

TIDEWATER ACQUISITION INC.

as Seller

- and -

TIDEWATER RENEWABLES LTD.

as Purchaser

CO-PROCESSING ASSETS SALE AGREEMENT

August 18, 2021

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CO-PROCESSING ASSETS SALE AGREEMENT

CO-PROCESSING ASSETS SALE AGREEMENT dated as of August 18, 2021 between **Tidewater Acquisition Inc.**, a corporation formed under the laws of Alberta (the “**Seller**”) and **Tidewater Renewables Ltd.**, a corporation formed under the laws of Alberta (the “**Purchaser**”).

WHEREAS the Seller and Purchaser have agreed that Seller will sell, assign, convey and transfer the Co-Processing Assets to Purchaser and Purchaser will acquire and receive the Co-Processing Assets from Seller;

AND WHEREAS the Seller and Purchaser desire to make a joint election under subsection 85(1) of the ITA in respect of the disposition by the Seller to the Purchaser of the Co-Processing Assets;

AND WHEREAS the Seller and Purchaser wish to enter this Agreement to provide for the sale of the Co-Processing Assets to Purchaser by Seller on the terms and subject to the conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the premises and the mutual agreements and covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Defined Terms

In this Agreement, including the recitals thereto, the following terms have the following meanings:

“**Affiliate**” means any Person who directly or indirectly Controls, or is Controlled by, or is under common Control with, such Person.

“**Agreement**” means this Co-Processing Assets Sale Agreement and the Schedules attached hereto.

“**Ancillary Agreements**” means the Facilities COO Agreements and the Facilities TOP Agreements.

“**Applicable Laws**” means, in relation to any Person, property, activity, transaction or event, all laws, statutes, rules, regulations, official directives, published guidelines, standards, codes of practice and orders of, and the terms of all judgments, orders, awards and decrees issued by, any Governmental Entity by which such Person is bound or having application to the Person, property, activity, transaction or event in question.

“**Biodiesel Tankage Interest**” means all of the assets comprising Functional Unit 2, Biodiesel Tankage, pursuant to the provisions of the PGR CO&O.

“**Business Day**” means any day of the year, other than a Saturday or Sunday, on which banks in Calgary, Alberta are open for commercial banking business during normal banking hours.

“**Canola Co-Processing Project**” means the canola co-processing capital project to be completed by Seller and put into service by Q4 2021 located at the Prince George Refinery.

“**Cash Consideration**” has the meaning set out in Section 2.2(b)(ii).

“**Claiming Party**” has the meaning set out in Section 7.6.

“**Claims**” means a cause of action, action, account, lien of any kind whatsoever, claim, demand, lawsuit, audit, proceeding, or arbitration, including any proceeding or investigation by a Governmental Entity.

“**Closing**” or “**Close**” means the sale and conveyance of the Co-Processing Assets hereunder, the payment and delivery of the Purchase Price by Purchaser to Seller and the delivery of other documents required to be delivered on the Closing Date under the terms of this Agreement.

“**Closing Date**” means the date hereof or any other Business Day as Seller and Purchaser may agree.

“**Competent Authority**” means, collectively and individually, any or all of:

- (a) the Minister of National Revenue or the Canada Revenue Agency;
- (b) the Minister of Finance of Alberta or the tax or fiscal authority of any province or territory;
or
- (c) a court or tribunal of competent jurisdiction.

“**Confidential Information**” has the meaning set out in Section 9.11.

“**Consequential Losses**” means any consequential, incidental, punitive, special, exemplary or indirect damages, and whether or not in the nature of the foregoing, deferred profits or revenues, loss of business opportunity, losses based on loss of use, cost of use, including standby charges, loss of drilling rights and/or deferment of drilling or other business interruption losses and damages.

“**Contracts**” means the contracts and agreements listed and described in Schedule A.

“**Control**” means one or more of the following:

- (d) a body corporate is controlled by a Person if (A) securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are beneficially owned, directly or indirectly, by such Person; and (B) the votes attached to those securities are sufficient to elect a majority of the directors of the body corporate;
- (e) an association, partnership, limited liability company, trust or other organization is controlled by a Person if: (A) more than 50% of the ownership interests, however designated, into which the association, partnership, limited liability company, trust or other organization is divided are beneficially owned, directly or indirectly, by such Person; and (B) the Person is able to direct the business and affairs of the association, partnership, limited liability company, trust or other organization
- (f) a body corporate, association, partnership, limited liability company, trust or other organization is controlled by a Person if such Person has, directly or indirectly, control in fact of the body corporate, association, partnership, limited liability company, trust or other organization; or
- (g) body corporate, association, partnership, limited liability company, trust or other organization that controls (within the meaning of this definition) another body corporate,

association, partnership, limited liability company, trust or other organization is deemed to control (within the meaning of this definition) any body corporate, association, partnership, limited liability company, trust or other organization that is controlled or deemed to be controlled (within the meaning of this definition) by the other body corporate, association, partnership, limited liability company, trust or other organization.

“**Co-Processing Assets**” means the Renewable Diesel Assets, the Renewable Diesel Capital Projects, the Hydrogen Assets, the Hydrogen Capital Projects, and the Miscellaneous Interests.

“**Disclosing Party**” has the meaning set out in Section 9.11(a).

“**Effective Time**” means 12:00 a.m. (Calgary time) on the Closing Date, or such other time as may be agreed upon by the Seller and the Purchaser.

“**Election Amount**” means the amount that is specified as the Election Amount for each Renewable Asset set forth in Schedule C.

“**Environmental Liabilities**” means all losses and liabilities that relate to the Co-Processing Assets, or that arise in connection with the ownership thereof or operations pertaining thereto, whether it has arisen in the past, hereof, or hereafter, including liabilities related to or arising from:

- (a) past, present or future transportation, storage, use, holding or disposal of toxic or hazardous substances or waste;
- (b) the leaching, migration, release, spill, escape or emission of toxic or hazardous substances or waste;
- (c) obligations to test, monitor, remediate, protect or clean-up the environment;
- (d) the costs of complying with any order or direction of any Governmental Entity having jurisdiction over the Lands or Petroleum Substances in the Co-Processing Assets; or
- (e) damage, pollution, contamination or other adverse situations pertaining to the environment howsoever or to the environment,

and including liabilities to liabilities to compensate Third Parties for damages and losses resulting from the items described in items (a), (b), (c), (d) and (e) above (including damage to property, personal injury and death) and obligations to take action to prevent or rectify damage to or otherwise protect the environment and, for purposes of this Agreement, “the environment” includes the air, the surface and subsurface of the earth, bodies of water (including rivers, streams, lakes and aquifers) and plant, human and animal life.

“**Ethanol Tankage Interest**” means all of the assets comprising Functional Unit 3, Ethanol Tankage, pursuant to the provisions of the PGR CO&O.

“**Facilities**” means the Prince George Refinery and includes all tangible depreciable property, apparatus, plants, equipment, tools, separators, machinery, field inventory, buildings, meters, generators, motors, compressors, treaters, dehydrators, pumps, tanks, boilers, and communication equipment located within, upon or in the vicinity of such facilities.

