directors of Woodford Management Holdco has approved the transfer of the Woodford Management Holdco Shares pursuant to this agreement of purchase and sale;

**NOW THEREFORE, IN CONSIDERATION OF THE TERMS AND CONDITIONS CONTAINED IN THIS AGREEMENT, THE PARTIES AGREE AS FOLLOWS:**

**ARTICLE 1  
AGREEMENT OF PURCHASE AND SALE**

**1.1 Definitions**

Unless otherwise defined herein, all capitalized terms referred to herein shall have the meanings attributed thereto in the Pre-Acquisition Agreement. Whenever used in this Agreement, the following words and terms have the indicated meanings:

- (a) **"Certus Holdco Aggregate Cash Consideration"** means the aggregate cash consideration to be paid by the Purchaser to acquire, directly and indirectly, all of the outstanding equity securities of Certus HoldCo, being \$100,000,000.00 less the Certus Net Debt Amount, multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Class B Shares;
- (b) **"Class A Escrow Amount"** means \$2,000,000 multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Class B Shares;
- (c) **"Class A Estimated Net Debt Allocation"** means the Estimated Net Debt Amount multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Class B Shares;
- (d) **"Class A Net Debt Allocation"** means the Certus Net Debt Amount multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Class B Shares;
- (e) **"Closing"** has the meaning set out in Section 1.2(b);
- (f) **"Closing Date"** means the date on which Closing occurs;
- (g) **"Estimated Certus Holdco Aggregate Cash Consideration"** means the aggregate cash consideration to be paid by the Purchaser to acquire, directly and indirectly, all of the outstanding equity securities of Certus HoldCo, being \$100,000,000.00 less the Estimated Net Debt Amount, multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Class B Shares;
- (h) **"Purchaser's Indemnified Parties"** means the Purchaser and its Affiliates (including from and after the Closing, Certus Holdco and Woodford Management Holdco) and their respective successors, assigns, directors, officers, employees and agents of any of them; and
- (i) **"Vendor's Indemnified Parties"** means the Vendor and its trustees, directors, officers, employees and agents (as applicable) or any of them.

**1.2 Purchase and Sale**

- (a) Upon and subject to the terms and conditions hereof the Vendor hereby sells, assigns, and conveys to the Purchaser all of the Vendor's right, title, and interest in and to the Woodford Management Holdco Shares, to have and to hold the same, together with all benefit and advantage to be derived therefrom, and the Purchaser hereby purchases the Woodford Management Holdco Shares from the Vendor.

- (b) This Agreement is intended to and shall operate as an immediate and full transfer of the Woodford Management Holdco Shares and the Purchaser shall acquire the Woodford Management Holdco Shares effective at the Effective Time (the "**Closing**").

### 1.3 Purchase Price

In consideration for the Woodford Management Holdco Shares purchased by the Purchaser hereunder, the Purchaser agrees to pay and deliver to the Vendor an aggregate amount equal to the Vendor's proportionate direct or indirect interest in Certus Holdco as set forth at Schedule "A" attached hereto (the "**Vendor's Proportionate Holding**") of the Certus Holdco Aggregate Cash Consideration (the "**Purchase Price**") to be satisfied by the Purchaser by delivering to the Vendor at Closing the Vendor's Proportionate Holding of the Estimated Certus Holdco Aggregate Cash Consideration and less Vendor's Proportionate Holding of the Class A Escrow Amount.

### 1.4 Post-Closing Adjustments and Escrow

- (a) The Vendor acknowledges and agrees that at the Effective Time:
  - (i) the Purchaser will deposit the Class A Escrow Amount in trust with the Class A Escrow Agent, such Class A Escrow Amount to be retained for all Indirect Class A Shareholders on a pro rata basis in accordance with their respective interests, directly or indirectly, in Certus Holdco; and
  - (ii) the Purchaser, the Indirect Class A Shareholders, the Certus Nominee and the Class A Escrow Agent shall enter into the Class A Escrow Agreement. Any payments resulting from the adjustments set forth below shall be paid from the Class A Escrow Amount by the Class A Escrow Agent in accordance with the terms and mechanisms provided in the Class A Escrow Agreement.
- (b) The Parties acknowledge and agree that pursuant to the Class A Escrow Agreement, the reasonable "out-of-pocket" expenses incurred by the Certus Nominee in connection with the performance of its obligations under the Class A Escrow Agreement will be paid from the Class A Escrow Amount.
- (c) If:
  - (i) the Certus Net Debt Amount is greater than the Estimated Net Debt Amount, the Purchaser shall be entitled to receive from the Class A Escrow Amount, the lesser of: (A) the Class A Escrow Amount; and (B) the amount obtained by subtracting the Class A Estimated Net Debt Allocation from the Class A Net Debt Allocation to a maximum of the Class A Escrow Amount, and the balance of the Class A Escrow Amount, if any, shall be paid to the Indirect Class A Shareholders, on a pro rata basis in accordance with their respective Vendor's Proportionate Holding and in accordance with the terms of the Class A Escrow Agreement; or
  - (ii) the Certus Net Debt Amount is less than or equal to the Estimated Net Debt Amount, the Class A Escrow Amount shall be delivered to the Indirect Class A Shareholders, on a pro rata basis in accordance with their respective Vendor's Proportionate Holding and in accordance with the terms of the Class A Escrow Agreement.

## ARTICLE 2 REPRESENTATIONS AND WARRANTIES

### 2.1 Representations and Warranties of the Vendor

The Vendor represents and warrants to the Purchaser the following as of the date hereof and acknowledges that the Purchaser is specifically relying on each of such representations, warranties and covenants in entering into this Agreement, notwithstanding any investigation made by or on behalf of the Purchaser, that:

#### **Representations and Warranties of the Vendor regarding itself:**

- (a) the Vendor is a trust duly established and validly existing under the laws of the province of Alberta. The Vendor has all requisite power and authority to enter into and deliver this Agreement and to sell the Woodford Management Holdco Shares on the terms described herein, and to perform its other obligations under this Agreement;
- (b) the Vendor has duly executed and delivered this Agreement and all other agreements to which the Vendor is a party in connection with the transactions contemplated herein, and each such other agreement constitutes a legal, valid and binding obligation of the Vendor, enforceable against the Vendor in accordance with its terms;
- (c) the Vendor is the sole and absolute registered and beneficial owner and holder of, and has good and marketable title to, the Woodford Management Holdco Shares. The Woodford Management Holdco Shares are being transferred to the Purchaser free and clear of any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), title retention agreement or arrangement, restrictive covenant, or any other encumbrance, arrangement or condition of any nature;
- (d) the Vendor is not a party to any option, warrant, purchase right or other contract, commitment or agreement (other than this Agreement) that could require the Vendor to sell, transfer or otherwise dispose of any of the Woodford Management Holdco Shares to another person as a consequence of entering into this Agreement or otherwise, and the Vendor is not in default or breach under any agreement or obligation affecting the Woodford Management Holdco Shares and has not received notice of any such default or breach, and the completion of the sale of the Woodford Management Holdco Shares will not result in a default or breach of any such agreement or obligation;
- (e) the consummation of the transactions contemplated by this Agreement will not violate, or be in conflict with, any applicable law or any agreement, judgment, decree, order, or other instrument to which the Vendor is a party or by which it is bound;
- (f) the Vendor is resident in Canada within the meaning of the Income Tax Act (Canada) and is not a non-resident of Canada for such purposes;

#### **Representations and Warranties of the Vendor regarding Woodford Management Holdco:**

- (g) Woodford Management Holdco is a body corporate duly incorporated and validly existing under the laws of its jurisdiction of incorporation. Woodford Management Holdco has all requisite power and authority to enter into and deliver this Agreement and the necessary corporate power and capacity to own and operate its assets and to carry on the business as it is now being conducted;
- (h) the board of directors of Woodford Management Holdco has, or will have by the Effective Time, taken all necessary corporate actions, steps and other proceedings to approve and authorize all transactions contemplated by this Agreement, including the transfer of the Woodford Management Holdco Shares to the Purchaser; into and deliver this Agreement and to perform its other obligations under this Agreement;

- (i) the completion of the transactions contemplated by this Agreement will not constitute or result in a violation or breach of, or conflict with any term or provision of, Woodford Management Holdco's articles, by-laws or other constating documents;
- (j) as of the date hereof, the authorized capital of Woodford Management Holdco is set out in Schedule "C" hereto. As of the date hereof there are 100 Woodford Management Holdco Shares issued and outstanding. There are no options, warrants or other rights, plans, agreements or commitments of any nature whatsoever requiring the issuance, sale or transfer by the Vendor of any securities of Woodford Management Holdco or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of Woodford Management Holdco, nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attribute of Woodford Management Holdco. All outstanding Woodford Management Holdco Shares are duly authorized, validly issued, fully paid and non-assessable and were not issued in violation of any pre-emptive rights;
- (k) Woodford Management Holdco is the sole and absolute registered and beneficial owner and holder of, and has good and marketable title to, the Certus Holdco Shares held by Woodford Management Holdco. The Certus Holdco Shares held by Woodford Management Holdco are free and clear of any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), title retention agreement or arrangement, restrictive covenant, or any other encumbrance, arrangement or condition of any nature;
- (l) Woodford Management Holdco is not in default or breach under any agreement or obligation affecting the Certus Holdco Shares held by it and has not received notice of any such default or breach, and the completion of the sale of the Woodford Management Holdco Shares will not result in a default or breach of any such agreement or obligation;

**Representations and Warranties of the Vendor regarding Certus Holdco:**

- (m) Certus Holdco is a body corporate duly incorporated and validly existing under the laws of its jurisdiction of incorporation. Certus Holdco has the necessary corporate power and capacity to own and operate its assets and to carry on the business as it is now being conducted;
- (n) the completion of the transactions contemplated by this Agreement will not constitute or result in a violation or breach of, or conflict with any term or provision of, Certus Holdco's articles, by-laws or other constating documents;
- (o) as of the date hereof, the authorized capital of Certus Holdco is set out in Schedule "B" hereto. As of the date hereof, there are 51,967,384 class "A" shares, 45,789,492 class "B" shares, 31,068,583 Certus Holdco C Shares and 10,500,000 class "D" shares issued and outstanding. There are no options, warrants or other rights, plans, agreements or commitments of any nature whatsoever requiring the issuance, sale or transfer by the Vendor of any securities of Certus Holdco or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of Certus Holdco, nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attribute of Certus Holdco. All outstanding Certus Holdco Shares are duly authorized, validly issued, fully paid and non-assessable and were not issued in violation of any pre-emptive rights;
- (p) Certus Holdco is the sole and absolute registered and beneficial owner and holder of, and has good and marketable title to, the Class A Shares held by Certus Holdco. The Class A Shares held by Certus Holdco are free and clear of any mortgage, charge, pledge,

hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), title retention agreement or arrangement, restrictive covenant, or any other encumbrance, arrangement or condition of any nature;

- (q) Certus Holdco is not in default or breach under any agreement or obligation affecting the Class A Shares and has not received notice of any such default or breach, and the completion of the indirect sale of the Class A Shares will not result in a default or breach of any such agreement or obligation;

**Representations and Warranties of the Vendor Regarding the Status of the Vendor, Woodford Management Holdco and/or Certus Holdco:**

- (r) neither Woodford Management Holdco nor Certus Holdco currently employs or engages any employees, contractors, or consultants in any capacity whatsoever and has not employed or engaged any employees, contractors or consultants in any capacity whatsoever in the past five years. Neither Woodford Management Holdco nor Certus Holdco has made any promises to hire or engage any employee, contractor or consultant in any capacity whatsoever.
- (s) no bankruptcy or similar proceedings have been commenced or are pending or proposed in respect of the Vendor, Woodford Management Holdco or Certus Holdco; and
- (t) no litigation, arbitration or other judicial or regulatory proceeding is pending or, to the knowledge of the Vendor, threatened by or against the Vendor, Woodford Management Holdco or Certus Holdco before any court or any tribunal that could reasonably be expected to have any effect on the ability of the Vendor to complete the sale of the Woodford Management Holdco Shares to the Purchaser pursuant to this Agreement.

**2.2 Survival of Representations and Warranties of the Vendor**

The representations and warranties made by the Vendor contained in this Agreement will survive the Closing and will continue in full force and effect for a period of 24 months after the Closing, except that if there is fraud or fraudulent misrepresentation, intentional misrepresentation, willful misconduct, wrongful breach or criminal conduct with respect to any representation or warranty, such representation or warranty will survive the Closing and will continue in full force and effect indefinitely.

