

ASSET PURCHASE AND SALE AGREEMENT

BETWEEN

GRAN TIERRA CANADA LTD.

(as Vendor)

- AND -

LOGAN ENERGY CORP.

(as Purchaser)

Dated as of November 26, 2024

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Agreement

ASSET PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made as of November 26, 2024.

BETWEEN:

GRAN TIERRA CANADA LTD., a body corporate incorporated pursuant to the laws of the Province of Alberta and having an office in Calgary, Alberta ("**Vendor**")

- and -

LOGAN ENERGY CORP., a body corporate incorporated pursuant to the laws of the Province of Alberta and having an office in the City of Calgary, Alberta ("**Purchaser**")

WHEREAS Vendor wishes to sell the Acquired Interests to Purchaser, and Purchaser wishes to purchase the Acquired Interests from Vendor, subject to and in accordance with the terms and conditions of this Agreement;

AND WHEREAS Vendor and Purchaser will execute the Master Services Agreement (the "**Master Services Agreement**") on the date hereof wherein Purchaser will agree to act as contract operator from the date of this Agreement until the Closing Date for the [REDACTED] pad.

NOW THEREFORE the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

- (a) "**Abandonment and Reclamation Obligations**" means all past, present and future Losses and Liabilities and other duties and obligations, whether arising under contract, Applicable Law or otherwise, relating to:
- (i) the closure, decommissioning, abandonment, dismantling and removal of the Wells and Tangibles, including any structures, buildings, pipelines, facilities, equipment and other tangible depreciable property and assets, together with the restoration and reclamation of the Lands, including the lands on or in which any of the foregoing are or were located and any other lands used to gain access thereto; and
 - (ii) the restoration, remediation and reclamation of the surface or subsurface of any lands, other than those lands described in paragraph (i), and specifically relating to lands used or previously used to gain access to the Assets or assets or property previously owned by Vendor in the White Map Area, including the lands to which the Surface Rights relate;

all in accordance with good oil and gas field practices in Canada, and in compliance with Applicable Law.

- (b) "**Accounting Firm**" means a nationally or internationally recognized firm of chartered accountants as may be selected by the Parties.
- (c) "**Acquired Interest**" means:
 - (i) a fifty percent (50%) interest in the Assets on an undivided basis (other than the Logan GORRs), which is, for the sake of certainty, a fifty percent (50%) interest in Vendor's interest in the Assets (other than the Logan GORRs); and
 - (ii) Vendor's entire right, title, estate and interest in and to the Logan GORRs.
- (d) "**AER**" means the Alberta Energy Regulator, or any successor thereto having jurisdiction over the Assets or certain of them and the operation thereof.
- (e) "**AER Deficiencies**" has the meaning ascribed to that term in Section 4.5(a).
- (f) "**AER General Eligibility**" means general eligibility to hold licences for all types of wells, facilities and pipelines as described in *AER Directive 067: Eligibility Requirements for Acquiring and Holding Energy Licences and Approvals*.
- (g) "**AER Licences**" means those Permits held by Vendor respecting the Wells and the Major Facilities, facilities and pipelines comprising the Tangibles over which the AER has jurisdiction.
- (h) "**AFEs**" means authorities for expenditure, cash calls, operations notices, amounts budgeted pursuant to joint operating agreements, unit agreements, mail ballots and similar notices and calls for funds.
- (i) "**Affiliate**" means, as to a Person, any other Person controlling, controlled by or under common control with that Person, where "**control**", "**controlling**" or "**controlled**" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of another Person, whether through the ownership of voting securities or by contract, partnership agreement, trust arrangement or other means, that results in control in fact; provided that direct or indirect ownership of shares of a corporation or interests of a general partnership or voting securities of the general partner of a limited partnership carrying more than 50% of the voting rights shall constitute control of that corporation, general partnership or limited partnership, respectively.
- (j) "**Agreement**" means this Asset Purchase and Sale Agreement, including the attached Schedules.
- (k) "**Allocated Value**" has the meaning ascribed to that term in Section 10.1(a).
- (l) "**Applicable Law**" means, in relation to any Person, property or circumstance, all laws and statutes, including regulations, rules, by-laws, ordinances and other statutory instruments enacted thereunder; all judgments, decrees, rulings and orders of courts, tribunals, commissions and other similar bodies of competent jurisdiction; all orders, rules, directives, policies and guidelines having force of law issued by any Governmental Authority; requirements of Stock Exchanges; and all terms and conditions of any Permits; that are in effect as of the relevant time and are applicable to such Person, property or circumstance.
- (m) "**Assets**" means the Petroleum and Natural Gas Rights, the Tangibles, the Miscellaneous Interests and the Logan GORRs, but excluding the Excluded Assets.

- (n) "**Bank Participant**" has the meaning ascribed to that term in Section 7.6(a).
- (o) "**BA Code**" means the unique licensee identification code issued by Petrinex, which the AER refers to as a Business Associate code.
- (p) "**Business Day**" means a day, other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta, on which banks are open generally to conduct commercial business in Calgary, Alberta.
- (q) "**Capital Markets Transaction**" has the meaning ascribed to that term in Section 7.6(a).
- (r) "**Claim**" means any claim, demand, lawsuit, action, proceeding, notice of non-compliance or violation, order or direction, arbitration or governmental proceeding or investigation.
- (s) "**Claiming Party**" has the meaning ascribed to that term in Section 6.7.
- (t) "**Closing**" means the completion of the Transaction.
- (u) "**Closing Date**" means the later of:
 - (i) December 17, 2024;
 - (ii) the date on which the conditions set out in Section 3.1(a)(v) and Section 3.2(a)(iii) have all been satisfied;or any other Business Day as Vendor and Purchaser may agree in writing, provided that, the Closing Date shall be no later than the Outside Date, and following Closing, references to the "Closing Date" shall mean the date on which Closing actually occurred.
- (v) "**Closing Statement**" has the meaning ascribed to that term in Section 2.7(d).
- (w) "**Closing Time**" means 8:00 a.m. on the Closing Date or any other time as Vendor and Purchaser may agree in writing.
- (x) "**Confidentiality Agreement**" means the agreement entitled "Confidentiality Agreement" dated May 23, 2024 between i3 Energy PLC and Purchaser.
- (y) "**Consequential Losses**" means, subject to Section 11.2(b), any consequential, incidental, punitive, special, exemplary or indirect damages, costs or deferred profits or revenues, loss of business opportunity, lost profits, losses based on loss of use or other business interruption losses and damages.
- (z) "**Determined ROFR Amount**" has the meaning ascribed to that term in Section 10.3(b)(ii)(A)(I).
- (aa) "**Effective Time**" means 12:01 a.m. on September 1, 2024.
- (bb) "**Electronic Signatures**" has the meaning ascribed to that term in Section 4.3(h).
- (cc) "**Encumbrance**" means a Security Interest, an option to purchase, a farm-out agreement under which earning has not occurred, a royalty, a net profits interest, a carried working interest, a right to convert a royalty to a working interest on payout of a well, a penalty or forfeiture arising as a result of non-participation in a drilling or other operation and any other adverse Claim or encumbrance, whether similar or dissimilar to the foregoing.

- (dd) "**Environment**" means the components of the earth and includes ambient air, land, surface and subsurface strata, groundwater, lake, river or other surface water, all layers of the atmosphere, all organic and inorganic matter and living organisms, and the interacting natural systems that include such components.
- (ee) "**Environmental Liabilities**" means all past, present and future Losses and Liabilities, Claims and other duties and obligations, whether arising under contract, Applicable Law or otherwise, arising from, relating to or associated with the Environment, environmental damage or contamination that relate to or arise by virtue of the Assets or the Lands or the ownership thereof or any past, present or future operations and activities conducted in connection with the Assets on or in respect of the Lands or any lands pooled or unitized therewith, including any and all:
- (i) Abandonment and Reclamation Obligations;
 - (ii) any damage, pollution, contamination or other adverse situations pertaining to the Environment howsoever and by whomsoever caused and regardless of whether such damage, pollution, contamination or other adverse situations occur or arise in whole or in part prior to, at or subsequent to the date of this Agreement;
 - (iii) the presence, storage, use, holding, collection, accumulation, assessment, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, release, emission or discharge of Petroleum Substances, oilfield wastes, water, hazardous substances, Environmental contaminants and all other substances and materials regulated under any Applicable Law, including any forms of energy, or any corrosion to or deterioration of any structures or other property;
 - (iv) compliance with or the consequences of any non-compliance with, or violation or breach of, any Applicable Law pertaining to the Environment or to the protection of the Environment;
 - (v) sampling, monitoring or assessing the Environment or any potential impacts thereon from any past, present or future activities or operations; or
 - (vi) the protection, reclamation, remediation or restoration of the Environment, including related human health and safety;
- but only insofar as the foregoing relate to or arise from the Acquired Interest.
- (ff) "**Escrow Agent**" means Stikeman Elliott LLP.
- (gg) "**Escrow Assets**" has the meaning ascribed to that term in Section 10.2.
- (hh) "**ESTMA**" means the *Extractive Sector Transparency Measures Act* (Canada) RSC 2014, c. 39, s.376, as amended and any regulations made thereunder.
- (ii) "**Excluded Assets**" means any assets, property or interests described in Schedule J.
- (jj) "**Final Statement of Adjustments**" has the meaning ascribed to that term in Section 2.7(e).
- (kk) "**General Conveyance**" means an agreement in the form set forth in Schedule D.

- (ll) "**Governmental Authority**" means any:
- (i) multinational, national, federal, provincial, territorial, state, municipal, local or other governmental entity or authority of any nature, including any governmental ministry, agency, branch, department or official, and any court, regulatory board or other tribunal; or
 - (ii) individual or body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory or taxing authority or power of any nature under or for the account of any of the foregoing;
- having jurisdiction or power over any Person, property, operation, transaction or other matter or circumstance, including the AER.
- (mm) "**GST**" means the goods and services tax provided for in the GST Legislation and any other tax imposed or levied by the Government of Canada (including the harmonized sales tax) on or in respect of the sale or supply of goods or services in addition to or replacement for such goods and service tax.
- (nn) "**GST Legislation**" means the *Excise Tax Act* (Canada).
- (oo) "**IFRS**" means International Financial Reporting Standards developed by the International Accounting Standards Board.
- (pp) "**Indemnified Matter**" has the meaning ascribed to that term in Section 6.7(a).
- (qq) "**Indemnifying Party**" has the meaning ascribed to that term in Section 6.7.
- (rr) "**Joint Venture Agreement**" means the Joint Venture Agreement in the form set out in Schedule H.
- (ss) "**Lands**" means:
- (i) the lands and formations within the White Map Area (subject to any limitations set out in Schedule A including all lands and formations listed in Schedule A; and
 - (ii) all lands pooled or unitized therewith;
- and includes the Petroleum Substances within, upon or under those lands;
- (tt) "**Leases**" means the leases, licenses, permits, reservations and other documents of title and agreements by virtue of which Vendor is entitled to explore for, recover, remove or dispose of Petroleum Substances within, upon or under the Lands including those leases, licenses, permits, reservations and other documents of title and agreements set out in Schedule A, but only to the extent they pertain to the Lands, and includes, if applicable, all renewals and extensions of those documents and all documents issued in substitution therefor.
- (uu) "**Licence Transfer Date**" means the date that the LTA is approved by the AER and Purchaser has provided Vendor with evidence that the transfer of the applicable AER Licences is complete.
- (vv) "**Liabilities**" means any and all liabilities and obligations, whether under common law, in equity, under Applicable Law or otherwise, whether tortious, contractual, vicarious, statutory or otherwise, whether absolute or contingent, and whether based on fault, strict liability or otherwise.

- (ww) "**Licensee Capability Assessment**" means the licensee capability assessment as set forth in AER *Directive 088: Licensee Life-Cycle Management*, being the multifactor assessment of the capabilities of licensees to meet their regulatory and liability obligations, including, for the purposes of this Agreement, disclosure required by and factors set forth under AER *Directive 067: Eligibility Requirements for Acquiring and Holding Energy Licences and Approvals* and all applicable liability management ratings as calculated by the AER in accordance with AER *Directive 001: Requirements for Site-Specific Liability Assessments*, *Directive 006: Licensee Liability Rating (LLR) Program and Licence Transfer Process*, *Directive 011: Licensee Liability Rating (LLR Program)*, *Directive 024: Large Facility Liability Management Program (LFP)* and *Directive 075: Oilfield Waste Liability (OWL) Program*.
- (xx) "**Logan GORRs**" means all of the gross overriding royalty agreements between Vendor and Purchaser within the White Map Area wherein Purchaser is the royalty payor and Vendor is the royalty payee, as set forth in Schedule F.
- (yy) "**Losses**" means, in respect of a Person and in relation to a matter, any and all losses, damages, costs, expenses, charges (including all penalties, interests, charges, 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 Claim arising from the matter, regardless of whether such Claims are sustained.
- (zz) "**LTA**" means a licence transfer application to be submitted to the AER for the transfer of the AER Licences to Purchaser.
- (aaa) "**Major Facilities**" means the plant, machinery, equipment, facilities and other tangible depreciable property and assets identified or described in Schedule C under the heading "Major Facilities".
- (bbb) "**Master Services Agreement**" has the meaning ascribed to that term in the recitals.
- (ccc) "**Miscellaneous Interests**" means, subject to the limitations and exclusions below in this definition, all of Vendor's right, title and interest in and to all property and rights that pertain directly or indirectly to the Petroleum and Natural Gas Rights or the Tangibles (excluding the Petroleum and Natural Gas Rights or the Tangibles themselves), including:
- (i) the Title and Operating Documents and all other contracts and agreements and all rights in relation thereto;
 - (ii) Surface Rights;
 - (iii) the well bores of the Wells, including down-hole casing for the Wells;
 - (iv) Permits;
 - (v) records, files, reports, data, correspondence and other information, including lease, contract, well, production, engineering and facilities files and records and emergency response plans;
 - (vi) the Seismic Data; and

- (vii) all extensions, renewals, replacements, substitutions or amendments of or to any of the agreements and instruments described in paragraphs (i), (ii) and (iv) above;

however, the Miscellaneous Interests do not include:

- (A) any of the foregoing property or rights to the extent that they:
 - (I) include or pertain to Vendor's proprietary technology, evaluations, forecasts or interpretations (whether geological, engineering, economic or otherwise); or
 - (II) are owned or licensed by Third Parties with restrictions that prohibit the sale, transfer or disclosure thereof to Purchaser; provided, however that Vendor is to use commercially reasonable efforts to obtain any applicable Third Party consent to any such transfer; or
 - (B) any deposits or other security related to Permits or any operations pertaining to the Assets.
- (ddd) "**National Bank Consent**" means, in respect of the Transaction, National Bank of Canada, as administrative agent, providing its consent to the Transaction on behalf of itself and the other lenders thereunder under the amended and restated credit agreement dated October 31, 2024 among Vendor, as borrower, and National Bank of Canada, as administrative agent and National Bank Financial Markets, as lead arranger.
 - (eee) "**Non-JVA Assets**" has the meaning ascribed to that term in Section 8.5(b).
 - (fff) "**Objection Date**" has the meaning ascribed to that term in Section 2.7(f).
 - (ggg) "**Officer's Certificate**" means a certificate given by an officer of Purchaser or Vendor, which shall be substantially in the form specified in Schedule E.
 - (hhh) "**Other Sales Taxes**" means all sales, value-added or similar taxes or other transfer taxes, fees and charges, other than GST, imposed or levied by any Governmental Authority on or in respect of the sale or supply of goods or services.
 - (iii) "**Outside Date**" means December 20, 2024.
 - (jjj) "**Outstanding ROFR**" has the meaning ascribed to that term in Section 10.2.
 - (kkk) "**Party**" means a party to this Agreement, and "**Parties**" means both of the parties to this Agreement.
 - (lll) "**Permits**" means, all licences, permits, approvals and authorizations granted or issued by any Governmental Authorities and relating to the construction, installation, ownership, use or operation of the Assets, including the AER Licences.
 - (mmm) "**Permitted Encumbrances**" means:
 - (i) liens for taxes, assessments and governmental charges that are not due and payable or delinquent or the validity of which is being diligently contested in good faith by appropriate proceedings;

