

UNDERWRITING AGREEMENT

September 13, 2023

Lycos Energy Inc.
215 – 2nd Street SW, Suite 1900
Calgary, Alberta, T2P 1M4

Attention: Mr. Dave Burton, President and Chief Executive Officer

Dear Sir:

Re: Short Form Prospectus Offering of Common Shares

National Bank Financial Inc., as bookrunner and lead underwriter, (the "**Lead Underwriter**"), BMO Nesbitt Burns Inc., Peters & Co. Limited, Eight Capital, Haywood Securities Inc. and Paradigm Capital Inc. (collectively, and together with the Lead Underwriter, the "**Underwriters**") understand that Lycos Energy Inc. (the "**Corporation**") proposes to issue and sell 8,574,000 common shares ("**Firm Shares**") of the Corporation at a price of \$3.55 per Firm Share (the "**Offering Price**") pursuant to the Prospectuses (as defined herein) for aggregate gross proceeds to the Corporation of \$30,437,700 (the "**Offering**").

Upon and subject to the terms and conditions hereof, the Underwriters hereby severally, and not jointly, nor jointly and severally, agree to purchase from the Corporation at the Closing Time (as defined herein) in the respective percentages set forth in Section 19.1 hereof, and the Corporation hereby agrees to issue and sell to the Underwriters at the Closing Time all, but not less than all, of the Firm Shares at the Offering Price.

In consideration of the Underwriters' agreement to purchase the Firm Shares, the Corporation hereby grants to the Underwriters an option (the "**Over-Allotment Option**") to purchase from the Corporation, at the Underwriters' election, up to an additional 1,286,100 common shares of the Corporation (the "**Option Shares**"). The Underwriters may exercise the Over-Allotment Option, in whole or in part, at any time and from time to time prior to 5:00 p.m. (Calgary time) on the date that is 30 days following the Closing Date for the purposes of covering over-allotments at the Closing Time, if any, and for market stabilization purposes, by written notice to the Corporation setting forth the number of Option Shares to be purchased. In the event and to the extent that the Underwriters exercise the Over-Allotment Option, subject to the terms and conditions hereof, the Underwriters hereby severally, and not jointly, nor jointly and severally, agree to purchase from the Corporation the number of Option Shares as to which the Over-Allotment Option shall have been exercised in the respective percentages set forth in Section 19.1 hereof, and the Corporation hereby agrees to issue and sell such number of Option Shares to the Underwriters at the Offering Price.

The Underwriters will offer the Offered Shares (as defined herein) initially at the Offering Price. After a reasonable effort has been made to sell all of the Offered Shares at the Offering Price, the Underwriters may subsequently reduce the price at which the Offered Shares are offered. Any such reduction shall not reduce the proceeds received by the Corporation in accordance with this Agreement.

The Underwriters shall be entitled (but not obligated) in connection with the offering and sale of the Offered Shares to retain as sub-agents other registered securities dealers and may receive subscriptions for Offered Shares from subscribers from other registered dealers. The fee payable to any such sub-agent shall be for the account of the Underwriters.

Notwithstanding anything to the contrary contained herein and subject to the terms and conditions hereof, the Underwriters, acting by or through their U.S. Affiliates (as defined in Schedule A hereto), in accordance with Schedule A hereto, shall have the exclusive right to offer and sell the Offered Shares in the United States (as defined herein) to Qualified Institutional Buyers (as defined herein) in accordance with Rule 144A (as defined herein) and in accordance with applicable state securities laws and the provisions of Schedule A hereto. The Corporation and the Underwriters agree that any offers and sales or purchases of the Offered Shares in the United States: (a) will be made in accordance with Schedule A hereto, which forms part of this Agreement; (b) will be conducted in such a manner so as not to require registration thereof under the U.S. *Securities Act* (as defined herein); and (c) will be conducted by the Underwriters or by or through their U.S. Affiliates that are duly registered as a securities broker or dealer under the U.S. *Exchange Act* (as defined herein) and in compliance with all other United States federal and state securities laws as well as regulatory authority rules.

The terms and conditions of this Agreement among the Corporation and the Underwriters are as set forth below.

TERMS AND CONDITIONS

1. **Definitions and Interpretation.**

1.1 In this Agreement, including the recitals hereto, unless the context otherwise requires:

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

"**Acquisition**" means the proposed acquisition of all of the issued and outstanding equity interests of Durham Creek pursuant to the terms of the Arrangement Agreement;

"**affiliate**" has the meaning given thereto in NI 45-106;

"**Agreement**", "**hereto**", "**herein**", "**hereby**", "**hereunder**", "**hereof**" and similar expressions mean and refer to this agreement among the Corporation and the Underwriters and all schedules, appendices and exhibits hereto and not to any particular section, paragraph or other part of this agreement, as amended from time to time;

"**Applicable Securities Laws**" means, collectively, the Canadian Securities Laws and the U.S. Securities Laws;

"**Arrangement Agreement**" means the arrangement agreement dated September 13, 2023 between Durham Creek and the Corporation, in relation to the Acquisition, as the same may be amended or supplemented from time to time;

"**ASC**" means the Alberta Securities Commission;

"**Auditor**" means KPMG LLP, Chartered Accountants;

"**Business Day**" means any day of the year other than a Saturday, Sunday or statutory holiday, on which banks are open for business in Calgary, Alberta and Toronto, Ontario;

"**Canadian Securities Laws**" means, collectively, all applicable securities laws of each of the Qualifying Provinces and the respective rules and regulations thereunder of the Regulatory Authorities in the Qualifying Provinces, in each case as amended or replaced;

"**CIRO**" means the Canadian Investment Regulatory Organization (or any successor regulatory authority);

"**Claim**" has the meaning given thereto in Section 13.1;

"**Closing**" means the completion of the sale by the Corporation of the Firm Shares and the purchase thereof by the Underwriters pursuant to this Agreement;

"**Closing Date**" means October 16, 2023, or such other date as the Corporation and the Underwriters may mutually agree upon in writing;

"**Closing Time**" means 6:00 a.m. (Calgary time) or such other time on the Closing Date as the Corporation and the Underwriters may mutually agree upon in writing;

"**Common Shares**" means common shares in the capital of the Corporation;

"**Contract**" means any contract, indenture, mortgage, hypothec, deed of trust, loan agreement, note, lease, license, franchise agreement, authorization, permit, certificate or other agreement or document to which any of the Corporation is a party or by which any of them is bound, or to which any of them or any of their respective assets or businesses is subject;

"**Corporation**" has the meaning given to such term in the first paragraph of this Agreement;

"**Credit Agreement**" means the offering letter dated January 16, 2023 between the Corporation and the National Bank of Canada providing for an uncommitted demand revolving credit facility of up to \$20.0 million, as amended by an amending agreement dated May 24, 2023, increasing the revolving credit facility from \$20.0 million to \$35.0 million, and as further amended by a second amending agreement dated August 24, 2023;

"**Due Diligence Session**" has the meaning set forth in Section 3.4;

"**Durham Creek**" means Durham Creek Exploration Ltd.;

"**Environmental Laws**" has the meaning given thereto in Section 7.2(ee)(i);

"**Environmental Permits**" has the meaning given thereto in Section 7.2(ee)(ii);

"**Exchange**" means the TSX Venture Exchange;

"**Financial Statements**" means the Corporation's audited consolidated financial statements as at and for the fiscal years ended December 31, 2022 and 2021, and the notes thereto and the auditor's report thereon and the Corporation's unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2023 and 2022;

"**Governmental Authority**" means any government, parliament, legislature, or any regulatory authority, agency, commission or board of any government, parliament or legislature, or any court or (without limitation to the foregoing) any other law, regulation or rule-making entity (including,

without limitation, any stock exchange, securities regulatory authority, central bank, fiscal or monetary authority or authority regulating banks) having jurisdiction in the relevant circumstances;

"**GST**" has the meaning given thereto in Section 2.2;

"**IFRS**" means the International Financial Reporting Standards;

"**Indemnified Parties**" has the meaning given thereto in Section 13.1;

"**Laws**" means any and all laws, including all federal, state, provincial and local statutes, codes, ordinances, guidelines, decrees, rules, regulations and municipal by-laws and all judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, directives, decisions, rulings or awards or other requirements of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used;

"**marketing materials**" has the meaning ascribed to such term in NI 41-101;

"**MI 11-102**" means Multilateral Instrument 11-102 – Passport System, as amended or replaced;

"**Money Laundering Laws**" has the meaning given thereto in Section 7.2(uu);

"**NI 41-101**" means National Instrument 41-101 – General Prospectus Requirements, adopted by the Canadian Securities Administrators, as amended or replaced;

"**NI 44-101**" means National Instrument 44-101 – Short Form Prospectus Distributions, adopted by the Canadian Securities Administrators, as amended or replaced;

"**NP 11-202**" means National Policy 11-202 – Process for Prospectus Reviews in Multiple Jurisdictions, as amended or replaced;

"**OFAC**" has the meaning given thereto in Section 7.2(vv);

"**Offered Shares**" means, collectively, the Firm Shares and the Option Shares;

"**Offering**" has the meaning given to such term in the first paragraph of this Agreement;

"**Offering Documents**" means, collectively, the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum and any Supplementary Material;

"**Passport System**" means the system and procedures for prospectus filing and review under MI 11-102 and NP 11-202;

"**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

"**Preferred Shares**" has the meaning given thereto in Section 7.2(j);

"**Preliminary Prospectus**" means the preliminary short form prospectus of the Corporation to be dated September 19, 2023, in respect of the distribution of the Offered Shares;

"**Preliminary U.S. Placement Memorandum**" means the preliminary U.S. private placement memorandum, including the Preliminary Prospectus, to be delivered in connection with the offer and sale of the Offered Shares to Qualified Institutional Buyers in the United States and referred to in Schedule A hereto and in a form mutually agreed by the Corporation and the Underwriters;

"**Prospectus**" means the (final) short form prospectus of the Corporation in respect of the distribution of the Offered Shares, including any documents incorporated by reference therein;

"**Prospectuses**" means, collectively, the Preliminary Prospectus and the Prospectus;

"**Public Record**" means all information filed by or on behalf of the Corporation and made available to the public on SEDAR or SEDAR+ after December 31, 2022, in compliance, or intended compliance, with any Canadian Securities Laws;

"**Qualified Institutional Buyer**" means a qualified institutional buyer within the meaning of Rule 144A;

"**Qualifying Provinces**" means, collectively, each of the provinces of Canada other than Québec;

"**Regulatory Authorities**" means, collectively, the applicable securities commissions or similar securities regulatory authorities in each of the Qualifying Provinces and, unless otherwise indicated, the SEC, and "**Regulatory Authority**" means any one of them;

"**Rule 144A**" means Rule 144A adopted by the SEC under the U.S. *Securities Act*;

"**SEC**" means the U.S. Securities and Exchange Commission;

"**Securities Commissions**" means the securities commissions or similar regulatory authorities in the Qualifying Provinces;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**SEDAR+**" means the System for Electronic Data Analysis and Retrieval +;

"**Selling Firms**" has the meaning given thereto in Section 11.1;

"**standard term sheet**" has the meaning ascribed to such term in NI 41-101;

"**Sproule**" means Sproule Associates Limited;

"**Sproule Report**" means the independent engineering evaluation of the Corporation's crude oil, natural gas and natural gas liquids reserves prepared by Sproule as at December 31, 2022, with a preparation date of March 14, 2023;

"**subsidiary**" has the meaning given thereto in NI 45-106 and any Person in which the applicable Person has, directly or indirectly, a 50% or greater interest;

"**Supplementary Material**" means, collectively, any amendment or supplement to any of the Preliminary Prospectus, Prospectus, Preliminary U.S. Placement Memorandum or U.S. Placement

Memorandum, any amended or supplemented Preliminary Prospectus, Prospectus, Preliminary U.S. Placement Memorandum or U.S. Placement Memorandum or any ancillary material, information, evidence, return, report, application, statement or document which may be filed by or on behalf of the Corporation under Applicable Securities Laws or pursuant to the requirements of applicable securities laws, rules and regulations in the United States;

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

"**Tax Act**" means the *Income Tax Act* (Canada) and the rules and regulations thereunder, in each case as amended or replaced;

"**template version**" has the meaning ascribed to such term in NI 41-101;

"**to the best of the knowledge, information and belief**" means, unless otherwise expressly stated, a statement of the Person's knowledge (and, in the case of the Corporation, the knowledge of its executive officers) of the facts or circumstances to which such phrase relates, after such Person or such officers, as the case may be, have made due inquiries and investigations in connection with such facts and circumstances that would ordinarily be made in the discharge of such Person's or executive officer's duties and without personal liability;

"**Underwriters**" has the meaning given to such term in the first paragraph of this Agreement;

"**Underwriters' Fee**" has the meaning given thereto in Section 2.1;

"**Underwriters' Information**" means, in respect of the Prospectuses or any Supplementary Material, any statements contained therein relating solely to and furnished in writing by the Underwriters or their legal counsel for purposes of inclusion therein;

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

"**U.S. Exchange Act**" has the meaning given thereto in Schedule A hereto;

"**U.S. Placement Memorandum**" means the U.S. private placement memorandum, including the Prospectus, to be delivered in connection with the offer and sale of the Offered Shares to Qualified Institutional Buyers in the United States and referred to in Schedule A hereto and in the form mutually agreed to by the Corporation and the Underwriters;

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

"**U.S. Securities Laws**" means, collectively, all applicable securities laws of the United States as described in Schedule A hereto, including, without limitation, the U.S. *Securities Act*, the U.S. *Exchange Act* and the respective rules and regulations thereunder, and any applicable state securities laws, in each case as amended or replaced.

