

# Update Plan of Arrangement - No Amendment - Proof of Filing

**Alberta Amendment Date: 2024/10/31**

**Service Request Number:** 43239081  
**Corporate Access Number:** 2026364873  
**Business Number:** 788796506  
**Legal Entity Name:** RUBELLITE ENERGY INC.  
**Legal Entity Status:** Active  
**Amendment Date:** 2024/10/31

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## Attachment

Attachment Type	Microfilm Bar Code	Date Recorded
Share Structure	ELECTRONIC	2024/08/02
Other Rules or Provisions	ELECTRONIC	2024/08/02
Statutory Declaration	10000207135644022	2024/08/02
Memo to File	ELECTRONIC	2024/10/01
Other Rules or Provisions	ELECTRONIC	2024/10/01
Share Structure	ELECTRONIC	2024/10/01
Articles/Plan of Arrangement/Court Order	10000907128321974	2024/10/31

**Registration Authorized By: JAMES KIDD**  
SOLICITOR

The Registrar of Corporations certifies that the information contained in this proof of filing is an accurate reproduction of the data contained in the specified service request in the official public records of Corporate Registry.



10000907128321974  
CAN: 2026364873  
ARTICLES OF ARRANGEMENT

Business Corporations Act  
(Alberta)  
Section 193

1. Name of Corporation:  RUBELLITE ENERGY INC.	2. Corporate Access Number:  2026364873
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3. In accordance with the Order approving the Arrangement, the Articles of the Corporation are amended as follows:

In accordance with the Order of the Court of King's Bench of Alberta dated October 30, 2024 approving an arrangement pursuant to section 193 of the *Business Corporations Act* (Alberta), a copy of which is attached hereto as Schedule "A", the Plan of Arrangement, a copy of which is attached hereto as Schedule "B" (each of which are incorporated into and form a part hereof), involving Perpetual Energy Inc., Rubellite Energy Inc. and the holders of the common shares of Perpetual Energy Inc. and Rubellite Energy Inc. is hereby effected.

The Articles of Rubellite Energy Inc. are unamended by the Plan of Arrangement.



\_\_\_\_\_  
Ryan Shay  
Name of Person Authorizing (please print)

\_\_\_\_\_  
Vice President, Finance and Chief Financial Officer  
Title (please print)

\_\_\_\_\_  
*Ryan Shay*  
Signature

\_\_\_\_\_  
October 31, 2024  
Date

This information is being collected for purposes of corporate registry records in accordance with the Business Corporations Act. Questions about the collection of this information can be directed to the Freedom of Information and Protection of Privacy Co-ordinator for Alberta Registries, Research and Program Support, 3<sup>rd</sup> Floor, Commerce Place, 10155 – 102 Street, Edmonton, Alberta T5J 4L4, (780) 422-7330.

SCHEDULE "A"

SD... 1974

(See attached.)

CERTIFIED *E. Wheaton*  
by the Court Clerk as a true copy of  
the document digitally filed on Oct  
30, 2024

COURT FILE NUMBER 2403-18252

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE EDMONTON

MATTER IN THE MATTER OF SECTION 193 OF THE *BUSINESS CORPORATIONS ACT*, RSA 2000, c B-9, AS AMENDED

Clerk's stamp



AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING  
*INTER ALIA* PERPETUAL ENERGY INC. AND THE SHAREHOLDERS OF  
PERPETUAL ENERGY INC. AND RUBELLITE ENERGY INC. AND THE  
SHAREHOLDERS OF RUBELLITE ENERGY INC.

APPLICANTS **PERPETUAL ENERGY INC. AND RUBELLITE ENERGY INC.**

RESPONDENT NOT APPLICABLE

DOCUMENT **FINAL ORDER**

Address for Service and  
Contact Information of  
Party Filing this  
Document

**Burnet, Duckworth & Palmer LLP**  
Suite 2400, 525-8<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 1G1

Lawyer: Paul G. Chiswell  
Phone: (403) 260-0201  
Fax: (403) 260-0332  
Email: pchiswell@bdplaw.com  
File No. 77728-16

**DATE ON WHICH ORDER WAS PRONOUNCED:** October 30, 2024

**NAME OF JUDGE WHO MADE THIS ORDER:** The Honourable Justice Lorena K. Harris

**LOCATION OF HEARING:** Edmonton, Alberta

UPON the Originating Application (the **Originating Application**) of Perpetual Energy Inc. (**Perpetual**) and Rubellite Energy Inc. (**Rubellite**) (together, the **Applicants**) for approval of an arrangement (the **Arrangement**) under Section 193 of the *Business Corporations Act*, RSA 2000, c B-9, as amended (the **ABCA**) involving: (a) Perpetual, (b) Rubellite, (c) the holders (the **Perpetual Shareholders**) of common shares of Perpetual (**Perpetual Shares**); (d) the holders (the **Noteholders**) of third-lien senior notes of Perpetual (the **Senior Notes**); (e) the holders (the **Rubellite Shareholders**) of common shares of Rubellite (**Rubellite Shares**); and (f) the holders (the **Incentive Awardholders**) of incentive awards to acquire Perpetual Shares and Rubellite Shares;

**AND UPON** reading the Originating Application, the interim order of this Court granted September 20, 2024 (the **Interim Order**), and the affidavits of Ryan Shay, Vice President Finance and Chief Financial Officer of Perpetual, sworn September 19, 2024 and October 29, 2024 and the exhibits referred to therein;

**AND UPON** being satisfied that the meeting (the **Perpetual Meeting**) of the Perpetual Shareholders was called and conducted in accordance with the terms of the Interim Order;

**AND UPON** being satisfied that the meeting (the **Rubellite Meeting**) of the Rubellite Shareholders was called and conducted in accordance with the terms of the Interim Order;

**AND UPON** being satisfied that the Applicants have sought and obtained the approval of the Arrangement by the Perpetual Shareholders and the Rubellite Shareholders in the manner and by the majorities required by the Interim Order;

**AND UPON** being satisfied that it is impracticable to effect the transactions contemplated by the Arrangement under any other provision of the *ABCA*;

**AND UPON** being satisfied that the statutory requirements to approve the Arrangement have been met and that the Arrangement has been put forward in good faith;

**AND UPON** being satisfied that the terms and conditions of the Arrangement and the procedures relating thereto are fair and reasonable, substantively and procedurally, to the Perpetual Shareholders, the Noteholders, the Rubellite Shareholders, the Incentive Awardholders, and other affected persons, and that the Arrangement ought to be approved;

**AND UPON HEARING** counsel for the Applicants;

**IT IS HEREBY ORDERED THAT:**

1. The Arrangement proposed by the Applicants, on the terms and conditions set forth in the Plan of Arrangement attached as **Schedule A** to this order (the **Final Order**), is hereby approved by the Court under Section 193 of the *ABCA*.
2. The terms and conditions of the Arrangement, and the procedures relating thereto, are fair and reasonable, substantively and procedurally, to the Perpetual Shareholders, the Noteholders, the Rubellite Shareholders, the Incentive Awardholders, and other affected persons.

3. The articles of arrangement in respect of the Arrangement (the **Articles of Arrangement**) shall be filed pursuant to Section 193 of the *ABCA* at such time and on such date as the Applicants determine in accordance with the terms of the Arrangement.
4. The Arrangement will, upon filing of the Articles of Arrangement under the *ABCA* and issuance of proof of filing of the Articles of Arrangement under the *ABCA*, be effective under the *ABCA* (the **Effective Time**) in accordance with its terms and will be binding on Perpetual, Rubellite, the Perpetual Shareholders, the Noteholders, the Rubellite Shareholders, the Incentive Awardholders, and all other affected parties, on and after the Effective Time.
5. Service of the Notice of Originating Application, the notices in respect of the Perpetual Meeting and Rubellite Meeting, and the Interim Order is hereby deemed good and sufficient service. Service of this Final Order shall be made on all persons who appeared on this application, either by counsel or in person, but is otherwise dispensed with.
6. The Applicants may, on notice to such parties as the Court may order, seek leave at any time prior to the filing of the Articles of Arrangement to vary this Final Order or seek advice and directions as to the implementation of this Final Order.