**2.3 Representations and Warranties of the Purchaser**

The Purchaser represents, warrants and covenants to and with the Vendor as of the date hereof, and acknowledges that the Vendor is specifically relying on each of such representations, warranties and covenants in entering into this Agreement, that:

- (a) the Purchaser has all requisite power and authority to enter into this Agreement, to purchase the Woodford Management Holdco Shares on the terms described herein, to enter into the Agreement, and to perform its other obligations under this Agreement;
- (b) the consummation of the transactions contemplated by this Agreement will not violate, or be in conflict with, any applicable law or any agreement, judgment, decree, order, or other instrument to which the Purchaser is a party or by which he is bound; and
- (c) this Agreement constitutes a valid and binding obligation of the Purchaser enforceable in accordance with its terms and conditions, subject to the qualification that such enforceability may be subject to bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditors' rights generally.

### **ARTICLE 3 CONDITIONS**

#### **3.1 Conditions to Closing**

The obligation of the Parties to complete the transactions contemplated by this Agreement is subject to the following conditions being fulfilled, performed or waived at or before Closing:

- (a) The representations and warranties of the Vendor contained in this Agreement and in all applicable ancillary agreements will be true and accurate in all respects on the date hereof and as at Closing in all respects with the same force and effect as though such representations and warranties had been made as of Closing (or, if made as of a particular date, as of such date);
- (b) The representations and warranties of the Purchaser contained in this Agreement and in all applicable ancillary agreements will be true and accurate in all respects on the date hereof and as at Closing in all respects with the same force and effect as though such representations and warranties had been made as of the Closing (or, if made as of a particular date, as of such date).
- (c) The Takeover Bid shall have been completed in accordance with the terms of the Pre-Acquisition Agreement such that the Purchaser holds or will hold, concurrent with Closing, such number of Class B Shares that the Minimum Tender Condition is satisfied.

#### **3.2 Waiver or Termination Upon Unfulfilled Condition**

- (a) If the condition in Section 3.1(a) has not been fulfilled at or before Closing, then the Purchaser in its sole discretion may, without limiting any rights available to the Purchaser at Law, either:
  - (i) terminate this Agreement by notice to the Vendor; or
  - (ii) waive compliance with any such condition without prejudice to the Purchaser's right of termination in the event of non-fulfillment of any other condition.
- (b) If the condition in Section 3.1(b) has not been fulfilled, performed or waived at or before Closing, then the Vendor, in its sole discretion may, without limiting any rights available to the Vendor at Law, either:
  - (i) terminate this Agreement by notice to the Purchaser; or
  - (ii) waive compliance with any such condition without prejudice to the Purchaser's right of termination in the event of non-fulfillment of any other condition.
- (c) If the condition in Section 3.1(c) has not been fulfilled at or before Closing, then this Agreement shall terminate and shall be of no further force and effect.

### **ARTICLE 4 CLOSING DELIVERABLES**

#### **4.1 Closing**

Closing of the Transaction will occur electronically on the Closing Date, or in such other manner as the Parties may agree.

## 4.2 Closing Deliverables

- (a) At or before Closing, the Vendor shall execute and deliver, or cause to be executed and delivered, to the Purchaser the following in form satisfactory to the Purchaser, acting reasonably:
  - (i) share certificates representing the Woodford Management Holdco Shares accompanied with duly executed share transfer forms or duly issued share certificates representing the Woodford Management Holdco Shares in the name of the Purchaser, in either case, together with security registers evidencing that the Purchaser is the sole holder of the Woodford Management Holdco Shares;
  - (ii) certified copies of: (A) the articles, by-laws and other constating documents of the Certus Holdco and Woodford Management Holdco; and (B) all necessary director and shareholder resolutions, authorizations and proceedings of the Vendor, Woodford Management Holdco and Certus Holdco, as applicable, that are required to be taken or obtained to permit the valid transfer and registration of the Woodford Management Holdco Shares to and in the name of the Purchaser and the completion of such other transactions contemplated in this Agreement;
  - (iii) a certificate of good standing with respect to Certus Holdco and Woodford Management Holdco;
  - (iv) a duly executed resignation and mutual release of claims from each of the directors and officers of both Certus Holdco and Woodford Management Holdco;
  - (v) a duly executed mutual release of claims between Woodford Management Holdco and the Vendor; and
  - (vi) the minute book and corporate seal (if any) of Certus Holdco and Woodford Management Holdco and all other books and records of, or documents relating to, Certus Holdco and Woodford Management Holdco.
- (b) At of before Closing, the Parties shall execute and deliver the Class A Escrow Agreement; and
- (c) At or before Closing, the Purchaser shall deliver or cause to be delivered to the Vendor or at the direction of the Vendor a wire transfer in the amount set out in Section 1.3 and deposit the Class A Escrow Amount with the Class A Escrow Agent.

## ARTICLE 5 INDEMNIFICATION

### 5.1 Indemnity by the Vendor

- (a) The Vendor agrees to indemnify and hold harmless the Purchaser's Indemnified Parties from and against any Losses incurred or suffered by the Purchaser's Indemnified Parties, directly or indirectly, as a result of, in respect of or arising out of:
  - (i) any breach or failure to perform or fulfill any covenant or obligation on the part of the Vendor contained in this Agreement or in any document or certificate given by them in order to carry out the transactions contemplated by this Agreement;
  - (ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Vendor contained in this Agreement or in any document

or certificate given by them in order to carry out the transactions contemplated by this Agreement; and

- (iii) any Taxes: (A) on or in respect of Woodford Management Holdco, for all taxation years or periods ending on or before the Closing Date or the portion of any Taxes for any taxation year or period ending after the Closing Date that is attributable to the portion of such year or period ending on the Closing Date; or (B) as a result of or in connection with any transactions, reorganizations or distributions effected by Woodford Management Holdco, prior to the Closing Date.

## **5.2 Indemnity by the Purchaser**

- (a) The Purchaser agrees to indemnify and hold harmless the Vendor's Indemnified Parties from and against any Losses incurred or suffered by the Vendor's Indemnified Parties, directly or indirectly, as a result of, in respect of or arising out of:
  - (i) any breach or failure to perform or fulfill any covenant or obligation on the part of the Purchaser contained in this Agreement or in any document or certificate given by the Purchaser in order to carry out the transactions contemplated by this Agreement; and
  - (ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Purchaser contained in this Agreement or in any document or certificate given by the Purchaser in order to carry out the transactions contemplated by this Agreement.

## **ARTICLE 6 MISCELLANEOUS**

### **6.1 Currency**

All dollar amounts in this Agreement are stated in Canadian dollars.

### **6.2 Further Assurances**

Each of the Parties shall and will from time to time hereafter execute and deliver all such further documents and other instruments and shall do all such other acts and things which are reasonably necessary or required in the circumstances to give effect to the terms of this Agreement.

### **6.3 Headings; Sections**

Headings wherever used herein are for reference purposes only and do no limit or extend the meaning of the provisions contained in this Agreement. A reference to a section, subsection or schedule shall mean a section, subsection or schedule of this Agreement, as applicable.

### **6.4 Severability**

Any provision of this Agreement which is or becomes void, illegal or unenforceable in any jurisdiction shall be severed from this Agreement and be ineffective in such jurisdiction to the extent thereof but without affecting the validity, legality or enforceability of the provision in any other jurisdiction or of any other provision of this Agreement.

## **6.5 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in Alberta without regard to the substantive laws of such jurisdiction relating to conflicts of laws.

## **6.6 Enurement**

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

## **6.7 Non-Merger**

The covenants, representations, warranties and other provisions set forth in this Agreement will not merge on Closing but will survive (a) the execution, delivery and performance of this Agreement and any related transfer or conveyance documents, (b) the Closing, and (c) the payment of the Purchase Price.

## **6.8 Entire Agreement**

This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. Except as specifically set forth in this Agreement, there are no representations, warranties, covenants, conditions or other agreements, express or implied, statutory or otherwise, between the Parties relating to the subject matter hereof. No Party has relied or is relying on any other information, discussions or understandings in entering into and completing the transactions contemplated in this Agreement.

## **6.9 Counterparts**

This Agreement may be executed in any number of counterparts, and when a counterpart has been executed and delivered by each of the Parties, whether via delivery of an original copy thereof, facsimile or email, all such counterparts shall together constitute one instrument and shall have the same force and effect as if all of the Parties had executed and delivered the same instrument.

*[Remainder of page intentionally left blank – signature page follows.]*

**IN WITNESS WHEREOF** the Parties have executed and delivered this Agreement, dated as of the date first above written.

**WOODFORD FAMILY TRUST**, by its Trustee

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Name: Michael Woodford  
Title: Trustee

**PINE CLIFF ENERGY LTD.**

Per:

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Name: Philip Hodge  
Title: President & CEO

**SCHEDULE "A"**  
**ALLOCATION OF ESTIMATED CERTUS HOLDCO AGGREGATE CASH CONSIDERATION AND**  
**CLASS A ESCROW AMOUNT**

<b>VENDOR</b>	<b>PERCENTAGE INTEREST IN CERTUS HOLDCO</b>	<b>ALLOCATION OF ESTIMATED CERTUS HOLDCO AGGREGATE CASH CONSIDERATION</b>
ARAL TRUST AND ROBERT BRADY	37.30%	[●]
ANDREWS TRUST	32.87%	[●]
WOODFORD FAMILY TRUST	22.30%	[●]
1005017 B.C. LTD AND [REDACTED]	7.54%	[●]

**SCHEDULE "B"**  
**AUTHORIZED SHARE CAPITAL OF CERTUS HOLDING CORPORATION**

Authorized Share Capital: an unlimited number of each of the following classes of shares (in each case without nominal or par value):

**With Voting Rights:** Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class E Shares, Class F Shares, Class G Shares, Class H Shares, Class I Shares, Class J Shares, Class K Shares, and Class L Shares;

**Without Voting Rights:** Non-Voting Shares, First Preferred Shares, Second Preferred Shares, Third Preferred Shares, Fourth Preferred Shares, Fifth Preferred Shares, Sixth Preferred Shares, Seventh Preferred Shares, Eighth Preferred Shares, Ninth Preferred Shares, Tenth Preferred Shares, Eleventh Preferred Shares, Twelfth Preferred Shares, Thirteenth Preferred Shares, Fourteenth Preferred Shares, Fifteenth Preferred Shares, Sixteenth Preferred Shares, Seventeenth Preferred Shares, Eighteenth Preferred Shares, Nineteenth Preferred Shares, Twentieth Preferred Shares, Twenty-first Preferred Shares, Twenty-second Preferred Shares, Twenty-third Preferred Shares, and Twenty-fourth Preferred Shares.

**SCHEDULE "C"**  
**AUTHORIZED SHARE CAPITAL OF WOODFORD MANAGEMENT HOLDCO**

Authorized Share Capital: an unlimited number of each of the following classes of shares (in each case without nominal or par value):

**With Voting Rights:** Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class E Shares, Class F Shares, Class G Shares, Class H Shares, Class I Shares, Class J Shares, Class K Shares, and Class L Shares;

**Without Voting Rights:** Non-Voting Shares, First Preferred Shares, Second Preferred Shares, Third Preferred Shares, Fourth Preferred Shares, Fifth Preferred Shares, Sixth Preferred Shares, Seventh Preferred Shares, Eighth Preferred Shares, Ninth Preferred Shares, Tenth Preferred Shares, Eleventh Preferred Shares, Twelfth Preferred Shares, Thirteenth Preferred Shares, Fourteenth Preferred Shares, Fifteenth Preferred Shares, Sixteenth Preferred Shares, Seventeenth Preferred Shares, Eighteenth Preferred Shares, Nineteenth Preferred Shares, Twentieth Preferred Shares, Twenty-first Preferred Shares, Twenty-second Preferred Shares, Twenty-third Preferred Shares, and Twenty-fourth Preferred Shares.