“**Facilities COO Agreement**” means the agreement for the Construction, Ownership and Operation of the Prince George Refinery entered into by the Parties (or successors thereof) and dated as of the effective date therein.

“**Facilities TOP Agreement**” means take-or-pay agreement for the Prince George Refinery entered into by the Parties (or successors thereof) and dated as of the effective date therein.

“**FCC Co-Processing Project**” means the fluid catalytic cracking co-processing project at the PGR to be completed by Purchaser during the next scheduled turnaround at the PGR scheduled for Q2 2023.

“**GAAP**” means generally accepted accounting principles accepted in Canada which are in effect from time to time.

“**Governmental Entity**” means: (a) any multinational, federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (b) any subdivision or entity of any of the foregoing; or (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing Entity under or for the account of or in lieu of any of the above.

“**GST**” means the goods and services tax provided for in the *Excise Tax Act* (Canada) and any other tax imposed or levied by the Government of Canada on or in respect of the sale or supply of goods or services in addition to or replacement for such goods and services tax.

“**Hydrogen Assets**” means an undivided one hundred percent (100%) interest in the Steam Methane Reformer Interest, and an undivided fifty percent (50%) interest in Utilities Interest.

“**Hydrogen Capital Projects**” means an undivided one hundred percent (100%) interest in the Renewable Hydrogen Project.

“**Indemnified Matter**” has the meaning set out in Section 7.6(a).

“**ITA**” means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 and the regulations promulgated thereunder.

“**Lands**” means any lands held pursuant to the Surface Rights, including the lands upon which the Co-Processing Assets are situate.

“**Lien**” means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature and will include any arrangement or condition which, in substance, secures payment or performance of an obligation.

“**Liabilities**” means any and all liabilities and obligations whether under common law, in equity, under Applicable Laws or otherwise, whether tortious, contractual, vicarious, statutory or otherwise, whether absolute or contingent, and whether based on fault, strict liability or otherwise.

“**Losses**” means, in respect of a Person and in relation to a matter, any and all losses, damages, costs, expenses, charges (including all penalties, assessments and fines) which such Person suffers, sustains, pays or incurs in connection with such matter and includes taxes, reasonable costs of legal counsel (on a solicitor and client basis) and other professional advisors and consultants and reasonable costs of investigating and defending any Claims arising from the matter, regardless of whether such Claims are sustained.

“**Miscellaneous Interests**” means, subject to the limitations and exclusions below in this definition, the property and rights that pertain to or any interest in the Co-Processing Assets including:

- (a) the Contracts, to the extent applicable;
- (b) the Surface Rights;
- (c) the Title Documents and all other contracts and agreements and all rights in relation thereto;
- (d) records, files, reports, data, correspondence and other information, including lease, contract and facilities files and records and emergency response plans including all extensions, renewals, replacements, substitutions or amendments of or to any of the agreements and instruments described in paragraphs (b) and (c) above;
- (e) any office equipment including computers, furniture, fixtures, general office equipment and site specific software licenses situate at, and used exclusively in connection with, the Co-Processing Assets or the operation and maintenance thereof;
- (f) all software and software licenses and other intellectual property associated with, or used, useful or intended for use in respect of the operation of the Co-Processing Assets (except where owned or licensed by Third Parties with restrictions that prohibit the sale, transfer or disclosure thereof to Purchaser).

provided that in all cases the Miscellaneous Interests shall include undivided interest in any of the foregoing assets equal to the undivided interest in the Co-Processing Asset to which that Miscellaneous Interest pertains.

“**Notice**” has the meaning specified in Section 9.1.

“**Other Tankage Interest**” means all of the assets comprising Functional Unit 4, Other Tankage, pursuant to the provisions of the PGR CO&O.

“**Parties**” means the Seller and the Purchaser and “**Party**” means any of them.

“**Permits**” means the licenses, permits, approvals and authorizations in respect of the construction, installation, ownership, use or operation of the Co-Processing Assets, or any of them.

“**Permitted Liens**” means those Liens listed in Schedule A.

“**Person**” means a natural person, sole proprietorship, partnership, limited liability partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns have a similarly extended meaning.

“**Petroleum Substances**” means petroleum, natural gas, natural gas liquids and other related hydrocarbons and any and all other substances related to any of the foregoing, whether liquid or gaseous, including for certainty bitumen, diluent and dilbit.

“**PGR CO&O**” means that certain agreement for Construction, Ownership and Operation of the PGR entered into by the Parties (or successors thereof) and dated as of the effective date therein.

“**Prince George Refinery**”, or the “**PGR**” means the Prince George Refinery, a 12.0 Mbbbl/d light oil refinery located at Prince George, British Columbia.

“**PGR Truck Rack & Rail Rack Interest**” means the assets comprising Functional Unit 5, Rail Rack & Truck Rack, pursuant to the provisions of the PGR CO&O.

“**Purchase Price**” has the meaning specified in Section 2.2(a).

“**Purchaser**” has the meaning specified on the first page of this Agreement.

“**PST**” means the provincial sales tax payable pursuant to the *Provincial Sales Tax Act* (British Columbia).

“**Railcar Assets**” means the lease of two hundred rail cars.

“**Receiving Party**” has the meaning set out in Section 9.11.

“**Related Parties**” means, in reference to a Party, its Affiliates, successors and assigns and its and its Affiliate's directors, officers and employees.

“**Renewable Diesel Assets**” means an undivided one hundred percent (100%) interest in the Biodiesel Tankage Interests, an undivided one hundred percent (100%) interest in the Ethanol Tankage Interests, an undivided twenty five percent (25%) interest in the Other Tankage Interests, an undivided one hundred percent (100%) interest in the Railcar Assets, an undivided thirty three point three three four percent (33.334%) interest in the PGR Truck Rack & Rail Rack Interest, and an undivided twenty five percent (25%) interest in the Unifiner Reactor Interest.

“**Renewable Diesel Capital Projects**” means an undivided one hundred percent (100%) interest in the Renewable Diesel Project, an undivided one hundred percent (100%) interest in Canola Co-Processing Project, and an undivided one hundred percent (100%) interest in the FCC Co-Processing Project.

“**Renewable Diesel Project**” means the proposed 3,000 barrels per day renewable diesel facility located at the renewable diesel and renewable hydrogen complex located at the PGR and to be completed in early 2023.

“**Renewable Hydrogen Project**” means the proposed 10.0 MMcf/d renewable hydrogen plant located at the renewable diesel and renewable hydrogen complex located at the PGR and to be completed in early 2023.

“**Right of First Refusal**” means a right of first refusal, right of first offer or other pre-emptive or preferential right of purchase or similar right to acquire the Assets or certain of them that may become operative by virtue of this Agreement or completion of the Transaction.

“**Share Consideration**” has the meaning set out in Section 2.2(b).

“**Seller**” has the meaning specified on the first page of this Agreement.

“**Specific Conveyances**” means all conveyances, assignments, transfers, novations, and other documents or instruments that are reasonably required or desirable, in accordance with normal oil and gas industry practices, to convey, assign and transfer the Seller's title to the Co-Processing Assets to the Purchaser and to novate the Purchaser into those title and operating agreements to which the Seller is a party, in the place and stead of the Seller.