- 1.2 In this Agreement, "**misrepresentation**", "**material change**" and "**material fact**" shall have the meanings ascribed thereto under Applicable Securities Laws; "distribution" means "**distribution**" or "**distribution to the public**", as the case may be, as defined under Applicable Securities Laws; and "**distribute**" has a corresponding meaning.
- 1.3 In this Agreement, "**to the best of the Corporation's knowledge, information and belief**" or equivalent statement, means, a statement as to the knowledge of each of the senior officers of the Corporation about the facts or circumstances to which such phrase relates, after having made due and applicable inquiries and investigations in connection with such facts and circumstances that would ordinarily be made by senior officers of exploration and production firms in the discharge of their duties, without special inquiry for the purpose of the Offering. In this Agreement, "**to the knowledge of the Corporation**", or equivalent statement, means, a statement as to the actual knowledge of each of the senior officers of the Corporation about the facts or circumstances to which such phrase relates.
- 1.4 In addition, unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed thereto in the Preliminary Prospectus.
- 1.5 The division of this Agreement into articles, sections, paragraphs and clauses and the provision of headings is for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to articles, sections, paragraphs or clauses are to articles, sections, paragraphs or clauses of this Agreement.
- 1.6 Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing persons shall include individuals, partnerships, trusts, corporations, governments and governmental authorities and vice versa.
- 2. Underwriters' Compensation.**
- 2.1 In consideration for the services performed by the Underwriters pursuant to this Agreement, the Corporation agrees to pay the Underwriters:
- (a) at the Closing Time, a fee of \$0.1775 per Offered Share purchased, including any Offered Share purchased by the Underwriters as principal hereunder; and
 - (b) at the Additional Closing Time, a fee of \$0.1775 per Offered Share purchased, including any Option Shares purchased by the Underwriters as principal hereunder,
- (collectively, the "**Underwriters' Fee**").
- 2.2 For greater certainty, the services provided by the Underwriters in connection herewith will not be subject to the Goods and Services Tax and the Harmonized Sales Tax payable pursuant to the *Excise Tax Act* (Canada) (collectively, "**GST**") and taxable supplies provided will be incidental to the exempt financial services provided. In the event that the Canada Revenue Agency determines that GST is exigible on the Underwriters' Fee, the Corporation agrees to pay the amount of GST forthwith upon the request of the Underwriters.

3. Qualification for Sale.

- 3.1 The Corporation represents and warrants to the Underwriters that it is eligible to use the short form prospectus offering qualification system as described in NI 44-101 for the distribution of the Offered Shares.
- 3.2 The Corporation shall elect and comply in all material respects with the Passport System and shall:
- (a) not later than 3:00 p.m. (Calgary time) on September 19, 2023 have prepared and filed the Preliminary Prospectus and other documents required under Applicable Securities Laws with the Securities Commissions and designated the ASC as the principal regulator;
 - (b) have obtained, under the Passport System, a preliminary receipt dated not later than September 19, 2023, evidencing that a receipt has been issued, or has been deemed to be issued, for the Preliminary Prospectus in each Qualifying Province;
 - (c) forthwith after any comments of the Securities Commissions with respect to the Preliminary Prospectus have been addressed to the satisfaction of the Securities Commissions:
 - (i) but not later than September 25, 2023 (or such later date as may be agreed to in writing by the Corporation and the Underwriters), have prepared and filed the Prospectus and other documents required under Applicable Securities Laws with the Securities Commissions; and
 - (ii) have obtained, under the Passport System, a final receipt dated not later than September 25, 2023 (or such later date as may be agreed to in writing by the Corporation and the Underwriters), evidencing that a receipt has been issued, or has been deemed to be issued, for the Prospectus in each Qualifying Province, or otherwise obtained a receipt for the Prospectus from each of the Securities Commissions;

and otherwise fulfilled all legal requirements to enable the Offered Shares to be offered and sold to the public in each of the Qualifying Provinces through the Underwriters or any other investment dealer or broker registered in the appropriate category in the applicable Qualifying Province; and
 - (d) until the completion of the distribution of the Offered Shares, promptly take all additional steps and proceedings that from time to time may be required under Applicable Securities Laws to continue to qualify the Offered Shares for distribution or, in the event that the Offered Shares have, for any reason, ceased to so qualify, to again qualify the Offered Shares for distribution.
- 3.3 Prior to the filing of the Prospectuses and, during the period of distribution of the Offered Shares, prior to the filing with any Securities Commissions of any Supplementary Material, the Corporation shall have allowed the Underwriters and the Underwriters' counsel to participate fully in the preparation of, and to approve the form of, such documents and to have reviewed any documents incorporated by reference therein.
- 3.4 During the period of the distribution of the Offered Shares, the Corporation shall allow the Underwriters to conduct all due diligence which they may reasonably require in order to fulfil their

obligations as underwriters and, with respect to the Offering, in order to enable the Underwriters to responsibly execute the certificates required to be executed by them in the Prospectuses or in any Supplementary Material. Without limiting the generality of the foregoing, the Corporation shall make available its directors, senior management and audit committee and use its reasonable commercial efforts to make available its auditors (including of any predecessor entity or business), independent engineers (including of any predecessor entity or business) and legal counsel and any other auditors or reserves evaluators who prepared or certified a report, valuation, statement or opinion included, or incorporated by reference, in the Prospectuses to answer any questions which the Underwriters may have and to participate in one or more due diligence sessions to be held prior to the Closing Time (the "**Due Diligence Session**"). The Underwriters shall distribute a list of written questions to be answered in advance of such Due Diligence Session and the Corporation shall provide written responses to such questions in advance of such Due Diligence Session and shall use its best efforts to have the above-mentioned auditors, independent engineers and legal counsel provide written responses to such questions in advance of the Due Diligence Session.

3.5 During the period of distribution of the Offered Shares:

- (a) the Corporation and the Lead Underwriter shall approve in writing, prior to such time marketing materials are provided to potential investors, a template version of any marketing materials reasonably requested to be provided by the Underwriters to any such potential investor, such marketing materials to comply with Applicable Securities Laws. The Corporation shall file a template version of any such marketing materials with the Securities Commissions as soon as reasonably practicable after such marketing materials are so approved in writing by the Corporation and the Lead Underwriter, on behalf of the Underwriters, and in any event on or before the day the marketing materials are first provided to any potential investor of Offered Shares, and such filing shall constitute the Underwriters' authority to use such marketing materials in connection with the Offering. Any comparables shall be redacted from the template version in accordance with NI 44-101 prior to filing such template version with the Securities Commissions and a complete template version containing such comparables and any disclosure relating to the comparables, if any, shall be delivered to the Securities Commissions by the Corporation. The Corporation shall prepare and file with the Securities Commissions a revised template version of any marketing materials provided to potential investors in Offered Shares where required under Applicable Securities Laws; and
- (b) the Corporation, and the Underwriters, on a several basis (and not joint, nor joint and several), covenant and agree:
 - (i) not to provide any potential investor of Offered Shares with any marketing materials unless a template version of such marketing materials has been filed by the Corporation with the Securities Commissions on or before the day such marketing materials are first provided to any potential investor of Offered Shares;
 - (ii) not to provide any potential investor with any materials or information in relation to the distribution of the Offered Shares or the Corporation other than: (A) such marketing materials that have been approved and filed in accordance with this Section 3.5; (B) the Prospectuses; and (C) any standard term sheets approved in writing by the Corporation and the Lead Underwriter; and
 - (iii) that any marketing materials approved and filed in accordance with this Section 3.5, and any standard term sheets approved in writing by the Corporation and the

Lead Underwriter, shall only be provided to potential investors in the Qualifying Provinces.

- 3.6 The Corporation shall take or cause to be taken all such other steps and proceedings, including fulfilling all legal, regulatory and other requirements, as required under Applicable Securities Laws to qualify the Offered Shares for distribution to the public in the Qualifying Provinces.
- 3.7 The Corporation shall take or cause to be taken all such other steps and proceedings, including fulfilling all legal, regulatory and other requirements, as required under U.S. Securities Laws to qualify the Offered Shares to be offered and sold, in accordance with Schedule A hereto, in transactions exempt from the registration requirement of the U.S. Securities Act and applicable state securities laws, and for sale internationally as permitted by applicable laws.

4. Delivery of Prospectuses and Related Documents.

The Corporation shall deliver or cause to be delivered without charge, to the Underwriters and their counsel, the documents set out below at the respective times indicated:

- 4.1 prior to or contemporaneously, as nearly as practicable, with the filing with the Securities Commissions of each of the Preliminary Prospectus and the Prospectus:
- (a) copies of the Preliminary Prospectus and the Prospectus signed as required by Applicable Securities Laws, as applicable;
 - (b) copies of the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum, as applicable;
 - (c) upon request by the Underwriters, copies of any documents incorporated by reference in either of the Prospectuses which have not previously been delivered to the Underwriters; and
 - (d) a copy of any other document required to be filed by the Corporation under Applicable Securities Laws;
- 4.2 as soon as they are available, copies of any Supplementary Materials signed as required by Applicable Securities Laws and including, in each case, copies of any documents incorporated by reference therein which have not been previously delivered to the Underwriters; and
- 4.3 prior to the filing of the Prospectus with the Securities Commissions, a "comfort letter" from the Corporation's auditors (including of any predecessor entity or business) and any other auditors who have audited any of the financial statements or operating statements included in the Prospectus, dated the date of the Prospectus, addressed to the Underwriters and reasonably satisfactory in form and substance to the Underwriters and the Underwriters' counsel, to the effect that they have carried out certain procedures performed for the purposes of comparing certain specified financial information and percentages appearing in the Prospectus with indicated amounts in the financial statements or accounting records of the Corporation and have found such information and percentages to be in agreement, which comfort letter shall be based on the Corporation's auditors and other applicable auditors' review having a cut-off date of not more than two Business Days prior to the date of the Prospectus.

Comfort letters and opinions similar to the foregoing shall be provided to the Underwriters with respect to any Supplementary Material and any other relevant document at the time the same is presented to the Underwriters for their signature or, if the Underwriters' signatures are not required, at the time the same is filed with the Securities Commissions. All such letters and opinions shall be in form and substance acceptable to the Underwriters and the Underwriters' counsel, acting reasonably.

The deliveries referred to in Sections 4.1 and 4.2 shall also constitute the Corporation's consent to the use by the Underwriters, the U.S. Affiliates and other members of the Selling Dealer Group (as defined in Schedule A hereto) of the Prospectuses, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum and any Supplementary Material in connection with the Offering.

5. Commercial Copies.

- 5.1 The Corporation shall, as soon as possible but in any event not later than noon (local time at the place of delivery) on the Business Day following the date the receipt has been issued under the Passport System for the filing of the Preliminary Prospectus or the Prospectus, as the case may be, with the Securities Commissions and no later than noon (local time) on the first Business Day after the execution of any Supplementary Material in connection with the Prospectuses cause to be delivered to the Underwriters, without charge, commercial copies of the Preliminary Prospectus, the Prospectus or such Supplementary Material in such numbers and in such cities as the Underwriters may reasonably request by oral or written instructions to the Corporation, the Corporation's counsel or the printer thereof.
- 5.2 The Corporation shall cause to be provided to the Underwriters such number of copies of any documents incorporated by reference in the Preliminary Prospectus, the Prospectus or any Supplementary Materials as the Underwriters may reasonably request.
- 5.3 The Corporation will similarly cause to be delivered to the Underwriters, at those delivery points as the Underwriters may reasonably request, commercial copies of the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum and any Supplementary Material required to be delivered to purchasers or prospective purchasers of the Offered Shares. Each delivery of the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum and any such Supplementary Material will constitute consent by the Corporation to the use of the U.S. Placement Memorandum and any such Supplementary Material required to be prepared and/or filed under *U.S. Securities Act* or any state securities laws by the U.S. broker-dealer affiliates of the Underwriters and members of their selling group (if any) for the distribution of the Offered Shares for sale by them in the United States in accordance with this Agreement.

6. Material Change and Certain Other Covenants.

- 6.1 During the period of distribution of the Offered Shares, the Corporation will promptly inform the Underwriters in writing of the full particulars of:
 - (a) any material change (financial or otherwise) in the business, affairs, assets or liabilities (absolute, accrued, contingent or otherwise) or capital of the Corporation or in or affecting the Acquisition;
 - (b) any change in any material fact contained, referred to or incorporated by reference in the Offering Documents; and

- (c) the occurrence or discovery of a material fact or event which, in any such case, is, or may be, of such a nature as to:
 - (i) render the Offering Documents untrue, false or misleading in any material respect;
 - (ii) result in a misrepresentation in the Offering Documents; or
 - (iii) result in the Offering Documents not complying in any material respect with Applicable Securities Laws,

that the Corporation has knowledge of or is made aware of; provided that if the Corporation is uncertain as to whether a material change, change, occurrence or event of the nature referred to in this Section 6 has occurred or been discovered, the Corporation shall promptly inform the Underwriters of the full particulars of the occurrence or discovery giving rise to the uncertainty and shall consult with the Lead Underwriter as to whether the occurrence is of such nature.

6.2 During the period of distribution of the Offered Shares, the Corporation will promptly inform the Underwriters in writing of the full particulars of:

- (a) any request of any Regulatory Authority or similar regulatory authority for any amendment to, or to suspend or prevent the use of, the Offering Documents;
- (b) the issuance by any Regulatory Authority or similar regulatory authority, the Exchange, or any other competent authority of any order to cease or suspend trading of any securities of the Corporation or of the institution or threat of institution of any proceedings for that purpose; and
- (c) the receipt by the Corporation of any communication from any Regulatory Authority or similar regulatory authority, the Exchange, or any other competent authority relating to the Offering Documents, any part of the Public Record or the distribution of the Offered Shares.

