

*No securities tendered to this bid will be taken up until (a) more than 50% of the outstanding securities of the class sought (excluding those securities beneficially owned, or over which control or direction is exercised, by the Offeror or any person acting jointly or in concert with the Offeror) have been tendered to the bid, (b) the minimum deposit period required under applicable securities laws has elapsed, and (c) any and all other conditions of the bid have been complied with or waived, as applicable. If these criteria are met, the Offeror will take up securities deposited under the bid in accordance with applicable securities laws and extend its bid for an additional minimum period of 10 days to allow for further deposits of securities.*

*This Offer, the Circular and the Letter of Transmittal (each as defined herein) (collectively, the "Offer Documents") are important and require your immediate attention. If you are in doubt as to how to deal with them, you should consult your investment advisor, broker, bank manager, lawyer or other professional advisor. Additionally, if you have questions, please contact Odyssey Trust Company, the depositary and information agent under the Offer, by telephone at 1 (587) 885-0960 (toll free in North America within Canada), or 1 (888) 290-1175 (collect calls outside North America toll free), or by email at [corp.actions@Odysseytrust.com](mailto:corp.actions@Odysseytrust.com).*

*This Offer has not been approved by any securities regulatory authority nor has any securities regulatory authority passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document. Any representation to the*

*contrary is an offence. Information has been incorporated by reference in this document from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge by making a written request to Pine Cliff Energy Ltd. at Suite 850, 1015 – 4<sup>th</sup> Street S.W., Calgary, Alberta T2R 1J4. Additional information is also available electronically on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and at [www.pinecliffenergy.com](http://www.pinecliffenergy.com).*

*The Offer Documents do not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful.*



November 3, 2023

## OFFER TO PURCHASE FOR CASH

all of the outstanding Class B Common Shares of

CERTUS OIL AND GAS INC.

Pine Cliff Energy Ltd. ("**Pine Cliff**" or the "**Offeror**") hereby offers (the "**Offer**") to purchase all of the outstanding class "B" common shares (the "**Common Shares**") of Certus Oil and Gas Inc. ("**Certus**"), including any Common Shares that may become issued and outstanding after the date of the Offer but prior to the Expiry Time (as defined herein) upon the exercise or conversion of Certus Options (as defined herein), Certus Warrants (as defined herein), Certus Notes (as defined herein) or upon any other exercise, exchange or conversion of securities of Certus into Common Shares. The Offer is subject to certain conditions set forth in Section 4 of the Offer, "*Conditions of the Offer*".

**THE OFFER IS OPEN FOR ACCEPTANCE AT ANY TIME PRIOR TO 5:00 P.M. (CALGARY TIME) ON DECEMBER 8, 2023 (THE "EXPIRY TIME"), UNLESS WITHDRAWN OR EXTENDED.**

Pine Cliff has entered into Lock-up Agreements with certain directors, officers and shareholders of Certus who currently hold an aggregate of 42,847,758 Common Shares, 38,700,000 options to purchase Common Shares ("**Certus Options**"), Nil warrants to purchase Common Shares ("**Certus Warrants**") and an aggregate principal amount of \$2,000,000 convertible promissory note ("**Certus Notes**") representing approximately 51% of the outstanding Common Shares, pursuant to which such persons have agreed to tender all of their Common Shares to the Offer including any Common Shares issuable on the exercise or conversion of Certus Options, Certus Warrants or Certus Notes, as applicable. See "Lock-up Agreements" in the Circular.

**THE DIRECTORS OF CERTUS HAVE UNANIMOUSLY DETERMINED THAT THE OFFER IS IN THE BEST INTERESTS OF CERTUS AND HAVE RESOLVED TO UNANIMOUSLY RECOMMEND THAT CERTUS SHAREHOLDERS ACCEPT THE OFFER AND TENDER THEIR COMMON SHARES TO THE OFFER.**

Shareholders (as defined herein) who wish to accept the Offer must properly complete and execute the accompanying Letter of Transmittal and deposit it, or a manually executed facsimile thereof, together with the certificate or certificates representing their Common Shares, at one of the offices of Odyssey Trust Company (the "**Depository**") set out in the Letter of Transmittal, in accordance with the instructions in the Letter of Transmittal. Alternatively, a holder of Common Shares who wishes to deposit such shares and whose certificate or certificates for such shares are not immediately available may accept the Offer by following the procedures for guaranteed delivery set out in Section 3 of the Offer, "Manner of Acceptance".

Persons whose Common Shares are registered in the name of a nominee should contact their broker, investment dealer, bank, trust company or other nominee for assistance in depositing their Common Shares to the Offer.

Questions and requests for assistance may be directed to the Depository at the addresses and telephone numbers set out in the Letter of Transmittal. Additional copies of this document, the Letter of Transmittal may be obtained upon request without charge from the Depository at its offices as set out below and in the Letter of Transmittal.

**Shareholders should be aware that the disposition of Common Shares may have tax consequences. Shareholders are encouraged to consult their own tax advisors. See "Certain Canadian Federal Income Tax Considerations" in the Circular.**

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## FORWARD-LOOKING STATEMENTS

Certain statements contained in the accompanying Circular under "Purpose of the Offer and Plans for Certus", "Source of Funds", "Acquisition of Common Shares Not Deposited", "Certain Canadian federal Income Tax Considerations", as well as certain statements relating to the anticipated price per Common Share and estimated total consideration to be received by Shareholders contained in the Offer and Circular, are "forward-looking statements" and are prospective in nature. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "does not anticipate", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. More particularly and without limitation, this Circular contains forward-looking information concerning Pine Cliff's plans and other aspects of its anticipated future operations, management focus, objectives, strategies, financial, operating and production results and business opportunities, including the following: the completion of the Offer including the timing and terms thereof; the anticipated Compulsory Acquisition or another form of Subsequent Transaction to acquire any Common Shares not tendered to the Offer; the benefits of the Offer and the characteristics of the acquired Common shares, including an expected price per Common Share. These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the control of the Offeror, including: the impact of general economic conditions; industry conditions; changes in laws and regulations; fluctuations in commodity prices and foreign exchange and interest rates; stock market volatility and market valuations; incorrect assessments of the value of acquisitions; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves; and obtaining required approvals of regulatory authorities. The Offeror's actual results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits that Pine Cliff will derive from them. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. The forward-looking statements contained herein and in the accompanying Circular are expressly qualified in their entirety by this cautionary statement. Except as required by law, the Offeror undertakes no obligation to publicly update or revise any forward-looking statements. Shareholders are encouraged to review and consider the additional risk factors included in the Pine Cliff's most recently filed Management's Discussion and Analysis (See "Forward-Looking Statements" therein), Annual Information Form (See "Risk Factors" and "Forward-Looking Statements" therein) which is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

## SUMMARY

*The questions and answers below are not meant to be a substitute for the more detailed description and information contained in this Offer and Circular, the Letter of Transmittal. You are urged to read each of these documents carefully prior to making any decision regarding whether or not to tender your Common Shares. For ease of reference, cross-references are provided in this section to other sections of this Offer and Circular where you will find more complete descriptions of the topics mentioned below. Unless otherwise defined herein, capitalized terms have the meanings given to them in the Glossary.*

### **Who is offering to purchase my Common Shares?**

Pine Cliff Energy Ltd., a leading Canadian oil and gas company, is making the Offer to purchase your Common Shares. This includes Common Shares that may become issued and outstanding after the date of the Offer, but before the Expiry Time, upon the exercise of Certus Options, Certus Warrants, or upon the conversion of Certus Notes. See Section 1 of the Offer, entitled "The Offer".

### **What will I receive in exchange for my Common Shares?**

Upon acceptance of the Offer, each Shareholder whose Shares are taken up and paid for by Pine Cliff will be entitled to receive, in respect of all of his, her or its Shares, an amount as determined according to the Pre-Acquisition Agreement, which is expected to represent an expected price per Common Share ranging from \$0.374 to \$0.384.

### **Why should I accept the Offer?**

The Offeror believes that the consideration being offered for your Common Shares is a full and fair price, and represents appropriate and fair consideration for your Common Shares.

### **How long do I have to accept the Offer?**

The Offer is open for acceptance commencing on the date of this Offer to Purchase and Circular until the Expiry Time, being 5:00 p.m. (Calgary time) on December 8, 2023, unless the deposit period for the Offer is accelerated or extended by the Offeror, or the Offer is withdrawn by the Offeror. See Section 2 of this Offer to Purchase, "Time for Acceptance".

### **How will Certus Options, Certus Warrants and Certus Notes be treated in the Offer?**

The Offer is made only for Common Shares and is not made for any convertible securities (including Certus Options, Certus Warrants and Certus Notes). Holders of such convertible securities who wish to accept the Offer (in respect of Common Shares underlying such convertible securities) should, to the extent permitted by the terms of such securities and applicable Law, exercise, convert or exchange such convertible securities in order to acquire Common Shares and tender those Common Shares to the Offer. Any such exercise, conversion or exchange must be completed well in advance of the Expiry Time to ensure that Common Shares will be available for tender to the Offer at or prior to the Expiry Time or in sufficient time to comply with the procedures referred to in Section 3 of the Offer, entitled "Manner of Acceptance".

### **How and when is the Board of Directors of Certus required to respond to the Offer?**

Under Canadian securities Laws, a directors' circular must be prepared and delivered to Shareholders no later than 15 days from the date of commencement of the Offer. The Directors' Circular must include either a recommendation to accept or reject the Offer, and the reasons for the board of directors' recommendation, or a statement that the board of directors is unable to make or is not making a recommendation, and if no recommendation is made, the reasons for not making a recommendation.

## Lock-Up Agreement

Pine Cliff has entered into a Lock-Up Agreement with each of the Supporting Shareholders pursuant to which the Supporting Shareholders have agreed to support the proposed acquisition of Certus by Pine Cliff, including by way of the Offer. The Supporting Shareholders collectively own 42,847,758 Common Shares, 38,700,000 Certus Options, Nil Certus Warrants and an aggregate principal amount of \$2,000,000 Certus Notes, which, upon exercise or conversion, represent 51% of the issued and outstanding Common Shares. See "Lock-Up Agreement" in the Circular.

### What are some of the significant conditions to the Offer?

The Offer is subject to the satisfaction or waiver of a number of conditions. The Offer is conditional upon, among other things:

- 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, other than Common Shares held by Pine Cliff);
- 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);
- 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;
- there shall not have occurred, at any time subsequent to the date of the Agreement, a Material Adverse Change in respect of Certus;
- Pine Cliff and the Indirect Class A Shareholders shall have entered into Class A Share Purchase Agreements which has the effect of Pine Cliff owning or controlling, directly or indirectly, all of the issued and outstanding Class A Shares;
- Certus shall have received resignations and mutual releases from all directors and officers of Certus in the form and substance satisfactory to Pine Cliff; and
- all requisite Regulatory Approvals shall have been obtained and all applicable statutory or regulatory waiting periods shall have expired or been terminated.

**The Offer is not, however, subject to any financing condition.** See Section 4 of the Offer, entitled "Conditions of the Offer" for a description of these and other conditions of the Offer.

### What will happen if the conditions of the Offer are not satisfied?

Subject to the provisions of the Pre-Acquisition Agreement, Pine Cliff 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 the conditions are satisfied or waived by Pine Cliff at or prior to the Expiry Time.

### **How do I tender my Common Shares to the Offer?**

If you are a registered shareholder of Certus (meaning that you have a physical certificate representing your Common Shares registered in your name), you must properly complete and execute the accompanying Letter of Transmittal (printed on yellow paper) and deposit it, along with the certificate(s) representing your Common Shares and any other required documents at or prior to 5:00 p.m. (Calgary time) on December 8, 2023 in accordance with the instructions in the Letter of Transmittal. If you cannot deposit your share certificate(s) in time, you can accept the Offer by following the procedures for guaranteed delivery described in Section 3 of the Offer, entitled "Manner of Acceptance".

If your Common Shares are held in an account with an investment dealer, broker, bank, trust company or other nominee, you should contact your representative in order to tender your Common Shares to the Offer. Intermediaries will likely establish tender cut-off times that are up to 48 hours prior to the Expiry Time. You should instruct your broker or other intermediary promptly if you wish to tender your Common Shares to the Offer. Shareholders are invited to contact the Depository for further information regarding the actions that must be taken to accept the Offer. The Depository can be contacted by email at [corp.actions@Odysseytrust.com](mailto:corp.actions@Odysseytrust.com). See Section 3 of the Offer, entitled "Manner of Acceptance".