“**Stated Capital Amount**” means the stated capital amount described in Schedule B that is to be added to the stated capital account for the class of shares forming the Share Consideration pursuant to Section 2.5.

“**Steam Methane Reformer**” means the assets comprising Functional Unit 6, Steam Methane Reformer, pursuant to the provisions of the PGR CO&O.

“**Surface Rights**” means all rights to occupy, cross or otherwise use or enjoy the surface of the lands upon which the Co-Processing Assets are situate; (ii) used in connection with the ownership or operation of the Co-Processing Assets; or (iii) used to gain access to the Co-Processing Assets.

“**Title Documents**” means, collectively, the various leases, reservations, permits, licences, agreements and other documents of title relating to: (i) the acquisition, ownership or operation by Seller of the Co-Processing Assets; and (iii) all similar documents of title issued pursuant thereto, in renewal or replacement thereof or substitution therefor and all other documents relating to Seller's right, estate and interest in the Lands, or the Co-Processing Assets.

“**Survival Period**” means, in the case of Seller's or Purchaser's representations and warranties in Section 4.1 and 5.1, respectively, a period of twelve (12) months from the date hereof.

“**Third Party**” means any Person other than the Purchaser or the Seller, or any Affiliate of the Purchaser, the Seller.

“**Transaction**” means the entering into this Agreement and the Ancillary Agreements, and the sale and purchase of the Co-Processing Assets in accordance with this Agreement.

“**TWR Renewables Shared Services Agreement**” means the shared services agreement between the Parties (or successors thereof) and dated as of the effective date therein.

“**Unifiner Reactor Interest**” means the assets comprising Functional Unit 1, Unifiner, pursuant to the provisions of the PGR CO&O.

“**Utilities Interest**” means the assets comprising Functional Unit 7, Utilities, pursuant to the provisions of the PGR CO&O.

1.2 Statutory Terms

In this Agreement, unless otherwise required by the context:

- (a) “**adjusted cost base**” has the meaning assigned by section 54 of the ITA;
- (b) “**disposition**” has the meaning assigned by subsection 248(1) of the ITA;
- (c) “**eligible property**” has the meaning assigned by subsection 85(1.1) of the ITA;
- (d) “**paid-up capital**” has the meaning assigned by subsection 89(1) of the ITA;
- (e) “**proceeds of disposition**” has the meaning assigned by section 54 of the ITA;
- (f) “**taxable Canadian corporation**” has the meaning assigned by subsection 89(1) of the ITA; and
- (g) “**undepreciated capital cost**” has the meaning assigned by subsection 13(21) of the ITA.

1.3 Rules of Interpretation

In this Agreement, unless and clear and contrary intention appears:

- (a) any reference in this Agreement or any Ancillary Agreement to gender includes all genders and words importing the singular number only will include the plural and vice versa;
- (b) the provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect its interpretation;
- (c) all references in this Agreement or any Ancillary Agreement to dollar amounts, unless otherwise specifically indicated, are expressed in lawful currency of Canada;
- (d) in this Agreement and any Ancillary Agreement: (a) the words “including” and “includes” mean “including (or includes) without limitation”; (b) the phrase “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”; and (c) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”;
- (e) all accounting terms not specifically defined in this Agreement will be interpreted in accordance with generally accepted accounting principles as defined by the Accounting Standards Board of the Canadian Institute of Chartered Accountants in the Handbook of the Canadian Institute of Chartered Accountants as they exist on the date of this Agreement;
- (f) the Exhibits and Schedules attached to this Agreement are incorporated into this Agreement by reference and are deemed to be part hereof. If any term or condition of such Exhibit or Schedule conflicts or is inconsistent with any term or condition in the main body of this Agreement, the term or condition in the main body of this Agreement shall prevail to the extent of the conflict or inconsistency;
- (g) reference to any agreement, document or instrument means such agreement, document or instrument as amended, restated or supplemented and in effect in accordance with the terms thereof and, if applicable;
- (h) reference to any Applicable Laws means such Applicable Laws as amended, supplemented, codified, replaced or re-enacted, in whole or in part;
- (i) payments are to be made in immediately available funds;
- (j) references to time of day or date means the local time or date in Calgary, Alberta;
- (k) where any payment or calculation is to be made, or any other action is to be taken, on or as of a day that is not a Business Day, the payment or calculation is to be made, or the other action is to be taken, as applicable, on or as of the next following Business Day, unless such next following Business Day falls in the next calendar month, in which event the payment or calculation is to be made, or the other action is to be taken, as applicable on or as of the immediately preceding Business Day; and

- (l) an undertaking by a Party not to do or to omit to do any act or thing includes an undertaking not to allow, cause or assist in the doing or omission of such act or thing.

1.4 Accounting

Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made, for the purposes of this Agreement, such determination, consolidation or computation shall, unless the Parties otherwise agree or the context otherwise requires, be made in accordance with GAAP, as adopted by Seller and applied on a consistent basis.

1.5 Knowledge

Where in this Agreement a representation or warranty is limited to the knowledge or awareness of a Party, such knowledge or awareness shall be deemed to consist of the actual knowledge or awareness of the senior management personnel and officers of that Party, without any obligation of inquiry, and shall not include the knowledge or awareness of any other Person.

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale

- (a) Seller hereby agrees to and does hereby sell, transfer, convey and assign the Co-Processing Assets and Purchaser hereby agrees to acquire and accept the Co-Processing Assets from Seller, for the consideration set forth in Section 2.2, on the Closing Date, subject to and accordance with the terms of this Agreement.
- (b) Subject to all other provisions of this Agreement, the Parties agree and acknowledge that, by their execution of this Agreement and the respective deliveries of the Parties contemplated herein:
 - (i) Closing has occurred; and
 - (ii) title to, and beneficial ownership, risk and possession of, the Co-Processing Assets has passed from Seller to Purchaser.

2.2 Purchase Price

- (a) The consideration to be paid by Purchaser to Seller shall be four hundred thirty eight million two hundred one thousand nine hundred ninety five dollars (\$438,201,995) (the "**Purchase Price**");
- (b) Concurrently with the execution hereof Purchaser shall pay the Purchaser Price to Seller as follows:
 - (i) by delivery by Purchaser of a certificate in the name of Seller evidencing the issuance of 19,448,533 common shares of Purchaser having an aggregate value of \$291,727,995 (the "**Share Consideration**"); and

- (ii) by delivery by Purchaser to Seller of cash having an aggregate value of one hundred forty six million four hundred seventy four thousand dollars (\$146,474,000) (the “Cash Consideration”), by way of wire transfer.