- (ii) liens incurred or created in the ordinary course of business as security in favour of a Person that is conducting the development or operation of the property to which such liens relate and that are not due and payable or delinquent or the validity of which is being diligently contested in good faith by appropriate proceedings;
 - (iii) mechanics', builders', materialmens' or other similar liens in respect of services rendered or goods supplied for which payment is not yet due and payable or delinquent or the validity of which is being diligently contested in good faith by appropriate proceedings;
 - (iv) easements, rights of way, servitudes and other similar rights in land, including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph and cable television conduits, poles, wires and cables;
 - (v) the right reserved to or vested in any municipality or Governmental Authority by the terms of any lease, licence, franchise, grant or permit or by any provision of Applicable Law, to terminate any such lease, licence, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
 - (vi) rights of general application reserved to or vested in any Governmental Authority to levy taxes on Petroleum Substances or any of them or the income therefrom, or to control, limit or regulate production rates or the operation or use of any property;
 - (vii) statutory exceptions to title and the reservations, limitations, provisos and conditions in any original grants from the Crown of any mines and minerals within, upon or under the Lands;
 - (viii) the burdens, royalties, adverse claims, other encumbrances and reductions in interest described in Schedule A;
 - (ix) the terms and conditions of the Title and Operating Documents, provided that, any Encumbrance created under or pursuant to any such Title and Operating Documents will be a Permitted Encumbrance only if it also satisfies another provision of this Section 1.1(mmm) or if it is set out in Schedule A;
 - (x) any Security Interest held by any Third Party encumbering Vendor's interest in and to the Assets and in respect of which Purchaser has specifically identified and requested, not less than ten (10) Business Days prior to Closing, and Vendor delivers to Purchaser at or prior to Closing, a release and discharge or no interest letter;
 - (xi) contracts for the purchase, sale, handling, transportation or storage of Petroleum Substances or for the contract operation of any of the Assets that are terminable without penalty on 31 days or less notice; and
 - (xii) all Encumbrances, obligations, duties, terms and conditions identified or set forth in a Schedule or specifically consented to or approved in writing by Purchaser prior to the date of this Agreement.
- (nnn) "**Person**" includes any individual, body corporate, partnership (limited or general), trust, trustee, executor or similar official, Governmental Authority or other entity.

- (ooo) "**Petroleum and Natural Gas Rights**" means all of Vendor's right, title and interest in and to:
- (i) rights in, or rights to explore or drill for and to recover, produce, save, take, use and market, Petroleum Substances;
 - (ii) rights to a share of production of Petroleum Substances therefrom;
 - (iii) fee simple interests and other estates in Petroleum Substances *in situ*;
 - (iv) royalty interests, net profit interests and similar interests in Petroleum Substances or the proceeds of the sale of Petroleum Substances or to payments calculated by reference thereto, including the Logan GORRs; and
 - (v) rights to acquire any of the foregoing in paragraphs (i), (ii), (iii) and (iv);

but, in each case, only insofar as the foregoing relate to the Lands and only insofar as such rights are granted by the Leases or other Title and Operating Documents or any lands with which the Lands have been pooled or unitized.

- (ppp) "**Petroleum Substances**" means crude oil, natural gas, natural gas liquids and other related hydrocarbons and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur and coalbed methane.
- (qqq) "**Pipeline Bulletin**" has the meaning ascribed to that term in Section 4.5(a).
- (rrr) "**Pipeline Records**" has the meaning ascribed to that term in Section 4.5(a).
- (sss) "**Pre-Closing Period**" means the period from the date of this Agreement to the Closing Date.
- (ttt) "**Prime Rate**" means the per annum rate of interest equal to the annual rate of interest announced from time to time by the main Calgary branch of the Royal Bank of Canada as the reference rate then in effect for determining interest rates on Canadian Dollar commercial loans in Canada, with any change to that rate being effective under this Agreement on the same day as it is made effective by that bank.
- (uuu) "**Purchase Price**" has the meaning ascribed to that term in Section 2.5(a).
- (vvv) "**Qualifying Loss**" has the meaning ascribed to that term in Section 6.6(a)(i).
- (www) "**Related Persons**" means, in respect to a Party, that Party's Affiliates, together with that Party's and its Affiliates' directors, officers, employees and other personnel and agents.
- (xxx) "**Retained Interest**" means the "Vendor's Retained Interest" as defined in the well commitment and earning agreement dated December 21, 2017 between Cequence Energy Ltd. (predecessor to Purchaser) and Anegada Oil Corp. (predecessor to Vendor).
- (yyy) "**ROFR**" means a right of first refusal, right of first offer or other pre-emptive or preferential right of purchase or similar right to acquire the Assets or certain of them that may become operative by virtue of this Agreement or the completion of the Transaction.
- (zzz) "**ROFR Action**" has the meaning ascribed to that term in Section 10.3(a).

- (aaaa) "**ROFR Assets**" has the meaning ascribed to that term in Section 10.1(a).
- (bbbb) "**ROFR Escrow Agreement**" means an agreement to be entered into among Vendor, Purchaser and the Escrow Agent as of the Closing Date substantially in the form attached hereto as Schedule K.
- (cccc) "**ROFR Holder**" has the meaning ascribed to that term in Section 10.1(a).
- (dddd) "**Security Deposit**" has the meaning ascribed to that term in Section 4.4(c).
- (eeee) "**Security Interest**" means a pledge, lien, charge, mortgage, assignment by way of security, conditional sale, title retention arrangement or other security interest.
- (ffff) "**Seismic Data**" means the Vendor's proprietary 2D and 3D seismic data associated with the seismic lines pertaining to the Lands, including the seismic lines as more particularly set out in Schedule G.
- (gggg) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations, trust declarations and other documents or instruments, other than and in addition to the General Conveyance, that are reasonably required or desirable, in accordance with normal oil and gas industry practices, to convey, assign and transfer the Acquired Interest to Purchaser or Purchaser's nominee and to make Purchaser or Purchaser's nominee a party to, and to novate Purchaser or Purchaser's nominee into, the Title and Operating Documents in the place and stead of Vendor with respect to the Acquired Interest.
- (hhhh) "**Surface Rights**" means all rights to occupy, cross or otherwise use or enjoy the surface of the Lands and any lands pooled or unitized therewith or any other lands: (i) upon which the Tangibles are situate, (ii) used in connection with the ownership or operation of the Petroleum and Natural Gas Rights, the Tangibles or the Wells, or (iii) used to gain access to any of the Lands (or any lands pooled or unitized therewith), the Tangibles or the Wells.
- (iiii) "**Tangibles**" means all of Vendor's right, title and interest in and to:
 - (i) all Major Facilities; and
 - (ii) all tangible depreciable property, apparatus, plant, equipment, machinery, field inventory and facilities other than the Major Facilities, used or intended for use in, or otherwise useful in exploiting any Petroleum Substances from or within the White Map Area and located within or upon the Lands (or any lands pooled or unitized therewith), including all gas plants, oil batteries, buildings, field offices, storage yards, inventory, production equipment, pipelines, pipeline connections, meters, generators, motors, compressors, treaters, dehydrators, separators, pumps, tanks, boilers, communication equipment and all salvageable equipment pertaining to any Wells.
- (jjjj) "**Third Party**" means any Person other than Vendor or Purchaser.
- (kkkk) "**Thirteenth Month Adjustment**" means the accounting procedure performed annually by any operator of certain of the Assets for the purpose of redistributing operating expenses, processing fee revenues, royalties and gas cost allowances and other costs, expenses or revenues among the owners or users of those Assets.

- (llll) **"Title and Operating Documents"** means:
- (i) the Leases;
 - (ii) agreements and Permits directly relating to the ownership, operation or exploitation of the Petroleum and Natural Gas Rights, Tangibles or the Wells, including:
 - (A) operating agreements, royalty agreements, farm-out or farm-in agreements, option agreements, participation agreements, pooling agreements, unit agreements and unit operating agreements;
 - (B) agreements pertaining to the Surface Rights;
 - (C) agreements for the construction, ownership and operation of gas plants, gathering systems and other tangible depreciable property and assets;
 - (D) service agreements for the treating, gathering, storage, transportation of Petroleum Substances or other substances, the injection or subsurface disposal of other substances, the use of well bores or the operation of any Tangibles or Wells by a Third Party;
 - (E) the Transportation, Sale and Handling Agreements; and
 - (F) Permits and other approvals, authorizations or licences required under Applicable Law; and
 - (iii) any other documents, certificates of title and agreements granting, reserving or otherwise conferring rights to:
 - (A) explore for, drill for, produce, take, use or market Petroleum Substances;
 - (B) share in the production of Petroleum Substances;
 - (C) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced; and
 - (D) acquire any of the rights described in items (A) to (C) of this definition; including those set out in Schedule A.
- (mmmm) **"Transaction"** means the purchase of the Acquired Interest by Purchaser from Vendor on and subject to the terms and conditions, and as more fully described, in this Agreement.
- (nnnn) **"Transportation, Sale and Handling Agreements"** means, to the extent relating to the Assets, agreements providing for the compression, treatment, gathering, storage, transportation or sale of Petroleum Substances produced from the Lands or lands pooled or unitized therewith or obligations for compression, treatment, gathering, storage, transportation or sale of Petroleum Substances on behalf of Third Parties, but does not include any construction, ownership and operation agreements or similar agreements for the co-ownership of facilities.
- (oooo) **"Unscheduled Assets"** has the meaning ascribed to that term in Section 2.8(a).

- (pppp) "**Wells**" means all producing, shut-in, water source, observation, disposal, injection, abandoned, suspended and similar wells located on or within the Lands or any lands pooled or unitized therewith, whether or not completed, as well as all reclaimed or reclamation exempt wells thereon, including the wells identified or described in Part 2 of Schedule A.
- (qqqq) "**White Map Area**" those lands comprising the geographic area outlined in black on the map attached as Schedule B.

1.2 Schedules

Appended to this Agreement are the following Schedules:

- Schedule A - Part 1: Lands, Petroleum and Natural Gas Rights
Part 2: Wells
- Schedule B - White Map Area
- Schedule C - Major Facilities & Pipelines
- Schedule D - Form of General Conveyance
- Schedule E - Form of Officer's Certificate
- Schedule F - Logan GORRs
- Schedule G - Seismic Data
- Schedule H - Form of Joint Venture Agreement
- Schedule I - Rights of First Refusal
- Schedule J - Excluded Assets
- Schedule K - Form of ROFR Escrow Agreement

These Schedules are incorporated into and form part of this Agreement. If any term or condition of such Schedules 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.

1.3 Headings

The use of "Article", "Section", "paragraph" and "Schedule", whether or not followed by a number or letter or combination thereof, refers to the applicable article, section, paragraph or schedule of or to this Agreement.

1.4 Interpretation Not Affected by Headings

The division of this Agreement into articles, sections, paragraphs and other sub-divisions and the insertion of headings for any of the foregoing are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Words Importing Number or Gender

When the context reasonably permits, words in this Agreement that suggest the singular shall be construed to suggest the plural and vice versa, and words in this Agreement that suggest gender or gender neutrality shall be construed to suggest the masculine, feminine and neutral genders.

1.6 Use of Derivative Terms

If a derivative form of a term or expression that is already specifically defined in this Agreement is also used in this Agreement, then such derivative form shall have a meaning that corresponds to the applicable defined term or expression.

1.7 Use of Industry Terms

Terms and expressions that are not specifically defined in this Agreement, but which have generally accepted meanings in the custom and usage of the petroleum and natural gas industry in Western Canada as of the date of this Agreement, shall have such generally accepted meanings when used in this Agreement unless the contrary is specified or provided for elsewhere in this Agreement.

1.8 Use of "Including"

The use of "including" or "includes" or similar words in this Agreement, when following any general statement, term or matter, is not to be construed to limit such general statement, term or matter to the specific items immediately following such word to those or similar items, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words or phrases of similar import) is used, but rather such references shall be construed to refer to all items that could reasonably fall within the broadest possible scope of such general statement, term or matter.

1.9 Statutory References

Any reference in this Agreement to a law, statute, regulation, rule, by-law or other requirement of law or any governmental consent, approval, permit or other authorization shall be deemed to refer to such law, statute, regulation, rule, by-law or other requirement of law or such governmental consent, approval, permit or other authorization as it has been amended, supplemented, re-enacted, varied, amended or otherwise modified or replaced from time to time up to the applicable time.

1.10 Contractual References

Any reference in this Agreement to another contract, agreement, instrument or other document shall be deemed to refer to such contract, agreement instrument or other document as it has been amended, modified, replaced or supplemented from time to time up to the applicable time.

1.11 Monetary References

Any reference in this Agreement to a monetary amount, including the use of the term "Dollar" or the symbol "\$", shall mean the lawful currency of Canada unless the contrary is specified or provided for elsewhere in this Agreement.

1.12 References to Time

Any reference in this Agreement to any particular time shall mean the local time in Calgary, Alberta on the relevant day.

1.13 Interpretation if Closing Does Not Occur

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

1.14 Knowledge

In this Agreement, the stated knowledge of Vendor consists only of the actual knowledge of the officers of Vendor after due and diligent inquiry of those people that directly report to them who are primarily responsible for the matter in question, and does not include knowledge, information or belief and awareness of any other Person or any constructive or imputed knowledge and does not impose any obligation to make inquiry of any other Person, or the files and records of any Third Party or Governmental Authority.

1.15 Time Periods

Unless otherwise specified:

- (a) time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends, and by extending such period to the next Business Day following if the last day of the period is not a Business Day; and
- (b) where any action is required to be taken or payment to be made on a particular day and such day is not a Business Day and, as a result, such action cannot be taken or such payment cannot be made on such day, then this Agreement shall be deemed to provide that such action shall be taken on the first Business Day after such day.

ARTICLE 2 PURCHASE AND SALE AND CLOSING

2.1 Purchase and Sale

Vendor hereby agrees to sell, assign, transfer and convey the Acquired Interest to Purchaser, and Purchaser hereby agrees to purchase and receive the Acquired Interest on the Closing Date, subject to and in accordance with the terms of this Agreement.