6.3 The Corporation will comply, within any applicable time limitations, with Applicable Securities Laws with respect to all applicable filing and other requirements under Applicable Securities Laws in connection with the matters referred to in Sections 6.1 and 6.2, if any, and the Corporation will prepare, if applicable, and file promptly any Supplementary Material as may be required under Applicable Securities Laws; provided that the Corporation shall have allowed the Underwriters and their counsel to participate fully in the preparation of any Supplementary Material, to have reviewed any other documents incorporated by reference therein and conduct all due diligence investigations which the Underwriters may reasonably require in order to fulfill their obligations hereunder in accordance with Applicable Securities Laws, such participation, review and investigation not to be unreasonably withheld or conditioned and to be provided in a timely manner.

6.4 During the period of distribution of the Offered Shares, the Corporation will promptly inform the Underwriters for review by them and their counsel, prior to filing or issuance:

- (a) any financial statements of the Corporation;
- (b) any proposed document of the type required by NI 44-101 to be incorporated by reference in a short form prospectus;

- (c) any press release of the Corporation; and
 - (d) any Supplementary Materials.
- 6.5 During the period of distribution of the Offered Shares, the Corporation will promptly advise the Underwriters: (i) of any amendment or proposed amendment to the Arrangement Agreement or waiver or proposed waiver of any term, provision or condition thereof (which shall include any extension of the outside date therein beyond October 16, 2023); (ii) if it becomes aware that any of the representations and warranties of any party to the Arrangement Agreement cease to be true and correct in any material respect or if the Corporation becomes aware that there is any change of any material fact or event which is, or may become of such a nature as to render any such representations and warranties, or any information provided to the Underwriters in respect of the Acquisition, untrue, false or misleading in any material respect; and (iii) if the Arrangement Agreement or any ancillary agreement material to the completion of the Acquisition is terminated, or the Corporation determines it will not be proceeding with the Acquisition.
- 6.6 The Corporation will use its reasonable commercial efforts to expeditiously pursue the satisfaction of all conditions to the completion of the Acquisition.
- 6.7 The Corporation agrees to apply the net proceeds from the issue and sale of the Offered Shares hereunder in accordance with the disclosure set forth under the heading "Use of Proceeds" in the Prospectuses.
- 6.8 The Corporation will file all necessary forms and reports in connection with the issuance of the Offered Shares hereunder with the appropriate Securities Commissions and other Regulatory Authorities in connection with the Offering.
- 6.9 The Corporation will use its reasonable best efforts to obtain, prior to the Closing Time, all necessary approvals of the Exchange for the issuance of the Offered Shares and the listing of the Offered Shares for trading on the Exchange, subject only to the filing of required documents which cannot reasonably be filed until after the Closing Time.
- 7. Representations, Warranties and Covenants.**
- 7.1 Each delivery of the Offering Documents pursuant to Section 4 shall constitute a representation and warranty to the Underwriters by the Corporation (and the Corporation hereby acknowledges that each of the Underwriters is relying on such representations and warranties in entering into this Agreement) that:
- (a) all of the information and statements (except Underwriters' Information) contained in each Offering Document, as applicable, including, the documents incorporated by reference therein, as the case may be:
 - (i) are at the respective dates of such documents and statements, true and correct in all material respects;
 - (ii) contain no misrepresentation; and
 - (iii) constitute full, true and plain disclosure of all material facts relating to the Corporation, the Offered Shares and the Acquisition.

- (b) each of the Offering Documents complies in all material respects with Applicable Securities Laws;
- (c) except as is disclosed in the Public Record, there has been no intervening material change (actual, proposed or prospective, whether financial or otherwise), from the date of each of the Offering Documents to the time of delivery thereof, in the business, operations, revenues, capital, properties, affairs, assets or liabilities (absolute, accrued, contingent or otherwise) or capital of the Corporation; and
- (d) the Corporation has made the representations, warranties and covenants in Schedule A hereto and agrees to comply with the selling restrictions imposed by the U.S. Securities Laws as described in Schedule A hereto, which forms part of this Agreement.

7.2 The Corporation further represents and warrants to, and covenants with, the Underwriters (and the Corporation hereby acknowledges that each of the Underwriters is relying on such representations, warranties and covenants in entering into this Agreement) as follows:

- (a) Status.
 - (i) Status of the Corporation. The Corporation is a corporation duly amalgamated, organized and subsisting under the ABCA and has all requisite corporate power, capacity and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and as proposed to be conducted as contemplated in the Offering Documents, and to enter into and deliver this Agreement and the Arrangement Agreement and to perform its obligations hereunder and thereunder; and the Corporation is duly qualified as an extra-provincial or foreign corporation to transact business and is in good standing in each other jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not result in a material adverse effect.
 - (ii) No Subsidiaries. The Corporation has no direct or indirect subsidiaries and, except as disclosed to the Underwriters, the Corporation has no interest in any joint venture entity or is a partner of any partnership with partners.
- (b) Authority and Legally Binding. All necessary action has been taken by the Corporation to authorize the execution and delivery by the Corporation of this Agreement, the Arrangement Agreement and the performance by the Corporation of its obligations hereunder and thereunder, and this Agreement and the Arrangement Agreement have been duly executed and delivered by and constitute valid and legally binding obligations of the Corporation, enforceable against it in accordance with their respective terms, subject to the qualifications on enforceability to be set forth in the opinions required under Section 9.1 hereof.
- (c) Offering Documents. The Corporation has all requisite power, capacity and authority to execute and deliver the Offering Documents to the Underwriters and, if required pursuant to Canadian Securities Laws, to deliver such documents to the Regulatory Authorities in the applicable Qualifying Provinces, and all necessary action has been taken by the Corporation to authorize such matters. The attributes and characteristics of the Offered

Shares conform in all material respects to the attributes and characteristics thereof described in the Offering Documents.

- (d) Issuance of Shares. The Corporation has full power and authority to issue the Offered Shares and, at the Closing Date, the Offered Shares will be duly and validly authorized, allotted and reserved for issuance and, upon receipt of the purchase price therefor, will be issued as fully paid and non-assessable.
- (e) No Shareholder Action. No action, approval, consent or vote on the part of the shareholders of the Corporation is or shall be necessary to consummate the transactions contemplated by this Agreement or the Arrangement Agreement.
- (f) Financial Information.
 - (i) Financial Statements. The Financial Statements fairly present, in accordance with IFRS, consistently applied, the financial position and condition, the results of operations, cash flows and the other information purported to be shown therein of the Corporation as at the dates thereof and for the periods then ended and reflect all assets, liabilities and obligations (absolute, accrued, contingent or otherwise) of the Corporation as at the dates thereof required to be disclosed by IFRS and include all adjustments necessary for fair presentation.
 - (ii) Auditor Independence. The Auditor is independent with respect to the Corporation within the meaning of the CPA Canada Handbook and the rules and regulations thereunder as of the date of this Agreement and during the period covered by the Financial Statements on which they reported there has not been any reportable event (within the meaning of Canadian Securities Laws).
 - (iii) Books of Account. The books of account and other records of the Corporation, whether of a financial or accounting nature or otherwise, have been maintained in accordance with prudent business practices.
- (g) Internal Accounting Controls. The Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Corporation is not aware of any material weaknesses in its internal controls over financial reporting.
- (h) Internal Disclosure Controls. The Corporation maintains a system of disclosure controls and procedures that is designed to provide reasonable assurance that information required to be disclosed by the Corporation under Canadian Securities Laws is recorded, processed, summarized and reported within the time periods specified under Canadian Securities Laws and that information required to be disclosed by the Corporation under Canadian Securities Laws is accumulated and communicated to the Corporation's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

- (i) No Material Change. Except as disclosed in the Public Record, subsequent to December 31, 2022, there has not been any material change (financial or otherwise) in the business, affairs, assets or liabilities (absolute, accrued, contingent or otherwise) or capital of the Corporation and no event has occurred or circumstance exists which would reasonably be expected to result in such a material change and, since that date, the Corporation has conducted its affairs in the ordinary course of business, except as disclosed in the Public Record.
- (j) Capital of the Corporation. The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares ("**Preferred Shares**"). 40,404,140 Common Shares are issued and outstanding as of the date hereof, each of which is validly issued, fully paid and non-assessable. There are no Preferred Shares issued and outstanding as of the date hereof.
- (k) Convertible Securities. As of the date hereof, no Person holds any securities convertible into or exchangeable for Common Shares or has any agreement, warrant, option, right or privilege being or capable of becoming an agreement, warrant, option or right (whether or not on condition(s)) for the purchase or other acquisition of any unissued Common Shares or other securities of the Corporation except in respect of: (i) 2,134,375 Common Shares subject to options granted by the Corporation pursuant to its stock option plan; and (ii) 5,706,262 Common Share purchase warrants, each entitling the holder thereof to purchase 1 (one) Common Share at an exercise price of \$2.24 per Common Share.
- (l) Insider Indebtedness. The Corporation does not have any loans or other indebtedness which have been made to or from any of its shareholders, officers, directors or employees or any other Person not dealing at arm's length with the Corporation that are currently outstanding.
- (m) Insider Shareholdings. None of the directors, officers or employees of the Corporation, or, to the knowledge of the Corporation, any Person who owns, directly or indirectly, more than 10% of any class of securities of the Corporation, or any associate or affiliate of any of the foregoing, had or has any material interest, direct or indirect, in any material transaction or any proposed material transaction with the Corporation which, as the case may be, materially affects, is material to or will materially affect the Corporation.
- (n) Directors and Officers. To the best of the knowledge, information and belief of the Corporation, none of its directors or officers are subject to an order or ruling of any Governmental Authority prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange.
- (o) Transfer Agent. Odyssey Trust Company, at its principal offices in Calgary, Alberta, is the duly appointed registrar and transfer agent of the Corporation.
- (p) Exchange Matters. The issued and outstanding Common Shares are listed and posted for trading on the Exchange and the Corporation is in compliance in all material respects with the by-laws, policies, rules and regulations of the Exchange.
- (q) Securities Laws Consents. No authorization, approval or consent of any Governmental Authority is required to be obtained by the Corporation in connection with the sale and delivery of the Offered Shares hereunder except such as may be required by the Exchange pursuant to Applicable Securities Laws.

- (r) No Restrictions on Dividends or other Payments. Except as set forth in the Credit Agreement and subject to applicable Laws, the Corporation is not prohibited, directly or indirectly, from paying dividends or from paying interest or repaying any of its respective loans, advances or other indebtedness.
- (s) Compliance with Laws and No Restrictions on Business. To the best of the knowledge, information and belief of the Corporation, the Corporation has conducted and is conducting its activities or business in compliance with all applicable Laws, including, without limitation, those of the country, province and municipality in which the Corporation carries on business or conducts its activities, other than that which would, individually or in the aggregate, not reasonably be expected to have a material adverse effect on the Corporation. In addition, to the best of the knowledge, information and belief of the Corporation, the Corporation has not received any notice from any court or Governmental Authority of any restriction on its ability to conduct its business as it is currently conducted or proposed to be conducted, or to own, lease or operate its properties and assets, other than that which would, individually or in the aggregate, not reasonably be expected to have a material adverse effect on the Corporation.
- (t) Permits. In respect of the assets and properties of the Corporation, the Corporation holds all valid licenses, permits and similar rights and privileges that are required and necessary under Laws to operate its assets and properties as presently operated or as proposed to be operated and where the failure to so hold such licenses and permits would constitute a material adverse effect on the Corporation.
- (u) Liabilities, Obligations, Indebtedness. The Corporation does not have any liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed in or referred to in the Financial Statements or referred to or disclosed herein or in the Offering Documents, other than liabilities, obligations, indebtedness or commitments (i) incurred in the normal course of business, or (ii) which are not material to the Corporation.
- (v) Swaps. The Corporation is not a party to any Swaps or arrangements for Swaps.
- (w) Insurance. The Corporation is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which it is engaged; and the Corporation has no reason to believe that the Corporation will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business, in either case, at a cost which would individually or in the aggregate be reasonably expected to have a material adverse effect on the Corporation.
- (x) Future Acquisitions, Contingent Obligations. Except as disclosed to the Underwriters with respect to the Acquisition or in the Public Record, the Corporation has not entered into any binding agreement or understanding to acquire any securities in any other Person or to acquire or lease any other business operations or properties which, in any such case, are material to the business and operations of the Corporation or which would require the Corporation to make expenditures or incur obligations in any material amount.
- (y) Claims. There is no claim, action, suit, proceeding or investigation (whether or not purportedly on behalf of any of the Corporation) commenced or, to the best of the knowledge, information and belief of the Corporation, threatened against or affecting any

of the Corporation or any of its properties, or to which the Corporation is a party or to which any property of the Corporation is subject, at law or in equity, or before or by any federal, provincial, state, municipal or other governmental or regulatory department, commission, board or agency, domestic or foreign, which would, or would reasonably be expected to, individually or in the aggregate, result in a material adverse effect on the Corporation.

