

**EXECUTION VERSION**

***Redacted & Conformed***

**LYCOS ENERGY INC.**

**(as Vendor)**

**– and –**

**[REDACTED – PURCHASER NAME]**

**(as Purchaser)**

**ASSET SALE AGREEMENT**

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**DATE: October 7, 2025**

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## PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is made October 7<sup>th</sup>, 2025,

BETWEEN:

**LYCOS ENERGY INC.**, a corporation having an office and carrying on business in the City of Calgary in the Province of Alberta ("**Vendor**")

- and -

**[REDACTED – PURCHASER NAME]**, a corporation having an office and carrying on business in the City of **[REDACTED - City]** in the Province of **[REDACTED – Province]**("Purchaser")

WHEREAS Vendor has agreed to sell and convey the Assets, and Purchaser has agreed to purchase and accept the Assets, on the terms and conditions hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises, mutual covenants, agreements and warranties hereinafter set forth and contained, the Parties respectively covenant and agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.01 Definitions

In this Agreement, the following capitalized words and phrases shall have the following meanings:

- (a) "**Abandonment and Reclamation Obligations**" means all past, present and future Losses and Liabilities and other duties and obligations, whether arising under Title and Operating Documents, the Regulations or otherwise, to:
- (i) abandon the Wells and restore and reclaim the subsurface and surface sites thereof and any other lands used to gain access thereto;
  - (ii) close, decommission, dismantle and remove the Tangibles, including associated structures, buildings, foundations, pipelines, facilities, equipment and other tangible depreciable property and assets and restore and reclaim the Lands on or in which any of the foregoing are located and any other lands used to gain access thereto; and
  - (iii) restore, remediate and reclaim the surface or subsurface of any lands other than those lands described in paragraphs (i) and (ii) and specifically relating to, or used to gain access to, the Assets, including the lands to which the Surface Rights relate,

all in accordance with good oil and gas field practices and in compliance with the Regulations and all applicable Title and Operating Documents, if applicable;

- (b) **"Accounting Firm"** means a nationally recognized firm of chartered accountants as may be mutually selected by the Parties;
- (c) **"AER"** means the Alberta Energy Regulator;
- (d) **"AFE"** means an authority for expenditure, mail ballot, cash call, or any other approval given by the holder of a working interest in the Lands or Tangibles to conduct an operation, create or incur a financial obligation or accept a risk;
- (e) **"Affiliate"** means any Person which controls or is controlled by a Party or which controls or is controlled by a Person which controls such Party; "control" meaning the power to direct or cause the direction of the management and policies of the Party or the other Person, as the case may be, whether directly or indirectly, through one or more intermediaries or otherwise, and whether by virtue of being the Party's trustee, owning shares or other equity interests, or holding voting rights, contractual rights, trust instruments, partnership interests or any other such interests. For certainty, a partnership which is a Party and which is comprised of corporations which are Affiliates shall be deemed to be an Affiliate of each such corporation and its other Affiliates;
- (f) **"Agreement"** means this Purchase and Sale Agreement, including the recitals and the Schedules hereto;
- (g) **"Assets"** means the Petroleum and Natural Gas Rights, the Tangibles, the Miscellaneous Interests and the Seismic Data;
- (h) **"Audit Period"** has the meaning set forth in Clause 5.01(h);
- (i) **"Business Day"** means any day other than a Saturday, Sunday or Statutory Holiday in Alberta during which the Parties are open for normal business in Calgary, Alberta;
- (j) **"Claim"** means any lawsuit, action, dispute, investigation, claim, arbitration, order, summons, citation, directive, charge, demand or proceeding, whether legal or administrative, at law or in equity, or before or by any Government Authority;
- (k) **"Closing"** means the transfer of legal and beneficial ownership of the Assets from Vendor to Purchaser and the completion of other matters incidental thereto as provided for in this Agreement;
- (l) **"Closing Date"** means 10:00 a.m. on October 15, 2025, or such other date and time to which the Parties may agree in writing;
- (m) **"Consequential Losses"** means consequential, special, indirect, punitive or exemplary damages, compensation for business interruption, loss of profit, including business loss and economic loss, loss of revenue, loss of value, loss of opportunity, opportunity costs, and similar types of Losses, provided however that for the purposes of this Agreement lost profits shall not constitute Losses even where: (i) they are considered to be direct, consequential or indirect losses; (ii) they were foreseeable by the Parties at any time; or (iii) they are a direct and natural result of a Party's breach of its obligations under this Agreement;

- (n) **“Conveyance Documents”** means all conveyances, assignments, registerable transfers, novations, bills of sale, and other documents or instruments, other than the General Conveyance, which are reasonably required or desirable to convey, assign and transfer the Assets to Purchaser and to novate Purchaser in the place and stead of Vendor with respect to the Assets and the Title and Operating Documents and all of Vendor’s obligations relating thereto;
- (o) **“Dollar”** and **“\$”** mean a dollar of lawful money of Canada;
- (p) **“Effective Date”** means 12:01 a.m. on September 1, 2025;
- (q) **“Environment”** means the components of the earth and the atmosphere and includes all layers of the atmosphere, ambient air, the soil, the surface and subsurface strata of land, groundwater and surface water (including lakes, rivers, streams, oceans and aquifers), all organic and inorganic matter and living organisms, and the interacting natural systems which include such components;
- (r) **“Environmental Liabilities”** means any and all environmental damage, contamination, or other adverse environmental conditions pertaining to or caused by any of the Assets or operations thereon or related thereto or existing within, upon or under the Lands, any lands upon which the Tangibles are located or any lands which are used to gain access to any of the foregoing, however and by whomsoever caused, and whether caused by a breach of the applicable Regulations or otherwise, which occur or arise in whole or in part prior to, at or subsequent to the Closing Date, and regardless of whether or not a reclamation certificate has been issued. Without limiting the generality of the foregoing, such environmental damage or contamination or other environmental conditions shall include those arising from or relating to: (i) surface, underground, air, ground water, surface water or marine environment contamination; (ii) Abandonment and Reclamation Obligations; (iii) the breach of applicable Regulations in effect at any time; (iv) the removal of or failure to remove foundations, structures or equipment; (v) the release, spill, escape or emission of toxic, hazardous or oilfield waste substances; and (vi) Losses suffered by third parties as a result of any of the occurrences in paragraphs (i) through (v) of this definition;
- (s) **“Facilities”** means the facilities described in Schedule A;
- (t) **“FSOA”** has the meaning set forth in Clause 5.01(c);
- (u) **“General Conveyance”** means the general conveyance to be entered into between Vendor and Purchaser at Closing, substantially in the form attached hereto as Schedule D;
- (v) **“Government Authority”** means any federal, provincial, territorial, local, regional, municipal or other political body having jurisdiction over the Assets and any agency, authority, court, tribunal, board, commission, bureau, arbitrator or tribunal, or any quasi-governmental or other entity, insofar as it exercises a legislative, judicial, regulatory, administrative, expropriation or governmental taxing power or function which may affect the Assets;

- (w) “**GST**” means the goods and services tax administered pursuant to the *Excise Tax Act* (Canada) and includes any successor, harmonized or parallel federal or provincial legislation that imposes a tax on the recipient of goods and services;
- (x) “**Interim Contract Operating Agreement**” means the Interim Contract Operating Agreement to be entered into between Vendor and Purchaser at Closing, substantially in the form attached hereto as Schedule F;
- (y) “**Lands**” means the lands described in Schedule A and includes the Petroleum Substances within, upon or under such lands insofar as such Petroleum Substances are granted by the Leases and includes all lands pooled or unitized therewith, subject to such limitations as to geological formations and Petroleum Substances as may appear in Schedule A;
- (z) “**Leases**” means collectively the leases, reservations, permits, licenses or other documents of title described in Schedule A by virtue of which the holder thereof is entitled to explore for, drill for, win, take or remove Petroleum Substances within, upon or under the Lands, or any replacement, extensions or renewals thereof or leases derived therefrom, insofar as same relate to the Lands;
- (a) “**Liabilities**” means any and all liabilities and obligations, whether under common law, in equity, under the Regulations or otherwise, whether tortious, contractual, vicarious, statutory or otherwise, whether absolute or contingent, and whether based on fault, strict liability or otherwise;
- (aa) “**License Transfers**” means transfers of any permits, approvals, licenses and authorizations granted by a Government Authority in respect of the Assets;
- (bb) “**Losses**” means all actions, causes of action, losses, costs, Claims, damages, penalties, fines, assessments, charges, expenses or other liabilities whatsoever, whether contractual or tortious, which are suffered, sustained, paid or incurred by a Party and includes reasonable legal fees on a solicitor and client basis and other professional fees and disbursements on a full indemnity basis, but notwithstanding the foregoing shall not include any liability for income tax or liability for Consequential Losses except to the extent any such Consequential Losses are included in any third party Claim against a Party who is entitled to indemnification under this Agreement;
- (cc) “**Marketing and Transportation Agreements**” means contracts for the sale, dedication, processing or transportation of Petroleum Substances produced from the Lands, all as set forth and described in Schedule B;
- (dd) “**Miscellaneous Interests**” means Vendor’s entire undivided right, title, estate and interest in and to all property, assets and rights (other than the Petroleum and Natural Gas Rights, the Tangibles and the Seismic Data) pertaining to, but only to the extent to which they pertain to, the Petroleum and Natural Gas Rights, the Tangibles or the Seismic Data, including Vendor's entire undivided interest in:
  - (i) all contracts, agreements, books, records and documents, including the Title and Operating Documents and the Marketing and Transportation Agreements and any rights in relation thereto;