2.2 Closing

- (a) Subject to all other provisions of this Agreement, Closing shall take place at the Closing Time via electronic means or as otherwise agreed in writing by the Parties.
- (b) Subject to all other provisions of this Agreement and provided Closing occurs, title to, and beneficial ownership, risk and possession of, the Acquired Interest shall pass from Vendor to Purchaser upon Closing.

2.3 Assignment of Retained Interest

Subject to all other provisions of this Agreement, immediately prior to the Closing at the Closing Time and provided Closing occurs, Purchaser hereby agrees to assign, transfer and convey the Retained Interest to Vendor for no consideration such that the Retained Interest shall form part of the Assets and the Acquired Interest in which is to be transferred by Vendor to Purchaser at Closing in accordance with the terms of this Agreement.

2.4 Form of Payment

All payments to be made pursuant to this Agreement shall be made in immediately available funds by wire transfer. At least 3 Business Days prior to Closing, Vendor shall notify Purchaser in writing of its wire transfer details for the payments to be made by Purchaser at Closing.

2.5 Purchase Price

- (a) The consideration to be paid by Purchaser to Vendor for the Acquired Interest (the "**Purchase Price**") shall be Fifty Two Million Dollars (\$52,000,000.00), as adjusted, on a dollar-for-dollar basis, by the adjustments set forth in Section 2.5(b).
- (b) At the Closing Time, Purchaser shall pay to Vendor an amount equal to:
 - (i) the Purchase Price;
 - (ii) plus or minus, as the case may be, the net amount set forth in the Closing Statement;
 - (iii) plus GST and Other Sales Taxes, if applicable, pursuant to Section 2.6;
 - (iv) less the adjustments (if any) on account of exercised ROFRs pursuant to Section 10.1; and
 - (v) plus the adjustment on account of interest on the Purchase Price pursuant to Section 2.5(e).
- (c) The Purchase Price shall be allocated among the Acquired Interest as follows:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

In the determination of the Purchase Price payable for the Acquired Interest, Vendor and Purchaser are in agreement that the extent and value of past, present and future Environmental Liabilities related to the Acquired Interest is unknown as of the Closing Date, and Vendor and Purchaser have not attributed a specific or agreed to value with regard to either (i) such liabilities, or (ii) the indemnities provided for in this Agreement, nor shall there be any adjustments made to the Purchase Price in relation thereto.

- (d) The Parties shall report the sale and purchase of the Acquired Interest for all federal, provincial and local tax purposes in a manner consistent with the allocation referred to in Section 2.5(c). If any Governmental Authority does not agree with any allocation of the Purchase Price agreed to between the Parties in accordance with the foregoing, Vendor or Purchaser, as the case may be, receiving notice of such dispute will promptly notify Vendor or Purchaser, as the case may be, and either or both Parties may object to or challenge the position of such Governmental Authority in which case each objecting or challenging Party shall pay its own costs in respect of such objection or challenge. If such objection or challenge is unsuccessful, the Parties shall use commercially reasonable efforts to agree upon a different allocation acceptable to the relevant Governmental Authority and, if the Parties are able to agree, they shall thereafter amend the allocation and their income tax returns accordingly; provided, however, that nothing contained herein shall be construed so as to require

either Party to commence or participate in any litigation or administrative process challenging the determination so made by any relevant Governmental Authority. The Parties agree to share information and cooperate to the extent reasonably necessary to permit the Transaction to be properly, timely and consistently reported.

- (e) Purchaser shall pay to Vendor at Closing, as an adjustment to the Purchase Price, an amount equal to the interest on the Purchase Price for the period of time from the Effective Time to the Closing Date, calculated daily and not compounded, at the rate of the Prime Rate plus one (1%) percent.

2.6 GST and Other Sales Taxes

- (a) The Purchase Price does not include an amount on account of GST or any Other Sales Taxes payable in respect of the Transaction.
- (b) At Closing, Purchaser shall pay to Vendor all GST payable in respect of the Transaction.
- (c) The Parties acknowledge that it is their understanding that no Other Sales Taxes are payable in respect of the Transaction and, therefore, at Closing, no amount will be paid by Purchaser to Vendor, and no amount will be collected by Vendor from Purchaser, on account of Other Sales Taxes in respect of the Transaction. However, if it is determined that Other Sales Taxes are payable in respect of the Transaction (whether prior to, at or after Closing), then Purchaser shall pay such Other Sales Taxes promptly after receiving notice or otherwise becoming aware that such Other Sales Taxes are payable in respect of the Transaction and Purchaser shall indemnify, defend and save harmless Vendor and all Vendor's Related Persons in respect of all such Other Sales Taxes payable in respect of the Transaction and any interest and penalties levied or imposed in connection therewith, except to the extent that such penalty, interest or other amounts payable by Vendor is the result of any act or omission by Vendor (other than the failure of Vendor to collect such Other Sales Taxes at Closing).
- (d) The Parties agree that, as between Vendor and Purchaser, Purchaser shall be solely liable for and Purchaser shall indemnify, defend and save harmless Vendor from any GST, penalty, interest or other amounts which may be payable by or assessed against Vendor under the GST Legislation or any Losses and Liabilities suffered, sustained, paid or incurred by Vendor or any of its Related Persons or any Claims made against Vendor or any of its Related Persons as a result of or in connection with the failure by Purchaser to pay or Vendor to collect any GST at Closing, except to the extent that such penalty, interest or other amounts payable by Vendor is the result of any act or omission by Vendor.
- (e) The Parties shall cooperate fully with each other and make available to each other in a timely fashion such data and other information as may reasonably be required for the preparation of any applicable tax returns or tax filings in respect of GST and Other Sales Taxes for a period ending on, prior to or including the Closing Date and shall preserve such data and other information until the expiration of any applicable limitation period under any Applicable Laws with respect to GST and Other Sales Taxes.

2.7 Adjustments

- (a) All benefits and obligations of any kind or nature received, accruing, payable or paid in respect of the Acquired Interest, including maintenance, development, capital and operating costs, royalties and proceeds from the sale of production and all third party revenues, shall be apportioned between Vendor and Purchaser on an accrual basis in accordance with IFRS as of the Effective Time such

that all of those obligations and revenues applicable to the Acquired Interest which relate to the period before the Effective Time will be for the account of Vendor and all of those obligations and revenues which relate to the period after the Effective Time will be for the account of Purchaser, subject to the following:

- (i) all rentals and similar payments, all cash advances and all property taxes, carbon taxes or charges, output-based pricing system taxes or charges, freehold mineral taxes and other taxes (excluding taxes based on income, net revenue or capital) paid, payable or levied on or in respect to the Acquired Interest, the ownership thereof or Petroleum Substances produced therefrom or allocated thereto shall be apportioned between Vendor and Purchaser on a per diem basis as of the Effective Time;
- (ii) all costs relating to any work performed or goods and services provided in respect of the Acquired Interest will be deemed to have accrued as of the date the work was performed or the goods or services were provided, regardless of the time at which those costs become payable;
- (iii) all deposits, prepaid amounts and other security and financial assurances provided by Vendor to Governmental Authorities or other Third Parties in respect to the Acquired Interest, the operation thereof, Petroleum Substances produced therefrom or allocated thereto or services provided in connection therewith do not comprise part of the Acquired Interest and shall be for the sole benefit and the account of Vendor;
- (iv) all Third Party overhead recoveries, operator's fees and similar amounts provided for in the Title and Operating Documents and received or receivable by Vendor as operator of any Acquired Interest and relating to the period up to the date of this Agreement shall be for Vendor's benefit and account, with such amounts received or receivable in respect of the month in which the date of this Agreement occurs apportioned between Vendor and Purchaser on a per diem basis as of the date of this Agreement;
- (v) Petroleum Substances that were produced from or allocated to the Acquired Interest and that were beyond the wellhead as of the Effective Time do not comprise part of the Acquired Interest and shall remain the property of, and be for the benefit and the account of, Vendor;
- (vi) any costs in excess of \$ [REDACTED] relating to the drilling, completion, equipping and tie-in for the [REDACTED] wells (as it pertains to the Acquired Interest in those wells) shall be allocated to Vendor;
- (vii) any and all workover costs (excluding any tie-in costs) which are in aggregate less than \$ [REDACTED] in relation to the [REDACTED] well (or less than \$ [REDACTED] as it pertains to the Acquired Interest in that well) as may be required to restore such well to production state, whether incurred prior to or following Closing, shall be allocated to Vendor, and any and all such workover costs in relation to the [REDACTED] well equal to or in excess of \$ [REDACTED] (or equal to or in excess of \$ [REDACTED] as it pertains to the Acquired Interest in that well), shall be allocated to Purchaser;
- (viii) the net production income or loss (gross revenue less operating costs, royalties, including lessor royalties and other direct costs) that accrues in respect of the Acquired Interest from the Effective Time to the Closing Time will be reported as income or loss for income tax purposes by Vendor; and

- (ix) any Thirteenth Month Adjustment that relates to a period that includes months prior to and after the Effective Time shall be apportioned between Vendor and Purchaser as at the Effective Time on the same basis (whether on a throughput, per diem or other basis) as the Thirteenth Month Adjustment is allocated to the parties to the Title and Operating Document under which it is made.
- (b) All payments that are to be reported pursuant to ESTMA or similar extractive sector transparency legislation, shall be reported on a cash payment basis. For greater clarity, whichever Party makes the initial reportable payment under ESTMA, bears the obligation for the reporting of such payment.
- (c) For the purposes of Section 2.5(c), all adjustments between the Parties pursuant to this Section 2.7 shall be allocated to the Petroleum and Natural Gas Rights.
- (d) Vendor shall prepare a statement based on Vendor's good faith estimate of all adjustments to be made between the Parties pursuant to and in accordance with Section 2.7(a) (the "**Closing Statement**") and deliver a copy of such statement, together with reasonable supporting documentation, to Purchaser no later than the third Business Day immediately prior to the Closing Date. Vendor shall assist Purchaser in verifying the amounts and adjustments set forth in the Closing Statement. The Interim Statement shall use Vendor's good faith estimates where actual amounts are not known at the time of preparation, and once actual costs and revenues are known, those amounts will be taken into account in the Final Statement of Adjustments as per the process described under Section 2.7(e).
- (e) Within 180 days following Closing, Vendor shall prepare (or cause to be prepared) and deliver to Purchaser a written statement (the "**Final Statement of Adjustments**") setting forth any adjustments to be made between the Parties pursuant to and in accordance with Section 2.7(a) that were not included in the Closing Statement or, if included in the Closing Statement, were not accurately included therein, together with the net amount payable by one Party to the other in respect of such adjustments. Except as provided in Section 2.7(h), no further adjustments shall be made between the Parties after settlement of the adjustments set forth in the Final Statement of Adjustments. Vendor shall assist Purchaser in verifying the amounts and adjustments set forth in the Final Statement of Adjustments.
- (f) If Purchaser is of the opinion, acting reasonably, that any change is required to be made to the Final Statement of Adjustments as prepared by Vendor, it shall, within 30 days after the delivery of the Final Statement of Adjustments by Vendor to Purchaser (the "**Objection Date**"), give written notice to Vendor of any such proposed change, including the amount of such proposed change and other particulars of such proposed change, in reasonable detail. If Purchaser does not notify Vendor of any proposed change on or before the Objection Date, then Purchaser shall be deemed to have accepted the Final Statement of Adjustments.
- (g) If Purchaser gives written notice to Vendor of any proposed change to the Final Statement of Adjustments on or before the Objection Date, and if the proposed change is disputed by Vendor and the Parties fail to resolve the dispute within 20 days after receipt by the Vendor of such notice, then the Accounting Firm shall be immediately engaged by the Parties to resolve the dispute and the Accounting Firm shall be requested to render its decision without qualifications, other than the usual qualifications relating to engagements of this nature, within 30 days after the dispute is referred to it. The decision of the Accounting Firm shall be final and binding upon the Parties and shall not be subject to appeal by either Party. Each of Vendor and Purchaser shall be responsible for and shall pay 50% of the fees and expenses of the Accounting Firm.

- (h) After delivery of the Final Statement of Adjustments, excepting: (i) adjustments set forth in the Final Statement of Adjustment, including the correction of previously made adjustments made between them; (ii) any matters submitted to and finally resolved by the Accounting Firm; and (iii) any adjustments arising or accruing:
- (i) in connection with a Thirteenth Month Adjustment, but only if a Claim in respect of such Thirteenth Month Adjustment is made by one Party to the other Party within two years after Closing. If such notice is not given within such period, no adjustment in this regard shall be made;
 - (ii) as a consequence of an audit relating to the Acquired Interest that was conducted by a Third Party (other than a Governmental Authority) having rights to do so pursuant to the Title and Operating Documents, but only if a Claim in respect of such an audit is made by one Party to the other Party within two years after Closing. If such notice is not given within such period, no adjustment in this regard shall be made;
 - (iii) an audit initiated by a Governmental Authority, but only if a Claim in respect of such an audit is made by one Party to the other Party within four years after Closing. If such notice is not given within such period, no adjustment in this regard shall be made; or
 - (iv) as a consequence of the imposition of any carbon taxes or charges or output-based pricing system taxes or charges on the Vendor in respect of the Acquired Interests after the Effective Time not otherwise adjusted for pursuant to this Section 2.7, but only if a Claim in respect of such tax or charge is made by one Party to the other Party within four years after Closing. If such notice is not given within such period, no adjustment in this regard shall be made;

no adjustments shall be made to the Purchase Price.

- (i) Amounts payable under this Section 2.7 shall be paid within 30 days of delivery of the Final Statement of Adjustments or receipt of notice by a Party that is liable to pay such amount as provided above in this Section 2.7, subject to the limitations in Section 2.7(h), provided that, if there is a dispute regarding the liability for or the amount of any permitted (or purportedly permitted) adjustment, the amount in dispute shall become due and payable within 10 days of settlement or other resolution of such dispute. If a Party fails to pay any such amount when it first becomes due and payable, then, in addition to and without prejudice to its obligation to pay such unpaid amount, such Party shall pay to the other Party interest on such unpaid amount calculated at an annual rate of interest equal to the Prime Rate plus two percent (2%) on a day-to-day basis for the period from the day on which such unpaid amount first became due and payable, to the day on which payment of such unpaid amount, together with such interest, is received by the other Party.
- (j) For avoidance of doubt, the amount payable by the Parties in respect of the adjustments as provided in this Section 2.7 shall not be subject to, and shall not be counted toward, the thresholds for and the limitations of Vendor's liability provided for in Sections 6.1 and 6.6.

2.8 White Map Area

- (a) The Parties acknowledge that although Vendor has prepared, and Purchaser has reviewed, the Schedules attached hereto diligently and in good faith, they recognize that there may be unintended errors, omissions, inclusions or misdescriptions. As such, the Parties agree that it is their intention

that, in addition to those Assets included and specified in the Schedules hereto, the Assets shall include one hundred percent (100%) of Vendor's interest in and to all Petroleum and Natural Gas Rights, Tangibles and Miscellaneous Interests (as those terms are defined herein) which fall within the White Map Area and which have not been scheduled (the "Unscheduled Assets"), and that the Purchase Price includes consideration for the Acquired Interest in such Unscheduled Assets. In the case of any unintended errors, omissions, inclusions or misdescriptions, the Parties acknowledge the intent was to convey the Acquired Interest without such unintended errors, omissions, inclusions or misdescriptions and the Parties agree that the Unscheduled Assets and all obligations of Vendor in connection thereto are included in the indemnities provided by Purchaser to Vendor pursuant to Sections 6.3 and 6.4.