## SECURITIES PURCHASE AGREEMENT

**THIS AGREEMENT** made as of the \_\_\_\_ day of \_\_\_\_\_, 2023

**BETWEEN:**

██████████, an individual residing in the Province of British Columbia ("██████████")

and

**1005017 B.C. LTD.**, a corporation incorporated under the laws of the Province of BC ("100 BC" and together with ██████████, the "**Vendors**" and separately, a "**Vendor**")

and

**PINE CLIFF ENERGY LTD.**, a corporation incorporated pursuant to the laws of the Province of Alberta (the "**Purchaser**")

(each a **Party** and collectively, the **Parties**)

**WHEREAS** ██████████ is the registered holder of 6,346,641 Class "D" Shares (the "██████████ Shares") in the capital of Certus Holding Corporation ("**Certus Holdco**") and 100 BC is the registered holder of 4,153,359 Class "D" Shares in Certus Holdco (the "**100 BC Shares**", and together with the ██████████ Shares, the "**Class D Shares**"), such shares representing all of the issued and outstanding Class "D" shares of Certus Holdco;

**AND WHEREAS** the Purchaser has entered into a pre-acquisition agreement (the "**Pre-Acquisition Agreement**") with Certus Oil and Gas Inc. ("**Certus**") dated October 30, 2023 pursuant to which the Purchaser has agreed to make an offer to acquire all of the issued and outstanding Class B common shares of Certus (the "**Class B Shares**") by way of take-over bid (the "**Takeover Bid**");

**AND WHEREAS** the Purchaser wishes to acquire control or direction over, directly or indirectly, all of the issued and outstanding Class A common shares of Certus (the "**Class A Shares**") at the Effective Time, as such term is defined in the Pre-Acquisition Agreement;

**AND WHEREAS** Certus Holdco is the sole shareholder of all of the issued and outstanding Class A Shares;

**AND WHEREAS** concurrent with the execution of this Agreement, the Purchaser has entered into a Securities Purchase Agreement with each of the other Indirect Class A Shareholders to purchase the securities of the Management Holdcos and of Certus Holdco, as applicable, held by them;

**AND WHEREAS** the Vendors wish to sell and the Purchaser wishes to purchase the Class D Shares upon the terms and conditions contained herein such that the Purchaser will, following such purchase, own or control, directly or indirectly, at the Effective Time, all of the issued and outstanding Class A Shares (the "**Transaction**");

**AND WHEREAS** the board of directors of Certus Holdco has approved the transfer of the Class D Shares pursuant to this agreement of purchase and sale;

**NOW THEREFORE, IN CONSIDERATION OF THE TERMS AND CONDITIONS CONTAINED IN THIS AGREEMENT, THE PARTIES AGREE AS FOLLOWS:**

**ARTICLE 1  
AGREEMENT OF PURCHASE AND SALE**

**1.1 Definitions**

Unless otherwise defined herein, all capitalized terms referred to herein shall have the meanings attributed thereto in the Pre-Acquisition Agreement. Whenever used in this Agreement, the following words and terms have the indicated meanings:

- (a) **"Certus Holdco Aggregate Cash Consideration"** means the aggregate cash consideration to be paid by the Purchaser to acquire, directly and indirectly, all of the outstanding equity securities of Certus HoldCo, being \$100,000,000.00 less the Certus Net Debt Amount, multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Class B Shares;
- (b) **"Class A Escrow Amount"** means \$2,000,000 multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Class B Shares;
- (c) **"Class A Estimated Net Debt Allocation"** means the Estimated Net Debt Amount multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Class B Shares;
- (d) **"Class A Net Debt Allocation"** means the Certus Net Debt Amount multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Class B Shares;
- (e) **"Closing"** has the meaning set out in Section 1.2(b);
- (f) **"Closing Date"** means the date on which Closing occurs;
- (g) **"Estimated Certus Holdco Aggregate Cash Consideration"** means the aggregate cash consideration to be paid by the Purchaser to acquire, directly and indirectly, all of the outstanding equity securities of Certus HoldCo, being \$100,000,000.00 less the Estimated Net Debt Amount, multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Class B Shares;
- (h) **"Purchaser's Indemnified Parties"** means the Purchaser and its Affiliates (including from and after the Closing, Certus Holdco) and their respective successors, assigns, directors, officers, employees and agents of any of them; and
- (i) **"Vendors' Indemnified Parties"** means ██████████, and 100 BC and its directors, officers, employees and agents (as applicable) or any of them.

**1.2 Purchase and Sale**

- (a) Upon and subject to the terms and conditions hereof:
  - (i) ██████████ hereby sells, assigns, and conveys to the Purchaser all of such Vendor's right, title, and interest in and to the ██████████ Shares, to have and to hold the same, together with all benefit and advantage to be derived therefrom, and the Purchaser hereby purchases the ██████████ Shares from ██████████; and

- (ii) 100 BC hereby sells, assigns, and conveys to the Purchaser all of such Vendor's right, title, and interest in and to the 100 BC Shares, to have and to hold the same, together with all benefit and advantage to be derived therefrom, and the Purchaser hereby purchases the 100 BC Shares from 100 BC.
- (b) This Agreement is intended to and shall operate as an immediate and full transfer of the Class D Shares and the Purchaser shall acquire the Class D Shares effective at the Effective Time (the "**Closing**").

### 1.3 Purchase Price

In consideration for the Class D Shares purchased by the Purchaser hereunder, the Purchaser agrees to pay and deliver to the Vendors an aggregate amount equal to the Vendors' proportionate direct or indirect interest in Certus Holdco as set forth at Schedule "A" attached hereto (the "**Vendors' Proportionate Holdings**") of the Certus Holdco Aggregate Cash Consideration (the "**Purchase Price**") to be satisfied by the Purchaser by delivering to the Vendors at Closing the Vendors' Proportionate Holdings of the Estimated Certus HoldCo Aggregate Cash Consideration and less the Vendors' Proportionate Holdings of the Class A Escrow Amount.

### 1.4 Post-Closing Adjustments and Escrow

- (a) The Vendors acknowledge and agree that at the Effective Time:
  - (i) the Purchaser will deposit the Class A Escrow Amount in trust with the Class A Escrow Agent, such Class A Escrow Amount to be retained for all Indirect Class A Shareholders on a pro rata basis in accordance with their respective interests, directly or indirectly, in Certus Holdco; and
  - (ii) the Purchaser, the Indirect Class A Shareholders, the Certus Nominee and the Class A Escrow Agent shall enter into the Class A Escrow Agreement. Any payments resulting from the adjustments set forth below shall be paid from the Class A Escrow Amount by the Class A Escrow Agent in accordance with the terms and mechanisms provided in the Class A Escrow Agreement.
- (b) The Parties acknowledge and agree that pursuant to the Class A Escrow Agreement, the reasonable "out-of-pocket" expenses incurred by the Certus Nominee in connection with the performance of its obligations under the Class A Escrow Agreement will be paid from the Class A Escrow Amount.
- (c) If:
  - (i) the Certus Net Debt Amount is greater than the Estimated Net Debt Amount, the Purchaser shall be entitled to receive from the Class A Escrow Amount, the lesser of: (A) the Class A Escrow Amount; and (B) the amount obtained by subtracting the Class A Estimated Net Debt Allocation from the Class A Net Debt Allocation to a maximum of the Class A Escrow Amount, and the balance of the Class A Escrow Amount, if any, shall be paid to the Indirect Class A Shareholders, on a pro rata basis in accordance with their respective Vendors' Proportionate Holdings and in accordance with the terms of the Class A Escrow Agreement; or
  - (ii) the Certus Net Debt Amount is less than or equal to the Estimated Net Debt Amount, the Class A Escrow Amount shall be delivered to the Indirect Class A Shareholders, on a pro rata basis in accordance with their respective Vendors' Proportionate Holdings and in accordance with the terms of the Class A Escrow Agreement.

## **ARTICLE 2 REPRESENTATIONS AND WARRANTIES**

### **2.1 Representations and Warranties of the Vendors**

The Vendors, jointly and severally, represent and warrant to the Purchaser the following as of the date hereof and acknowledge that the Purchaser is specifically relying on each of such representations, warranties and covenants in entering into this Agreement, notwithstanding any investigation made by or on behalf of the Purchaser, that:

#### **Representations and Warranties of the Vendor regarding itself:**

- (a) 100 BC is a body corporate duly incorporated and validly existing under the laws of its jurisdiction of incorporation. The Vendors have all requisite power and authority to enter into and deliver this Agreement and to sell the Class D Shares on the terms described herein, and to perform its other obligations under this Agreement;
- (b) each Vendor has duly executed and delivered this Agreement and all other agreements to which such Vendor is a party in connection with the transactions contemplated herein, and each such other agreement constitutes a legal, valid and binding obligation of the Vendors, enforceable against the Vendor in accordance with its terms;
- (c) the Vendors are the sole and absolute registered and beneficial owner and holder of, and have good and marketable title to, the Class D Shares. The Class D Shares are being transferred to the Purchaser free and clear of any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), title retention agreement or arrangement, restrictive covenant, or any other encumbrance, arrangement or condition of any nature;
- (d) neither Vendor is a party to any option, warrant, purchase right or other contract, commitment or agreement (other than this Agreement) that could require such Vendor to sell, transfer or otherwise dispose of any of the Class D Shares to another person as a consequence of entering into this Agreement or otherwise, and the Vendors are not in default or breach under any agreement or obligation affecting the Class D Shares and have not received notice of any such default or breach, and the completion of the sale of the Class D Shares will not result in a default or breach of any such agreement or obligation;
- (e) the consummation of the transactions contemplated by this Agreement will not violate, or be in conflict with, any applicable law or any agreement, judgment, decree, order, or other instrument to which the Vendors are a party or by which it is bound;
- (f) each of the Vendors is resident in Canada within the meaning of the Income Tax Act (Canada) and is not a non-resident of Canada for such purposes;

#### **Representations and Warranties of the Vendors regarding Certus Holdco:**

- (a) Certus Holdco is a body corporate duly incorporated and validly existing under the laws of its jurisdiction of incorporation. Certus Holdco has the necessary corporate power and capacity to own and operate its assets and to carry on the business as it is now being conducted;
- (b) the completion of the transactions contemplated by this Agreement will not constitute or result in a violation or breach of, or conflict with any term or provision of, Certus Holdco's articles, by-laws or other constating documents;
- (c) as of the date hereof, the authorized capital of Certus Holdco is set out in Schedule "B" hereto. As of the date hereof, there are 51,967,384 Class "A" shares, 45,789,492 Class

"B" shares, 31,068,583 Class "C" shares and 10,500,000 Class D Shares issued and outstanding. There are no options, warrants or other rights, plans, agreements or commitments of any nature whatsoever requiring the issuance, sale or transfer by the Vendors of any securities of Certus Holdco or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of Certus Holdco, nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attribute of Certus Holdco. All outstanding Certus Holdco Shares are duly authorized, validly issued, fully paid and non-assessable and were not issued in violation of any pre-emptive rights;

- (d) Certus Holdco is the sole and absolute registered and beneficial owner and holder of, and has good and marketable title to, the Class A Shares held by Certus Holdco. The Class A Shares held by Certus Holdco are free and clear of any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), title retention agreement or arrangement, restrictive covenant, or any other encumbrance, arrangement or condition of any nature;
- (g) Certus Holdco does not currently employ or engage any employees, contractors, or consultants in any capacity whatsoever and has not employed or engaged any employees, contractors or consultants in any capacity whatsoever in the past five years. Certus Holdco has not made any promises to hire or engage any employee, contractor or consultant in any capacity whatsoever;
- (e) Certus Holdco is not in default or breach under any agreement or obligation affecting the Class A Shares and has not received notice of any such default or breach, and the completion of the indirect sale of the Class A Shares will not result in a default or breach of any such agreement or obligation;

#### **Representations and Warranties of the Vendors Regarding the Status of the Vendor and Certus Holdco**

- (f) no bankruptcy or similar proceedings have been commenced or are pending or proposed in respect of the Vendors or Certus Holdco; and
- (g) no litigation, arbitration or other judicial or regulatory proceeding is pending or, to the knowledge of the Vendors, threatened by or against the Vendors or Certus Holdco before any court or any tribunal that could reasonably be expected to have any effect on the ability of the Vendors to complete the sale of the Class D Shares to the Purchaser pursuant to this Agreement.

#### **2.2 Survival of Representations and Warranties of the Vendors**

The representations and warranties made by the Vendors contained in this Agreement will survive the Closing and will continue in full force and effect for a period of 24 months after the Closing, except that if there is fraud or fraudulent misrepresentation, intentional misrepresentation, willful misconduct, wrongful breach or criminal conduct with respect to any representation or warranty, such representation or warranty will survive the Closing and will continue in full force and effect indefinitely..

#### **2.3 Representations and Warranties of the Purchaser**

The Purchaser represents, warrants and covenants to and with the Vendors as of the date hereof, and acknowledges that the Vendors are specifically relying on each of such representations, warranties and covenants in entering into this Agreement, that:

- (a) the Purchaser has all requisite power and authority to enter into this Agreement, to purchase the Class D Shares on the terms described herein, to enter into the Agreement, and to perform its other obligations under this Agreement;
- (b) the consummation of the transactions contemplated by this Agreement will not violate, or be in conflict with, any applicable law or any agreement, judgment, decree, order, or other instrument to which the Purchaser is a party or by which he is bound; and
- (c) this Agreement constitutes a valid and binding obligation of the Purchaser enforceable in accordance with its terms and conditions, subject to the qualification that such enforceability may be subject to bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditors' rights generally.