- (z) Taxes. The Corporation has duly and on a timely basis filed all tax returns required to be filed by it, has paid all taxes due and payable by it and has paid all assessments and reassessments and all other taxes, governmental charges, penalties, interest and other fines due and payable by it and which were claimed by any Governmental Authority to be due and owing and adequate provision has been made for any material taxes payable for any completed fiscal period for which tax returns are not yet required and there are no agreements, waivers, or other arrangements providing for an extension of time with respect to the filing of any tax return or payment of any tax, governmental charge or deficiency by the Corporation and to the best of the knowledge, information and belief of the Corporation there are no actions, suits, proceedings, investigations or claims threatened or pending against the Corporation in respect of taxes, governmental charges or assessments or any matters under discussion with any Governmental Authority relating to taxes, governmental charges or assessments asserted by any such authority.
- (aa) Government Incentives. All filings by the Corporation pursuant to which it has received or is entitled to receive government incentives, have been made in accordance, in all material respects, with all applicable Laws and contain no misrepresentations of material fact or omit to state any material fact which could cause any amount previously paid to it or previously accrued on the accounts thereof to be recovered or disallowed.
- (bb) Sproule Report. The Corporation has made available to Sproule, prior to the issuance of the Sproule Report, for the purpose of preparing the Sproule Report, all information requested by Sproule, which information does not contain any material misrepresentation at the time such information was provided. The Corporation does not have any knowledge of a material adverse change in any production, cost, price (except for changes in commodity prices), reserves or other relevant information provided to Sproule since the date that such information was so provided. The Corporation believes that the Sproule Report reasonably presents in all material respects the quantity and pre-tax present worth values of the oil and gas reserves attributable to the crude oil, natural gas liquids and natural gas properties evaluated in the Sproule Report as at December 31, 2022 based upon information available at the time the Sproule Report was prepared, and the Corporation believes that at the date of such report, such report did not (and as of the date hereof, except as may be attributable to changes in commodity prices and production since the date of such report, does not) overstate the aggregate quantity or pre-tax present worth values of such reserves or the estimated monthly production volumes therefrom.
- (cc) Title to Assets and Properties.
 - (i) The Corporation is not aware of any defects, failures or impairments in title to the Corporation's assets and properties, whether or not an action, suit, proceeding or inquiry is pending or, to the best of the knowledge, information and belief of the Corporation, threatened or whether or not discovered by any third party, which in the aggregate could have a material adverse effect on: (i) the quantity and pre-tax present worth values of the oil and gas reserves shown in the Sproule Report; (ii)

the current production volumes of the Corporation; or (iii) the current cash flow of the Corporation.

- (ii) The Corporation is not aware of any defects, failures or impairments in title of Durham Creek to its assets and properties, whether or not an action, suit, proceeding or inquiry is pending or threatened or whether or not discovered by any third party, which in the aggregate could have a material adverse effect on: (a) the current production volumes of Durham Creek's assets; or (b) the current cashflow in respect of Durham Creek's assets.
- (dd) Oilfield Practices. Any and all operations of the Corporation and, to the best of the knowledge, information and belief of the Corporation any and all operations by third parties on or in respect of the assets and properties of the Corporation have been conducted in accordance with good oilfield practices.
- (ee) Environmental Representations.
 - (i) To the best of the knowledge, information and belief of the Corporation, the Corporation has been and is in material compliance with all applicable Laws relating to the protection of the environment, occupational health and safety or the processing, use, treatment, storage, disposal, discharge, transport or handling of any pollutants, contaminants, chemicals or industrial, toxic or hazardous wastes or substances (collectively, "**Environmental Laws**").
 - (ii) The Corporation has obtained all licenses, permits, approvals, consents, certificates, registrations and other authorizations under Environmental Laws (the "**Environmental Permits**") necessary for the operation of its projects as currently operated and each Environmental Permit is valid, subsisting and in good standing and the holders of the Environmental Permits are not in default or breach thereof and no proceeding is pending or, to the best of the knowledge, information and belief of the Corporation, threatened to revoke or limit any Environmental Permit, except in each case where the result would not constitute a material adverse effect.
 - (iii) The Corporation has not received any notice of, or been prosecuted for an offence alleging, material non-compliance with any Environmental Laws, nor has the Corporation settled any allegation of material non-compliance short of prosecution. The Corporation has not received any notice of orders or directions relating to environmental matters requiring any material work, repairs, construction or capital expenditures to be made with respect to any of the assets of the Corporation.
- (ff) No Defaults. The Corporation is not in default or breach of, and the execution and delivery of, and the performance of and compliance with the terms of this Agreement and the Arrangement Agreement by the Corporation, or any of the transactions contemplated hereby or thereby, does not and will not result in any breach of, or constitute a default under, and does not and will not create a state of acts which, after notice or lapse of time or both, would result in a breach of or constitute a default under, any obligation, agreement, covenant or condition contained in any Contract (including, without limitation, this Agreement) or any of the constating documents or by-laws of the Corporation, other than that which would, individually or in the aggregate, not reasonably be expected to have a material adverse effect on the Corporation or impair the ability of the Corporation to

consummate the transactions contemplated by this Agreement or the Arrangement Agreement.

- (gg) No Cease Trade Orders. No order, ruling or determination having the effect of suspending the sale or ceasing the trading of the Common Shares or any other securities of the Corporation has been issued or made by any Regulatory Authority or exchange or any other Governmental Authority and is continuing in effect and to the best of the knowledge, information and belief of the Corporation, no proceedings for that purpose have been instituted or are pending, contemplated or threatened by any such authority or under any Applicable Securities Laws.
- (hh) No Labour Disputes. No labour dispute with the employees of the Corporation exists or, to the best of the knowledge, information and belief of the Corporation, is imminent, other than disputes which would not reasonably be expected to have a material adverse effect on the Corporation.
- (ii) Employee Plans. All management and employee benefit plans of the Corporation have been established and maintained in all material respects in accordance with all applicable Laws and all premiums, contributions and other required amounts have been paid or accrued as required except as would not individually or in the aggregate reasonably be expected to be material to the Corporation.
- (jj) Reporting Issuer and Compliance with Securities Laws. The Corporation is a reporting issuer or the equivalent thereof in Alberta, British Columbia and Saskatchewan. The Corporation is not in default of any material requirement of Applicable Securities Laws and has not filed any confidential material change reports which continue to be confidential, and the Corporation has not received any correspondence or notice from a Regulatory Authority concerning a review of any of the Corporation's continuous disclosure documents in respect of which any material matters remain outstanding.
- (kk) Public Record. The information and statements relating to the Corporation set forth in the Public Record were true, correct and complete, in all material respects, and did not contain any misrepresentation as of the date of such information or statement, and the Corporation has not filed any confidential material change reports still maintained on a confidential basis.
- (ll) Statistical and Market-Related Data. Any statistical and market-related data included in the Offering Documents are based on or derived from sources that the Corporation believes to be reliable, true and accurate and all necessary consents to the use of such data in the Offering Documents have been obtained from sources where required.
- (mm) Due Diligence Session. The responses given by the Corporation and its directors and officers in the Due Diligence Session will be true and correct in all material respects where they relate to matters of fact as at the time such responses are given and where the responses given by the Corporation and its directors and officers in the Due Diligence Session reflect the opinion or view of the Corporation or its directors and officers (including responses which are forward-looking or otherwise related to projections, forecasts or estimates of future performance or results (operating, financial or otherwise)), such forward-looking information (as such term is defined in the Canadian Securities Laws) or views will be honestly held and believed to be reasonable at the time they are given, provided, however,

it shall not constitute a breach of this paragraph solely if the actual results vary or differ from those contained in such forward-looking information.

- (nn) Insider Sales. To the knowledge of the Corporation, no insider of the Corporation has the present intention to sell any securities of the Corporation during the period of distribution of the Offered Shares.
- (oo) Shareholders Agreement. The Corporation is not a party to any unanimous shareholders agreement, pooling agreement, voting trust or other similar type of arrangement that affects in any manner the voting or control of any of its outstanding securities.
- (pp) Arrangement Agreement.
 - (i) The representations of the Corporation in the Arrangement Agreement are true and correct as of the date hereof, except as such would not have a material adverse effect on the Corporation.
 - (ii) To the Corporation's knowledge, the representations and warranties of Durham Creek in the Arrangement Agreement are true and correct as of the date hereof, and Durham Creek is not in breach of any of its covenants thereunder, except as such would not have a material adverse effect on the Acquisition.
- (qq) Minute Books and Material Contracts. The corporate records and minute books of the Corporation presented to the Underwriters and their counsel in connection with the transactions contemplated by this Agreement are true and correct in all material respects and at the Closing Date will contain the minutes of all meetings and all resolutions of the board of directors and shareholders of the Corporation (some of which are in draft form). All Contracts of the Corporation which are individually material to the Corporation, and not previously provided to the Underwriters or available under the Corporation's SEDAR+ profile at www.sedarplus.ca, were provided to the Underwriters and their counsel for review in connection with the Offering.
- (rr) No Finder's Fee. Except as provided herein, there is no Person, firm or corporation acting for the Corporation entitled to any brokerage or finder's fee payable by or on behalf of the Corporation in connection with this Agreement or any of the transactions contemplated hereunder and in the event any Person, firm or corporation acting or purporting to be acting for the Corporation establishes a claim for any commission or brokerage or finder's fee from the Underwriters, the Corporation covenants to indemnify and hold harmless the Underwriters with respect thereto and with respect to all costs reasonably incurred in the defence thereof.
- (ss) United States Offers and Sales. The Corporation makes the representations, warranties and covenants applicable to it in Schedule A hereto, which forms part of this Agreement.
- (tt) Corruption Laws. Neither the Corporation nor, to the knowledge of the Corporation, any director, officer, employee, agent or affiliate of the Corporation has taken any action, directly or indirectly, for and on behalf of the Corporation, that would result in a violation by any of the Corporation of applicable laws or regulations relating to foreign corrupt practices or corruption of foreign public officials (collectively, "**Corruption Laws**") and, to the knowledge of the Corporation, the Corporation has conducted its businesses in compliance in all material respects with all applicable Corruption Laws; and the

Corporation has instituted and maintains policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance by the Corporation with all applicable Corruption Laws. No proceedings, investigations or inquiries regarding violations of or non-compliance by the Corporation with Corruption Laws are, to the knowledge of the Corporation, pending, contemplated or threatened nor is there any reasonable basis for any such proceedings.

- (uu) Money Laundering Laws. The operations of the Corporation have been and continue to be conducted in compliance in all material respects with all applicable financial recordkeeping and reporting requirements and money laundering laws, rules and regulations and all related or similar laws, rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, "**Money Laundering Laws**") and no proceedings, investigations or inquiries regarding violations of or non-compliance by the Corporation with Money Laundering Laws are, to the knowledge of the Corporation, pending, contemplated or threatened nor is there any reasonable basis for any such proceedings.
- (vv) Foreign Asset Control. Neither the Corporation nor, to the knowledge of the Corporation, any director, officer, employee, agent or affiliate of the Corporation is currently subject to any sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("**OFAC**"); and the Corporation will not directly or indirectly use the proceeds from the sale of the Offered Shares or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person or entity, for the purpose of financing the activities of any Person currently subject to any U.S. sanctions administered by OFAC.
- (ww) Not an Investment Company. The Corporation is not, and after giving effect to the offer and sale of the Offered Shares and the application of the proceeds thereof as described in the Prospectuses will not be, required to register as an "investment company" or an entity "controlled" by an "investment company" under the U.S. *Investment Company Act* of 1940, as amended.

8. Closing and Conditions of Closing.

- 8.1 The Closing of the purchase and sale of the Firm Shares shall be completed electronically at the Closing Time. Subject to the conditions set forth herein, at the Closing Time: (a) the Corporation shall deliver to the Underwriters or as they may direct the Firm Shares registered in the name of CDS & Co. or in such name or names as the Underwriters shall notify the Corporation in writing not less than 48 hours prior to the Closing Time; and (b) the Lead Underwriter shall pay to the Corporation, by wire transfer or such other means as the Corporation and the Lead Underwriter may agree, the amount equal to the gross proceeds of the Offering less the Underwriters' Fee and reasonable expenses. The obligation of the Underwriters to purchase the Offered Shares shall be subject to the following conditions, which are for the exclusive benefit of the Underwriters, any of which may be waived, in whole or in part, by the Underwriters, in their sole discretion:
 - (a) the Underwriters shall have received the requisite legal opinions contemplated by Section 9;
 - (b) the Underwriters shall have received the officers' certificates contemplated by Section 10;
 - (c) the Underwriters shall have received the Firm Shares as contemplated by Section 8.1;

- (d) the Underwriters shall have received certificates dated the Closing Date signed by appropriate officers of the Corporation, in form and content satisfactory to the Underwriters and their counsel, acting reasonably, certifying with respect to:
 - (i) the currently effective constating documents and by-laws of the Corporation;
 - (ii) the necessary corporate approvals of the Corporation relevant to the Offering Documents, the offering of the Offered Shares and this Agreement; and
 - (iii) the incumbency and signatures of signing persons of authority and officers of the Corporation;
- (e) evidence satisfactory to the Underwriters that the Corporation has obtained all necessary approvals of the Exchange for the issuance of the Offered Shares and the listing of the Offered Shares, at the opening of business on the Closing Date, subject only to the notification to the Exchange of the Closing on the Closing Date, filing of required documents which are in the possession of the Corporation on the Closing Date and payment of applicable fees; and
- (f) the Underwriters shall have received such further documentation from the Corporation as may be contemplated herein or otherwise required for completion of the Offering, or that the Underwriters may request, acting reasonably.