- (b) To the extent that any Unscheduled Assets or any other unintended errors, omissions, inclusions or misdescriptions are identified by either Party after the date hereof, the Parties shall enter into an amending agreement to correct the affected Schedules attached hereto, which amending agreement shall have the effect of correcting the Schedules as of the date hereof and, in the case of any Unscheduled Assets so identified, the Parties shall take such additional steps as are necessary to specifically convey the Acquired Interest in such Unscheduled Assets to Purchaser.
- (c) Notwithstanding anything to the contrary herein, the Unscheduled Assets excludes the Excluded Assets.

2.9 Section 20(24) Election

If applicable and requested by either Party, Purchaser and Vendor will timely execute and file a joint election under subsection 20(24) of the *Income Tax Act* (Canada) in the manner required by subsection 20(25) of the *Income Tax Act* (Canada) (and under the equivalent or corresponding provisions of any other applicable provincial or territorial statute), using the prescribed forms and within the time period permitted under the *Income Tax Act* (Canada) and under any other applicable provincial or territorial statute, as to such amount paid by Purchaser to Vendor for assuming future obligations. In this regard, the Parties acknowledge that a portion of the Assets transferred by Vendor pursuant to this Agreement and having a value equal to the amount elected under subsection 20(24) of the *Income Tax Act* (Canada), and the equivalent provisions of any other applicable tax laws, is being transferred by Vendor as a payment for the assumption of such future obligations by Purchaser.

ARTICLE 3 CONDITIONS OF CLOSING

3.1 Purchaser's Conditions

- (a) The obligation of Purchaser to complete the Transaction and purchase the Acquired Interest from Vendor at the Closing Time is subject to the following conditions precedent, which are inserted into and made part of this Agreement for the exclusive benefit of Purchaser and may be waived only by Purchaser, excepting the condition in Sections 3.1(a)(iii), which may not be waived:
 - (i) the representations and warranties of Vendor set forth in Section 5.1:
 - (A) shall be true and correct in all material respects as of the date of this Agreement, except where the representation and warranty is already qualified by materiality, in which case such representation and warranty shall be true and correct; and

(B) shall be true and correct in all material respects as of the Closing Date, except where the representation and warranty is already qualified by materiality, in which case such representation and warranty shall be true and correct;

or, in each case, shall be true and correct in all material respects, or true and correct, as the case may be, as of such other date or dates as specified therein, and all obligations and covenants of Vendor in this Agreement that are to be performed or complied with prior to or at the Closing Time (other than in respect of the agreements, certificates and other instruments and documents to be delivered at the Closing Time by Vendor pursuant to Section 4.1) shall have been performed or complied with in all material respects;

- (ii) at the Closing Time, Vendor shall have duly delivered the agreements, certificates and other instruments and documents required pursuant to Section 4.1;
 - (iii) no Governmental Authority shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the completion of the Transaction which has not been vacated or dismissed prior to the Closing Time;
 - (iv) during the Pre-Closing Period, the Acquired Interest shall have suffered no material damage, alteration or change that materially and adversely affects the value of the Acquired Interest, which damage, alteration or loss would be reasonably expected to have a material adverse effect on the Acquired Interest taken as a whole, but only if Purchaser is not the cause of any such damage, alteration or change by any of its acts or omissions as contract operator under the Master Services Agreement, provided that Casualty Losses reasonably forecast to be in aggregate in excess of \$3.0 million resulting from one or more Casualty Loss Event during the Pre-Closing Period shall be deemed to have a material adverse effect on the Acquired Interest taken as a whole;
 - (v) on or prior to the Closing Time, Purchaser shall have completed a Capital Markets Transaction for minimum aggregate gross proceeds of \$35.0 million; and
 - (vi) at the Closing Time, there shall be no claims or proceedings threatened or pending against the Vendor or the Acquired Interest, which claims or proceedings, if successful, would be reasonably expected to have a material adverse effect on the Acquired Interest taken as a whole.
- (b) If any of the conditions precedent in Section 3.1(a) has not been satisfied, complied with or waived by Purchaser at or before the applicable date for satisfaction thereof, then Purchaser may terminate this Agreement by written notice to Vendor prior to the Closing Time; provided that Purchaser shall not be permitted to exercise or purport to exercise any right of termination pursuant to this Section 3.1(b) if the event or circumstances giving rise to that right is due to the breach of any representation or warranty or failure to perform any covenant or obligation under this Agreement by Purchaser. If any such notice is delivered, unless such breach or condition is not capable of being cured, Purchaser may not terminate this Agreement until the earlier of: (i) thirty (30) days after such notice is delivered (which period shall be extended for so long as Vendor is proceeding diligently to cure such breach or condition); and (ii) one (1) Business Day prior to the Outside Date; provided, however, if such notice is delivered within thirty (30) days of the Outside Date, unless such breach or condition is not capable of being cured, the Outside Date shall be automatically extended until the thirtieth (30th) day after such notice is delivered.

- (c) Following any termination of this Agreement by Purchaser pursuant to Section 3.1(b), then the provisions of Section 11.2 shall apply.

3.2 Vendor's Conditions

- (a) The obligation of Vendor to complete the Transaction and sell and convey the Acquired Interest to Purchaser is subject to the following conditions precedent, which are inserted into and made part of this Agreement for the exclusive benefit of Vendor and may be waived by Vendor, except the condition in Section 3.2(a)(iv), which may not be waived:

- (i) the representations and warranties of Purchaser set forth in Section 5.3:
 - (A) shall be true and correct in all material respects as of the date of this Agreement, except where the representation and warranty is already qualified by materiality, in which case such representation and warranty shall be true and correct; and
 - (B) shall be true and correct in all material respects as of the Closing Date, except where the representation and warranty is already qualified by materiality, in which case such representation and warranty shall be true and correct;

or, in each case, shall be true and correct in all material respects, or true and correct, as the case may be, as of such other date or dates as specified therein, and all obligations and covenants of Purchaser in this Agreement that are to be performed or complied with prior to or at the Closing Time (other than in respect to the payments, agreements, certificates and other instruments and documents to be made and delivered at the Closing Time by Purchaser pursuant to Section 4.2) shall have been performed or complied with in all material respects;

- (ii) at the Closing Time, Purchaser shall have duly made and delivered the payments, agreements, certificates and other instruments and documents required pursuant to Section 4.2;
 - (iii) the National Bank Consent shall have been obtained; and
 - (iv) no Governmental Authority shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the completion of the Transaction which has not been vacated or dismissed prior to the Closing Time.
- (b) If any of the conditions precedent in Section 3.2(a) has not been satisfied, complied with or waived by Vendor at or before the applicable date for satisfaction thereof, then Vendor may terminate this Agreement by written notice to Purchaser prior to the Closing Time; provided that Vendor shall not be permitted to exercise or purport to exercise any right of termination pursuant to this Section 3.2(b) if the event or circumstances giving rise to that right is due to the breach of any representation or warranty or failure to perform any covenant or obligation under this Agreement by Vendor. If any such notice is delivered, unless such breach or condition is not capable of being cured, Vendor may not terminate this Agreement until the earlier of: (i) thirty (30) days after such notice is delivered (which period shall be extended for so long as Purchaser is proceeding diligently to cure such breach or condition); and (ii) one (1) Business Day prior to the Outside Date; provided, however, if such notice is delivered within thirty (30) days of the Outside Date, unless such breach or condition is not capable of being cured, the Outside Date shall be automatically extended until the thirtieth (30th) day after such notice is delivered.

- (c) Following any termination of this Agreement by Vendor pursuant to Section 3.2(b), then the provisions of Section 11.2 shall apply.

3.3 Efforts to Fulfil Conditions Precedent

Purchaser and Vendor shall proceed diligently and in good faith and use their reasonable efforts to satisfy and comply with the conditions precedent in Sections 3.1(a) and 3.2(a) and shall provide the other Party with any reasonable assistance in the satisfaction of and compliance with the conditions precedent in Sections 3.1(a) and 3.2(a) that the other Party may reasonably request.

ARTICLE 4 CLOSING DELIVERIES

4.1 Deliveries by Vendor at Closing

At the Closing Time, Vendor shall deliver, or cause to be delivered, to Purchaser:

- (a) a General Conveyance duly executed by Vendor;
- (b) an Officer's Certificate signed by an officer of Vendor;
- (c) the Joint Venture Agreement duly executed by Vendor;
- (d) releases and registerable discharges, or no interest letters, in respect of all registered Security Interests pertaining to the Acquired Interest which have been requested by Purchaser not less than five (5) Business Days prior to Closing;
- (e) the Specific Conveyances as required to be prepared and delivered in accordance with Section 4.3(a);
- (f) evidence of the exercise, waiver or lapse or deemed waiver of the relevant exercise of any ROFRs with respect to the ROFR Assets that have been exercised or extinguished by lapse of time, waiver, deemed waiver or otherwise, as the case may be, as of the Closing Time;
- (g) the ROFR Escrow Agreement, duly executed by Vendor and Escrow Agent; and
- (h) such other items as may be specifically required hereunder.

4.2 Deliveries by Purchaser at Closing

At the Closing Time, Purchaser shall pay or deliver, or cause to be paid or delivered, to Vendor:

- (a) the amounts specified in Section 2.5(b) in the manner contemplated in Section 2.4;
- (b) a General Conveyance duly executed by Purchaser;
- (c) an Officer's Certificate signed by an officer of the Purchaser;
- (d) the Joint Venture Agreement duly executed by Purchaser;
- (e) the ROFR Escrow Agreement, duly executed by Purchaser; and

- (f) such other items as may be specifically required hereunder.

4.3 Specific Conveyances

- (a) Vendor, at its own cost, shall use commercially reasonable efforts to prepare the Specific Conveyances prior to the Closing Time and to execute and deliver the Specific Conveyances to Purchaser at the Closing Time, provided that if and to the extent that any Specific Conveyances are not executed and delivered by Vendor to Purchaser at the Closing Time, Vendor shall prepare, execute and deliver to Purchaser the remaining Specific Conveyances as soon as is reasonably practicable after Closing but in any event no later than thirty (30) Business Days following Closing.
- (b) It shall not be necessary for any Specific Conveyances that are delivered by Vendor at the Closing Time to have been executed prior to or at Closing by the parties thereto, other than Vendor itself and Vendor's Affiliates.
- (c) To the extent that Purchaser is required to execute any Specific Conveyances, it shall do so promptly after the delivery of such Specific Conveyances by Vendor to Purchaser whether at or after the Closing Time, as applicable.
- (d) In respect of any Specific Conveyances that require execution by Third Parties, promptly after Closing or the delivery of such Specific Conveyances after Closing, as applicable, Vendor shall deliver such Specific Conveyances to the Third Parties who are parties to such Specific Conveyances and Purchaser shall cooperate with Vendor and provide all reasonable assistance that Vendor may reasonably request in connection with Vendor's procurement of the execution of such Specific Conveyances by the Third Parties thereto other than Vendor and Purchaser.
- (e) In respect of any Specific Conveyances that do not require execution by Third Parties, Vendor shall deliver such Specific Conveyances to the appropriate recipients thereof promptly after Closing or the delivery of such Specific Conveyances after Closing, as applicable, including any required registrations with the appropriate Governmental Authorities of any such Specific Conveyances that require registration.
- (f) Except as otherwise expressly stated herein, Purchaser shall bear all costs, fees and deposits of every nature and kind in distributing and registering any Specific Conveyances and in providing any assurances or security required to convey, transfer and assign the Acquired Interest to Purchaser and to have Purchaser recognized as the holder thereof.
- (g) Notwithstanding the foregoing in this Section 4.3, in the case of any Specific Conveyances that are transfers of Permits or Crown lease transfers which may be filed electronically with the applicable Governmental Authority (other than Specific Conveyances comprising part of the LTA which are addressed in Section 4.4), promptly following the Closing Date, Vendor shall submit electronic transfers for such Permits and Crown leases and Purchaser shall accept such electronic transfers from Vendor without delay, provided that, if Purchaser in good faith determines or believes that any of the electronic transfers are not complete and accurate, or the applicable Governmental Authority 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 practicable and, thereafter, Vendor shall promptly re-submit such electronic transfers and Purchaser shall accept such electronic transfers from Vendor without delay.
- (h) The Parties agree that all Specific Conveyances to be delivered and/or executed in connection with this Agreement and the transactions contemplated herein, except for records that create or transfer

interests in land, guarantees, negotiable instruments, documents of title and such other documents excluded by section 7 of the *Electronic Transactions Act*, RSA 2001, c E-5.5, as amended from time to time, may be executed by use of electronic signatures (the "**Electronic Signatures**"). Prior to Closing, the Parties shall exchange a listing of one another's individual representatives which listing shall include the subject individual's name, title and a sample Electronic Signature. The Electronic Signatures of the individuals set out in such listing and which appear on any Specific Conveyances shall be sufficient to cause such Specific Conveyances to be valid and binding obligations of the Party represented by such individual, without need for original signatures to appear thereon and shall be of the same legal effect, validity or enforceability as a manually executed signature. The Parties shall receive and use the Electronic Signatures solely for the purpose of embedding the same into the Specific Conveyances and for no other purpose whatsoever.

4.4 Regulatory and Third Party Qualification

- (a) Purchaser shall, at its sole cost and expense, both prior to and following Closing, take, or cause to be taken, any and all actions, and do, or cause to be done, any and all things necessary, proper or advisable to satisfy all regulatory qualification requirements to be eligible to accept the LTA and to receive and hold the AER Licenses and Permits from and after Closing, in accordance with all applicable regulatory processes and Applicable Laws. Without limiting the generality of the foregoing Purchaser shall:
- (i) maintain its BA Code; and
 - (ii) diligently maintain an AER General Eligibility designation.

For greater certainty, the AER Licenses and Permits shall be transferred into Purchaser's name as of the Closing and Purchaser shall hold and maintain Vendor's interest in the AER Licenses and Permits in trust on behalf of Vendor in accordance with the Joint Venture Agreement.