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Justice of the Court of King's Bench of Alberta

**PLAN OF ARRANGEMENT UNDER SECTION 193  
OF THE BUSINESS CORPORATIONS ACT (ALBERTA)**

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

In this Plan of Arrangement, the following terms have the following meanings:

"112Co" or "PEI Newco" means 1121838 Alberta Ltd., a corporation incorporated under the ABCA;

"ABCA" means the *Business Corporations Act* (Alberta);

"Arrangement" means the arrangement under the provisions of Section 193 of the ABCA on the terms and conditions set forth in this Plan of Arrangement;

"Arrangement Agreement" means the agreement dated September 16, 2024, between Rubellite and Perpetual with respect to the Arrangement and all amendments thereto;

"Articles of Arrangement" means the articles of arrangement to be prepared by Perpetual and Rubellite in respect of the Arrangement required under subsection 193(4.1) of the ABCA to be filed with the Registrar after the Final Order has been granted, giving effect to the Arrangement;

"Certificate" means the certificate or certificates or other confirmation of filing to be issued by the Registrar pursuant to Section 193(11) of the ABCA giving effect to the Arrangement;

"Court" means the Court of King's Bench of Alberta;

"Deemed Exchange Ratio" means one (1) Newco Amalco Common Share for every five (5) Perpetual Shares and one (1) Newco Amalco Common Share for every one (1) Rubellite Share;

"Depositary" means Odyssey Trust Company;

"Dissent Perpetual Shares" means the Perpetual Shares in respect of which rights of dissent are exercised as provided in section 3.1 and in respect of which the holders thereof are ultimately entitled to be paid fair value;

"Dissent Rights" means the rights of dissent described in Article 3 of this Plan of Arrangement;

"Dissent Rubellite Shares" means the Rubellite Shares in respect of which rights of dissent are exercised as provided in section 3.1 and in respect of which the holders thereof are ultimately entitled to be paid fair value;

"Dissenting Perpetual Shareholder" means any registered Perpetual Shareholder who has duly and validly exercised its Dissent Rights in respect of the holder's Perpetual Shares and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;

"Dissenting Rubellite Shareholder" means any registered Rubellite Shareholder who has duly and validly exercised its Dissent Rights in respect of the holder's Rubellite Shares and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;

"Effective Date" means the date the Arrangement is effective under the ABCA;

**"Effective Time"** means the time at which the articles of arrangement to give effect to the Arrangement are filed with the Registrar on the Effective Date;

**"Encumbrance"** includes any mortgage, pledge, assignment, charge, lien, security interest, adverse interest in property, other third party interest or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

**"Final Order"** means the final order of the Court approving the Arrangement under subsection 193(9) of the ABCA to be applied for following the Perpetual Meeting and the Rubellite Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

**"Interim Order"** means the interim order of the Court under subsection 193(4) of the ABCA relating to the Arrangement;

**"Letter of Transmittal"** means, together, the letter of transmittal sent by Perpetual to the Perpetual Shareholders to be used by the Perpetual Shareholders to surrender the certificates representing their Perpetual Shares to receive certificates for the Newco Amalco Common Shares issued to them pursuant to the Arrangement and the letter of transmittal sent by Rubellite to the Rubellite Shareholders to be used by the Rubellite Shareholders to surrender the certificates representing their Rubellite Shares to receive certificates for the Newco Amalco Common Shares issued to them pursuant to the Arrangement;

**"Newco Amalco"** means the corporation resulting from the amalgamation of RBY Newco and PEI Newco pursuant to the Plan of Arrangement;

**"Newco Amalco Common Shares"** means the common shares of Newco Amalco;

**"Note Conversion Price"** means \$2.25 per Newco Amalco Common Share;

**"PEI Newco Common Shares"** means the common shares of PEI Newco;

**"PEI Newco Non-Voting Common Shares"** means the non-voting common shares of PEI Newco;

**"PEP"** means Perpetual Energy Partnership, a partnership formed under the laws of Alberta;

**"Perpetual"** or **"PEI"** means Perpetual Energy Inc., a corporation incorporated under the ABCA;

**"Perpetual Deferred Option Agreements"** means the agreements entered into between Perpetual and certain of its employees whereby such employees are entitled to receive Perpetual Shares;

**"Perpetual Deferred Share Agreements"** means the agreements entered into between Perpetual and certain of its directors and employees, from time to time, whereby such individuals are entitled to receive Perpetual Restricted Rights;

**"Perpetual Group"** means PEI, POC, 112Co, POT, PEP, NEAP Partnership and Paramount Energy Partnership;

**"Perpetual Incentive Awards"** means all outstanding grants, awards or other entitlements under the (i) Perpetual Option Plan, (ii) Perpetual Restricted Rights Plan, (iii) Perpetual Performance Plans, (iv) Perpetual Deferred Option Agreements, and (v) Perpetual Deferred Share Agreements;

**"Perpetual Option Plan"** means the share option plan of Perpetual in place as of the date hereof;

**"Perpetual Optionholders"** means the holders of Perpetual Options;

**"Perpetual Options"** means the outstanding options to acquire Perpetual Shares issued by Perpetual pursuant to the Perpetual Option Plan;

**"Perpetual Performance Award Holders"** means the holders of Perpetual Performance Awards;

**"Perpetual Performance Awards"** means the outstanding performance incentive awards and performance share rights to acquire Perpetual Restricted Rights pursuant to the Perpetual Performance Plans;

**"Perpetual Performance Plans"** means, together, the performance-based long-term incentive award plan and the performance share plan to acquire Perpetual Restricted Rights pursuant to such plans;

**"Perpetual Restricted Rights"** means the outstanding restricted rights to acquire Perpetual Shares issued by Perpetual pursuant to the Perpetual Restricted Rights Plan;

**"Perpetual Restricted Rights Holders"** means the holders of Perpetual Restricted Rights;

**"Perpetual Restricted Rights Plan"** means the restricted rights plan of Perpetual in place as of the date hereof;

**"Perpetual Rubellite Share Purchase Warrants"** means the 4,000,000 share purchase warrants held by Perpetual which are exercisable into Rubellite Shares at an exercise price of \$3.00 per Rubellite Share at any time prior to their expiry;

**"Perpetual Senior Notes"** means the \$26,180,798 aggregate principal amount of Perpetual's 8.75% senior secured third-lien notes due January 23, 2025;

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

**"Perpetual Shares"** means the common shares of Perpetual;

**"POC"** means Perpetual Operating Corp. a corporation incorporated under the ABCA;

**"POT"** means Perpetual Operating Trust, a trust formed under the laws of Alberta;

**"PUC"** means "paid-up capital", as that term defined in subsection 89(1) of the Tax Act;

**"RBY Newco"** means Ukalta LP Inc., a corporation incorporated under the ABCA;

**"RBY Newco Common Shares"** means the common shares of RBY Newco;

**"Registrar"** means the Registrar appointed under section 263 of the ABCA;

**"Rubellite"** or **"RBY"** means Rubellite Energy Inc., a corporation incorporated under the ABCA;

**"Rubellite Group"** means RBY, RBY Newco, Ukalta GP Inc. and Ukalta Limited Partnership;

**"Rubellite Incentive Awards"** means all outstanding grants, awards or other entitlements under the Rubellite Incentive Plan;

**"Rubellite Incentive Plan"** means the omnibus share incentive plan of Rubellite in place as of the date hereof;

**"Rubellite Share Percentage Formula"** means the percentage of Rubellite Shares that is equal to the following: [50% of {(the number of Rubellite Shares, excluding the Dissent Rubellite Shares, outstanding immediately prior to the Effective Time *multiplied* by 5) *plus* (the number of Perpetual Shares, excluding the Dissent Perpetual Shares, outstanding immediately prior to the Effective Time)} *less* the number of Perpetual Shares, excluding the Dissent Perpetual Shares, outstanding immediately prior to the Effective Time] *divided by* [the number of Rubellite Shares, excluding the Dissent Rubellite Shares, outstanding immediately prior to the Effective Time *multiplied* by 5];

**"Rubellite Shares"** means the common shares of Rubellite;

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder; and

"**TSX**" means the Toronto Stock Exchange.

## **1.2 Sections and Headings**

The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. Unless reference is specifically made to some other document or instrument, all references herein to articles, sections and subsections are to articles, sections and subsections of this Plan of Arrangement.

## **1.3 Number, Gender and Persons**

Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.

## **1.4 Currency**

All references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada.

## **1.5 Arrangement Agreement**

This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.

## **1.6 Binding Effect**

This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issue of the Certificate, will become effective on, and be binding on and after, the Effective Time on: (i) all registered and beneficial holders of Perpetual Shares (including the Dissenting Perpetual Shareholders); (ii) all registered and beneficial holders of Rubellite Shares (including Dissenting Rubellite Shareholders); (iii) all registered and beneficial holders of Perpetual Incentive Awards; (iv) all registered and beneficial holders of Rubellite Incentive Awards; (v) the Perpetual Group; (vi) the Rubellite Group; (vii) the Depositary; and (viii) all other Persons.

## **1.7 Articles of Arrangement**

The Articles of Arrangement and the Certificate shall be filed and issued, respectively, with respect to the Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 2 has become effective in the sequence set out therein. If no Certificate is required to be issued by the Registrar pursuant to subsection 193(11) of the ABCA, the Arrangement shall become effective at the Effective Time on the date the Articles of Arrangement are filed with the Registrar pursuant to subsection 193(4.1) of the ABCA.