### **ARTICLE 3 CONDITIONS**

#### **3.1 Conditions to Closing**

The obligation of the Parties to complete the transactions contemplated by this Agreement is subject to the following conditions being fulfilled, performed or waived at or before Closing:

- (a) The representations and warranties of the Vendors contained in this Agreement and in all applicable ancillary agreements will be true and accurate in all respects on the date hereof and as at Closing in all respects with the same force and effect as though such representations and warranties had been made as of Closing (or, if made as of a particular date, as of such date);.
- (b) The representations and warranties of the Purchaser contained in this Agreement and in all applicable ancillary agreements will be true and accurate in all respects on the date hereof and as at Closing in all respects with the same force and effect as though such representations and warranties had been made as of the Closing (or, if made as of a particular date, as of such date).
- (c) The Takeover Bid shall have been completed in accordance with the terms of the Pre-Acquisition Agreement such that the Purchaser holds or will hold, concurrent with Closing, such number of Class B Shares that the Minimum Tender Condition is satisfied.

#### **3.2 Waiver or Termination Upon Unfulfilled Condition**

- (a) If the condition in Section 3.1(a) has not been fulfilled at or before Closing, then the Purchaser in its sole discretion may, without limiting any rights available to the Purchaser at Law, either:
  - (i) terminate this Agreement by notice to the Vendors; or
  - (ii) waive compliance with any such condition without prejudice to the Purchaser's right of termination in the event of non-fulfillment of any other condition.
- (b) If the condition in Section 3.1(b) has not been fulfilled, performed or waived at or before Closing, then the Vendors, in their sole discretion may, without limiting any rights available to the Vendors at Law, either:
  - (i) terminate this Agreement by notice to the Purchaser; or
  - (ii) waive compliance with any such condition without prejudice to the Purchaser's right of termination in the event of non-fulfillment of any other condition.

- (c) If the condition in Section 3.1(c) has not been fulfilled at or before Closing, then this Agreement shall terminate and shall be of no further force and effect.

#### **ARTICLE 4 CLOSING DELIVERABLES**

##### **4.1 Closing**

Closing of the Transaction will occur electronically on the Closing Date, or in such other manner as the Parties may agree.

##### **4.2 Closing Deliverables**

- (a) At or before Closing, the Vendors shall execute and deliver, or cause to be executed and delivered, to the Purchaser the following in form satisfactory to the Purchaser, acting reasonably:
  - (i) share certificates representing the Class D Shares accompanied with duly executed share transfer forms or duly issued share certificates representing the Class D Shares in the name of the Purchaser, in either case, together with security registers evidencing that the Purchaser is the sole holder of the Class D Shares;
  - (ii) certified copies of: (A) the articles, by-laws and other constating documents of the Certus Holdco and 100 BC; and (B) all necessary director and shareholder resolutions, authorizations and proceedings of 100 BC and Certus Holdco that are required to be taken or obtained to permit the valid transfer and registration of the Class D Shares to and in the name of the Purchaser and the completion of such other transactions contemplated in this Agreement;
  - (iii) a certificate of good standing with respect to Certus Holdco and 100 BC;
  - (iv) duly executed resignation and mutual release of claims from each of the directors and officers of Certus Holdco;
  - (v) a duly executed mutual release of claims between the Vendors and Certus Holdco; and
  - (vi) the minute book and corporate seal (if any) of Certus Holdco and all other books and records of, or documents relating to, Certus Holdco.
- (b) At of before Closing, the Parties shall execute and deliver the Class A Escrow Agreement; and
- (c) At or before Closing, the Purchaser shall deliver or cause to be delivered to the Vendors or at the direction of the Vendors a wire transfer in the amount set out in Section 1.3 and deposit the Class A Escrow Amount with the Class A Escrow Agent.

#### **ARTICLE 5 INDEMNIFICATION**

##### **5.1 Indemnity by the Vendors**

- (a) The Vendors agree, jointly and severally, to indemnify and hold harmless the Purchaser's Indemnified Parties from and against any Losses incurred or suffered by the Purchaser's Indemnified Parties, directly or indirectly, as a result of, in respect of or arising out of:

- (i) any breach or failure to perform or fulfill any covenant or obligation on the part of the Vendors contained in this Agreement or in any document or certificate given by them in order to carry out the transactions contemplated by this Agreement;
- (ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Vendors (or either of them) contained in this Agreement or in any document or certificate given by them in order to carry out the transactions contemplated by this Agreement; and
- (iii) any Taxes: (A) on or in respect of the Vendor, for all taxation years or periods ending on or before the Closing Date or the portion of any Taxes for any taxation year or period ending after the Closing Date that is attributable to the portion of such year or period ending on the Closing Date; or (B) as a result of or in connection with any transactions, reorganizations or distributions effected by the Vendors, prior to the Closing Date.

## **5.2 Indemnity by the Purchaser**

- (a) The Purchaser agrees to indemnify and hold harmless the Vendors' Indemnified Parties from and against any Losses incurred or suffered by the Vendors' Indemnified Parties, directly or indirectly, as a result of, in respect of or arising out of:
  - (i) any breach or failure to perform or fulfill any covenant or obligation on the part of the Purchaser contained in this Agreement or in any document or certificate given by the Purchaser in order to carry out the transactions contemplated by this Agreement; and
  - (ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Purchaser contained in this Agreement or in any document or certificate given by the Purchaser in order to carry out the transactions contemplated by this Agreement.

## **ARTICLE 6 MISCELLANEOUS**

### **6.1 Currency**

All dollar amounts in this Agreement are stated in Canadian dollars.

### **6.2 Further Assurances**

Each of the Parties shall and will from time to time hereafter execute and deliver all such further documents and other instruments and shall do all such other acts and things which are reasonably necessary or required in the circumstances to give effect to the terms of this Agreement.

### **6.3 Headings; Sections**

Headings wherever used herein are for reference purposes only and do no limit or extend the meaning of the provisions contained in this Agreement. A reference to a section, subsection or schedule shall mean a section, subsection or schedule of this Agreement, as applicable.

### **6.4 Severability**

Any provision of this Agreement which is or becomes void, illegal or unenforceable in any jurisdiction shall be severed from this Agreement and be ineffective in such jurisdiction to the extent thereof but without

affecting the validity, legality or enforceability of the provision in any other jurisdiction or of any other provision of this Agreement.

#### **6.5 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in Alberta without regard to the substantive laws of such jurisdiction relating to conflicts of laws.

#### **6.6 Enurement**

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

#### **6.7 Non-Merger**

The covenants, representations, warranties and other provisions set forth in this Agreement will not merge on Closing but will survive (a) the execution, delivery and performance of this Agreement and any related transfer or conveyance documents, (b) the Closing, and (c) the payment of the Purchase Price.

#### **6.8 Entire Agreement**

This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. Except as specifically set forth in this Agreement, there are no representations, warranties, covenants, conditions or other agreements, express or implied, statutory or otherwise, between the Parties relating to the subject matter hereof. No Party has relied or is relying on any other information, discussions or understandings in entering into and completing the transactions contemplated in this Agreement.

#### **6.9 Counterparts**

This Agreement may be executed in any number of counterparts, and when a counterpart has been executed and delivered by each of the Parties, whether via delivery of an original copy thereof, facsimile or email, all such counterparts shall together constitute one instrument and shall have the same force and effect as if all of the Parties had executed and delivered the same instrument.

*[Remainder of page intentionally left blank – signature page follows.]*

**IN WITNESS WHEREOF** the Parties have executed and delivered this Agreement, dated as of the date first above written.

**1005017 B.C. LTD.**

\_\_\_\_\_  
Name: [REDACTED]  
Title: Director

**PINE CLIFF ENERGY LTD.**

Per:

\_\_\_\_\_  
Name: Philip Hodge  
Title: President & CEO

**SCHEDULE "A"**  
**ALLOCATION OF ESTIMATED CERTUS HOLDCO AGGREGATE CASH CONSIDERATION AND**  
**CLASS A ESCROW AMOUNT**

<b>VENDOR</b>	<b>PERCENTAGE INTEREST IN CERTUS HOLDCO</b>	<b>ALLOCATION OF ESTIMATED CERTUS HOLDCO AGGREGATE CASH CONSIDERATION</b>
ARAL TRUST AND ROBERT BRADY	37.30%	[●]
ANDREWS TRUST	32.87%	[●]
WOODFORD FAMILY TRUST	22.30%	[●]
1005017 B.C. LTD AND [REDACTED]	7.54%	[●]

**SCHEDULE "B"**  
**AUTHORIZED SHARE CAPITAL OF CERTUS HOLDING CORPORATION**

Authorized Share Capital: an unlimited number of each of the following classes of shares (in each case without nominal or par value):

**With Voting Rights:** Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class E Shares, Class F Shares, Class G Shares, Class H Shares, Class I Shares, Class J Shares, Class K Shares, and Class L Shares;

**Without Voting Rights:** Non-Voting Shares, First Preferred Shares, Second Preferred Shares, Third Preferred Shares, Fourth Preferred Shares, Fifth Preferred Shares, Sixth Preferred Shares, Seventh Preferred Shares, Eighth Preferred Shares, Ninth Preferred Shares, Tenth Preferred Shares, Eleventh Preferred Shares, Twelfth Preferred Shares, Thirteenth Preferred Shares, Fourteenth Preferred Shares, Fifteenth Preferred Shares, Sixteenth Preferred Shares, Seventeenth Preferred Shares, Eighteenth Preferred Shares, Nineteenth Preferred Shares, Twentieth Preferred Shares, Twenty-first Preferred Shares, Twenty-second Preferred Shares, Twenty-third Preferred Shares, and Twenty-fourth Preferred Shares.

## SECURITIES PURCHASE AGREEMENT

**THIS AGREEMENT** made as of the \_\_\_\_ day of \_\_\_\_\_, 2023

**BETWEEN:**

**ANDREWS TRUST**, a trust established under the laws of the Province of Alberta (the "**Vendor**")

and

**PINE CLIFF ENERGY LTD.**, a corporation incorporated pursuant to the laws of the Province of Alberta (the "**Purchaser**")

(each a **Party** and collectively, the **Parties**)

**WHEREAS** Certus Andrews Holding Corporation ("**Andrews Management Holdco**") is the registered holder of 45,789,492 Class B Shares (the "**Certus Holdco B Shares**") in the capital of Certus Holding Corporation ("**Certus Holdco**"), such shares representing all of the issued and outstanding Class "B" shares of Certus Holdco;

**AND WHEREAS** the Vendor is the registered holder of 100 Class A Shares in the capital of Andrews Management Holdco (the "**Andrews Management Holdco Shares**"), such shares representing all of the issued and outstanding shares of Andrews Management Holdco;

**AND WHEREAS** the Purchaser has entered into a pre-acquisition agreement (the "**Pre-Acquisition Agreement**") with Certus Oil and Gas Inc. ("**Certus**") dated October 30, 2023 pursuant to which the Purchaser has agreed to make an offer to acquire all of the issued and outstanding Class B common shares of Certus (the "**Class B Shares**") by way of take-over bid (the "**Takeover Bid**");

**AND WHEREAS** the Purchaser wishes to acquire control or direction over, directly or indirectly, all of the issued and outstanding Class A common shares of Certus (the "**Class A Shares**") at the Effective Time, as such term is defined in the Pre-Acquisition Agreement;

**AND WHEREAS** Certus Holdco is the sole shareholder of all of the issued and outstanding Class A Shares;

**AND WHEREAS** concurrent with the execution of this Agreement, the Purchaser has entered into a Securities Purchase Agreement with each of the other Indirect Class A Shareholders to purchase the securities of the Management Holdcos and of Certus Holdco, as applicable, held by them;

**AND WHEREAS** the Vendor wishes to sell and the Purchaser wishes to purchase the Andrews Management Holdco Shares upon the terms and conditions contained herein such that the Purchaser will, following such purchase, own or control, directly or indirectly, at the Effective Time, all of the issued and outstanding Class A Shares (the "**Transaction**");

**AND WHEREAS** the board of directors of Andrews Management Holdco has approved the transfer of the Andrews Management Holdco Shares pursuant to this agreement of purchase and sale;