- (b) Promptly following Closing, Vendor shall electronically submit each required LTA and Purchaser shall electronically ratify and accept such LTAs.
- (c) Without limiting the provisions of this Section 4.4, if, for any reason: (i) the AER or any other Governmental Authority requires either Party (hereinafter referred to as "**Such Party**" in this and the next Section) to make a deposit, to provide a letter of credit or other financial assurances (a "**Security Deposit**"), or to provide any undertakings, information or other documentation or to take any action as a condition of or a prerequisite for the approval of the LTA or the transfer of any AER Licenses or Permits; or (ii) any Third Party imposes any such requirements on a Party as a condition of the acceptance or approval of, or granting of consent or recognition in respect of, the transfer or assignment of any of the Acquired Interest to Purchaser, including the withholding of any such recognition or consent pursuant to any Title and Operating Document, immediately after receiving notice of such requirements and at its sole cost, Such Party shall make such Security Deposit, provide such undertakings, information or other documentation and take such action, as the case may be, such that the LTA or other transfers of AER Licenses and Permits may be effected and/or the approval and consent of such Third Parties to the transfer or assignment of the Acquired Interest may be obtained.
- (d) If Such Party fails to make a Security Deposit with the AER or other Third Party as provided under Section 4.4(c) within five days of Such Party's receipt of notification that such Security Deposit is required, the other Party (hereinafter referred to as the "**Other Party**" in this Section) shall have

the right, but not the obligation, to make such Security Deposit on behalf of Such Party and Such Party acknowledges and agrees that the Other Party shall be Such Party's agent with full power and authority to make such Security Deposit for and on behalf of Such Party. Such Party shall reimburse the Other Party for the amount of any such Security Deposit made by the Other Party and pay interest on the amount of such Security Deposit at an annual rate equal to the Prime Rate plus two percent (2%) from the date on which the Other Party paid the Security Deposit to the date on which the reimbursement for such Security Deposit and payment of the corresponding interest is made in full. In addition to all other rights that may be available to the Other Party for the collection of such amounts from Such Party, the Other Party shall have the right to set-off the amount of any such Security Deposit, including interest as provided in this Section 4.4(d), against any monies payable by the Other Party to Such Party pursuant to this Agreement, including in the case of any deposit or security amounts paid by Vendor on Purchaser's behalf, the right to set off such amount against any revenues payable by Vendor to Purchaser pursuant to Section 8.1(a)(iv). If the Other Party elects not to make the Security Deposit on behalf of Such Party under this Section, then the Other Party shall be entitled to charge Such Party a monthly administration fee of \$10,000 commencing on the month where Such Party failed to make the Security Deposit required under this Section until such time as such AER Licenses and Permits are transferred to Purchaser. The Parties hereby acknowledge and agree that the Other Party will be irreparably damaged by the failure of Such Party to make a Security Deposit, or provide such undertakings, information or other documentation and take such action, as the case may be, as is required under this Section 4.4 and that monetary damages would not be sufficient to remedy the same. Each Party acknowledges and agrees that the Other Party shall be entitled to equitable relief, including injunctive relief and specific performance, in the event of non-compliance with this Section 4.4, in addition to any other remedy available at law or in equity. Such Party further agrees to waive any requirement for the deposit of security or posting of any bond in connection with any equitable remedy.

4.5 Pipeline Records

- (a) In connection with the transfer of pipeline licenses relating to the Tangibles that are pipelines, or any of them, pursuant to this Agreement and AER Bulletin 2015-34 (as amended, supplemented, revised or replaced, the "**Pipeline Bulletin**"), Vendor is required to transfer sufficient documentation to satisfy the transferor statement on the AER digital data submission system ("**Pipeline Records**"). If Purchaser or Vendor receives written notice from the AER that it has determined that Pipeline Records, or any of them, held by Vendor or transferred by Vendor to Purchaser under this Agreement do not satisfy or are found to be deficient under the Pipeline Bulletin in any respect, then Purchaser and Vendor will be jointly and equally liable and responsible for and shall conduct, in a timely manner, all operations and activities that are required to cure or remedy any and all deficiencies identified by the AER ("**AER Deficiencies**"), in each case in accordance with the terms of the applicable Title and Operating Documents, Applicable Law, any requirements set forth in any correspondence with the AER and with generally accepted industry practices in Alberta, and utilizing the standard of care which would be followed by a reasonably prudent operator in similar circumstances. For greater certainty, the Title and Operating Documents and pipeline licenses relating to the Tangibles shall be transferred into Purchaser's name as of the Closing and Purchaser shall hold and maintain Vendor's interest in the AER Licenses and Permits in trust on behalf of Vendor in accordance with the Joint Venture Agreement.
- (b) Notwithstanding any other provision in this Agreement, the existence of any deficient Pipeline Records, AER Deficiencies and the remedial work required to be conducted in respect thereof, shall not constitute a breach of any of Vendor's representations, warranties or covenants in this Agreement. To the extent any AER Deficiencies are not rectified prior to Closing, the relevant pipeline licenses will not be transferred to Purchaser at Closing and Vendor shall hold such pipeline

licenses in trust for Purchaser pursuant to Section 8.1 until such time as such AER Deficiencies have been rectified. Forthwith following the rectification of such AER Deficiencies, the relevant pipeline licenses will be transferred by Vendor to Purchaser.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of Vendor

Vendor hereby makes the following representations and warranties to and in favour of Purchaser:

- (a) Vendor is a corporation duly formed and existing under the laws of the Province of Alberta and registered to carry on business in the jurisdictions in which the Acquired Interest is situate;
- (b) Vendor has all requisite power, authority and capacity to sell and convey the Acquired Interest in accordance with the provisions of this Agreement and the agreements and instruments required by this Agreement to be delivered by it, and perform the obligations hereunder and thereunder;
- (c) the execution, delivery and performance of this Agreement by Vendor has been duly and validly authorized by all requisite action on the part of its directors and officers, and will not result in any violation of, be in conflict with, or constitute a default under, the constating documents of Vendor;
- (d) the execution, delivery and performance of this Agreement by Vendor will not result in any violation of, be in conflict with or constitute a default under: (i) any term or provision of any agreement or instrument to which Vendor is party or by which Vendor is bound; or (ii) any Applicable Law that is specifically applicable to Vendor, except, in either case, where such conflict or default would not adversely affect the Acquired Interest or the ability of Vendor to complete the Transaction on the basis contemplated in this Agreement;
- (e) this Agreement and all other agreements delivered or to be delivered by Vendor in connection herewith constitute, or when delivered shall constitute, legal, valid and binding obligations of Vendor, enforceable against Vendor in accordance with their respective terms except as the enforcement thereof may be limited by bankruptcy, insolvency (including all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law) and except that rights of indemnity and contribution contained in this Agreement or any such other agreements may be limited under Applicable Law;
- (f) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by Vendor of this Agreement, other than authorizations, approvals or exemptions previously obtained and currently in force or to be obtained as and when required during the Pre-Closing Period or as may be required by a Governmental Authority in respect of the transfer of AER Licenses or Permits;
- (g) Vendor has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the Transaction for which Purchaser shall have any obligation or liability;
- (h) Vendor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);

- (i) Vendor is a registrant in respect of GST under the GST Legislation and its GST registration number is [REDACTED];
- (j) neither the aggregate value of the Acquired Interest, nor the gross revenues from sales in or from Canada generated from the Acquired Interest, all as determined in accordance with Part IX of the Competition Act (Canada) R.S.C, 1985, c.C-34 and the Notifiable Transactions Regulations thereunder, exceeds \$93 million;
- (k) no Claim has been commenced against Vendor or, to the knowledge of Vendor, has been threatened against Vendor, which might result in material impairment, loss of the interest of Vendor in and to the Assets or which might otherwise adversely affect the Assets;
- (l) to its knowledge, no event occurred in respect of the conditions to the implementation of the acquisition of the issued share capital of i3 Energy plc ("i3") by Vendor as set forth in Appendix 1 to the joint announcement of Vendor and i3 dated August 19, 2024 that gave, or would reasonably be expected to have given, Vendor the right to terminate such acquisition and no such events set out in paragraphs (G), (H), (I) and (J) of Section 3 of Appendix I shall have occurred as of the Closing Date as it pertains to the Assets (as if such date was the closing date of the acquisition by Vendor);
- (m) to its knowledge, Vendor has made available to Purchaser or its representatives any relevant material records, books, accounts, documents, files, information, materials and filings pertaining to the Assets, including the Title and Operating Documents and other agreements and documents comprising the Miscellaneous Interests, that are in Vendor's possession and control as at the execution of this Agreement that a reasonable and prudent purchaser of oil and gas assets similar to the Assets would reasonably request in connection with its due diligence review of such assets;
- (n) Vendor does not warrant title to the Assets, but does warrant that, except for or pursuant to any Permitted Encumbrances:
 - (i) Vendor has not alienated or encumbered the Assets or any part or portion thereof;
 - (ii) at the Closing Time, the Acquired Interest shall be free and clear of all Encumbrances created by, through or under Vendor;
 - (iii) to its knowledge, Vendor has not committed any act or omission whereby any interest of Vendor in any of the Assets may be reduced, cancelled or determined; and
 - (iv) Vendor's interest in the Assets is not subject to reduction by reference to payout of or production penalty on any Well or otherwise through any right or interest granted by, through or under Vendor not otherwise set forth in Schedule A;
- (o) subject to (i) Vendor's other representations and warranties made pursuant to this Section 5.1 (including any limitations expressed therein or elsewhere in this Agreement), the Permitted Encumbrances, the rents, covenants, conditions and stipulations in the Title and Operating Documents, and all defects, deficiencies, discrepancies or adverse claims in or affecting the title or interest of Vendor in and to any of the Assets which Purchaser has waived in writing or been deemed to have waived pursuant to the provisions of Article 9, and (ii) the Joint Venture Agreement, Purchaser, from and after the Closing Date, may, for the remainder of the term of the Leases or other applicable Title and Operating Documents, take possession of and use the Acquired

Interest for its own use and benefit without any interruption by Vendor or any Person claiming by, through or under Vendor; and

- (p) except as set forth in Schedule I, none of the interest of Vendor in and to the Assets is subject to any ROFRs that become operative by virtue of the Transaction contemplated by this Agreement.

5.2 Limitation Regarding Vendor's Representations and Warranties

- (a) Each of Vendor's representations and warranties set forth in Section 5.1 is made as of the date of this Agreement and will be made as of the Closing Date, or as of such other date or dates as specified therein.
- (b) Except as expressly set forth in Section 5.1, Vendor makes no representation or warranty regarding:
 - (i) itself;
 - (ii) the Lands;
 - (iii) the accuracy or completeness of any data or information supplied by or on behalf of Vendor under this Agreement or otherwise in connection with the Transaction; or
 - (iv) the Assets, including:
 - (A) the title or interest of Vendor in and to the Acquired Interest;
 - (B) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;
 - (C) the value of the Acquired Interest or the future cash flow therefrom, including any past, present or future Losses and Liabilities, including Environmental Liabilities, pertaining to the Assets;
 - (D) the quality, condition, fitness for any particular purpose or merchantability of any equipment or other tangible depreciable property included in the Assets or of any of the Lands or any lands pooled or unitized therewith;
 - (E) the effectiveness, standing or condition of any Miscellaneous Interests;

and Vendor hereby expressly negates, and Purchaser hereby waives, all other representations or warranties relating to the Assets, any such Person, property, circumstance or matter, regardless of whether made directly or indirectly, in verbal, written or electronic form, by Vendor or any of its directors, officers, employees or other personnel, consultants, agents, auditors, counsel or representatives, or implied under or arising by operation of law.

- (c) Purchaser acknowledges and confirms that except for the representations and warranties set forth in Section 5.1 and the ROFRs, it is acquiring the Acquired Interest, and without limiting the generality of the foregoing without any representations and warranties except as otherwise provided in Section 5.1, on an "as is, where is" basis and that it has performed its own due diligence and evaluations and that it has relied, and will continue to rely, upon its own due diligence and evaluations with respect to all matters pertaining to Vendor, the Assets and the Transaction.

- (d) If any information and materials pertaining to the Assets delivered or made available by Vendor to Purchaser pursuant to this Agreement includes any evaluations, projections, reports or interpretive or non-factual materials prepared by or for or received by Vendor, Purchaser hereby releases and discharges Vendor from any Claim and all liability to Purchaser and Purchaser's assigns and successors as a result of use or reliance upon them. Purchaser agrees that it will rely solely on its own geological and engineering interpretation analysis related thereto.

5.3 Representations and Warranties of Purchaser

Purchaser hereby makes the following representations and warranties to and in favour of Vendor:

- (a) Purchaser is a corporation duly formed and existing under the laws of the Province of Alberta and registered to carry on business in the jurisdictions in which the Acquired Interest are situate;
- (b) Purchaser has all requisite power authority and capacity to purchase and accept the Acquired Interest in accordance with the provisions of this Agreement and the agreements and instruments required by this Agreement to be delivered by it, and perform the obligations hereunder and thereunder;
- (c) the execution, delivery and performance of this Agreement by Purchaser has been duly and validly authorized by all requisite action on the part of its directors and officers, and will not result in any violation of, be in conflict with, or constitute a default under, the constating documents of Purchaser;
- (d) the execution, delivery and performance of this Agreement by Purchaser will not result in any violation of, be in conflict with or constitute a default under: (i) any term or provision of any agreement or instrument to which Purchaser is party or by which Purchaser is bound; or (ii) any Applicable Law that is specifically applicable to Purchaser, except, in either case, where such conflict or default would not adversely affect the Acquired Interest or the ability of Purchaser to complete the Transaction on the basis contemplated in this Agreement;
- (e) this Agreement and all other agreements delivered or to be delivered by Purchaser in connection herewith constitute, or when delivered shall constitute, legal, valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with their respective terms, subject to all Applicable Law pertaining to bankruptcy, insolvency and creditors' rights and the general principles of equity;
- (f) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by Purchaser of this Agreement, other than authorizations, approvals or exemptions previously obtained and currently in force or to be obtained as and when required during the Pre-Closing Period or as may be required by a Governmental Authority in respect of the transfer of AER Licenses or Permits;
- (g) Purchaser is not a "non-Canadian" as that term is defined in the *Investment Canada Act*;
- (h) Purchaser holds a valid BA Code and a valid AER General Eligibility designation and, to Purchaser's knowledge, otherwise meets all material qualification requirements of Governmental Authorities and under the Regulations to purchase, accept and hold the Acquired Interest including, without limitation, the requirements of any applicable Governmental Authority to have the Permits for the Wells and Tangibles (for which Vendor is the licensee) transferred to Purchaser; and Purchaser is not aware of any fact or circumstance attributable to Purchaser that would prevent or

delay the transfer of any Permits relating to or forming part of the Acquired Interest as contemplated in this Agreement, including with respect to the Licensee Capability Assessment;

- (i) Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the Transaction for which Vendor shall have any obligation or liability;
- (j) Purchaser is entering into this Agreement and will acquire the Acquired Interest for itself and not as agent or representative for any Third Party;
- (k) Purchaser is not a non-resident of Canada for the purposes of Section 116 of the *Income Tax Act* (Canada).
- (l) Purchaser is a registrant in respect of GST under the GST Legislation and its GST registration number is [REDACTED]; and
- (m) Purchaser has executed a bought deal letter with a syndicate of underwriters in respect of a Capital Markets Transaction for minimum gross proceeds of \$35.0 million and, subject to the completion of such Capital Markets Transaction, will, on the Closing Date, have the required funds to make full payment of the Purchase Price.

5.4 Limitation Regarding Purchaser's Representations and Warranties

Each of Purchaser's representations and warranties set forth in Section 5.3 is made as of the date of this Agreement and will be made as of the Closing Date, or as of such other date or dates as specified therein.

5.5 Survival of Representations and Warranties

Subject to the provisions of Article 7 and Section 6.6, the respective representations and warranties set forth in Sections 5.1 and 5.3 shall, absent fraud, survive Closing for the 12-month period immediately following Closing. Notwithstanding the foregoing, the survival period set forth above in this Section shall not apply to any indemnification claim arising out of, resulting from, attributable to or connected with any fraud or fraudulent misrepresentation, gross negligence, intentional misrepresentation, willful misconduct, willful breach or criminal conduct on the part of Vendor or any Vendor's Affiliates.