# **ARTICLE 2 THE ARRANGEMENT**

## **2.1 Arrangement**

Commencing, at the Effective Time, each of the events set out below shall occur and shall be deemed to occur sequentially in the following order, without any further act or formality except as otherwise provided herein (provided that none of the following shall occur unless all of the following occur):

### **Dissenting Perpetual Shareholders**

- (a) the Dissent Perpetual Shares held by Dissenting Perpetual Shareholders shall be transferred to Perpetual (free of any Encumbrances) and such Dissenting Perpetual Shareholders shall cease to have rights as Perpetual Shareholders, other than the right to be paid by Perpetual (or an entity directed by Perpetual to pay in lieu of Perpetual paying) the fair value of their Perpetual Shares in accordance with the Dissent Rights.

**Dissenting Rubellite Shareholders**

- (b) the Dissent Rubellite Shares held by Dissenting Rubellite Shareholders shall be transferred to Rubellite (free of any Encumbrances) and such Dissenting Rubellite Shareholders shall cease to have rights as Rubellite Shareholders, other than the right to be paid by Rubellite (or an entity directed by Rubellite to pay in lieu of Rubellite paying) the fair value of their Rubellite Shares in accordance with the Dissent Rights.

**Transfer of Perpetual Shares to PEI Newco**

- (c) all of the issued and outstanding Perpetual Shares (other than the Dissent Perpetual Shares) shall be transferred to PEI Newco (free of any Encumbrances) and PEI Newco shall issue to each Perpetual Shareholder whose Perpetual Shares have been so transferred to PEI Newco one PEI Newco Common Share for every one Perpetual Share so transferred and the maximum amount that may be added to the PUC of the PEI Newco Common Shares under the Tax Act will be added to the stated capital account maintained by PEI Newco in respect of the PEI Newco Common Shares.

**Transfer of a Fraction of each Rubellite Share to PEI Newco**

- (d) the fraction of each of the issued and outstanding Rubellite Shares (other than the Dissent Rubellite Shares) calculated based on the Rubellite Share Percentage Formula shall be transferred to PEI Newco (the "**Rubellite Share Transfer Percentage**") (free of any Encumbrances) and PEI Newco shall issue to each Rubellite Shareholder whose Rubellite Shares have been so transferred that number of PEI Newco Non-Voting Common Shares that is equal to the Rubellite Share Transfer Percentage multiplied by 5 for each fraction of a Rubellite Share so transferred and the maximum amount that may be added to the PUC of the PEI Newco Non-Voting Common Shares under the Tax Act will be added to the stated capital account maintained by PEI Newco in respect of the PEI Newco Non-Voting Common Shares.

**Transfer of the Remaining Fraction of each Rubellite Share to RBY Newco**

- (e) the remaining fraction of each of the issued and outstanding Rubellite Shares (other than the Dissent Rubellite Shares and for greater certainty the fractions held by PEI Newco) shall be transferred to RBY Newco (free of any Encumbrances) and for every fractional Rubellite Share so transferred RBY Newco shall issue to each Rubellite Shareholder whose Rubellite Shares have been so transferred one fractional RBY Newco Common Share in an equal fraction to the fractional Rubellite Share so transferred and the maximum amount that may be added to the PUC of the RBY Newco Common Shares under the Tax Act will be added to the stated capital account maintained by RBY Newco in respect of the RBY Newco Common Shares.

**Amalgamation of RBY Newco and PEI Newco**

- (f) RBY Newco and PEI Newco shall be amalgamated and continued as one corporation under the ABCA to form Newco Amalco in accordance with the following:
- (i) *Name.* The name of Newco Amalco shall be "Rubellite Energy Corp." or such other name as the board of directors of RBY Newco and PEI Newco may approve;
  - (ii) *Registered Office.* The registered office of Newco Amalco shall be the same as the registered office of both RBY and PEI;
  - (iii) *Share Provisions.* Newco Amalco shall be authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series;

- (iv) *Other Provisions.* The other provisions forming part of the articles of Newco Amalco shall be those of RBY, *mutatis mutandis*;
- (v) *Directors and Officers.*
  - (A) Minimum and Maximum. The directors of Newco Amalco shall, until otherwise changed in accordance with the ABCA, consist of a minimum number of three directors and a maximum number of fifteen directors;
  - (B) Initial Directors. The initial directors of Newco Amalco shall be the same as the directors of RBY and PEI; and
  - (C) Initial Officers. The initial officers of Newco Amalco shall be the same as the officers of RBY and PEI;
- (vi) *Business and Powers.* There shall be no restrictions on the business Newco Amalco may carry on or on the powers it may exercise;
- (vii) *Stated Capital.* The aggregate stated capital of Newco Amalco will be an amount equal to the aggregate of the PUC for the purposes of the Tax Act of the RBY Newco Common Shares, the PEI Newco Common Shares and the PEI Newco Non-Voting Common Shares immediately before the amalgamation;
- (viii) *By-laws.* The by-laws of Newco Amalco shall be the by-laws of RBY, *mutatis mutandis*;
- (ix) *Effect of Amalgamation.* The provisions of subsections 186(b), (c), (d), (e) and (f) of the ABCA shall apply to the amalgamation with the result that:
  - (A) all of the property of each of RBY Newco and PEI Newco shall continue to be the property of Newco Amalco;
  - (B) Newco Amalco shall continue to be liable for all of the obligations of each of RBY Newco and PEI Newco;
  - (C) any existing cause of action, claim or liability to prosecution of RBY Newco or PEI Newco shall be unaffected;
  - (D) any civil, criminal or administrative action or proceeding pending by or against RBY Newco or PEI Newco may be continued to be prosecuted by or against Newco Amalco; and
  - (E) a conviction against, or ruling, order or judgment in favour of or against, RBY Newco or PEI Newco may be enforced by or against Newco Amalco;
- (x) *Articles.* The Articles of Arrangement filed shall be deemed to be the articles of amalgamation of Newco Amalco and the Certificate issued in respect of such Articles of Arrangement by the Registrar under the ABCA which gives effect to the Arrangement shall be deemed to be the certificate of amalgamation of Newco Amalco;
- (xi) *Inconsistency with Laws.* To the extent any of the provisions of this Plan of Arrangement is deemed to be inconsistent with applicable laws, this Plan of Arrangement shall be automatically adjusted to remove such inconsistency; and
- (xii) *Exchange and Cancellation of Securities.* On the amalgamation:

- (A) each issued and outstanding PEI Newco Common Share and PEI Newco Non-Voting Common Share (including, for greater certainty, a fraction of a PEI Newco Non-Voting Common Share) shall be cancelled and in consideration therefor Newco Amalco shall issue to the holders thereof who held such PEI Newco Common Share or PEI Newco Non-Voting Common Share one (1) Newco Amalco Common Share for each one (1) PEI Newco Common Share or PEI Newco Non-Voting Common Share held (or, for greater certainty, an equal fraction of a Newco Amalco Common Shares for every fractional PEI Newco Non-Voting Common Share);
- (B) each issued and outstanding RBY Newco Common Share (including, for greater certainty, a fraction of a RBY Newco Common Share) shall be cancelled and in consideration therefor Newco Amalco shall issue to the holders thereof who held RBY Newco Common Shares five (5) Newco Amalco Common Share for each one (1) RBY Newco Common Share held (or, for greater certainty, such number of Newco Amalco Common Shares as is equal to five (5) times the fraction of the fraction of a RBY Newco Common Share); and
- (C) immediately following the issuance of the Newco Amalco Common Shares in (A) and (B) above, the issued and outstanding Newco Amalco Common Shares shall be consolidated on the basis of one (1) post-consolidated Newco Amalco Common Share for every five (5) pre-consolidated New Amalco Common Shares.

#### **Conversion of Perpetual Senior Notes**

- (g) in accordance with the terms of the Perpetual Senior Notes, as amended, Perpetual shall force the conversion of all of the principal amount of the outstanding Perpetual Senior Notes including the amount of any PIK Interest (as such term is defined in the terms of the Perpetual Senior Notes) but excluding any accrued and unpaid interest up to the Effective Date which will be paid to the holders of the Perpetual Senior Notes by Perpetual in cash at the Effective Time at the Note Conversion Price into an aggregate of 11,635,910 Newco Amalco Common Shares.

#### **Repurchase of PEI and RBY's Newco Amalco Shares**

- (h) all of the issued and outstanding Newco Amalco Common Shares held by PEI and RBY will be repurchased for fair market value consideration.