- (ii) the Surface Rights;
  - (iii) all subsisting rights to carry out operations relating to the Lands or the Tangibles including all easements and Well, Facility and other permits, licenses and authorizations;
  - (iv) all non-interpretive production, engineering, geological and other information, records, books, documents, reports and data prepared for the joint account (i.e., prepared for all working interest owners);
  - (v) electronic well data and historical well data related to the Wells, including, if applicable, a WellView database export, master UDL file for WellView, a copy of the WellView custom folder or similar files for equivalent software to translate and view the Well data using a licensed copy of WellView, but excluding any such data which is subject to third party restrictions on deliverability or confidentiality restrictions;
  - (vi) electronic site data and historical site data related to the Facilities, including, if applicable, a SiteView database export, master UDL file for SiteView, a copy of the SiteView custom folder or similar files for equivalent software to translate and view the data using a licensed copy of SiteView, and excluding any such data which is subject to third party restrictions on deliverability or confidentiality restrictions;
  - (vii) any facility specific or area specific emergency response plans; and
  - (viii) all Wells, including the wellbores of and casings for the Wells;
- (ee) **"Outside Date"** means December 31, 2025, or such later date as agreed to in writing by the Parties;
- (ff) **"Party"** means a Person bound by this Agreement;
- (gg) **"Permitted Encumbrances"** means:
- (i) easements, rights-of-way, servitudes and other similar rights in land including rights-of-way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph or cable television conduits, poles, towers, wires and cables;
  - (ii) the right reserved to or vested in any Government Authority pursuant to the Regulations to terminate any Leases, license, franchise, grant or permit or to require annual or other periodic payments of rentals, fees or other amounts as a condition of the continuance thereof;
  - (iii) liens imposed by Regulation securing the payment of taxes, assessments and governmental charges which are not due or delinquent;
  - (iv) taxes on Petroleum Substances (excluding income taxes and GST) or the revenue therefrom and requirements imposed by the Regulations or any

Government Authority concerning rates of production from operations on any of the Lands or otherwise affecting recoverability of Petroleum Substances from the Lands and which are generally applicable to the oil and gas industry in the jurisdictions in which the Assets are located;

- (v) the terms and conditions of the Title and Operating Documents, provided that any burdens, encumbrances, adverse claims and reductions, conversions and alterations of interest included therein must be described in Schedule A in order to be considered a Permitted Encumbrance hereunder;
  - (vi) rights reserved to or vested in any Government Authority to control or regulate any of the Assets in any manner, and all Regulations;
  - (vii) undetermined or inchoate liens (including processors', operators' and similar liens) incurred or created as security in favour of the Person conducting the operation of any of the Assets, and arising in the ordinary course of business, for Vendor's proportionate share of the costs and expenses of such operations in respect of such costs which are not due or delinquent;
  - (viii) mechanics', builders' or materialman's liens in respect of services rendered or goods supplied, but only insofar as such liens relate to goods or services for which payment is not due or delinquent;
  - (ix) the reservations, limitations, provisos, exceptions and conditions in any original grants from the Crown of any of the Petroleum and Natural Gas Rights, Lands or interests therein, and statutory exceptions to title;
  - (x) penalties which are described in Schedule A and which have arisen under the Title and Operating Documents as a consequence of Vendor's elections at the relevant time to not participate in operations on the Lands to which the penalty applies;
  - (xi) liens or securities incurred, created or granted in the ordinary course of business to a public utility or Government Authority in connection with operations pertaining to the Assets;
  - (xii) all royalty burdens (including lessors' royalties), liens, adverse claims and encumbrances described in Schedule A; and
  - (xiii) any Security Interest encumbering the Assets or any part or portion thereof in respect of which Vendor delivers a discharge or no interest letter to Purchaser, in a form satisfactory to Purchaser, acting reasonably, at or prior to Closing;
- (hh) **"Person"** means any individual, partnership, corporation, trust, union, pension fund, government (or department or agency thereof) or other entity;
- (ii) **"Petroleum and Natural Gas Rights"** means Vendor's entire undivided right, title, estate and interest in and to the interests described in Schedule A including

working interests, royalty interests or any other interests in respect of the Leases and the Lands;

- (jj) **“Petroleum Substances”** means petroleum, natural gas and all related hydrocarbons including all liquid hydrocarbons, and all other substances whether liquids, gases or solids and whether hydrocarbon or not (excepting coal but including sulphur), produced in association with such petroleum, natural gas or related hydrocarbons, the rights to which are granted by the Leases;
- (kk) **“Prime Rate”** means the per annum rate of interest designated as the prime rate for Canadian dollar commercial loans by the main Calgary branch of the **[REDACTED – Financial Institution]**, with any change to that rate being effective under this Agreement on the same day as it is made effective by that bank;
- (ll) **[REDACTED – Commercially Sensitive Information];**
- (mm) **“Purchase Price”** means the amount payable by Purchaser to Vendor pursuant to Clause 2.02(a);
- (nn) **“Regulations”** means all statutes, laws, rules, orders, directives, writs, judgments, decrees and regulations in effect from time to time and made by any Government Authority having jurisdiction over the Assets, the Parties or the Transaction, and includes the provisions and conditions of any permit, license or other governmental or regulatory authorization in respect of the Assets or any of them;
- (oo) **“Representatives”** means a Party’s Affiliates and its and their directors, officers, servants, agents and employees;
- (pp) **“Right of First Refusal”** means a right of first refusal, right of first offer, pre-emptive right of purchase or similar right whereby any Person has the right to acquire or purchase all or a portion of the Assets as a consequence of this Agreement or the Transaction;
- (qq) **“Schedules”** has the meaning set forth in Clause 1.02;
- (rr) **“Security Interest”** means any assignment, security, mortgage, charge, pledge, negative pledge, lien or other security interest whatsoever or howsoever created or arising whether absolute or contingent, fixed or floating, perfected or not, which encumbers Vendor’s title or the title of its Affiliates or any predecessor in title in and to the Assets or any part or portion thereof or the proceeds to be received hereunder;
- (ss) **“Seismic Data”** means the entire interest of Vendor in and to the proprietary 2D seismic data set forth and described in Schedule C, including any seismograms, digital field tapes, stack tapes, copies of processed record sections, operator’s reports, surveyor’s notes, shot point location maps and any other similar seismic material associated with any of the 2-D seismic lines, vertical seismic profiles and microseismic data analysis, but excludes any interpretations and derivatives thereof;

- (tt) **“Surface Rights”** means all rights to occupy, cross or otherwise use or enjoy the surface of the Lands in connection with the Assets or any other lands: (i) upon which the Tangibles are situate, (ii) used in connection with the ownership or operation of the Petroleum and Natural Gas Rights, the Tangibles or the Wells, or (iii) used to gain access to any of the Lands, the Tangibles or the Wells;
- (uu) **“Take or Pay Obligations”** means Vendor’s outstanding obligations arising in connection with payments made to Vendor or to its predecessors in interest under or in respect of gas purchase contracts or other contracts for the sale of Petroleum Substances, which payments were made in lieu of or in consequence of the buyers under such contracts not taking delivery of Petroleum Substances, or in consideration of future deliveries of Petroleum Substances, and which obligations include obligations to deliver Petroleum Substances after the Closing Date or to repay such payments after the Closing Date;
- (vv) **“Tangibles”** means Vendor’s entire undivided right, title, estate and interest in and to all tangible depreciable property and assets which are situate in, on or about the Lands, or which are appurtenant thereto and which are used in connection with production, gathering, processing, injection, removal, transmission or treatment of Petroleum Substances, or operations thereon or are relative thereto or are appurtenant to or are used in connection with the Wells, including the Facilities, but excluding any abandoned facilities or pipelines and any equipment beyond the point of entry into a gathering system, plant or other facility which is not a Facility hereunder;
- (ww) **“Thirteenth-Month Adjustment”** means the accounting procedure performed annually by an operator of particular Tangibles for the purpose of redistributing certain revenues and expenses, including operating expenses, processing fee revenues, excess capacity utilization fees and recoveries, royalties and gas cost allowances (or similar cost allowances);
- (xx) **“TIER Program”** means the Technology Innovations and Emissions Retention program under the TIER Regulations, and any provincial or federal programs relating to greenhouse gas emissions initiated by Government Authorities or arising under applicable Regulations, including amendments or replacements of programs in effect as of the date hereof;
- (yy) **“TIER Regulations”** means the *Technology Innovation and Emissions Reduction Regulation*, Alberta Regulation 133/2019;
- (zz) **“Title and Operating Documents”** means, collectively, any and all certificates of title, leases, reservations, permits, licenses, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, pooling agreements and any other documents and agreements granting, reserving or otherwise conferring rights to: (i) explore for, drill for, produce, take, use or market Petroleum Substances; (ii) share in the production of Petroleum Substances; (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced; and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if the foregoing pertain in whole or in part to the Assets;

- (aaa) **“Transaction”** means the purchase and sale transaction contemplated herein and all matters associated with the consummation of such transaction;
- (bbb) **“TSXV Approval”** means the approval by the TSX Venture Exchange of the Transaction contemplated herein; and
- (ccc) **“Wells”** means the wells described in Schedule A.

## 1.02 Schedules

The following schedules (the **“Schedules”**) are attached to, form part of, and are incorporated into this Agreement:

- (a) Schedule A: Petroleum and Natural Gas Rights: Leases, Lands and Leased Substances, Vendor’s Interest, Encumbrances; Wells; Facilities; Pipelines; and AFEs;
- (b) Schedule B: Marketing and Transportation Agreements;
- (c) Schedule C: Seismic Data;
- (d) Schedule D: form of General Conveyance;
- (e) Schedule E: form of certificate; and
- (f) Schedule F: form of Interim Contract Operating Agreement.

## 1.03 References

The references “hereunder”, “herein” and “hereof” refer to the provisions of this Agreement, and references to Articles, Clauses, Subclauses or Paragraphs herein refer to Articles, Clauses, Subclauses or Paragraphs of this Agreement. Any reference to time shall refer to Mountain Standard Time or Mountain Daylight Savings Time during the respective intervals in which each is in force in Calgary, Alberta.

## 1.04 Headings

The headings of the Articles, Clauses, Schedules and any other headings, captions or indices herein are inserted for convenience of reference only and shall not be used in any way in construing or interpreting any provision hereof.