### **What if I have lost my Common Share certificate(s) but wish to tender my Common Shares to the Offer?**

You should complete your Letter of Transmittal to the extent possible and state in writing the circumstances surrounding the loss and forward your documents to the Depository. The Depository will advise you of replacement requirements which must be completed and returned before the Expiry Time. See Section 3 of the Offer, entitled "Manner of Acceptance".

### **Will I be able to withdraw previously tendered Common Shares?**

Any Common Shares tendered in acceptance of the Offer may be withdrawn by or on behalf of the depositing Shareholder at any time before the Common Shares have been taken up and paid for by the Offeror. To be effective, a withdrawal must be completed in accordance with the procedures outlined in Section 7 of the Offer, "Return of Deposited Certus Shares". Once tendered Common Shares have been taken up and paid for by the Offeror, such Common Shares may no longer be withdrawn by or on behalf of the depositing Shareholder.

Withdrawals completed in accordance with the procedures of Section 7 of the Offer will take effect only upon actual receipt by the Depository of the properly completed and executed written or facsimile notice of withdrawal.

### **If I accept the Offer, when will I receive the consideration for my Common Shares?**

If all of the conditions of the Offer are satisfied or waived by it, Pine Cliff will take up Common Shares tendered to the Offer (and not withdrawn) within ten (10) calendar days after the Expiry Time and will pay for the Common Shares taken up as soon as possible, but in any event not later than three (3) Business Days after taking up the tendered Common Shares. Any Common Shares tendered to the Offer after the first date on which Common Shares have been taken up by Pine Cliff will be taken up and paid for not later than ten (10) calendar days after such tender.

### **If I decide not to tender, how will my Common Shares be affected?**

If Pine Cliff takes up and pays for Common Shares under the Offer, it currently intends to take such action as is necessary, including effecting a Compulsory Acquisition, to acquire any Common Shares not tendered to the Offer. It is Pine Cliff's current intention that the consideration to be offered for such Common Shares under a Compulsory Acquisition would be the same consideration offered under the Offer. In connection with such a transaction, you may have dissent rights and the tax consequences may vary from those that would otherwise have applied to you if you tendered your Common Shares to the Offer. See "Acquisition of Common Shares Not Deposited Under the Offer" in the Circular.

**Do I have dissent rights in connection with the Offer?**

No. Shareholders will not have dissent rights in connection with the Offer. However, Shareholders who do not tender their Class A Shares to the Offer may have rights of dissent under the ABCA in the event Pine Cliff acquires their Class A Shares by way of a Compulsory Acquisition or Subsequent Transaction.

**What are the Canadian federal income tax consequences of accepting the Offer?**

Shareholders should consult their own tax advisors about applicable Canadian federal income tax implications of the Offer, a Compulsory Acquisition or a Subsequent Transaction. A summary of certain Canadian federal income tax consequences is set out in the Circular. See "Certain Canadian Federal Income Tax Considerations".

**Who can I call with questions about the Offer or for more information?**

Questions and requests for assistance concerning the Offer may be directed to the Depositary (Odyssey Trust Company) at 1 (587) 885-0960 in Canada, or at 1 (888) 290-1175, toll free, or by e-mail at [corp.actions@Odysseytrust.com](mailto:corp.actions@Odysseytrust.com), or using the contact information found on the back page of this document.

**NOTICE TO CERTUS SHAREHOLDERS IN OTHER JURISDICTIONS**

**This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of Shareholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, Pine Cliff may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.**

**OFFER TO PURCHASE****(Common Shares of Certus Oil and Gas Inc.)**

November 3, 2023

**TO: Each Certus Shareholder****RE: Offer to Purchase****1. The Offer**

On October 30, 2023, Pine Cliff and Certus entered into the Pre-Acquisition Agreement providing for the making of the Offer.

Pine Cliff hereby offers to purchase for cash, on and subject to the terms and conditions hereinafter specified, all Common Shares issued and outstanding including all Common Shares that become issued and outstanding after the date of the Offer but before the Expiry Time upon the exercise of Certus Options and Certus Warrants and the conversion of Certus Notes, at a price of up to \$0.384 in cash per Common Share. The Offer is being made only for Common Shares and is not made for any Certus Options, Certus Warrants or Certus Notes. Any holder of Certus Options, Certus Warrants or Certus Notes who wishes to accept the Offer must, to the extent permitted by the terms of the Certus Options, Certus Warrants or Certus Notes, as applicable, and as contemplated by the Offer, the Pre-Acquisition Agreement and applicable Laws, exercise their Certus Options or Certus Warrants, or convert their Certus Notes, as applicable, and tender all Common Shares issued in connection therewith to the Offer. Any such exercise must comply with the procedures established by Certus and Pine Cliff pursuant to the terms of the Offer and the Pre-Acquisition Agreement.

**The Aggregate Cash Consideration offered pursuant to the Offer is: (i) based upon a purchase price that is equal to \$100,000,000 less the Certus Net Debt Amount (to be estimated by Certus to Pine Cliff on or before the Expiry Date), 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; and (ii) subject to a post Effective Date adjustment as described below. All amounts paid to Shareholders will be rounded to the nearest whole cent on a per holder basis.**

Based on the anticipated Estimated Net Debt Amount, on the Effective Date, Shareholders will likely receive an anticipated price ranging from approximately \$0.374 per Common Share to \$0.384 per Common Share. On or about March 31, 2024, Shareholders may receive up to an additional \$1,798,591 which equates to a potential price increase of approximately \$0.01 per Common Share, subject to reduction in the event that Certus' Net Debt Amount is greater than the Estimated Net Debt Amount. Based on these estimations, the maximum aggregate consideration to be received by Shareholders shall be approximately \$0.384 per Common Share.

The additional \$1,798,591 represents the Escrow Amount for the Class B Shares which will be deposited into escrow in accordance with the Class B Escrow Agreement and will be distributed to the former Shareholders and/or Pine Cliff depending on the actual Certus Net Debt Amount.

Pursuant to the Escrow Agreement, Pine Cliff shall have until March 31, 2024, to provide the Certus Nominee with a statement setting forth Pine Cliff's calculation of the Certus Net Debt Amount and the amounts payable from the Escrow Amount (the "**Adjustment Statement**") calculated in accordance with the Pre-Acquisition Agreement. The Pre-Acquisition Agreement provides that if the Certus Net Debt Amount is greater than the Estimated Net Debt Amount, Pine Cliff shall be entitled to a payment equal to the lesser of: (i) the Escrow Amount; and (ii) the difference between the Class B Net Debt Allocation and the Class B Estimated Net Debt Allocation from the Escrow Amount, if any. If the Certus Net Debt Amount is less than or equal to the Estimated Net Debt Amount, the Escrow Amount will be delivered to the Shareholders. Following payments to Pine Cliff made pursuant to the Adjustment Statement, if any, any remaining Escrow Amount funds shall be paid to the former holders of Common Shares pro rata their

previous holdings. If Pine Cliff does not provide an Adjustment Statement by March 31, 2024, the entire Escrow Amount shall be automatically released by the Escrow Agent to the former holders of Common Shares.

The Escrow Agreement provides a mechanism by which the Certus Nominee can dispute the Adjustment Statement which includes, if necessary, the engagement of an independent auditor. Costs of the independent auditor shall be borne by the Party or Parties that the Independent Auditor rules against. In discharging his duties under the Escrow Agreement, the Certus Nominee shall be entitled to reimbursement of all reasonable "out-of-pocket" expenses and third party professional fees incurred by the Certus Nominee as well as a fee rate of \$150 per hour for the Certus Nominee's reasonable time. The fees and expenses, up to a maximum of \$25,000, shall be paid from the Escrow Amount prior to any funds being released to Pine Cliff and/or the former Shareholders, as applicable, provided that no fees and expenses shall be paid if Pine Cliff does not provide an Adjustment Statement.

Notwithstanding any other provision of the Offer, but subject to applicable Law, Pine Cliff will not take up, purchase or pay for, any Common Shares unless, at the end of the initial deposit period or such earlier or later time during which Common Shares may be deposited under the Offer, excluding the mandatory 10-day extension period or any extension thereafter, there shall have been validly deposited under the Offer and not withdrawn that number of Common Shares that constitutes more than 66 2/3% of the outstanding Common Shares, excluding any Common Shares beneficially owned, or over which control or direction is exercised, by Pine Cliff or its Affiliates (the "**Minimum Tender Condition**"). In the event that the Minimum Tender Condition is not satisfied, Pine Cliff will have the right to withdraw or terminate the Offer or to extend the period of time during which the Offer is open for acceptance. The Minimum Tender Condition cannot be waived by Pine Cliff.

If the Offer is withdrawn, Pine Cliff shall not be obligated to take-up or pay for any of the Common Shares deposited under the Offer and Pine Cliff will promptly return all certificates for deposited Common Shares, Letters of Transmittal and related documents to the parties by whom they were deposited. See Section 4 of the Offer, "*Conditions of the Offer*".

The Offer expires at the Initial Expiry Time, unless withdrawn, accelerated or extended.

**The Certus Board has: (i) unanimously approved the Offer and the Pre-Acquisition Agreement; (ii) unanimously determined that the Offer is in the best interests of Certus; (iii) received the Fairness Opinion from Stifel stating that, as of the date thereof, the consideration to be received under the Offer, is fair from a financial point of view to the shareholders; and (iii) resolved to unanimously recommend acceptance of the Offer by the Shareholders.**

As indicated above, the Offer is made only for Common Shares and not for any rights to acquire Common Shares. All Certus Options and Certus Warrants tendered to Certus for exercise and all Certus Notes converted on or before the Expiry Time, conditional on Pine Cliff taking up Common Shares under the Offer (a "**Conditional Exercise**"), shall be deemed by Pine Cliff to have been exercised or converted, as the case may be, immediately prior to the Expiry Time and Pine Cliff 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.

## **2. Time for Acceptance**

This Offer is open for acceptance by you only until the Expiry Time, unless extended by Pine Cliff in its sole discretion or withdrawn by Pine Cliff in accordance with the terms of the Offer.

If the Minimum Tender Condition is satisfied and the other conditions of the Offer are satisfied or waived by Pine Cliff at the expiry of the initial deposit period under the Offer and Pine Cliff takes up the Common Shares deposited under the Offer, Pine Cliff will make a public announcement confirming those matters and extend the period during which Common Shares may be deposited and tendered to the Offer for a period of not less than ten (10) calendar days after the date of such announcement.

### 3. Manner of Acceptance

#### *Letter of Transmittal*

Shareholders may accept the Offer by delivering the following materials to the Depository (at the offices of the Depository listed in the Letter of Transmittal), such that they are physically received by the Depository prior to the Expiry Time:

- (a) the certificate or certificates representing the Common Shares in respect of which the Offer is being accepted;
- (b) the Letter of Transmittal (which is on blue paper), or a manually executed facsimile thereof, properly completed and duly executed as required by the instructions set out in the Letter of Transmittal; and
- (c) any other documents required by the instructions set out in the Letter of Transmittal.

If the certificate or certificates representing Common Shares are not available for deposit prior to the Expiry Time, Shareholders may accept the Offer by complying with the Procedure for Guaranteed Delivery set forth below in this Section 3.

Except as otherwise provided in the instructions to the Letter of Transmittal, the signature on the Letter of Transmittal must be medallion guaranteed by an Eligible Institution.

If the Letter of Transmittal is executed by a person other than the registered owner(s) of the Common Shares deposited therewith, and in certain other circumstances as set out in the Letter of Transmittal, then the certificate(s) must be endorsed or be accompanied by an appropriate share transfer power of attorney duly and properly completed by the registered owner(s). The signature(s) on the endorsement panel or share transfer power of attorney must correspond exactly to the name(s) of the registered owner(s) as registered or as appearing on the certificate(s) and must be medallion guaranteed by an Eligible Institution. The Offer will be accepted only if the Depository has actually received these documents at or before the Expiry Time.

#### Procedure for Guaranteed Delivery

If a Certus Shareholder wishes to deposit Common Shares pursuant to the Offer and either: (i) the certificate or certificates representing such Common Shares are not immediately available; or (ii) such Shareholder cannot deliver the certificate or certificates representing such Common Shares and all other required documents to the Depository prior to the Expiry Time, such Common Shares may nevertheless be deposited pursuant to the Offer provided that all of the following conditions are met:

- (a) such deposit is made by or through an Eligible Institution; and
- (b) the certificate or certificates representing deposited Common Shares (in proper form for transfer), together with a properly completed and duly executed Letter of Transmittal, or a manually executed facsimile thereof, covering the Common Shares and all other documents required by the Letter of Transmittal, are received by the Depository prior to the date that is two Business Days following the Expiry Time.