#### **Treatment of Perpetual Incentive Awards**

- (i) concurrent with the amalgamation of RBY Newco and PEI Newco, in accordance with the terms of the Perpetual Incentive Awards, the applicable grant agreement in relation thereto and the Arrangement Agreement, each Perpetual Incentive Award outstanding immediately prior to the Effective Time (whether vested or unvested) shall, without any further action or formality on behalf of the holder thereof, Perpetual, Rubellite or Newco Amalco entitle the holders thereof to, as applicable, purchase, acquire, or receive a payment based upon the value of, Newco Amalco Common Shares rather than Perpetual Shares at an adjusted number and exercise price, as applicable, based on the Deemed Exchange Ratio all in accordance with the terms of the Perpetual Incentive Awards and subsection 7(1.4) of the Tax Act in order to facilitate or cause the delivery of Newco Amalco Common Shares to (i) Perpetual Optionholders upon exercise of Perpetual Options, (ii) Perpetual Restricted Rights Holders upon exercise of Perpetual Restricted Rights, (iii) Perpetual Performance Award Holders upon exercise of Perpetual Performance Awards, (iv) holders of Deferred Shares (as defined in the Perpetual Deferred Share Agreements) upon exercise of Deferred Shares, and (v) holders of Deferred Options (as defined in the Perpetual Deferred Option Agreements) upon exercise of Deferred Options following the Effective Time.

### **Treatment of Rubellite Incentive Awards**

- (j) concurrent with the amalgamation of RBY Newco and PEI Newco, in accordance with the terms of the Rubellite Incentive Awards, the applicable grant agreement in relation thereto and the Arrangement Agreement, each Rubellite Incentive Award outstanding immediately prior to the Effective Time (whether vested or unvested) shall, without any further action or formality on behalf of the holder thereof, Perpetual, Rubellite or Newco Amalco entitle the holders thereof to, as applicable, purchase, acquire, or receive a payment based upon the value of, Newco Amalco Common Shares rather than Rubellite Shares at an adjusted number and exercise price, as applicable, based on the Deemed Exchange Ratio all in accordance with the terms of the Rubellite Incentive Awards and subsection 7(1.4) of the Tax Act in order to facilitate or cause the delivery of Newco Amalco Common Shares to any holder of Rubellite Incentive Awards upon the exercise of such Rubellite Incentive Awards following the Effective Time.

### **Reduction of Stated Capital of Newco Amalco Common Shares**

- (k) Newco Amalco shall reduce the stated capital account maintained for the Newco Amalco Common Shares to \$0.01 and Newco Amalco's contributed surplus account shall be credited by the amount that is equal to this reduction of stated capital, with no amount to be distributed to the shareholders of Newco Amalco.

## **2.2 Fractional Shares**

Where the aggregate number of Newco Amalco Common Shares to be issued to a former Perpetual Shareholder or a former Rubellite Shareholder would result in a fraction of a Newco Amalco Common Share being issued, effective 5 minutes after the completion of the Plan of Arrangement, the entitlement of such former Perpetual Shareholder or former Rubellite Shareholder to such fractional share shall be rounded up or down to the nearest whole number. For greater certainty where such fractional interest is greater than or equal to 0.5, the shareholder will be issued one Newco Amalco Common Share for that fractional interest and where such fractional interest is less than 0.5, the shareholder will not be issued any Newco Amalco Common Shares for that fractional interest.

## **2.3 Tax Election**

A former Perpetual Shareholder who exchanges Perpetual Shares for PEI Newco Common Shares and a former Rubellite Shareholder who exchanges Rubellite Shares for PEI Newco Non-Voting Common Shares and RBY Newco Common Shares pursuant to this Plan of Arrangement shall be entitled to make an income tax election with PEI Newco or RBY Newco, as applicable, pursuant to subsection 85(1) or 85(2) of the Tax Act, as applicable (and the analogous provisions of provincial income tax law) by providing two signed copies of the necessary election forms to Newco Amalco, as successor of PEI Newco or RBY Newco, within 90 days following the Effective Date, duly completed with the details of the number of Perpetual Shares or Rubellite Shares transferred and the applicable agreed amounts for the purposes of such elections. Thereafter, subject to the election forms complying with the provisions of the Tax Act (or applicable provincial income tax law), the forms will be signed by Newco Amalco, as successor of PEI Newco and RBY Newco, and returned to such former Perpetual Shareholders and Rubellite Shareholders within 90 days after the receipt thereof by PEI Newco or RBY Newco for filing with the Canada Revenue Agency (or the applicable provincial taxing authority). Newco Amalco, as successor to PEI Newco or RBY Newco, will not be responsible for the proper completion of any election form and, except for the obligation of Newco Amalco, as successor to PEI Newco or RBY Newco, to so sign and return duly completed election forms which are received by Newco Amalco, as successor to PEI Newco or RBY Newco, within 90 days of the Effective Date, none of Newco Amalco, PEI Newco or RBY Newco will be responsible for any taxes, interest or penalties resulting from the failure by a Perpetual Shareholder or a Rubellite Shareholder to properly complete or file the election forms in the form and manner and within the time prescribed by the Tax Act (and any applicable provincial legislation). In its sole discretion, Newco Amalco, as successor to PEI Newco or RBY Newco, may choose to sign and return an election form received by it more than 90 days following the Effective Date but has no obligation to do so.

## **2.4 Registration**

As soon as practicable after the Effective Time, the names of Perpetual Shareholders who held Perpetual Shares and the names of Rubellite Shareholders who held Rubellite Shares at the Effective Time shall be removed from the register of Perpetual Shares and Rubellite Shares maintained by or on behalf of Perpetual and Rubellite, respectively, and Newco Amalco's name shall be recorded as the sole holder of the outstanding Perpetual Shares and Rubellite Shares.

## **ARTICLE 3 DISSENT RIGHTS**

### **3.1 Dissent Rights**

Each registered Perpetual Shareholder and Rubellite Shareholder may exercise rights of dissent with respect to the Perpetual Shares and Rubellite Shares held by such registered Perpetual Shareholders and Rubellite Shareholders in connection with the Arrangement pursuant to the procedure set forth in Section 191 of the ABCA, as modified by the Interim Order, provided that registered Perpetual Shareholders and Rubellite Shareholders who exercise such rights of dissent and who:

- (a) are ultimately entitled to be paid fair value for their Perpetual Shares or Rubellite Shares, as applicable, shall be deemed not to have participated in the transactions in subsection 2.1(a) and (b) and shall be paid an amount equal to such fair value by Perpetual or by Rubellite and will not be entitled to any other payment or consideration, and such Perpetual Shareholders and Rubellite Shareholders shall be deemed to have transferred their respective Perpetual Shares and Rubellite Shares to PEI Newco or RBY Newco, as applicable, at the Effective Time; or
- (b) are ultimately not entitled, for any reason, to be paid fair value for their Perpetual Shares or Rubellite Shares shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of Perpetual Shares or Rubellite Shares and shall be entitled to receive only the consideration contemplated in Article 2 hereof that such Perpetual Shareholders and Rubellite Shareholders would have received pursuant to the Arrangement if such Perpetual Shareholders and Rubellite Shareholders had not exercised Dissent Rights, and further provided that in no case shall Perpetual, Rubellite, PEI Newco or RBY Newco be required to recognize Perpetual Shareholders or Rubellite Shareholders who exercise Dissent Rights as Perpetual Shareholders or Rubellite Shareholders after the Effective Time and the names of such Perpetual Shareholders and Rubellite Shareholders shall be removed from Perpetual and Rubellite's register of shareholders as at the Effective Date.

## **ARTICLE 4 SHARE CERTIFICATES AND PAYMENT**

### **4.1 Rights of Holders**

After the Effective Time, each certificate that immediately prior to the Effective Time represented one or more Perpetual Shares or one or more Rubellite Shares shall be deemed at all times to represent only the right to receive certificates representing the Newco Amalco Common Shares which the former holder of such Perpetual Shares and Rubellite Shares are entitled to receive pursuant to Article 2 subject to compliance with the requirement set forth in this Article 4.

### **4.2 Transmittal**

The Depository shall deliver the consideration in respect of those Perpetual Shares and Rubellite Shares held on a book-entry basis in accordance with normal industry practice for payments relating to securities held on a book-entry only basis. In respect of those Perpetual Shares and Rubellite Shares not held on a book-entry basis, upon surrender to the Depository, as specified in the Letter of Transmittal, for cancellation of a certificate that immediately before the Effective Time represented one or more outstanding Perpetual Shares or Rubellite Shares that were transferred in

accordance with Article 2 hereof, together with a completed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate shall be entitled to receive a certificate representing the Newco Amalco Common Shares which such holder is entitled to receive pursuant to section 2.1. The Depositary shall register the Newco Amalco Common Shares in such name, and shall deliver by first class mail, postage prepaid, or in the case of postal disruption by such other means as the Depositary deems prudent, such share certificates, to such address as such holder may direct in the Letter of Transmittal, as soon as practicable after the receipt by the Depositary of such documents.

#### **4.3 Lost Certificates**

In the event any certificate that immediately prior to the Effective Time represented one or more outstanding Perpetual Shares or Rubellite Shares that were transferred in accordance with Article 2 hereof shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver a certificate representing the Newco Amalco Common Shares that such holder is entitled to receive in accordance with Article 2 hereof. When authorizing such delivery, the holder to whom a certificate representing such Newco Amalco Common Shares is to be delivered shall, as a condition precedent to such delivery, give a bond satisfactory to Newco Amalco and the Depositary in such amount as Newco Amalco and the Depositary may direct, or otherwise indemnify Newco Amalco and the Depositary in a manner satisfactory to Newco Amalco and the Depositary, against any claim that may be made against Newco Amalco or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed.