**NOW THEREFORE, IN CONSIDERATION OF THE TERMS AND CONDITIONS CONTAINED IN THIS AGREEMENT, THE PARTIES AGREE AS FOLLOWS:**

**ARTICLE 1**  
**AGREEMENT OF PURCHASE AND SALE**

**1.1 Definitions**

Unless otherwise defined herein, all capitalized terms referred to herein shall have the meanings attributed thereto in the Pre-Acquisition Agreement. Whenever used in this Agreement, the following words and terms have the indicated meanings:

- (a) **"Certus Holdco Aggregate Cash Consideration"** means the aggregate cash consideration to be paid by the Purchaser to acquire, directly and indirectly, all of the outstanding equity securities of Certus HoldCo, being \$100,000,000.00 less the Certus Net Debt Amount, multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Class B Shares;
- (b) **"Class A Escrow Amount"** means [●] multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Class B Shares;
- (c) **"Class A Estimated Net Debt Allocation"** means the Estimated Net Debt Amount multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Class B Shares;
- (d) **"Class A Net Debt Allocation"** means the Certus Net Debt Amount multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Class B Shares;
- (e) **"Closing"** has the meaning set out in Section 1.2(b);
- (f) **"Closing Date"** means the date on which Closing occurs;
- (g) **"Estimated Certus Holdco Aggregate Cash Consideration"** means the aggregate cash consideration to be paid by the Purchaser to acquire, directly and indirectly, all of the outstanding equity securities of Certus HoldCo, being \$100,000,000.00 less the Estimated Net Debt Amount, multiplied by a fraction where the numerator is the number of issued and outstanding Class A Shares and the denominator is the sum of the Class A Shares and the Class B Shares;
- (h) **"Purchaser's Indemnified Parties"** means the Purchaser and its Affiliates (including from and after the Closing, Certus Holdco and Andrews Management Holdco) and their respective successors, assigns, directors, officers, employees and agents of any of them; and
- (i) **"Vendor's Indemnified Parties"** means the Vendor and its trustees, directors, officers, employees and agents (as applicable) or any of them.

**1.2 Purchase and Sale**

- (a) Upon and subject to the terms and conditions hereof the Vendor hereby sells, assigns, and conveys to the Purchaser all of the Vendor's right, title, and interest in and to the Andrews Management Holdco Shares, to have and to hold the same, together with all benefit and advantage to be derived therefrom, and the Purchaser hereby purchases the Andrews Management Holdco Shares from the Vendor.

- (b) This Agreement is intended to and shall operate as an immediate and full transfer of the Andrews Management Holdco Shares and the Purchaser shall acquire the Andrews Management Holdco Shares effective at the Effective Time (the "**Closing**").

### 1.3 Purchase Price

In consideration for the Andrews Management Holdco Shares purchased by the Purchaser hereunder, the Purchaser agrees to pay and deliver to the Vendor an aggregate amount equal to the Vendor's proportionate direct or indirect interest in Certus Holdco as set forth at Schedule "A" attached hereto (the "**Vendor's Proportionate Holding**") of the Certus Holdco Aggregate Cash Consideration (the "**Purchase Price**") to be satisfied by the Purchaser by delivering to the Vendor at Closing the Vendor's Proportionate Holding of the Estimated Certus Holdco Aggregate Cash Consideration and less Vendor's Proportionate Holding of the Class A Escrow Amount.

### 1.4 Post-Closing Adjustments and Escrow

- (a) The Vendor acknowledges and agrees that at the Effective Time:
  - (i) the Purchaser will deposit the Class A Escrow Amount in trust with the Class A Escrow Agent, such Class A Escrow Amount to be retained for all Indirect Class A Shareholders on a pro rata basis in accordance with their respective interests, directly or indirectly, in Certus Holdco; and
  - (ii) the Purchaser, the Indirect Class A Shareholders, the Certus Nominee and the Class A Escrow Agent shall enter into the Class A Escrow Agreement. Any payments resulting from the adjustments set forth below shall be paid from the Class A Escrow Amount by the Class A Escrow Agent in accordance with the terms and mechanisms provided in the Class A Escrow Agreement.
- (b) The Parties acknowledge and agree that pursuant to the Class A Escrow Agreement, the reasonable "out-of-pocket" expenses incurred by the Certus Nominee in connection with the performance of its obligations under the Class A Escrow Agreement will be paid from the Class A Escrow Amount.
- (c) If:
  - (i) the Certus Net Debt Amount is greater than the Estimated Net Debt Amount, the Purchaser shall be entitled to receive from the Class A Escrow Amount, the lesser of: (A) the Class A Escrow Amount; and (B) the amount obtained by subtracting the Class A Estimated Net Debt Allocation from the Class A Net Debt Allocation to a maximum of the Class A Escrow Amount, and the balance of the Class A Escrow Amount, if any, shall be paid to the Indirect Class A Shareholders, on a pro rata basis in accordance with their respective Vendor's Proportionate Holding and in accordance with the terms of the Class A Escrow Agreement; or
  - (ii) the Certus Net Debt Amount is less than or equal to the Estimated Net Debt Amount, the Class A Escrow Amount shall be delivered to the Indirect Class A Shareholders, on a pro rata basis in accordance with their respective Vendor's Proportionate Holding and in accordance with the terms of the Class A Escrow Agreement.

## ARTICLE 2 REPRESENTATIONS AND WARRANTIES

### 2.1 Representations and Warranties of the Vendor

The Vendor represents and warrants to the Purchaser the following as of the date hereof and acknowledges that the Purchaser is specifically relying on each of such representations, warranties and covenants in entering into this Agreement, notwithstanding any investigation made by or on behalf of the Purchaser, that:

#### **Representations and Warranties of the Vendor regarding itself:**

- (a) the Vendor is a trust duly established and validly existing under the laws of the province of Alberta. The Vendor has all requisite power and authority to enter into and deliver this Agreement and to sell the Andrews Management Holdco Shares on the terms described herein, and to perform its other obligations under this Agreement;
- (b) the Vendor has duly executed and delivered this Agreement and all other agreements to which the Vendor is a party in connection with the transactions contemplated herein, and each such other agreement constitutes a legal, valid and binding obligation of the Vendor, enforceable against the Vendor in accordance with its terms;
- (c) the Vendor is the sole and absolute registered and beneficial owner and holder of, and has good and marketable title to, the Andrews Management Holdco Shares. The Andrews Management Holdco Shares are being transferred to the Purchaser free and clear of any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), title retention agreement or arrangement, restrictive covenant, or any other encumbrance, arrangement or condition of any nature;
- (d) the Vendor is not a party to any option, warrant, purchase right or other contract, commitment or agreement (other than this Agreement) that could require the Vendor to sell, transfer or otherwise dispose of any of the Andrews Management Holdco Shares to another person as a consequence of entering into this Agreement or otherwise, and the Vendor is not in default or breach under any agreement or obligation affecting the Andrews Management Holdco Shares and has not received notice of any such default or breach, and the completion of the sale of the Andrews Management Holdco Shares will not result in a default or breach of any such agreement or obligation;
- (e) the consummation of the transactions contemplated by this Agreement will not violate, or be in conflict with, any applicable law or any agreement, judgment, decree, order, or other instrument to which the Vendor is a party or by which it is bound;
- (f) the Vendor is resident in Canada within the meaning of the Income Tax Act (Canada) and is not a non-resident of Canada for such purposes;

#### **Representations and Warranties of the Vendor regarding Andrews Management Holdco:**

- (g) Andrews Management Holdco is a body corporate duly incorporated and validly existing under the laws of its jurisdiction of incorporation. Andrews Management Holdco has all requisite power and authority to enter into and deliver this Agreement and the necessary corporate power and capacity to own and operate its assets and to carry on the business as it is now being conducted;
- (h) the board of directors of Andrews Management Holdco has, or will have by the Effective Time, taken all necessary corporate actions, steps and other proceedings to approve and authorize all transactions contemplated by this Agreement, including the transfer of the Andrews Management Holdco Shares to the Purchaser; into and deliver this Agreement and to perform its other obligations under this Agreement;

- (i) the completion of the transactions contemplated by this Agreement will not constitute or result in a violation or breach of, or conflict with any term or provision of, Andrews Management Holdco's articles, by-laws or other constating documents;
- (j) as of the date hereof, the authorized capital of Andrews Management Holdco is set out in Schedule "C" hereto. As of the date hereof there are 100 Andrews Management Holdco Shares issued and outstanding. There are no options, warrants or other rights, plans, agreements or commitments of any nature whatsoever requiring the issuance, sale or transfer by the Vendor of any securities of Andrews Management Holdco or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of Andrews Management Holdco, nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attribute of Andrews Management Holdco. All outstanding Andrews Management Holdco Shares are duly authorized, validly issued, fully paid and non-assessable and were not issued in violation of any pre-emptive rights;
- (k) Andrews Management Holdco is the sole and absolute registered and beneficial owner and holder of, and has good and marketable title to, the Certus Holdco Shares held by Andrews Management Holdco. The Certus Holdco Shares held by Andrews Management Holdco are free and clear of any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), title retention agreement or arrangement, restrictive covenant, or any other encumbrance, arrangement or condition of any nature;
- (l) Andrews Management Holdco is not in default or breach under any agreement or obligation affecting the Certus Holdco Shares held by it and has not received notice of any such default or breach, and the completion of the sale of the Andrews Management Holdco Shares will not result in a default or breach of any such agreement or obligation;

**Representations and Warranties of the Vendor regarding Certus Holdco:**

- (m) Certus Holdco is a body corporate duly incorporated and validly existing under the laws of its jurisdiction of incorporation. Certus Holdco has the necessary corporate power and capacity to own and operate its assets and to carry on the business as it is now being conducted;
- (n) the completion of the transactions contemplated by this Agreement will not constitute or result in a violation or breach of, or conflict with any term or provision of, Certus Holdco's articles, by-laws or other constating documents;
- (o) as of the date hereof, the authorized capital of Certus Holdco is set out in Schedule "B" hereto. As of the date hereof, there are 51,967,384 class "A" shares, 45,789,492 Certus Holdco B Shares, 31,068,583 class "C" shares and 10,500,000 class "D" shares issued and outstanding. There are no options, warrants or other rights, plans, agreements or commitments of any nature whatsoever requiring the issuance, sale or transfer by the Vendor of any securities of Certus Holdco or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of Certus Holdco, nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attribute of Certus Holdco. All outstanding Certus Holdco Shares are duly authorized, validly issued, fully paid and non-assessable and were not issued in violation of any pre-emptive rights;
- (p) Certus Holdco is the sole and absolute registered and beneficial owner and holder of, and has good and marketable title to, the Class A Shares held by Certus Holdco. The Class A

Shares held by Certus Holdco are free and clear of any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), title retention agreement or arrangement, restrictive covenant, or any other encumbrance, arrangement or condition of any nature;

- (q) Certus Holdco is not in default or breach under any agreement or obligation affecting the Class A Shares and has not received notice of any such default or breach, and the completion of the indirect sale of the Class A Shares will not result in a default or breach of any such agreement or obligation;

**Representations and Warranties of the Vendor Regarding the Status of the Vendor, Andrews Management Holdco and Certus Holdco:**

- (a) neither Andrews Management Holdco nor Certus Holdco currently employs or engages any employees, contractors, or consultants in any capacity whatsoever and has not employed or engaged any employees, contractors or consultants in any capacity whatsoever in the past five years. Neither Andrews Management Holdco nor Certus Holdco has made any promises to hire or engage any employee, contractor or consultant in any capacity whatsoever;
- (b) no bankruptcy or similar proceedings have been commenced or are pending or proposed in respect of the Vendor, Andrews Management Holdco or Certus Holdco; and
- (c) no litigation, arbitration or other judicial or regulatory proceeding is pending or, to the knowledge of the Vendor, threatened by or against
- (d) the Vendor, Andrews Management Holdco or Certus Holdco before any court or any tribunal that could reasonably be expected to have any effect on the ability of the Vendor to complete the sale of the Andrews Management Holdco Shares to the Purchaser pursuant to this Agreement.

**2.2 Survival of Representations and Warranties of the Vendor**

The representations and warranties made by the Vendor contained in this Agreement will survive the Closing and will continue in full force and effect for a period of 24 months after the Closing, except that if there is fraud or fraudulent misrepresentation, intentional misrepresentation, willful misconduct, wrongful breach or criminal conduct with respect to any representation or warranty, such representation or warranty will survive the Closing and will continue in full force and effect indefinitely.