#### *General*

In all cases, payment for Common Shares deposited and taken-up by Pine Cliff pursuant to the Offer will be made only after timely receipt by the Depository of certificates representing the Common Shares together with a properly completed and duly executed Letter of Transmittal, or a manually executed facsimile thereof, covering such Common Shares and any other required documents, with signatures medallion guaranteed, if required, in accordance with the instructions set out in the Letter of Transmittal.

**The method of delivery of the Letter of Transmittal, any certificates representing the Common Shares and all other required documents is at the option and risk of the person depositing the same. Pine Cliff recommends that such documents be delivered by hand to the Depository and a receipt obtained.**

**Delivery will only be effective upon actual receipt by the Depository. Shareholders whose Common Shares are registered in the name of a nominee should contact their stockbroker, investment dealer, bank, trust company or other intermediary for assistance in depositing their Common Shares.**

Except as otherwise provided herein or in the Pre-Acquisition Agreement, the Offer will be deemed to have been accepted when the Depository has actually received certificates in respect of tendered Common Shares and the related Letter of Transmittal duly completed and executed on or before the Expiry Time.

An executed Letter of Transmittal irrevocably constitutes and appoints the Depository and any officer of Pine Cliff, and each of them, and any other person designated by Pine Cliff in writing, as the true and lawful agent, attorney and attorney-in-fact and proxy of such Shareholder with respect to the Common Shares deposited under such Letter of Transmittal that are taken-up and paid for under the Offer (the "**Purchased Shares**"), effective on and after the Effective Date, with full power of substitution, in the name and on behalf of such Shareholder (such power of attorney being deemed to be an irrevocable power coupled with an interest): (a) to register or record, transfer and enter the transfer of Purchased Shares on the appropriate register of holders maintained by Certus; and (b) except as otherwise may be agreed, to exercise any and all of the rights of the holder of the Purchased Shares including, without limitation, to vote, execute and deliver any and all instruments of proxy, authorizations or consents in respect of any or all of the Purchased Shares, revoke any such instrument, authorization or consent given prior to, on or after the Effective Date, designate in any such instruments of proxy any person or persons as the proxy or the proxy nominee or nominees of such Shareholder in respect of such Purchased Shares for all purposes including, without limitation, in connection with any meeting (whether annual, special or otherwise and any adjournments thereof) of holders of securities of Certus, and to execute, endorse and negotiate, for and in the name of and on behalf of the registered holder of Purchased Shares, any and all cheques or other instruments respecting any dividend or distribution payable to or to the order of such holder in respect of such Purchased Shares. Furthermore, a holder of Purchased Shares who executes a Letter of Transmittal agrees, effective on and after the Effective Date, not to vote any of the Purchased Shares at any meeting (whether annual, special or otherwise and any adjournments thereof) of holders of securities of Certus and, except as may otherwise be agreed, not to exercise any of the other rights or privileges attached to the Purchased Shares, and agrees to execute and deliver to Pine Cliff, provided it is not contrary to any applicable Law, at any time and from time to time, as and when requested by Pine Cliff, any and all instruments of proxy, authorizations or consents in form and terms satisfactory to Pine Cliff, in respect of the Purchased Shares and to designate in any such instruments of proxy the person or persons specified by Pine Cliff as the proxy or proxy nominee or nominees of the holder of the Purchased Shares. Upon such appointment, all prior proxies given by the holder of such Purchased Shares with respect thereto shall be revoked and no subsequent proxies may be given by such holder with respect thereto. A holder of Purchased Shares who executes a Letter of Transmittal covenants to execute, upon request, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Purchased Shares to Pine Cliff and acknowledges that all authority therein conferred or agreed to be conferred shall survive the death or incapacity, bankruptcy or insolvency of the holder and all obligations of the holder therein shall be binding upon the heirs, personal representatives, successors and assigns of the holder.

The deposit of Common Shares pursuant to the procedures herein described will constitute a binding agreement between the depositing Shareholder and Pine Cliff upon the terms and subject to the conditions of the Offer, including the depositing Shareholder's representation and warranty that: (i) such Shareholder has full power and authority to deposit, sell, assign and transfer the Common Shares being deposited and has not sold, assigned or transferred or agreed to sell, assign or transfer any of such Common Shares to any other person; (ii) such Shareholder owns the Common Shares being deposited; (iii) the deposit of such Common Shares complies with applicable securities laws; and (iv) when such Common Shares are taken-up and paid for by Pine Cliff, Pine Cliff will acquire good title thereto free and clear of all liens, restrictions, charges, encumbrances, claims and equities whatsoever.

All questions as to validity, form, eligibility (including timely receipt) and acceptance of any Common Shares deposited pursuant to the Offer will be determined by Pine Cliff in its sole discretion. Depositing Shareholders agree that all such determinations shall be final and binding. Pine Cliff reserves the absolute right to reject any and all deposits that it determines not to be in a proper form or which, in the opinion of its counsel, Pine Cliff is not legally

permitted to accept under the laws of any applicable jurisdiction. Pine Cliff reserves the absolute right to waive any defect or irregularity in the deposit of any Common Shares. **There shall be no duty or obligation on Pine Cliff, the Depository or any other person to give notice of any defect or irregularity in any deposit of Common Shares and no liability shall be incurred by any of them for failure to give any such notice. Pine Cliff's interpretation of the terms and conditions of the Offer (including the Circular and the Letter of Transmittal) shall be final and binding.**

Pine Cliff reserves the right to permit the Offer to be accepted in a manner other than those set out above.

#### 4. Conditions of the Offer

Pine Cliff 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 Pine Cliff at or prior to the Expiry Time:

- (a) the Minimum Tender Condition shall have been met;
- (b) all requisite Regulatory Approvals shall have been obtained on terms and conditions reasonably satisfactory to Pine Cliff and all applicable statutory or regulatory waiting periods shall have expired or been terminated;
- (c) Pine Cliff 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:
  - (i) to cease trade, enjoin, prohibit or impose material limitations, damages or conditions on the purchase by or the sale to Pine Cliff of the Common Shares or the right of Pine Cliff 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 Pine Cliff or Certus; or
  - (iii) which would reasonably be expected to materially and adversely affect or interfere with the ability of Pine Cliff 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) Pine Cliff shall have determined, acting reasonably (after receipt of advice from outside legal counsel), that there shall not exist any prohibition at Law against Pine Cliff 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 Pre-Acquisition Agreement, a Material Adverse Change in respect of Certus;
- (f) at the Expiry Time:
  - (i) the representations and warranties of Certus set out in the Pre-Acquisition 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 the Pre-Acquisition 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) the Pre-Acquisition 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, Certus Warrants and the conversion of Certus Notes prior to the Expiry Time);
- (j) all outstanding Certus Options, Certus Warrants and the conversion of Certus Notes shall have been exercised or shall expire 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) Pine Cliff and the Indirect Class A Shareholders shall have entered into Class A Share Purchase Agreement which result in Pine Cliff 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 Pine Cliff;
- (m) Pine Cliff shall be satisfied, acting reasonably, that Certus has satisfied all applicable Termination Costs and other Employee Obligations.

The foregoing conditions are for the exclusive benefit of Pine Cliff and may be asserted by Pine Cliff regardless of the circumstances giving rise to such assertion (excluding any action or inaction by Pine Cliff or any of its Affiliates) giving rise to any such condition. Pine Cliff may, in its 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 Pine Cliff may have. The failure by Pine Cliff 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 assessed at any time and from time to time. For greater certainty, each of the conditions set out above is independent of and in addition to each other condition 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.

## **5. Extension, Variation or Change in the Offer**

The Offer is open for acceptance from the date of the Offer until the Expiry Time, subject to extension or variation in Pine Cliff's sole discretion or as set out below, unless the Offer is withdrawn by the Offeror. In addition, if the Offeror takes up any Common Shares under the Offer, the Offer will be extended and remain open for the deposit of Common Shares for not less than 10 days from the date on which Common Shares are first taken up.

Subject to the limitations set out below, the Offeror reserves the right, in its sole discretion, at any time and from time to time while the Offer is open for acceptance (or at any other time if permitted by applicable Law) to vary the terms of the Offer (including, without limitation, by extending or abridging the period during which Common Shares may be deposited under the Offer where permitted by applicable Law).

Pine Cliff may, in its sole discretion, amend or extend, vary or waive any term or condition of the Offer, provided that Pine Cliff shall not without the prior consent of Certus: (i) change the number of Certus 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 to be paid for each Certus Share (other than to increase the total consideration per Common Share; (v) impose additional conditions to the Offer; (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 Offeror shall not be an amendment or variation adverse to Certus or the Shareholders.

Under applicable Law, the Offeror is required to allow Common Shares to be deposited under the Offer for an initial deposit period of at least 105 days. The initial deposit period under the Offer may be shortened in the following circumstances, subject to a minimum deposit period of at least 35 days from the date of the Offer: (i) if Certus issues a deposit period news release in respect of either the Offer or another offeror's take-over bid that stipulates a deposit period of less than 105 days, the Offeror may vary the terms of the Offer to shorten the initial deposit period to at least the number of days from the date of the Offer as stated in the deposit period news release; or (ii) if Certus issues a news release announcing that it has agreed to enter into, or determined to effect, an Alternative Transaction, the Offeror may vary the terms of the Offer to shorten the initial deposit period to at least 35 days from the date of the Offer. In either case, the Offeror intends to vary the terms of the Offer by shortening the initial deposit period to the shortest possible period consistent with applicable Law.

If, before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal with respect to the Offer, the terms of the Offer are varied, including any reduction of the period during which securities may be deposited under the Offer pursuant to applicable Law, or any extension of the period during which securities may be deposited under the bid pursuant to applicable Law, and whether or not that variation results from the exercise of any right contained in the Offer, the Offeror will promptly (i) issue and file a news release to the extent and in the manner required by applicable Law, and (ii) send a notice of variation in the manner set out in Section 10 of the Offer, "Notices and Delivery", to every person to whom the Offer is required to be sent under applicable Law and whose Common Shares were not taken up before the date of the variation. If there is a notice of variation, the period during which Common Shares may be deposited under the Offer must not expire before 10 days after the date of the notice of variation. If the Offeror is required to send a notice of variation before the expiry of the initial deposit period, the initial deposit period for the Offer must not expire before 10 days after the date of the notice of variation, and the Offeror must not take up Common Shares deposited under the Offer before 10 days after the date of the notice of variation. Any notice of variation of the Offer will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depository at its principal office in Calgary, Alberta.

During any extension or in the event of any variation of the Offer or change in information, all Common Shares previously deposited and not taken up or withdrawn will remain subject to the Offer and may be taken up by the Offeror in accordance with the terms hereof. An extension of the Expiry Time, a variation of the Offer or a change in information does not, unless otherwise expressly stated, constitute a waiver by the Offeror of its rights under Section 4 of the Offer, "Conditions of the Offer".

Notwithstanding the foregoing, but subject to applicable Law, the Offeror may not make a variation in the terms of the Offer, other than a variation to extend the time during which Common Shares may be deposited under the Offer or a variation to increase the consideration for the Common Shares, after the Offeror becomes obligated to take up Common Shares deposited under the Offer. If the consideration being offered for the Common Shares under the Offer is increased, the increased consideration will be paid to all depositing Shareholders whose Common Shares are taken up under the Offer, whether or not such Common Shares were taken up before the increase.

## **6. Payment for Deposited Common Shares**

If, at the expiry of the initial deposit period, the Minimum Tender Condition has been satisfied and all of the other conditions described in Section 4 of the Offer, "Conditions of the Offer" have been satisfied or waived by the Offeror, the Offeror will immediately take up the Common Shares validly deposited under the Offer and not withdrawn. The Offeror will pay for Common Shares taken up under the Offer as soon as possible but in any event not later than three Business Days after the Common Shares are taken up. In accordance with applicable Law, if the Offeror is obligated to take up such Common Shares, the Offeror will extend the period during which Common Shares may be deposited under the Offer for an additional period of at least 10 days following the expiry of the initial deposit period (the "**mandatory 10-day extension period**") and may extend the deposit period after expiration of the mandatory 10-day

extension period ("**Optional Extension Periods**"). The Offeror will take up and pay for Common Shares deposited under the Offer during the mandatory 10-day extension period and any Optional Extension Period not later than 10 days after such deposit.