2.3 GST

- (a) The Purchase Price does not include an amount on account of GST payable in respect of the transaction contemplated herein. Each of Purchaser and Seller hereby confirms to the other that it is registered under Subdivision D of Division V of the *Excise Tax Act* (Canada). The Parties have made an election pursuant to Section 167 of the of the *Excise Tax Act* (Canada), which the Parties acknowledge and agree will result in no GST being exigible in respect of Transaction. If the election under Section 167 of the *Excise Tax Act* (Canada) is not applicable or otherwise available in respect of the Transaction, the Purchaser shall pay the applicable GST to Seller in respect of the full purchase price set out in this Agreement, excluding any amounts attributable to real property that are subject to self-assessment by the Purchaser pursuant to sections 221 and 228 of the *Excise Tax Act* (Canada), and any amounts attributable to natural resources rights that qualify for relief from GST pursuant to section 162 of the *Excise Tax Act* (Canada). Seller agrees to attend to the remittance thereof in accordance with the *Excise Tax Act* (Canada).
- (b) The Parties agree to file their respective tax returns based upon and in accordance with the allocations of the Purchase Price set out in Section (b) and the terms of this Agreement and will not make any inconsistent statements or take any inconsistent positions on any tax returns, in any refund claims or during the course of any audits by any Governmental Entity.
- (c) The allocation for PST purposes in respect of the Co-Processing Assets will be as set forth in Schedule D. The Parties agree that the amount of PST set forth in Schedule D shall be payable by Purchaser in respect of the transfer of the Co-Processing Assets taking into account any exemption from the application of PST that the Parties current understand is available under Applicable Law.

2.4 Allocation of Purchase Price

The Seller and the Purchaser agree to allocate the Purchase Price among the Co-Processing Assets in accordance with the allocation set forth in Schedule B for all purposes, including tax and financial accounting.

2.5 Stated Capital

Upon issuing the Share Consideration, the Purchaser shall add the Stated Capital Amount set forth in Schedule B to the stated capital account and the paid-up capital for the class of shares forming the Share Consideration.

2.6 Intention and Election

- (a) It is the intention of the Seller and the Purchaser to effect the disposition of the Co-Processing Assets for consideration equal to the Purchase Price and to elect under subsection 85(1) of the ITA that the proceeds of disposition by equal to the Election Amount.

- (b) The Seller and the Purchaser agree that they will:
 - (i) jointly elect under subsection 85(1) of the ITA, in prescribed form and in accordance with subsection 85(6) of the ITA, that the amount agreed upon for the purposes of paragraph 85(1)(a) of the ITA in respect of the Co-Processing Assets shall be equal to the Election Amount; and
 - (ii) execute and file all documents required to give effect to the election referred to in Section 2.6(a).

2.7 Purchase Price Election Amount Adjustment

If, at a particular time after the Effective Time,

- (a) the Seller and Purchaser acknowledge in writing; or
- (b) a Competent Authority determines (and none of the Seller or the Purchaser have objected to or appealed from the determination, or, alternatively, all rights of objection and appeal have been exhausted);

that

- (c) the actual fair market value of the Co-Processing Assets at the Effective Time (the “**Redetermined FMV**”) was greater than or less than or less than the amount which was previously understood by the Seller and the Purchaser to be the fair market value of the Co-Processing Assets at the Effective Time (the “**Understood FMV**”)
- (d) the actual adjusted cost base to the Seller of any particular Co-Processing Assets at the Effective Time (the “**Redetermined ACB**”) was greater than or less than the amount which was previously understood by the Seller and Purchaser to be the adjusted cost base to the Seller or the particular Co-Processing Assets at the Effective Time (the “**Understood ACB**”);
- (e) the actual undepreciated capital cost to the Seller of any particular Co-Processing Assets at the Effective Time (the “**Redetermined UCC**”) was greater than or less than the amount which was previously understood by the Seller and the Purchaser to be the undepreciated capital cost to the Seller of the particular Co-Processing Assets at the Effective Time (the “**Understood UCC**”);
- (f) the actual cost to the Seller of the Co-Processing Assets at any particular Effective Time (the “**Redetermined Cost**”) was greater than or less than the amount which was previously understood by the Seller and the Purchaser to be the cost to the Seller of the particular Co-Processing Assets at the Effective Time (the “**Understood Cost**”);

this Agreement shall be deemed always to have been amended as necessary:

- (g) to substitute the Redetermined FMV for the Understood FMV, particularly for the purpose of quantifying the Purchase Price and the Election Amount;
- (h) to substitute the Redetermined ACB for the Understood ACB, particularly for the purpose of quantifying the Election Amount;

- (i) to substitute the Redetermined UCC for the Understood UCC, particularly for the purpose of quantifying the Election Amount;
- (j) to substitute the Redetermined Cost for the Understood Cost, particularly for the purpose of quantifying the Election Amount; and
- (k) to make any other related or corresponding adjustments to any provision of this Agreement which may be necessary to carry out the intention of the Seller and the Purchaser;

and these amendments shall be deemed always to have been included in this Agreement, and the Seller and the Purchaser agree,

- (l) if necessary, jointly to make an amended election under subsection 85(7.1) of the ITA, in prescribed form, in which the Election Amount shall be quantified by reference to the Redetermined FMV or the Redetermined ACB, as the case may be;
- (m) to execute and file all documents required to give effect to the amended election referred to in Section 2.7(l) above;
- (n) to implement all necessary financial adjustments, if any; and
- (o) to make any adjustments necessary, including the issuance or cancellation of shares forming the Share Consideration,

so as to place the Seller and the Purchaser in the position in which they would have been if the Redetermined FMV had always been used in quantifying the Purchase Price and the Election Amount and if the Redetermined ACB had always been used in quantifying the Election Amount.

2.8 Payment of Penalty

The Seller and the Purchaser agree that should it be necessary to file an amended election pursuant to section 85 of the ITA, for the purposes of transferring the Co-Processing Assets for an Election Amount equal to the amount described in Section 2.7, any penalty assessed by a Competent Authority shall be borne by the Purchaser.

ARTICLE 3 DELIVERIES

3.1 Deliveries of Parties

- (a) Concurrently with the execution hereof, Seller shall deliver to Purchaser:
 - (i) an executed counterpart of the TWR Renewables Shared Services Agreement;
 - (ii) executed counterparts of the Facilities TOP Agreements;
 - (iii) executed counterparts of the Facilities COO Agreements;
 - (iv) receipt for the certificate representing the Share Consideration;
 - (v) receipt for the payment of the Cash Consideration; and

- (vi) such other items as may be specifically required hereunder.
- (b) Concurrently with the execution hereof, Purchaser shall deliver to Seller:
 - (i) an executed counterpart of the TWR Renewables Management Agreement;
 - (ii) executed counterparts of the Facilities TOP Agreements;
 - (iii) executed counterparts of the Facilities COO Agreements;
 - (iv) a certificate, issued in the name of Seller, representing the Share Consideration;
 - (v) the Cash Consideration; and
 - (vi) such other items as may be specifically required hereunder.

3.2 Copies of Title Documents

Following the date hereof and in cooperation with Seller, and during normal business hours without undue interference to Seller's business, Purchaser may attend at Seller's office to make photocopies of those of the Title Documents relating to the Co-Processing Assets. Purchaser shall provide the personnel and paper at its own cost, and Seller shall provide the photocopier at its own cost for Purchaser's use to make such copies.