**2.3 Representations and Warranties of the Purchaser**

The Purchaser represents, warrants and covenants to and with the Vendor as of the date hereof, and acknowledges that the Vendor is specifically relying on each of such representations, warranties and covenants in entering into this Agreement, that:

- (a) the Purchaser has all requisite power and authority to enter into this Agreement, to purchase the Andrews Management Holdco Shares on the terms described herein, to enter into the Agreement, and to perform its other obligations under this Agreement;
- (b) the consummation of the transactions contemplated by this Agreement will not violate, or be in conflict with, any applicable law or any agreement, judgment, decree, order, or other instrument to which the Purchaser is a party or by which he is bound; and
- (c) this Agreement constitutes a valid and binding obligation of the Purchaser enforceable in accordance with its terms and conditions, subject to the qualification that such enforceability may be subject to bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditors' rights generally.

### **ARTICLE 3 CONDITIONS**

#### **3.1 Conditions to Closing**

The obligation of the Parties to complete the transactions contemplated by this Agreement is subject to the following conditions being fulfilled, performed or waived at or before Closing:

- (a) The representations and warranties of the Vendor contained in this Agreement and in all applicable ancillary agreements will be true and accurate in all respects on the date hereof and as at Closing in all respects with the same force and effect as though such representations and warranties had been made as of Closing (or, if made as of a particular date, as of such date);
- (b) The representations and warranties of the Purchaser contained in this Agreement and in all applicable ancillary agreements will be true and accurate in all respects on the date hereof and as at Closing in all respects with the same force and effect as though such representations and warranties had been made as of the Closing (or, if made as of a particular date, as of such date).
- (c) The Takeover Bid shall have been completed in accordance with the terms of the Pre-Acquisition Agreement such that the Purchaser holds or will hold, concurrent with Closing, such number of Class B Shares that the Minimum Tender Condition is satisfied.

#### **3.2 Waiver or Termination Upon Unfulfilled Condition**

- (a) If the condition in Section 3.1(a) has not been fulfilled at or before Closing, then the Purchaser in its sole discretion may, without limiting any rights available to the Purchaser at Law, either:
  - (i) terminate this Agreement by notice to the Vendor; or
  - (ii) waive compliance with any such condition without prejudice to the Purchaser's right of termination in the event of non-fulfillment of any other condition.
- (b) If the condition in Section 3.1(b) has not been fulfilled, performed or waived at or before Closing, then the Vendor, in its sole discretion may, without limiting any rights available to the Vendor at Law, either:
  - (i) terminate this Agreement by notice to the Purchaser; or
  - (ii) waive compliance with any such condition without prejudice to the Purchaser's right of termination in the event of non-fulfillment of any other condition.
- (c) If the condition in Section 3.1(c) has not been fulfilled at or before Closing, then this Agreement shall terminate and shall be of no further force and effect.

### **ARTICLE 4 CLOSING DELIVERABLES**

#### **4.1 Closing**

Closing of the Transaction will occur electronically on the Closing Date, or in such other manner as the Parties may agree.

## 4.2 Closing Deliverables

- (a) At or before Closing, the Vendor shall execute and deliver, or cause to be executed and delivered, to the Purchaser the following in form satisfactory to the Purchaser, acting reasonably:
  - (i) share certificates representing the Andrews Management Holdco Shares accompanied with duly executed share transfer forms or duly issued share certificates representing the Andrews Management Holdco Shares in the name of the Purchaser, in either case, together with security registers evidencing that the Purchaser is the sole holder of the Andrews Management Holdco Shares;
  - (ii) certified copies of: (A) the articles, by-laws and other constating documents of the Certus Holdco and Andrews Management Holdco; and (B) all necessary director and shareholder resolutions, authorizations and proceedings of the Vendor, Andrews Management Holdco and Certus Holdco, as applicable, that are required to be taken or obtained to permit the valid transfer and registration of the Andrews Management Holdco Shares to and in the name of the Purchaser and the completion of such other transactions contemplated in this Agreement;
  - (iii) a certificate of good standing with respect to Certus Holdco and Andrews Management Holdco;
  - (iv) a duly executed resignation and mutual release of claims from each of the directors and officers of both Certus Holdco and Andrews Management Holdco;
  - (v) a duly executed mutual release of claims between Andrews Management Holdco and the Vendor; and
  - (vi) the minute book and corporate seal (if any) of Certus Holdco and Andrews Management Holdco and all other books and records of, or documents relating to, Certus Holdco and Andrews Management Holdco.
- (b) At of before Closing, the Parties shall execute and deliver the Class A Escrow Agreement; and
- (c) At or before Closing, the Purchaser shall deliver or cause to be delivered to the Vendor or at the direction of the Vendor a wire transfer in the amount set out in Section 1.3 and deposit the Class A Escrow Amount with the Class A Escrow Agent.

## ARTICLE 5 INDEMNIFICATION

### 5.1 Indemnity by the Vendor

- (a) The Vendor agrees to indemnify and hold harmless the Purchaser's Indemnified Parties from and against any Losses incurred or suffered by the Purchaser's Indemnified Parties, directly or indirectly, as a result of, in respect of or arising out of:
  - (i) any breach or failure to perform or fulfill any covenant or obligation on the part of the Vendor contained in this Agreement or in any document or certificate given by them in order to carry out the transactions contemplated by this Agreement;
  - (ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Vendor contained in this Agreement or in any document

or certificate given by it in order to carry out the transactions contemplated by this Agreement; and

- (iii) any Taxes: (A) on or in respect of Andrews Management Holdco, for all taxation years or periods ending on or before the Closing Date or the portion of any Taxes for any taxation year or period ending after the Closing Date that is attributable to the portion of such year or period ending on the Closing Date; or (B) as a result of or in connection with any transactions, reorganizations or distributions effected by Andrews Management Holdco, prior to the Closing Date.

## **5.2 Indemnity by the Purchaser**

- (a) The Purchaser agrees to indemnify and hold harmless the Vendor's Indemnified Parties from and against any Losses incurred or suffered by the Vendor's Indemnified Parties, directly or indirectly, as a result of, in respect of or arising out of:
  - (i) any breach or failure to perform or fulfill any covenant or obligation on the part of the Purchaser contained in this Agreement or in any document or certificate given by the Purchaser in order to carry out the transactions contemplated by this Agreement; and
  - (ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Purchaser contained in this Agreement or in any document or certificate given by the Purchaser in order to carry out the transactions contemplated by this Agreement.

## **ARTICLE 6 MISCELLANEOUS**

### **6.1 Currency**

All dollar amounts in this Agreement are stated in Canadian dollars.

### **6.2 Further Assurances**

Each of the Parties shall and will from time to time hereafter execute and deliver all such further documents and other instruments and shall do all such other acts and things which are reasonably necessary or required in the circumstances to give effect to the terms of this Agreement.

### **6.3 Headings; Sections**

Headings wherever used herein are for reference purposes only and do no limit or extend the meaning of the provisions contained in this Agreement. A reference to a section, subsection or schedule shall mean a section, subsection or schedule of this Agreement, as applicable.

### **6.4 Severability**

Any provision of this Agreement which is or becomes void, illegal or unenforceable in any jurisdiction shall be severed from this Agreement and be ineffective in such jurisdiction to the extent thereof but without affecting the validity, legality or enforceability of the provision in any other jurisdiction or of any other provision of this Agreement.

## **6.5 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in Alberta without regard to the substantive laws of such jurisdiction relating to conflicts of laws.

## **6.6 Enurement**

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

## **6.7 Non-Merger**

The covenants, representations, warranties and other provisions set forth in this Agreement will not merge on Closing but will survive (a) the execution, delivery and performance of this Agreement and any related transfer or conveyance documents, (b) the Closing, and (c) the payment of the Purchase Price.

## **6.8 Entire Agreement**

This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. Except as specifically set forth in this Agreement, there are no representations, warranties, covenants, conditions or other agreements, express or implied, statutory or otherwise, between the Parties relating to the subject matter hereof. No Party has relied or is relying on any other information, discussions or understandings in entering into and completing the transactions contemplated in this Agreement.

## **6.9 Counterparts**

This Agreement may be executed in any number of counterparts, and when a counterpart has been executed and delivered by each of the Parties, whether via delivery of an original copy thereof, facsimile or email, all such counterparts shall together constitute one instrument and shall have the same force and effect as if all of the Parties had executed and delivered the same instrument.

*[Remainder of page intentionally left blank – signature page follows.]*

**IN WITNESS WHEREOF** the Parties have executed and delivered this Agreement, dated as of the date first above written.

**ANDREWS TRUST**, by its Trustee

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Name: Peter Andrews  
Title: Trustee

**PINE CLIFF ENERGY LTD.**

Per:

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Name: Philip Hodge  
Title: President & CEO

**SCHEDULE "A"**  
**ALLOCATION OF ESTIMATED CERTUS HOLDCO AGGREGATE CASH CONSIDERATION AND**  
**CLASS A ESCROW AMOUNT**

<b>VENDOR</b>	<b>PERCENTAGE INTEREST IN CERTUS HOLDCO</b>	<b>ALLOCATION OF ESTIMATED CERTUS HOLDCO AGGREGATE CASH CONSIDERATION</b>
ARAL TRUST AND ROBERT BRADY	37.30%	[●]
ANDREWS TRUST	32.87%	[●]
WOODFORD FAMILY TRUST	22.30%	[●]
1005017 B.C. LTD AND [REDACTED]	7.54%	[●]

**SCHEDULE "B"**  
**AUTHORIZED SHARE CAPITAL OF CERTUS HOLDING CORPORATION**

Authorized Share Capital: an unlimited number of each of the following classes of shares (in each case without nominal or par value):

**With Voting Rights:** Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class E Shares, Class F Shares, Class G Shares, Class H Shares, Class I Shares, Class J Shares, Class K Shares, and Class L Shares;

**Without Voting Rights:** Non-Voting Shares, First Preferred Shares, Second Preferred Shares, Third Preferred Shares, Fourth Preferred Shares, Fifth Preferred Shares, Sixth Preferred Shares, Seventh Preferred Shares, Eighth Preferred Shares, Ninth Preferred Shares, Tenth Preferred Shares, Eleventh Preferred Shares, Twelfth Preferred Shares, Thirteenth Preferred Shares, Fourteenth Preferred Shares, Fifteenth Preferred Shares, Sixteenth Preferred Shares, Seventeenth Preferred Shares, Eighteenth Preferred Shares, Nineteenth Preferred Shares, Twentieth Preferred Shares, Twenty-first Preferred Shares, Twenty-second Preferred Shares, Twenty-third Preferred Shares, and Twenty-fourth Preferred Shares.

**SCHEDULE "C"**  
**AUTHORIZED SHARE CAPITAL OF ANDREWS MANAGEMENT HOLDCO**

Authorized Share Capital: an unlimited number of each of the following classes of shares (in each case without nominal or par value):

**With Voting Rights:** Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class E Shares, Class F Shares, Class G Shares, Class H Shares, Class I Shares, Class J Shares, Class K Shares, and Class L Shares;

**Without Voting Rights:** Non-Voting Shares, First Preferred Shares, Second Preferred Shares, Third Preferred Shares, Fourth Preferred Shares, Fifth Preferred Shares, Sixth Preferred Shares, Seventh Preferred Shares, Eighth Preferred Shares, Ninth Preferred Shares, Tenth Preferred Shares, Eleventh Preferred Shares, Twelfth Preferred Shares, Thirteenth Preferred Shares, Fourteenth Preferred Shares, Fifteenth Preferred Shares, Sixteenth Preferred Shares, Seventeenth Preferred Shares, Eighteenth Preferred Shares, Nineteenth Preferred Shares, Twentieth Preferred Shares, Twenty-first Preferred Shares, Twenty-second Preferred Shares, Twenty-third Preferred Shares, and Twenty-fourth Preferred Shares.