The Offeror will be deemed to have taken up and accepted for payment Common Shares validly deposited and not withdrawn under the Offer if, as and when the Offeror gives written notice, or other communication confirmed in writing, to the Depositary at its principal office in Calgary, Alberta to that effect. Subject to applicable Law, the Offeror expressly reserves the right, in its sole discretion to, on, or after the Expiry Time, terminate or withdraw the Offer and not take up or pay for any Common Shares if any condition specified in Section 4 of the Offer, "Conditions of the Offer", is not satisfied or waived, by giving written notice thereof, or other communication confirmed in writing, to the Depositary at its principal office in Calgary, Alberta. The Offeror will not, however, take up and pay for any Common Shares deposited under the Offer unless it simultaneously takes up and pays for all Common Shares then validly deposited under the Offer and not withdrawn.

The Offeror will pay for Common Shares validly deposited under the Offer that are not withdrawn by providing the Depositary with sufficient funds (by bank transfer or other means satisfactory to the Depositary), for transmittal to depositing Shareholders. Under no circumstances will interest accrue or be paid by the Offeror or the Depositary to persons depositing Common Shares on the purchase price of Common Shares purchased by the Offeror, regardless of any delay in making payments for Common Shares.

The Depositary will act as the agent of persons who have deposited Common Shares in acceptance of the Offer for the purposes of receiving payment from the Offeror and transmitting such payment to such persons, and receipt of payment by the Depositary will be deemed to constitute receipt of payment by persons depositing Common Shares under the Offer.

All cash payments under the Offer will be made in Canadian dollars.

Settlement with each Shareholder who has deposited (and not withdrawn) Common Shares under the Offer will be made by the Depositary issuing or causing to be issued a cheque payable in Canadian funds in the amount to which the person depositing Common Shares is entitled. Unless otherwise directed by the Letter of Transmittal, the cheque will be issued in the name of the registered holder of the Common Shares so deposited. Unless the person depositing the Common Shares instructs the Depositary to hold the cheque for pick-up by checking the appropriate box in the Letter of Transmittal, the cheque will be forwarded by first class mail to such person at the address specified in the Letter of Transmittal. If no such address is specified, the cheque will be sent to the address of the registered holder as shown on the securities register maintained by or on behalf of Certus. Cheques mailed in accordance with this paragraph will be deemed to be delivered at the time of mailing. Pursuant to applicable Law, the Offeror may, in certain circumstances, be required to make withholdings from the amount otherwise payable to a Shareholder.

## **7. Withdrawal of Deposited Certus Shares**

Except as otherwise stated in this Section 7 or as otherwise required by applicable Law, all deposits of Common Shares under the Offer are irrevocable. Unless otherwise required or permitted by applicable Law, any Common Shares deposited in acceptance of the Offer may be withdrawn by or on behalf of the depositing Shareholder:

- (a) at any time before the deposited Common Shares have been taken up by the Offeror under the Offer;
- (b) if the deposited Common Shares have not been paid for by the Offeror within three Business Days after the Common Shares have been taken up by the Offeror under the Offer; or
- (c) at any time before the expiration of 10 days from the date upon which either:
  - (i) a notice of change relating to a change which has occurred in the information contained in the Offer or the Circular, or any notice of change or notice of variation, in either case, that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or of an affiliate of

the Offeror), in the event that such change occurs before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Offer; or

- (ii) a notice of variation concerning a variation in the terms of the Offer (other than a variation in the terms of the Offer consisting solely of an increase in the consideration offered for the Common Shares under the Offer and an extension of the time for deposit to not later than 10 days after the date of the notice of variation or a variation in the terms of the Offer after the expiry of the initial deposit period consisting of either an increase in the consideration offered for the Common Shares or an extension of the time for deposit to not later than 10 days from the date of the notice of variation), is mailed, delivered or otherwise properly communicated (subject to abridgement of that period pursuant to such order or orders or other forms of relief as may be granted by applicable courts or Governmental Entities) and only if such deposited Common Shares have not been taken up by the Offeror at the date of the notice.

Withdrawals of Common Shares deposited under the Offer must be effected by notice of withdrawal made by or on behalf of the depositing Shareholder and must be actually received by the Depositary at the place of deposit of the applicable Common Shares within the time limits indicated above. Notices of withdrawal: (i) must be made by a method that provides the Depositary with a written or printed copy; (ii) must be signed by or on behalf of the person who signed the Letter of Transmittal accompanying the Common Shares which are to be withdrawn; and (iii) must specify such person's name, the number of Common Shares to be withdrawn, the name of the registered holder and the Certificate number shown on each Certificate representing the Common Shares to be withdrawn. Any signature in a notice of withdrawal must be guaranteed by an Eligible Institution in the same manner as in a Letter of Transmittal (as described in the instructions set out therein), except in the case of Common Shares deposited for the account of an Eligible Institution.

A withdrawal of Common Shares deposited under the Offer can only be accomplished in accordance with the foregoing procedures. The withdrawal will take effect only upon actual receipt by the Depositary of the properly completed and executed written notice of withdrawal.

Investment dealers, banks, trust companies or other intermediaries may set deadlines for the withdrawal of Common Shares deposited under the Offer that are earlier than those specified above. Shareholders should contact their brokers or other intermediaries for assistance.

All questions as to the validity (including, without limitation, timely receipt) and form of notices of withdrawal will be determined by the Offeror in its sole discretion and such determination will be final and binding. There is no duty or obligation of the Offeror, the Depositary or any other person to give notice of any defect or irregularity in any notice of withdrawal and no liability shall be incurred or suffered by any of them for failure to give such notice.

If the Offeror extends the period of time during which the Offer is open, is delayed in taking up or paying for Common Shares or is unable to take up or pay for Common Shares for any reason, then, without prejudice to the Offeror's other rights, Common Shares deposited under the Offer may, subject to applicable Law, be retained by the Depositary on behalf of the Offeror until such Common Shares are withdrawn by Shareholders in accordance with this Section 7 or pursuant to applicable Law.

Withdrawals cannot be rescinded and any Common Shares withdrawn will be deemed not validly deposited for the purposes of the Offer, but may be re-deposited at any subsequent time at or prior to the Expiry Time by following any of the procedures described in Section 3 of the Offer, "Manner of Acceptance".

In addition to the foregoing rights of withdrawal, Shareholders in the provinces and territories of Canada are entitled to one or more statutory rights of rescission, price revision or to damages in certain circumstances. See: "Statutory Rights".

## **8. Return of Deposited Common Shares**

Any Common Shares deposited that are not taken up and paid for by the Offeror pursuant to the terms and conditions of the Offer for any reason will be returned, at the Offeror's expense, to the depositing Shareholder as soon as practicable after the Expiry Time or withdrawal of the Offer, by either (i) sending Certificates representing the Common Shares not purchased by first-class insured mail to the address of the depositing Shareholder specified in the Letter of Transmittal or, if such name or address is not so specified, in such name and to such address as shown on the securities register maintained by or on behalf of Certus.

## **9. Notice and Delivery**

Without limiting any other lawful means of giving notice, any notice Pine Cliff may give or cause to be given under the Offer will be deemed to have been properly given if it is mailed by first class mail, postage prepaid, to the registered Shareholders at their addresses as shown on the registers maintained by Certus and will be deemed to have been received on the first day following the date of mailing which is not a Saturday, Sunday or statutory holiday. These provisions apply notwithstanding any accidental omission to give notice to any one or more Shareholders and notwithstanding any interruption of postal service in Canada or elsewhere following mailing.

**Wherever the Offer calls for documents to be delivered to the Depository, such documents will not be considered delivered unless and until they have been physically received at the Toronto, Ontario office of the Depository specified in the Letter of Transmittal.**

## **10. Acquisition of Common Shares Not Deposited**

If Pine Cliff takes-up and pays for Certus Shares pursuant to the terms of the Offer, and thereby acquires at least the Minimum Tender Condition (unless Pine Cliff shall have waived the Minimum Tender Condition), Pine Cliff agrees to use all commercially reasonable efforts to acquire, and Certus has agreed to use all commercially reasonable efforts to assist Pine Cliff in acquiring the balance of the Certus Shares by way of a Subsequent Transaction. The acquisition by Pine Cliff of the balance of the Certus Shares will be carried out for cash and not less than the cash consideration per Certus Share paid pursuant to the Offer.

Nothing herein shall be construed to prevent Pine Cliff from acquiring, directly or indirectly, additional Certus Shares in privately negotiated transactions, in another take-over bid, tender or exchange offer, or otherwise in accordance with securities laws (including by way of Compulsory Acquisition) following completion of the Offer.

## **11. Shareholders are Encouraged to Consult Their Own Tax Advisors**

**CERTUS SHAREHOLDERS ARE ENCOURAGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF DISPOSING OF THEIR CERTUS SHARES PURSUANT TO THE OFFER, HAVING REGARD TO THEIR PARTICULAR CIRCUMSTANCES.**

## **12. Other Terms of the Offer**

The Offer and all contracts resulting from the acceptance hereof shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. Each party to any agreement resulting from the acceptance of the Offer unconditionally and irrevocably attorns to the jurisdiction of the courts of the Province of Alberta and the courts of appeal therefrom.

**The provisions of the Letter of Transmittal accompanying the Offer, including the instructions contained therein, form part of the terms and conditions of the Offer.**

Pine Cliff shall, in its sole discretion acting reasonably, be entitled to make a final and binding determination of all questions relating to the interpretation of the Offer, the Letter of Transmittal, the validity of any acceptance of the Offer including, without limitation, the satisfaction or non-satisfaction of any condition, the validity, time and effect of any deposit of Certus Shares and the due completion and execution of the Letters of Transmittal. Pine Cliff reserves

the right to waive any defect in acceptance with respect to any particular Certus Share or any particular Shareholder. There shall be no obligation on Pine Cliff to give notice of any defects or irregularities in acceptance and no liabilities shall be incurred by any of them for failure to give any such notification.

The Offer is not being made to, nor will deposits be accepted from or on behalf of holders of Certus Shares in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, Pine Cliff may, in its sole discretion, take such action as it may deem necessary to extend the Offer to holders of Certus Shares in any such jurisdiction.

DATED at Calgary, Alberta this November 3, 2023.

**PINE CLIFF ENERGY LTD.**

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

**The Offer to Purchase and the accompanying circular together constitute the take-over bid circular required under Canadian securities legislation with respect to the Offer. Shareholders are urged to refer to the accompanying Circular for additional information relating to the Offer.**

## CIRCULAR

This Circular is provided in connection with the Offer made by Pine Cliff to purchase all of the issued and outstanding Common Shares. The terms, conditions and provisions of the accompanying Offer, the Letter of Transmittal are incorporated into and form part of the Circular. Terms that are defined in the Offer shall, where used in this Circular, have the meanings so defined unless the context otherwise requires. Shareholders should refer to the Offer Documents for details of the terms and conditions of the Offer.

*No securities tendered to the Offer will be taken up until (a) more than 66 2/3% of the outstanding securities of the class sought (excluding those securities beneficially owned, or over which control or direction is exercised, by the Offeror or any person acting jointly or in concert with the Offeror) have been tendered to the Offer, (b) the minimum deposit period under the applicable securities Laws has elapsed, and (c) any and all other conditions of the Offer have been complied with or waived, as applicable. If these criteria are met, the Offeror will take up securities deposited under the Offer in accordance with applicable securities Laws and extend the Offer for an additional minimum period of 10 days to allow for further deposits of securities.*

**Except as specifically disclosed herein, the information concerning Certus contained in the Circular has been supplied by Certus or has been taken from or based upon publicly available documents and records on file with Canadian securities regulatory authorities and other public sources. Although Pine Cliff has no knowledge that would indicate that any statements contained herein based on information contained in such documents and records are inaccurate or incomplete, Pine Cliff does not assume any responsibility for the accuracy or completeness of the information contained in such documents and records, or for any failure by Certus to publicly disclose events or facts that may have occurred or may affect the significance or accuracy of any such information but which are unknown to Pine Cliff.**

Pursuant to the provisions of the securities laws of various provinces of Canada, the directors of Certus must send a circular to all Shareholders in connection with the Offer, which circular, together with other information, must disclose any material changes in the affairs of Certus subsequent to the date of the most recent published financial statements of Certus.

### **Purpose of the Offer and Plans for Certus**

The purpose of the Offer is to enable Pine Cliff to acquire all of the outstanding Common Shares.