#### **4.4 Distributions with Respect to Unsurrendered Certificates**

No dividend or other distribution declared or made after the Effective Time with respect to Newco Amalco Common Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate that, immediately prior to the Effective Time, represented outstanding Perpetual Shares or Rubellite Shares unless and until the holder of such certificate shall have complied with the provisions of section 4.2 or section 4.3 hereof. Subject to applicable law, at the time of such compliance, there shall, in addition to the delivery of a certificate representing the Newco Amalco Common Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such Newco Amalco Common Shares.

#### **4.5 Termination of Rights**

Any certificate formerly representing Perpetual Shares or Rubellite Shares that are not deposited with all other documents as required by this Plan of Arrangement on or before the fourth anniversary of the Effective Date shall cease to represent a right or a claim of any kind or nature as a shareholder of Newco Amalco. On such date, the Rubellite Shares to which the former holder of the certificate referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered to Newco Amalco, together with all entitlements to dividends or distributions thereon held for such former registered holder, for no consideration, and such shares and rights shall thereupon be cancelled and the name of the former registered holder shall be removed from the register of holders of such share.

### **ARTICLE 5 AMENDMENTS**

- 5.1** Perpetual and Rubellite may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be (i) set out in writing, (ii) approved by both parties, (iii) filed with the Court and, if made following the Perpetual Meeting and Rubellite Meeting, approved by the Court, and (iv) communicated to Perpetual Shareholders and Rubellite Shareholders, if and as required by the Court.
- 5.2** Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Perpetual or Rubellite at any time prior to or at the Perpetual Meeting or Rubellite Meeting (provided

that the other party shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Perpetual Meeting or Rubellite Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

- 5.3 Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Perpetual Meeting or the Rubellite Meeting shall be effective only if (a) it is consented to by each of Rubellite and Perpetual, and (b) if required by the Court or applicable law, it is approved by the Perpetual Shareholders and Rubellite Shareholders.
- 5.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order without filing such amendment, modification or supplement with the Court or seeking Court approval; provided that it concerns a matter which, in the reasonable opinion of Rubellite and Perpetual, is of an administrative nature required to give effect to the implementation of this Plan of Arrangement and is not adverse to the interest of any Perpetual Shareholder, Rubellite Shareholder or any holder of Perpetual Incentive Awards.
- 5.5 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Time unilaterally by Newco Amalco, provided that it concerns a matter which, in the reasonable opinion of each of Rubellite and Perpetual, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial interests of any former holder of Perpetual Shares, Rubellite Shares or Perpetual Incentive Awards.

#### **ARTICLE 6 PARAMOUNTCY**

- 6.1 From and after the Effective Time:
- (a) this Plan of Arrangement shall take precedence and priority over any and all Perpetual Shares, Rubellite Shares, Perpetual Incentive Awards and Rubellite Incentive Awards issued or outstanding prior to the Effective Time;
- (b) the rights and obligations of the Perpetual Shareholders, Rubellite Shareholders, the holders of Perpetual Incentive Awards and Rubellite Incentive Awards, Perpetual, Rubellite, the Depositary and any registrar or transfer agent or other depositary therefor in relation thereto shall be solely as provided for in this Plan of Arrangement; and
- (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Perpetual Shares, Rubellite Shares, Perpetual Incentive Awards or Rubellite Incentive Awards shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

#### **ARTICLE 7 FURTHER ASSURANCES**

- 7.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of Rubellite and Perpetual shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out herein.
- 7.2 Subject to the terms of the Arrangement Agreement, Rubellite and Perpetual may agree not to implement this Plan of Arrangement, notwithstanding the approval of the Perpetual Arrangement

Resolution by the Perpetual Shareholders at the Perpetual Meeting, the approval of the Rubellite Arrangement Resolution by the Rubellite Shareholders at the Rubellite Meeting and the receipt of the Final Order.

SCHEDULE "B"

(See attached.)

**PLAN OF ARRANGEMENT UNDER SECTION 193  
OF THE BUSINESS CORPORATIONS ACT (ALBERTA)**

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

In this Plan of Arrangement, the following terms have the following meanings:

"**112Co**" or "**PEI Newco**" means 1121838 Alberta Ltd., a corporation incorporated under the ABCA;

"**ABCA**" means the *Business Corporations Act* (Alberta);

"**Arrangement**" means the arrangement under the provisions of Section 193 of the ABCA on the terms and conditions set forth in this Plan of Arrangement;

"**Arrangement Agreement**" means the agreement dated September 16, 2024, between Rubellite and Perpetual with respect to the Arrangement and all amendments thereto;

"**Articles of Arrangement**" means the articles of arrangement to be prepared by Perpetual and Rubellite in respect of the Arrangement required under subsection 193(4.1) of the ABCA to be filed with the Registrar after the Final Order has been granted, giving effect to the Arrangement;

"**Certificate**" means the certificate or certificates or other confirmation of filing to be issued by the Registrar pursuant to Section 193(11) of the ABCA giving effect to the Arrangement;

"**Court**" means the Court of King's Bench of Alberta;

"**Deemed Exchange Ratio**" means one (1) Newco Amalco Common Share for every five (5) Perpetual Shares and one (1) Newco Amalco Common Share for every one (1) Rubellite Share;

"**Depositary**" means Odyssey Trust Company;

"**Dissent Perpetual Shares**" means the Perpetual Shares in respect of which rights of dissent are exercised as provided in section 3.1 and in respect of which the holders thereof are ultimately entitled to be paid fair value;

"**Dissent Rights**" means the rights of dissent described in Article 3 of this Plan of Arrangement;

"**Dissent Rubellite Shares**" means the Rubellite Shares in respect of which rights of dissent are exercised as provided in section 3.1 and in respect of which the holders thereof are ultimately entitled to be paid fair value;

"**Dissenting Perpetual Shareholder**" means any registered Perpetual Shareholder who has duly and validly exercised its Dissent Rights in respect of the holder's Perpetual Shares and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;

"**Dissenting Rubellite Shareholder**" means any registered Rubellite Shareholder who has duly and validly exercised its Dissent Rights in respect of the holder's Rubellite Shares and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;

"**Effective Date**" means the date the Arrangement is effective under the ABCA;

**"Effective Time"** means the time at which the articles of arrangement to give effect to the Arrangement are filed with the Registrar on the Effective Date;

**"Encumbrance"** includes any mortgage, pledge, assignment, charge, lien, security interest, adverse interest in property, other third party interest or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

**"Final Order"** means the final order of the Court approving the Arrangement under subsection 193(9) of the ABCA to be applied for following the Perpetual Meeting and the Rubellite Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

**"Interim Order"** means the interim order of the Court under subsection 193(4) of the ABCA relating to the Arrangement;

**"Letter of Transmittal"** means, together, the letter of transmittal sent by Perpetual to the Perpetual Shareholders to be used by the Perpetual Shareholders to surrender the certificates representing their Perpetual Shares to receive certificates for the Newco Amalco Common Shares issued to them pursuant to the Arrangement and the letter of transmittal sent by Rubellite to the Rubellite Shareholders to be used by the Rubellite Shareholders to surrender the certificates representing their Rubellite Shares to receive certificates for the Newco Amalco Common Shares issued to them pursuant to the Arrangement;

**"Newco Amalco"** means the corporation resulting from the amalgamation of RBY Newco and PEI Newco pursuant to the Plan of Arrangement;

**"Newco Amalco Common Shares"** means the common shares of Newco Amalco;

**"Note Conversion Price"** means \$2.25 per Newco Amalco Common Share;

**"PEI Newco Common Shares"** means the common shares of PEI Newco;

**"PEI Newco Non-Voting Common Shares"** means the non-voting common shares of PEI Newco;

**"PEP"** means Perpetual Energy Partnership, a partnership formed under the laws of Alberta;

**"Perpetual"** or **"PEI"** means Perpetual Energy Inc., a corporation incorporated under the ABCA;

**"Perpetual Deferred Option Agreements"** means the agreements entered into between Perpetual and certain of its employees whereby such employees are entitled to receive Perpetual Shares;

**"Perpetual Deferred Share Agreements"** means the agreements entered into between Perpetual and certain of its directors and employees, from time to time, whereby such individuals are entitled to receive Perpetual Restricted Rights;

**"Perpetual Group"** means PEI, POC, 112Co, POT, PEP, NEAP Partnership and Paramount Energy Partnership;

**"Perpetual Incentive Awards"** means all outstanding grants, awards or other entitlements under the (i) Perpetual Option Plan, (ii) Perpetual Restricted Rights Plan, (iii) Perpetual Performance Plans, (iv) Perpetual Deferred Option Agreements, and (v) Perpetual Deferred Share Agreements;