ARTICLE 6 INDEMNITIES FOR REPRESENTATIONS AND WARRANTIES

6.1 Vendor's Indemnities for Representations and Warranties

From and after Closing and subject to Sections 6.5 and 6.6, Vendor shall be liable for all Losses and Liabilities suffered, sustained, paid or incurred by Purchaser or any of the Purchaser's Related Persons, and, in addition and as an independent covenant, shall defend, indemnify and keep harmless Purchaser from and against all Losses and Liabilities suffered, sustained, paid or incurred by it and all Claims made against it, in either case, as a result of:

- (a) any breach of any representation or warranty made by Vendor in Section 5.1; or
- (b) any breach by Vendor of any of its covenants or agreements contained in this Agreement,

in any case, except to the extent that any Claims, Losses and Liabilities are reimbursed by insurance maintained by Purchaser (in which case Vendor's indemnity obligations hereunder shall be reduced by the amount of insurance proceeds actually received by Purchaser with respect to the underlying Claim net of any deductible paid by Purchaser with respect to such Claim) or are caused by the gross negligence or willful misconduct of Purchaser or any Purchaser's Related Persons.

6.2 Purchaser's Indemnities for Representations and Warranties

From and after Closing and subject to Sections 6.5 and 6.6, Purchaser shall be liable for all Losses and Liabilities suffered, sustained, paid or incurred by Vendor or any of Vendor's Related Persons, and, in addition and as an independent covenant, shall defend, indemnify and keep harmless Vendor and each of Vendor's Related Persons from and against all Losses and Liabilities suffered, sustained, paid or incurred by it and all Claims made against it, in either case, as a result of:

- (a) any breach of any representation or warranty made by Purchaser in Section 5.3;
- (b) any breach by Purchaser of any of its covenants or agreements contained in this Agreement; or
- (c) any financing or potential financing of Purchaser or any of Purchaser's Related Persons or any actions or omissions by any of them in connection with any requests by Purchaser made under Section 7.6,

in any case, except to the extent that any Losses and Liabilities are reimbursed by insurance maintained by Vendor (in which case Purchaser's indemnity obligations hereunder shall be reduced by the amount of insurance proceeds actually received by Vendor with respect to the underlying Claim net of any deductible paid by Vendor with respect to such Claim) or are caused by the gross negligence or willful misconduct of Vendor or any of Vendor's Related Persons.

6.3 Future Obligations

From and after Closing, Purchaser shall be liable for all Losses and Liabilities suffered, sustained, paid or incurred by Vendor or any of Vendor's Related Persons, and, in addition and as an independent covenant, shall defend, indemnify and save harmless Vendor and each of Vendor's Related Persons from and against all Losses and Liabilities suffered, sustained, paid or incurred by it and all Claims made against it which, in either case, arise out of any matter or thing occurring, accruing or arising on and after the Effective Time and which relates to the Acquired Interest (excluding any Losses and Liabilities or Claims that pertain to any Environmental Liabilities, which shall be dealt with under Section 6.4, or that are reimbursed by insurance maintained by Vendor (in which case Purchaser's indemnity obligations hereunder shall be reduced by the amount of insurance proceeds actually received by Vendor with respect to the underlying Claim net of any deductible paid by Vendor with respect to such Claim)). Notwithstanding the foregoing in this Section 6.3, nothing in this Section 6.3 shall be construed so as to (a) require Purchaser to be liable for or to indemnify Vendor or Vendor's Related Persons in connection with any such Losses and Liabilities or any such Claims to the extent arising from matters or things for which Purchaser is entitled to indemnification pursuant to Section 6.1 or (b) vary or otherwise derogate from either Party's rights and Liabilities under any other agreement between Vendor and Purchaser, including the Joint Venture Agreement.

6.4 Purchaser's Environmental Indemnity

From and after Closing, Purchaser shall be liable for all Losses and Liabilities suffered, sustained, paid or incurred by Vendor or any of Vendor's Related Persons, and, in addition and as an independent

covenant, shall defend, indemnify and save harmless Vendor and each of Vendor's Related Persons from and against all Losses and Liabilities suffered, sustained, paid or incurred by it and all Claims made against it, in either case, in respect of all past, present and future any Environmental Liabilities. This assumption of liability and indemnity shall apply without limit and without regard to the negligence of Vendor or any of Vendor's Related Persons. The Parties acknowledge that the Purchase Price has taken into account all of the Environmental Liabilities 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 Vendor or any of Vendor's Related Persons in respect to any such Environmental Liabilities that Purchaser may otherwise have under Applicable Law, including any right to name Vendor or any of Vendor's Related Persons 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 6.4, nothing in this Section 6.4 shall be construed: (a) so as to require Purchaser to be liable for or to indemnify Vendor or any of Vendor's Related Persons in connection with any such Losses and Liabilities or any such Claims to the extent arising from matters or things for which Purchaser is entitled to indemnification pursuant to Section 6.1, or that are reimbursed by insurance maintained by Vendor (in which case Purchaser's indemnity obligations hereunder shall be reduced by the amount of insurance proceeds actually received by Vendor with respect to the underlying Claim net of any deductible paid by Vendor with respect to such Claim); and (b) to vary or otherwise derogate from either Party's rights and Liabilities under any other agreement between Vendor and Purchaser, including the Joint Venture Agreement.

6.5 Time Limitation

Neither Party shall make any Claim under or in respect of Section 6.1 or 6.2, as applicable, after the expiry of the 12-month period immediately following Closing and neither Party shall have any liability under Section 6.1 or 6.2, as applicable, unless written notice, with reasonable particulars, of the applicable Losses and Liabilities or Claim has been received by such Party during the 12-month period immediately following Closing. Notwithstanding the foregoing, the survival period set forth above in this Section shall not apply to any indemnification claim arising out of, resulting from, attributable to or connected with any fraud or fraudulent misrepresentation, gross negligence, intentional misrepresentation, willful misconduct, willful breach or criminal conduct on the part of Vendor or any Vendor's Affiliates.

6.6 Limitations

- (a) Notwithstanding any other provision in this Agreement:
 - (i) except with respect to Losses and Liabilities caused by fraud, gross negligence, willful misconduct or intentional misrepresentation committed by Vendor, Vendor shall not be liable to Purchaser and the Purchaser's Related Persons for any Losses or Liabilities with respect to the matters contained in Section 6.1(a) unless and until the aggregate of all Losses and Liabilities therefrom for which Vendor would otherwise be liable exceeds an amount equal to \$250,000 (the "**Qualifying Loss**");
 - (ii) except with respect to Losses and Liabilities caused by fraud, gross negligence, willful misconduct or intentional misrepresentation committed by Vendor, Vendor's aggregate liability to Purchaser and the Purchaser's Related Persons for Losses and Liabilities with respect to the matters contained in Section 6.1(a) shall not exceed 75% of the Purchase Price; and
 - (iii) except with respect to Losses and Liabilities caused by fraud, gross negligence, willful misconduct or intentional misrepresentation committed by Vendor, in no event shall

Vendor's aggregate liability to Purchaser and the Purchaser's Related Persons for Losses and Liabilities with respect to the matters contained in Section 6.1(a) and Section 6.1(b) (including with respect to Losses and Liabilities arising out of any breach of the covenants and agreements made by Vendor in this Agreement and to be performed prior to or at Closing, but excluding for certainty, all covenants and agreements made by Vendor in this Agreement and to be performed after Closing) exceed the Purchase Price.

- (b) From and after Closing the sole remedy available to Purchaser in respect to this Agreement and the Transaction, including any breach of Vendor's representations and warranties set forth in Section 5.1 or a breach by Vendor of any of its covenants in this Agreement that are to be performed prior to or at the Closing Time, shall be Vendor's assumption of liability and indemnity provided for in Section 6.1 and Purchaser hereby releases and waives any and all other Claims or any other remedy or relief that it has or hereafter may have in this regard, whether arising at law, in equity or otherwise.
- (c) Notwithstanding any other provision of this Agreement, nothing contained in this Agreement shall impose any liability on either Party for Consequential Losses suffered by the other Party or its Related Persons, provided that this Section 6.6(c) shall not apply to Losses and Liabilities arising from (i) fraud; or (ii) preclude a Party from entitlement to indemnification, to the extent expressly provided in this Agreement, for such Party's liability to a Third Party for Losses which such Third Party suffers, sustains, pays or incurs and which are claimed against the indemnified Party.
- (d) Neither Party shall be liable under this Agreement for any Claims, Losses or Liabilities suffered, sustained, paid or incurred by the other Party after Closing that result from any inaccuracy in or breach of any representation or warranty in this Agreement to the extent that the fact, circumstance or matter giving rise to such inaccuracy or breach was known by such Party or any of its Representatives prior to the Closing Time and such Party is deemed to have irrevocably waived in full any such breach.
- (e) Notwithstanding anything herein to the contrary: (i) Purchaser and the Purchaser's Related Persons shall not be entitled to indemnification or reimbursement under any provision of this Agreement for any amount to the extent any such Person has been reimbursed for such amount under any other provision of this Agreement; (ii) Purchaser and the Purchaser's Related Persons shall not be entitled to indemnification or reimbursement under any provision of this Agreement for Losses and Liabilities suffered by, or incurred in respect of any matter, circumstance or event, including any breach of Vendor's representations, warranties or covenants hereunder, to the extent that: (A) such matter, circumstance or event gives rise to an express right under the Joint Venture Agreement to remedy, recourse or compensation; and (B) such Person has been compensated on a dollar-for-dollar basis for such Losses and Liabilities under the Joint Venture Agreement; and provided further, for greater certainty, that the proportionate Losses and Liabilities recovered by Purchaser or any Purchaser Related Person pursuant to any remedy, recourse or compensation under the Joint Venture Agreement shall be taken into account in determining the quantum of Losses and Liabilities suffered or incurred by Purchaser or any of the Purchaser Related Persons for purposes of this Agreement, such that there is no double recovery under this Agreement; and (iii) without limiting the foregoing, nothing in this Agreement shall be construed to provide an indemnity or other recovery for any Losses and Liabilities for which the damaged Party has been fully compensated under any other provision of this Agreement, the Joint Venture Agreement, or any other contract between the Parties or action at law or equity.
- (f) This Section 6.6 shall survive Closing and any termination of this Agreement.

6.7 Procedures – General Indemnities

If a Party (the "**Claiming Party**") wishes to claim indemnification from the other Party (the "**Indemnifying Party**") pursuant to Section 6.1, 6.2, 6.3 or 6.4, 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 indemnity 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: (A) 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; (B) the Indemnifying Party fails to respond to any notice of the Indemnified Matter given by the Claiming Party in accordance with Section 6.7(a) within 15 days of receipt thereof by the Indemnifying Party; or (C) 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 6.7(a) and:

- (i) if the Indemnifying Party does not respond within such 30-day period, the Indemnifying Party shall be deemed to have not 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 and 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.

6.8 Mitigation

Each Party entitled to indemnification hereunder shall use commercially reasonable efforts to mitigate his, her or its respective Losses and Liabilities upon and after becoming aware of any event or condition that would reasonably be expected to give rise to any Losses and Liabilities that are indemnifiable hereunder.

6.9 Adjustments to Purchase Price for Tax Purposes

All payments made by an indemnifying Party to an indemnified Party in respect of any Claim pursuant to Section 6.1 or Section 6.2 hereof shall be treated as adjustments to the Purchase Price for tax purposes, to the maximum extent permitted by Applicable Laws, and shall be an adjustment on a dollar-for-dollar basis to the Assets to which such Claim(s) reasonably relate(s).

ARTICLE 7 PRE-CLOSING PERIOD

7.1 Maintenance of Assets

- (a) During the Pre-Closing Period, to the extent that the nature of Vendor's interests permits, and subject to the Title and Operating Documents and any other agreements and documents to which the Assets are subject:
 - (i) Vendor shall:

- (A) operate and maintain the Assets in all material respects, in a prudent manner and in accordance with generally accepted oil and gas industry practices and all Applicable Law pertaining to the Assets;
 - (B) without limiting Section 7.1(a)(i), Vendor shall forthwith commence and conduct workover operations in relation to the [REDACTED] well as may be required to restore such well to production state;
 - (C) operate and maintain the Assets in all material respects, in accordance with the terms and conditions of the Title and Operating Documents;
 - (D) pay or cause to be paid all costs and expenses relating to the Acquired Interest which become due and payable during the Pre-Closing Period; and
 - (E) continue to maintain its insurance coverage in respect of the Assets that is in effect as of the date of this Agreement.
- (ii) Vendor shall not, without Purchaser's prior consent:
- (A) propose or initiate the exercise of any option arising as a result of the ownership of the Acquired Interest, or make any commitment or propose, initiate or authorize any individual expenditure with respect to the Acquired Interest that is in excess of Fifty Thousand Dollars (\$50,000) individually or Two Hundred and Fifty Thousand Dollars (\$250,000) in the aggregate, except in the case of an emergency, to protect the Environment, protect life or safety or preserve the Acquired Interest or title to the Acquired Interest, or to the extent required by the order or direction of a Governmental Authority;
 - (B) surrender or abandon any of the Acquired Interest;
 - (C) terminate or amend, or agree to the amendment, in any material respect the terms or conditions of any Title and Operating Documents;
 - (D) sell, transfer, assign, encumber or otherwise dispose of, surrender, forfeit or abandon any of the Acquired Interest or any part thereof, create any adverse Claims against the Acquired Interest or agree to do any of the foregoing except for sales of equipment, materials, supplies and inventory in the ordinary course of business and provided that such proceeds shall be adjusted for pursuant to Section 2.7;
- or agree to do any of the foregoing.
- (iii) Purchaser shall act as contract operator for the [REDACTED] pad in accordance with the terms and conditions of the Master Services Agreement; provided that, prior to Purchaser commencing any drilling operations at such well pad, the Parties will have entered into a work order for such drilling operations under the Master Services Agreement.
- (b) Following the execution hereof, the Parties agree to cooperatively work together to provide Purchaser with reasonable access to Vendor's SCADA systems to allow Purchaser to determine the hardware, software and other system protocols that Purchaser will need to have in place and operational immediately following Closing. In this regard, Vendor shall also use reasonable efforts

to make available to Purchaser such field and head office personnel as Purchaser reasonably requires to allow for this determination, arrange and support such Well and site visits by Purchaser as Purchaser deems reasonably necessary and allow for field data capture meter and site configurations and fuel flare vent set up by Purchaser for each Well or site, as applicable, all in an effort to allow Purchaser to access such data on Closing.

7.2 Payments and Accounts

Unless otherwise directed by Purchaser, Vendor shall pay on behalf of Purchaser all rentals and shut-in royalty payments for (i) Crown mineral and surface leases which are due and payable on or before the date which is 30 days following the Closing Date, and (ii) freehold mineral and surface leases which are due and payable on or before the date which is 30 days following the Closing Date.

7.3 Interim Period Notices

- (a) Vendor shall promptly provide Purchaser with copies of any AFEs, requests for consents, ROFRs, operations notices and other similar notices received by Vendor in connection with the Acquired Interest received by Vendor during the Pre-Closing Period.
- (b) Prior to the Closing Date, without the written consent of Vendor, Purchaser shall not, and shall not be entitled to, propose to Vendor, or to cause Vendor to propose to others, the conduct of any operations on the Lands or the exercise of any right or option relative to the Acquired Interest.