If Pine Cliff takes up and pays for Common Shares deposited pursuant to the Offer, Pine Cliff intends to use all commercially reasonable efforts to acquire as soon as practicable (in any event not more than 120 days after expiry of the Offer) all of the remaining Common Shares not deposited under the Offer by means of a Subsequent Transaction for consideration per Common Share that is not less than the consideration paid pursuant to the Offer. Pine Cliff will cause the Common Shares acquired under the Offer to be voted in favour of such Subsequent Transaction and, to the extent permitted by law, to be counted as part of any minority approval that may be required in connection with such a transaction. See "Acquisition of Common Shares Not Deposited" in this Circular.

If the Offer is successful, certain changes will be made to the composition of the board of directors of Certus to allow nominees of Pine Cliff to comprise the entire board of directors of Certus. If Certus becomes a wholly-owned subsidiary of Pine Cliff, Pine Cliff may continue to operate Certus as a wholly-owned subsidiary or Certus may be amalgamated with, or wound-up into, Pine Cliff or another affiliate of Pine Cliff or Certus's assets may otherwise be combined with Pine Cliff's assets.

### **Background to the Offer**

#### **Pre-Acquisition Agreement**

*The following is a summary only of certain provisions of the Pre-Acquisition Agreement and is qualified in its entirety by the full text of the Pre-Acquisition Agreement. A copy may be obtained upon request without charge from Pine Cliff and is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).*

### *The Offer*

On October 30, 2023, Pine Cliff and Certus entered into the Pre-Acquisition Agreement, pursuant to which, Pine Cliff has agreed, subject to the satisfaction of certain conditions set out therein, to make the Offer and, upon the satisfaction or waiver of all conditions of the Offer, to take-up and pay for all Common Shares validly deposited under the Offer and not withdrawn. See Section 1 of the Offer, "The Offer".

The Pre-Acquisition Agreement sets out the conditions to the Offer which are set forth in Section 4 of the Offer. Pine Cliff may, in its sole discretion, amend or extend, vary or waive any term or condition of the Offer, provided that Pine Cliff shall not without the prior consent of Certus: (i) change the number of Certus Shares for which the Offer is made; (ii) increase the Minimum Tender Condition or reduce the Minimum Tender Condition to 50% or less of the issued and outstanding Certus Shares on a diluted basis; (iii) decrease the Aggregate Cash Consideration; (iv) change the form of consideration to be paid for each Certus Share (other than to increase the total consideration per Common Share); (v) impose additional conditions to the Offer; (vi) or otherwise amend the Offer or any terms or conditions thereof in a manner adverse to Certus or the Certus Shareholders, provided that a variation consisting solely of a waiver of a condition by Pine Cliff shall not be an amendment or variation adverse to Certus or the Shareholders.

### *Approval by the Certus Board*

Pursuant to the Pre-Acquisition Agreement, Certus has consented to and agreed to support the Offer. Certus has confirmed to Pine Cliff that, after consultation with its legal and financial advisors, and upon receipt of the opinion from Stifel that the consideration to be received by the Shareholders under the Offer is fair, from a financial point of view, to the Shareholders, it has: (i) unanimously approved the Offer and the Pre-Acquisition Agreement; (ii) unanimously determined that the Offer is in the best interests of Certus; (iii) received the Fairness Opinion from Stifel stating that, as of the date thereof, the consideration to be received under the Offer, is fair from a financial point of view to the shareholders; and (iv) unanimously recommended that Shareholders accept the Offer.

### *Representations and Warranties*

The Pre-Acquisition Agreement contains various representations and warranties of Certus including those relating to: organization and qualification; authority relative to the Pre-Acquisition Agreement; violations; subsidiaries; capitalization of Certus; material transactions; unanimous shareholder agreements; reporting issuer status; material adverse changes; litigation; shareholder rights plans; employee obligations; employee benefit plans; employment agreements; tax matters; financial statements; accounts receivable; interested party transactions; non-solicitation; debt; material undisclosed liabilities; internal controls; books and records; insurance; compliance with regulatory approvals; compliance with law; corrupt practices; brokerage fees; transaction costs; reserve reports of Certus; bankruptcy and insolvency matters; environmental; title to oil and gas properties; long term and derivative transactions; swaps; material contracts; guarantees or indemnities; default; areas of mutual interest and areas of mutual exclusion; non-competition; reduction of Certus's interests; payment of royalties, rentals and taxes; offset obligations; condition of assets; operation and condition of wells; operation and conditions of tangibles; authorizations for expenditure; flow-through obligations; tax pools; dividends; information; and certain securities laws matters.

The Pre-Acquisition Agreement also contains representations, warranties and covenants of Pine Cliff including those relating to: organization and qualification; authority relative to the Pre-Acquisition Agreement; violations; and financial capacity.

### *Cease Negotiations*

Pursuant to the Pre-Acquisition Agreement, Certus agreed to immediately cease and cause to be terminated all existing discussions, solicitations, initiations, encouragements and negotiations, if any, with any Person (other than Pine Cliff or its Affiliates) conducted on or before the date of the Pre-Acquisition Agreement by Certus or any of its officers, directors, employees, financial advisors, legal counsel, representatives or agents ("**Certus Representatives**") with respect to any actual or potential Acquisition Proposal. Certus further agreed to (i) 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; (ii) 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 reasonable commercial efforts to cause such requests to be honoured; and (iii) 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 further agreed to take all reasonable commercial efforts to enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar covenants that it has entered into prior to the date of the Pre-Acquisition Agreement.

### ***No Solicitation***

Pursuant to the Acquisition Agreement, Certus agreed that it would not, and would not authorize or permit any Certus Representatives to, directly or indirectly: (i) solicit, initiate or encourage, or engage in or continue any discussions or negotiations or participate in or take any other action in respect of, or which may 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 Offeror, the approvals, determinations and recommendations of the Certus Board; or (iv) accept, recommend, approve, remain neutral to or enter into any agreement to implement, an Acquisition Proposal.

Notwithstanding the foregoing, the Pre-Acquisition Agreement provides that Certus may:

- (a) 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, and may provide or furnish such Person with information concerning Certus and its business, properties and assets that has previously been provided to Pine Cliff 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 Pine Cliff 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 Pine Cliff 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 Pine Cliff at such time as it or such Person terminates any such discussions or negotiations;
- (b) 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
- (c) withdraw any approval, determination or recommendation set out in Section 2.2(a)(i) of the Pre-Acquisition Agreement 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 Certus Board 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 Pine Cliff during the two Business Day period set out in Section 6.2(c) of the Pre-Acquisition Agreement, that such action is necessary in order for the Certus Board to discharge its fiduciary duties under applicable Law.

### ***Right to Match in Favour of Pine Cliff***

Pursuant to the Pre-Acquisition Agreement, neither Certus nor Certus Representatives shall provide or furnish any information to any Person in accordance with Section 6.2(b) of the Pre-Acquisition Agreement 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 Offeror with any information provided to any such other Person, whether or not previously provided to the Offeror.

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 Pine Cliff, including the identity of the Person, and shall provide Pine Cliff with a written description of any such Acquisition Proposal and any amendments thereto and a copy thereof. Certus will immediately notify Pine Cliff if the Certus Board 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 Pine Cliff of the fact that the Certus Board has determined that an Acquisition Proposal received by Certus constitutes a Superior Proposal, the Certus Board 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 Pine Cliff to make such adjustments in the terms and conditions of the Pre-Acquisition Agreement and the Offer as would enable Pine Cliff to proceed with the Offer as amended rather than the Superior Proposal. If Pine Cliff 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 Certus Board 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.

### ***Certus Non-Completion Fee***

Pursuant to the Pre-Acquisition Agreement, Certus has agreed to pay to Pine Cliff a non-completion fee (the "**Certus Non-Completion Fee**") of \$5,000,000 if, at any time after the date of the Pre-Acquisition Agreement, any of the following occur:

- (a) the Certus Board withdraws, modifies or changes, announces or proposes the approvals, determinations and recommendations required to be made by it in Section 2.2(a)(i) of the Pre-Acquisition Agreement in a manner adverse to Pine Cliff or resolves to do so;
- (b) the Certus Board (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;
- (c) the Certus Board 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;
- (d) Certus breaches in any material respects its obligations set out in Section 6.2 of the Pre-Acquisition Agreement;
- (e) 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;
- (f) Certus enters into any agreement with any Person with respect to an Acquisition Proposal prior to the Expiry Time; or
- (g) the Pre-Acquisition Agreement is terminated by Certus pursuant to Section 11.1(f) thereof.

The Parties have agreed that any Certus Non-Completion Fee paid as a result of the occurrence of any of the events referenced above is a payment of liquidated damages which are a genuine pre-estimate of the damages that the Offeror 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 the foregoing is the sole monetary remedy of the Offeror hereunder; provided however, that this limitation shall be without prejudice to the rights and remedies available to the Offeror in respect of any Claim based on any intentional, fraudulent or bad faith breach, willful failure to comply with or intentional default of the Pre-Acquisition Agreement by Certus or Certus Representatives and nothing herein shall prevent, however, the Pre-Acquisition Agreement from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set out in the Pre-Acquisition 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.

### ***Deposit***

Upon execution of the Pre-Acquisition Agreement, the Offeror paid to Dentons Canada LLP, solicitors for Certus (the "**Deposit Escrow Agent**"), the amount of \$5,000,000 (the "**Deposit**"), which shall be held in accordance with Article 10 of the Pre-Acquisition Agreement and a deposit escrow agreement (the "**Deposit Escrow Agreement**") entered into between the Offeror and Certus as of October 30, 2023. 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 Article 10 of the Pre-Acquisition Agreement. Any interest accrued on the Deposit will be paid to the party ultimately entitled to receive the Deposit.

Certus shall be entitled to be paid the Deposit if the Pre-Acquisition Agreement is terminated by Certus pursuant to Subsection 11(c) of the Pre-Acquisition Agreement. The Deposit shall thereupon be deemed to be forfeited by the Offeror to Certus on account of the damages suffered by Certus as a consequence of Closing not occurring. The Parties agreed that such amount constitutes a 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 of the Deposit to Certus is the sole monetary remedy of Certus pursuant to the Pre-Acquisition Agreement; provided however, that this limitation is without prejudice to the rights and remedies available to Certus in respect of any Claim based on any intentional, fraudulent or bad faith breach, willful failure to comply with or intentional default of the Pre-Acquisition Agreement by the Offeror and nothing therein shall prevent, however, Certus from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set out in the Pre-Acquisition 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.

If the Pre-Acquisition Agreement is terminated for any reason or circumstance other than pursuant to Subsection 10.1(c) of the Pre-Acquisition Agreement, the Offeror 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 Offeror and the Deposit shall be paid by the Deposit Escrow Agent to the Offeror not later than the second Business Day after the Pre-Acquisition Agreement terminates all in accordance with the terms of the Deposit Escrow Agreement.

### ***Certus Options, Certus Warrants and Certus Notes***

**As of the date of the Pre-Acquisition Agreement holders of Certus Options, Certus Warrants or Certus Notes 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.**

It is agreed by Pine Cliff that all Certus Options, Certus Warrants and Certus Notes that are tendered to Certus for exercise on or before the Expiry Time, conditional on Pine Cliff taking up Common Shares under the Offer, shall be deemed by Pine Cliff to have been exercised or converted as the case may be, immediately prior to the Expiry Time and Pine Cliff 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. Pine Cliff has agreed to cooperate with Certus in implementing one or more mechanisms to facilitate exercise of the Certus Options, Certus Warrants and the conversion of Certus Notes, pursuant to the Conditional Exercise.

### ***Termination***

The Pre-Acquisition Agreement may be terminated in the following circumstances by written notice given by one party to the other party:

- (a) at any time prior to the Effective Time by mutual written consent of Pine Cliff and Certus;
- (b) by Pine Cliff at any time:
  - (i) after the Latest Mailing Date if any condition to making the Offer is not satisfied or waived by such date;
  - (ii) if Certus is in default of any material covenant or obligation under the Pre-Acquisition 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 Offeror to Certus or by Certus to the Offeror and the Expiry Time;
  - (iii) if any condition of the Offer shall not be satisfied or waived at the Expiry Time and Pine Cliff does not elect to waive such condition, unless the failure to satisfy such condition shall be due to the failure of Pine Cliff 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 the Pre-Acquisition 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 (as defined in the 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 Offeror and the Expiry Time; or
  - (vi) if there shall have occurred, subsequent to the date of the Pre-Acquisition 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 Offeror 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 thereunder);
  - (ii) if Pine Cliff is in default of any material covenant or obligation under the Pre-Acquisition 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 therein, 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 Offeror and the Expiry Time;
  - (iii) if any representation or warranty of the Offeror 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 Offeror and the Expiry Time;

- (d) by the Offeror if any condition of the Offer shall not be satisfied or waived at the Expiry Time and the Offeror does not elect to waive such condition, unless the failure to satisfy such condition shall be due to the failure of the Offeror to perform any of its covenants or obligations thereunder;
- (e) by either the Offeror 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 the Pre-Acquisition 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 the Pre-Acquisition 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 of the Pre-Acquisition Agreement, 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) of the Pre-Acquisition Agreement.