**"Perpetual Option Plan"** means the share option plan of Perpetual in place as of the date hereof;

**"Perpetual Optionholders"** means the holders of Perpetual Options;

**"Perpetual Options"** means the outstanding options to acquire Perpetual Shares issued by Perpetual pursuant to the Perpetual Option Plan;

**"Perpetual Performance Award Holders"** means the holders of Perpetual Performance Awards;

**"Perpetual Performance Awards"** means the outstanding performance incentive awards and performance share rights to acquire Perpetual Restricted Rights pursuant to the Perpetual Performance Plans;

**"Perpetual Performance Plans"** means, together, the performance-based long-term incentive award plan and the performance share plan to acquire Perpetual Restricted Rights pursuant to such plans;

**"Perpetual Restricted Rights"** means the outstanding restricted rights to acquire Perpetual Shares issued by Perpetual pursuant to the Perpetual Restricted Rights Plan;

**"Perpetual Restricted Rights Holders"** means the holders of Perpetual Restricted Rights;

**"Perpetual Restricted Rights Plan"** means the restricted rights plan of Perpetual in place as of the date hereof;

**"Perpetual Rubellite Share Purchase Warrants"** means the 4,000,000 share purchase warrants held by Perpetual which are exercisable into Rubellite Shares at an exercise price of \$3.00 per Rubellite Share at any time prior to their expiry;

**"Perpetual Senior Notes"** means the \$26,180,798 aggregate principal amount of Perpetual's 8.75% senior secured third-lien notes due January 23, 2025;

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

**"Perpetual Shares"** means the common shares of Perpetual;

**"POC"** means Perpetual Operating Corp. a corporation incorporated under the ABCA;

**"POT"** means Perpetual Operating Trust, a trust formed under the laws of Alberta;

**"PUC"** means "paid-up capital", as that term defined in subsection 89(1) of the Tax Act;

**"RBY Newco"** means Ukalta LP Inc., a corporation incorporated under the ABCA;

**"RBY Newco Common Shares"** means the common shares of RBY Newco;

**"Registrar"** means the Registrar appointed under section 263 of the ABCA;

**"Rubellite"** or **"RBY"** means Rubellite Energy Inc., a corporation incorporated under the ABCA;

**"Rubellite Group"** means RBY, RBY Newco, Ukalta GP Inc. and Ukalta Limited Partnership;

**"Rubellite Incentive Awards"** means all outstanding grants, awards or other entitlements under the Rubellite Incentive Plan;

**"Rubellite Incentive Plan"** means the omnibus share incentive plan of Rubellite in place as of the date hereof;

**"Rubellite Share Percentage Formula"** means the percentage of Rubellite Shares that is equal to the following: [50% of {(the number of Rubellite Shares, excluding the Dissent Rubellite Shares, outstanding immediately prior to the Effective Time *multiplied* by 5) *plus* (the number of Perpetual Shares, excluding the Dissent Perpetual Shares, outstanding immediately prior to the Effective Time)} *less* the number of Perpetual Shares, excluding the Dissent Perpetual Shares, outstanding immediately prior to the Effective Time] *divided by* [the number of Rubellite Shares, excluding the Dissent Rubellite Shares, outstanding immediately prior to the Effective Time *multiplied* by 5];

**"Rubellite Shares"** means the common shares of Rubellite;

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder; and

"**TSX**" means the Toronto Stock Exchange.

## **1.2 Sections and Headings**

The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. Unless reference is specifically made to some other document or instrument, all references herein to articles, sections and subsections are to articles, sections and subsections of this Plan of Arrangement.

## **1.3 Number, Gender and Persons**

Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.

## **1.4 Currency**

All references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada.

## **1.5 Arrangement Agreement**

This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.

## **1.6 Binding Effect**

This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issue of the Certificate, will become effective on, and be binding on and after, the Effective Time on: (i) all registered and beneficial holders of Perpetual Shares (including the Dissenting Perpetual Shareholders); (ii) all registered and beneficial holders of Rubellite Shares (including Dissenting Rubellite Shareholders); (iii) all registered and beneficial holders of Perpetual Incentive Awards; (iv) all registered and beneficial holders of Rubellite Incentive Awards; (v) the Perpetual Group; (vi) the Rubellite Group; (vii) the Depositary; and (viii) all other Persons.

## **1.7 Articles of Arrangement**

The Articles of Arrangement and the Certificate shall be filed and issued, respectively, with respect to the Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 2 has become effective in the sequence set out therein. If no Certificate is required to be issued by the Registrar pursuant to subsection 193(11) of the ABCA, the Arrangement shall become effective at the Effective Time on the date the Articles of Arrangement are filed with the Registrar pursuant to subsection 193(4.1) of the ABCA.

# **ARTICLE 2 THE ARRANGEMENT**

## **2.1 Arrangement**

Commencing, at the Effective Time, each of the events set out below shall occur and shall be deemed to occur sequentially in the following order, without any further act or formality except as otherwise provided herein (provided that none of the following shall occur unless all of the following occur):

### **Dissenting Perpetual Shareholders**

- (a) the Dissent Perpetual Shares held by Dissenting Perpetual Shareholders shall be transferred to Perpetual (free of any Encumbrances) and such Dissenting Perpetual Shareholders shall cease to have rights as Perpetual Shareholders, other than the right to be paid by Perpetual (or an entity directed by Perpetual to pay in lieu of Perpetual paying) the fair value of their Perpetual Shares in accordance with the Dissent Rights.

**Dissenting Rubellite Shareholders**

- (b) the Dissent Rubellite Shares held by Dissenting Rubellite Shareholders shall be transferred to Rubellite (free of any Encumbrances) and such Dissenting Rubellite Shareholders shall cease to have rights as Rubellite Shareholders, other than the right to be paid by Rubellite (or an entity directed by Rubellite to pay in lieu of Rubellite paying) the fair value of their Rubellite Shares in accordance with the Dissent Rights.

**Transfer of Perpetual Shares to PEI Newco**

- (c) all of the issued and outstanding Perpetual Shares (other than the Dissent Perpetual Shares) shall be transferred to PEI Newco (free of any Encumbrances) and PEI Newco shall issue to each Perpetual Shareholder whose Perpetual Shares have been so transferred to PEI Newco one PEI Newco Common Share for every one Perpetual Share so transferred and the maximum amount that may be added to the PUC of the PEI Newco Common Shares under the Tax Act will be added to the stated capital account maintained by PEI Newco in respect of the PEI Newco Common Shares.

**Transfer of a Fraction of each Rubellite Share to PEI Newco**

- (d) the fraction of each of the issued and outstanding Rubellite Shares (other than the Dissent Rubellite Shares) calculated based on the Rubellite Share Percentage Formula shall be transferred to PEI Newco (the "**Rubellite Share Transfer Percentage**") (free of any Encumbrances) and PEI Newco shall issue to each Rubellite Shareholder whose Rubellite Shares have been so transferred that number of PEI Newco Non-Voting Common Shares that is equal to the Rubellite Share Transfer Percentage multiplied by 5 for each fraction of a Rubellite Share so transferred and the maximum amount that may be added to the PUC of the PEI Newco Non-Voting Common Shares under the Tax Act will be added to the stated capital account maintained by PEI Newco in respect of the PEI Newco Non-Voting Common Shares.

**Transfer of the Remaining Fraction of each Rubellite Share to RBY Newco**

- (e) the remaining fraction of each of the issued and outstanding Rubellite Shares (other than the Dissent Rubellite Shares and for greater certainty the fractions held by PEI Newco) shall be transferred to RBY Newco (free of any Encumbrances) and for every fractional Rubellite Share so transferred RBY Newco shall issue to each Rubellite Shareholder whose Rubellite Shares have been so transferred one fractional RBY Newco Common Share in an equal fraction to the fractional Rubellite Share so transferred and the maximum amount that may be added to the PUC of the RBY Newco Common Shares under the Tax Act will be added to the stated capital account maintained by RBY Newco in respect of the RBY Newco Common Shares.