## 1.05 Included Words

In this Agreement words importing the singular include the plural and vice versa, words importing one gender include all genders, words importing individuals include all Persons and vice versa, as the context may require; and “including”, “includes” and like terms mean “including without limitation” and “includes without limitation”.

## 1.06 Knowledge

In the Agreement the stated knowledge of a Party consists only of the actual knowledge of such Party’s current officers and senior managers whose responsibilities relate to the matter in question

in the course of their normal duties and does not include knowledge of any other Person or Persons or any constructive or imputed knowledge and does not impose an obligation to make inquiry of any other Person, including third parties or the files and records of any third party or Government Authority.

### **1.07 Interpretation if Closing Does Not Occur**

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

### **1.08 Invalidity of Provisions**

If any of the provisions of this Agreement should be determined to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions herein shall not in any way be affected or impaired thereby.

### **1.09 Conflicts**

If there is a conflict or inconsistency between the provisions of this Agreement and those of a Schedule, the provisions of this Agreement shall prevail. Vendor acknowledges that, notwithstanding the preparation of the Schedules by Purchaser, Vendor has reviewed the Schedules and confirms the contents thereof.

### **1.10 Regulations**

Any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, and all amendments made thereto and in force from time to time.

### **1.11 Negotiated Transaction**

The Parties have jointly participated in the negotiation and drafting of this Agreement and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as having been jointly drafted by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

## **ARTICLE 2 PURCHASE AND SALE**

### **2.01 Purchase and Sale**

At Closing, Vendor agrees to sell the Assets to Purchaser, and Purchaser agrees to purchase the Assets from Vendor, on the terms and conditions set forth herein.

### **2.02 Purchase Price**

- (a) Subject to the adjustments provided for in Article 5 and payment of interest as contemplated in Clause 2.06, the Purchase Price payable by Purchaser to Vendor for the Assets is Sixty Million Dollars (\$60,000,000.00).

- (b) The Purchase Price does not include, and Purchaser shall be solely liable to pay, any applicable GST in respect of the purchase of the Assets. Purchaser shall pay the aggregate amount of such GST to Vendor at Closing and Vendor shall remit such amount to the appropriate Government Authority in accordance with applicable Regulations. The GST registration number of Vendor is **[REDACTED – GST registration number]** and the GST registration number of Purchaser is **[REDACTED – GST registration number]**.
- (c) Purchaser shall additionally be solely liable for any and all sales, provincial sales, excise, transfer, land transfer and similar taxes imposed by provincial or federal Regulations in respect of the purchase and sale of the Assets pursuant hereto (“**Transfer Taxes**”). If Vendor, as agent for the Crown, is required to collect any such Transfer Taxes, Purchaser shall pay the aggregate amount of such Transfer Taxes to Vendor at Closing and Vendor shall remit such amount to the appropriate Government Authorities as required in accordance with applicable Regulations.

### **2.03 Allocation of Purchase Price**

Vendor and Purchaser hereby allocate the Purchase Price among the Assets as follows and in accordance with the terms of this Agreement:

- (a) to the Petroleum and Natural Gas Rights: **[\$[REDACTED – Amount Allocated]**;
- (b) to the Tangibles: **[\$[REDACTED – Amount Allocated]**;  
and
- (c) to the Seismic Data: **[\$[REDACTED – Amount Allocated]**;  
and
- (d) to the Miscellaneous Interests: **[\$[REDACTED – Amount Allocated]**.

The Parties shall report each sale and purchase of the applicable Assets for all federal, provincial and local tax purposes and shall file their respective tax returns in a manner consistent with the allocation referred to in this Clause 2.03. If any Government Authority does not agree with any allocation of the Purchase Price agreed to between the Parties in accordance with the foregoing, the Parties shall use commercially reasonable efforts to agree upon a different allocation acceptable to the relevant Government Authority and, if the Parties are able to agree, they shall thereafter amend the allocation and their income tax returns accordingly; provided, however that nothing contained herein shall be construed so as to require a Party to commence or participate in any litigation or administrative process challenging the determination so made by any relevant Government Authority.

### **2.04 Determination of Purchase Price**

In the determination of the Purchase Price, the Parties confirm and agree that past, present and future Environmental Liabilities including Abandonment and Reclamation Obligations, are a future cost embedded in, and inextricably linked to, the Assets that is so associated or physically connected with the Assets that, while having been taken into account in establishing the value of the Assets, cannot be separated from the ownership rights in the Assets and moreover, that such obligations are not capable of quantification as of the Closing Date. Accordingly, the Parties have not attributed a specific or agreed to value with regard to either: (i) such Environmental Liabilities;

or (ii) any indemnities provided in respect thereof, nor shall there be any adjustments made to the Purchase Price in relation thereto.

## **2.05 Payment of Purchase Price**

At Closing, Purchaser shall pay the Purchase Price, as adjusted, and any applicable GST to Vendor by bank draft or wire transfer to an account designated in writing by Vendor a reasonable time prior to Closing.

## **2.06 Interest**

Purchaser shall pay to Vendor at Closing, as an adjustment to the Purchase Price, an amount equal to interest on the Purchase Price (unadjusted) for the period of time from the Effective Date until the Closing Date, calculated daily and not compounded at the rate of **[REDACTED – Interest Rate]**, which net amount of any such accrued interest shall constitute a dollar-for-dollar an increase to the Purchase price and shall be allocated to the Petroleum and Natural Gas Rights.

## **2.07 Interim Contract Operating Agreement**

The Parties shall enter into the Interim Contract Operating Agreement at Closing.

## **2.08 [REDACTED – Commercially Sensitive Information]**

### **ARTICLE 3[REDACTED – Commercially Sensitive Information] CLOSING**

## **3.01 Place of Closing**

Unless the Parties otherwise agree in writing, Closing shall take place on the Closing Date by way of the exchange of documents between the Parties by electronic means and by courier.

## **3.02 Effective Date of Transfer**

Provided that Closing occurs, the transfer and assignment of the Assets from Vendor to Purchaser shall be effective as of the Effective Date. Possession of the Assets shall not pass to Purchaser until after Closing on the Closing Date. Pursuant to Article 7, Vendor shall maintain the Assets on Purchaser's behalf between the Effective Date and the Closing Date.

## **3.03 Closing Deliveries**

- (a) At Closing, Vendor shall execute, where applicable, and deliver to Purchaser:
  - (i) a General Conveyance in substantially the form attached hereto as Schedule D;
  - (ii) unless otherwise agreed by the Parties, all Conveyance Documents, executed by Vendor and, where necessary, by Vendor's Affiliates to the extent to which such Affiliates hold the relevant Lease, approval, permit, license or other document on Vendor's behalf;
  - (iii) copies of all consents to disposition, other than customary post-closing consents, obtained by Vendor with respect to the Transaction;

- (iv) a certificate in substantially the form attached hereto as Schedule E;
  - (v) the Interim Contract Operating Agreement;
  - (vi) no interest letters or discharges in a form satisfactory to Purchaser of any Security Interests from the holder thereof;
  - (vii) a receipt for payment of the amount hereunder payable to Vendor by Purchaser on the Closing Date;
  - (viii) evidence of receipt of the TSXV Approval;
  - (ix) copies of all consents to disposition obtained by Vendor with respect to the Transaction, other than customary post-closing consents; and
  - (x) such other documents as may be specifically required hereunder or as Purchaser may reasonably request by reasonable notice to Vendor.
- (b) At Closing, Purchaser shall execute, where applicable, and deliver to Vendor:
- (i) the Purchase Price, subject to adjustments, and applicable GST;
  - (ii) a General Conveyance in substantially the form attached hereto as Schedule D;
  - (iii) a certificate in substantially the form attached hereto as Schedule E;
  - (iv) the Interim Contract Operating Agreement; and
  - (v) such other documents as may be specifically required hereunder or as Vendor may reasonably request by reasonable notice to Purchaser.

#### **ARTICLE 4**

### **CONVEYANCE DOCUMENTS, LICENSE TRANSFERS AND RECORDS**

#### **4.01 Conveyance Documents**

- (a) Vendor shall prepare the Conveyance Documents at its cost and shall use commercially reasonable efforts to take into account Purchaser's reasonable comments on such Conveyance Documents. No later than five (5) Business Days before the Closing Date Vendor shall deliver drafts of the Conveyance Documents to Purchaser for Purchaser's review. The Parties shall use reasonable commercial efforts to provide the Conveyance Documents for execution and delivery prior to Closing.
- (b) Conveyance Documents may be executed electronically, to the extent possible, in separate counterparts and may be personally delivered or delivered by email by each Party to the other Party, and each counterpart when so executed and delivered shall be deemed to be an original, all of which when taken together will constitute a single instrument. Production of an original or electronically executed counterpart execution page, whether personally delivered or delivered

electronically by a Party to the other Party, shall be sufficient to prove the execution and delivery of such Conveyance Document.

- (c) Promptly after Closing and at Vendor's cost, Vendor shall deliver and distribute all Conveyance Documents to third parties. Promptly after Closing and at Purchaser's cost, Purchaser shall register applicable Conveyance Documents with the required Government Authorities in accordance with normal industry practices.

#### **4.02 License Transfers**

- (a) Vendor shall, within two (2) Business Days following Closing, prepare and, where applicable, electronically submit all License Transfer applications to the applicable Government Authority and Purchaser or its nominee shall promptly, where applicable, electronically ratify and sign such applications.
- (b) If the Government Authority rejects a License Transfer because of errors in the application, Vendor shall, within two (2) Business Days of such rejection, amend and re-submit the application for the License Transfer and Purchaser or its nominee shall promptly, where applicable, electronically ratify and sign such application.
- (c) If, for any reason, a Government Authority requires a Party or its nominee to make a deposit or furnish any other form of security in order to approve a License Transfer, such Party shall promptly make such deposit or furnish such other form of security as is required and shall forthwith notify the other Party of such requirement.
- (d) Without limiting the Parties' obligations under this Clause 4.02, until such time as the approval of the transfer of License Transfer or the transfer or assignment of any of the Assets to Purchaser, at which time the relevant permit or license shall be transferred to Purchaser, the permit or license in respect of the subject Well shall be held by Vendor on behalf of Purchaser as bare trustee and agent in accordance with the provisions of Clause 7.05.