7.4 Purchaser Indemnity

The Purchaser shall indemnify and save harmless Vendor from and against all of Vendor's Losses and Liabilities arising as a consequence of Vendor's or Vendor's Related Parties' actions in compliance with the provisions of Sections 7.1, 7.2 and 7.3 except to the extent caused by the gross negligence or wilful misconduct of Vendor. Acts or omissions taken by Vendor or Vendor's Related Parties with the prior written approval of the Purchaser shall not constitute gross negligence or wilful misconduct for the purposes of this Section 7.4. Vendor shall have no liability for any act or omission undertaken or omitted to be undertaken by or on behalf of Vendor in connection with Vendor's obligations under Sections 7.1, 7.2 or 7.3 that was undertaken or omitted to be undertaken at the request of or with the written consent of Purchaser.

7.5 Casualty Loss Event

If during the Pre-Closing Period all or any portion of the Acquired Interest is destroyed or damaged by fire, flood, earthquake, storm, theft, vandalism, explosion, blowout, riot, sabotage, accident or other casualty of a similar nature or shall be taken by condemnation or under the right of eminent domain (each, a "**Casualty Loss Event**"):

- (a) Vendor and Purchaser shall proceed with the Closing notwithstanding any such Casualty Loss Event (without reduction of the Purchase Price), but subject always to satisfaction or waiver of the conditions set forth in Section 3.1 and Section 3.2, as applicable;
- (b) if any of the Losses (the "**Casualty Losses**") suffered or incurred by Vendor as a result of such Casualty Loss Event are potentially covered by Vendor's insurance policy (or replacement policies) and such Casualty Losses exceed the applicable deductible under such policy (or replacement policy), then Vendor shall file and diligently pursue a claim with the applicable insurance carriers; and

- (c) Vendor shall elect by written notice to Purchaser prior to Closing either of the following:
- (i) Vendor shall cause the applicable Acquired Interest affected by any such Casualty Loss Event to be repaired or restored to at least their condition and operating capability prior to such Casualty Loss Event, at Vendor's sole cost and expense (to the extent of Vendor's ownership interest in the applicable Asset), as promptly as reasonably practicable (which work may extend after the Closing Date), in which case Vendor and its Affiliates shall retain the right to receive all sums received by Vendor or any of its Affiliates from Third Parties in respect of such Casualty Losses, including but not limited to insurance proceeds; or
 - (ii) at or prior to the Closing, Vendor shall pay or cause to be paid to Purchaser all sums received by Vendor or any of its Affiliates as of the Closing from Third Parties in respect of such Casualty Losses, including but not limited to insurance proceeds (other than proceeds of business interruption insurance in respect of periods prior to the Closing Date) (less any insurance deductible and any other costs and expenses incurred by Vendor or any Affiliate in order to obtain such sums), and shall assign, transfer and set over unto Purchaser all of the right, title and interest of Vendor or any of its Affiliates in and to any unresolved Claims against or unpaid proceeds or other payments from Third Parties in respect of such Casualty Losses, including but not limited to insurance proceeds (other than proceeds of business interruption insurance in respect of periods prior to the Closing Date).

7.6 Financing Assistance

- (a) Prior to the Closing, Vendor shall use its reasonable commercial efforts to provide, and shall cause its Affiliates to use reasonable commercial efforts to provide, such timely assistance with Purchaser's efforts to arrange and obtain financing in the capital markets to pay for the Purchase Price or any portion thereof (a "**Capital Markets Transaction**"), as is reasonably requested by Purchaser (provided that such request is made on reasonable notice and reasonably in advance of the Closing Date or the launch of any Capital Markets Transaction and provided such cooperation does not unreasonably interfere with the ongoing operations of Vendor or any of its Affiliates). Such assistance shall include, but not be limited to: (i) delivering to Purchaser and any underwriter, initial purchaser or placement agent in a Capital Markets Transaction (a "**Bank Participant**") such financial and operational information reasonably requested by Purchaser or the Bank Participants in respect of the Assets as promptly as reasonably practicable; (ii) providing such other customary documents and financial and pertinent information regarding the Assets as may be reasonably requested by Purchaser or necessary for Purchaser to prepare all pro forma financial statements necessary in connection with a Capital Markets Transaction; (iii) using reasonable commercial efforts to obtain the assistance from any of its auditors, reserve engineers or other advisors, including participation in due diligence sessions to the extent reasonably requested by Purchaser and at reasonable times and upon reasonable notice; (iv) taking all corporate, limited liability company, partnership or other similar actions reasonably requested by Purchaser or any Bank Participant to permit the consummation of the Capital Markets Transaction (provided that no such action shall be required to be effective prior to the Closing Time); (v) assisting Purchaser and its counsel in the delivery of customary legal opinions by Purchaser and its counsel in connection with effectuating a Capital Markets Transaction; (vi) assisting with the preparation of any documents as may be reasonably requested by Purchaser, including by providing information for the completion of any schedules thereto, solely to the extent such materials relate to information concerning the Assets; (vii) assist, and cause the accountants and reserve engineers for Vendor to assist, with any due diligence efforts or other communications, including customary comfort letters, in connection with any Capital Markets Transaction by Purchaser, to the extent any financial information or

reserves report is included or incorporated by reference into any applicable offering document and relating to the Assets; and (viii) cooperating with the due diligence of Bank Participants in connection with any Capital Markets Transaction, to the extent customary and reasonable, including the provision of all such information reasonably requested with respect to the Assets. Purchaser shall be permitted to disclose any information to any Bank Participant subject to their entering into customary confidentiality agreements, including pursuant to confidentiality obligations under any definitive documentation evidencing any Capital Markets Transaction.

- (b) Notwithstanding the foregoing or any other provision herein, neither Vendor nor any Affiliate thereof will be required to: (i) pay or agree to pay any commitment, consent or other fee or incur any other cost, expense or Liability in connection with any Capital Markets Transaction; (ii) take any action that would contravene any Applicable Law, contravene the organization documents of any of them or violate or cause a breach of any contract of any of them; (iii) enter into definitive documentation that is not contingent on closing of the Transaction; or (iv) disclose any information that in the reasonable judgment of Vendor would result in the disclosure of any trade secrets or violate any obligations of Vendor or any other Person with respect to confidentiality.
- (c) Any cooperation of Vendor pursuant to this Section 7.6 shall be provided at Purchaser's expense and Purchaser shall promptly reimburse Vendor for all reasonable and documented out-of-pocket or third-party fees and expenses (including reasonable legal fees) incurred by Vendor and any of its Affiliates pursuant to this Section 7.6.

7.7 Processing Capacity

Prior to the Closing, if requested by Vendor, Purchaser shall use its reasonable commercial efforts to facilitate Vendor in procuring agreements with counterparties for priority 1 service or firm capacity emulsion, firm capacity oil and firm capacity gas for all existing and future production from the Lands at the [REDACTED] gas plant.

ARTICLE 8 POST-CLOSING MATTERS

8.1 Post-Closing Matters

- (a) Following Closing, if and to the extent that Purchaser must be novated into, recognized as a party to, or otherwise accepted as assignee or transferee of Vendor's interest in the Acquired Interest or certain of them, including any Title and Operating Documents or other agreements governing or otherwise pertaining to any Acquired Interest or the operation thereof and the completion of the LTA, the following provisions shall apply with respect to the applicable Acquired Interest until such novation, recognition or acceptance has occurred:
 - (i) Vendor shall hold title to such Acquired Interest as bare trustee, for Purchaser, shall represent Purchaser and shall receive and hold, as bare trustee and agent of Purchaser, all proceeds, benefits and advantages accruing in respect of such Acquired Interest for the benefit, use and ownership of Purchaser, provided that that if after six (6) months any portion of the Acquired Interest, including the Title and Operating Documents, has not been fully novated to Purchaser with Purchaser recognized as a party thereto, then Vendor shall be entitled to charge Purchaser a monthly administration fee of \$10,000 until such time as Purchaser is fully novated and recognized as a party to any Title and Operating Document governing any of the Acquired Interest;

- (ii) to the extent required by Applicable Laws, Vendor shall, at Purchaser's sole cost and expense, remain operator of the applicable Acquired Interest on behalf of Purchaser as contractor until the later of the Licence Transfer Date and the date on which Purchaser is so novated, recognized or otherwise accepted; provided however, that Purchaser shall, effective upon Closing, be appointed operator with authority and control over the operation and maintenance of the applicable Acquired Interest, in accordance with the terms and conditions of the Joint Venture Agreement;
 - (iii) Vendor shall promptly provide to Purchaser all AFEs, notices and other information, documents and correspondence relating to the applicable Acquired Interest that it receives and shall respond promptly to such AFEs, notices and other information and documents pursuant to the written instructions of Purchaser, but only if such instructions are received on a timely basis, provided that, Vendor may, but shall not be obliged to, refuse to follow any such instructions that it reasonably believes to be contrary to Applicable Law or in conflict with any applicable Title and Operating Document or other agreement; and
 - (iv) as soon as is reasonably practicable following Vendor's receipt thereof but in any event no later than forty-five (45) days after receipt, Vendor shall deliver to Purchaser all revenues, proceeds and other benefits received by Vendor and derived from the Acquired Interest (excluding any such revenues, proceeds or benefits that relate to matters arising prior to the Effective Time), less the share of the applicable Crown or lessor royalties, operating costs, treating, processing and transportation expenses and any other costs and expenses directly associated with the Acquired Interest and the Petroleum Substances produced therefrom or allocated thereto that have been paid or are payable by Vendor, including the amount of any deposits or securities paid by Vendor on Purchaser's behalf pursuant to Section 4.4(d), and less any reasonable out-of-pocket costs and expenses paid or incurred by Vendor in the discharge of its duties and obligations pursuant to this Section 8.1.
- (b) Purchaser does hereby and shall ratify all actions taken by Vendor or refrained to be taken by Vendor pursuant to the terms of this Section 8.1 in such capacity, with the intention that all such actions shall be taken in accordance with the written directions of Purchaser.
 - (c) If Vendor participates in any operations or exercises rights or options in respect to any Acquired Interest pursuant to this Section 8.1, then Vendor may require Purchaser to secure the costs to be incurred by Vendor on behalf of Purchaser in respect to such operations or pursuant to such election in such manner as may be reasonably appropriate in the circumstances.
 - (d) Purchaser acknowledges that Vendor is unable to assign to Purchaser operatorship of the Assets, if any, operated by Vendor and in respect of which Vendor does not have a 100% interest. Vendor shall, however, use commercially reasonable efforts to assist Purchaser in its attempts to obtain operatorship.

8.2 Administration of Assets

Vendor shall retain the responsibility for administration of the Assets for all periods of time prior to Closing and, notwithstanding the transfer of the Acquired Interest, for the periods of time after Closing only as set forth in this Section 8.2. For the purpose of this Section 8.2 the expression "administration" shall mean responsibility for joint venture billing, computation and payment of rents and royalties, filing of production reports with the appropriate Governmental Authorities and other similar administrative activities. It is further understood and agreed that the administration functions described below will be performed by Vendor after Closing as follows in respect of the Assets:

- (a) unless otherwise directed by Purchaser, Vendor shall pay on behalf of Purchaser all rentals and shut-in royalty payments for Crown and freehold mineral and surface leases which are due and payable on or before the end of the second calendar month following Closing;
- (b) Vendor will be responsible for production accounting for all production months up to and including the production month in which Closing occurs and Purchaser shall be responsible for production accounting for all production months thereafter; and
- (c) Vendor will be responsible for marketing all production (including crude oil, natural gas and natural gas liquids) from the Assets until the last day of the calendar month following the month in which Closing occurs. Vendor shall be entitled to market such production in accordance with its current marketing policies and agreements pertaining to the Assets, if any, provided that it shall not enter into any marketing arrangement having a term exceeding thirty-one (31) days without first obtaining Purchaser's written consent, such consent not to be unreasonably withheld or delayed. Other than as expressly provided for in this Section 8.2, Purchaser shall be responsible for marketing of production as it pertains to the Acquired Interest.

8.3 Delivery of Title and Operating Documents and Miscellaneous Interests

Within forty-five (45) Business Days after Closing or any other day as Vendor and Purchaser may agree in writing, Vendor shall deliver or cause to be delivered to Purchaser the Title and Operating Documents and such other agreements and documents to which the Acquired Interest are subject, and copies of those contracts, agreements, records, books, documents, licences, reports and data comprising Miscellaneous Interests which are in the possession and control of Vendor, to the extent they are in physical form. Notwithstanding the foregoing in this Section, for a period of seven (7) years after Closing, Vendor or any Affiliate of Vendor may, at its sole expense, during Purchaser's regular business hours, and upon reasonable prior written notice, gain access to for the purpose of reviewing and obtain from Purchaser copies or photocopies of, any Title and Operating Documents or any other books and records of Vendor which were delivered to Purchaser hereunder and which Vendor reasonably requires for audits or Claims by Third Parties against Vendor, to the extent that Purchaser is, at the time Vendor gives such notice, in possession of the requested Title and Operating Documents.

8.4 Removal of Signs

Within sixty (60) days after the Licence Transfer Date, Purchaser shall remove Vendor's name from all signs and remove any other items indicating ownership by Vendor located on, at or near any Wells or Tangibles. If Purchaser fails to remove Vendor's name from such signs or to remove such other items in respect to any such Wells or Tangibles within such period, then Vendor shall have the right, but not the obligation, to remove same and Purchaser shall reimburse Vendor for all reasonable costs incurred by Vendor in doing so.

8.5 Limitation of Liability for Post-Closing Operations

- (a) With respect to those Assets that are part of the "Joint Property" as defined in the Joint Venture Agreement, the liability and operator indemnity provisions contained in the Joint Venture Agreement shall apply in respect of any operation or maintenance of the Assets after Closing or the discharge by Vendor of its obligations pursuant to the other provisions of this Article 8, on a *mutatis mutandis* basis.
- (b) With respect to those Assets that are not part of the "Joint Property" as defined in the Joint Venture Agreement ("**Non-JVA Assets**"):

- (i) Vendor and Vendor's Related Persons shall have no liability for any Losses and Liabilities paid, incurred or suffered by Purchaser or any of the Purchaser's Related Persons or any Claims made against any of them relating to any operation or maintenance of the Non-JVA Assets after Closing or the discharge by Vendor of its obligations pursuant to the other provisions of this Article 8 with respect to the Non-JVA Assets, except to the extent that any such Losses and Liabilities or any such Claims arise solely as a direct consequence of the gross negligence or wilful misconduct of Vendor or any of Vendor's Related Persons, provided that in no event shall Vendor be liable to Purchaser or Purchaser's Related Persons for any Consequential Losses relating to such operation or maintenance of the Non-JVA Assets; and
- (ii) Purchaser shall be liable for all Losses and Liabilities suffered, sustained, paid or incurred by Vendor or any of Vendor's Related Persons, including legal and other professional fees and expenses on a "solicitor and his own client" or comparable basis, and in addition and as an independent covenant, shall defend, indemnify and save harmless Vendor and each of Vendor's Related Persons from and against all such Losses and Liabilities suffered, sustained, paid or incurred by it and all Claims made against it, in either case, as a result of any actions taken or operations conducted in accordance with the other provisions of this Article 8 with respect to the Non-JVA Assets, except to the extent arising as a direct consequence of the gross negligence or wilful misconduct of Vendor or any of Vendor's Related Persons, provided that in no event shall Purchaser be liable to Vendor or Vendor's Related Persons for any Consequential Losses arising in relation thereto.