**Amalgamation of RBY Newco and PEI Newco**

- (f) RBY Newco and PEI Newco shall be amalgamated and continued as one corporation under the ABCA to form Newco Amalco in accordance with the following:
- (i) *Name.* The name of Newco Amalco shall be "Rubellite Energy Corp." or such other name as the board of directors of RBY Newco and PEI Newco may approve;
  - (ii) *Registered Office.* The registered office of Newco Amalco shall be the same as the registered office of both RBY and PEI;
  - (iii) *Share Provisions.* Newco Amalco shall be authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series;

- (iv) *Other Provisions.* The other provisions forming part of the articles of Newco Amalco shall be those of RBY, *mutatis mutandis*;
- (v) *Directors and Officers.*
  - (A) Minimum and Maximum. The directors of Newco Amalco shall, until otherwise changed in accordance with the ABCA, consist of a minimum number of three directors and a maximum number of fifteen directors;
  - (B) Initial Directors. The initial directors of Newco Amalco shall be the same as the directors of RBY and PEI; and
  - (C) Initial Officers. The initial officers of Newco Amalco shall be the same as the officers of RBY and PEI;
- (vi) *Business and Powers.* There shall be no restrictions on the business Newco Amalco may carry on or on the powers it may exercise;
- (vii) *Stated Capital.* The aggregate stated capital of Newco Amalco will be an amount equal to the aggregate of the PUC for the purposes of the Tax Act of the RBY Newco Common Shares, the PEI Newco Common Shares and the PEI Newco Non-Voting Common Shares immediately before the amalgamation;
- (viii) *By-laws.* The by-laws of Newco Amalco shall be the by-laws of RBY, *mutatis mutandis*;
- (ix) *Effect of Amalgamation.* The provisions of subsections 186(b), (c), (d), (e) and (f) of the ABCA shall apply to the amalgamation with the result that:
  - (A) all of the property of each of RBY Newco and PEI Newco shall continue to be the property of Newco Amalco;
  - (B) Newco Amalco shall continue to be liable for all of the obligations of each of RBY Newco and PEI Newco;
  - (C) any existing cause of action, claim or liability to prosecution of RBY Newco or PEI Newco shall be unaffected;
  - (D) any civil, criminal or administrative action or proceeding pending by or against RBY Newco or PEI Newco may be continued to be prosecuted by or against Newco Amalco; and
  - (E) a conviction against, or ruling, order or judgment in favour of or against, RBY Newco or PEI Newco may be enforced by or against Newco Amalco;
- (x) *Articles.* The Articles of Arrangement filed shall be deemed to be the articles of amalgamation of Newco Amalco and the Certificate issued in respect of such Articles of Arrangement by the Registrar under the ABCA which gives effect to the Arrangement shall be deemed to be the certificate of amalgamation of Newco Amalco;
- (xi) *Inconsistency with Laws.* To the extent any of the provisions of this Plan of Arrangement is deemed to be inconsistent with applicable laws, this Plan of Arrangement shall be automatically adjusted to remove such inconsistency; and
- (xii) *Exchange and Cancellation of Securities.* On the amalgamation:

- (A) each issued and outstanding PEI Newco Common Share and PEI Newco Non-Voting Common Share (including, for greater certainty, a fraction of a PEI Newco Non-Voting Common Share) shall be cancelled and in consideration therefor Newco Amalco shall issue to the holders thereof who held such PEI Newco Common Share or PEI Newco Non-Voting Common Share one (1) Newco Amalco Common Share for each one (1) PEI Newco Common Share or PEI Newco Non-Voting Common Share held (or, for greater certainty, an equal fraction of a Newco Amalco Common Shares for every fractional PEI Newco Non-Voting Common Share);
- (B) each issued and outstanding RBY Newco Common Share (including, for greater certainty, a fraction of a RBY Newco Common Share) shall be cancelled and in consideration therefor Newco Amalco shall issue to the holders thereof who held RBY Newco Common Shares five (5) Newco Amalco Common Share for each one (1) RBY Newco Common Share held (or, for greater certainty, such number of Newco Amalco Common Shares as is equal to five (5) times the fraction of the fraction of a RBY Newco Common Share); and
- (C) immediately following the issuance of the Newco Amalco Common Shares in (A) and (B) above, the issued and outstanding Newco Amalco Common Shares shall be consolidated on the basis of one (1) post-consolidated Newco Amalco Common Share for every five (5) pre-consolidated New Amalco Common Shares.

#### **Conversion of Perpetual Senior Notes**

- (g) in accordance with the terms of the Perpetual Senior Notes, as amended, Perpetual shall force the conversion of all of the principal amount of the outstanding Perpetual Senior Notes including the amount of any PIK Interest (as such term is defined in the terms of the Perpetual Senior Notes) but excluding any accrued and unpaid interest up to the Effective Date which will be paid to the holders of the Perpetual Senior Notes by Perpetual in cash at the Effective Time at the Note Conversion Price into an aggregate of 11,635,910 Newco Amalco Common Shares.

#### **Repurchase of PEI and RBY's Newco Amalco Shares**

- (h) all of the issued and outstanding Newco Amalco Common Shares held by PEI and RBY will be repurchased for fair market value consideration.

#### **Treatment of Perpetual Incentive Awards**

- (i) concurrent with the amalgamation of RBY Newco and PEI Newco, in accordance with the terms of the Perpetual Incentive Awards, the applicable grant agreement in relation thereto and the Arrangement Agreement, each Perpetual Incentive Award outstanding immediately prior to the Effective Time (whether vested or unvested) shall, without any further action or formality on behalf of the holder thereof, Perpetual, Rubellite or Newco Amalco entitle the holders thereof to, as applicable, purchase, acquire, or receive a payment based upon the value of, Newco Amalco Common Shares rather than Perpetual Shares at an adjusted number and exercise price, as applicable, based on the Deemed Exchange Ratio all in accordance with the terms of the Perpetual Incentive Awards and subsection 7(1.4) of the Tax Act in order to facilitate or cause the delivery of Newco Amalco Common Shares to (i) Perpetual Optionholders upon exercise of Perpetual Options, (ii) Perpetual Restricted Rights Holders upon exercise of Perpetual Restricted Rights, (iii) Perpetual Performance Award Holders upon exercise of Perpetual Performance Awards, (iv) holders of Deferred Shares (as defined in the Perpetual Deferred Share Agreements) upon exercise of Deferred Shares, and (v) holders of Deferred Options (as defined in the Perpetual Deferred Option Agreements) upon exercise of Deferred Options following the Effective Time.

### **Treatment of Rubellite Incentive Awards**

- (j) concurrent with the amalgamation of RBY Newco and PEI Newco, in accordance with the terms of the Rubellite Incentive Awards, the applicable grant agreement in relation thereto and the Arrangement Agreement, each Rubellite Incentive Award outstanding immediately prior to the Effective Time (whether vested or unvested) shall, without any further action or formality on behalf of the holder thereof, Perpetual, Rubellite or Newco Amalco entitle the holders thereof to, as applicable, purchase, acquire, or receive a payment based upon the value of, Newco Amalco Common Shares rather than Rubellite Shares at an adjusted number and exercise price, as applicable, based on the Deemed Exchange Ratio all in accordance with the terms of the Rubellite Incentive Awards and subsection 7(1.4) of the Tax Act in order to facilitate or cause the delivery of Newco Amalco Common Shares to any holder of Rubellite Incentive Awards upon the exercise of such Rubellite Incentive Awards following the Effective Time.

### **Reduction of Stated Capital of Newco Amalco Common Shares**

- (k) Newco Amalco shall reduce the stated capital account maintained for the Newco Amalco Common Shares to \$0.01 and Newco Amalco's contributed surplus account shall be credited by the amount that is equal to this reduction of stated capital, with no amount to be distributed to the shareholders of Newco Amalco.

## **2.2 Fractional Shares**

Where the aggregate number of Newco Amalco Common Shares to be issued to a former Perpetual Shareholder or a former Rubellite Shareholder would result in a fraction of a Newco Amalco Common Share being issued, effective 5 minutes after the completion of the Plan of Arrangement, the entitlement of such former Perpetual Shareholder or former Rubellite Shareholder to such fractional share shall be rounded up or down to the nearest whole number. For greater certainty where such fractional interest is greater than or equal to 0.5, the shareholder will be issued one Newco Amalco Common Share for that fractional interest and where such fractional interest is less than 0.5, the shareholder will not be issued any Newco Amalco Common Shares for that fractional interest.

## **2.3 Tax Election**

A former Perpetual Shareholder who exchanges Perpetual Shares for PEI Newco Common Shares and a former Rubellite Shareholder who exchanges Rubellite Shares for PEI Newco Non-Voting Common Shares and RBY Newco Common Shares pursuant to this Plan of Arrangement shall be entitled to make an income tax election with PEI Newco or RBY Newco, as applicable, pursuant to subsection 85(1) or 85(2) of the Tax Act, as applicable (and the analogous provisions of provincial income tax law) by providing two signed copies of the necessary election forms to Newco Amalco, as successor of PEI Newco or RBY Newco, within 90 days following the Effective Date, duly completed with the details of the number of Perpetual Shares or Rubellite Shares transferred and the applicable agreed amounts for the purposes of such elections. Thereafter, subject to the election forms complying with the provisions of the Tax Act (or applicable provincial income tax law), the forms will be signed by Newco Amalco, as successor of PEI Newco and RBY Newco, and returned to such former Perpetual Shareholders and Rubellite Shareholders within 90 days after the receipt thereof by PEI Newco or RBY Newco for filing with the Canada Revenue Agency (or the applicable provincial taxing authority). Newco Amalco, as successor to PEI Newco or RBY Newco, will not be responsible for the proper completion of any election form and, except for the obligation of Newco Amalco, as successor to PEI Newco or RBY Newco, to so sign and return duly completed election forms which are received by Newco Amalco, as successor to PEI Newco or RBY Newco, within 90 days of the Effective Date, none of Newco Amalco, PEI Newco or RBY Newco will be responsible for any taxes, interest or penalties resulting from the failure by a Perpetual Shareholder or a Rubellite Shareholder to properly complete or file the election forms in the form and manner and within the time prescribed by the Tax Act (and any applicable provincial legislation). In its sole discretion, Newco Amalco, as successor to PEI Newco or RBY Newco, may choose to sign and return an election form received by it more than 90 days following the Effective Date but has no obligation to do so.