**SCHEDULE "H"**  
**CLASS A ESCROW AGREEMENT**

**ESCROW AGREEMENT**

**THIS AGREEMENT** is made as of the \_\_\_\_ day of \_\_\_\_\_, 2023.

**AMONG:**

**ROBERT BRADY**, an individual residing in the city of Calgary, in the Province of Alberta (the "**Certus Nominee**")

**AND**

**ARAL TRUST**, a trust formed pursuant to the laws of the Province of Alberta ("**Brady Trust**")

**AND**

**WOODFORD FAMILY TRUST**, a trust formed pursuant to the laws of the Province of Alberta ("**Woodford Trust**")

**AND**

**ANDREWS TRUST**, a trust formed pursuant to the laws of the Province of Alberta ("**Andrews Trust**")

**AND**

**ROBERT BRADY**, an individual resident in the City of Calgary in the Province of Alberta ("**Brady**")

**AND**

██████████, an individual resident in the City of Surrey in the Province of British Columbia ("██████████")

**AND**

**1005017 B.C. LTD.**, a corporation incorporated under the laws of the Province of British Columbia ("**100 BC**", and together with ██████████, Brady, Brady Trust, Andrews Trust and Woodford Trust, the "**Selling Shareholders**")

**AND**

**RYAN SHEWCHUK PROFESSIONAL CORPORATION**, a corporation incorporated under the laws of the Province of Alberta operating as Greenfields Law (the "**Escrow Agent**")

**AND**

**PINE CLIFF ENERGY LTD.**, a corporation incorporated under the laws of the Province of Alberta (the "**Purchaser**", and together with the Selling Shareholders and the Escrow Agent, the "**Parties**" and each on a "**Party**")

**WHEREAS** Certus Oil and Gas Inc. ("**Certus**") and the Purchaser are parties to a pre-acquisition agreement dated as of the 30<sup>th</sup> day of October, 2023 (the "**Pre-Acquisition Agreement**").

**AND WHEREAS** pursuant to the Pre-Acquisition Agreement, the Purchaser intends to acquire all of the issued and outstanding equity securities of Certus pursuant to a takeover bid for the Class "B" common shares of Certus and an exempt takeover bid for the Class "A" common shares (the "**Class A Shares**");

**AND WHEREAS** all of the issued and outstanding Class A Shares are owned by Certus Holding Corporation (the "**Certus Holdco**");

**AND WHEREAS** Certus Holdco is owned by Certus Andrews Holding Corporation, Certus Woodford Holding Corporation, Certus Brady Holding Corporation and 1005017 B.C. Ltd. (the "**Management Holdco's**") and [REDACTED];

**AND WHEREAS** Certus Andrews Holding Corporation is owned by Andrews Trust;

**AND WHEREAS** Certus Woodford Holding Corporation is owned by Woodford Trust;

**AND WHEREAS** Certus Brady Holding Corporation is owned by Brady Trust and Brady

**AND WHEREAS** the Purchaser has entered into a share purchase agreement to: i) acquire all of the issued and outstanding equity securities of each of Certus Andrews Holding Corporation, Certus Woodford Holding Corporation and Certus Brady Holding Corporation from Andrews Trust, Woodford Trust, Brady Trust and Brady, respectively; and ii) acquire 10,500,000 Class D Shares of Certus Holdco from 100 BC and [REDACTED] (collectively, the "**Class A Shareholder Share Purchase Agreements**")

**AND WHEREAS** pursuant to the terms of the Class A Shareholder Share Purchase Agreements, the Purchaser agreed to deposit the Class A Escrow Amount (the "**Escrow Amount**") with the Escrow Agent, to be held in escrow in accordance with terms of this Agreement.

**AND WHEREAS** the Escrow Agent has agreed to hold the Escrow Amount in trust, for and on behalf of the Selling Shareholders and the Purchaser in accordance with the terms of this Agreement.

**NOW THEREFORE** in consideration of the premises hereto and the covenants and agreements contained herein and, with respect to Parties in the Class A Shareholder Share Purchase Agreements, the Parties hereto covenant and agree as follows:

**1. Definitions**

When used herein, capitalized words shall have the meaning attributed to them in the Pre-Acquisition Agreement, except that:

- (a) "**Adjustment Statement**" means an itemized statement provided by the Purchaser pursuant to Section 5(a) of this Agreement setting forth the Purchaser's calculation of the Certus Net Debt Amount calculated in substantially the same manner as set forth in

Schedule "E" of the Pre-Acquisition Agreement and the amounts payable from the Escrow Amount in accordance with the calculations set forth in Section 1.6 of the Class A Shareholder Share Purchase Agreement;

- (b) **"Court"** means the Court of King's Bench of the Province of Alberta;
- (c) **"Dispute Notice"** has the meaning set forth in Section 5(d);
- (d) **"Independent Auditor"** means MNP LLP, Chartered Accountants which is "independent" to the Certus Nominee, the Selling Shareholders and the Purchaser, as such term is defined in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta;
- (e) **"Release Notice"** unless otherwise provided for herein, means a joint written direction to the Escrow Agent directing the pay out of the Escrow Amount in accordance with such direction, which shall include amounts payable in respect of the "out of pocket" expenses of the Certus Nominee payable pursuant to Section 18(b) hereof; and
- (f) **"Review Period"** has the meaning set forth in Section 5(b).

## 2. Appointment of Escrow Agent

The Parties hereby appoint the Escrow Agent to act as escrow agent to hold the Escrow Amount upon and subject to the terms of this Agreement and the Escrow Agent hereby accepts such appointment.

## 3. Deposit of Monies into Escrow

The Escrow Agent agrees to hold the Class A Shareholder Escrow Amount in trust for the Selling Shareholders and the Purchaser, until authorized for release in accordance with the provisions of this Agreement and the Class A Shareholder Share Purchase Agreements. Except as specifically provided for in this Agreement, the Escrow Agent shall not release, deliver, give-up possession of or otherwise deal with the Escrow Amount in any way.

## 4. Deposit of Escrow Amount to Interest Bearing Account

Promptly following receipt, the Escrow Agent shall deposit the Escrow Amount in an interest bearing account. Interest earned on the Escrow Amount shall follow the principal and all references to Escrow Amount shall include, in each case, any interest earned thereon from the date such Escrow Amount (or portion thereof, as applicable) was deposited into escrow to the date of release. Should the Purchaser receive interest, if any, on the Escrow Amount it shall pay all income and other taxes applicable thereto or exigible thereon. Notwithstanding anything herein contained to the contrary, should the Selling Shareholders be entitled to receive interest, if any, on the Escrow Amount such interest shall be paid to the Selling Shareholders, net of all applicable withholdings.

## 5. Adjustment Statement; Notice of Recourse to Escrow Amount

- (a) Not later than March 31, 2024, the Purchaser shall provide the Adjustment Statement to the Certus Nominee and the Escrow Agent. If the Certus Nominee and the Escrow Agent do not receive an Adjustment Statement from the Purchaser on or before March 31, 2024, the Escrow Agent shall automatically and without any further action on behalf of the Parties

release the Escrow Amount and all interest earned thereon to the Selling Shareholders on a pro-rata basis. The Purchaser shall be entitled to provide the Certus Nominee and the Escrow Agent with only one Adjustment Statement, which may be modified or amended by agreement of the Parties until such time as the Escrow Amount is disbursed by the Escrow Agent in accordance with this Agreement.

- (b) The Certus Nominee shall have fifteen (15) Business Days from receipt of the Adjustment Statement (the "**Review Period**") during which to review the Adjustment Statement. For the purposes of review, the Purchaser shall permit and shall cause Certus to permit the Certus Nominee to examine all documents and information used or prepared by the Purchaser in connection with the preparation of the Adjustment Statement and to have reasonable access to appropriate personnel of the Purchaser for the Certus Nominee to verify the accuracy and presentation and other matters relating to the preparation of the Adjustment Statement.
- (c) Upon receipt of an Adjustment Statement, the Escrow Agent shall set aside from the Escrow Amount the amount claimed in the Adjustment Statement (to a maximum of the Escrow Amount). The Escrow Agent shall hold the said amount until it disburses such amount pursuant to the terms of this Agreement.
- (d) If the Certus Nominee wishes to dispute the Purchaser's recourse to the Escrow Amount under the Adjustment Statement, the Certus Nominee shall, prior to the expiry of the Review Period, send a signed written notice to the Escrow Agent and to the Purchaser stating such dispute and summarizing the basis for such dispute (a "**Dispute Notice**"). If the Escrow Agent receives a Dispute Notice within the allotted time period, it shall take no further action pursuant to such Adjustment Statement (and the amount set aside pursuant to Section 5(c)), until receipt by it of a final and binding determination by the Independent Auditor pursuant to Section 6 below, or alternatively, receipt by it of written instructions with respect to the Escrow Amount signed by the Certus Nominee and the Purchaser. The Escrow Agent shall have no duty to inquire as to the validity of or the truth of any statements made in an Adjustment Statement or Dispute Notice.
- (e) If no Dispute Notice is received by the Escrow Agent prior to the expiry of the Review Period, the Certus Nominee shall be deemed to have accepted the Adjustment Statement and the Parties shall provide the Escrow Agent with a Release Notice, promptly following receipt of which, the Escrow Agent shall disburse the amount set aside pursuant to Section 5(c) and any remaining funds in accordance with the Release Notice.

## **6. Independent Auditor**

If the Certus Nominee delivers a Dispute Notice, the Certus Nominee and the Purchaser shall work expeditiously and in good faith in an attempt to resolve all of the items in dispute within ten (10) Business Days of receipt of the Dispute Notice. If all items in dispute are not resolved within such ten (10) Business Day period, the Certus Nominee shall retain the Independent Auditor to resolve the remaining items in dispute and the Independent Auditor shall be required to render its decision without qualifications, other than the usual qualifications relating to engagements of this nature, within ten (10) Business Days after the dispute is referred to it. The decision of the Independent Auditor on the dispute shall be final and binding on the Purchaser, the Certus Nominee, the Escrow Agent and the Selling Shareholders, and shall be deemed to be a valid Release Notice. The fees and expenses of the Independent Auditor shall be borne

by the Party or Parties that the Independent Auditor rules against. The Parties acknowledge and agree that the Certus Nominee shall not be personally liable for any such amounts. If the Certus Nominee and the Purchaser resolve all disputes contemplated in the Dispute Notice without engaging the Independent Auditor, the Certus Nominee and the Purchaser shall provide a Release Notice to the Escrow Agent promptly following resolution of such disputes.

#### **7. Release of Escrow Amount**

The Escrow Amount shall be released by the Escrow Agent as follows:

- (a) automatically and without any further action on behalf of the Parties if the Certus Nominee and the Escrow Agent do not receive an Adjustment Statement on or before March 31, 2024;
- (b) at any time upon receipt of a Release Notice, the Escrow Agent shall be irrevocably authorized and directed to pay the Escrow Amount and interest accrued thereon, if any, in accordance with such Release Notice and the Escrow Agent shall have no duty to inquire as to the validity of or the truth of any statements made in a Release Notice; and
- (c) at any time upon receipt of a decision of the Independent Auditor or the agreement of the Certus Nominee and the Purchaser, the Escrow Agent shall be irrevocably authorized and directed to pay the Escrow Amount and interest accrued thereon, if any, in accordance with a Release Notice delivered by the Parties or as directed by the Independent Auditor pursuant to Section 6.

#### **8. Resignation of Escrow Agent**

The Escrow Agent may, at any time, resign its obligations under this Agreement and be discharged from all further duties and liabilities hereunder by giving each of the Certus Nominee and the Purchaser at least ten (10) days notice in writing of its intention to resign or such shorter notice as the Certus Nominee and the Purchaser may accept as sufficient. The Certus Nominee and the Purchaser agree that they shall forthwith upon receipt of such notice appoint a new escrow agent to act in the place and stead of the Escrow Agent and if they fail to agree on such appointment, any of the Certus Nominee, the Selling Shareholders, the Purchaser or the Escrow Agent may apply to the Court on such notice as the Court may direct for the appointment of a new escrow agent. Upon any such appointment, the new escrow agent will be vested with the same powers, rights, duties and obligations as if it had been originally named herein as escrow agent and such new escrow agent shall enter into an agreement with the Certus Nominee, the Selling Shareholders and the Purchaser agreeing to be bound by all of the provisions of this Agreement.

#### **9. Discharge from Duties**

Upon disposing of the Escrow Amount and interest thereon, if any, in accordance with the provisions of this Agreement, the Escrow Agent shall be relieved and discharged from all Claims and Liabilities relating to the Escrow Amount and interest thereon, if any, and the Escrow Agent shall not be subject to any Claims made by or on behalf of any Party hereto.

#### **10. Disputes**

Notwithstanding anything herein or in any other agreement or instrument expressed or implied to the contrary, if at any time the Escrow Agent in its sole discretion believes that there is a *bona fide* question,

confusion or dispute in respect of the release of the Escrow Amount or any matter under this Agreement that may affect the release of the Escrow Amount, the Escrow Agent may in its sole discretion, and notwithstanding any notices or demands received by the Escrow Agent from any of the other Parties hereto or any other Person, deposit the Escrow Amount or portion thereof in dispute, with the clerk of the Court, and may interplead each of the other Parties hereto and any other interested party or parties in the proceedings pursuant thereto. Upon making such deposit, and following the filing of its pleadings relative to its complaint in interpleader, the Escrow Agent shall be released from all liability under the terms of this Agreement with respect to the Escrow Amount or portion thereof so deposited and shall be entitled to recover from the Parties, in such manner as may be determined by the Court, the Escrow Agent's reasonable fees and related costs and expenses incurred in connection with such action.