3.3 Specific Conveyances

- (a) The Seller, at its own cost, shall prepare the Specific Conveyances required in respect of the Co-Processing Assets, and deliver such Specific Conveyances to the Purchaser at Closing.
- (b) Notwithstanding the foregoing in the Section 3.3, in the case of any Specific Conveyances that are transfer of Permits or Crown lease transfers which may be filed electronically with the applicable Government Entity, promptly following Closing, the Seller shall submit electronic transfers for such Permits or Crown leases and the Purchaser shall accept such electronic transfers from the Seller without delay provided that, if the Purchaser in good faith determines or believes that any of the electronic transfers are not complete and accurate, or the applicable Governmental Entities refuses to process any such transfers because of some defect therein, the Parties shall cooperate to duly complete or to correct such incomplete or inaccurate electronic transfers as soon as reasonably practicable and, thereafter, the Seller shall promptly re-submit such electronic transfers and the Purchaser shall accept such electronic transfers from the Seller without delay.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE SELLER

4.1 Representations and Warranties of the Seller

Purchaser acknowledges that it is purchasing the Co-Processing Assets on an "as-is", where is" basis without representation and warranty and without reliance on any information provided to or on behalf of Purchaser by Seller or any Third Party, except that and subject in all instances to the Permitted Liens, or

any matter disclosed in any of the Schedules, Seller make se the following representations and warranties to Purchaser:

- (a) Standing: Seller is a corporation duly formed and validly existing under the laws of the Province of Alberta and is authorized to carry on business in the jurisdiction in which the Lands are located;
- (b) Requisite Entity: Seller has good right, full power and absolute Entity to sell, transfer, convey and assign the Co-Processing Assets to Purchaser in accordance with the true intent and meaning of this Agreement;
- (c) Execution: the execution, delivery and performance of this Agreement and each of the Ancillary Agreements has been duly and validly authorized by any and all requisite corporate, partner, shareholders' and directors' actions and will not result in any violation of, be in conflict with or constitute a default under any articles, charter, bylaw or other governing document to which Seller is bound;
- (d) No Conflicts: the execution, delivery and performance of this Agreement each of the Ancillary Agreements will not result in any violation of, be in conflict with or constitute a default under any term or provision of any agreement or document to which Seller is party or by which Seller is bound, nor under any Applicable Law applicable to Seller;
- (e) Enforceability: This Agreement, the Ancillary Agreements and other agreements delivered in connection herewith constitute valid and binding obligations of Seller enforceable against Seller in accordance with their term, subject to the qualification that such enforceability may be subject to (i) bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditors' rights generally; and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding, at equity or law.
- (f) Regulatory Approval: except as otherwise provided in this Agreement, no authorization or approval or other action by, and no notice to or filing with, any Governmental Entity is required for the due execution, delivery and performance by Seller of this Agreement and each of the Ancillary Agreements, other than authorizations, approvals or exemptions from requirement therefor, previously obtained and currently in force;
- (g) Title to Certain Assets: Seller does not warrant title to the Co-Processing Assets, except that it warrants that (i) other than the Permitted Liens, the Co-Processing Assets are free and clear of all liens, adverse claims, mortgages, charges, conversion rights, and encumbrances created by, through or under it or of which it is aware; (ii) the Co-Processing Assets are not subject to reduction or alteration by virtue of (A) the conversion or other alteration of the interest of any interest of a Third Party granted by, through or under Seller; or (B) and sale agreement, option agreement, asset exchange or swap agreement or other obligation of Seller, whether contingent or vested, to assign or transfer any of the Co-Processing Assets other than obligations that arise after the date hereof pursuant to surrender or abandonment provisions of Title Documents;
- (h) No Default Notices: except for matters that are the are the subject matter of a Claim listed in Schedule C, as at the date hereof it has neither received nor delivered any written notices of violation or alleged violation of any material provisions of any of the Title Documents or Applicable Laws in respect of the Co-Processing Assets or operations in respect thereof

which would reasonably be expected to have a material adverse effect on the Co-Processing Assets, taken as a whole;

- (i) Compliance with Title Documents: it has performed, observed and satisfied all of its material duties, liabilities, obligations and covenants required as at the date hereof to be satisfied, performed and observed by it under, and is not in default under or in breach, in respect of the Co-Processing Assets, of any material provision of the Title Documents;
- (j) No Claims: except for the Claims listed in Schedule C, as at the date hereof there are no material Claims which have been served upon it or its Affiliates with respect to the commencement of legal proceedings, or to Seller's knowledge, threatened, in respect of, or relating to the Co-Processing Assets or the Title Documents or operations pertaining thereto;
- (k) No ROFRS: there are no Rights of First Refusal applicable to the Transaction contemplated herein;
- (l) Operations: any and all of Seller's operations on or in respect of the Facilities have been conducted in accordance with good industry practices and in compliance with all Applicable Laws;
- (m) Environmental Matters: it has not received notice of: (i) any material non-compliance in relation to the Co-Processing Assets pursuant to any law intended to protect the environment which has not been remedied in all material respects; and (ii) to Seller's knowledge, any Claim in relation to the Co-Processing Assets by any Third Party of material Environmental Liabilities (including pollution);
- (n) Eligible Property: the Co-Processing Assets held are eligible property; and
- (o) Canadian Resident: it is not a non-resident of Canada within the meaning of the ITA.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

5.1 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to Seller as follows:

- (a) Standing: Purchaser is a corporation duly formed and validly existing under the laws of the Province of Alberta and is authorized to carry on business in the jurisdiction in which the Lands are located;
- (b) Requisite Entity: Purchaser has good right, full power and absolute Entity to purchase, acquire and receive the Co-Processing Assets from Seller in accordance with the true intent and meaning of this Agreement;
- (c) Execution: the execution, delivery and performance of this Agreement and each of the Ancillary Agreements has been duly and validly authorized by any and all requisite corporate, partner, shareholders' and directors' actions and will not result in any violation of, be in conflict with or constitute a default under any articles, charter, bylaw or other governing document to which Purchaser is bound;

- (d) No Conflicts: the execution, delivery and performance of this Agreement each of the Ancillary Agreements will not result in any violation of, be in conflict with or constitute a default under any term or provision of any agreement or document to which Purchaser is party or by which Purchaser is bound, nor under any Applicable Law applicable to Purchaser;
- (e) Enforceability: This Agreement, the Ancillary Agreements and other agreements delivered in connection herewith constitute valid and binding obligations of Purchaser enforceable against Purchaser in accordance with their term, subject to the qualification that such enforceability may be subject to (i) bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditors' rights generally; and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding, at equity or law.
- (f) Regulatory Approval: except as otherwise provided in this Agreement, no authorization or approval or other action by, and no notice to or filing with, any Governmental Entity is required for the due execution, delivery and performance by Purchaser of this Agreement and each of the Ancillary Agreements, other than authorizations, approvals or exemptions from requirement therefor, previously obtained and currently in force;
- (g) Share Consideration: Purchaser has all required approvals and full corporate power and Entity to issue the Share Consideration issuable to Seller pursuant hereto and the shares comprising the Share Consideration when issued will be duly and validly issued as fully paid and non-assessable common shares of Purchaser;
- (h) Cash Consideration: Purchaser has all required approvals and full corporate power and Entity to pay the Cash Consideration to Seller pursuant hereto;
- (i) Finders' Fee: Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the transaction to be effected by it for which Seller shall have any obligation or liability; and
- (j) Taxable Canadian Corporation: Purchaser is a taxable Canadian corporation; and
- (k) Investment Canada Act: Purchaser is not a non-Canadian person for the purposes of the *Investment Canada Act* (Canada).