#### **4.03 Costs and Charges**

Purchaser shall bear all costs, fees and deposits incurred in registering any Conveyance Documents or License Transfers associated with the Assets, except for any fee or deposit relating specifically to Vendor, which fee or deposit shall be the sole responsibility of Vendor.

#### **4.04 Third Party Consents**

- (a) It shall not be necessary for Vendor to obtain, prior to Closing, the consent or approval of any third party to the disposition of Assets hereunder to the extent that such a Title and Operating Document provides that such consent or approval is not to be unreasonably withheld; provided however, that Vendor shall obtain such consent or approval post-Closing.
- (b) If the disposition of Assets herein requires the consent or approval of any third party where such consent or approval can be withheld in the sole discretion of such third party, then following the execution of this Agreement, Vendor shall comply on

a timely basis with all requirements relating to such consent or approval and shall serve all required notices to all such third parties requesting their consent or approval. From time to time, and at Purchaser's request, Vendor shall advise Purchaser of the status of any responses to such consent and approval requests, and at Closing Vendor shall deliver to Purchaser evidence that all such consents and approvals have been received.

#### 4.05 Files and Records

Within 10 days following Closing, Vendor shall deliver to Purchaser original and electronic copies of Vendor's Title and Operating Documents, and any other records, files, reports and data pertaining to the Assets. Notwithstanding the foregoing, if and to the extent that such Title and Operating Documents and other records, files, reports and data also pertain to interests other than the Assets, Vendor may provide photocopies or other copies to Purchaser in lieu of originals.

### ARTICLE 5 ADJUSTMENTS

#### 5.01 Adjustments

- (a) Except as otherwise provided in this Clause 5.01, the net amount of all benefits and obligations of every kind and nature relating to the operation of the Assets and accruing, payable or paid and received or receivable in respect of the Assets including mineral and surface lease rents (including the costs associated with the **[REDACTED – Commercially Sensitive Information]**), property taxes, maintenance, development, capital and operating costs, gas cost allowances, proceeds from the sale of production, and revenues from processing and transportation fees charged to third parties, shall be apportioned between the Parties as of the Effective Date on an accrual basis, regarding the interim statement of adjustments, and on an actual basis, regarding the FSOA, provided that:
  - (i) Vendor's share of all Petroleum Substances attributable to the Assets that were beyond the wellhead at the Effective Date do not comprise part of the Assets;
  - (ii) **[REDACTED – Commercially Sensitive Information]**; and
  - (iii) the net income that accrues in respect of the Assets from the Effective Date to the Closing Date will be reported as income by Vendor for income tax purposes. There shall be no adjustment in respect of any income tax assessed and payable on such net income, which income tax shall be solely for Vendor's account.
- (b) An interim accounting and adjustment shall be conducted for Closing and Vendor shall prepare and forward a draft interim statement of adjustments to Purchaser at least five (5) Business Days prior to the Closing Date for Purchaser's review and comment, and shall assist Purchaser in verifying the amounts set forth in such statement.

- (c) Within 180 days of the Closing Date, Vendor shall prepare and forward to Purchaser a final statement of accounting and adjustment (the "**FSOA**"). Purchaser shall provide, or cause to be provided, to Vendor and its Representatives full (but non-exclusive) access to, and Vendor at its own expense shall be entitled to audit, the relevant records in Purchaser's possession to aid in the preparation of such FSOA. Purchaser shall have 30 days from receipt of the FSOA to review same and Vendor shall provide to Purchaser at Purchaser's own expense the right to review the FSOA and full access to the working papers and any supporting information used by Vendor to prepare the FSOA. Settlement of accounts will be considered concluded when:
- (i) the Parties agree on the contents of the FSOA, evidenced by them signing a copy of the FSOA which expressly states that it is the FSOA; and
  - (ii) all funds owing pursuant thereto have been received by the Party to whom such funds are owed.

Subject to Clauses 5.01(h) and 5.01(i), the Parties shall not be obligated to make any adjustments after the date the FSOA is considered to be final hereunder.

- (d) If Purchaser is of the opinion that any change is required to be made to the FSOA as prepared by Vendor, it shall, on or before that date which is 30 days after the delivery of the FSOA by Vendor to Purchaser (the "**Objection Date**"), give written notice to Vendor of any such proposed change. If Purchaser does not notify Vendor of any proposed change on or before the Objection Date, then Purchaser shall be deemed to have accepted the FSOA.
- (e) If Purchaser gives written notice to Vendor of any proposed change to the FSOA on or before the Objection Date, and if the proposed change is disputed by Vendor and the Parties fail to resolve the dispute within 30 days after the Objection Date, then an Accounting Firm shall immediately be engaged by the Parties to resolve forthwith the dispute and the Accounting Firm shall be requested to render its decision without qualifications, other than the usual qualifications relating to engagements of this nature, within 30 days after the dispute is referred to it. The decision of the Accounting Firm shall be final and binding upon Vendor and Purchaser and shall not be subject to appeal by either Party. The fees and expenses of the Accounting Firm shall be shared equally by the Parties.
- (f) If the Accounting Firm cannot or will not make a decision in the manner provided above, either Party may refer the matter for determination by arbitration in accordance with Article 12.
- (g) Upon agreement with respect to all matters in dispute, or upon a decision of the Accounting Firm or the Arbitrator with respect thereto, such amendments shall be made to the FSOA as may be necessary to reflect such agreement or such decision, as the case may be. The net amount will then be remitted promptly by the Party who in the net result is obliged to make payment within ten (10) Business Days of such agreement or decision and if not paid within such ten (10) Business Days, thereafter shall bear interest until paid at a rate equal to the **[REDACTED – Interest Rate]** compounded annually. In such event, references in the Agreement to the FSOA shall refer to the FSOA, as so amended.

- (h) During the one (1) year period following the date on which the FSOA has been signed by both Parties (the "**Audit Period**"), Purchaser may audit Vendor's books, records and accounts respecting the Assets, for the purposes of effecting adjustments pursuant to this Article 5. Any such audit shall be conducted upon reasonable notice to Vendor at Vendor's offices during Vendor's normal business hours and shall be conducted at Purchaser's sole expense. Any claims of discrepancies disclosed by an audit shall be made in writing to Vendor within 30 days following the completion of the applicable audit and Vendor shall respond in writing to any such claims of discrepancies within 30 days of receipt of such claims.
- (i) Notwithstanding the preceding subclauses of this Clause 5.01, any further adjustments which are outstanding at the Closing Date, or which occur after the Closing Date, shall be made as they occur in accordance with the provisions of existing legislation or governing agreements, where the need for adjustment arises from:
- (i) a Thirteenth Month Adjustment, operator error adjustments or errors established by joint venture audits within thirty-six (36) months after the end of the calendar year in which Closing occurs;
  - (ii) errors established by an audit or other review of lessor royalty payments that is conducted under the Regulations or Leases within sixty (60) months after the Closing Date or such later time as may be prescribed by the Regulations; or
  - (iii) adjustments required to be made in respect of power bills for a minimum period of nine (9) months following the month of consumption of such power;
- and shall be received or paid by the Party thereto entitled or thereby obliged;
- (j) Vendor shall not be entitled to charge Purchaser for any of Vendor's administrative or overhead fees.
- (k) As required by Regulation, GST shall be payable and applied to adjustments and shall be paid by the applicable Party.
- (l) For purposes of Clause 2.03, all adjustments between the Parties pursuant to this Clause 5.01 shall be allocated to the Petroleum and Natural Gas Rights
- (m) Except as otherwise provided in Clause 5.01(g), each Party agrees to make any payment required of it as a result of the adjustments provided for in this Clause 5.01 within 30 days of being notified of the final determination of the amount owing.
- (n) To the extent to which the Parties cannot otherwise agree to the accounting provided for in this Clause 5.01, and subject to Clause 5.01(e), either Party may refer the matter for determination by arbitration in accordance with Article 12.

**ARTICLE 6  
REPRESENTATIONS AND WARRANTIES**

**6.01 Vendor's Representations and Warranties**

Vendor represents and warrants to Purchaser that:

- (a) Standing: Vendor is a corporation duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and is authorized to carry on business in the jurisdictions where the Assets are located;
- (b) Requisite Authority: Vendor has taken all necessary actions and has all requisite power and authority to enter into this Agreement and to perform its obligations under this Agreement;
- (c) Execution and Enforceability of Documents: this Agreement and all other documents contemplated herein have been duly executed and delivered by Vendor and constitute legal, valid, binding and enforceable obligations of Vendor;
- (d) No Conflicts: Vendor's consummation of the Transaction will not, in any material respects, violate or conflict with any of Vendor's constating documents, bylaws or governing documents, or with any provision of any material agreement or instrument to which Vendor is party or by which Vendor or the Assets is bound, or with any Regulation applicable to Vendor or the Assets;
- (e) Finders' Fees: Vendor has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of the Transaction for which Purchaser shall have any obligation or liability;
- (f) Title: Vendor does not warrant title to the Assets, but does warrant that, except for the Permitted Encumbrances:
  - (i) it has not alienated or encumbered the Assets, or any part or portion thereof;
  - (ii) it has done no act or thing and to its knowledge, there exists no circumstance, matter or thing whereby any of the Assets may be cancelled or determined and the Assets are free and clear of any and all encumbrances and Security Interests created by, through or under Vendor;
  - (iii) except as described in Schedule A, and subject to the Permitted Encumbrances, none of the Petroleum and Natural Gas Rights are subject to reduction or conversion by reference to payout of any well, or otherwise; and
  - (iv) subject to the rents, Permitted Encumbrances, covenants, conditions and stipulations in the Leases and Title and Operating Documents, and all renewals or extensions thereof, and to the extent of the interests hereunder assigned, Purchaser may enter into and upon, hold and enjoy the Assets for the respective terms of the Leases and all renewals and extensions

thereof, for Purchaser's own use and benefit without any interruption of or by Vendor or any Person claiming by, through or under Vendor;