8.2 The Closing of the purchase and sale of the Option Shares, if any, shall be completed electronically on the Closing Date or a date that is not later than the 30th day following the Closing Date (the "**Additional Closing Date**") and at the time (the "**Additional Closing Time**") specified by the Lead Underwriter in the written notice given by the Underwriters pursuant to their election to purchase such Option Shares (provided that in no event shall the closing date for the sale of the Option Shares be earlier than the Closing Date or earlier than two (2) or later than ten (10) Business Days after the date of the written notice of the Underwriters to the Corporation in respect of the Option Shares). If the Additional Closing Date is to occur on any date other than the Closing Date, each of the deliverables set out in Section 8.1 shall be satisfied as of the Additional Closing Date or the Additional Closing Time instead of the Closing Date or the Closing Time, as applicable, with appropriate changes in terminology and defined terms as necessary to reflect the Option Shares then being issued and sold. If the Additional Closing Date is to occur on the Closing Date, each of the deliverables set out in Section 8.1 shall also be construed to refer to the Option Shares, as applicable.

9. Legal Opinions.

9.1 At the Closing Time, the Corporation shall have caused favourable legal opinions dated the Closing Date to be delivered to the Underwriters by the Corporation's Canadian counsel, Stikeman Elliott LLP (who may deliver opinions of local counsel acceptable to Burnet, Duckworth & Palmer LLP, counsel to the Underwriters, as to the offering and sale of the Offered Shares in, and as to other matters governed by the laws of, jurisdictions other than the Provinces of Alberta, British Columbia and Ontario), and each of Stikeman Elliott LLP and such local counsel may rely, to the extent appropriate in the circumstances and solely as to matters of fact not independently established, on certificates or statutory declarations of officers of the Corporation, and of public officials, with respect to such matters as the Underwriters may reasonably request relating to the offering and sale of the Offered Shares and the Corporation, in form and substance acceptable to counsel to the

Underwriters, acting reasonably, including, without limitation, opinions substantially to the effect that:

- (a) the Corporation is a corporation amalgamated and existing under the laws of the Province of Alberta;
- (b) the Corporation has the corporate capacity and power to own and lease its properties and assets and to conduct its business;
- (c) all necessary corporate action has been taken by the Corporation to authorize the delivery by it of the Offering Documents to the Underwriters and, if required, the delivery thereof to the Regulatory Authority in each of the applicable Qualifying Provinces in accordance with Canadian Securities Laws;
- (d) the Corporation has the corporate power and authority to enter into this Agreement and to perform its obligations set out herein, and this Agreement has been duly authorized, executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms, subject to laws relating to creditors' rights generally and except as rights to indemnity and contribution may be limited by applicable law and other customary exceptions;
- (e) the execution and delivery of and performance by the Corporation of this Agreement and the issuance of the Offered Shares by the Corporation, do not constitute or result in a violation or breach of, or default under: (i) any law of general application in the Province of Alberta or the federal laws of Canada applicable therein; (ii) any term or provision of the articles, by-laws or other constating documents of the Corporation; (iii) of which counsel is aware, any Contract of the Corporation; or (iv) of which counsel is aware, any resolutions of the shareholders or directors of the Corporation;
- (f) the form of the definitive certificates representing the Common Shares has been approved and adopted by the Corporation and complies with all legal requirements (including all applicable requirements of the Exchange) relating thereto;
- (g) the Offered Shares have been duly and validly created, allotted and issued as fully paid and non-assessable, and will, upon issuance in accordance with the terms of this Agreement, be duly and validly issued;
- (h) the Corporation and the attributes of the Offered Shares conform in all material respects with the descriptions contained in the Prospectuses;
- (i) the Offered Shares are "qualified investments" for purposes of the *Tax Act* as set out under the heading "Eligibility for Investment" in the Prospectuses;
- (j) all necessary documents have been filed, all necessary proceedings have been taken and all legal requirements have been fulfilled as required under Applicable Securities Laws in order to qualify the Offered Shares for distribution and sale to the public in each Qualifying Province by or through investment dealers and brokers duly registered under the applicable laws of such provinces who have complied with the relevant provisions of such Applicable Securities Laws;

- (k) the Corporation is a "reporting issuer" not in default of any requirement of the *Securities Act* (Alberta) and the regulations thereunder and has a similar status under Applicable Securities Laws of each of the other Qualifying Provinces where it is currently a reporting issuer;
- (l) the Corporation has the necessary power and authority to execute and deliver the Prospectuses and all necessary action has been taken by the Corporation to authorize the execution and delivery of the Prospectuses and the filing thereof, as the case may be, in each of the Qualifying Provinces in accordance with Applicable Securities Laws;
- (m) the Offered Shares are conditionally listed and, upon notification to the Exchange of the issuance and sale thereof and fulfillment of the conditions on the Exchange, will be posted for trading on the Exchange;
- (n) as to the number of issued and outstanding Common Shares prior to giving effect to the Offering; and
- (o) Odyssey Trust Company has been duly appointed as the registrar and transfer agent of the Corporation.

9.2 If any Offered Shares are sold in the United States, the Underwriters shall have received a favourable legal opinion from the Corporation's United States counsel, Carter Ledyard & Milburn LLP, dated the Closing Date, to the effect that no registration under the U.S. *Securities Act* is required for the offers and sales of the Offered Shares in the United States, in form and substance reasonably satisfactory to the Underwriters.

10. Officers' Certificates.

10.1 The Underwriters shall have received at the Closing Time a certificate dated the Closing Date addressed to the Underwriters and signed by the Chief Executive Officer and Chief Financial Officer of the Corporation, or any two other senior officers of the Corporation acceptable to the Underwriters, certifying for and on behalf of the Corporation after having made due enquiries and after having examined the Offering Documents that:

- (a) the Corporation has complied with all covenants and satisfied all terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing Time;
- (b) since the respective dates as of which information is given in the Prospectus and except as may have been the subject of Supplementary Material, there has been no material change (actual, anticipated, contemplated or threatened, whether financial or otherwise), and no change of any material fact or new material fact, in the business, affairs, assets or liabilities (absolute, accrued, contingent or otherwise) or capital of the Corporation;
- (c) the representations and warranties of the Corporation contained herein including those arising by delivery of documents hereunder that are (i) not qualified by references to material adverse effect or any other materiality qualifications are true and correct in all material respects as of the Closing Time, and (ii) the representations and warranties of the Corporation contained herein that are qualified by material adverse effect or any materiality qualifications are true and correct as of the Closing Time (except in the case of both (i) and (ii) where such representations are given as of a specific date in which case this shall be

true and correct in all material respects of (i) and in all respects of (ii), in each case, as of such date only);

- (d) no order, ruling or determination having the effect of ceasing, suspending or restricting trading in securities of the Corporation or the sale of the Offered Shares has been issued and is continuing in effect and no proceedings, investigations or inquiry for such purpose are pending or, to the best of the knowledge, information and belief of the declarants, contemplated or threatened; and
- (e) all conditions, undertakings and other matters to be satisfied, completed or otherwise met prior to the completion of the Acquisition (in accordance with the Arrangement Agreement and without waiver or material amendment of the terms and conditions thereof (which shall include any extension of the outside date therein beyond October 16, 2023), in whole or in part, by any of the parties thereto unless the consent of the Lead Underwriter has been given for such waiver or amendment, such consent not to be unreasonably withheld or delayed) have been satisfied, completed or otherwise met (in accordance with the Arrangement Agreement and without waiver or material amendment of the terms and conditions thereof (which shall include any extension of the outside date therein beyond October 16, 2023), in whole or in part, by any of the parties thereto unless the consent of the Lead Underwriter was given for such waiver or amendment), but for the payment of the consideration payable by the Corporation under the Arrangement Agreement.

11. Sales Restrictions.

- 11.1 The Underwriters shall offer the Offered Shares for sale directly or through other duly qualified investment dealers and brokers (the Underwriters, their respective affiliates, together with such other investment dealers and brokers, are referred to herein as the "**Selling Firms**"), only as permitted by Applicable Securities Laws, and upon the terms and conditions set forth in the Prospectus, the U.S. Placement Memorandum and in this Agreement, at an offering price not exceeding the Offering Price set forth on the cover page of the Prospectus. The Selling Firms will not solicit offers to purchase or sell the Offered Shares so as to require registration of any securities of the Corporation or filing of a prospectus with respect to the Offered Shares under the laws of any jurisdiction other than the Qualifying Provinces. The Selling Firms may, subject to the terms of this Agreement, offer and sell the Offered Shares in the Qualifying Provinces and in the United States in the manner contemplated by Schedule A attached hereto. Each Underwriter makes and each Selling Firm shall make the representations, warranties and covenants in Schedule A hereto and agrees and will agree to comply with the selling restrictions imposed by the U.S. Securities Laws as described in Schedule A hereto, which forms part of this Agreement. The Selling Firms shall not be permitted to offer the Offered Shares outside of Canada and the United States unless such offers have first been approved in writing by the Corporation (acting reasonably) and if approved are made in compliance with all applicable laws.
- 11.2 Notwithstanding the foregoing provisions of this Section 11, no Underwriter shall be liable to the Corporation under this Section 11 as a result of the violation by another Underwriter or Selling Firm (other than Selling Firm affiliates or appointees of such Underwriter) of the provisions of this Section 11 if the Underwriter first mentioned is not itself also in violation.
- 11.3 Each of the Underwriters agrees and will require each of the other Selling Firms and their respective affiliates to agree, in connection with the offer and sale of Offered Shares in the Qualifying Provinces and in the United States, to comply with all Applicable Securities Laws.

12. Market Stabilization.

- 12.1 In connection with the distribution of the Offered Shares, the Underwriters and members of the other Selling Firms (if any) may effect transactions which stabilize or maintain the market price of the Common Shares at levels above those which might otherwise prevail in the open market, in compliance with Applicable Securities Laws. Those stabilizing transactions, if any, may be discontinued at any time.

13. Indemnification by the Corporation.

- 13.1 The Corporation hereby covenants and agrees to indemnify and save harmless each of the Underwriters and each of their respective directors, officers, employees, affiliates, partners and agents, and each other person, if any, controlling an Underwriter or any of its subsidiaries or affiliates and each shareholder of any Underwriter, and the successors and assigns of the foregoing person (collectively, the "**Indemnified Parties**" and individually an "**Indemnified Party**") from and against any and all losses, expenses, claims (including, without limitation, securityholder or derivative actions, arbitration proceedings or otherwise), actions, suits, proceedings, investigations, damages and liabilities, joint or several, including, without limitation, the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations, inquiries or claims and the reasonable fees and expenses of their counsel and other expenses incurred in connection with any claim, action, suit, proceeding or investigation or in enforcing this indemnity that may be suffered by, imposed upon or asserted against an Indemnified Party as a result of, in respect of, connected with or arising out of any action, suit, proceeding, investigation, inquiry or claim that may be made or threatened by any person or in enforcing this indemnity whether or not resulting in liability (collectively the "**Claims**") insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the engagement and activities of the Underwriters under this Agreement, including, without limitation:

- (a) any breach of or default under or failure to perform or fulfill any representation, warranty or covenant or agreement of the Corporation in this Agreement or any other document to be delivered pursuant hereto;
- (b) any information or statement (that does not constitute Underwriters' Information) contained in this Agreement, the Offering Documents, any Supplementary Material or any other material or document filed under any Applicable Securities Laws or delivered by or on behalf of the Corporation thereunder or pursuant to this Agreement which at the time and in light of the circumstances under which it was made contains or is alleged to contain a misrepresentation or is or is alleged to be untrue, false or misleading;
- (c) any omission or alleged omission to state in the Offering Documents, any Supplementary Material, or any other material or document filed under any Applicable Securities Laws or delivered by or on behalf of the Corporation thereunder or pursuant to this Agreement, any fact or information other than Underwriters' Information, whether material or not, required to be stated therein or necessary to make any statement therein not misleading in light of the circumstances under which it was made;
- (d) any order made or any inquiry, investigation or proceeding commenced or threatened by any court, Governmental Authority or Regulatory Authority, arbitrator, administrative tribunal or stock exchange or other competent authority based upon any actual or alleged untrue statement, omission or misrepresentation (not relating solely to Underwriters' Information) in the Offering Documents, any Supplementary Material or any other material

or document filed or delivered by the Corporation under any Applicable Securities Laws or pursuant to this Agreement (except any material or document delivered or filed solely by the Underwriters or its legal counsel) or based upon any failure of the Corporation to comply with Applicable Securities Laws (other than any failure or alleged failure to comply solely by the Underwriters) which prevents or restricts the trading in or the sale or distribution of the Offered Shares or any other securities of the Corporation in any of the Qualifying Provinces or the United States of America; or

- (e) the non-compliance or alleged non-compliance by the Corporation with any requirements of Applicable Securities Laws, or the by-laws, rules and regulations of the Exchange, including the Corporation's non-compliance with any requirement to make any document available for inspection.

Notwithstanding the foregoing provisions in this Section 13.1, no party who has engaged in any fraud, fraudulent misrepresentation, wilful misconduct or gross negligence (as determined by a court of competent jurisdiction in a final non-appealable judgment) shall be entitled, to the extent that the liabilities, claims, losses, costs, damages or expenses were caused by such activity, to claim indemnification from any Person who has not also been determined by a court of competent jurisdiction in a final non-appealable judgment to have engaged in such fraud, fraudulent misrepresentation, wilful misconduct or gross negligence and each such party shall reimburse any funds advanced by the Corporation to such party pursuant to this indemnity in respect of such Claim.