ARTICLE 6 DISCLAIMERS

6.1 No Additional Representations or Warranties by Seller

- (a) Seller makes no representation or warranty, express or implied, in fact or by law, with respect to (i) the quality, condition, merchantability, serviceability or suitability or fitness for any particular purpose of any property; (ii) and other data or information, including Seller's proposed or contemplated development plans and timelines in respect of the Lands, supplied by Seller or its Related Parties to Purchaser in connection herewith;
- (b) Purchaser acknowledges that, with the exception of the representations and warranties made by Seller in Section 4.1 and the performance by Seller of its obligations under this Agreement, Purchaser is not relying on any representation, warranty or covenant by Seller

or its Related Parties or any of their representatives or agents not contained in this Agreement or on any statement or discussions with Seller, its Related Parties or any of their representatives or agents and that with the exception of the representations and warranties made by Seller in Section 4.1 Purchaser forever releases and discharges Seller and its representatives from any Losses and Liabilities of Purchaser and its assigns and successors, as a result of the use or reliance upon advice, information and materials pertaining to the Assets delivered or made available to Purchaser by Seller or any of its representatives prior to or under the Agreement, including, any evaluations, projections, reports and interpretive or non-factual materials prepared by or for Purchaser, or otherwise in its possession;

- (c) Except for the representation and warranties of Seller in Section 4.1:
- (i) Seller expressly negates and disclaims; and
 - (ii) Seller shall not be liable (whether under contract or tort or law, at common law, in equity, under statute or otherwise howsoever) for,

any representation, warranty, statement, information, data or covenant in any other document or for any statement made or information provided by Seller or its Related Parties or their agents, solicitors, accountants, consultants or representatives to Purchaser in connection with this Agreement in any manner, whether on or before the execution hereof.

6.2 Survival of Representations and Warranties

The representations and warranties in Sections 4.1 and 5.1 shall survive the Closing for the Survival Period and not be merged in the Ancillary Agreements or any of them, or any other documents executed and delivered or otherwise provided pursuant to this Agreement. No Party shall have any liability in respect of a breach of a representation and warranty in Sections 4.1 and 5.1 unless notice of such breach with reasonable particulars shall have been provided by such Party to the other Party prior to the expiry of the Survival Period.

ARTICLE 7 LIABILITY AND INDEMNIFICATION

7.1 Indemnification by the Seller

Subject to the limitations set forth in this Article 7, the Seller will (a) be liable to the Purchaser for; and (b) in addition, indemnify Purchaser from and against, all Claims that may be brought against Purchaser or Losses and Liabilities that Purchaser suffers, sustains, pays or incurs as a result of a breach of a representation or warranty made by Seller in Section 4.1 or a breach by Seller of a covenant or agreements contained in this Agreement.

7.2 Indemnification by the Purchaser

Subject to the limitations set forth in this Article 7, the Purchaser will (a) be liable to the Seller for; and (b) in addition, indemnify Seller from and against, all Claims that may be brought against Purchaser or Losses and Liabilities that Purchaser suffers, sustains, pays or incurs as a result of a breach of a representation or warranty made by Purchaser in Section 5.1 or a breach by Seller of a covenant or agreements contained in this Agreement.

7.3 Future Obligations

From and after Closing, Purchaser shall be liable for Claims that may be brought against Seller or Losses and Liabilities that Seller suffers, sustains, pays or incurs and, in addition as an independent covenant, shall defend, indemnify and save harmless Seller from and against all Claims that may be brought against it or Losses and Liabilities that Seller suffers, sustains, pays or incurs; which, in either case, arise out of any matter or thing occurring, accruing or arising on and after the Closing Date and which relates to the Co-Processing Assets (excluding any Losses and Liabilities or Claims that pertain to any Environmental Liabilities, which shall be dealt with under Section 7.4). Notwithstanding the foregoing in this Section 7.3, nothing in this Section 7.3 shall be construed so as to require Purchaser to be liable for or to indemnify Seller in connection with any such Losses and Liabilities or any such Claims to the extent arising from: (a) the representations and warranties of Seller contained in Section 5.1 being untrue or incorrect, but only to the extent that Seller is liable to indemnify Purchaser pursuant to Section 7.1 in respect of such representations and warranties; or (b) the gross negligence or wilful misconduct of Seller.

7.4 Purchaser's Environmental Indemnity

From and after Closing, Purchaser shall be liable for Claims that may be brought against Seller for Losses and Liabilities that Seller suffers, sustains, pays or incurs and, in addition as an independent covenant, shall defend, indemnify and save harmless Seller from and against all Claims that may be brought against it or Losses and Liabilities that Seller suffers, sustains, pays or incurs, in either case, in respect of all past, present and future Environmental Liabilities. This assumption of liability and indemnity shall apply without limit and without regard to the negligence of Seller. The Parties acknowledge that the Purchase Price has taken into account all of the Environmental Liabilities identified by the Parties prior to the date of this Agreement and, accordingly, this assumption of liability and indemnity shall apply in respect of all of the Environmental Liabilities. Purchaser hereby waives, and acknowledges and agrees that it shall not exercise, any right or remedy against Seller in respect to any such Environmental Liabilities that Purchaser may otherwise have under Applicable Laws, including any right to name as a party to any Claim commenced by Purchaser or by any Third Party in which Purchaser is a party. Notwithstanding the foregoing in this Section 7.4, nothing in this Section 7.4 shall be construed so as to require Purchaser to be liable for or to indemnify Seller in connection with any such Losses and Liabilities or any such Claims to the extent arising from the representations and warranties of Seller contained in Section 4.1(e) being untrue or incorrect, but only to the extent that Seller is liable to indemnify Purchaser pursuant to Section 5.1 in respect of such representations and warranties.

7.5 Limit on Responsibility

- (a) In no event shall a Party have any liability for a breach of a representation in Section 4.1 or 5.1: (i) unless notice of such breach with reasonable particulars shall have been provided by such Party to the other Party prior to the expiry of the Survival Period; or (ii) to the extent the Loss is reimbursed by insurance carried by such Party.
- (b) Other than as a result of Section 9.11, in no event shall either Party be liable for any Consequential Losses.