- (g) No Knowledge of Defaults: Vendor has no knowledge of material defaults, nor has it received any notice of material default, relating to the Assets, or any of them;
- (h) No Lawsuits or Claims: there are no Claims by any third party in existence, or, to Vendor's knowledge, contemplated or threatened against or with respect to the Assets or which might otherwise adversely affect any Surface Rights;
- (i) Adverse Claims: Vendor has not received notice from any third party claiming an interest in and to the Assets which is adverse to the interest of Vendor and Vendor has no knowledge of any circumstance upon which such a Claim may be made;
- (j) Payments Made: all amounts due and payable by Vendor to third parties and pertaining to the Assets have been fully paid and discharged, including all rentals and royalties, and to Vendor's knowledge, all ad valorem, property, production, severance and similar taxes and assessments based on or measured by the ownership of the Assets or the production of Petroleum Substances from the Lands or the receipt of proceeds therefrom and all amounts due and payable in connection with the Permitted Encumbrances;
- (k) Compliance: to Vendor's knowledge, Vendor has complied with, performed, observed and satisfied all terms, conditions, obligations and Liabilities which have heretofore arisen and were Vendor's obligations under any of the Title and Operating Documents or any then-existing Regulation relating to the Assets;
- (l) Marketing Contracts: except for the Marketing and Transportation Agreements, there are no gas balancing or similar agreements pertaining to the Assets or agreements for the sale, dedication, transportation, processing or disposal of Petroleum Substances from the Lands;
- (m) Environmental: Vendor has no knowledge of and has not received:
  - (i) any claim, order or directive relating to the Environment or Environmental Liabilities that requires work, repairs, construction or capital expenditures with respect to the Assets where such claim, order or directive remains outstanding in any material respect as of the date hereof; or
  - (ii) any claim, demand or notice pertaining to a breach of any environmental, health or safety Regulation applicable to the Assets, including respecting the use, storage, treatment, transportation or disposal of environmental contaminants, that remains outstanding in any material respect as of the date hereof;

and Vendor has no knowledge of any release, deposit or discharge or any hazardous or toxic substances, contaminants or wastes into the Environment which if known to a Government Authority could reasonably be expected to lead to a claim, order, directive, demand or notice;

- (n) Areas of Mutual Interest or Exclusion: to Vendor's knowledge, except as set forth in a Schedule attached hereto, the Assets are not subject to any agreement which provides for any area of mutual interest or area of exclusion;
- (o) Take or Pay Obligations: the Assets are not subject to any outstanding Take or Pay Obligations;
- (p) Rights of First Refusal: the Assets are not subject to any Rights of First Refusal;
- (q) Penalties: except as described in Schedule A, Vendor has not elected not to or refused to participate in any exploration, development or other operation on the Lands, which has given or may give rise to a penalty or forfeiture;
- (r) Condition of Tangibles: Vendor's interest in and to all property, assets, interests and rights comprising the Tangibles corresponds in all material respects to Vendor's interest in and to the corresponding Petroleum and Natural Gas Rights and, to Vendor's knowledge, the Tangibles have been maintained in accordance with good oil and gas field practices and the material requirements of all Regulations and none of the Tangibles is leased or rented;
- (s) Municipal Tax Arrears: Vendor does not have municipal tax arrears in Alberta in an amount equal to or greater than \$[REDACTED – Dollar Amount];
- (t) Operations: all operations by Vendor and to Vendor's knowledge any and all operations by third parties, related to the Assets have been conducted in compliance with the Regulations and in accordance with good oil and gas field practices in all material respects;
- (u) AFEs: except as set forth in a Schedule A, there are no AFEs with respect to the Assets which have been received by Vendor for which Purchaser shall be responsible;
- (v) License Transfer: Vendor meets and, following Closing, shall continue to meet all regulatory requirements of Government Authorities necessary to transfer the licenses pertaining to the Wells and Facilities issued by Government Authorities in respect of the Assets to Purchaser, and to Vendor's knowledge, there exists no circumstance specific to Vendor which may cause a Government Authority to place conditions on the completion of the License Transfers hereunder;
- (w) Documents: Vendor has not knowingly withheld from Purchaser any relevant and material records, books, accounts, documents, files, information, materials and filings pertaining to the Assets, including the Title and Operating Documents and other agreements and documents comprising the Miscellaneous Interests, that are in Vendor's possession and control as at the execution of this Agreement that a reasonable and prudent purchaser of oil and gas assets similar to the Assets would reasonably require in connection with its due diligence review of such assets.

## 6.02 Purchaser's Representations and Warranties

Purchaser represents and warrants to Vendor that:

- (a) Standing: Purchaser is a corporation duly incorporated, validly subsisting and in good standing under the laws of its jurisdiction of incorporation and is authorized to carry on business in the jurisdictions where the Assets are located;
- (b) Requisite Authority: Purchaser has taken all necessary actions and has all requisite power and authority to enter into this Agreement and to perform its obligations under this Agreement;
- (c) Execution and Enforceability of Documents: this Agreement and all other documents contemplated herein have been duly executed and delivered by Purchaser and constitute legal, valid, binding and enforceable obligations of Purchaser;
- (d) No Conflicts: Purchaser's consummation of the Transaction will not, in any material respects, violate or conflict with any of Purchaser's constating documents, bylaws or governing documents, or with any provision of any material agreement or instrument to which Purchaser is party or by which Purchaser is bound, or with any Regulation applicable to Purchaser;
- (e) Finders' Fees: Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of the Transaction for which Vendor shall have any obligation or liability;
- (f) Investment Canada: Purchaser is not a "non-Canadian" under the *Investment Canada Act*; and
- (g) License Transfers: Purchaser meets and, following Closing, shall meet, all regulatory requirements of Government Authorities to be the registered holder of the licenses pertaining to the Wells and Facilities issued by Government Authorities in respect of the Assets, and to Purchaser's knowledge, there exists no circumstance specific to Purchaser which may cause a Government Authority to place conditions on the completion of the License Transfers hereunder.

### **6.03 Survival of Representations and Warranties**

Each Party acknowledges that the other may rely on the representations and warranties made by such Party pursuant to Clause 6.01 or 6.02, as the case may be. The representations and warranties of Vendor and Purchaser in this Article 6 were true on the date hereof and shall be true on the Closing Date.

### **6.04 No Additional Representations or Warranties**

Vendor makes no representations or warranties to Purchaser other than those expressly enumerated in Clause 6.01. Except and to the extent provided in Clause 6.01, Vendor does not warrant title to the Assets or make representations or warranties with respect to:

- (a) the quantity, quality or recoverability of Petroleum Substances respecting the Lands;
- (b) any estimates of the value of the Assets or the revenues applicable to future production from the Lands;

- (c) any engineering, geological or other interpretations or economic evaluations respecting the Assets;
- (d) the rates of production of Petroleum Substances from the Lands;
- (e) the quality, condition or serviceability of the Assets; or
- (f) the suitability of the Assets for any purpose.

Without restricting the generality of the foregoing, but subject always to Clause 6.03, Purchaser acknowledges that the Assets will be purchased on an "as is, where is" basis without representation and warranty (except and to the extent provided in Clause 6.01) and it has performed its own due diligence and has made its own independent investigation, analysis, evaluation and inspection of the Assets and the Environmental Liabilities and the state and condition thereof and that Purchaser has relied solely on such investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets and the Environmental Liabilities.

## **ARTICLE 7 INTERIM PROVISIONS AND POST-CLOSING TRANSITION**

### **7.01 Assets to be Maintained in a Proper Manner**

Until the earlier of the Closing Date or the termination of this Agreement, to the extent to which the nature of its interest permits, and subject to the Leases and contracts to which the Assets are subject, Vendor shall:

- (a) maintain the Assets in a proper and prudent manner in accordance with good oil and gas field practices and in material compliance with all Regulations, provided that nothing in this Article 7 shall require Vendor to initiate any capital expenditures or incur other expenses, other than operating expenditures incurred in the ordinary course of business and any expenditures related to **[REDACTED – Commercially Sensitive Information]** in accordance with Clause 2.08;
- (b) maintain current insurance policies, if any;
- (c) pay or cause to be paid all costs and expenses relating to the Assets which become due from the date hereof to the Closing Date; and
- (d) perform and comply with all covenants and conditions contained in the Title and Operating Documents in all material respects.

### **7.02 Material Commitments**

Subject to Clause 7.01, from the date hereof to the Closing Date, Vendor shall not, without Purchaser's prior written consent, which, if provided, shall be provided in a timely manner:

- (a) voluntarily assume any obligation or commitment with respect to the Assets if Vendor's associated expenditure is estimated to exceed **[\$[REDACTED – Dollar Amount]**;

- (b) amend or terminate any of the Title and Operating Documents, or enter into any new agreement respecting the Assets;
- (c) sell, transfer, surrender, abandon or otherwise dispose of any of the Assets, and except for sales of the Petroleum Substances or any of them in the normal course of business;
- (d) resign or take any action which would result in Vendor's resignation or replacement as operator of any of the Assets for which Vendor is the current operator;
- (e) grant a Security Interest or any encumbrance with respect to any of the Assets; or
- (f) propose or initiate the exercise of any right (including bidding rights at Crown sales, rights under area of mutual interest provisions and Rights of First Refusal) or option relative to, or arising as a result of the ownership of, the Assets, or propose or initiate any operations on the Lands which have not been commenced or committed to by Vendor as of the date hereof, if such exercise or option would result in either an obligation of Purchaser hereunder after the Effective Date, or a material adverse effect on the value of any of the Assets.