#### *Certus Employees and Employment Agreements*

The employment of all officers and employees of Certus, and the services of all consultants of Certus, shall be terminated at the Effective Time, and such officers, employees and consultants shall be entitled to as of the Effective Time total severance and change of control payments (and all other Employee Obligations owing to each of such Certus employees up to and including the Effective Time) as calculated in accordance with any employment agreements between Certus and such officers and employees or, if no such employee agreement exists with respect to any such officer and employee, as determined by the Certus Board, acting reasonably. No later than ten (10) Business Days prior to the Expiry Date, Pine Cliff shall identify and confirm, in its sole discretion, which Certus employees will be offered employment following the Closing (the "**Offered Employees**"). Any Offered Employees that accept, in writing, offers of employment from Purchaser shall become a Continuing Employee. 50% of the Termination Costs which would have been attributable to such Continuing Employee if they were not a Continuing Employee, will be for Certus' account.

If any Offered Employee does not accept the employment offered by Pine Cliff in accordance with the terms of the Pre-Acquisition Agreement, Certus will provide a Termination Notice to such Offered Employee and such employee shall be considered a Certus Terminated Employee and Certus. All Employee Obligations and Termination Costs, including with respect to change of control payments triggered by the Transaction, shall be for Certus' account, for all Terminated Employees.

#### *Other Matters*

The Pre-Acquisition Agreement further provides, among other things:

- (a) that if Pine Cliff takes-up and pays for Common Shares pursuant to the terms of the Offer and thereby acquires at least the Minimum Tender Condition, Certus will use all commercially reasonable efforts to assist Pine Cliff in acquiring the balance of the Common Shares by way of a Subsequent Transaction;
- (b) that Certus will assist Pine Cliff to secure the resignations of all directors of Certus effective at such time as may be required by Pine Cliff and to use its best commercial efforts to cause the election of Pine Cliff nominees to fill the vacancies so created in order to effect the foregoing without the necessity of an Shareholder meeting;

- (c) subject to the terms and conditions of the Pre-Acquisition Agreement and to fiduciary obligations under applicable Laws, each of Pine Cliff and Certus will use all commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the transactions contemplated by the Pre-Acquisition Agreement;
- (d) that each of the Offeror and Certus shall be entitled to deduct and withhold from any consideration or amounts payable to shareholders that are non-residents of Canada twenty-five (25%) of the Aggregate Cash Consideration to be given to such Shareholder pursuant to Section 116 of the Tax Act, unless a clearance certificate is provided to the Purchaser by the holder on or before the Effective Date;
- (e) that Offeror will, for a period of six years after the Effective Time, the Offeror 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; and
- (f) Offeror will that it shall honour all indemnification agreements or rights now existing in favour of present and former officers and directors of Certus.

### **Escrow Agreement**

Pursuant to the Escrow Agreement, the Offeror shall have until March 31, 2024, to provide the Certus Nominee with a statement setting forth the Adjusted Statement. The Pre-Acquisition Agreement provides that if the Certus Net Debt Amount is greater than the Estimated Net Debt Amount, the Offeror shall be entitled to a payment equal to the lesser of: (i) the Escrow Amount; and (ii) the difference between the Class B Net Debt Allocation and the Class B Estimated Net Debt Allocation from the Escrow Amount, if any. If the Certus Net Debt Amount is less than or equal to the Estimated Net Debt Amount, the Escrow Amount will be delivered to the Shareholders. Following payments to the Offeror made pursuant to the Adjustment Statement, any remaining Escrow Amount funds shall be paid to the former holders of Common Shares pro rata their previous holdings. If the Offeror does not provide an Adjustment Statement by March 31, 2024, the entire Escrow Amount shall be automatically released by the Escrow Agent to the former holders of Common Shares.

The Escrow Agreement provides a mechanism by which the Certus Nominee can dispute the Adjustment Statement which includes, if necessary, the engagement of an independent auditor. Costs of the independent auditor shall be borne by the Party or Parties that the independent auditor rules against. In discharging his duties under the Escrow Agreement, the Certus Nominee shall be entitled to reimbursement of all reasonable "out-of-pocket" expenses and third party professional fees incurred by the Certus Nominee as well as a fee rate of \$150 per hour for the Certus Nominee's reasonable time. The fees and expenses, up to a maximum of \$25,000, shall be paid from the Escrow Amount prior to any funds being released to the Offeror and/or the former Shareholders, as applicable, provided that no fees and expenses shall be paid if the Offeror does not provide an Adjustment Statement.

### **Lock-Up Agreements**

Certus has entered into Lock-Up Agreements with the directors and officers of Certus who currently hold an aggregate of 42,847,758 Common Shares, 38,700,000 Certus Options, Nil Certus Warrants and an aggregate principal amount of \$2,000,000 Certus Notes representing in the aggregate approximately 51% of the outstanding Common Shares, pursuant to which such persons have agreed to tender all of their Common Shares (together with any Common Shares they may acquire upon exercise of Certus Options, Certus Warrants and the conversion of Certus Notes) to the Offer.

The respective rights and obligations of Pine Cliff and the Supporting Shareholder under the Lock-Up Agreements shall cease: (i) on the date the Lock-up Agreements are terminated by mutual written consent of Pine Cliff and the applicable Supporting Shareholder; (ii) if Pine Cliff decreases the consideration offered pursuant to the Offer or otherwise modifies or amends the Offer in a manner materially adverse to holders of Common Shares, 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; (iii) upon notice being delivered to the Supporting Shareholder if the Supporting Shareholder is in material breach of any representation, warranty or covenant of the Supporting Shareholder contained in the Lock-Up Agreement and such breach has not been cured within five Business Days following receipt of such notice or (iv) in the event that the Pre-Acquisition Agreement is terminated in accordance with its terms.

### **Source of Funds**

The Offer will be funded through a combination of available cash and a \$56.3 million secured term debt facility provided by an institutional investor. Pine Cliff's obligation to purchase the Common Shares tendered to the Offer is not subject to any financing condition or financing contingencies.

### **Information Concerning Pine Cliff**

Pine Cliff is an independent, Calgary-based, natural gas producing company. The head office and registered office of Pine Cliff is located at Suite 850, 1015 – 4<sup>th</sup> Street S.W., Calgary, Alberta T2R 1J4.

The common shares of Pine Cliff are listed on the Toronto Stock Exchange under the symbol "PNE".

### **Information Concerning Certus**

#### *General*

Certus is a privately held exploration and production company with operations focused in Alberta.

The head office and registered office of Certus is located at Suite 400W, 250 2 Street S.W., Calgary, Alberta T2P 0C1.

The Common Shares are not listed or posted for trading on any exchange.

#### *Capitalization of Certus*

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. As of the date of the Pre-Acquisition Agreement, 73,070,804 Common Shares were issuable pursuant to the exercise of outstanding Certus Options, Certus Warrants and the conversion of Certus Notes.

#### *Trading of Common Shares*

The Common Shares are not listed or posted for trading on any exchange.

### **Acquisition of Common Shares Not Deposited**

#### *General*

The purpose of the Offer is to enable Pine Cliff to acquire all of the outstanding Common Shares. If Pine Cliff takes-up and pays for Common Shares under the Offer, Pine Cliff will seek to complete a Subsequent Transaction, as discussed below.

## *Subsequent Transactions*

### *Compulsory Acquisition*

If, by 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), the Offeror takes up and pays for 90% or more of the outstanding Common Shares under the Offer, other than Common Shares held at the date of the Offer by or on behalf of the Offeror, or an affiliate or associate of the Offeror (as those terms are defined in the ABCA), then the Offeror intends to acquire the remainder of the Common Shares by way of a Compulsory Acquisition for consideration per Common Share not greater than, and in the same form as, the Offer consideration.

To exercise its statutory right of Compulsory Acquisition, the Offeror must send a notice (the "**Offeror's Notice**") to each Shareholder who did not accept the Offer (and each Person who subsequently acquires any such Common Shares) (in each case, a "**Non-Tendering Offeree**") of such proposed acquisition within 60 days after the date of the termination of the Offer and in any event within 180 days after the date of the Offer. Within 20 days after the Offeror sends the Offeror's Notice, the Offeror must pay or transfer to Certus the consideration the Offeror would have to pay or transfer to the Non-Tendering Offerees if they had elected to accept the Offer, to be held in trust for the Non-Tendering Offerees. In accordance with subsection 196(l) of the ABCA, within 20 days after receipt of the Offeror's Notice, each Non-Tendering Offeree must send the Certificate(s) representing the Common Shares held by such Non-Tendering Offeree to Certus and must elect either to transfer such Common Shares to the Offeror on the terms of the Offer or to demand payment of the fair value of such Common Shares held by such holder by so notifying the Offeror within 20 days after the Non-Tendering Offeree receives the Offeror's Notice. A Non-Tendering Offeree who does not, within 20 days after the Non-Tendering Offeree received the Offeror's Notice, notify the Offeror that the Non-Tendering Offeree is electing to demand payment of the fair value of the Non-Tendering Offeree's Common Shares is deemed to have elected to transfer such Common Shares to the Offeror on the same terms that the Offeror acquired Common Shares from the Shareholders who accepted the Offer. If a Non-Tendering Offeree has elected to demand payment of the fair value of such Common Shares, the Offeror may apply to the Court to hear an application to fix the fair value of such Common Shares of such Non-Tendering Offeree. If the Offeror fails to apply to the Court within 20 days after it made the payment or transferred the consideration to Certus referred to above, the Non-Tendering Offeree may then apply to the Court within a further period of 20 days to have the Court fix the fair value. If there is no such application made by the Non-Tendering Offeree within such period, the Non-Tendering Offeree will be deemed to have elected to transfer such Common Shares to the Offeror on the terms that the Offeror acquired Common Shares from the Shareholders who accepted the Offer. Any judicial determination of the fair value of the Common Shares could be less or more than the amount paid pursuant to the Offer.

As of the date of this Circular, it is the Offeror's current intention that, in the event that the Offeror completes a Compulsory Acquisition, the Offeror will effect an amalgamation of Certus and the Offeror or a direct subsidiary of the Offeror following the Compulsory Acquisition. However, the Offeror may determine at its sole discretion not to amalgamate Certus with the Offeror or its subsidiary.

If all of the requirements of Part 16 of the ABCA are first fulfilled after the Expiry Time or within 120 days after the date of the Offer, whichever is earlier, the Offeror may apply to a court having jurisdiction for an extension of such period pursuant to Section 205 of the ABCA.

**The foregoing is a summary only of the right of Compulsory Acquisition which may become available to the Offeror and the dissent rights that may be available to a Non-Tendering Offeree, and is qualified by its entirety by the provisions of Part 16 of the ABCA. The provisions of Part 16 of the ABCA are complex and may require strict adherence to notice and timing provisions, failing which a Non-Tendering Offeree's rights may be lost or altered. Shareholders should refer to Part 16 of the ABCA for the full text of the relevant statutory provisions, and those who wish to be better informed about the provisions of the ABCA should consult their legal advisors.**

### *Other Acquisition Transactions*

If the Offeror acquires less than 90% of the Common Shares under the Offer, the right of Compulsory Acquisition described above is not available for any reason, or the Offeror chooses not to avail itself of such statutory right, the Offeror intends to pursue other means of acquiring the remaining Common Shares not deposited under the Offer,

including, without limitation, causing one or more special meetings to be called of the then Shareholders to consider a Subsequent Transaction. If the Offeror were to proceed with a Subsequent Transaction, it is the Offeror's current intention that the consideration to be paid to Shareholders pursuant to any such Subsequent Transaction would be equal in amount to and in the same form as that payable under the Offer.

The timing and details of a Subsequent Transaction, if any, will necessarily depend on a variety of factors, including, without limitation, the number of Common Shares acquired pursuant to the Offer. If after taking up Common Shares under the Offer the Offeror owns more than 66<sup>2/3</sup>% of the outstanding Common Shares. There can be no assurances that the Offeror will pursue a Compulsory Acquisition or Subsequent Transaction.