7.6 Procedure - Indemnities

If a Party (the “**Claiming Party**”) wishes to claim indemnification from the other Party (the “**Indemnifying Party**”) pursuant to Sections 7.1, 7.2, 7.3 or 7.4, the following shall apply:

- (a) Promptly after acquiring knowledge of the subject matter of the Claim or the Losses and Liabilities in respect of which the claim for indemnification is to be made (an “**Indemnified Matter**”), the Claiming Party shall provide notice thereof to the Indemnifying Party, provided that, failure to give such notice will not limit or lessen the right of the Claiming Party to indemnify under this Agreement except to the extent that the Indemnifying Party is prejudiced in its contest or defence of the Indemnified Matter as a result of such failure. Such notice shall describe the nature of the Indemnified Matter in reasonable detail and indicate, if reasonably ascertainable, the Claiming Party's good faith estimate of the amount for which the Indemnifying Party may be liable under this Agreement in respect of such Indemnified Matter.
- (b) If the Indemnified Matter relates to a Claim made or brought by a Third Party:
- (i) the Indemnifying Party shall have the right to participate in or to elect to assume control of the defence or dispute of any such Claim. Any such participation in or assumption of control of the defence or dispute of the Claim shall be at the Indemnifying Party's own expense and use counsel chosen by the Indemnifying Party. The Claiming Party shall provide all reasonable assistance that the Indemnifying Party may reasonably request in connection with such defence or dispute;
 - (ii) the Claiming Party shall have the right to participate in the defence or dispute of any such Indemnified Matter using counsel of its own choice if representation of both the Claiming Party and the Indemnifying Party by the same counsel would be inappropriate due to conflicting interests of the two Parties, including Claims that would be partially excluded from indemnification by the Indemnifying Party by virtue of another provision of this Agreement. The Indemnifying Party shall be liable for the costs of such additional counsel retained by the Claiming Party, but only to the extent that such costs pertain to the defence or dispute of the Indemnified Matter;
 - (iii) the Claiming Party shall not settle or compromise, or propose to settle or compromise, any such Indemnified Matter without first obtaining the consent of the Indemnifying Party, provided that, such consent shall not be required if: the Indemnifying Party denies or disputes that the particular Claim constitutes an Indemnified Matter and refuses to take responsibility for the defence or dispute thereof as provided above; the Indemnifying Party fails to respond to any notice of the Indemnified Matter given by the Claiming Party in accordance with Section 7.6(a) within 15 days of receipt thereof by the Indemnifying Party; or the Indemnifying Party either refuses or fails to defend or dispute such Indemnified Matter after assuming responsibility for the defence or dispute thereof as provided above. In each such a case, the Claiming Party shall be entitled to defend, dispute, settle or compromise such a Claim by a Third Party in any manner it determines to be appropriate, acting reasonably and in good faith, subject to any limitations set forth in this Agreement.
- (c) If the Indemnified Matter relates to Losses and Liabilities directly suffered, sustained, paid or incurred by the Claiming Party or any of the Claiming Party's Related Persons, the Indemnifying Party shall respond to the Claiming Party as to whether the Indemnifying Party accepts liability for such Indemnified Matter within 30 days of receipt of the Claiming Party's notice given in accordance with Section 7.6(a) and:

- (i) if the Indemnifying Party does not respond within such 30-day period, the Indemnifying Party shall be deemed to have accepted its liability for such Indemnified Matter;
 - (ii) if the Indemnifying Party accepts its liability for such Indemnified Matter, the Indemnifying Party shall discharge its liability to indemnify the Claiming Party within 10 days after the end of the initial 30-day notice period; and
 - (iii) if the Indemnifying Party disputes whether the particular Losses and Liabilities constitute an Indemnified Matter or the amount of such Losses or Liabilities for which the Indemnifying Party is liable within such 30-day period, or if the Indemnifying Party accepts or is deemed to have accepted liability for such Indemnified Matter, but fails to discharge such liability within the specified period, the Claiming Party shall be free to seek to enforce its right to indemnification in respect of such Indemnified Matter under this Agreement in any manner that it deems appropriate.
- (d) If the Indemnifying Party has paid an amount in respect of an Indemnified Matter pursuant to this Agreement, then: (i) the Indemnifying Party will be subrogated to all and any Claims that the Claiming Party may have relating thereto without any further action; (ii) the Claiming Party, without limiting its rights to the indemnity under this Agreement, shall provide any reasonable assistance that the Indemnifying Party may reasonably request in order to permit the Indemnifying Party to pursue such Claims; and (iii) if the Claiming Party is subsequently reimbursed by any Person or from any source other than the Indemnifying Party in respect of the Indemnified Matter, the Claiming Party shall promptly pay to the Indemnifying Party any such amounts so received by it, up to the amount received from the Indemnifying Party in respect of such Indemnified Matter.

ARTICLE 8 ACCOUNTING MATTER

8.1 Adjustments

All benefits and obligations of any kind or nature received, accruing, payable or paid in respect of the Co-Processing Assets, including maintenance, development, capital and operating costs, shall be apportioned between Seller and Purchaser on an accrual basis in accordance with GAAP as of the Closing Date provided that, to the extent accruing from and after the Closing Date the Parties rights, obligations and entitlements in respect of such benefits and obligations shall be subject to and governed by the provisions of the Facilities COO Agreements and the Facilities TOP Agreements.

ARTICLE 9 MISCELLANEOUS

9.1 Notices

Any notice, direction or other communication given under this Agreement, or any Ancillary Agreement (a “**Notice**”) will be in writing and given by delivering it or sending it by electronic mail:

- (a) to the Seller at:

Tidewater Acquisition Inc.

900, 222 3rd Avenue S.W.
Calgary, Alberta T2P 0B4
Attention: Director, Legal and Assistant Corporate Secretary
Email: [REDACTED - EMAIL]

(b) to the Purchaser at:

Tidewater Renewables Ltd.
900, 222 3rd Avenue S.W.
Calgary, Alberta T2P 0B4
Attention: Director, Legal and Assistant Corporate Secretary
Email: [REDACTED - EMAIL]

Any such communication will be deemed to have been validly and effectively given: (i) if personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Calgary time) and otherwise on the next Business Day; or (ii) if transmitted by email upon written confirmation of receipt by the intended recipient. Either Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice will be sent to such Party at its changed address.

9.2 Time of the Essence

Time will be of the essence in this Agreement.

9.3 Third Party Beneficiaries

This Agreement shall be construed to benefit the Parties and their respective successors and permitted assigns only and shall not be construed to create Third Party beneficiary rights in any other Person.

9.4 Costs and Expenses

Except as specifically provided herein, all legal and other costs and expenses incurred by a Party in connection with this Agreement and the transactions contemplated hereby will be paid by the Party that incurred the same.

9.5 Amendments

This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Parties.

9.6 Waiver

- (a) No waiver of any of the provisions of this Agreement or any Ancillary Agreement will be deemed to constitute a waiver of any other provision (whether or not similar), nor will such waiver be binding unless executed in writing by the Party to be bound by the waiver.
- (b) No failure on the part of any Party to exercise, and no delay in exercising any right under this Agreement will operate as a waiver of such right, nor will any single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

9.7 Entire Agreement

This Agreement, together with the Ancillary Agreements, constitutes the entire agreement of the Parties relating to, and there are no collateral or other statements, understandings, covenants, agreements, representations or warranties, written or oral, relating to, the subject matter of this Agreement. This Agreement, together with the Ancillary Agreements, supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral, between the Parties relating to the subject matter hereof or thereof.