However, Vendor may assume such obligations or commitments and propose or initiate such operations or the exercise of any such right or option without Purchaser's prior consent if Vendor reasonably determines that such expenditures or actions are necessary for the protection of life or property, in which case Vendor shall promptly notify Purchaser of such intention or actions and of Vendor's estimate of the costs and expenses associated therewith.

### **7.03 Other Transitional Matters**

- (a) Unless otherwise directed by Purchaser, Vendor shall pay on behalf of Purchaser all rentals and shut-in royalty payments for all Crown and freehold mineral and surface leases which are due and payable on or before the last day of the calendar month following the month of the Closing Date.
- (b) Where Vendor is the operator of the Assets, or any portion thereof, and in such capacity is responsible for the production accounting functions pertaining to such Assets, or any portion thereof, provided Closing occurs within the first 10 days of the month, Purchaser shall assume performance of the production accounting function for the month in which Closing occurs and thereafter; otherwise Vendor shall continue to perform such production accounting functions for the month in which Closing occurs and thereafter Purchaser shall assume the production accounting function.
- (c) Vendor will be responsible for marketing all production to the last day of the month following the month in which Closing occurs. Vendor shall be entitled to market all such production in accordance with its current marketing policies and agreements pertaining to the Assets, if any. Purchaser shall be responsible for marketing of production after such date.

#### 7.04 Post-Closing Transition

Following Closing and to the extent to which Purchaser must be novated into the Title and Operating Documents, the following provisions shall apply with respect to such Assets from the Closing Date until the novation has been effected:

- (a) except upon receipt of Purchaser's written instructions regarding same, Vendor shall not initiate any operation with respect to the Assets, unless Vendor reasonably determines that same is required for the protection of life or property, in which case Vendor may take such actions as it reasonably determines are required, without Purchaser's written instructions, and shall promptly notify Purchaser of such intentions or actions and of Vendor's estimate of the costs and expenses therewith associated;
- (b) Vendor shall forthwith deliver to Purchaser all revenues, proceeds and other benefits received by Vendor with respect to the Assets, less the share of the applicable lessor royalties and burdens, operating costs, treating, processing and transportation expenses and those other costs and expenses directly associated with the Assets and the production of Petroleum Substances, provided that Vendor shall be permitted to deduct from such revenues, proceeds and other benefits any other reasonable costs and expenses it incurs as a result of such delivery to Purchaser;
- (c) Vendor shall, in a timely manner, deliver to Purchaser:
  - (i) all third party notices and communications, including AFEs and mail ballots and all notices and communications received in respect of the Assets; and
  - (ii) all notices of any events or occurrences affecting the Assets, including:
    - (A) any spill or other incident involving the Environment or Environmental Liabilities relating to or caused by the Assets;
    - (B) any order, directive or notification pursuant to the Regulations; and
    - (C) any event or incident relating to a workplace safety hazard;

and Vendor shall respond to such notices pursuant to Purchaser's written instructions, if received on a timely basis, provided that Vendor may refuse to follow instructions which it reasonably believes to be unlawful, unethical or in conflict with any applicable agreement or contract, and provided that nothing shall preclude Vendor from taking such actions as Vendor reasonably determines are necessary for the protection of life or property or as required by the Regulations; and
- (d) Vendor shall, in a timely manner, deliver to third parties all such notices and communications which Purchaser may reasonably request and all such monies and other items as Purchaser may reasonably provide in respect of the Assets, provided that Vendor may (but shall not be obligated to) refuse to follow instructions which it reasonably believes to be unlawful, unethical or in conflict with any applicable agreement or contract.

### **7.05 Vendor Deemed Purchaser's Agent**

- (a) Insofar as Vendor maintains the Assets and takes actions on Purchaser's behalf pursuant to this Article 7, Vendor shall be deemed to have been Purchaser's bare trustee and agent hereunder. Purchaser ratifies all actions taken by Vendor or not taken by Vendor pursuant to this Article 7 in such capacity during such period, with the intention that all such actions shall be deemed to be Purchaser's.
- (b) Insofar as Vendor, as Purchaser's bare trustee and agent, participates in either operations or the exercise of rights or options pursuant to this Article 7, Vendor may require Purchaser to secure the costs to be incurred by Vendor on Purchaser's behalf pursuant to such election in such manner as Vendor considers to be reasonably appropriate in the circumstances.
- (c) Purchaser shall indemnify Vendor and its directors, officers, servants, agents or employees against all Losses which Vendor or its Representatives may suffer or incur as a result of maintaining the Assets as Purchaser's bare trustee and agent pursuant to this Article 7, insofar as such Losses are not a direct result of the gross negligence or wilful misconduct of Vendor or its Representatives. However, an action or omission of Vendor or its Representatives shall not be regarded as gross negligence or wilful misconduct to the extent it was done or not done in accordance with Purchaser's instructions or concurrence.

### **7.06 Transfer of Operatorship**

Purchaser acknowledges that Vendor may not be able to transfer operatorship of some or all of the Assets to Purchaser at or after Closing. Vendor covenants with Purchaser that Vendor shall reasonably cooperate with Purchaser in order to obtain the appropriate consents and approvals for the assignment and transfer to Purchaser of operatorship of those of the Assets of which Vendor is currently the Operator.

### **7.07 Removal of Signs**

At and after Closing, Purchaser shall remove any signs which indicate its ownership or operation of the Assets. Purchaser will be responsible to erect or install signs required by Government Authorities to indicate, where applicable, that Purchaser is the operator of the Assets and to notify other working interest owners, gas purchasers, suppliers, contractors, governmental agencies and other third parties of Purchaser's interest in the Assets on and after Closing.

### **7.08 TIER Program**

Following Closing:

- (a) Prior to filing the TIER Program compliance report for the 2025 compliance period Vendor, being the "responsible person", within the meaning ascribed thereto in the TIER Regulations, shall deliver notice to Purchaser, setting out (i) all taxes, penalties, interest, and related costs and expenses incurred and owing for the 2025 compliance period; (ii) the emission offset credits received by Vendor as the responsible person, on behalf of the Parties, in accordance with the principles of Article 5 of this Agreement, under the TIER Program in respect of the Assets for the 2025 compliance period; (iii) a statement of account setting out the compliance

obligations of each Party, in accordance with the principles of Article 5 of this Agreement; and (iv) evidence satisfactory to Purchaser, acting reasonably, to allow Purchaser to validate and confirm the foregoing.

- (b) Purchaser shall have the ability to satisfy its compliance obligation to Vendor for the 2025 compliance period, as set out in the statement of account referred to in Clause 7.08(a), by: (i) transferring existing emission offset credits to Vendor; or (ii) electing to have Vendor purchase emissions offset credits on behalf of Purchaser and making a cash payment to Vendor in an amount equal to the purchase price incurred by Vendor for such emissions offset credits, in either case in an amount sufficient to satisfy Purchaser's proportionate share of the liability for emissions during the 2025 compliance period.

Any transfers or payments made under this Clause 7.08 shall be made within thirty (30) days of the delivery of the statement of account.

## **ARTICLE 8 TSXV APPROVAL**

### **8.01 TSXV Approval**

The following conditions shall apply with respect to Vendor's obligation to obtain the TSXV Approval:

- (a) Vendor shall within one (1) Business Day of the execution of this Agreement file such materials with the TSX Venture Exchange as are necessary to request approval of the Transaction in accordance with the applicable policies and regulations of the TSX Venture Exchange;
- (b) Vendor shall use commercially reasonable efforts to obtain the TSXV Approval as soon as reasonably practicable but, in any event, no later than the Outside Date, and Vendor shall not take any action that may have the effect of delaying, impairing or impeding the receipt of the TSXV Approval later than the Outside Date;
- (c) the obligations to obtain the TSXV Approval is solely the responsibility of Vendor hereunder; and
- (d) without limiting the generality of the foregoing subclauses, in connection with obtaining the TSXV Approval, Vendor shall:
  - (i) promptly submit all materials, applications, notices, filings, submissions, undertakings, correspondence and communications of any nature required in connection with obtaining the TSXV Approval;
  - (ii) respond promptly to any request or notice from the TSX Venture Exchange to supply additional information that is relevant to the Transaction in respect of obtaining the TSXV Approval; and
  - (iii) promptly notify Purchaser of any developments related to obtaining the TSXV Approval, including providing Purchaser with copies of any material correspondence received and a summary of any verbal communications.

## 8.02 Fees

Vendor will be solely responsible for all fees, costs and expenses related to or payable in connection with the TSXV Approval and Purchaser shall have no responsibility or obligation in respect of same.

## ARTICLE 9 CONDITIONS TO CLOSING

### 9.01 Required Approvals

It is a condition precedent to Closing that the TSXV Approval shall have been obtained without conditions and any and all approvals required under the Regulations (including any approval required under the *Investment Canada Act*) have been obtained. Each of the Parties shall use all reasonable efforts to obtain any such approvals. Notwithstanding the foregoing, the Parties acknowledge that (i) the consent of buyers under Marketing and Transportation Agreements may not be obtainable until after Closing; and (ii) certain consents are customarily obtained post-Closing (e.g. consent from third parties where such consent is not to be unreasonably withheld), and in the case of both Subclause (i) and (ii) such consents shall not be a condition precedent to Closing.