Depending on the nature and terms of the Subsequent Transaction, the provisions of the ABCA and Certus's constating documents may require the approval of at least 66<sup>2/3</sup>% of the votes cast by holders of the outstanding Common Shares at a meeting duly called and held for the purpose of approving the Subsequent Transaction. If, however, following the Offer, the Offeror and its affiliates are the registered holders of 90% or more of the Common Shares at the time the Subsequent Transaction is initiated, the requirement for minority approval would not apply to the transaction if an enforceable appraisal right or substantially equivalent right is made available to minority Shareholders.

Any such Subsequent Transaction may result in Shareholders having the right to dissent in respect thereof and demand payment of the fair value of their Common Shares. The exercise of such right of dissent, if certain procedures are complied with by the holder, could lead to a judicial determination of fair value required to be paid to such Non-Tendering Offeree for its Common Shares. The fair value so determined could be more or less than the amount paid per Common Share pursuant to such transaction or pursuant to the Offer. The exact terms and procedures of the rights of dissent available to Shareholders will depend on the structure of the Subsequent Transaction and will be fully described in the proxy circular or other disclosure document provided to Shareholders in connection with the Subsequent Transaction.

Whether or not a Subsequent Transaction will be proposed, and the details of any such Subsequent Transaction, including, without limitation, the timing of its implementation and the consideration to be received by the minority Shareholders, will necessarily be subject to a number of considerations, including, without limitation, the number of Common Shares acquired pursuant to the Offer. Although the Offeror may propose a Compulsory Acquisition or a Subsequent Transaction on the same terms as the Offer, it is possible that, as a result of the number of Common Shares acquired under the Offer, delays in the Offeror's ability to effect such a transaction, information hereafter obtained by the Offeror, changes in general economic, industry, regulatory or market conditions or in the business of Certus, or other currently unforeseen circumstances, such a transaction may not be so proposed or may be delayed or abandoned. The Offeror expressly reserves the right to propose other means of acquiring, directly or indirectly, all of the outstanding Common Shares in accordance with applicable Law, including, without limitation, a Subsequent Transaction on terms not described in this Circular.

The tax consequences to a Shareholder of a Subsequent Transaction may differ from the tax consequences to such Shareholder of accepting the Offer. See "Certain Canadian Federal Income Tax Considerations". Shareholders should consult their legal advisors for a determination of their legal rights and the tax consequences to them, having regard to their own particular circumstances with respect to a Subsequent Transaction.

### ***Other Alternatives***

If Pine Cliff is unable to effect a Compulsory Acquisition or propose another form of Subsequent Transaction, or proposes a Subsequent Transaction but cannot obtain any required approvals or exemptions promptly, Pine Cliff will evaluate its other alternatives. Such alternatives could include, to the extent permitted by applicable Laws, in privately negotiated transactions, in another take-over bid or exchange offer or otherwise, or from Certus, or taking no action to acquire additional Common Shares. Subject to applicable Laws, any additional purchases of Common Shares could be at a price greater than, equal to, or less than the price to be paid for Common Shares under the Offer and could be for cash, securities and/or other consideration. Alternatively, Pine Cliff may take no action to acquire additional Common Shares, or, subject to applicable Laws, may either sell or otherwise dispose of any or all Common Shares acquired under the Offer, on terms and at prices then determined by Pine Cliff, which may vary from the price paid for Common Shares under the Offer.

### *Legal Matters*

Shareholders should consult their respective legal advisors for a determination of their respective legal rights with respect to any transaction that may constitute a business combination.

### **Depository**

Pine Cliff and Certus have engaged Odyssey Trust Company as the Depository for the Offer. The Depository will receive deposits of certificates for Common Shares and Letters of Transmittal and Notices of Guaranteed Delivery under the Offer. The duties of the Depository also include making payment for all Common Shares purchased by Pine Cliff under the Offer.

The Depository will receive reasonable and customary compensation from Pine Cliff for its services in connection with the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities, including liabilities under securities laws, and expenses in connection therewith.

No brokerage fees or commissions will be payable by any Shareholder who deposits Common Shares directly with the Depository to accept the Offer. If a Shareholder owns Common Shares through a broker or other nominee and such broker or nominee deposits Common Shares on the Shareholder's behalf, the broker or nominee may charge a fee for performing such service. Shareholders should contact the Depository or a broker or dealer for assistance in accepting the Offer and in depositing the Common Shares with the Depository.

### **Certain Canadian Federal Income Tax Considerations**

The following summary describes the principal Canadian federal income tax considerations under the Tax Act, as of the date hereof, generally applicable to Shareholders who dispose of Common Shares pursuant to the Offer, a Compulsory Acquisition or a Subsequent Transaction and who, at all relevant times, for purposes of the Tax Act, (i) are resident or deemed to be resident in Canada, (ii) hold their Common Shares as capital property, and (iii) , deal at arm's length and are not affiliated with Pine Cliff and its affiliates and Certus and its affiliates (a "**Holder**"). Common Shares generally will be considered capital property to a Shareholder for purposes of the Tax Act unless the Shareholder holds such Common Shares in the course of carrying on a business or the Shareholder has acquired them in a transaction or transactions considered to be an adventure or concern in the nature of trade.

The summary is based on the provisions of the Tax Act in force on the date hereof and counsel's understanding of the current published administrative practices of the Canada Revenue Agency (the "**CRA**"). The summary takes into account all specific proposals to amend the Tax Act which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all such Proposed Amendments will be enacted in their present form. No assurances can be given that the Proposed Amendments will be enacted in the form proposed, if at all. The summary does not otherwise take into account or anticipate any changes in law, whether by judicial, regulatory or legislative decision or action or changes in administrative practices of the CRA, nor does it take into account provincial, territorial or foreign income tax legislation or considerations.

**This summary does not address Canadian federal income tax considerations applicable to a non-resident of Canada for purposes of the Tax Act or to a partnership that is not a "Canadian partnership" (as defined in the Tax Act) (collectively, "Non-Residents"). Accordingly, Non-Residents who dispose of Common Shares pursuant to the Offer, a Compulsory Acquisition or a Subsequent Transaction should consult their own tax advisors.**

**The summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal, business or tax advice or representations to any particular Holder to which the Offer is made. Accordingly, Holders should consult their own tax advisors with respect to their particular circumstances, including the application and effect of the income and other tax laws of any country, province, state or local tax authority.**

### *Sale Pursuant to the Offer*

A Holder who disposes of its Common Shares pursuant to the Offer will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition received by the Holder exceed (or are less than) the adjusted cost base of such Common Shares to the Shareholder and any reasonable costs of disposition.

Generally, a Holder will be required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized in the year. Allowable capital losses not deducted in the taxation year in which they are realized may ordinarily be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

The amount of any capital loss realized upon the disposition of Common Shares by a corporation may be reduced by dividends received or deemed to have been received thereon or on shares for which they were exchanged to the extent and under the circumstances prescribed in the Tax Act. Similar rules may apply where a Common Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or a beneficiary. Holders to whom these rules may be relevant should consult their own tax advisors.

Capital gains realized by an individual or a trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act. Holders should consult their own tax advisors with respect to the potential application of alternative minimum tax.

A Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" or a "substantive CCPC" (each as defined in the Tax Act as it is proposed to be amended pursuant to the Proposed Amendments released on August 9, 2022) may be liable for an additional tax under the Tax Act (refundable under certain circumstances) on certain investment income for the year including interest and taxable capital gains.

### *Compulsory Acquisition*

As described in this Circular under the heading "Acquisition of Common Shares Not Deposited — Subsequent Transactions — Compulsory Acquisition", Pine Cliff may, in certain circumstances, acquire Common Shares not deposited under the Offer in a Compulsory Acquisition pursuant to Section 195 of the ABCA. The tax consequences to a Holder of a disposition of Common Shares in such circumstances will generally be as described above under "Sale Pursuant to the Offer". However, where a Holder dissents in a Compulsory Acquisition and is entitled to receive the fair market value of its Common Shares, the proceeds of disposition will be the amount determined by the court (not including the amount of any interest awarded by the court). Any interest awarded to a dissenting Holder by the court is required to be included in computing such Holder's income for the purposes of the Tax Act.

### *Subsequent Transaction*

If the Compulsory Acquisition provisions of the ABCA are not utilized, Pine Cliff may propose other means of acquiring the remaining issued and outstanding Common Shares in a Subsequent Transaction as described in this Circular under the heading "Acquisition of Common Shares Not Deposited — Subsequent Transactions — Other Acquisition Transactions". The tax treatment of a Subsequent Transaction to a Holder will depend upon the exact manner in which the Subsequent Transaction is carried out.

It is not practical to comment as to the tax treatment of a Subsequent Transaction to a Holder except in very general terms. However, the Canadian federal income tax consequences of a Subsequent Transaction may differ from those arising on the disposition of Common Shares under the Offer and will depend on the particular form and circumstances of such Subsequent Transaction. For example, a Holder may, as a result of a Subsequent Transaction, realize a capital gain or capital loss, be deemed to receive a dividend or incur both results. No opinion is expressed herein as to the Canadian federal income tax consequences of any such Subsequent Transaction to a Holder.

**Holders should consult their own tax advisors with respect to the potential income tax consequences to them of having their Common Shares acquired pursuant to a Subsequent Transaction.**

#### *Capital Gains Exemption*

Certain individual Holders may be entitled to a deduction (the "lifetime capital gains exemption") in computing taxable income for the year in respect of taxable capital gains realized on the disposition of Common Shares if certain conditions in the Tax Act relating to the Holder and the Common Shares are satisfied. **No opinion or assurance is given as to whether and to what extent Holders or Common Shares satisfy the conditions necessary to qualify for the lifetime capital gains exemption. Holders who are considering utilizing the lifetime capital gains exemption should consult with their own tax advisors for specific advice having regard to the circumstances.**

#### **Ownership of Certus Securities**

None of:

- (a) (i) Pine Cliff, or (ii) any director or officer of Pine Cliff (collectively, the "**Pine Cliff Group**"); nor
- (b) to the knowledge of Pine Cliff, after reasonable inquiry, (i) any associate or affiliate of an Insider of Pine Cliff, (ii) any Insider of Pine Cliff, other than a director or officer of Pine Cliff or (iii) any person or company acting jointly or in concert with Pine Cliff (collectively, the "**Pine Cliff Affiliate Group**"),

beneficially owns, directly or indirectly, or controls or exercises direction over, or has the right to acquire, any securities of Certus.

#### **Trading in Certus Securities**

During the six-month period preceding the date of the Offer, no securities of Certus have been traded by any member of Pine Cliff.

#### **Commitments to Acquire Certus Securities**

Other than pursuant to the Lock-up Agreements and the commitment to acquire the Common Shares pursuant to the Offer and the Pre-Acquisition Agreement, there are no agreements, commitments or understandings made by any member of Pine Cliff Group, nor, to the knowledge of Pine Cliff, after reasonable inquiry, any member of Pine Cliff Affiliate Group, to acquire any securities of Certus.

#### **Arrangements, Agreements or Understandings**

Other than as provided in this Circular there are no agreements, commitments or understandings made or proposed to be made between Pine Cliff and: (i) any of the directors or officers of Certus, including any payment or other benefit proposed to be made or given by way of compensation for loss of office or their remaining in or retiring from office if the Offer is successful; and (ii) any security holder of Certus relating to the Offer. See "Pre-Acquisition Agreement — Certus Employees and Employment Agreements" in this Circular. See "Pre-Acquisition Agreement — Certus Options", "Lock-up Agreements," "Acquisition of Common Shares Not Deposited — Subsequent Transaction" and "Pre-Acquisition Agreement — Certus Employees and Employment Agreements".

#### *Class A Shareholders*

Concurrently with the Offer, and pursuant to the terms and conditions of the Pre-Acquisition Agreement, the Offeror has entered into agreements to acquire all of the equity securities of the Management Holdcos from the Management Holdco Shareholders and all of the equity securities of Certus Holdco owned by a single unrelated entity, not owned or controlled by a director, officer or Insider of Certus (the "**Non-Management Holdco**") and its principal (the "**Non-Management Holdco Principal**") for the Certus Holdco Aggregate Cash Consideration, by way of exempt take-over.

The effect of the acquisition will be that the Offeror will own or control, indirectly, all of the Class A Shares of Certus at the Effective Time. The acquisition by the Offeror of the equity securities of the Management Holdcos and the Certus Holdco Shares held by the Non-Management Holdco and the Non-Management Holdco Principal has been structured to ensure that the consideration received by the Indirect Class A Shareholders is identical to the consideration received by the Shareholders, as if such Indirect Class A Shareholders in aggregate, had held Common Shares at the Expiry Time, in direct proportion to the number of Class A Shares held by Certus Holdco is to the sum of the Common Shares and the Class A Shares.