ARTICLE 9 DUE DILIGENCE REVIEW

9.1 Due Diligence

Purchaser acknowledges that it has, prior to the execution hereof, been given an opportunity to:

- (a) review Vendor's title to the Assets; and
- (b) conduct an environmental review of the Assets;

and that it has satisfied itself in regard to both Vendor's title to the Assets and all environmental matters relating to the Assets, including any past, present or future Environmental Liabilities. Purchaser expressly waives all defects relating either to Vendor's title to the Assets or to environmental matters relating to the Assets, whether disclosed by Purchaser's review or otherwise. However, nothing in this Section shall be a waiver by Purchaser of any matters in respect of which it is entitled to indemnification pursuant to Section 6.1.

ARTICLE 10 RIGHTS OF FIRST REFUSAL

10.1 ROFRs

- (a) Vendor and Purchaser acknowledge that some of the Acquired Interests are subject to the ROFRs, as set forth in Schedule I (the "**ROFR Assets**"). Upon the execution of this Agreement, Purchaser shall advise Vendor in writing of its bona fide allocations of value for Vendor's interest in and to the ROFR Assets (the "**Allocated Value**"). Vendor shall comply with the applicable provisions of such rights and shall courier notices to the Third Parties (and Purchaser, if applicable) holding such

rights (the "**ROFR Holders**") no later than three (3) Business Days after the date of this Agreement, in a form that is acceptable to Purchaser acting reasonably, using the Allocated Value of Purchaser.

- (b) Purchaser shall be liable to Vendor and Vendor's Related Persons for, and shall, in addition, indemnify Vendor and Vendor's Related Persons from and against, all Losses, Liabilities and Claims suffered, sustained, paid or incurred by, or made against, them as a result of, arising out of, or in connection with, the use of such allocations in respect of the ROFRs.
- (c) Vendor shall notify Purchaser in writing forthwith upon each Third Party exercising or waiving such a ROFR. If any such Third Party elects to exercise such a right:
 - (i) the terms "**Assets**", "**Major Facilities**", "**Miscellaneous Interests**", "**Petroleum and Natural Gas Rights**", "**Tangibles**", "**Title and Operating Documents**" and "**Wells**" will be deemed to have been amended to reflect the exclusion of the applicable ROFR Assets, those excluded Assets shall not be conveyed to Purchaser and the Schedules hereto will be deemed to be amended accordingly;
 - (ii) the Purchase Price, tax allocations and GST shall be reduced by the applicable Allocated Value and adjustments under Section 2.7 will be calculated accordingly; and
 - (iii) Vendor shall promptly amend or revise any filings with Government Authorities in connection herewith or any documentation or material provided with or pursuant to those filings to reflect the amended definition of the Assets (and related definitions) and the amended Purchase Price and adjustments and Purchaser shall co operate with Vendor in making those amendments and revisions.

10.2 ROFRs Post-Closing

In the event that not all ROFRs have been exercised, extinguished by lapse of time or waived as at the Closing Time (such ROFRs, the "**Outstanding ROFRs**"), Closing shall nevertheless proceed in respect of the remaining Acquired Interest in the Assets not subject to such Outstanding ROFRs, and Purchaser will deposit with the Escrow Agent under the terms of the ROFR Escrow Agreement, that portion of the Purchase Price allocated to the Acquired Interest in the Assets subject to the Outstanding ROFRs (the "**Escrow Assets**") and the Parties will deposit with the Escrow Agent under the terms of the ROFR Escrow Agreement all executed closing documentation required for completion of the sale of all Escrow Assets by Vendor to Purchaser. In such case, the following procedures shall apply:

- (a) if an Outstanding ROFR is exercised by a Third Party with respect to Escrow Assets within the time provided for the exercise thereof, the Parties will promptly notify the Escrow Agent thereof in writing and:
 - (i) the funds deposited with the Escrow Agent in respect of such Escrow Assets will be returned by the Escrow Agent to Purchaser; and
 - (ii) the closing documentation related to such Escrow Assets deposited with the Escrow Agent will be of no force or effect;
- (b) if after Closing an Outstanding ROFR with respect to Escrow Assets is extinguished by lapse of time, waiver or otherwise (other than as a result of being exercised) and is not subject to a ROFR Action, the Parties will promptly notify the Escrow Agent thereof in writing and:

- (i) the Escrow Agent will promptly pay the funds deposited with the Escrow Agent in respect of such Escrow Assets to Vendor; and
- (ii) the Escrow Agent will promptly deliver copies of the closing documentation deposited with the Escrow Agent in relation to such Escrow Assets to each Party, such documentation shall be effective and the sale of such Escrow Assets to Purchaser pursuant hereto shall have closed.

10.3 Challenge of Allocated Value by a ROFR Holder

- (a) If a ROFR Holder has commenced any litigation, legal proceedings or arbitration with respect to the Allocated Value of a ROFR Asset (a "**ROFR Action**"), then:
 - (i) Vendor shall diligently proceed with the defence, compromise or settlement of the ROFR Action and shall advise Purchaser with respect to the ROFR Action's progress;
 - (ii) the Parties shall cooperate with each other in the defence of the ROFR Action;
 - (iii) Vendor shall not enter into any settlement, consent order or other compromise with respect to the ROFR Action without Purchaser's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned); and
 - (iv) the portion of the Purchase Price and closing documentation relating to the Escrow Assets that are subject to the Outstanding ROFR that is subject to the ROFR Action shall continue to be held by the Escrow Agent.
- (b) If, after the amount finally attributed to the Acquired Interest subject to the ROFR Action has been decided by way of judicial resolution or settlement, and:
 - (i) if the applicable ROFR Holder does not exercise its ROFR on the Escrow Assets that are subject to the ROFR Action, then:
 - (A) the Parties shall proceed to close on the sale of such Escrow Assets to Purchaser, to the fullest extent possible, under the same terms and conditions as contained within this Agreement;
 - (B) the Escrow Agent will promptly pay the funds deposited with the Escrow Agent in respect of such Escrow Assets to Vendor; and
 - (C) the Escrow Agent will promptly deliver copies of the closing documentation deposited with the Escrow Agent in relation to such Escrow Assets to each Party, such documentation shall be effective and the sale of such Escrow Assets to Purchaser pursuant hereto shall have closed; or
 - (ii) if the applicable ROFR Holder does exercise its ROFR on the Escrow Assets that are subject to the ROFR Action, then:
 - (A) the funds deposited with the Escrow Agent in respect of such Escrow Assets will be released by Escrow Agent in accordance with the ROFR Escrow Agreement as follows:

- (I) to Vendor, the difference, if positive, between the amount of funds deposited with the Escrow Agent in respect of such Escrow Assets and the amount (the "**Determined ROFR Amount**") finally attributed to those Escrow Assets subject to the ROFR Action as determined by the final, non-appealable judicial resolution or settlement;
- (II) to Purchaser, an amount equal to the Determined ROFR Amount; and
- (B) the closing documentation related to such Escrow Assets deposited with the Escrow Agent will be of no force or effect and returned to Vendor,

whereupon, Vendor shall convey such Escrow Assets to the ROFR Holder in accordance with the terms of the applicable Title and Operating Documents and utilizing the Determined ROFR Amount and Purchaser shall have no claim to such Escrow Assets or to the consideration payable by the ROFR Holder for the purchase of such Escrow Assets.

ARTICLE 11 TERMINATION

11.1 Termination

This Agreement may be terminated prior to the Closing Date only as follows:

- (a) by written agreement between the Parties;
- (b) by Purchaser pursuant to Section 3.1(b);
- (c) by Vendor pursuant to Section 3.2(b); or
- (d) by either Party by written notice to the other Party if the Closing Date has not occurred by the Outside Date; provided that the right to terminate this Agreement under this Section 11.1(d) shall not be available to a Party whose failure to fulfill any obligation under this Agreement has caused or resulted in the failure of the Closing Date to occur on or before the Outside Date.

11.2 Effect of Termination

- (a) If this Agreement is terminated in accordance with its terms pursuant to Section 11.1 or otherwise, then:
 - (i) except for breaches of any term or condition of this Agreement before the time at which that termination occurs (which breach the applicable Party shall remain liable for) and any obligations pursuant to Section 12.12, Purchaser and Vendor shall be released and discharged from the further performance of any duties or obligations under this Agreement; and
 - (ii) if this Agreement is terminated prior to the Closing Date, neither Party shall have any Claim against the other Party under this Agreement or in connection with the Acquired Interest or otherwise in connection with the Transaction or the termination of this Agreement, other than pursuant to this Section 11.2.

- (b) If this Agreement is terminated by either Party because of a breach of this Agreement by the other Party or because a condition for the benefit of the terminating Party has not been satisfied because the other Party has failed to perform any of its obligations or covenants under this Agreement, the terminating Party's right to pursue all legal remedies will survive such termination unimpaired, except that in no circumstances shall either Party be liable for any Consequential Losses suffered, paid or incurred by the other Party or such other Party's Related Persons arising from or relating to any such termination of this Agreement. For clarity, Consequential Losses shall not include any losses suffered, sustained or incurred by the terminating Party attributable to any difference between the Purchase Price and the market value of the Acquired Interest as of the date of the termination of the Agreement.

ARTICLE 12 GENERAL

12.1 Further Assurances

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

12.2 Entire Agreement

- (a) The provisions contained in all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, the provisions of this Agreement shall prevail.
- (b) Except as provided in the Confidentiality Agreement and the Joint Venture Agreement, this Agreement supersedes all other agreements, documents, writings and verbal understandings between the Parties relating to the subject matter of this Agreement and expresses the entire agreement of the Parties with respect to the subject matter of this Agreement.

12.3 Governing Law

- (a) This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta.
- (b) Subject to Section 2.7(f) and (g), the Parties shall attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Agreement.

12.4 Assignment; Enurement

This Agreement may not be assigned by a Party without the prior written consent of the other Party, which consent may not be unreasonably withheld. This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

12.5 Expenses

Except as expressly provided hereunder to the contrary, all expenses incurred by a Party in connection with or related to the authorization, preparation and execution of this Agreement and all other matters related to the Closing of the Transaction including all fees and expense of counsel, accountants, financial advisors and auditors employed by such Party will be borne solely by such Party.

12.6 Time of Essence

Time shall be of the essence in this Agreement.

12.7 Notices

The addresses for service and the email addresses of the Parties shall be as follows:

Vendor: Gran Tierra Canada Ltd.
500 Centre Street SE
Calgary, AB T2G 1A6

Attention: [REDACTED]

Email: [REDACTED]

With a copy to: legalnotices@grantierra.com

Purchaser: Logan Energy Corp.
736 - 6th Avenue SW
Calgary, AB T2P 3T7

Attention: [REDACTED]

Email: [REDACTED]

All notices, communications and statements required, permitted or contemplated in this Agreement shall be in writing, and shall be delivered as follows:

- (a) by personal delivery or courier service on a Party at the address of such Party set out above, in which case the item so served shall be deemed to have been received on the date of delivery if such delivery takes place prior to 5:00 p.m. on a Business Day. If the actual delivery of such notice occurs after 5:00 p.m. on a Business Day or on a day that is not a Business Day, then such notice shall be deemed to have been received on the first Business Day following the date on which such actual delivery was made; or
- (b) by electronic email transmission to a Party to the email address of such Party set out above, in which case the item so transmitted shall be deemed to have been received when the recipient transmits a manual written acknowledgement of successful receipt, which the recipient shall have an affirmative duty to furnish promptly after successful receipt, if such transmission and receipt are completed prior to 5:00 p.m. on a Business Day. If such transmission and receipt are completed after 5:00 p.m. on a Business Day or on a day that is not a Business Day, then such notice shall be deemed to have been received on the first Business Day following the date on which such transmission and receipt were completed.

A Party may from time to time change its address for service or its email address or both by giving written notice of such change to the other Party.

12.8 Invalidity of Provisions

In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained in this Agreement shall not in any way be affected or impaired thereby.

12.9 Waiver

No failure on the part of any Party in exercising any right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by other Applicable Law or otherwise conferred. No waiver of any provision of this Agreement, including this Section 12.9, shall be effective otherwise than by an instrument in writing dated subsequent to the date of this Agreement, executed by a duly authorized representative of the Party making such waiver.

12.10 Survival; No Merger

The respective representations, warranties, covenants and indemnities of the Parties contained in this Agreement, including all qualifications thereof and limitations thereon, shall not be merged in any assignments, conveyances, transfers and other documents provided for under this Agreement and shall survive Closing to the extent provided in the respective terms thereof.

12.11 Amendment

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date of this Agreement, executed by a duly authorized representative of each Party.

12.12 Confidentiality and Public Announcements

- (a) Neither Party may disclose the contents of this Agreement, including the name of the other Party, or any information concerning negotiations leading to this Agreement and the Transaction, without the prior written consent of the other Party. Nothing contained in this Agreement shall prevent a Party from disclosing such information: (i) to any Governmental Authority or to the public, but in either case, only if and to the extent that such disclosure is required under any Applicable Law or any stock exchange rule or policy to which such Party or its Affiliate is subject; (ii) to obtain consents required under, or to comply with any ROFRs or other preferential, pre-emptive or first purchase rights contained in, the Title and Operating Documents and any other agreements and documents to which the Assets are subject; or (iii) if required to obtain the consent to the Transaction by Vendor's lenders (including the National Bank Consent) or other security holders and, if applicable, to obtain their release of Security Interests in, or their acknowledgement of "no interest" in, the Acquired Interest; provided that, in each such instance, the Party that proposes to make such a disclosure shall advise the other Party of such proposed disclosure and shall use its reasonable efforts to prevent the disclosure of any such information that is not required to be disclosed for the listed purposes. This Section 12.12(a) shall survive any termination of this Agreement prior to Closing for a period of one year following such termination.
- (b) The Confidentiality Agreement, insofar as it relates to "Confidential Information" (as defined in the Confidentiality Agreement) pertaining to the Assets, shall terminate effective as of Closing. To the extent that the Confidentiality Agreement relates to "Confidential Information" that pertains to

Follows

12.13 Counterpart Execution

This Agreement may be executed in any number of counterparts with the same effect as if all signatories to the counterparts had signed one document. All such counterparts shall together constitute and be construed as one instrument. For avoidance of doubt, a signed counterpart provided by way of electronic transmission shall be as binding upon the Parties as an originally signed counterpart.

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

GRAN TIERRA CANADA LTD.

LOGAN ENERGY CORP.

Per: (signed) "Gary Guidry"
Name: Gary Guidry
Title: President and Chief Executive Officer

Per: (signed) "Richard McHardy"
Name: Richard McHardy
Title: Chief Executive Officer

Name:
Title:

This is the Execution Page for the Asset Purchase and Sale Agreement Between Gran Tierra Canada Ltd. and Logan Energy Corp. dated November 26, 2024

[SCHEDULES REDACTED]