### 9.02 Conditions for Purchaser's Benefit

Purchaser's obligation to complete the purchase hereunder is subject to the following conditions precedent:

- (a) No Substantial Damage: there shall have been no damage to or alteration of any of the Assets between the Effective Date and the Closing Date which, in Purchaser's reasonable opinion, would materially and adversely affect the value of the Assets;
- (b) Vendor's Material Compliance: in all material respects, Vendor shall have performed or complied with each of the terms, covenants and conditions of this Agreement to be performed or complied with by Vendor at or prior to the Closing Date; and Vendor shall have delivered to Purchaser Vendor's certificate in the form of Schedule E dated as of the Closing Date, to that effect;
- (c) Representations True and Correct: each of the representations and warranties contained in Clause 6.01 were, as of the date of this Agreement and are, as of the Closing Date, true and correct in all material respects except where the representation and warranty is already qualified by materiality, in which case such representation and warranty shall be true and correct, except for those changes thereto which necessarily arise as a consequence of the operation of the provisions of this Agreement, as specifically provided herein; and Vendor shall have delivered to Purchaser Vendor's certificate in the form of Schedule E dated as of the Closing Date, to that effect; and
- (d) Delivery of Conveyance Documents: Vendor shall have delivered to Purchaser the documents and materials described in Clause 3.03(a).

### 9.03 Conditions for Vendor's Benefit

Vendor's obligation to complete the sale hereunder is subject to the following conditions precedent:

- (a) Payment: Purchaser shall have tendered to Vendor the Purchase Price and applicable GST in the manner provided for in Clause 2.04, subject to any adjustments provided for in Article 5 and any alteration expressly provided for herein;
- (b) Purchaser's Material Compliance: in all material respects, Purchaser shall have performed or complied with each of the terms, covenants and conditions of this Agreement to be performed or complied with by Purchaser at or prior to the Closing Date; and Purchaser shall have delivered to Vendor Purchaser's certificate, in the form of Schedule E dated as of the Closing Date, to that effect;
- (c) Representations True and Correct: each of the representations and warranties contained in Clause 6.02 was, as of the date of this Agreement and is, as of the Closing Date, true and correct in all material respects except where the representation and warranty is already qualified by materiality, in which case such representation and warranty shall be true and correct; and Purchaser shall have delivered to Vendor Purchaser's certificate, in the form of Schedule E dated as of the Closing Date, to that effect; and
- (d) Delivery of Conveyance Documents: Purchaser shall have delivered to Vendor the documents and materials described in Clause 3.03(b).

### 9.04 Waiver of Conditions

The conditions in Clauses 9.02 and 9.03 are for the sole benefit of Purchaser and Vendor respectively. The Party for the benefit of which such conditions have been included may waive any of them, in whole or in part, by written notice to the other Party, without prejudice to any of the rights of the Party waiving such condition including reliance on or enforcement of the representations, warranties or covenants which are preserved and pertain to conditions similar to the condition so waived.

### 9.05 Failure to Satisfy Conditions

If any of the conditions in Clause 9.02 or 9.03 has not been satisfied at or before the Closing Date and such condition has not been waived by the Party for the benefit of which such condition has been included, such Party may terminate this Agreement by written notice to the other Party. However, a Party may not terminate this Agreement in such manner after Closing and its remedies thereafter, if any, with respect to the failure to satisfy such condition shall be limited to damages.

### 9.06 Parties' Diligence

Each Party shall proceed diligently, honestly and in good faith and use all reasonable efforts with respect to all matters within its control to satisfy the conditions referred to in Clauses 9.01, 9.02 and 9.03.

**ARTICLE 10**  
**LIABILITY AND INDEMNIFICATION**

**10.01 Vendor Indemnity**

After Closing, Vendor shall:

- (a) be liable to Purchaser for; and
- (b) indemnify, save and hold harmless Purchaser and its Representatives from and against;

all Losses and Liabilities caused by Vendor's breach of this Agreement including any breach of a representation or warranty contained herein, except to the extent that any such Loss is caused by the gross negligence or wilful misconduct of Purchaser or its Representatives or to the extent to which Purchaser did not rely on such representation or warranty.

**10.02 Purchaser Indemnity**

(a) After Closing, Purchaser shall:

- (i) be liable to Vendor for; and
- (ii) indemnify, save and hold harmless Vendor and its Representatives from and against;

all Losses and Liabilities caused by Purchaser's breach of this Agreement including any breach of a representation or warranty contained herein, except to the extent that any such Loss is caused by the gross negligence or wilful misconduct of Vendor or its Representatives, or to the extent to which Vendor did not rely on such representation or warranty.

(b) After Closing, Purchaser shall:

- (i) be liable to Vendor for; and
- (ii) indemnify, save and hold harmless Vendor and its Representatives from and against;

all Losses pertaining to the Assets or operations on or in respect of the Assets which occur or accrue on or after the Effective Date except to the extent that any such Loss is reimbursed by Vendor's insurance or is caused by the gross negligence or wilful misconduct of Vendor or its Representatives. Notwithstanding the foregoing, nothing in this Clause shall be construed so as to require Purchaser to be liable for or to indemnify Vendor or Vendor's Representatives in connection with any Losses to the extent arising from matters or things for which Purchaser is entitled to indemnification pursuant to Clause 10.01.

**10.03 Purchaser Environmental Indemnity**

After Closing, Purchaser shall:

- (a) be liable to Vendor for; and
- (b) indemnify, save and hold harmless Vendor and its Representatives from and against;

all Losses and Liabilities directly or indirectly resulting from any matter or thing pertaining to any Environmental Liabilities however, whenever and by whomever caused and Purchaser shall assume, perform, pay and discharge all Environmental Liabilities. Purchaser hereby releases Vendor from any Claims and waives any rights or remedies that Purchaser may now or in the future have against Vendor with respect to Environmental Liabilities, whether such Claims, rights and remedies are pursuant to common law or statute or otherwise, including the right to name Vendor as a third party to any action commenced against Purchaser. Except for any Claims Purchaser may have for a breach of the representations and warranties set forth in Clause 6.01(m), Purchaser hereby releases Vendor from any Claims and waives any rights or remedies that Purchaser may now or in the future have against Vendor with respect to Environmental Liabilities, whether such Claims, rights and remedies are pursuant to common law or statute or otherwise, including the right to name Vendor as a third party to any action commenced against Purchaser.

#### **10.04 Limitation of Claims and Responsibility**

- (a) In the absence of fraud, no Party shall have any liability in respect of any Claim commenced pursuant to Clauses 10.01 or 10.02(a) in respect of a breach of a representation or warranty contained herein, unless, within the 12 month period following the Closing Date, notice specifying such Claim in reasonable detail has been provided by the claiming Party to the other Party. Each Party waives any rights it may have at law or otherwise to commence a Claim for indemnification under Clauses 10.01 or 10.02(a) after such period.
- (b) Neither Party shall make an indemnification Claim or be entitled to recover hereunder with respect to a breach of any representation, warranty, covenant or agreement if and to the extent that the liability underlying the Claim is accounted for in any of the adjustments provided for in Article 5.
- (c) No Party shall be liable for or shall be required to indemnify the other Party or any of the other Party's Affiliates for any Losses or any Claims to the extent arising as a consequence of the fraud, gross negligence or willful misconduct of the other Party or any of the other Party's Affiliates. An act or omission will not be regarded as gross negligence or willful misconduct under this Clause 10.04(c) to the extent done or omitted to be done in accordance with written instructions from one Party to the other.
- (d) Nothing contained in this Agreement shall impose any liability on any Party for income tax liabilities of the other Party.
- (e) In no event shall Vendor's aggregate liability for Claims made pursuant to this Agreement exceed **[REDACTED - Percentage]**% of the Purchase Price.
- (f) Any indemnification payments made by Vendor pursuant to this Article 10 shall constitute a dollar-for-dollar decrease of the Purchase Price and any indemnification payment made by Purchaser pursuant to this Article 10 shall

constitute a dollar-for-dollar increase of the Purchase Price, and such adjustment shall be allocated solely to the Petroleum and Natural Gas Rights.

- (g) Notwithstanding anything to the contrary contained in this Agreement:
- (i) no Claim shall be made against Vendor by Purchaser in respect of any individual default or breach of this Agreement by Vendor (each a "Vendor Default"), or for indemnification in respect thereof, unless the aggregate amount of the Losses suffered, sustained, paid or incurred by Purchaser in respect of such individual Vendor Default exceeds \$[REDACTED – Dollar Amount];
  - (ii) no Claim shall be made against Vendor by Purchaser in respect of any Vendor Default or Vendor Defaults hereunder, or for indemnification in respect thereof, unless and until the aggregate amount of the Losses suffered, sustained, paid or incurred by Purchaser in respect of all such Vendor Defaults exceeds \$[REDACTED – Dollar Amount];
  - (iii) notwithstanding the foregoing, the thresholds and liability cap of Vendor provided for in this Clause 10.04 shall not apply to any Claims by Purchaser for Losses and Liabilities of Purchaser arising:
    - (A) in the case of fraud, gross negligence and willful misconduct; or
    - (B) in connection with any matter or thing which is the proper subject of an operating adjustment under Article 5.
  - (iv) neither Party shall be entitled to bring any Claim against the other Party hereunder in respect of any act, omission, circumstance or other matter of which it had knowledge at the Effective Date, including any representation or warranty given by such Party which the other Party knew to be inaccurate or untrue; and
  - (v) notwithstanding anything else contained herein, in no event shall either Party be liable for any Consequential Losses, except to the extent any such Consequential Losses are included in any third party Claim against a Party who is entitled to indemnification under this Agreement.

#### **10.05 Notice of Claims**

If, after the Closing Date, a Claim is asserted in circumstances which do or may give rise to an indemnity under this Article 10, the Party against whom the Claim is asserted shall forthwith give notice thereof to the Party required to indemnify, and the Parties shall consult and cooperate in respect thereof and in determining whether the Claim and any legal proceedings relating thereto should be resisted, compromised or settled. Each Party shall make available to the other all information in its possession or to which it has access which is or may be relevant to the particular Claim. Purchaser shall provide Vendor with access to the Lands to which the Claim relates to the extent reasonably necessary in connection with the Claim. No such Claim shall be settled or compromised without the written consent of the indemnifying Party, which consent shall not be unreasonably withheld. If any such Claim relates exclusively to a period prior to or after the

Closing Date, as the case may be, Vendor or Purchaser respectively shall have exclusive conduct of the Claim and all legal proceedings thereto relating.