Pursuant to the terms and conditions of the Pre-Acquisition Agreement, each of the Offeror (or its Affiliates) and the Indirect Class A Shareholders will enter into the Class A Share Purchase Agreements to be effective at the Effective Time. The Class A Share Purchase Agreements provide for the acquisition by the Offeror of all of issued and outstanding equity securities of the Management Holdcos and all of the equity securities of Certus Holdco owned by the Non-Management Holdco and the Non-Management Holdco Principal such that the Management Holdcos will be, after the Effective Time, wholly-owned subsidiaries of the Offeror (or its Affiliates) and all of the equity securities of Certus Holdco owned by the Non-Management Holdco and the Non-Management Holdco Principal will be owned by the Offeror. In consideration of the equity securities of the Management Holdcos and the equity securities of Certus Holdco owned by the Non-Management Holdco and the Non-Management Holdco Principal, the Indirect Class A Shareholders will receive the Certus Holdco Aggregate Cash Consideration in proportion to the percentage ownership interest each such Indirect Class A Shareholder has in Certus Holdco. The terms of the Class A Share Purchase Agreements have been designed to mirror the terms of the Offer, such that the Aggregate Cash Consideration, when added to the Certus Holdco Aggregate Cash Consideration, will be equal to \$100,000,000 less the Certus Net Debt Amount in exact proportion to the ratio of Common Shares to Class A Shares.

Certus Holdco, the sole shareholder of the Class A Shares, was incorporated by the founders of Certus, being Robert Brady (Chief Executive Officer of Certus), Peter Andrews (Chief Operating Officer of Certus) and Michael Woodford (Executive Vice President of Business Development of Certus) at or around the time of the incorporation of Certus in 2017 for estate and tax planning purposes. The Indirect Class A Shareholders are comprised of Robert Brady, family trusts formed by each of Robert Brady, Peter Andrews and Michael Woodford, the Non-Management Holdco and the Non-Management Holdco Principal, with the Non-Management Holdco and the Non-Management Holdco Principal each holding Class D Shares in Certus Holdco as a result of a historical transaction related to the original purpose for forming Certus Holdco. The Indirect Class A Shareholders will not receive any benefit as a result of the Class A Share Purchase Agreements that has the effect of providing the Indirect Class A Shareholders with consideration of greater value than that offered to the Shareholders.

#### ***Terms and conditions of the Class A Share Purchase Agreements***

The Certus Holdco Aggregate Cash Consideration, in aggregate, offered pursuant to the Class A Share Purchase Agreements is: (i) based upon a purchase price that is equal to \$100,000,000 less the Estimated Net Debt Amount (to be provided by Certus to the Offeror on or before the Expiry Date), 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; and (ii) subject to a post Effective Date adjustment as described below. All amounts paid to Indirect Class A Shareholders will be rounded to the nearest whole cent on a per holder basis.

Based on the anticipated Estimated Net Debt Amount on the Effective Date, the Indirect Class A Shareholders will likely receive an anticipated price per Class A Share ranging from approximately \$0.374 per Class A Share to \$0.384 per Class A Share. Promptly following the adjusting period that ends March 31, 2024, the Indirect Class A Shareholders may receive up to an additional \$201,409 which would equate to a price of approximately \$0.01 per Class A Share held by Certus Holdco, subject to reduction in the event that the Certus Net Debt Amount is greater than the Estimated Net Debt Amount.

The additional \$201,409 represents the Class A Escrow Amount which will be deposited into escrow in accordance with Class A Share Purchase Agreements and will be distributed to the former Indirect Class A Shareholders and/or the Offeror depending on the actual Certus Net Debt Amount.

Pursuant to the Class A Escrow Agreement, the Offeror shall have until March 31, 2024, following the Effective Time to provide the Certus Nominee with a statement setting forth the Offeror's calculation of the Certus Net Debt Amount

the amount payable from the Class A Escrow Amount (the "**Class A Adjustment Statement**"). The Class A Share Purchase Agreements provide that if the Certus Net Debt Amount is greater than the Estimated Net Debt Amount, the Offeror shall be entitled to a payment equal to the lesser of: (i) the Class A Escrow Amount; and (ii) the difference between the Class A Net Debt Allocation and the Class A Estimated Net Debt Allocation from the Class A Escrow Amount, if any. If the Certus Net Debt Amount is less than or equal to the Estimated Net Debt Amount, the Class A Escrow Amount will be delivered to the Indirect Class A Shareholders. Following payments to the Offeror made pursuant to the Class A Adjustment Statement, any remaining Class A Escrow Amount funds shall be paid to the former indirect holders of Class A Shares pro rata their previous indirect holdings of Certus Holdco. If the Offeror does not provide a Class A Adjustment Statement within this period, the entire Class A Escrow Amount shall be automatically released by the Class A Escrow Agent to the Indirect Class A Shareholders.

The Class A Escrow Agreement provides a mechanism by which the Certus Nominee can dispute the Class A Adjustment Statement which includes, if necessary, the engagement of an independent auditor. Costs of the independent auditor shall be borne 50% by the Indirect Class A Shareholders (from the Class A Escrow Amount) and 50% by the Offeror. In discharging his duties under the Class A Shareholder Escrow Agreement, the Certus Nominee shall be entitled to reimbursement of all reasonable "out-of-pocket" expenses and third party professional fees incurred by the Certus Nominee as well as a fee rate of \$150 per hour for the Certus Nominee's reasonable time. The fees and expenses, up to a maximum of \$25,000, shall be paid from the Class A Escrow Amount prior to any funds being released to the Offeror and/or Indirect Class A Shareholders, as applicable, provided that no fees and expenses shall be paid if the Offeror does not provide a Class A Adjustment Statement.

#### **Other Material Facts**

Pine Cliff has no knowledge of: (a) any material facts concerning the securities of Certus; or (b) any other matter not disclosed in the Circular that has not previously been generally disclosed, and that would reasonably be expected to effect the decision of Shareholders to accept or reject the offer.

#### **Acceptance of the Offer**

Other than the Supporting Shareholders who have entered into the Lock-up Agreements, Pine Cliff has no knowledge concerning the intention of any Shareholders to accept the Offer.

#### **Directors Approval**

The contents of the Offer and the Circular have been approved, and the sending, communication or delivery thereof to Shareholders has been authorized, by the board of directors of the Offeror.

#### **Legal Matters**

Certain legal matters on behalf of the Offeror have been passed upon and the opinions contained under "Certain Canadian Federal Income Tax Considerations" have been provided by Bennett Jones LLP.

#### **Statutory Rights**

Securities legislation in the provinces and territories of Canada provides Shareholders with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is misrepresentation in a circular or notice that is required to be delivered to such Shareholders. However, such rights must be exercised within prescribed time limits. Shareholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

## GLOSSARY

In the Offer Documents, the capitalized terms set forth below have the following meanings:

"**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 Offeror, and excluding the Offer and the transactions contemplated by the Pre-Acquisition 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 Offeror under the Pre-Acquisition 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;

"**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;

"**associate**" has the meaning ascribed thereto in the ABCA as in effect as of the date hereof;

"**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**" means Certus Oil and Gas Inc.;

"**Certus Board**" means the board of directors of Certus;

"**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 by Offeror 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 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 the definition in the Pre-Acquisition Agreement) as of the Adjustment Date consistent with the manner set forth in the Pre-Acquisition Agreement;

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

"**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 "**Certus Option Plans**" means the employee stock option plan and the Certus 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;

"**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;

"**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 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 Common Shares;

"**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 Common Shares;

"**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 Offeror, 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 Offeror, 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 Escrow Agreement**" means the escrow agreement to be entered into between the Offeror, the Indirect Class A Shareholders, the Certus Nominee and the Class A Shareholder Escrow Agent, substantially in the form attached as Schedule "I" to the Pre-Acquisition Agreement;

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

"**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;

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

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

"**Competition Act**" means the *Competition Act*;

"**Competition Act Approval**" means (i) the issuance to the Offeror 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 Offeror, the Commissioner of Competition shall have advised the Offeror 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**" means an acquisition conducted in accordance with section 195 of the ABCA;

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

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

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

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

**"Eligible Institution"** means a Canadian Schedule I chartered bank, or an eligible guarantor institution with membership in an approved Medallion signature guarantee program, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Medallion Signature Program (MSP);

**"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;

**"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 Offeror, Certus, the Certus Nominee and the Escrow Agent, substantially in the form attached as Schedule "G" to the Pre-Acquisition Agreement;

**"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 as at the Expiry Date as determined in accordance with the provisions of the Pre-Acquisition Agreement;

**"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;

**"Fairness Opinion"** means an opinion of Stifel 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.

**"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;

**"Indirect Class A Shareholders"** means the Management Holdco Shareholders and 1005017 B.C. Ltd. And the principal of 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 December 8, 2023;

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

**"Latest Mailing Date"** means 11:59 on November 10, 2023, provided such date may be extended in accordance with Section 2.1(d) of the Pre-Acquisition Agreement;

**"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;

**"Letter of Transmittal"** means the letter of acceptance and transmittal for use in connection with the Offer in the form enclosed herewith;

**"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" of the Pre-Acquisition Agreement) entered into in connection with the execution of the Pre-Acquisition Agreement by Certus, between the Offeror 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 and Robert Brady, the sole shareholders of all of the outstanding equity securities 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 Offeror;
- b. the announcement or completion of the transactions contemplated by the Pre-Acquisition Agreement or any step or other action taken by Certus in the performance of its obligations under the Pre-Acquisition 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 the Pre-Acquisition 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 taken by the Party that is consented to by the other Party pursuant to the Pre-Acquisition Agreement;

provided, however, that: (A) references in the Pre-Acquisition 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; **"NI 62-104"** means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*;

**"Offer"** means the offer to purchase Common Shares made hereby to the Shareholders pursuant to the terms and subject to the conditions set out herein;

**"Offer Documents"** means, collectively, the Offer, the Circular, and the Letter of Transmittal;

**"Offer Period"** means the period commencing on the date hereof and ending at the Expiry Time;

**"Offeror"** means Pine Cliff Energy Ltd.;

**"Parties"** means collectively, Pine Cliff and Certus and **"Party"** means any one of them;

**"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;

**"Pre-Acquisition Agreement"** means the pre-acquisition agreement between Certus and the Offeror dated October 30, 2023 including all Schedules and all amendments or restatements as permitted;

**"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;

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

"**Shareholders**" means the holders of Common Shares;

"**Stifel**" means Stifel Nicolaus Canada Inc., Certus's financial advisor in respect of the Offer;

"**Subsequent Transaction**" means any proposed compulsory acquisition pursuant to section 195 of the ABCA, amalgamation, statutory arrangement, capital reorganization or other transaction pursuant to which the Offeror acquires the balance of the outstanding Common Shares not tendered to the Offer by Certus Shareholders;

"**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 the Pre-Acquisition Agreement;
- c. in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to the satisfaction of the Certus Board, acting in good faith, to be likely to be obtained at closing of such Acquisition Proposal,;
- d. in respect of which the Certus Board has determined in good faith that:
  - i. after receiving the advice of its legal counsel, as reflected in the minutes of the Certus Board, 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**" means 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 conversion of Certus Options, Certus Warrants and Certus Notes);

"**Tax Act**" Income Tax Act, R.S.C. 1985, c.1 (5th Supp.) and the regulations thereunder;

"**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; and

In this Offer, the Circular and the Letter of Transmittal, words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine gender and vice versa.

**APPROVAL AND CERTIFICATE**

November 3, 2023

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

**PINE CLIFF ENERGY LTD.**

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

*(signed) "Alan MacDonald"*  
Chief Financial Officer

**On behalf of the Board of Directors**

*(signed) "William S. Rice"*  
Director

*(signed) "Calvin B. Jacober"*  
Director

**OFFICES OF THE DEPOSITARY**

**Inquiries:**

**ODYSSEY TRUST COMPANY**

E-Mail: [corp.actions@Odysseustrust.com](mailto:corp.actions@Odysseustrust.com)

Website: [www.odysseycontact.com](http://www.odysseycontact.com)

**By Mail:**

Odyssey Trust Company  
Trader's Bank Building  
702 – 67 Yonge Street  
Toronto ON M5E 1J8

Attention: Corporate Actions

*Any questions and requests for assistance may be directed by Shareholders to the Depositary by using the contact information set out above.*