- 13.2 If any Claim is asserted against any of the Indemnified Parties, or if any potential Claim contemplated by this Section 13 shall come to the knowledge of any Indemnified Party, the Indemnified Party concerned shall notify the Corporation as soon as possible of the particulars thereof, provided that the failure or delay in so notifying the Corporation shall not relieve the Corporation of any liability which the Corporation may have to the Underwriters or any other Indemnified Party under this Section 13 except and only to the extent that any such delay in or failure to give notice as herein required materially prejudices the defense of such Claim or results in any material increase in the liability which the Corporation has under this indemnity. The Corporation shall have 14 days after receipt of the notice to undertake, at its own expense, the settlement or defense of the Claim, including prompt employment of counsel acceptable to the Indemnified Parties and payment of all expenses. The relevant Indemnified Parties shall have the right to participate in the settlement or defense of the Claim. The Corporation will not, without prior written consent of the Lead Underwriter, make any admission of liability, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Claim in respect of which indemnification may be sought hereunder (whether or not any Indemnified Party is a party thereto) unless the Corporation has acknowledged in writing that the Indemnified Parties are entitled to be indemnified in respect of such Claim and such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from any liabilities arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by or on behalf of any Indemnified Party.
- 13.3 In respect of any such Claim, the Underwriters or any other Indemnified Party may retain counsel in each relevant jurisdiction to separately represent it in the defense or settlement of a Claim, which shall be at the Corporation's expense if:
- (a) the Corporation does not promptly assume the defense of the Claim no later than 14 days after receiving actual notice of the Claim;

- (b) the Corporation agrees to separate representation; or
 - (c) such Indemnified Party is advised in writing by counsel that there is an actual or potential conflict in the Corporation's and such Indemnified Party's respective interests or additional defenses are available to such Indemnified Party that are not available to the Corporation, which makes representation by the same counsel inappropriate.
- 13.4 The Corporation agrees that if any legal proceeding shall be brought against the Corporation and/or the Indemnified Parties by any Governmental Authority or other entity having regulatory authority, either domestic or foreign, shall investigate the Corporation and/or any Indemnified Party in connection with this Agreement, and the Underwriters or any other Indemnified Party shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of this Agreement, the Indemnified Parties shall have the right to employ their own separate counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including, without limitation, an amount to reimburse the Indemnified Parties for time spent in connection therewith) and reasonable expenses incurred by the Indemnified Parties in connection therewith shall be paid by the Corporation as they occur.
- 13.5 With respect to any of their respective related Indemnified Parties who are not parties to this Agreement, the Lead Underwriter shall obtain and hold the rights and benefits of this Section 13 and Section 14 in trust for and on behalf of such Indemnified Parties and the Lead Underwriter agree to accept such trust and to hold the benefit of and enforce performance of such covenants on behalf of such Persons. The Corporation also agrees to reimburse the Lead Underwriter for the time spent by their personnel in connection with any Claim at their normal per diem rates.
- 13.6 The rights of indemnity contained in this Section 13 in respect of a Claim based on a misrepresentation or omission or alleged misrepresentation or omission in the Offering Documents or any Supplementary Material shall not apply to an Underwriter if the Corporation has complied with Sections 4, 5 and 6 and where it is determined by a court of competent jurisdiction by final and non-appealable judgement that the Person asserting such Claim was not provided with a copy of the Supplementary Material (if required under Applicable Securities Laws to have been so delivered to such Person by such Underwriter) which corrects such misrepresentation or omission or alleged misrepresentation or omission, if such claim would have no basis had such delivery been made.
- 13.7 The rights and remedies of the Underwriters set forth in Sections 13, 14 and 17 are to the fullest extent possible in law cumulative and not alternative and the election by any Underwriter to exercise any such right or remedy shall not be, and shall not be deemed to be, a waiver of any of the other of such rights and remedies.
- 14. Contribution.**
- 14.1 In order to provide for just and equitable contribution in circumstances in which the indemnities provided in Section 13 would otherwise be available in accordance with its terms but are, for any reason, held to be unavailable to or unenforceable by the Underwriters or any Indemnified Party or enforceable otherwise than in accordance with its terms, or are insufficient to hold any Indemnified Party harmless, the Corporation shall contribute to the aggregate of all liabilities, claims, actions, complaints, losses (other than loss of profits), costs (including, without limitation, legal fees and disbursements on a solicitor and his own client basis), fines, penalties, taxes, interest, damages or expenses of the nature contemplated in Section 13 and suffered or incurred by the Indemnified

Parties in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation on the one hand and the Underwriters or any other Indemnified Party on the other hand but also the relative fault of the Corporation, the Underwriters or any other Indemnified Party as well as any relevant equitable considerations; provided that the Corporation shall in any event contribute to the amount paid or payable by such Underwriter or any other Indemnified Party as a result of such Claim any excess of such amount over the amount of the Underwriters' Fee paid to the Underwriters hereunder.

- 14.2 The rights to contribution provided in this Section 14 shall be in addition to and not in derogation of any other right to contribution which the Underwriters and the other Indemnified Parties may have by statute or otherwise at Law, and shall remain operative and in full force and effect regardless of:
- (a) any investigation made by or on behalf of any Underwriter or any other Indemnified Party;
 - (b) acceptance of any Offered Shares and payment thereof; or
 - (c) any termination of this Agreement.
- 14.3 In the event that the Corporation may be held to be entitled to contribution from an Indemnified Party pursuant to Section 14.1 or under the provisions of any statute or at law, the Corporation shall be limited to receiving contribution from such Indemnified Party in an aggregate amount not exceeding the lesser of:
- (a) the portion of the full amount of the loss or liability giving rise to such contribution for which the Indemnified Party is responsible, as determined in Section 14.1; and
 - (b) the amount of the compensation actually received by the Indemnified Party hereunder (being, in the case of an Underwriter, the portion of the Underwriters' Fee actually received by such Underwriter) minus the aggregate of any amounts paid or payable by the Indemnified Party by way of contribution to any other Person hereunder.
- 14.4 If an Indemnified Party has reason to believe that a claim for contribution may arise, it shall give the Corporation notice thereof in writing as soon as reasonably possible, but failure to notify the Corporation shall not relieve the Corporation of any obligation it may have to the Underwriters under this Section 14 except to the extent, if any, that the failure materially prejudices the Corporation in respect of such claim.
- 14.5 The Corporation hereby irrevocably waives its right, whether by statute, common law or otherwise, to recover contribution from any Indemnified Party with respect to any liability of the Corporation by reason of or arising from any misrepresentation contained in the Offering Documents or any Supplementary Material, provided however that such waiver shall not apply in respect of liability caused or incurred by reason of or arising from any misrepresentation which is based upon or results from Underwriters' Information contained in such document.
- 14.6 The Underwriters' obligations of contribution pursuant to this Section 14 are several in proportion to their respective purchase obligations in Section 19.1 hereto and not joint.
- 14.7 In addition, the Underwriters will proportionately share any market stabilization expenses incurred by the Lead Underwriter.

15. Expenses.

- 15.1 Whether or not the offering of the Offered Shares is completed, the Corporation will be responsible for all of the costs in connection with the proposed offering of Offered Shares, including, without limitation, the fees and expenses of counsel to the Corporation (including fees and expenses incurred by such counsel in connection with discussions with and opinions to the Underwriters and their counsel as part of the Underwriters' due diligence investigations), auditors, transfer agents, second party opinion providers and outside consultants, filing fees, the costs of preparing and printing the Offering Documents and any Supplementary Material, all costs associated with marketing materials, marketing presentations and information meetings, out-of-pocket costs related to travel and accommodations for the Corporation's executives attending such presentations and meetings, all reasonable legal fees and disbursements of counsel to the Underwriters (on a solicitor and his own client basis) (such legal fees of Underwriters' counsel not to exceed \$125,000 excluding reasonable disbursements and taxes) and the reasonable out-of-pocket expenses incurred by the Underwriters in connection with the Offering (including, without limitation, their expenses related to due diligence investigations, marketing presentations and information meetings and travel and accommodations) plus the CIRO new issue levy, and the cost of preparing record books for all of the parties to this Agreement and their respective counsel.

16. Nature and Survival of Representations, Warranties, Covenants and Indemnity.

- 16.1 All representations, warranties, covenants, obligations and agreements of the Corporation herein contained or contained in documents submitted or delivered pursuant to this Agreement shall survive the purchase by the Underwriters of the Offered Shares and shall continue in full force and effect unaffected by any subsequent disposition by the Underwriters of the Offered Shares or any of them and regardless of any examination or investigation which the Underwriters may carry out or which may be carried out on their behalf.

17. Termination Rights.

- 17.1 The obligation of the Underwriters to purchase the Offered Shares shall be subject to the accuracy, in all material respects, as of the Closing Time, of the representations and warranties of the Corporation contained herein or in any certificate or document delivered pursuant to or contemplated by this Agreement and the due fulfilment and compliance by the Corporation of and with its covenants herein and therein contained.
- 17.2 The Underwriters may waive, in whole or in part, or extend the time for compliance with, any representation, warranty, term or condition without prejudice to the rights of the Underwriters in respect of any other representation, warranty, term or condition or any other or subsequent breach, default or non-compliance with that or any other representation, warranty, term or condition, provided that to be binding on the Underwriters any such waiver or extension must be in writing and signed by all the Underwriters. No act of the Underwriters in offering the Offered Shares or in assisting in preparing the Offering Documents or any Supplementary Material shall constitute a waiver of, or create an estoppel against, the Underwriters.
- 17.3 In addition to any other remedies which may be available to the Underwriters, any Underwriter shall be entitled, at the Underwriter's option, to terminate and cancel, without any liability on the Underwriter's part, the Underwriter's obligation to purchase the Offered Shares by written notice to that effect given to the Corporation at or prior to the Closing Time, if:

- (a) any order to cease or suspend trading in any securities of the Corporation or prohibiting or restricting the offer or sale of the Common Shares, is made, or any proceeding is announced or commenced for the making of any such order, by any Regulatory Authority, any stock exchange or by any other competent authority, and has not been rescinded, revoked or withdrawn;
 - (b) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) is commenced, threatened or announced or any order or ruling is issued (and has not been rescinded, revoked or withdrawn) under or pursuant to any statute of Canada or any of the Qualifying Provinces, or of the United States or any state thereof or by any official of any stock exchange or by any Regulatory Authority or other Governmental Authority having jurisdiction over the business and affairs of the Corporation, or there is any change of law, or the interpretation, pronouncement or administration thereof or in respect thereof, which in the opinion of the Underwriters, acting reasonably, may prevent or operates to prevent or restrict the offer or sale of, trading in, or marketability of, the Common Shares or the trading in any other securities of the Corporation;
 - (c) there should develop, occur or come into effect or existence any event, action or occurrence of national or international consequence, including any act of terrorism or war, or any escalation thereof, or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions or any action, law, regulation, inquiry or other occurrence of any nature which, in the Underwriters' reasonable opinion, materially adversely affects, or may materially adversely affect, the financial markets in Canada or the United States or the business, operations or affairs of the Corporation, or the market price or value of the Common Shares or any other securities of the Corporation;
 - (d) there shall occur any material change (actual, imminent or reasonably expected), or change in material fact which in the reasonable opinion of the Underwriters (or any of them), acting reasonably, could be expected to have a material adverse effect on the market price or value of the Common Shares or any other securities of the Corporation, or the Underwriters shall become aware of any material information with respect to the Corporation which had not been publicly disclosed or disclosed in writing to the Underwriters at or prior to the date hereof and which in the sole opinion of the Underwriters or any of them, acting reasonably, could be expected to have a material adverse effect on the market price or value of the Common Shares or any other securities of the Corporation; or
 - (e) if: (i) the Arrangement Agreement is terminated in accordance with its terms; (ii) the Corporation advises the Underwriters or formally announces to the public by way of a press release or otherwise that it does not intend to proceed with the Acquisition; or (iii) the closing of the Acquisition is delayed beyond October 16, 2023, being the outside date set forth in the Arrangement Agreement.
- 17.4 If any Underwriter shall elect to terminate its obligation to purchase the Offered Shares as aforesaid, whether the reason for such termination is within or beyond the control of the Corporation, the liability of the Corporation hereunder with respect to such Underwriter shall be limited to the indemnity referred to in Section 13, the contribution rights referred to in Section 14 and the payment of expenses referred to in Section 15.
- 17.5 The rights of termination contained in this Section 17 may be exercised by any Underwriter acting alone and are in addition to any other rights or remedies the Underwriters or any of them may have

in respect of any of the matters contemplated by this Agreement or otherwise. Any such termination shall not discharge or otherwise affect any obligation or liability of the Corporation provided herein or prejudice any other rights or remedies any party may have as a result of any breach, default or non-compliance by any other party. A notice of termination given by an Underwriter under this Section 17 shall not be binding upon any other Underwriter. In the event that any one or more but not all of the Underwriters shall exercise its rights of termination herein, then the provisions of Sections 19.2 and 19.3 shall apply.

- 17.6 The execution and acceptance of any Supplementary Material (including, without limitation, an amendment to the Prospectus) in respect of any material change and the continued offering of the Offered Shares, as the case may be, thereafter by the Underwriters shall not constitute a waiver of the Underwriters' rights under this Section 17.