#### **11. Indemnity of Escrow Agent**

The Escrow Agent shall not be liable for any action taken or omitted to be taken by it in good faith and in the exercise of its reasonable judgment and any act done or omitted by it pursuant to the advice of any legal counsel it may employ shall be conclusive evidence of such good faith. The Escrow Agent may at any time consult with independent legal counsel of its own choice in any such matters, shall have full and complete authorization and protection from any action taken or omitted by it hereunder in accordance with the advice of such legal counsel, and shall incur no liability for any delay reasonably required to obtain the advice of any such legal counsel. The Purchaser and the Selling Shareholders shall indemnify the Escrow Agent for, and hold it harmless against, any loss, liability, cost or expense (including reasonable fees and disbursements of legal counsel), reasonably incurred by it without gross negligence, bad faith, fraud or wilful misconduct on its part, arising out of or in connection with this Agreement, including the costs and expenses of defending itself against any claim or liability in connection with any such matter. The Escrow Agent shall not be liable for any loss of any of the Escrow Amount not resulting from its gross negligence, bad faith, fraud or wilful misconduct.

#### **12. Indemnity of Certus Nominee**

The Certus Nominee shall not be liable for any action taken or omitted to be taken by it in connection with this Agreement in good faith and in the exercise of its reasonable judgment. The Certus Nominee may at any time consult with independent legal counsel of its own choice in any such matters, shall have full and complete authorization and protection from any action taken or omitted by it hereunder in accordance with the advice of such legal counsel, and shall incur no liability for any delay reasonably required to obtain the advice of any such legal counsel. The Purchaser and the Selling Shareholders shall indemnify the Certus Nominee for, and hold it harmless against, any loss, liability, cost or expense (including reasonable fees and disbursements of legal counsel), reasonably incurred by it without gross negligence, bad faith, fraud or wilful misconduct on its part, arising out of or in connection with this Agreement, including the costs and expenses of defending itself against any claim or liability in connection with any such matter.

#### **13. Indemnity of the Purchaser**

The Purchaser shall not be liable for any action taken or omitted to be taken by it in good faith and in the exercise of its reasonable judgment and any act done or omitted by it pursuant to the advice of any legal counsel it may employ shall be conclusive evidence of such good faith. The Escrow Agent may at any time consult with independent legal counsel of its own choice in any such matters, shall have full and complete authorization and protection from any action taken or omitted by it hereunder in accordance with the advice of such legal counsel, and shall incur no liability for any delay reasonably required to obtain the advice of any such legal counsel. The Selling Shareholders shall indemnify the Purchaser, and hold it harmless

against, any loss, liability, cost or expense (including reasonable fees and disbursements of legal counsel), reasonably incurred by it without gross negligence, bad faith, fraud or wilful misconduct on its part, arising out of or in connection with this Agreement, including the costs and expenses of defending itself against any claim or liability in connection with any such matter.

#### **14. Limitation of Responsibility**

- (a) The Escrow Agent shall have no duty to know or determine the performance or non-performance by Certus, the Selling Shareholders or the Purchaser of any provision of the Pre-Acquisition Agreement or the Class A Shareholder Share Purchase Agreement, or any other agreement except as expressly required or contemplated in the performance of the Escrow Agent of its duties and responsibilities under this Agreement.
- (b) The Escrow Agent shall not be bound in any way by any other contract or agreement between the parties hereto, whether or not the Escrow Agent has knowledge thereof or of its terms and conditions; the Escrow Agent's only duty, liability and responsibility shall be to hold and deal with the Escrow Amount as herein directed and the Escrow Agent has no duties and responsibilities other than those expressly stated herein.
- (c) The provisions of this clause are not intended to and shall not restrict or remove any other rights which the Escrow Agent may have at law or in equity to seek relief or direction from the Court in addition to such as are expressly set forth herein.
- (d) Except as otherwise expressly provided herein, the Escrow Agent is hereby authorized to disregard any and all notices or warnings, other than written notices given by any of the other Parties hereto, and is hereby expressly authorized to comply with and obey any and all processes, orders, judgments or decrees of any Court and shall not be liable to any of the other Parties for such compliance, notwithstanding any such process, order, judgment or decree being subsequently reversed, modified, annulled, set aside, or vacated, or being subsequently found to have been issued or entered without jurisdiction.
- (e) The Escrow Agent shall be under no duty or obligation to ascertain the identity, authority, or rights of the Parties (or their agents) executing or delivering or purporting to execute or deliver this Agreement, or any directions, instruments, documents, or papers related hereto.
- (f) The Escrow Agent shall not be obligated to take any legal action hereunder which might, in the Escrow Agent's judgment, involve any expense or liability unless the Escrow Agent shall have been furnished with reasonable retainer or indemnity.

#### **15. Acknowledgement of Escrow Agent's Representation of the Purchaser and Selling Shareholders**

The Parties acknowledge that:

- (a) the Escrow Agent or its partners, employees, agents or associates have provided counsel to the Purchaser, the Certus Nominee, the Selling Shareholders and Certus in connection with the transactions contemplated by the Pre-Acquisition Agreement, the Class A Shareholder Share Purchase Agreement and in connection with this Agreement;

- (b) the duties of the Escrow Agent hereunder are purely mechanical and are not subject to any discretion on the part of the Escrow Agent;
- (c) the Escrow Agent is acting hereunder for the convenience of the Parties and shall not be impeachable or accountable because of any conflicting or potentially conflicting duty to the Purchaser, the Certus Nominee, Certus, the Selling Shareholders or any advice provided to the Purchaser, the Certus Nominee, the Selling Shareholders or Certus; and
- (d) the Escrow Agent shall continue to be a liberty to act as counsel to the Purchaser, the Certus Nominee, the Selling Shareholders and Certus and their related entities on this or any other matter notwithstanding the Escrow Agent's role as escrow agent hereunder.

## 16. Term and Termination

This Agreement shall be effective as of the date hereof and shall terminate on such date as the Escrow Amount held by the Escrow Agent hereunder has been fully released in accordance with Section 7 or pursuant to an order of a Court or arbitrator(s) of competent jurisdiction.

## 17. Notices

- (a) Whether or not so stipulated herein, each notice, direction, communication or statement (herein called a "notice") required or permitted hereunder shall be in writing. A notice may be served:
  - (i) by delivering it to the Party to whom it is being given at that Party's address for notices hereunder, provided such delivery shall be during normal business hours of the addressee on a Business Day. Such notice shall be deemed to be received by the addressee when actually delivered as aforesaid; or
  - (ii) electronically or by facsimile (or by any other like method by which a written and recorded message may be sent) directed to the Party to whom it is being given at that Party's facsimile number for notices hereunder. Such notices shall be deemed received by the addressee thereof (i) when actually received by it if sent within the normal working hours of a Business Day, or (ii) otherwise at the commencement of the next ensuing Business Day following transmission thereof.
- (b) The address and facsimile numbers of the Parties for notices hereunder shall be as follows:
  - (i) to each Selling Shareholder and the Purchaser, at the contact information set forth in the Class A Shareholder Share Purchase Agreement:
  - (ii) to the Certus Nominee, at the contact information set forth in the Pre-Acquisition Agreement for Certus and as follows:

Robert Brady  
915 Drury Avenue NE  
Calgary, AB T2E 0M3

Phone: [REDACTED]

E-Mail: [REDACTED]

(iii) to the Escrow Agent:

Greenfields Law  
120 – 4838 Richard Road SW  
Calgary, AB T3E 6L1

Attention: Ryan Shewchuk  
Phone: [REDACTED]  
E-Mail: [REDACTED]

(c) A Party may change its address or facsimile number for notices hereunder by notice to the other Party.

### **18. Fees, Costs and Expenses**

- (a) Without limiting the liability of the Purchaser to the Escrow Agent set forth in Section 11 hereof, the Purchaser agrees that any and all losses, liabilities, costs and expenses (including reasonable fees and disbursements of legal counsel) reasonably incurred by the Escrow Agent in the performance of its obligations under this Agreement without gross negligence, bad faith, fraud or wilful misconduct on the part of the Escrow Agent, shall be borne by the Purchaser.
- (b) Each of the Parties agrees that the Certus Nominee shall not be required to expend or risk his own funds or incur any liability in discharging his obligations under this Agreement and that (i) the reasonable "out-of-pocket" expenses and third party professional fees incurred by the Certus Nominee and (ii) a fee rate of \$150 per hour for the Certus Nominee's reasonable time, such fees and expenses up to a maximum of an aggregate of \$25,000, in connection with the performance of its obligations under this Agreement will be paid from the Escrow Amount before any such funds are paid to the Selling Shareholders and/or the Purchaser, as applicable, provided however that no payment will be made to the Certus Nominee in respect of such expenses and fees if the Escrow Amount is released pursuant to Section 7(a) of this Agreement.

### **19. Applicable Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta except any conflict of laws or rules that would otherwise require the application of the laws of another jurisdiction. Each of the Parties hereto attorns to the exclusive jurisdiction of the Courts of the Province of Alberta and the Supreme Court of Canada.

### **20. Further Assurances**

Each of the Parties shall make, do and execute or cause to be made, done and executed all such further and other things, acts, deeds, documents and assurances necessary to carry out the intent and purposes of this Agreement fully and effectually.

### **21. No Waiver; Amendments**

Any waiver of any provision of this Agreement must be in writing and must be duly executed by the Party or Parties, as applicable, giving such waiver. No failure or delay of any Party in exercising any right, power or remedy provided herein shall be, or be deemed to be, a waiver thereof; nor shall any single or partial exercise of any right, power or remedy preclude any other or further exercise of such rights, power or remedy or any other right, power or remedy. This Agreement shall not be amended except by written instrument duly executed by the Parties affected by the amendment.

**22. No Assignment**

Neither this Agreement nor any rights or obligations under this Agreement shall be assignable by operation of law, amalgamation or otherwise by any Party without the prior written consent of the other Parties, except that the Purchaser may assign, without being required to obtain the Selling Shareholder's consent, all or part of its rights or obligations hereunder to one or more of its direct or indirect wholly-owned subsidiaries, but the Purchaser shall continue to be liable to the Selling Shareholders and the Certus Nominee as principal obligor for any default by such entities in the performance of any of the Purchaser's obligations hereunder. Subject thereto, this Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. No third party shall have any rights hereunder unless expressly stated to the contrary.

**23. Successors**

This Agreement shall be binding upon and shall enure to the benefit of the Parties, their heirs, legal representatives, successors (including successors by amalgamation or arrangement) and permitted assigns.

**24. Counterparts**

This Agreement and any written instructions or notices delivered under this Agreement, may be executed in any number of counterparts each of which when so executed shall be an original and all of them when taken together shall constitute one and the same instrument. A telecopy or by e-mail in PDF format of the execution page of a counterpart shall be sufficient evidence of execution for the purposes of this section and shall be equivalent to an originally executed page of such counterpart.

***The Remainder of this Page Left Intentionally Blank***

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the day and year first above written.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
**ROBERT BRADY, in his capacity as Certus Nominee**

\_\_\_\_\_  
Witness

\_\_\_\_\_  
**ROBERT BRADY, in his capacity as a Selling Shareholder**

\_\_\_\_\_  
Witness

\_\_\_\_\_  
**[REDACTED], in his capacity as a Selling Shareholder**

**ARAL TRUST, by its Trustee, Robert Brady**

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

**WOODFORD FAMILY TRUST, by its Trustee Michael Woodford**

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

**ANDREWS TRUST, by its Trustee Peter Andrews**

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

**1005017 B.C. LTD.**

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

**RYAN SHEWCHUK PROFESSIONAL CORPORATION**

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

**PINE CLIFF ENERGY LTD.**

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

**SCHEDULE "I"**  
**DISCLOSURE LETTER**

***[Redacted – Commercially Sensitive Information]***

**SCHEDULE "J"**  
**FORM OF RELEASE**

***[Redacted – Relates to Confidential Changes to Private Employment Matters]***

**SCHEDULE "K"**  
**FORM OF EMPLOYEE RELEASE**

***[Redacted – Relates to Confidential Changes to Private Employment Matters]***

**SCHEDULE "L"**  
**FORM OF CONTRACTOR RELEASE**

***[Redacted – Relates to Confidential Changes to Private Employment Matters]***