## **2.4 Registration**

As soon as practicable after the Effective Time, the names of Perpetual Shareholders who held Perpetual Shares and the names of Rubellite Shareholders who held Rubellite Shares at the Effective Time shall be removed from the register of Perpetual Shares and Rubellite Shares maintained by or on behalf of Perpetual and Rubellite, respectively, and Newco Amalco's name shall be recorded as the sole holder of the outstanding Perpetual Shares and Rubellite Shares.

## **ARTICLE 3 DISSENT RIGHTS**

### **3.1 Dissent Rights**

Each registered Perpetual Shareholder and Rubellite Shareholder may exercise rights of dissent with respect to the Perpetual Shares and Rubellite Shares held by such registered Perpetual Shareholders and Rubellite Shareholders in connection with the Arrangement pursuant to the procedure set forth in Section 191 of the ABCA, as modified by the Interim Order, provided that registered Perpetual Shareholders and Rubellite Shareholders who exercise such rights of dissent and who:

- (a) are ultimately entitled to be paid fair value for their Perpetual Shares or Rubellite Shares, as applicable, shall be deemed not to have participated in the transactions in subsection 2.1(a) and (b) and shall be paid an amount equal to such fair value by Perpetual or by Rubellite and will not be entitled to any other payment or consideration, and such Perpetual Shareholders and Rubellite Shareholders shall be deemed to have transferred their respective Perpetual Shares and Rubellite Shares to PEI Newco or RBY Newco, as applicable, at the Effective Time; or
- (b) are ultimately not entitled, for any reason, to be paid fair value for their Perpetual Shares or Rubellite Shares shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of Perpetual Shares or Rubellite Shares and shall be entitled to receive only the consideration contemplated in Article 2 hereof that such Perpetual Shareholders and Rubellite Shareholders would have received pursuant to the Arrangement if such Perpetual Shareholders and Rubellite Shareholders had not exercised Dissent Rights, and further provided that in no case shall Perpetual, Rubellite, PEI Newco or RBY Newco be required to recognize Perpetual Shareholders or Rubellite Shareholders who exercise Dissent Rights as Perpetual Shareholders or Rubellite Shareholders after the Effective Time and the names of such Perpetual Shareholders and Rubellite Shareholders shall be removed from Perpetual and Rubellite's register of shareholders as at the Effective Date.

## **ARTICLE 4 SHARE CERTIFICATES AND PAYMENT**

### **4.1 Rights of Holders**

After the Effective Time, each certificate that immediately prior to the Effective Time represented one or more Perpetual Shares or one or more Rubellite Shares shall be deemed at all times to represent only the right to receive certificates representing the Newco Amalco Common Shares which the former holder of such Perpetual Shares and Rubellite Shares are entitled to receive pursuant to Article 2 subject to compliance with the requirement set forth in this Article 4.

### **4.2 Transmittal**

The Depository shall deliver the consideration in respect of those Perpetual Shares and Rubellite Shares held on a book-entry basis in accordance with normal industry practice for payments relating to securities held on a book-entry only basis. In respect of those Perpetual Shares and Rubellite Shares not held on a book-entry basis, upon surrender to the Depository, as specified in the Letter of Transmittal, for cancellation of a certificate that immediately before the Effective Time represented one or more outstanding Perpetual Shares or Rubellite Shares that were transferred in

accordance with Article 2 hereof, together with a completed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate shall be entitled to receive a certificate representing the Newco Amalco Common Shares which such holder is entitled to receive pursuant to section 2.1. The Depositary shall register the Newco Amalco Common Shares in such name, and shall deliver by first class mail, postage prepaid, or in the case of postal disruption by such other means as the Depositary deems prudent, such share certificates, to such address as such holder may direct in the Letter of Transmittal, as soon as practicable after the receipt by the Depositary of such documents.

#### **4.3 Lost Certificates**

In the event any certificate that immediately prior to the Effective Time represented one or more outstanding Perpetual Shares or Rubellite Shares that were transferred in accordance with Article 2 hereof shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver a certificate representing the Newco Amalco Common Shares that such holder is entitled to receive in accordance with Article 2 hereof. When authorizing such delivery, the holder to whom a certificate representing such Newco Amalco Common Shares is to be delivered shall, as a condition precedent to such delivery, give a bond satisfactory to Newco Amalco and the Depositary in such amount as Newco Amalco and the Depositary may direct, or otherwise indemnify Newco Amalco and the Depositary in a manner satisfactory to Newco Amalco and the Depositary, against any claim that may be made against Newco Amalco or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed.

#### **4.4 Distributions with Respect to Unsurrendered Certificates**

No dividend or other distribution declared or made after the Effective Time with respect to Newco Amalco Common Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate that, immediately prior to the Effective Time, represented outstanding Perpetual Shares or Rubellite Shares unless and until the holder of such certificate shall have complied with the provisions of section 4.2 or section 4.3 hereof. Subject to applicable law, at the time of such compliance, there shall, in addition to the delivery of a certificate representing the Newco Amalco Common Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such Newco Amalco Common Shares.

#### **4.5 Termination of Rights**

Any certificate formerly representing Perpetual Shares or Rubellite Shares that are not deposited with all other documents as required by this Plan of Arrangement on or before the fourth anniversary of the Effective Date shall cease to represent a right or a claim of any kind or nature as a shareholder of Newco Amalco. On such date, the Rubellite Shares to which the former holder of the certificate referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered to Newco Amalco, together with all entitlements to dividends or distributions thereon held for such former registered holder, for no consideration, and such shares and rights shall thereupon be cancelled and the name of the former registered holder shall be removed from the register of holders of such share.

### **ARTICLE 5 AMENDMENTS**

- 5.1** Perpetual and Rubellite may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be (i) set out in writing, (ii) approved by both parties, (iii) filed with the Court and, if made following the Perpetual Meeting and Rubellite Meeting, approved by the Court, and (iv) communicated to Perpetual Shareholders and Rubellite Shareholders, if and as required by the Court.
- 5.2** Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Perpetual or Rubellite at any time prior to or at the Perpetual Meeting or Rubellite Meeting (provided

that the other party shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Perpetual Meeting or Rubellite Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

- 5.3** Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Perpetual Meeting or the Rubellite Meeting shall be effective only if (a) it is consented to by each of Rubellite and Perpetual, and (b) if required by the Court or applicable law, it is approved by the Perpetual Shareholders and Rubellite Shareholders.
- 5.4** Any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order without filing such amendment, modification or supplement with the Court or seeking Court approval; provided that it concerns a matter which, in the reasonable opinion of Rubellite and Perpetual, is of an administrative nature required to give effect to the implementation of this Plan of Arrangement and is not adverse to the interest of any Perpetual Shareholder, Rubellite Shareholder or any holder of Perpetual Incentive Awards.
- 5.5** Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Time unilaterally by Newco Amalco, provided that it concerns a matter which, in the reasonable opinion of each of Rubellite and Perpetual, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial interests of any former holder of Perpetual Shares, Rubellite Shares or Perpetual Incentive Awards.

#### **ARTICLE 6 PARAMOUNTCY**

- 6.1** From and after the Effective Time:
- (a) this Plan of Arrangement shall take precedence and priority over any and all Perpetual Shares, Rubellite Shares, Perpetual Incentive Awards and Rubellite Incentive Awards issued or outstanding prior to the Effective Time;
- (b) the rights and obligations of the Perpetual Shareholders, Rubellite Shareholders, the holders of Perpetual Incentive Awards and Rubellite Incentive Awards, Perpetual, Rubellite, the Depositary and any registrar or transfer agent or other depositary therefor in relation thereto shall be solely as provided for in this Plan of Arrangement; and
- (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Perpetual Shares, Rubellite Shares, Perpetual Incentive Awards or Rubellite Incentive Awards shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

#### **ARTICLE 7 FURTHER ASSURANCES**

- 7.1** Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of Rubellite and Perpetual shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out herein.
- 7.2** Subject to the terms of the Arrangement Agreement, Rubellite and Perpetual may agree not to implement this Plan of Arrangement, notwithstanding the approval of the Perpetual Arrangement

Resolution by the Perpetual Shareholders at the Perpetual Meeting, the approval of the Rubellite Arrangement Resolution by the Rubellite Shareholders at the Rubellite Meeting and the receipt of the Final Order.