18. Notification.

- 18.1 The Corporation shall promptly advise the Lead Underwriter of any request made at any time prior to the end of the distribution of the Offered Shares by any Regulatory Authority or the Exchange for any Supplementary Material or for any additional information, the issuance by any such Regulatory Authority or the Exchange of any cease trading or stop order relating to the Common Shares or any other securities of the Corporation or order preventing or suspending the use of the Prospectus for offers and sales of the Offered Shares in any jurisdiction, or of the institution, or to its knowledge threat of institution, of any proceedings for that purpose or of the receipt by the Corporation of any written communication from any such Regulatory Authority or the Exchange relating to the Prospectus, any Supplementary Material or the offering and sale of the Offered Shares. The Corporation shall use all commercially reasonable efforts to prevent the issuance of any such cease trading or stop order or other order and, if issued, to obtain the withdrawal or lifting thereof as soon as possible.
- 18.2 During the period commencing on the date hereof and ending upon the completion of the distribution of the Offered Shares, the Corporation shall provide to the Underwriters on a timely basis, for review by the Underwriters and their counsel prior to filing, any proposed document, including, without limitation, any Supplementary Material, annual information form, material change report or information circular, which may be required to be filed by any Regulatory Authority or the Exchange.

19. Obligations of the Underwriters

- 19.1 Subject to the terms and conditions of this Agreement, the obligations of the Underwriters to purchase the Offered Shares shall be several and not joint in that each Underwriter shall be obligated to purchase only the percentage of the Offered Shares set out opposite its name below:

National Bank Financial Inc.	40.0%
BMO Nesbitt Burns Inc.	20.0%
Peters & Co. Limited	20.0%
Eight Capital	10.0%
Haywood Securities Inc.	7.5%
Paradigm Capital Inc.	2.5%
	<hr/>
	100.0%

- 19.2 If at the Closing Time any one or more of the Underwriters fail or refuse to purchase its respective percentage of the Firm Shares and the percentage of such Firm Shares which one or more of the Underwriters has failed or refused to purchase does not exceed 7.5% of the aggregate number of Firm Shares which the Underwriters have agreed to purchase, the remaining Underwriters shall be obligated severally to purchase such Firm Shares which the defaulting Underwriter or Underwriters have failed to purchase, in the proportion that the percentage set forth opposite the name of each of the remaining Underwriters bears to the aggregate of such percentages. If the Firm Shares which one or more Underwriters have failed or refused to purchase exceed 7.5% of such total number of Firm Shares which the Underwriters have agreed to purchase, the other Underwriters shall have the right, but not the obligation, to purchase severally, on a pro rata basis as between themselves or in such other proportions as they may agree upon, all, but not less than all, of the Firm Shares which would otherwise have been purchased by the Underwriters which fail to purchase. In any such case either a non-defaulting Underwriter or the Corporation shall have the right to postpone the Closing Time for such period, not exceeding five Business Days, in order that the required changes, if any, in the Prospectus or in any other documents or arrangements may be effected. If any non-defaulting Underwriter elects not to exercise such right and no other non-defaulting Underwriter elects to exercise such right so as to assume the entire obligations of the defaulting Underwriters and arrangements satisfactory to the Lead Underwriter (on behalf of the Underwriters) and the Corporation for the purchase of such Firm Shares are not made within 48 hours after such default, then: (a) each non-defaulting Underwriter shall be entitled, by notice to the Corporation, to terminate, without liability (except under Section 14, if applicable), its obligation to purchase its original percentage of the Firm Shares; and (b) the Corporation shall have the right to terminate its obligations hereunder without liability on its part except under Sections 13, 14 (if applicable) and 15 hereof in respect of non-defaulting Underwriters. Any action taken under this Section 19.2 shall not relieve any defaulting Underwriter from liability in respect of any default by such Underwriter under this Agreement.
- 19.3 Nothing in this Agreement shall obligate the Corporation to sell to one or any of the Underwriters less than all of the Firm Shares or shall relieve any Underwriter in default from liability to the Corporation or to any non-defaulting Underwriter in respect of its default hereunder. In the event of a termination by the Corporation of its obligations under this Agreement, there shall be no further liability on the part of the Corporation to the Underwriters except in respect of any liability which may have arisen or may thereafter arise under Sections 13, 14 and 15.

20. Notices.

- 20.1 Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered:

if to the Corporation:

Lycos Energy Inc.
215 – 2nd Street SW, Suite 1900
Calgary, Alberta, T2P 1M4

Attention: Mr. Dave Burton, President and Chief Executive Officer
Email: [redacted]

with a copy to:

Stikeman Elliott LLP
4200 Bankers Hall West
888 – 3rd Street SW
Calgary, Alberta T2P 5C5

Attention: Sony Gill
Email: [redacted]

or if to the Underwriters:

National Bank Financial Inc.
1800, 311 – 6th Avenue SW
Calgary, Alberta T2P 3H2

Attention: Arun Chandrasekaran, Head of Energy Investment Banking
Email: [redacted]

BMO Nesbitt Burns Inc.
14th Floor, 525 – 8th Avenue SW
Calgary, Alberta T2P 1G1

Attention: Gregory Stadnyk, Managing Director
Email: [redacted]

Peters & Co. Limited
2300, 308 – 4th Avenue SW
Calgary, Alberta T2P 0H7

Attention: Benjamin Gazdic, Principal
Email: [redacted]

Eight Capital
2110, 335 – 8th Avenue SW
Calgary, Alberta T2P 1C9

Attention: Tony P. Loria, Principal, Vice Chairman
Email: [redacted]

Haywood Securities Inc.
400, 808 – 1st Street SW
Calgary, Alberta T2P 1M9

Attention: Clark Andrews, Head of Energy Investment Banking
Email: [redacted]

Paradigm Capital Inc.
 2101, 95 Wellington Street West
 Toronto, Ontario M5J 2N7

Attention: Jason Tucker, Managing Director, Investment Banking
 Email: [redacted]

with a copy to:

Burnet, Duckworth & Palmer LLP
 2400, 525 – 8th Avenue SW
 Calgary, Alberta T2P 1G1

Attention: P.L. (Lonny) Tetley
 Email: [redacted]

or to such other address as any of the parties may designate by notice given to the others. Each notice shall be personally delivered to the addressee or sent by email to the addressee and: (i) a notice which is personally delivered shall, if delivered before 4:00 p.m. on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice which is sent by email shall be deemed to be given and received on the first Business Day following the day on which it is delivered.

21. Lead Underwriter.

- 21.1 The Corporation shall be entitled to and shall act on any notice or other communication given by or on behalf of the Underwriters by the Lead Underwriter which shall represent the Underwriters and which has the authority to bind the Underwriters except in respect of: (a) a notice of termination or waiver given pursuant to Section 17, which notice may be given by any Underwriter; (b) a notice of the exercise of a right or a notice of termination pursuant to Section 19.2, which notice may be given by any non-defaulting Underwriter; (c) any actions taken under Sections 13 or 14 which may be given only by the Underwriter affected thereby; (d) any amendment of this Agreement; or (e) the waiver of any conditions contained in Section 8.1. The Lead Underwriter shall consult with the other Underwriters with respect to any such notice or other communication.

22. Further Offerings.

- 22.1 The Corporation agrees that it will not issue or sell Common Shares (or agree to do so or publicly announce any intention to do so), at any time prior to 90 days after the Closing Date, unless: (a) the issue or sale or the proposed issue or sale is made pursuant to this Agreement, the Arrangement Agreement or in connection with any other acquisition previously disclosed to the Underwriters in writing prior to the date of this Agreement; (b) in connection with the Corporation's stock option plan, (c) to satisfy existing instruments issued at the date hereof; or (d) the Corporation will have obtained the prior written consent of the Lead Underwriter on behalf of the Underwriters, such consent not to be unreasonably withheld, conditioned or delayed.

23. Underwriters' Ability to Reduce the Price of the Offered Shares.

- 23.1 After the Underwriters have made commercially reasonable best efforts to sell all of the Offered Shares at the initial offering price disclosed in the Offering Documents, the Underwriters may decrease the offering price. Any such decrease will not decrease the price paid by the Underwriters to the Corporation for the Offered Shares or the Underwriters' Fee paid by the Corporation to the Underwriters for the Offered Shares. The Underwriters will inform the Corporation if the offering price to the public is decreased.

24. Relationship Between the Corporation and the Underwriters.

- 24.1 The Corporation hereby acknowledges that: (a) the purchase and sale of the Offered Shares pursuant to this Agreement is an arm's-length commercial transaction between the Corporation on the one hand, and the Underwriters and any affiliate through which they may be acting, on the other; (b) the Underwriters are acting as principal and not as an agent or fiduciary of the Corporation; and (c) the engagement of the Underwriters by the Corporation in connection with the Offering and the process leading up to such Offering is as independent contractors and not in any other capacity. Furthermore, the Corporation agrees that it is solely responsible for making its own judgments in connection with such Offering (irrespective of whether any of the Underwriters has advised or is currently advising the Corporation on related or other matters). The Corporation agrees that it will not claim that the Underwriters have rendered advisory services of any nature or respect, or owe an agency, fiduciary or similar duty to it, in connection with such transaction or the process leading thereto.
- 24.2 The Corporation: (a) acknowledges and agrees that the Underwriters have certain statutory obligations as registrants under Applicable Securities Laws and have certain relationships with their clients; and (b) consents to the Underwriters acting hereunder while continuing to act for their clients. To the extent that the Underwriters' statutory obligations as registrants under Applicable Securities Laws or relationships with their clients conflicts with their obligations hereunder, the Underwriters shall be entitled to fulfil their statutory obligations as registrants under Applicable Securities Laws and their duties to their clients. Nothing in this Agreement shall be interpreted to prevent the Underwriters from fulfilling their statutory obligations as registrants under Applicable Securities Laws or acting for their clients.

25. No Requirement to List Securities as a Condition for Services Provided.

- 25.1 The Lead Underwriter or an affiliate thereof, owns or controls an equity interest in TMX Group Limited ("**TMX Group**") and may have a nominee director serving on the TMX Group's board of directors. As such, each investment dealer may be considered to have an economic interest in the listing of securities on any exchange owned or operated by TMX Group, including the Exchange, the Toronto Stock Exchange and the TSX Alpha Exchange (each, a "**TMX Exchange**"). No person or company is required to obtain products or services from TMX Group or its affiliates as a condition of any such dealer supplying or continuing to supply a product or service. The Lead Underwriter does not require the Corporation to list securities on any of the TMX Exchanges as a condition of supplying or continuing to supply underwriting and/or any other services, including any services provided pursuant to the terms hereof.

26. Successors.

- 26.1 This Agreement has been and is made solely for the benefit of the Underwriters, the Corporation and their respective successors and assigns, and the officers, directors and controlling persons

referred to herein, and no other Person will have any right or obligation hereunder. No purchaser of any of the Offered Shares from any Underwriter shall be deemed a successor or assign merely because of such purchase.

27. Miscellaneous.

- 27.1 Upon the request of the Underwriters, the Corporation will include a reference to the Underwriters and their role in any press release or other public communication issued by the Corporation relating to the Offering. If the Offering is successfully completed, the Underwriters will be permitted to publish, at their own expense, such advertisements or announcements relating to the services provided hereunder in such newspapers or other publications as the Underwriters consider appropriate.
- 27.2 If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect. The invalidity or unenforceability of any provision in any particular jurisdiction shall not affect its validity or enforceability in any other jurisdiction where it is valid or enforceable.
- 27.3 This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. Each of the parties irrevocably attorns to the jurisdiction of the courts of the Province of Alberta with respect to all matters arising out of this Agreement and the transactions contemplated herein.
- 27.4 Time shall be of the essence hereof.
- 27.5 Unless otherwise indicated, all references herein to currency shall be to the lawful money of Canada.
- 27.6 In exercising rights or making decisions under this Agreement, all parties shall act in a commercially reasonable manner consistent with practice in the Canadian securities industry.
- 27.7 This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts, taken together, shall constitute one and the same instrument. A signed counterpart of this Agreement provided by electronic means shall be as binding upon the parties as an originally signed counterpart.
- 27.8 The terms and conditions of this Agreement supersede any previous verbal or written agreement between the Underwriters and any one or more of the Corporation with respect to the subject matter hereof.

[The remainder of this page is intentionally left blank]

The foregoing Agreement is hereby accepted and agreed to as of the date first above written.

NATIONAL BANK FINANCIAL INC.

BMO NESBITT BURNS INC.

By: (signed) "Arun Chandrasekaran"
Name: Arun Chandrasekaran
Title: Head of Energy Investment Banking

By: (signed) "Gregory Stadnyk"
Name: Gregory Stadnyk
Title: Managing Director

PETERS & CO. LIMITED

EIGHT CAPITAL

By: (signed) "Benjamin Gazdic"
Name: Benjamin Gazdic
Title: Principal

By: (signed) "Tony P. Loria"
Name: Tony P. Loria
Title: Principal, Vice Chairman

HAYWOOD SECURITIES INC.

PARADIGM CAPITAL INC.

By: (signed) "Clark Andrews"
Name: Clark Andrews
Title: Head of Energy Investment
Banking

By: (signed) "Jason Tucker"
Name: Jason Tucker
Title: Managing Director, Investment
Banking

The foregoing Agreement is hereby accepted and agreed to as of the date first above written.

LYCOS ENERGY INC.