9.8 Enurement

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

9.9 Survival

The expiry or termination of this Agreement will not discharge or release any Party from any of its Liabilities or obligations (including payment obligations) accrued at the time of such expiry or termination (including a breach of a representation, warranty or covenant) or from any of its Liabilities or obligations that expressly continue beyond or arise out of such expiry or termination of this Agreement.

9.10 Severability

If any provision of this Agreement is determined to be invalid or unenforceable under the laws of the Province of Alberta or the laws of Canada applicable therein or under any Applicable Laws or the terms and provisions of any authorizations, the remainder of this Agreement, or the application of the provisions of this Agreement to Persons or circumstances other than those to which it is held invalid or unenforceable, will not be affected thereby.

9.11 Confidentiality/Press Releases

- (a) Each Party (in this Section, the “**Receiving Party**”) shall keep confidential all information obtained from the other Party (in this Section, the “**Disclosing Party**”) in connection with the Lands, this Agreement, and the transactions contemplated hereby that is not within the public domain through no act or fault of the Receiving Party (and for such purposes, specific items of information shall not be considered to be in the public domain merely because more general information is in the public domain) (the “**Confidential Information**”) and shall not release any such Confidential Information, without the prior written consent of the Disclosing Party, which consent shall not be unreasonably withheld or delayed. Nothing contained herein shall prevent a Party at any time from furnishing information to any Governmental Entity or to the public if required by Applicable Laws, including securities laws or the rules of any stock exchange on which any securities of the Party are listed, provided that the Parties shall use reasonable commercial efforts to consult with each other prior to disclosing any Confidential Information to such Governmental Entity or making any public statement or otherwise disclosing any Confidential Information to the public including filing a redacted form of this Agreement in which case the Disclosing Party shall redact all of the provisions reasonably requested by the other Party.
- (b) Following Closing, the obligations of confidentiality set forth in Subsection 9.11(a):

- (i) shall, as applicable be superseded by the confidentiality obligations set forth in the Facilities COO Agreements and the Facilities TOP Agreements, as applicable; and
- (ii) shall otherwise continue to apply to Purchaser with respect to other information provided by Seller to Purchaser, if any.

9.12 Governing Law

This Agreement and each of the Ancillary Agreements will be governed by and interpreted and enforced in accordance with the Applicable Laws of the Province of Alberta and the federal laws of Canada applicable therein, without reference to conflict of laws rules.

9.13 Counterparts

This Agreement may be executed in any number of counterparts (including counterparts by facsimile or pdf e-mail) and all such counterparts taken together will be deemed to constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF the Parties have executed and delivered this Co-Processing Assets Sale Agreement as of the date first above written.

TIDEWATER ACQUISITION INC.

Per: (s) "Joel Vorra"
Name: Joel Vorra
Title: Chief Financial Officer

TIDEWATER RENEWABLES LTD.

Per: (s) "Joel Vorra"
Name: Joel Vorra
Title: President and Chief Financial Officer

[Signature page for the Co-Processing Assets Sale Agreement]

**SCHEDULE A
CONTRACTS**

Nil

SCHEDULE B

PERMITTED LIENS

- (i) liens for taxes, assessments and governmental charges which are not due or the validity of which is being diligently contested in good faith by or on behalf of Seller;
- (ii) easements, rights of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, roads, railways, sewers, drains, gas or oil pipelines or gas or water mains or for electric light, power, telephone, telegraph or cable television conduits, poles, wires or cables;
- (iii) the right reserved to or vested in any Governmental Entity by the terms of any lease, licence, franchise, grant or permit or by any Applicable Laws, to terminate such lease, licence, franchise, grant or permit or to require annual or other periodic payments or the posting of deposits as a condition of the granting or continuance thereof;
- (iv) the right reserved to or vested in any Governmental Entity to levy taxes on Petroleum Substances produced from the Lands or the income or revenue attributable thereto or in respect of operations;
- (v) governmental requirements as to operations, including limitations or restrictions on production rates;
- (vi) rights reserved to or vested in any Governmental Entity to control or regulate any of the Facilities or Co-Processing Assets in any manner;
- (vii) the terms and conditions of the Title Documents, including any Burdens created thereunder, but excepting provisions thereof that create security interests that would not be Permitted Liens under paragraph (ix) or (xiii);
- (viii) undetermined or inchoate liens incurred or created in the ordinary course of business or a lien created as security in favour of the Person conducting operations to which such liens relate for Seller's proportionate share of the costs and expenses of such operations which are not due or delinquent;
- (ix) the reservations, limitations, provisos and conditions in any original grants from the Crown of any of the Lands or interest therein and statutory exceptions to title;
- (x) liens granted in the ordinary course of business to a public utility or Governmental Entity in connection with operations;
- (xi) mechanics', builders' and materialmen's liens in respect of services rendered or goods supplied in the course of operations, but only insofar as such liens relate to goods or services for which payment is not due, or the validity of which is being diligently contested by or on behalf of Seller;
- (xii) encumbrances related to indebtedness incurred under hedging arrangements; and
- (xiii) any security held by any Third Party encumbering the Facilities or Co-Processing Assets, or any part or portion thereof, in respect of which Seller has delivered a discharge in registrable form, a no interest letter with an undertaking to discharge the security interest or like document to Purchaser at or prior to Closing.

SCHEDULE C

PURCHASE PRICE ALLOCATION

1. Purchase Price Allocation

Assets	Allocation of Purchase Price
Renewable Diesel Assets	[REDACTED - AMOUNTS]
Hydrogen Assets	
Renewable Diesel Project, Renewable Diesel Capital Projects, Hydrogen Capital Projects, Renewable Hydrogen Project	
Miscellaneous Interests	
Purchase Price	\$438,201,995

2. Assets & Consideration Shares

CO-PROCESSING ASSETS

DESCRIPTION: Co-Processing Assets having the following attributes:

Description	Fair Market Value	Tax Classification	Undepreciated Capital Cost/Tax Value	Election Amount
Renewable Diesel Assets - Biodiesel Tankage Interests, Ethanol Tankage Interest, Other Tankage Interest	[REDACTED - AMOUNTS]	[REDACTED - AMOUNTS]	[REDACTED - AMOUNTS]	[REDACTED - AMOUNTS]
Renewable Diesel Assets – Railcar Assets, Unifiner Reactor Interest and PGR Truck Rack & Rail Rack Interest				
Hydrogen Assets - Steam Methane Reformer and Utilities Interest				

Renewable Diesel Project, Renewable Diesel Capital Projects Hydrogen Capital Projects, Renewable Hydrogen Project,	[REDACTED - AMOUNTS]
Miscellaneous Interests	

CONSIDERATION SHARES

DESCRIPTION: Shares of Tidewater Renewables Ltd. having the following attributes:

SHAREHOLD ER	NUMBER AND TYPE	FAIR MARKET VALUE	ADJUSTED COST BASE	STATED CAPITAL	ELECTION AMOUNT
Tidewater Acquisition Inc.	19,448,533 Common	\$291,727,995	[REDACTED - AMOUNTS]		

3. Allocation of PST

[REDACTED - AMOUNTS]

SCHEDULE D

DISCLOSURE STATEMENT

[REDACTED - CONFIDENTIAL]