## **ARTICLE 11 TERMINATION**

### **11.01 Termination**

This Agreement may be terminated in the following instances:

- (a) by Vendor if any of the conditions set forth in Clause 9.03 are not satisfied in all material respects or waived on or before the Closing Date;
- (b) by Purchaser if any of the conditions set forth in Clause 9.02 are not satisfied in all material respects or waived on or before the Closing Date;
- (c) by either Party if Closing has not occurred on or prior to the Outside Date; or
- (d) at any time by the mutual written agreement of Purchaser and Vendor,

provided that if any Party wishes to terminate this Agreement pursuant to Clauses 11.01(a), 11.01(b) or 11.01(c), it shall provide written notice to the other Party; and further provided that a Party shall not be permitted to exercise or purport to exercise any right of termination pursuant to Clauses 11.01(a), 11.01(b) or 11.01(c) if the reason that Closing has not occurred is due to a breach of, or default under, this Agreement by such Party.

### **11.02 Liabilities upon Termination**

- (a) If Vendor terminates this Agreement in accordance with Clause 11.01(a) and is not otherwise in breach of this Agreement, Vendor shall have no liability hereunder of any nature whatsoever to Purchaser, except in the case of a breach of Article 13. If Purchaser terminates this Agreement in accordance with Clause 11.01(b) and is not otherwise in breach of this Agreement, Purchaser shall have no liability hereunder of any nature whatsoever to Vendor, except in the case of a breach of Article 13.
- (b) If Vendor was otherwise ready, willing and able to Close the Transaction, but terminates this Agreement in accordance with Clause 11.01(a) and Vendor is not otherwise in breach of this Agreement, Vendor shall be entitled to recover from Purchaser and Purchaser shall be liable to Vendor and indemnify and save and hold harmless Vendor from and against any fees or expenses actually incurred by Vendor in connection with Vendor's actions pursuant to Clause 2.08 in respect of the **[REDACTED – Commercially Sensitive Information]**. Vendor's entitlement to indemnification under Clause 11.02(b) shall be its sole and exclusive remedy with respect to the matters set out in Clause 2.08.

## **ARTICLE 12 ARBITRATION**

### **12.01 Reference to Arbitration**

- (a) Insofar as the Parties are unable to agree on any matter which expressly may be referred to arbitration hereunder, either Party may serve the other Party written notice that it wishes such matter referred to arbitration.
- (b) The Parties shall meet within seven (7) days of the receipt of a notice issued pursuant to Clause 12.01(a), to attempt to agree on a single arbitrator qualified by experience, education and training, to determine such matter. If the Parties are unable to agree on the selection of the arbitrator, the Party which issued such notice shall forthwith make application to a judge of the Court of King's Bench of the Province of Alberta pursuant to the *Arbitration Act* (Alberta) for the appointment of a single arbitrator, and failing such action on the part of the Party which issued such notice, the other Party may make such application.

### **12.02 Proceedings**

- (a) The arbitrator selected pursuant to Clause 12.01 shall proceed as soon as is practicable to hear and determine the matter in dispute. The Parties shall direct the arbitrator to provide the Parties with a written decision respecting such matter within 45 days of the arbitrator's appointment. The Parties shall provide such assistance and information as may be reasonably necessary to enable the arbitrator to make its decision.
- (b) Except to the extent modified by this Article 12, the arbitrator shall conduct any arbitration hereunder pursuant to the provisions of the *Arbitration Act* (Alberta).
- (c) The place of any arbitration hereunder shall be Calgary, Alberta, and the arbitration shall be conducted in English.

### **12.03 Compensation**

The compensation and expenses of the arbitrator shall be borne equally by the Parties.

## **ARTICLE 13 CONFIDENTIALITY AND PUBLIC ANNOUNCEMENTS**

### **13.01 Confidentiality**

- (a) The Parties agree that the entering into of this Agreement and the Transaction shall be treated as confidential. Information respecting the Assets shall be retained in confidence and used only for the purposes of the Transaction, provided that, upon Closing, Purchaser's rights to use or disclose such information shall be subject only to any operating, unit or other agreements that apply to the Transaction. Any additional information obtained as a result of access to Vendor's records which does not relate to the Assets shall continue to be treated as confidential and shall not be used by Purchaser without Vendor's prior written

consent. However, the restrictions on disclosure and use of information in this Agreement shall not apply to information to the extent to which it:

- (i) is or becomes publicly available through no act or omission of Purchaser or its consultants or advisors;
- (ii) is lawfully obtained from a third party; or
- (iii) is already in Purchaser's possession at the time of disclosure, without restriction on disclosure.

Specific items of information shall not be considered to be in the public domain merely because more general information respecting the Assets is in the public domain.

### **13.02 Public Announcements**

- (a) The Parties acknowledge that either or both of them may make press releases concerning the Parties' entry into this Agreement after the execution hereof and further press releases after Closing, provided that in no circumstances shall either Party disclose the name of the other Party in any such press release or otherwise without prior written consent. Without derogating from the Parties' rights to make public disclosures under Clause 13.02(b), each Party shall use its reasonable efforts to furnish the other Party with the proposed content of all press releases concerning this Agreement and the Transaction prior to the release or publication with reasonably sufficient time for the other Party to review and comment and to provide its consent, but in any event at least 48 hours prior to the release or publication thereof.
- (b) Notwithstanding the foregoing, a Party may disclose the contents of this Agreement or information concerning the Transaction as may be required by the rules and regulations of any stock exchange or by Regulation and, in such case, shall provide at least two (2) Business Days' advance written notice to the other Party of such disclosure.

## **ARTICLE 14 NOTICE**

### **14.01 Service of Notice**

All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and is deemed to have been given:

- (a) when delivered by hand during normal business hours of the recipient, and on the next Business Day if delivered after normal business hours of the recipient;
- (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested);
- (c) on the date sent by email if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or

- (d) on the fourth (4<sup>th</sup>) Business Day after the day mailed, by certified or registered mail, return receipt requested, postage prepaid; provided that if postal service is (or is reasonably anticipated to be) interrupted or operating with unusual delay, notices shall not be served by such means during such interruption or period of delay.

#### **14.02 Addresses for Notices**

The Parties' addresses for service are as follows:

**[REDACTED – Purchaser Contact Information]**

Lycos Energy Inc.  
1900, 215 – 2<sup>nd</sup> Street SW  
Calgary, Alberta T2P 1M4  
Attention: David Burton, President and CEO  
Email: [dburton@lycosenergy.com](mailto:dburton@lycosenergy.com)

#### **14.03 Right to Change Address**

A Party may change its address for service by notice to the other Party, and such changed address for service shall thereafter be effective for all purposes of this Agreement.

### **ARTICLE 15 MISCELLANEOUS PROVISIONS**

#### **15.01 Further Assurances**

At the Closing Date and thereafter as may be necessary and without further consideration, the Parties shall execute, acknowledge and deliver such instruments and take such other actions as may be reasonably necessary to fulfil their respective obligations under this Agreement. Vendor shall cooperate with Purchaser as reasonably required to secure execution of the Conveyance Documents by third parties.

#### **15.02 Subordination of Ancillary Documents**

All documents executed by the Parties and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and, in the event of conflict, the provisions hereof shall govern and prevail.

#### **15.03 Governing Law**

In all respects, this Agreement shall be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta and the federal laws of Canada applicable therein. Each Party irrevocably accepts the exclusive jurisdiction of the courts of the Province of Alberta and all courts of appeal therefrom.

#### **15.04 Time**

Time shall be of the essence in this Agreement.

**15.05 Assignments**

Neither Party may assign this Agreement or any part hereof without the other Party's prior written consent, which consent may be unreasonably and arbitrarily withheld.

**15.06 Waiver in Writing**

No waiver of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon the waiving Party unless the waiver is expressed in writing under the authority of that waiving Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

**15.07 No Merger**

The covenants, representations, warranties and indemnities contained in this Agreement shall survive Closing and shall not merge in any assignments, conveyances, transfers or other documents executed and delivered at or after Closing, notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

**15.08 Prior Agreements and Amendments**

This Agreement supersedes and replaces any and all prior agreements between the Parties relating to the sale and purchase of the Assets and may be amended only by written instrument signed by the Parties.

**15.09 Entire Agreement**

This instrument states the entire Agreement between the Parties.

**15.10 Enurement**

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective trustees, receivers, receiver managers, successors and permitted assigns.

**15.11 Substitution and Subrogation**

To the extent possible, Vendor shall convey the Assets to Purchaser with full right of substitution and subrogation of Purchaser in and to all covenants, representations and warranties by others heretofore given or made in respect of the Assets or any part thereof.

**15.12 Remedies Cumulative**

No reference to or exercise of any specific right or remedy hereunder by a Party shall prejudice or preclude such Party from exercising or invoking any other remedy in respect of the matter giving rise to such rights or remedies, whether allowed at law or in equity or expressly provided for herein. No such remedy shall be exclusive of or dependent upon any other such remedy but each Party may exercise any one or more of such remedies independently or in combination.

*[remainder of page intentionally left blank]*

### 15.13 Counterpart Execution

This Agreement may be executed electronically, in separate counterparts and delivered by electronic transmission of a PDF document and each counterpart when so executed and delivered will be deemed to be an original, all of which when taken together will constitute one and the same instrument. Production of an originally-executed or electronic copy of each counterpart execution page will be sufficient to prove the execution and delivery of this Agreement.

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

**LYCOS ENERGY INC.**

Per: (signed) "David Burton"  
David Burton  
President and CEO

**[REDACTED – Purchaser Name]**

Per: (signed) "[REDACTED]"  
**[REDACTED – Personal  
Information]**

**[REDACTED – Schedules]**

*[execution page to a Purchase and Sale Agreement made October 7, 2025 between Lycos Energy Inc., as vendor and **[REDACTED – Purchaser Name]**, as purchaser]*