By: (signed) "Dave Burton"
Name: Dave Burton
Title: President & Chief Executive Officer

By: (signed) "Lindsay Goos"
Name: Lindsay Goos
Title: Vice President,
Finance & Chief Financial Officer

SCHEDULE "A"

UNITED STATES OFFERS AND SALES

As used in this Schedule A, capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Underwriting Agreement to which this Schedule is annexed, and the following terms shall have the meanings indicated:

"Directed Selling Efforts" means directed selling efforts as that term is defined in Rule 902(c) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Common Shares and shall include, without limitation, the placement of any advertisement on the Internet or in a publication with a general circulation in the United States that refers to the offering of any of the Common Shares;

"Foreign Private Issuer" means a foreign private issuer as that term is defined in Rule 405 under the U.S. *Securities Act*. Without limiting the foregoing, but for greater clarity in this Schedule, it means any issuer that is: (a) not the government of any country, or of any political subdivision of a country, other than the United States; and (b) a corporation or other organization incorporated under the laws of any country other than the United States, except an issuer meeting the following conditions as of the last business day of its most recently completed second fiscal quarter: (1) more than 50 percent of the outstanding voting securities of such issuer are directly or indirectly owned of record by residents of the United States; and (2) any of the following: (i) the majority of the executive officers or directors are United States citizens or residents; (ii) more than 50 percent of the assets of the issuer are located in the United States; or (iii) the business of the issuer is administered principally in the United States;

"General Solicitation" and **"General Advertising"** means "general solicitation" and "general advertising", respectively, as used in Rule 502(c) of Regulation D, including, without limitation, advertisements, articles, notices or other communication published on the Internet, in any newspaper, magazine or similar media or broadcast over television or radio, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

"Offshore Transaction" means an offshore transaction as that term is defined in Rule 902(h) of Regulation S;

"Regulation D" means Regulation D adopted by the SEC under the U.S. *Securities Act*;

"Regulation S" means Regulation S adopted by the SEC under the U.S. *Securities Act*;

"Securities" means the Common Shares;

"Selling Dealer Group" means the dealers and brokers other than the Underwriters who participate in the offer and sale of the Securities pursuant to the Underwriting Agreement;

"Substantial U.S. Market Interest" means "substantial U.S. market interest" as that term is defined in Rule 902(j) of Regulation S;

"**U.S. Affiliate**" means a duly registered U.S. broker-dealer affiliate of an Underwriter; and

"**U.S. Exchange Act**" means the United States *Securities Exchange Act* of 1934, as amended.

Representations, Warranties and Covenants of the Underwriters

Each Underwriter on behalf of itself and its U.S. Affiliates, if any, represents, warrants and covenants to the Corporation that:

1. It acknowledges that the Securities have not been and will not be registered under the U.S. *Securities Act* or any state securities laws and may not be offered or sold in the United States except to persons reasonably believed to be Qualified Institutional Buyers pursuant to an exemption under Rule 144A from the registration requirements of the U.S. *Securities Act* and in compliance with applicable state securities laws. It or its U.S. Affiliate has not offered or sold, and will not offer or sell, any Securities forming part of its allotment or otherwise as a part of the distribution except: (a) outside the United States in Offshore Transactions in compliance with Rule 903 of Regulation S; or (b) to persons in the United States that are Qualified Institutional Buyers in compliance with Rule 144A, as provided in paragraphs 2 through 16 below, that have executed and delivered a purchaser letter for Qualified Institutional Buyers substantially in the form attached as Appendix I to the U.S. Placement Memorandum.
2. It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Securities, except with its affiliates, any Selling Dealer Group members or with the prior written consent of the Corporation. It shall require its U.S. Affiliate and each Selling Dealer Group member to agree, for the benefit of the Corporation, to comply with, and ensure that each of its U.S. Affiliates and each Selling Dealer Group member complies with, the same provisions of this Schedule as apply to such Underwriter as if such U.S. Affiliate and Selling Dealer Group member was a party to this Agreement.
3. All subsequent offers and sales of the Securities by such Underwriter shall be made only in accordance with the provision of Rule 904 of Regulation S, pursuant to a registration of the Securities under the U.S. *Securities Act*, or pursuant to an available exemption from the registration requirements of the U.S. *Securities Act*.
4. Such Underwriter agrees to obtain substantially identical undertakings from each member of the Selling Dealer Group and to comply with the offering restriction requirements of Rule 903 of Regulation S.
5. Neither such Underwriter nor any of its U.S. Affiliates, nor any persons acting on its or their behalf, has engaged or will engage, in any Directed Selling Efforts with respect to any of the Securities.
6. All offers and sales of Securities in the United States have been and shall be made by or through the Underwriter's U.S. Affiliates in compliance with all applicable U.S. broker-dealer requirements (or in the case of a foreign broker or dealer relying on exemptions available under the U.S. *Exchange Act*, by that foreign broker or dealer in accordance with all applicable requirements of the U.S. *Exchange Act*). Such broker-dealer affiliate is and will be, on the date of each offer or sale of Securities in the United States, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. *Exchange Act* and under the laws of each state where such offers and sales are made (unless exempted from such state's registration requirements) and is a member in good standing with the Financial Industry Regulatory Authority.

7. Offers and sales of Securities in the United States by the Underwriter or its U.S. Affiliates, or any person acting on its or their behalf, have not been and shall not be made by any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. *Securities Act*.
8. The Underwriters have not and shall not offer or sell the Securities in the United States except that offers, sales and solicitations of offers to buy the Securities shall be made by the Underwriters, in compliance with all applicable requirements of the U.S. *Exchange Act* or acting by or through U.S. Affiliates pursuant to an exemption from the registration requirements of the U.S. *Securities Act* under Rule 144A, only to persons reasonably believed to be Qualified Institutional Buyers.
9. It and its U.S. Affiliates will ensure that each offeree of Securities in the United States has been or shall be provided with a U.S. Placement Memorandum including the Prospectus, and each purchaser in the United States and each purchaser who was offered Securities in the United States (i) was provided, at or prior to the time of purchase of any Securities, the U.S. Placement Memorandum including the Prospectus and (ii) executed and delivered to Underwriters, the U.S. Affiliates and the Corporation a purchaser letter substantially in the form attached as Appendix I to the U.S. Placement Memorandum. The Underwriter has not and will not use any written material relating to the offering of the Securities in the United States except for the U.S. Placement Memorandum.
10. It will inform, and cause its U.S. Affiliates to inform, all purchasers of the Securities in the United States and all purchasers who were offered Securities in the United States that the Securities have not been and will not be registered under the U.S. *Securities Act* and are being sold to them without registration under the U.S. *Securities Act* in reliance on Rule 144A.
11. It shall cause its U.S. Affiliates to agree, for the benefit of the Corporation, to the same provisions as are contained in paragraphs 1 to 16 of this Schedule.
12. Its U.S. Affiliate selling the Securities in the United States is a Qualified Institutional Buyer within the meaning of Rule 144A.
13. At least one business day prior to the Closing Date, it will provide the Corporation with a list of all purchasers (including addresses) of the Securities that are in the United States and all purchasers of Securities that were offered Securities in the United States.
14. At Closing, each Underwriter, together with its U.S. Affiliates offering or selling Securities in the United States will provide a certificate, substantially in the form of Exhibit A to this Schedule relating to the manner of the offer and sale of the Securities in the United States or will be deemed to have represented that neither it nor its affiliates offered or sold Securities in the United States.
15. It is understood and agreed by the Underwriters that the sale of the Securities in the United States will be made only by the Underwriters or their respective U.S. Affiliates, acting as principals, pursuant to Rule 144A to persons who are, or are reasonably believed by them to be, Qualified Institutional Buyers and in all cases, in compliance with any applicable state securities laws of the United States, and such purchaser shall have executed and delivered a purchaser letter for Qualified Institutional Buyers substantially in the form attached as Appendix I to the U.S. Placement Memorandum.

16. The Underwriter and its U.S. Affiliates acknowledge that until 40 days after the closing of the Offering of the Securities, an offer or sale of the Securities within the United States by any dealer (whether or not participating in this offering) may violate the registration requirement of the U.S. *Securities Act* if such offer or sale is made otherwise than in accordance with an exemption from the registration requirement of the U.S. *Securities Act*.

Representations, Warranties and Covenants of the Corporation

The Corporation represents, warrants, covenants and agrees to and with the Underwriters that:

1. (a) The Corporation is and at the Closing Date will be a Foreign Private Issuer within the meaning of Regulation S; (b) the Corporation is not now and as a result of the offer and sale of Securities contemplated hereby will not be required to be registered as an "investment company" under the United States *Investment Company Act* of 1940, as amended; and (c) none of the Corporation, any of its affiliates, or any person acting on its or their behalf (other than the Underwriters, their affiliates, members of the Selling Dealer Group and any person acting on any of their behalf) has made or will make any Directed Selling Efforts with respect to the Securities, has engaged or will engage in any form of General Solicitation or General Advertising in connection with the offer or sale of the Securities in the United States or has otherwise acted in a manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. *Securities Act* in connection with the offer or sale of the Securities in the United States.
2. There is no, and at the Closing Date will not be any, Substantial U.S. Market Interest with respect to the Securities of the Corporation.
3. None of the Corporation or any of its affiliates or any persons acting on its or their behalf (other than the Underwriters, their affiliates, members of the Selling Dealer Group and any person acting on any of their behalf) has offered or sold, or will offer or sell, any of the Securities in the United States except for offers and sales made through the Underwriters and their U.S. Affiliates in compliance with this Schedule.
4. The Corporation has not, and will not, offer or sell any securities in a manner that would be integrated with the offer and sale of the Securities and would cause the exemption from registration provided by Rule 144A under the U.S. *Securities Act* to become unavailable with respect to the offer and sale of the Securities in the United States or which would cause the exclusion from such registration requirements set forth in Rule 903 of Regulation S to become unavailable with respect to the offer and sale of the Securities outside the United States.
5. Neither the Corporation nor any other person acting on its behalf (other than the Underwriters, their affiliates, members of the Selling Dealer Group and any person acting on any of their behalf) has taken or will take any action that would cause the exemption from the registration requirements of the U.S. *Securities Act* provided by Rule 144A to become unavailable with respect to the offer and sale of the Securities in the United States or which would cause the exclusion from such registration requirements set forth in Rule 903 of Regulation S to become unavailable with respect to the offer and sale of the Securities outside the United States.
6. At the date hereof, the Securities are not: (a) part of a class listed on a national securities exchange in the United States; (b) quoted in an automated inter-dealer system (within the meaning of Rule 144A) in the United States; or (c) convertible or exchangeable at an effective conversion premium (calculated as specified in paragraph (a)(6) of Rule 144A under the U.S. *Securities Act*) of less than ten percent for securities so listed or quoted.

7. For so long as any of the Common Shares are outstanding and are "restricted securities" within the meaning of Rule 144 under the U.S. *Securities Act* and not eligible for resale pursuant to Rule 144(b)(1), at any time when the Corporation is neither subject to and in compliance with Section 13 or 15(d) of the U.S. *Exchange Act*, nor exempt from the filing requirements of the U.S. *Exchange Act* pursuant to Rule 12g3-2(b) thereunder, the Corporation shall furnish holders and prospective purchasers of Securities, upon request, with the information required by Rule 144A(d)(4) under the U.S. *Securities Act* (so long as the provision of such information is necessary in order to permit holders of the Securities to effect resales under Rule 144A).

EXHIBIT "A"**UNDERWRITERS' CERTIFICATE**

In connection with the private placement offering of common shares (the "**Common Shares**") of Lycos Energy Inc. to one or more Qualified Institutional Buyers, pursuant to the Underwriting Agreement effective as of September 13, 2023 among the Corporation and the Underwriters named therein (the "**Underwriting Agreement**"), each of the undersigned does hereby certify for itself, the Underwriters and the respective U.S. Affiliates of the Underwriters that offered or sold the Securities in the United States as follows:

1. The Common Shares have been offered and sold in the United States only by [•], which is a duly registered broker or dealer under Section 15(b) of the U.S. *Securities Exchange Act*, of 1934, as amended (the "*U.S. Exchange Act*"), and the securities laws of each state in which such offer or sale is made (unless exempted from the respective state's broker-dealer registration requirements) and is and was a member of and in good standing with the Financial Industry Regulatory Authority, Inc. on each applicable date (or in the case of a foreign broker or dealer relying on exemptions available under the U.S. *Exchange Act*, by that foreign broker or dealer in accordance with all applicable requirements of the U.S. *Exchange Act*), and all offers and sales of the Securities in the United States have been effected by [•] in accordance with all U.S. federal and state securities laws, including those governing the regulation and conduct of broker-dealers.
2. Each offeree that was in the United States was provided with a copy of a Preliminary U.S. Private Placement Memorandum, including the Preliminary Prospectus, for the offering of the Common Shares in the United States, and each purchaser of the Common Shares that was in the United States (and each purchaser of the Common Shares who was offered Common Shares in the United States) was provided, prior to the Closing Time, with a copy of the U.S. Placement Memorandum, including the Prospectus and executed and delivered to the Underwriters and the Corporation a purchaser letter for Qualified Institutional Buyers substantially in the form attached as Appendix I to the U.S. Placement Memorandum and no other written material was used in connection with the offer and sale to such purchaser.
3. Immediately prior to our transmitting such Preliminary U.S. Private Placement Memorandum or U.S. Placement Memorandum to such offerees, we had reasonable grounds to believe and did believe that each offeree was a Qualified Institutional Buyer, and, on the date hereof, we continue to believe that each purchaser of Common Shares in the United States or who was offered Common Shares in the United States is a Qualified Institutional Buyer.
4. No form of General Solicitation or General Advertising was used by us, including, without limitation, advertisements, articles, notices or other communications published on the Internet or in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising, or in any other manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. *Securities Act*, in connection with the offer or sale of the Common Shares in the United States.
5. We have not engaged in any Directed Selling Efforts with respect to any of the Common Shares.
6. The offering of the Securities has been conducted by us in accordance with the terms of the Underwriting Agreement including Schedule A thereto.

Terms used in this certificate have the meanings given to them in the Underwriting Agreement unless otherwise defined herein.

Dated this ____ day of _____, 2023.

[UNDERWRITER]

[U.S. AFFILIATE]

By: _____

Name:

Title:

By: _____

Name:

Title: