

SHARE PURCHASE AND SALE AGREEMENT

FOR THE SHARES OF

NAL RESOURCES LIMITED

AMONG

THE MANUFACTURERS LIFE INSURANCE COMPANY

and

NAL RESOURCES LIMITED

AND

WHITECAP RESOURCES INC.

August 30, 2020

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS AND INTERPRETATION.....	1
1.1 DEFINITIONS.....	1
1.2 INTERPRETATION.....	19
1.3 SCHEDULES	20
ARTICLE 2 PURCHASE AND SALE	20
2.1 PURCHASE AND SALE.....	20
2.2 DEPOSIT AND REMEDIES	20
2.3 CLOSING PROCEDURES	22
2.4 PAYMENT OF TOTAL PURCHASE PRICE AND OTHER PAYMENTS ON CLOSING	22
2.5 CLOSING.....	23
2.6 ACCOUNTING AND CLOSING STATEMENT	23
2.7 DISPUTES.....	23
ARTICLE 3 CLOSING, CLOSING CONDITIONS AND CLOSING DELIVERIES	24
3.1 PURCHASER’S CONDITIONS PRECEDENT	24
3.2 VENDOR’S CONDITIONS PRECEDENT	24
3.3 SATISFACTION OF CONDITIONS PRECEDENT.....	25
3.4 DELIVERIES OF VENDOR AT CLOSING.....	26
3.5 DELIVERIES OF PURCHASER AT CLOSING	26
ARTICLE 4 PRE-CLOSING PERIOD MATTERS	27
4.1 PRE-CLOSING TRANSACTIONS	27
4.2 INTERIM OPERATIONS	27
4.3 TRANSITION MATTERS	28
4.4 VENDOR’S ACQUISITION OF PURCHASER SHARES.....	29
4.5 PURCHASER’S INTERIM PERIOD REPRESENTATIVE.....	29
4.6 TERMINATION OF INTERCOMPANY ARRANGEMENTS; NO OUTSTANDING INDEBTEDNESS	29
4.7 PURCHASER’S INTERIM PERIOD OBLIGATIONS	29
4.8 PARTICIPATION RIGHTS	30
4.9 COMPETITION ACT APPROVAL	31
4.10 APPROVAL TO LISTING AND ISSUANCE OF CONSIDERATION SHARES	32
4.11 ANTI-SANDBAGGING.....	33
ARTICLE 5 VENDOR’S REPRESENTATIONS AND WARRANTIES	34
5.1 REPRESENTATIONS AND WARRANTIES REGARDING VENDOR.....	34
5.2 VENDOR’S REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY	36
5.3 NO ADDITIONAL REPRESENTATIONS OR WARRANTIES	44
5.4 SURVIVAL OF REPRESENTATIONS AND WARRANTIES	46
ARTICLE 6 PURCHASER’S REPRESENTATIONS AND WARRANTIES.....	46
6.1 PURCHASER’S REPRESENTATIONS AND WARRANTIES	46
6.2 SURVIVAL OF REPRESENTATIONS AND WARRANTIES	50
6.3 NO ADDITIONAL REPRESENTATIONS AND WARRANTIES BY PURCHASER	50
ARTICLE 7 TAX MATTERS	51
7.1 TAX LIABILITY	51
7.2 TAX FILINGS.....	51
7.3 COOPERATION	52
7.4 TAX AUDITS	52

TABLE OF CONTENTS
(continued)

ARTICLE 8 POST-CLOSING COVENANTS	52
8.1 ACCESS TO INFORMATION.....	52
8.2 RETENTION PERIOD.....	53
8.3 POST-CLOSING ASSET SALES.....	53
8.4 LITIGATION COSTS	54
ARTICLE 9 LIABILITIES AND INDEMNITIES.....	54
9.1 INDEMNIFICATION BY VENDOR.....	54
9.2 INDEMNIFICATION BY PURCHASER	54
9.3 ENVIRONMENTAL INDEMNITY	54
9.4 INDEMNIFICATION OF THIRD PARTY CLAIMS	55
9.5 GENERAL LIMITATIONS ON LIABILITY.....	56
9.6 LIMITATIONS AND EXCLUSIONS REGARDING LIABILITY	57
9.7 INDEMNIFICATION PAYMENTS	58
9.8 DIRECT CLAIMS.....	58
9.9 MITIGATION	58
9.10 EXPRESS NEGLIGENCE	59
9.11 TRUSTEE AND AGENT	59
ARTICLE 10 TERMINATION.....	59
10.1 EVENTS OF TERMINATION.....	59
10.2 EFFECT OF TERMINATION	60
ARTICLE 11 CONFIDENTIALITY	60
11.1 CONFIDENTIALITY AND PUBLIC ANNOUNCEMENTS.	60
11.2 SURVIVAL.....	61
ARTICLE 12 NOTICE.....	61
12.1 SERVICE OF NOTICE	61
12.2 ADDRESSES FOR NOTICE.....	61
12.3 RIGHT TO CHANGE ADDRESSES	63
ARTICLE 13 MISCELLANEOUS	63
13.1 WAIVER.....	63
13.2 FURTHER ASSURANCES.....	63
13.3 ASSIGNMENT	63
13.4 ENUREMENT	63
13.5 NON-APPLICABILITY OF CONTRA PROFERENTUM	64
13.6 GOVERNING LAW AND DISPUTE RESOLUTION.....	64
13.7 ENTIRE AGREEMENT	64
13.8 PRIOR DRAFTS.....	64
13.9 TIME	64
13.10 COUNTERPARTS	64
13.11 EXPENSES	65

SHARE PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made as of the 30th day of August, 2020.

AMONG:

THE MANUFACTURERS LIFE INSURANCE COMPANY, a body corporate governed by the *Insurance Companies Act* (Canada) (the “**Vendor**”)

AND

NAL RESOURCES LIMITED, a corporation governed by the laws of the Province of Alberta (“**NRL**”)

AND

WHITECAP RESOURCES INC., a corporation governed by the laws of the Province of Alberta (the “**Purchaser**”)

WHEREAS at or prior to the Closing Time, the Vendor will be the beneficial owner of the NAL Shares and has agreed to sell the NAL Shares to the Purchaser at the Closing Time, subject to the terms and conditions contained within this Agreement;

AND WHEREAS the Purchaser wishes to acquire the NAL Shares from the Vendor and to issue the Consideration Shares to the Vendor in consideration therefor, all upon and subject to the terms and conditions contained within this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises, mutual covenants, agreements and warranties in this Agreement, the Parties covenant and agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals hereto, this Section and each Schedule, unless the context otherwise requires, the following words and phrases have the following meanings:

- (a) “**Abandonment and Reclamation Obligations**” means all past, present and future obligations to:
 - (i) abandon and re-abandon Wells and close, decommission, dismantle and remove structures, foundations, buildings, pipelines, equipment and other facilities located on the Lands or used or previously used in respect of Petroleum Substances: (A) produced or previously produced from the Lands; or (B) stored or previously stored within, upon or under the Lands; and
 - (ii) restore, remediate and reclaim the surface locations of the lands on which wells, structures, foundations, buildings, pipelines, equipment, tanks, and other facilities or tangibles described in Section 1.1(a)(i) are or were located and all lands used to gain

access to any of them, including all such obligations relating to flare pits, wells, pipelines and facilities that were abandoned or decommissioned prior to the Closing Date that were located on the Lands or that were located on other lands and used in respect of Petroleum Substances: (A) produced or previously produced from the Lands; or (B) stored or previously stored within, upon or under the Lands;

in each case, in accordance with good oil and gas industry practices in the province in which such Lands, Wells, and tangible equipment are located, and in compliance with Applicable Laws and governing Title Documents;

- (b) **“Accounting Firm”** has the meaning set forth in Section 2.7(b);
- (c) *[defined term redacted]*
- (d) *[defined term redacted]*
- (e) *[defined term redacted]*
- (f) *[defined term redacted]*
- (g) *[defined term redacted]*
- (h) *[defined term redacted]*
- (i) **“Advance Ruling Certificate”** means an advance ruling certificate issued by the Commissioner pursuant to Section 102 of the Competition Act with respect to the Transaction;
- (j) **“Affiliate”** means, with respect to any Person, any other Person or group of Persons acting in concert, that directly or indirectly, controls, is controlled by or is under common control with such Person. The term “control” as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership of more than fifty percent (50%) of the voting securities of such Person, by contract or otherwise (and for greater certainty, after Closing, but not prior thereto, the Company will, for the purposes of this Agreement, be an Affiliate of the Purchaser and not of the Vendor);
- (k) **“Agreement”** means this Share Purchase and Sale Agreement including the recitals and all Schedules hereto;
- (l) **“Applicable Law”** means, in relation to any Person, property or circumstance:
 - (i) statutes (including regulations enacted thereunder);
 - (ii) judgments and orders of courts of competent jurisdiction;
 - (iii) regulations, orders and directives issued by Governmental Authorities including Regulatory Agencies; and
 - (iv) the terms and conditions of all permits, licences, approvals and authorizations,which are in effect as of the relevant time and are applicable to such Person, asset, transaction, event, operation or circumstance;

- (m) “**Applicable Securities Law**” means all applicable securities laws in each of the provinces and territories of Canada and the respective rules, regulations, instruments, blanket orders and blanket rulings under such laws of the Securities Regulatory Authorities;
- (n) “**Allocated Asset Value**” has the meaning set forth in Section 8.3;
- (o) “**Assets**” means, collectively, the entire right, title, estate and direct and indirect interest of the Company in and to:
 - (i) the Petroleum and Natural Gas Rights;
 - (ii) the Tangibles;
 - (iii) the Proprietary Seismic Data, Partnered Seismic Data and Brokered Seismic Data;
 - (iv) the Miscellaneous Interests;
- (p) “**Base Purchase Price**” means One Hundred and Fifty-Five Million Dollars (\$155,000,000);
- (q) “**Board**” means the board of directors of the Purchaser;
- (r) “**Break Fee**” means the sum of Twenty Million Dollars (\$20,000,000);
- (s) “**Brokered Seismic Data**” means, other than Partnered Seismic Data and Proprietary Seismic Data, Geophysical Data pertaining to the Lands, including such Geophysical Data which is owned by a Third Party and licenced (either on exclusive or non-exclusive basis) to the Company, and is subject to restrictions on its deliverability or disclosure by the Company in accordance with the terms of the licence agreement(s) applicable to such Geophysical Data;
- (t) “**Business Day**” means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;
- (u) “**Canadian Dollar**”, “**Dollar**” or “**\$**” means the lawful currency of Canada;
- (v) *[defined term redacted]*
- (w) “**Claim**” means any claim, action, demand, lawsuit, proceeding, notice of non-compliance or violation, order or direction, arbitration or governmental investigation, in each case, whether asserted, threatened, pending or existing;
- (x) “**Closing**” means the delivery of the NAL Shares, duly endorsed for transfer or accompanied by an executed instrument of transfer, and the payment of the adjustments as set forth in Section 2.4(a) and the delivery of the other documents required by Sections 3.4 and 3.5;
- (y) “**Closing Date**” means January 4, 2021 or such other date as the Parties may agree, subject to Section 2.6(e);
- (z) “**Closing Payment**” means an *[adjustments redacted]*;
- (aa) “**Closing Statement**” has the meaning set forth in Section 2.6(a);
- (bb) “**Closing Time**” means 8:00 a.m. Calgary time on the Closing Date;

- (cc) “**Commissioner**” means the Commissioner of Competition appointed under the Competition Act or any Person authorized to exercise the powers and perform the duties of the Commissioner of Competition;
- (dd) “**Company**” means, prior to the completion of the Pre-Closing Reorganization, collectively, NRL, NRML, MAGP, MPLP, MPLP2, MREL and MWHLP, and following completion of the Pre-Closing Reorganization the entity resulting from the amalgamation of NRL, NRML, MAGP and MREL;
- (ee) “**Company Benefit Plans**” has the meaning set forth in Section 5.2(o)(x);
- (ff) “**Company Disclosure Materials**” means collectively, the Company’s Data Room and all schedules attached to and made part of this Agreement;
- (gg) “**Company Financial Statements**” means the unaudited combined financial statements of NRL, MAGP, MPLP, MPLP2, MREL and MWHLP and the financial statements of NRML provided in the Company Disclosure Materials for the period ended on June 30, 2020, together with the notes to such financial statements;
- (hh) *[defined term redacted]*
- (ii) “**Company’s Data Room**” means
 - (i) all data, information, records, and other materials relating to the Assets, the Company and the NAL Shares made available in electronic form (whether through email or other electronic transmittal processes), by Vendor or the Company to Purchaser and its Representatives for review prior to the date hereof, including, all electronic files in folders on the Company’s eDocs system titled Land, Joint Ventures, Wellfiles, Accounting, CC Masters, AFEs, Measurement Schematics, and Engineering Drawings and Environment, and any data, information, records, and all other materials available through access to the Company’s Wellview, Siteview, Prodview and ClearCompliance applications; and
 - (ii) all data, information, records, communications, and other materials uploaded to a website administered by Intralinks, and closing books for select historical acquisition and divestiture transactions made available on a sharefile site hosted by Scotiabank, in each case, all of which have been uploaded not later than 5:00 PM MT on August 21, 2020 and saved onto an external hard drive or USB data stick marked “Copy of VDR for Project Marvel” and delivered by Vendor to Purchaser as soon as reasonably practicable thereafter, and for which a systems back up of the items specified in paragraph (i) and (ii) and an index of the items specified in this paragraph (ii) is attached hereto as Schedule 1.1(ii)- Part 1;
- (jj) “**Competition Act**” means the *Competition Act* R.S.C. 1985, c. C-34;
- (kk) “**Competition Act Approval**” means, in respect of the Transaction, the occurrence of one of the following:
 - (i) the Commissioner shall have issued an Advance Ruling Certificate provided that such Advance Ruling Certificate has not been rescinded prior to Closing; or

- (ii) (A) the applicable waiting period under Section 123(1) of the Competition Act, and any extension thereof, shall have expired or shall have been terminated early under Section 123(2) of the Competition Act, or the obligation to submit a notification under Part IX of the Competition Act shall have been waived by the Commissioner pursuant to Section 113(c) of the Competition Act; and (B) the Commissioner shall have confirmed in writing that he does not, at that time, intend to make an application under Section 92 of the Competition Act in respect of the Transaction and such “no action letter” shall not have been rescinded prior to Closing.
- (ll) “**Confidentiality Agreement**” means the confidentiality agreement between the Company and the Purchaser dated March 27, 2020;
- (mm) “**Consideration Shares**” means 58,270,677 Purchaser Shares;
- (nn) “**Contract**” means contracts, licences, real property and equipment leases, instruments, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements or engagements to which the Company is a party or by which it is bound or under which the Company has, or will have, any liability or contingent liability (in each case, whether written or oral, express or implied), and includes any quotations, orders, proposals or tenders which remain open for acceptance and warranties and guarantees;
- (oo) “**Contractor Information**” means the information in the Company Disclosure Materials setting forth Contractor’s names, job titles, termination notice or termination payments and other relevant and material contract terms and conditions currently provided by the Company to each Contractor;
- (pp) “**Contractors**” means the contractors identified by the Company in the Company Disclosure Materials who provide consulting or contract services to the Company and whose contracting duties for the Company substantially relate to the physical or administrative operation of the Assets, including provision of information technology services or support, but excludes Third Party Service Providers and individuals hired by Third Party Service Providers;
- (qq) “**Convertible Security**” means any debt or equity security that is convertible into, exchangeable for, or exercisable to acquire Purchaser Shares or any other shares in the capital of the Purchaser;
- (rr) “**Doubtful Accounts Allowance**” means an allowance for doubtful accounts in the amount of *[dollar amount redacted]*;
- (ss) “**Deposit**” means the amount of Five Million Dollars (\$5,000,000);
- (tt) “**Derivative Contract**” means a financial risk management Contract, such as a currency, commodity, interest or equity related instrument, including but not limited to rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross currency rate swap transactions, currency options, production sales transactions having terms greater than 90 days or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions, but do not include any Marketing and Midstream Agreements;

- (uu) “**Disclosing Party**” has the meaning set forth in Section 4.9(f);
- (vv) “**Dispute Notice**” has the meaning set forth in Section 2.7(a);
- (ww) *[defined term redacted]*
- (xx) “**Employee Information**” means the information provided to Purchaser via electronic mail prior to the date hereof regarding whether any such Employee is on a leave of absence, the job titles, salaries, bonuses, perquisites, benefits, deferred compensation, status of employment, incentive, severance or termination pay, current vacation accruals, holiday pay, vacation pay, and pension plans currently being provided by the Company or any of its Affiliates to the Employees, including information provided to Purchaser under separate electronic mail prior to the date hereof containing the Chief Executive Officer’s employment contract;
- (yy) “**Employees**” means all employees that work exclusively in respect of the Company;
- (zz) “**Encumbrances**” means all Royalties, Security Interests, rights of pre-emption, options, adverse claims, and other encumbrances of any kind or character whatsoever or agreements to create the same;
- (aaa) “**Environment**” means the components of the earth and includes ambient air, land, surface and sub-surface strata, groundwater, lake, river or other surface water, all layers of the atmosphere, all organic and inorganic matter and living organisms, and the interacting natural systems that include such components;
- (bbb) “**Environmental Law**” means all Applicable Laws relating in whole or in part to the protection of, or the control, remediation or reclamation of or the contamination or pollution of the Environment and employee and public health and safety;
- (ccc) “**Environmental Liabilities**” means the following Claims, Losses and Liabilities of the Company, if and to the extent they relate to the Lands or have arisen or hereafter arise from or are in respect of past or present Operations regarding:
 - (i) use, storage, holding, collection, accumulation, presence, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling, transportation, Release, spill, emission, leaching, off-site disposal, escape or migration of any Hazardous Materials, including any corrosion to or deterioration of any structure or other property;
 - (ii) the sampling, monitoring or assessing the Environment or any potential impacts thereon from any past, present or future activities or operation or the failure to restore, cleanup or reclaim the Environment or to monitor the restoration, cleanup or reclamation of the Environment or to monitor the restoration, cleanup or reclamation of the Environment;
 - (iii) damage, pollution, contamination, protection, reclamation, remediation or restoration or other adverse situations pertaining to the Environment, howsoever and by whomsoever caused and regardless of whether such damage, pollution, contamination, protection, reclamation, remediation, restoration or other adverse situations occur or arise in whole or in part prior to, at, or subsequent to the date of this Agreement;

- (iv) compliance or non-compliance under Environmental Law; and
- (v) Abandonment and Reclamation Obligations,

including obligations to compensate Third Parties for Losses and Liabilities including those Losses and Liabilities that arise from operations that affect lands other than the lands on which such Operations were conducted in respect of any of the items set forth in paragraphs (i) through (v);

- (ddd) “**GAAP**” means accounting principles generally accepted in Canada applicable to the Company or the Purchaser, as applicable, at the relevant time and which incorporates International Financial Reporting Standards as adopted by the Canadian Accounting Standards Board;
- (eee) “**Geophysical Data**” means any seismograms, digital field tapes, stack tapes, copies of processed record sections, operator’s reports, surveyor’s notes, shot point location maps, studies and any other similar seismic material associated with any of the 2-D seismic lines and/or 3-D seismic surveys, vertical seismic profiles and microseismic data analysis, including any interpretations and derivatives thereof;
- (fff) “**Governmental Authority**” means any federal, provincial, territorial, municipal, county or regional government or government authority or other law, regulation or rule making entity, including any court, department, commission, bureau, board, tribunal, administrative agency or regulatory body of any of the foregoing, that exercises jurisdiction over a Party, the Company, the Assets or the Purchaser Shares;
- (ggg) “**GST**” means the goods and services tax provided for in Part IX of the *Excise Tax Act* (Canada) and any other tax imposed or levied by the Government of Canada or a province thereof on or in respect of the sale or supply of goods or services in addition to or replacement for the goods and services tax;
- (hhh) “**Hazardous Material**” means petroleum, petroleum hydrocarbons, petroleum products or petroleum by-products, radioactive materials, asbestos or asbestos-containing materials, gasoline, diesel fuel, pesticides, radon, urea formaldehyde, mould, lead or lead-containing materials, and polychlorinated biphenyls, and any other chemical, material, substance, element or waste, whether natural or artificial and whether consisting of gas, liquid, solid or vapor in any amount or concentration that is:
 - (i) on the date hereof, defined as or included in the definition of “hazardous substances”, “hazardous materials”, “hazardous wastes”, “extremely hazardous wastes”, “restricted hazardous wastes”, “toxic substances”, “toxic pollutants”, “pollutants”, “deleterious substances”, “dangerous goods”, “corrosive substances”, “regulated substances”, “solid wastes”, “naturally occurring radioactive material (NORMs)” or “contaminants” or words of similar import under any applicable Environmental Law, or
 - (ii) otherwise regulated under or for which liability can be imposed under applicable Environmental Law;
- (iii) “**Indebtedness**” means, with respect to any Person, without duplication:

- (i) indebtedness of such Person for borrowed money, secured or unsecured;
 - (ii) every obligation of such Person evidenced by bonds, debentures, notes, derived obligations or other similar instruments;
 - (iii) every obligation of such Person under purchase money mortgages, conditional sale agreements or other similar instruments relating to purchased property or assets;
 - (iv) every obligation of such Person under Derivative Contracts (valued at the termination value thereof); and
 - (v) every obligation of the type referred to above of any other Person, the payment of which such Person has guaranteed or for which such Person is otherwise responsible or liable;
- (jjj) “**Indemnified Party**” has the meaning set forth in Section 9.3;
- (kkk) “**Indemnifying Party**” has the meaning set forth in Section 9.3;
- (lll) *[defined term redacted]*
- (mmm) “**Interim Period**” means the period from the date of this Agreement until the Closing Date;
- (nnn) “**Investment Canada Act**” means the *Investment Canada Act* R.S.C. 1985, c-28;
- (ooo) “**Investor Rights Agreement**” means the investor rights agreement to be entered into between the Vendor and the Purchaser, substantially in the form of Schedule 1.1(ooo);
- (ppp) “**Land Schedule**” means Schedule 1.1(ppp);
- (qqq) “**Lands**” means all lands, formations and Petroleum Substances owned by the Company as of the date hereof, other than lands and formations which may be surrendered in the Ordinary Course of Business or for which the Company’s title may expire *[period redacted]*, and all lands pooled or unitized therewith, including the lands described in the Land Schedule;
- (rrr) “**Leases**” means, collectively, all leases, licenses, permits and other documents of title that grant rights to Petroleum Substances within, upon or under the Lands, including those described in the Land Schedule, and all renewals and extensions of such documents and all documents issued in substitution therefor but only to the extent such documents of title relate to the Lands;
- (sss) “**Losses and Liabilities**” means in respect of a Person and in relation to a matter, any and all:
- (i) losses, costs, damage, damages, expenses and charges (including all penalties, assessments and fines) that the Person suffers, sustains, pays or incurs directly or indirectly in connection with the matter and includes reasonable costs of legal counsel (on a full indemnity basis) and other professional advisors and reasonable out of pocket costs of investigating and defending Claims arising from the matter, regardless of whether the Claims are sustained; and
 - (ii) liabilities and obligations (whether under common law, in equity, under Applicable Law or otherwise; whether tortious, contractual, vicarious, statutory or otherwise;

whether absolute or contingent; and whether based on fault, strict liability or otherwise) that the Party incurs as a result of the matter or in connection therewith,

but excluding indirect, special, consequential or punitive damages suffered, sustained, paid or incurred by such Party other than any such indirect, special, consequential or punitive losses or damages suffered, sustained, paid or incurred by a Third Party entitled to indemnification from a Party;

(ttt) *[defined term redacted]*;

(uuu) “**MAGP**” means Manulife Asset (GP) Limited;

(vvv) “**Major Facilities**” means the facilities described in Schedule 1.1(vvv);

(www) “**Marketing and Midstream Agreements**” means each agreement for the processing, compression, treatment, gathering, storage, transportation, purchase, sale or delivery of Petroleum Substances described in the Company Disclosure Materials;

(xxx) “**Material Adverse Change**” means any effect, change, event or occurrence that, individually or in the aggregate, results in a Material Adverse Effect;

(yyy) “**Material Adverse Effect**” means:

- (i) in respect of a Party, any change or effect, event or occurrence in or on the business, operations, assets, capitalization, financial condition, rights or liabilities, whether contractual or otherwise, of such Party which is material and adverse to the business, cash flow, operations, share trading price or financial condition of such Party (taken as a whole); and
- (ii) in respect of a Party's assets (taken as a whole), any change or effect, event or occurrence that alone, or in conjunction with any other or others, is or would reasonably be expected to be, material and adverse to the value, ownership or operation, use or access, rights or liabilities (whether contractual or otherwise) of such assets (taken as a whole and as owned and operated as of the Closing Date), including blockades, protests or other interruptions by Persons lawfully or unlawfully attempting to deny access to or egress from such assets for any reason whatsoever,

determined without consideration of any of the following:

- (iii) any matter disclosed in the Purchaser's Data Room or Company's Data Room or in any schedule to this Agreement;
- (iv) any change, effect, event or occurrence relating to or affecting the general economic conditions or securities, capital, credit, financial, banking or currency markets (including changes in interest or exchange rates), or any worsening thereof;
- (v) conditions affecting the oil and gas industry in Canada as a whole not disproportionately affecting a Party or its assets;
- (vi) the COVID-19 pandemic unless the impact thereof is disproportionate to the operations, business or cash flow of a Party or the value of its assets when compared

against the impact to other oil and gas companies of a similar size and value, in which case such exclusion will not be applied and such event shall constitute a Material Adverse Effect;

- (vii) any change in global, national or regional political conditions, act of war, civil unrest or similar event or any escalation or worsening thereof and not disproportionately affecting the Party claiming a material adverse effect;
- (viii) any adoption, proposal, implementation or changes in Applicable Laws or in the interpretation, application or non-application of Applicable Law of any Governmental Authority not disproportionately affecting the Purchaser or the Company, as applicable; and
- (ix) any change, effect or circumstance arising from the actions or matters permitted by this Agreement or consented to or approved in writing by the other Party, including the public announcement of the Transaction;

(zzz) “**Material Agreement**” means any Contract:

- (i) whereby the Company guarantees an obligation of any Person in excess of Three Million Dollars (\$3,000,000);
- (ii) which, if terminated would reasonably be expected to have a Material Adverse Effect;
- (iii) which provides, or could reasonably be expected to provide, for obligations or entitlements of the Company in excess of Three Million Dollars (\$3,000,000) in total per annum from *[period redacted]* onwards;
- (iv) which contains any non-competition obligations or otherwise restricts in any material way the business of the Company;
- (v) which is an agreement, indenture or other instrument relating to the borrowing of money or Indebtedness by the Company in excess of Three Million Dollars (\$3,000,000);
- (vi) which is a Derivative Contract;
- (vii) which is a Contract containing any rights on the part of any Person, including joint venture partners or entities, to acquire oil and gas or other property rights from the Company outside of the Ordinary Course of Business and having a value in excess of Three Million Dollars (\$3,000,000) in total per annum;
- (viii) for the lease of office premises by the Company other than any such lease that is terminable without penalty or payment on not more than six months’ notice;
- (ix) which contains any rights of the Company to acquire oil and gas or other property rights from any Person outside of the Ordinary Course of Business and having a value in excess of Three Million Dollars (\$3,000,000) in total per annum;

- (x) in respect of which the applicable transaction has not yet been consummated for the acquisition or disposition of assets or securities or other equity interests of another Person;
 - (xi) which is a standstill or similar Contract currently restricting the ability of the Company to offer to purchase or purchase the assets or equity securities of another Person;
 - (xii) which entitles a party to rights of termination, the terms or conditions of which may or will be altered, or which entitle a party to any fee, payment, penalty or increased consideration, in each case as a result of the execution of this Agreement, the consummation of the transactions contemplated hereby or a “change in control” of the Company including without limitation any seismic license or similar agreements, which Contract provides, or could reasonably be expected to provide, for obligations or entitlements in excess of Three Million Dollars (\$3,000,000); or
 - (xiii) which is an agency or other agreement which allows a Third Party to bind the Company, other than powers of attorney granted in the Ordinary Course of Business in respect of matters which individually or in the aggregate are not material to the Company and has a value in excess of Three Million Dollars (\$3,000,000) in total per annum;
- (aaaa) “**Miscellaneous Interests**” means all property, assets and rights (other than the Petroleum and Natural Gas Rights, the Tangibles, the Proprietary Seismic Data, the Brokered Seismic Data, and the Partnered Seismic Data) pertaining to or used in connection with the Petroleum and Natural Gas Rights or the Tangibles, including the following:
- (i) all Contracts, agreements, books, records and documents (including the Title Documents) and permits, approvals and licenses relating directly to the Petroleum and Natural Gas Rights, the Tangibles or any item referred to in subsections (ii) to (vi) inclusive of this definition and any rights in relation thereto;
 - (ii) all subsisting leasehold rights to enter upon, use and occupy the surface of the Lands and all lands that have been pooled or unitized therewith, any lands upon which the Tangibles are located and lands that are used to gain access to any of the foregoing;
 - (iii) all subsisting rights to carry out any Operations relating to the Lands and all lands that have been pooled or unitized therewith or lands upon which the Tangibles are located including all well licences, rights of way, crossing agreements and easements;
 - (iv) all Wells, including the wellbores of and casing for the Wells;
 - (v) all subsisting disposal and injection leases that relate to the Petroleum and Natural Gas Rights or water rights; and
 - (vi) all geological, geophysical, engineering and other reports and data that relate to the Petroleum and Natural Gas Rights including the Proprietary Seismic Data;
- (bbbb) “**Money Laundering Laws**” has the meaning set forth in Section 5.2(mm);
- (cccc) “**MPLP**” means Manulife Property Limited Partnership;

- (dddd) “**MPLP2**” means Manulife Property Limited Partnership II;
- (eeee) “**MREL**” means Manulife Resources Limited;
- (ffff) “**MWHLP**” means Manulife Western Holdings Limited Partnership;
- (gggg) “**NAL Shares**” means all of the issued and outstanding common shares in the capital of the Company to be held by the Vendor following the Pre-Closing Reorganization;
- (hhhh) *[defined term redacted]*
- (iiii) “**Notice Date**” has the meaning set forth in Section 4.11(a);
- (jjjj) “**NRML**” means NAL Resources Management Limited;
- (kkkk) “**Offer**” has the meaning set forth in Section 4.8(a);
- (llll) “**Offered Securities**” has the meaning set forth in Section 4.8(a);
- (mmmm) “**Operations**” means all operations on or in respect of the Lands, lands previously owned, leased, pooled or unitized by the Company, or the Tangibles, or relating to Petroleum Substances produced from the Lands, including:
- (i) drilling, completing, testing, recompleting, deepening, plugging back, sidetracking, whipstocking, fracking, stimulating, injecting, equipping, operating, repairing and abandoning Wells;
 - (ii) construction, installation, repair, expansion, decommissioning, maintenance and operation of Tangibles;
 - (iii) producing, gathering, compressing, dehydrating, scrubbing, processing, treating, separating, extracting, collecting, refrigerating, measuring, storing, transporting or shipping Petroleum Substances, including processing, treatment and storage of sulphur and transmission, transportation, treatment and disposition of water);
 - (iv) miscible flood and other enhanced recovery schemes;
 - (v) geological, geophysical and seismic activities; and
 - (vi) abandonment, reclamation, remediation and restoration operations;
- (nnnn) “**Ordinary Course of Business**” means the ordinary course of business consistent with prior custom and practice of the Person to whom such term relates (including with respect to quantity, frequency, terms, values, risks and obligations);
- (oooo) “**Partnered Seismic Data**” means all Geophysical Data pertaining to the Lands in which the Company has a less than 100% ownership interest;
- (pppp) “**Party**” means any of the Vendor, NRL or the Purchaser and “**Parties**” means the Vendor, NRL and Purchaser collectively;
- (qqqq) “**Permitted Encumbrances**” means:

- (i) easements, rights of way, servitudes, permits, licences, restrictions or 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 rights reserved to or vested in any grantor or Governmental Authority by the terms of any lease, licence, franchise, grant or permit or by any Applicable Law, including any rights to terminate any lease, licence, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (iii) liens for Taxes, assessments and governmental charges that are not due or delinquent at the Closing Date, or if due, the validity of which is being contested in good faith by the Company;
- (iv) the Applicable Law and any rights reserved to or vested in any Governmental Authority to control, limit or regulate any of the Assets and/or Operations in any manner, including legally binding requirements imposed by any Applicable Law or Governmental Authority concerning rates of production from Operations on any of the Lands or lands pooled or unitized therewith or otherwise affecting recoverability of Petroleum Substances from the Lands or lands pooled or unitized therewith;
- (v) rights reserved to or vested in any Governmental Authority to levy Taxes on the Assets or the income therefrom or revenue attributable thereto;
- (vi) undetermined or inchoate liens (including processors', operators' and similar liens) incurred or created in the Ordinary Course of Business as security in favour of a Person conducting Operations, in respect of any of the Assets for the Company's proportionate share of the costs and expenses of any such Operations which are not due or delinquent at the Closing Date or, if due, are being contested in good faith by or on behalf of the Company;
- (vii) mechanics', builders', materialmen's, and similar liens in respect of services rendered or goods supplied for which payment is not at the Closing Date due and payable or, if due, the validity of which are being contested in good faith by or on behalf of the Company;
- (viii) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown or any other Governmental Authority in respect of any of the Lands or interests therein and exceptions to title under any of the Applicable Law and the express or implied reservations, limitations, provisos and conditions in any original grant from the Crown or any of the Lands or interests therein;
- (ix) penalties, conversion rights, Encumbrances, adverse claims, reductions in interests, other burdens and other claims arising under the Title Documents, any Material Agreements or as set out or referred to in any Schedule or the Company Disclosure Materials;
- (x) liens or security granted in the Ordinary Course of Business to a public utility or Governmental Authority in connection with Operations on or in respect of the Lands, the Wells or the Tangibles;

- (xi) pre-emptive or preferential rights of purchase, rights of first refusal or other restrictions on transfer arising under any agreements applicable to the Company or the Assets triggered by the Transaction;
 - (xii) any rights or obligations arising under agreements for the sale, processing, treatment, transportation, transmission or storage of Petroleum Substances produced from the Lands, provided such agreements are disclosed in the Company Data Room or terminable upon ninety (90) days' notice or less;
 - (xiii) any Security Interest held by any Third Party encumbering any Third Party interest in and to the Lands or any part or portion thereof;
 - (xiv) any Security Interest or other Encumbrance affecting the Company's interest in any of the Assets in respect of which a discharge or "no further interest" letter is delivered at or before Closing; and
 - (xv) trust obligations incurred in the Ordinary Course of Business;
- (rrrr) **"Person"** means any individual or entity, including any partnership, body corporate, trust, unincorporated organization, union, governmental body and any heir, executor, administrator or other legal representative of an individual;
- (ssss) **"Petroleum and Natural Gas Rights"** means all of the right, title, estate and interest (whether absolute or contingent, legal or beneficial, present or future, vested or not, and whether or not an "interest in land") beneficially owned by the Company pursuant to the Title Documents in or to any of the following, by whatever name the same are known:
- (i) rights to explore for, drill for, extract, win, produce, take, save or market Petroleum Substances from the Lands or lands pooled or unitized therewith;
 - (ii) rights to a share of the production of Petroleum Substances from the Lands or lands pooled or unitized therewith;
 - (iii) rights to a share of the proceeds of, or to receive payment calculated by reference to, the quantity or value of the production of Petroleum Substances from the Lands or lands pooled or unitized therewith;
 - (iv) the interests set forth in the Land Schedule in and to and in respect of the Leases and the Lands (including any fee simple interests, where specifically indicated); and
 - (v) rights to acquire any of the rights or interests described in items (i) to (iv) of this definition;

including all interests and rights in or in respect of the Lands known as working interests, fee simple interests, leasehold interests, royalty interests, overriding royalty interests, gross overriding royalty interests, production payments, profits interests, net profits interests, revenue interests, net revenue interests or economic interests and including fractional or undivided interests in any of the foregoing;

- (tttt) “**Petroleum Substances**” means any and all of crude oil, crude bitumen and products derived therefrom, petroleum, natural gas and all related hydrocarbons (including liquid hydrocarbons and coalbed methane) and all other substances relating to any of the foregoing, whether liquid, gaseous or solid, and whether hydrocarbons or not (except coal but including sulphur and coalbed methane);
- (uuuu) “**Pre-Closing Reorganization**” [*defined term redacted*];
- (vvvv) “**Proceedings**” means any claim, action, suit, proceeding, arbitration, mediation or investigation, whether civil, criminal, administrative or investigative;
- (wwww) “**Proprietary Seismic Data**” means the Geophysical Data (including in raw data form and merged data sets) which is wholly owned by the Company;
- (xxxx) “**Public Record**” means all information filed by or on behalf of the Purchaser on www.sedar.com after December 31, 2018 in compliance, or intended compliance, with Applicable Securities Laws;
- (yyyy) “**Purchaser**” has the meaning set forth in the recitals hereto;
- (zzzz) “**Purchaser’s Data Room**” means the Purchaser’s FTP site made available to the Vendor and the Company, uploaded not later than 5:00 PM MT on August 21, 2020 and saved onto an external hard drive or USB data stick marked “Copy of Purchaser VDR for Project Marvel” and delivered by Purchaser to Vendor as soon as reasonably practicable thereafter, and for which an index of the items specified in this definition is attached hereto as Schedule 1.1(ii) – Part 2;
- (aaaaa) “**Purchaser Financial Statements**” means the audited consolidated financial statements of the Purchaser as at and for the year ended December 31, 2019 and the related auditors’ report on such statement, together with the notes to such statements;
- (bbbbb) “**Purchaser Fundamental Representations**” means the representations and warranties set forth in Sections 6.1(b) (*Requisite Authority*), 6.1(c) (*Execution and Enforceability*), 6.1(d) (*No Conflicts or Defaults*), 6.1(e) (*No Bankruptcy/Insolvency*) and 6.1(n) (*Consideration Shares*);
- (ccccc) “**Purchaser Group**” means collectively, Purchaser and its Affiliates or any one or more of them;
- (dddd) “**Purchaser Indemnified Parties**” has the meaning set forth in Section 9.1;
- (eeee) “**Purchaser Shares**” means voting common shares in the share capital of the Purchaser;
- (ffff) “**Qualifying Claim**” has the meaning set forth in Section 9.6(a)(i);
- (ggggg) “**Registration Rights Agreement**” means the registration rights agreement to be entered into between the Vendor and the Purchaser, substantially in the form of Schedule 1.1(ggggg);
- (hhhhh) “**Regulatory Agencies**” means the Alberta Energy Regulator and all other Governmental Authorities having jurisdiction over any of the Assets;

- (iiii) “**Related Parties**” means with respect to any of Vendor Group, any of Purchaser Group or an Indemnified Party, as applicable, its respective shareholders, directors, partners, limited partners, potential limited partners, managers, members, officers and employees;
- (jjjj) “**Release**” means has the meaning prescribed in any Environmental Law and includes any sudden, intermittent or gradual releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, blowing, injecting, escaping, leaching, migrating, depositing, spraying, burying, abandoning, seeping, dumping or disposing of a Hazardous Material, whether accidental or intentional, into the Environment;
- (kkkk) “**Representatives**” means, with respect to Vendor Group or Purchaser Group or any member thereof, as applicable, its respective representatives, auditors, agents, solicitors and other professional advisors;
- (llll) “**Retention Period**” has the meaning set forth in Section 8.2;
- (mmmm) “**Royalties**” means all royalties, burdens, profits interests, production payments and similar interests reserved or payable (by way of a share in production of Petroleum Substances or by way of money) to the Crown, lessors and other Persons in respect of or relating to the production or sale of Petroleum Substances;
- (nnnn) “**Securities Regulatory Authority**” means the securities commissions or similar securities regulatory authorities of each of the provinces and territories of Canada;
- (oooo) “**Security Interest**” means any mortgage, charge, pledge, lien, hypothec, assignment by way of or in effect as security, conditional sale, title retention, arrangement or other security interest;
- (pppp) “**Schedule Supplement**” has the meaning set forth in Section 4.11(a);
- (qqqq) “**Surface Rights**” means rights of the Company to enter upon, use, occupy and enjoy the surface of the Lands, any lands with which the Lands have been pooled or unitized, any lands upon which the Wells or the Tangibles are located and any lands used to gain access thereto, in each case for purposes related to the use or ownership of the Petroleum and Natural Gas Rights, the Tangibles or the Wells, whether the same are held by right-of-way or otherwise;
- (rrrr) “**Tangible Personal Property**” means machinery, equipment, furniture, furnishings, artwork, office equipment, computer hardware, supplies, materials, vehicles, material handling equipment, implements, parts, tools, jigs, dies, moulds, patterns, tooling and spare parts and tangible assets owned or used or held by the Company, including (i) any of the foregoing which are in storage or in transit; (ii) other tangible personal property of the Company whether located in or on the Company’s real property or elsewhere; (iii) any of the foregoing which may be attached to the Company’s real property but are not improvements to such real property;
- (ssss) “**Tangibles**” means all of the right, title, interest and estate of the Company, whether absolute or contingent, legal or beneficial, present or future, vested or not, in and to the Major Facilities, the Tangible Personal Property, all other equipment, systems, plants and facilities used, useful or intended for use in producing Petroleum Substances from the Lands or lands pooled or unitized therewith or gathering, compressing, dehydrating, scrubbing, processing, treating, injecting, separating, extracting, collecting, refrigerating, measuring, storing, removing, transporting or shipping such Petroleum Substances; and all other tangible property and assets used, useful or intended for use in producing, storing or injecting Petroleum Substances;

- (tttt) “**Tax**” or “**Taxes**” means all taxes whether Canadian federal, provincial, territorial, local, municipal or foreign (including income, gross receipts, licence, fees, payroll, employment, excise, severance, premium, windfall profits, customs duties, capital, capital stock, capital gain, value added, franchise, business, profits, withholding, social security (or similar), Saskatchewan Corporation Capital Tax and Resource Surcharge, unemployment, disability, real property, personal property, sales, use, occupation, goods and services, stamp, transfer, registration, alternative or minimum tax, municipal tax, employment insurance contributions and Canada Pension Plan contributions, and including any interest, penalty, or addition thereto, whether disputed or not, imposed, assessed or collected by, for or under the authority of the Tax Act or any Governmental Authority or payable pursuant to the Tax Act or tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency or fee).
- (uuuuu) “**Tax Act**” means the *Income Tax Act* (Canada) R.S.C. 1985, c. 1 (5th Supplement) and the *Income Tax Application Rules* R.S.C. 1985 c. 2 (5th Supplement);
- (vvvvv) “**Tax Returns**” means any return, report, declaration, election, filing, information return or statement in respect of Taxes required to be prepared or filed under Applicable Laws;
- (wwwww) “**Third Party**” means any Person other than Vendor Group and Purchaser Group;
- (xxxxx) “**Third Party Service Providers**” means vendors that provide services to the Company, which are identified as such in the Company Disclosure Materials;
- (yyyyy) “**Third Party Claim**” has the meaning set forth in Section 9.3;
- (zzzzz) “**Title Documents**” means:
- (i) all Leases, subleases, and any replacements, renewals or extensions thereof;
 - (ii) all certificates of title;
 - (iii) all agreements relating to the acquisition, ownership, operation or exploitation of the Petroleum and Natural Gas Rights, Tangibles or the Wells, including:
 - (A) operating agreements, royalty agreements, farm-out or farm-in agreements, option agreements, participation agreements, pooling agreements, unit agreements, unit operating agreements, assignments, trust declarations, sale and purchase agreements, and asset exchange agreements;
 - (B) the Marketing and Midstream Agreements and all other agreements for the purchase, sale, processing, transportation or delivery of Petroleum Substances;
 - (C) agreements pertaining to the Surface Rights;
 - (D) agreements for the construction, ownership and operation of Major Facilities and all other tangible depreciable property and assets;
 - (E) service agreements for the injection or subsurface disposal of other substances, the use of well bores or the operation of any Tangibles or Wells by a Third Party; and

(F) permits and other approvals, authorizations or licences required under Applicable Law;

and any other documents or 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 this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands;

- (aaaaaa) “**Total Purchase Price**” means the Base Purchase Price, as adjusted in accordance with this Agreement;
- (bbbbbb) “**Transaction**” means the sale and purchase of the NAL Shares and the issuance of the Consideration Shares in accordance with this Agreement;
- (ccccc) “**Transfer**” includes any sale, exchange, disposition, assignment, gift, bequest, mortgage, charge, pledge, encumbrance, grant of security interest or other arrangement by which possession, legal title or beneficial ownership or other ownership interest (including in respect of any associated voting rights) passes from one Person to another, or to the same Person in a different capacity, whether or not voluntary and whether or not for value and whether directly or indirectly in any manner whatsoever, and includes any agreement to effect any of the foregoing;
- (dddddd) “**TSX**” means the Toronto Stock Exchange;
- (eeeeee) “**Vendor’s Fundamental Representations**” means the representations and warranties set forth in Sections 5.1(b) (*Vendor No Conflict*), 5.1(c) (*Vendor Right to Sell*), 5.1(d) (*No Other Agreements to Purchase*), Section 5.1(e) (*Vendor Execution and Enforceability*), 5.1(f) (*Vendor Requisite Authority*), 5.1(g) (*Vendor Bankruptcy/Insolvency*), 5.2(b) (*Company No Conflict*), 5.2(b) (*Company Execution and Enforceability*) and 5.2(g) (*NAL Shares*);
- (ffffff) “**Vendor Environmental Indemnified Parties**” has the meaning set forth in Section 9.3;
- (gggggg) “**Vendor Group**” means Vendor and all Affiliates of the Vendor, collectively, or any one or more of them;
- (hhhhh) “**Vendor Indemnified Parties**” has the meaning set forth in Section 9.2;
- (iiiiii) [*defined term redacted*]
- (jjjjj) “**Vendor’s Percentage**” means twelve and one-half of one percent (12.5%);
- (kkkkkk) “**Wells**” means all producing, shut-in, abandoned, capped, suspended, water source, disposal, injection, observation, reclaimed, reclamation exempt or other wells located on the Lands, including all such wells which are currently or were previously used, useful or intended for use in connection with the development, exploitation, or production of Petroleum Substances, including those wells described in Schedule 1.1(kkkkkk); and
- (lllll) “**Work Plan and Budget**” means the work plan and budget attached to this Agreement in Schedule 1.1(lllll), setting forth operations to be undertaken by the Company in 2020 and the aggregate budgeted expenditures associated with such operations.

1.2 Interpretation

Unless otherwise stated or the context otherwise necessarily requires, in this Agreement:

- (a) the insertion of headings in this Agreement is for convenience of reference only and shall not affect the construction or the interpretation of this Agreement;
- (b) if there is any conflict or inconsistency between a provision in the body of this Agreement and that contained in a Schedule or any specific conveyance, assignment, transfer, novation or other document or instrument pertaining to the Transaction the provision in the body of this Agreement shall prevail;
- (c) references herein to any agreement or instrument, including this Agreement, shall be a reference to the agreement or instrument as varied, amended, modified, supplemented or replaced from time to time;
- (d) the term “the date hereof” means the date on the first page of this Agreement;
- (e) the terms “in writing” or “written” include printing, typewriting, electronic mail and facsimile transmission;
- (f) a reference to a statute is a reference to: (i) that enactment as amended or re-enacted from time to time and every statute that is substituted therefor; and (ii) the regulations, bylaws and other subsidiary legislation made pursuant to that statute;
- (g) words importing the singular number only shall include the plural and vice versa, and words importing the use of any gender shall include all genders;
- (h) any reference in this Agreement to any particular time shall mean the local time in Calgary, Alberta on the relevant day;
- (i) “including”, “includes” and like terms mean “including without limitation” and “includes without limitation”;
- (j) where in this Agreement a representation or warranty is limited to the knowledge, information or awareness of a Party, such knowledge, information or awareness consists of:
 - (i) with respect to the Vendor or the Company, the actual knowledge or awareness of the officers of the Vendor or the Company, as applicable after having made due and reasonable internal inquiries of the relevant subject matter; and
 - (ii) with respect to the Purchaser, the actual knowledge or awareness of the officers of the Purchaser after having made due and reasonable internal inquiries of the relevant subject matter;

in each case without any personal responsibility whatsoever. For these purposes, knowledge does not include the knowledge of any Third Parties or constructive or imputed knowledge;
- (k) the terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement in its entirety including the Schedules; and

- (l) unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Clauses, Subclauses, Sections, Paragraphs and Subparagraphs are to Articles, Clauses, Subclauses, Sections, Paragraphs and Subparagraphs of this Agreement and references herein to Schedules are references to Schedules to this Agreement.

1.3 Schedules

The following schedules are attached to, form part of and are incorporated in the Agreement:

Schedule 1.1(ii)	- Part 1 - Company Data Room Index Part 2 – Purchaser’s Data Room Index
Schedule 1.1(ooo)	- Investor Rights Agreement
Schedule 1.1(ppp)	- Land Schedule
Schedule 1.1(vvv)	- Major Facilities
Schedule 1.1(ggggg)	- Registration Rights Agreement
Schedule 1.1(kkkkkk)	- Wells
Schedule 1.1(lllll)	- Work Plan and Budget
Schedule 3.4(d)	- Form of Officer’s Certificate of Vendor
Schedule 3.4(e)	- Form of Officer’s Certificate of Company
Schedule 3.5(c)	- Form of Officer’s Certificate of Purchaser
Schedule 4.2	- Summary of AFEs
Schedule 8.3	- Allocated Asset Values

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale

Subject to the terms and conditions of this Agreement, Purchaser hereby agrees to purchase the NAL Shares from Vendor at and for the Total Purchase Price, and the Vendor hereby agrees to sell and convey the NAL Shares to Purchaser on the Closing Date in consideration for receipt of the Consideration Shares, and payment of the amounts set forth in Section 2.4(a) (but for greater certainty, in no event will there be any adjustment to the amount of the Consideration Shares being issued).

2.2 Deposit and Remedies

- (a) Upon execution and delivery of this Agreement, the Purchaser shall pay to the Vendor a deposit in an amount equal to Five Million Dollars (\$5,000,000) by wire transfer in immediately available funds (the “**Deposit**”) to the following account of the Vendor:

Wire Transfer Instructions:

Bank: *[banking information redacted]*

- (b) In the event that Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit shall be governed by Section 2.6. To the extent that the Vendor is required to refund all or any portion of the Deposit to Purchaser in accordance with Section 2.6, the portion that the Vendor must refund, if any, will be returned to the Purchaser on the Closing Date by wire transfer to the following account of the Purchaser:

Wire Instructions:

BENEFICIARY BANK *[banking information redacted]*

(c) If this Agreement is terminated:

- (i) for any reason upon termination of this Agreement, the Vendor shall refund the Deposit to the Purchaser within five (5) Business Days of such termination;
- (ii) by Vendor due to Vendor's exercise of its rights under:
 - (A) any of Sections 3.2(b) or 3.2(c) arising from the failure of the conditions to close under any of those Sections; or
 - (B) Section 3.2(a) arising from the failure of Purchaser to accept conditions imposed by the Commissioner under the Competition Act Approval to the extent that Purchaser's compliance with such conditions will not result in a Material Adverse Effect on the cash flow, business or operations of the Purchaser of more than *[dollar amount redacted]*, calculated using the forecast price information contained in Scotia Bank's price deck provided in the Company's Data Room;

provided that Vendor is not then in breach of this Agreement that would give rise to a right of termination by Purchaser pursuant to this Agreement, the Vendor shall refund the Deposit to the Purchaser and the Purchaser shall pay to Vendor an amount equal to the Break Fee as liquidated damages for the Vendor's Losses and Liabilities suffered as a result of Closing not occurring. The payment of the Break Fee under such circumstances constitutes the Vendor's sole remedy against the Purchaser for the Purchaser's failure to complete the Transaction. The Parties agree that the amount of the Break Fee constitutes the Parties' genuine pre-estimate of liquidated damages suffered by Vendor and is not a penalty. The Purchaser hereby waives any Claim or defence that the amount or payment of the Break Fee is a penalty or is otherwise not a genuine pre-estimate of the Vendor's Losses and Liabilities resulting from Closing not occurring in such circumstances. Notwithstanding anything in this Section 2.2(c)(ii) to the contrary, the limitations in this Section 2.2(c)(ii) shall not apply in the event of fraud, wilful or intentional breach or non-performance of this Agreement by Purchaser and in such circumstances Vendor may also pursue an action against Purchaser in damages. In addition, nothing herein shall preclude Vendor from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements of Purchaser set forth in this Agreement or otherwise to obtain specific performance of any of such acts, covenants or agreements, without the necessity of posting bond or security in connection therewith.

- (iii) by Purchaser due to Purchaser's exercise of its rights under any of Sections 3.1(b) or 3.1(c) arising from the failure of the conditions to close under any of those Sections provided that Purchaser is not then in breach of this Agreement that would give rise to a right of termination by Vendor pursuant to this Agreement, the Vendor shall pay to Purchaser an amount equal to the Break Fee, as liquidated damages for the Purchaser's Losses and Liabilities suffered as a result of Closing not occurring. The payment of the Break Fee under such circumstances constitutes the Purchaser's sole remedy against the Vendor for the Vendor's failure to complete the Transaction. The Parties

agree that the payment of the Break Fee constitute the Parties' genuine pre-estimate of liquidated damages suffered by Purchaser and is not a penalty. The Vendor hereby waives any Claim or defence that the amount or payment of the Break Fee is a penalty or is otherwise not a genuine pre-estimate of the Purchaser's Losses and Liabilities resulting from Closing not occurring in such circumstances. Notwithstanding anything in this Section 2.2(c)(iii) to the contrary, the limitations in this Section 2.2(c)(iii) shall not apply in the event of fraud, wilful or intentional breach or non-performance of this Agreement by Vendor and in such circumstances Purchaser may also pursue an action against the Vendor in damages. Nothing herein shall preclude Purchaser from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements of Vendor set forth in this Agreement or otherwise to obtain specific performance of any of such acts, covenants or agreements, without the necessity of posting bond or security in connection therewith.

2.3 Closing Procedures

Subject to satisfaction or waiver by the relevant Party of the conditions of Closing, at the Closing, Vendor shall deliver actual possession of the NAL Shares (duly endorsed in blank or accompanied by an executed instrument of transfer) to Purchaser, and upon such delivery thereof Purchaser shall issue the Consideration Shares and pay or satisfy the payments in accordance with Section 2.4.

2.4 Payment of Total Purchase Price and Other Payments on Closing

The Total Purchase Price will be payable and satisfied as follows:

- (a) at Closing, by:
 - (i) the Purchaser issuing or causing its transfer agent to issue, the Consideration Shares to the Vendor,
 - (ii) payment of the Closing Payment:
 - (A) if positive, by Purchaser to the Vendor in cash, the amount of such Closing Payment to the account referenced in Section 2.2(a); or
 - (B) if negative, by Vendor to Purchaser in cash, the amount of such Closing Payment to the account referenced in Section 2.2(b),
 - (iii) *[adjustments redacted]*
 - (iv) (A) Vendor's retention of that portion of the Deposit in accordance with Section 2.6(d)(i)(A), and refund to Purchaser of that portion of the Deposit in accordance with Section 2.6(d)(i)(B); or (B) Vendor's refund of the Deposit in accordance with Section 2.6(d)(iii), as applicable;
 - (v) *[adjustments redacted]*
 - (vi) *[adjustments redacted]*
- (b) following Closing, by cash payment by the Purchaser to the Vendor of any amounts payable, if applicable under Section 8.3 to the account referenced in Section 2.2(a).

2.5 Closing

The Closing will take place at the Closing Time at the office of Osler, Hoskin & Harcourt LLP, 2500, 450 -1st Street SW, Calgary, Alberta, Canada, or such other location as agreed to by the Vendor and Purchaser.

2.6 Accounting and Closing Statement

- (a) On or before the tenth (10th) Business Day prior to the Closing Date, the Vendor shall deliver to Purchaser a statement containing the Company's good faith estimate of the Closing Payment *[adjustments redacted]* (the "**Closing Statement**"). The Vendor shall cooperate with Purchaser to make available to Purchaser all information reasonably necessary for Purchaser to understand and confirm the calculations contained in the Closing Statement. Payment of the Closing Payment *[adjustments redacted]* shall be made at Closing based on Vendor's or the Company's good faith estimate of all such amounts set forth in the Closing Statement, subject to Section 2.7. *[adjustments redacted]*
- (b) *[adjustments redacted]*
- (c) *[adjustments redacted]*
- (d) *[adjustments redacted]*
- (e) *[adjustments redacted]*

2.7 Disputes

- (a) In the event that the Purchaser objects in good faith to any item or items disclosed in the Closing Statement which in aggregate would result in a cash payment by the Purchaser to the Vendor or the Vendor to the Purchaser, as applicable, or value resulting to either Party of greater than *[dollar amount redacted]* the Purchaser shall advise the Vendor by a written notice (the "**Dispute Notice**") prior to 1:00 p.m. (Calgary time) on the second Business Day after the delivery of the Closing Statement. The Dispute Notice shall set out the reasons for the Purchaser's objection as well as the amount in dispute and reasonable details of the calculation of such amount.
- (b) **Resolution of Disputes.** The Parties shall attempt to resolve all of the items in dispute set out in any Dispute Notice within two (2) Business Days of receipt of the Dispute Notice by the Vendor. Any items in dispute not resolved within such period shall be referred as soon as possible thereafter, and in any event, on the same Business Day, by the Parties to KPMG or such other independent firm as may be agreed to by the Parties if KPMG cannot or will not accept the engagement (the "**Accounting Firm**"). The Accounting Firm shall act as expert and not as arbitrator and shall be required to determine the items in dispute that have been referred to it as soon as reasonably practicable but in any event not later than 5:00 p.m. (Calgary time) on the fourth Business Day after the date of referral of the dispute to it. In making its determination, the Accounting Firm will only consider the issues in dispute placed before it. The Parties shall provide or make available all documents and information as are reasonably required by the Accounting Firm to make its determination. The determination of the Accounting Firm shall be final and binding on the Parties and the Closing Payment shall be (or not be) adjusted in accordance with such determination (but for greater certainty, in no event will the number of Consideration Shares be adjusted).

- (c) **Audit Expenses.** The fees and expenses of the Accounting Firm in acting in accordance with this Section 2.6(e) shall be payable by the Purchaser.
- (d) The Purchaser shall not be entitled to object to any items on the Closing Statement which in aggregate would result in a cash payment or value resulting to either Purchaser or Vendor, as applicable, of equal to or less than *[dollar amount redacted]*.

ARTICLE 3 CLOSING, CLOSING CONDITIONS AND CLOSING DELIVERIES

3.1 Purchaser's Conditions Precedent

The obligation of the Purchaser to close and complete the Transaction is subject to satisfaction of the following conditions precedent, which are for the exclusive benefit of the Purchaser and may be waived in whole or in part at the discretion of the Purchaser.

- (a) **Governmental Approvals:** The Competition Act Approval shall have been satisfied.
- (b) **Compliance with Covenants:** The Vendor shall have performed or complied in all material respects with its obligations, covenants and agreements hereunder, other than those set forth in Section 3.4, Section 4.1 and Section 11.1, which must be complied with in all respects.
- (c) **Representations and Warranties:**
 - (i) the representations and warranties of the Vendor set forth in this Agreement that are not Vendor Fundamental Representations shall be true and correct in all respects (without regard to any materiality qualifier) as of the date of this Agreement and as of the Closing Date, as though made on and as of the Closing Date (except to the extent such representations and warranties expressly speak of a specified date, in which event, such representations and warranties shall be true and correct as of such specified date), and except to the extent any untruth or inaccuracy in the aggregate does not create a Material Adverse Effect;
 - (ii) Vendor's Fundamental Representations shall be true and correct as of the date of this Agreement and as of the Closing Date, as though made on and as of the Closing Date.
- (d) **No Action or Proceeding:** There shall not be in existence or pending or threatened, any suit, action or Proceeding by any Person including any Governmental Authority restraining or prohibiting Purchaser from closing the Transaction.
- (e) **TSX Approval:** The conditional listing of the Consideration Shares on the TSX shall have been received by the Closing Time, subject to customary conditions as specified by the TSX and satisfactory to the Purchaser.

3.2 Vendor's Conditions Precedent

The obligation of the Vendor to close and complete the Transaction is subject to satisfaction of the following conditions precedent, which are for the exclusive benefit of the Vendor and may be waived in whole or in part by the Vendor.

- (a) **Governmental Approvals:** The Competition Act Approval shall have been satisfied.

- (b) **Compliance with Covenants:** The Purchaser shall have performed or complied in all material respects with all of its obligations, covenants and agreements hereunder, other than those set forth in Section 3.5 and Section 11.1, which must be complied with in all respects.
- (c) **Representations and Warranties:**
 - (i) the representations and warranties of the Purchaser set forth in this Agreement that are not Purchaser Fundamental Representations shall be true and correct in all respects (without regard to any materiality qualifier) as of the date of this Agreement and as of the Closing Date, as though made on and as of the Closing Date (except to the extent such representations and warranties expressly speak of a specified date, in which event, such representations and warranties shall be true and correct as of such specified date), and except to the extent any untruth or inaccuracy in the aggregate does not create a Material Adverse Effect; and
 - (ii) the Purchaser Fundamental Representations shall be true and correct as of the date of this Agreement and as of the Closing Date, as though made on and as of the Closing Date.
- (d) **No Action or Proceeding:** There shall not be in existence or pending or threatened, any suit, action or Proceeding by any Person including by any Governmental Authority restraining or prohibiting Vendor from Closing the Transaction.

3.3 Satisfaction of Conditions Precedent

- (a) Each Party shall proceed diligently and in good faith and use commercially reasonable efforts to cause all of the conditions precedent described in Sections 3.1 and 3.2 which are to be obtained or complied with by that Party to be fulfilled and satisfied as soon as practicable and in any event before the Closing Time, including using their respective commercially reasonable efforts to obtain all authorizations, consents, permits, waivers or other approvals of all Governmental Authorities (including the Competition Act Approval and approval of the TSX) that may be or become necessary for the execution and delivery of, and the performance of its obligations pursuant to, this Agreement and the consummation of the Transaction, and the Parties shall reasonably cooperate with each other with respect to each of the foregoing.
- (b) No Party may terminate this Agreement pursuant to Section 10.1 if its own breach of the Agreement resulted in the non-satisfaction of one or more of the conditions precedent for its benefit.
- (c) Each Party shall use commercially reasonable efforts to avoid the filing of an application for, or the issuance of, any interim Order or other Order that would have the effect of delaying or preventing the Closing, and if any such interim Order or other Order is issued, the Party to which the Order relates to shall take commercially reasonable efforts to have it rescinded, revoked or set aside as soon as possible.
- (d) The Company, the Vendor and the Purchaser will provide to the other Party or Parties, as applicable, any request from any Governmental Authority for any information in respect of any third party claim, complaint, or investigation that could impede the completion of the Transaction.

3.4 Deliveries of Vendor at Closing

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

- (a) the certificates representing the NAL Shares issued in the name of the Vendor, duly endorsed for transfer or accompanied by a written instrument of transfer;
- (b) receipt of the Vendor for the Total Purchase Price;
- (c) certified copies of:
 - (i) the charter documents and by-laws of the Company; and
 - (ii) all resolutions of the board of directors of the Company approving the transfer of the NAL Shares from the Vendor to the Purchaser, the registration of the NAL Shares in the name of the Purchaser and the issuance of a share certificate evidencing the NAL Shares in the name of the Purchaser;
- (d) a certificate given by an officer of the Vendor, certifying the truth and accuracy of its respective representations and warranties and performance of its respective obligations substantially in the form attached as Schedule 3.4(d);
- (e) a certificate given by an officer of the Company, certifying the performance of its obligations substantially in the form attached as Schedule 3.4(e);
- (f) the Investor Rights Agreement and Registration Rights Agreement duly executed by the Vendor;
- (g) payment of amounts due by Vendor to Purchaser in accordance with Section 2.4(a);
- (h) resignations and releases of all directors of the Company received by the Company prior to Closing;
- (i) a registerable discharge or no interest letter from Bank of Montreal and Royal Bank of Canada in respect of a security interest registered against NRML for all present and future indebtedness of NAL Energy Inc. in Alberta and a registerable discharge or no interest letter from Manulife Bank in respect of a Personal Property Security Act registration against the Company in Ontario; and
- (j) evidence of the termination of the Energy Investment Advisory and Asset Management Agreement dated January 1, 2013 between NRML and the Company.

3.5 Deliveries of Purchaser at Closing

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

- (a) the certificates representing the Consideration Shares or if requested in writing by the Vendor as soon as practicable and in any event, not less than ten (10) Business Days prior to the Closing Date, electronic book-based entries in CDS representing the Consideration Shares issued to the Vendor;
- (b) certified copies of:

- (i) the charter documents and by-laws of the Purchaser;
- (ii) all resolutions of the Purchaser approving entering into this Agreement and the Transaction;
- (c) a certificate given by an officer of the Purchaser certifying the truth and accuracy of its respective representations and warranties and performance of its respective obligations substantially in the form attached as Schedule 3.5(b);
- (d) the Investor Rights Agreement and Registration Rights Agreement duly executed by the Purchaser; and
- (e) payment of amounts due by Purchaser to Vendor in accordance with Section 2.4(a).

ARTICLE 4 PRE-CLOSING PERIOD MATTERS

4.1 Pre-Closing Transactions

The Vendor and the Company shall complete the Pre-Closing Reorganization on or prior to Closing. Vendor will provide the Purchaser and its Representatives an opportunity prior to Closing to review documents, agreements, and filings giving effect to the Pre-Closing Reorganization.

4.2 Interim Operations

During the Interim Period, the Company shall operate its business in the Ordinary Course of Business, in material compliance with Applicable Law, the Title Documents, the terms of this Agreement, and generally accepted oil and gas industry practices in the Province of Alberta. The Purchaser acknowledges that the Company may proceed to conduct the operations and incur the related expenditures contemplated in the Work Plan and Budget without further authorization or consent of the Purchaser. Without limiting the generality of the first sentence of this paragraph, the Company will not, without the prior written consent of the Purchaser, other than as any of the following matters may relate to the Pre-Closing Reorganization or in respect of ongoing intercompany loans and payments among the Company and the Vendor, which consent will not be unreasonably withheld, conditioned or delayed, during the Interim Period:

- (a) other than for *[permitted expenditures redacted]*, make or commit to any capital or extraordinary expenditure not contemplated by the Work Plan and Budget individually in excess of Fifty Thousand Dollars (\$50,000) or in aggregate in excess of One Million Dollars (\$1,000,000), except in each case for:
 - (i) any such expenditure previously approved under an authorization for expenditure provided in the Company Disclosure Materials, a summary of which is attached to this Agreement as Schedule 4.2:
 - (A) for which an accrual is recorded in such Schedule and in the Company's accounts payable; or
 - (B) which Company and Purchaser agree, acting reasonably, is a legitimate invoice; or
 - (ii) in the event of a catastrophe or other event reasonably expected to endanger life, health, the Environment or property or as required by Applicable Laws;

- (b) sell, lease, assign, encumber, pledge, license or otherwise transfer, in one transaction or in a series of related transactions, any assets, securities, properties, interests or businesses, other than a Permitted Encumbrance;
- (c) acquire (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, in one transaction or in a series of related transactions, any Person or any securities, properties, interests or businesses of any Person;
- (d) acquire any assets in a single transaction, or series of transaction, with an aggregate acquisition in excess of Fifty Thousand Dollars (\$50,000);
- (e) except for Indebtedness incurred in connection with intercompany loans that will be satisfied as part of the Pre-Closing Reorganization, incur any Indebtedness for borrowed money or except for the issuance of shares issued pursuant to the Pre-Closing Reorganization that will be sold to Purchaser provided that Closing occurs, deliver or sell or propose the issuance, delivery or sale of any securities, options, warrants, calls, conversion rights or commitments relating to its securities of any kind or issue or authorize issuance of any debt securities or assume, guarantee or endorse or otherwise as an accommodation become responsible for the obligation of any Person other than as may occur by operation of the Title Documents;
- (f) (A) issue any debt securities; (B) declare, set aside or pay any dividend, reduction of capital, or other distribution in stock or property or any combination thereof other than pursuant to the Pre-Closing Reorganization and the settlement of intercompany amounts; or (C) waive, release, assign, settle or compromise any Claim, in an aggregate amount that exceeds Five Hundred Thousand Dollars (\$500,000);
- (g) redeem, repurchase, or otherwise acquire or offer to redeem, repurchase or otherwise acquire any of its securities;
- (h) make changes to the terms of any Employee or Contractor compensation, benefits plans or termination rights or hire any new employees other than as may be required to replace Employees who have resigned; or
- (i) agree, resolve, commit or announce any intention to do any of the foregoing.

4.3 Transition Matters

Except as may reasonably be expected to result in a breach of any terms and conditions of a Contract or a breach of the Competition Act:

- (a) following execution of this Agreement, the VP Operations and Production or equivalent of each of the Purchaser and Company shall meet to discuss and plan the transition and integration of Company's business and assets with that of the Purchaser following Closing; and
- (b) following the meeting referred to in paragraph (a), at the sole cost of the Purchaser, the Parties shall make reasonable commercial efforts to facilitate the sharing and installation of parallel data and information systems and the coordination of access to field staff, assets, facilities, and sites,

in each case, all as reasonably necessary for the purpose of completing such transition and integration on and following the Closing Date.

4.4 Vendor's Acquisition of Purchaser Shares

During the Interim Period the Vendor may acquire Purchaser Shares on the TSX or otherwise, provided that as at Closing immediately following the issuance of the Consideration Shares, the number of Purchaser Shares beneficially owned, controlled or directed by the Vendor will be less than 18% (without taking into account any Purchaser Shares repurchased by the Purchaser pursuant to this normal course issuer bid).

4.5 Purchaser's Interim Period Representative

The Purchaser shall designate two persons who will be available at all reasonable times to consult with the Vendor and the Company regarding actions for which the Purchaser's consent is required and shall endeavour to respond promptly to all requests of the Vendor of the Company for consents required under this Section 4.5. The Purchaser will not unreasonably withhold or delay any such consents and will respond to all requests for consent under this Section 4.5 with reasonable promptness, and within a reasonable time period as the Company or the Vendor may specify to enable a timely reply to be set forth to any Third Party.

4.6 Termination of Intercompany Arrangements; No Outstanding Indebtedness

- (a) Except for this Agreement, the Vendor and the Company shall terminate all Contracts between the Company and one or more of the Vendor and any Affiliates of the Vendor (other than the Company) (each, an "**Interested Party**") with effect on or prior to the Closing Date, *[inclusion redacted]*, such that each such Contract shall be of no further force or effect immediately following the Closing, in each case without any remaining liability of any kind or nature on the part of the Company, the Purchaser, or any of their respective Affiliates to any Interested Party as a result of or in connection with such Contract (including the termination of such Contract).
- (b) Prior to the Closing Time, the Vendor shall cause all Indebtedness or other amounts owing between the Company and any Person (including any Interested Party) *[exclusion redacted]* to be satisfied in full.

4.7 Purchaser's Interim Period Obligations

Until the Closing Date:

- (a) except to the extent permitted in Section 4.8, the Purchaser will not, without the prior written consent of the Vendor, which consent will not be unreasonably withheld, conditioned or delayed,) issue or authorize issuance of any debt securities in excess of Fifty Million Dollars (\$50,000,000) plus any refinancing or replacement of currently outstanding debt;
- (b) the Purchaser will not, without the prior written consent of the Vendor:
 - (i) change, amend or modify the articles of incorporation or by-laws of the Purchaser;
 - (ii) split, combine or reclassify any of its securities;
 - (iii) undertake any capital reorganization;
 - (iv) declare, set aside or pay any dividend, reduction of capital, or other distribution in stock or property or any combination thereof in excess of \$0.01425 per Purchaser Share per month;

- (v) redeem, repurchase, or otherwise acquire or offer to redeem, repurchase or otherwise acquire any of its securities other than pursuant to the Purchaser's normal course issuer bid; or
 - (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation, reorganization or winding-up or reorganize, amalgamate or merge with any Third Party;
- (c) The Purchaser shall use all reasonable commercial efforts to continue to be in material compliance with all Applicable Securities Laws; and
 - (d) The Purchaser shall make all necessary filings and applications under Applicable Laws, including Applicable Securities Laws, required to be made on the part of Purchaser in connection with the Transaction, including the issuance of the Consideration Shares, and shall take all reasonable action necessary to be in compliance with such Applicable Laws and Applicable Securities Laws;

4.8 Participation Rights

- (a) If the Purchaser proposes to issue any securities including Purchaser Shares or Convertible Securities (the "**Offered Securities**") to any Person on or before the Closing Date, subject to any stock exchange rules or requirements of Applicable Securities Laws, the Purchaser will promptly first offer (an "**Offer**") to the Vendor by providing written notice to the Vendor as set out in Section 4.8(b) below, the opportunity to, notwithstanding any restrictions in the Confidentiality Agreement, subscribe for and acquire that number of Offered Securities equal in amount to the percentage of Offered Securities that is equal to the Vendor's Percentage, at a subscription price equal to the offering price.
- (b) Any Offer must be made by notice in writing, must contain a description of the terms and conditions relating to the Offered Securities, will state the Purchaser's best estimate of the price (which may be satisfied by an estimated discount to the applicable market price) at which the Offered Securities are offered, the estimated date on which the purchase of Offered Securities by the Vendor is to be completed (which shall be the same date as the date of completion of the sale of the balance of Offered Securities) and the number of securities to be offered and will state that the Vendor may subscribe for Offered Securities only by having the Vendor give written notice of the exercise of the subscription right to the Purchaser within the time period set forth in Offer. The Offer will also state that if the Vendor wishes to subscribe for a number of Offered Securities that is less than the number offered, then the Vendor will, in the notice of subscription, specify the number of Offered Securities that the Vendor wishes to purchase.
- (c) The Vendor may subscribe for Offered Securities with respect to any Offer by giving written notice to the Purchaser of the exercise of the subscription right within ten (10) Business Days after receipt by the Vendor of such Offer; provided that with respect to a bought deal financing: (i) the Purchaser shall provide written notice to the Vendor when the Purchaser is considering recommending a possible bought deal financing in which the Vendor would have the right to participate for approval by the Board, and (ii) if the Purchaser receives an unsolicited bought deal proposal from an investment dealer for an offering of securities that the Purchaser is required to respond to within 24 hours and which the Purchaser is considering recommending for approval by the Board, the Purchaser shall provide a copy of the bought deal proposal to the Vendor concurrently with the Purchaser providing notice of the proposal to the Board. The Vendor, prior to one-half hour before the time by which the bought deal must be accepted or

rejected by the Purchaser, shall advise the Purchaser as to whether the Vendor wishes to participate in the bought deal proposal and the extent of such participation. If the Vendor does not comply with the time periods provided for in this Section 4.8(c) with respect to an Offer, the Vendor shall be deemed to have elected not to participate in such Offer.

- (d) If any of the Offered Securities are not subscribed for by the Vendor within the applicable periods provided for in Section 4.8(c), the Purchaser may proceed to offer such unsubscribed Offered Securities within the period of 90 days after the expiration of such applicable period to any Person (or, with respect to a bought deal financing, the period contemplated by the bought deal proposal provided to the Vendor pursuant to Section 4.8(c)), provided the price at which such Offered Securities are sold is not less than the subscription price offered to the Vendor and the terms of payment for such Offered Securities are not more favourable to such Person than the terms of payment offered to the Vendor.
- (e) In the case of the Vendor's right to purchase Convertible Securities which are debt securities, the Vendor shall be offered, the right to subscribe for up to that percentage of the total aggregate principal amount of debt securities to be issued equal to the Vendor's Percentage.
- (f) The Purchaser will be entitled to issue securities including Purchaser Shares and/or Convertible Securities without complying with the foregoing provisions of this Section 4.8 when such securities including Purchaser Shares or Convertible Securities are being issued (i) to employees, officers, directors or consultants of the Purchaser or any of its subsidiaries pursuant to any security-based compensation plan approved by the Board, (ii) in connection with any dividend reinvestment, stock dividend or similar plan, (iii) pursuant to any over-allotment option granted to any agent or underwriter of the Purchaser in connection with a financing by the Purchaser, or (iv) as consideration with respect to any acquisition, business combination or similar transaction.

4.9 Competition Act Approval

- (a) As soon as reasonably possible, and in any event no later than ten (10) Business Days after the date of this Agreement, Purchaser shall file with the Commissioner a submission in support of a request for an Advance Ruling Certificate or, in the event that the Commissioner will not issue an Advance Ruling Certificate, a request for a "no action letter" under Section 123 of the Competition Act, in respect of the Transaction. If the Parties have not obtained an Advance Ruling Certificate or "no action letter" in respect of the Transaction within thirty (30) days of filing of the foregoing request for an Advance Ruling Certificate and/or "no action letter", either Purchaser or Vendor may request that the Parties file a notification under Section 114(1) of the Competition Act, in which case each of Purchaser and Vendor shall file with the Commissioner a notification under Section 114(1) of the Competition Act in respect of the Transaction within ten (10) Business Days of such request.
- (b) each Party shall use commercially reasonable efforts to obtain the Competition Act Approval as soon as practicable and for certainty notwithstanding any other provision herein, in no event will the Purchaser be required hereunder or otherwise to agree to any hold-separate, divestiture or other order, decree, condition or restriction in respect of any material portion of the business of the Company or the existing business of the Purchaser; and
- (c) each Party:

- (i) shall promptly furnish to the other Party such information and assistance as may be reasonably requested by such other Party in connection with preparing the request for an Advance Ruling Certificate and obtaining the Competition Act Approval;
 - (ii) shall cooperate and consult with the other Party in connection with the preparation and submission of all applications, notices, filings, submissions, undertakings, memoranda, correspondence and communications of a material nature in connection with obtaining the Competition Act Approval, submit all responses to requests for information and inquiries from any Governmental Authority as promptly as reasonably practicable, and provide the other Party a reasonable advance opportunity to comment thereon, shall consider those comments in good faith and shall provide final, submitted copies thereof to the other Party; and
 - (iii) shall promptly inform the other Party of any communication received from any Governmental Authority and use commercially reasonable efforts to respond promptly thereto.
- (d) None of the Parties shall participate in any material meeting, conference call or discussion with any Governmental Authority in respect of obtaining the Competition Act Approval unless it consults with the other Party in advance and, to the extent permitted by such Governmental Authority, gives the other Party and counsel a reasonable opportunity to attend and participate in any such meeting or discussion.
- (e) The Purchaser shall pay the filing fee and all GST thereon payable to a Governmental Authority in relation to obtaining the Competition Act Approval including any fees paid under the Competition Act relating to pre-merger notification of the Transaction and to obtaining an Advance Ruling Certificate in respect of the Transaction.
- (f) Notwithstanding any provision in this Agreement, information that is determined (acting reasonably) to be competitively sensitive information of a Party (the “**Disclosing Party**”) will be provided by the Disclosing Party on an external only counsel basis to the external legal counsel of the other Party, provided that such Disclosing Party shall provide to the other Party a redacted version of any such information excluding such competitively sensitive information.

4.10 Approval to Listing and Issuance of Consideration Shares

- (a) The Purchaser will cause to be taken all necessary corporate action to allot and reserve for issuance the Consideration Shares to be issued pursuant to this Agreement. The Purchaser will use its commercially reasonable efforts to obtain the conditional listing of the Consideration Shares on the TSX by the Closing Time, subject to the satisfaction by the Purchaser of the customary conditions as specified by the TSX, and the Purchaser will use its commercially reasonable efforts to promptly satisfy all such conditions to the listing of the Consideration Shares on the TSX. The Purchaser and the Vendor acknowledges and agrees that the Consideration Shares will be issued without the requirement for a prospectus under Applicable Securities Laws. The Consideration Shares will, subject to Applicable Securities Laws and the Investor Agreement, be freely tradeable by the holder thereof immediately after issuance and any certificates representing the Consideration Shares or the ownership statement issued under a direct registration system or other electronic book-entry system will bear a restrictive legend substantially in the following form (and with the necessary information inserted) in accordance with Applicable Securities Laws and the policies of the TSX indicating that the resale of such securities is restricted:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE **[INSERT DATE THAT IS FOUR MONTHS AND A DAY AFTER CLOSING DATE]**.

THE SECURITIES REPRESENTED HEREBY ARE LISTED ON THE TORONTO STOCK EXCHANGE (“TSX”); HOWEVER, THE SAID SECURITIES CANNOT BE TRADED THROUGH THE FACILITIES OF THE TSX SINCE THEY ARE NOT FREELY TRANSFERABLE, AND CONSEQUENTLY ANY CERTIFICATE REPRESENTING SUCH SECURITIES IS NOT “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON THE TSX.

- (b) At the request of the Vendor, the Purchaser shall take all necessary action to cause the restrictive legend above to be removed from the Consideration Shares when and as permitted by Applicable Securities Laws and the policies of the TSX.

4.11 Anti-Sandbagging

- (a) During the Interim Period, each Party shall promptly, and in any event, not later than five (5) Business Days prior to the Closing Date (the “**Notice Date**”), notify the other Party if such Party has knowledge of any fact or circumstance that causes or would cause any representations or warranties hereunder of such other Party to be untrue in any material respect prior to the Notice Date or any covenant of the other Party contained in this Agreement to be unfulfilled in any material respect prior to the Notice Date. Each of the Parties acknowledges and agrees that failure by a Party to give notice to the other Party of any breaches of the other Party’s representations and warranties or covenants of which it is then aware, within such time shall constitute an irrevocable waiver and release of all Claims for indemnity therefore under Section 9.1 or 9.2, as the context requires. None of the Parties shall be entitled to the benefits of Section 9.1 or 9.2, as the context requires, in respect of any breach of any representation, warranty or covenant of the other Party to the extent such Party had knowledge of the breach but failed to give the other Party notice of the breach in reasonable detail, prior to the Notice Date in accordance with this Section 4.11. Each Party shall also promptly notify the other Party of any fact or circumstance or any accumulation of facts or circumstances that would, individually or in the aggregate, reasonably be expected to cause a failure of any of such Party’s or the other Party’s conditions to Closing to be satisfied as of such date.
- (b) Until five Business Days prior to the Closing Date, the Vendor shall have the right to supplement or modify in writing the representations and warranties and Company Disclosure Materials solely with respect to matters and information that arise from events or circumstances first occurring after the date of this Agreement (each, a “**Schedule Supplement**”). If, with respect to any such Schedule Supplement: (i) Vendor notifies Purchaser at the time of delivery of such update that Purchaser has the right to terminate this Agreement without liability as a result of the information contained in such Schedule Supplement and Purchaser does not exercise such right within five (5) Business Days after delivery of the Schedule Supplement; and (ii) the Vendor did not have knowledge of such information as of the Vendor’s execution and delivery of this Agreement, and the matters reflected on the Schedule Supplement would (in the absence of this Section 4.11(a)) result in a failure of the condition in Section 3.1(c), then such Schedule Supplement (a “**Qualified Disclosure Schedule**”) shall be deemed to have amended the Company Disclosure Materials as of the date hereof, to have qualified the representations and warranties contained in this Agreement as of the date hereof and to have cured any misrepresentation or breach of warranty that otherwise might have existed hereunder by reason of the existence of such matter. If any Schedule Supplement is not a Qualified Disclosure Schedule, such Schedule Supplement will not (a) be considered or taken into

account for purposes of determining whether the conditions in Section 3.1 have been satisfied or (b) limit or otherwise affect the Purchaser's indemnification or other rights under this Agreement for any breach of the representations and warranties (based upon the Company Disclosure Materials as of the date of this Agreement).

- (c) Except to the extent that Losses and Liabilities relating to any Claim for breach of representations, warranties or covenants hereunder could reasonably be expected to cause a failure of any Party's conditions to Closing to be satisfied, the Parties shall proceed with Closing, notwithstanding Section 4.11(a), and subject to Section 9.8, shall preserve all rights to indemnity in respect of Claims for which notice was provided in accordance with Section 4.11(a), subject to all limitations set forth in Article 9.

ARTICLE 5

VENDOR'S REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties Regarding Vendor

The Vendor hereby represents and warrants to the Purchaser, subject in all cases to the following exceptions and qualifications: (i) all matters disclosed in the Company Disclosure Materials and (ii) the Permitted Encumbrances:

- (a) **Standing:** The Vendor is a corporation duly formed and organized and validly existing under the laws of its jurisdiction of incorporation.
- (b) **No Conflict:** Provided the Competition Act Approval has been obtained, to Vendor's knowledge, the execution, delivery and performance by it and the fulfillment of and compliance with the terms and provisions of this Agreement and the completion of the Transaction does not and will not (whether after the passage of time or notice or both) result in:
 - (i) the breach or violation of any of the provisions of, or constitute a default under, or conflict with any of its obligations under:
 - (A) any provision of Vendor's articles or by-laws or resolutions of its board of directors (or any committee thereof) or shareholders; or
 - (B) any Applicable Law;
 - (ii) the creation or imposition of any Encumbrance over the NAL Shares or the Assets.
- (c) **Right to Sell:** The Vendor will be at Closing, the sole registered and beneficial owner of the NAL Shares. The Vendor will at Closing have good and marketable title to the NAL Shares, free and clear of all Encumbrances. Provided the Competition Act Approval has been obtained, the Vendor has the exclusive right to dispose of the NAL Shares as provided in this Agreement and such disposition will not violate, contravene, breach or offend against or result in any default under any Contract, charter or by-law provision, Order, judgment, decree, licence, permit or Law, to which such Vendor is a party or subject or by which such Vendor is bound or affected. None of the NAL Shares are subject to: (i) any Contract or restriction which in any way limits or restricts the transfer to the Purchaser of the NAL Shares other than the transfer restrictions in the articles of the Company; or (ii) any voting trust, pooling agreement, shareholder agreement, voting agreement or other Contract, arrangement or understanding with

respect to the voting of the NAL Shares (or any of them) that will prevent the transfer of same to the Purchaser.

- (d) **No Other Agreements to Purchase:** No Person other than the Purchaser has any Contract or any right or privilege capable of becoming a Contract for the purchase or acquisition from the Vendor of any of the NAL Shares.
- (e) **Execution and Enforceability:** This Agreement has been, and all documents and agreements to be executed and delivered by it at Closing pursuant hereto shall be, duly executed and delivered by it, and upon execution by the Company and the Purchaser, and receipt of the Competition Act Approval and TSX Approval, this Agreement constitutes, and all documents and agreements required to be executed and delivered by it at Closing will constitute valid and legally binding obligations of it enforceable against it in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law) and except that rights of indemnity and contribution contained in this Agreement or any such other agreements may be limited under Applicable Laws.
- (f) **Requisite Authority:** It has all requisite power and authority to dispose of the NAL Shares and enter into this Agreement and to perform its obligations under this Agreement and the agreements and instruments required by this Agreement to be delivered by it, and to perform its obligations hereunder and thereunder and Vendor, has authorized and taken all corporate action necessary to authorize the execution, delivery and performance of this Agreement and all other agreements and instruments required by this Agreement to be delivered by it and the performance of its obligations hereunder and thereunder, all in accordance with this Agreement.
- (g) **No Bankruptcy/Insolvency:** It is not an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and, is able to pay its debts as and when they fall due, it has not stopped or suspended, or threatened to stop or suspend, payments of all or any call of its debts, it has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no resolution has been passed by its board of directors for the winding up or dissolution of it and no proceedings have occurred, or to its knowledge, been threatened, for the purpose of winding it up or dissolving it and no petition for a receiving order, winding-up or dissolution has been presented in respect of it and there are no circumstances justifying such a petition or other process. It has not initiated proceedings with respect to a compromise or arrangement with its creditors or for the assignment of any of the Assets for the benefit of its creditors or for the winding up, liquidation or dissolution of it. No receiver or interim receiver, receiver-manager, monitor, judicial manager, liquidator, administrator, trustee or like official has been appointed in respect of it or any of its undertakings, property or assets (including any of the NAL Shares) and no execution or distress has been levied on any of its undertakings, property or assets (including any of the NAL Shares), nor have any proceedings been commenced in connection with any of the foregoing.
- (h) **Tax Residency:** It is not a non-resident of Canada and is a taxable Canadian corporation or a Canadian partnership, as applicable, for the purposes of the Tax Act.

- (i) **Share Ownership:** As of the date hereof, the Vendor beneficially owns or exercises control or direction over less than one percent (1%) of the Purchaser Shares or any securities convertible into or exchangeable for Purchaser Shares.

5.2 Vendor's Representations and Warranties regarding the Company

The Vendor hereby represents and warrants to the Purchaser, subject in all cases to the following exceptions and qualifications: (i) all matters disclosed in the Company Disclosure Materials and (ii) the Permitted Encumbrances:

- (a) **Standing:** The Company is a corporation duly formed and organized and validly existing under the laws of Alberta and is duly qualified under the laws of each of the jurisdictions in which it is required to be qualified in order for the Company to own the Assets.
- (b) **No Conflicts or Defaults:** Provided the Competition Act Approval has been obtained, to Vendor's knowledge, the Company is not in breach or violation of, and the execution and delivery of this Agreement and the performance of obligations hereunder and the consummation of the Transaction do not and will not result in any breach or violation of, or be in conflict with, or constitute, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under: (i) any term or provision of the constating documents or by-laws of the Company, (ii) conflict with, result in a breach of, constitute a default under, or prohibit the performance required by Applicable Laws; or (iii) any resolution of the directors (or any committee thereof) or shareholders of the Company.
- (c) **Requisite Authority:** The Company has all requisite power and authority to enter into this Agreement and to perform its obligations under this Agreement and the agreements and instruments required by this Agreement to be delivered by it, and to perform its obligations hereunder and thereunder and the Company, has authorized and taken all corporate or partnership, as applicable, action necessary to authorize the execution, delivery and performance of this Agreement and all other agreements and instruments required by this Agreement to be delivered by it and the performance of its obligations hereunder and thereunder, all in accordance with this Agreement.
- (d) **Execution and Enforceability:** This Agreement has been, and all documents and agreements to be executed and delivered by the Company at Closing pursuant hereto shall be, duly executed and delivered by it, and upon execution by the Vendor, and the Purchaser, and receipt of the Competition Act Approval and the TSX Approval, this Agreement constitutes, and all documents and agreements required to be executed and delivered by it at Closing will constitute valid and legally binding obligations of it enforceable against it in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including, all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law) and except that rights of indemnity and contribution contained in this Agreement or any such other agreements may be limited under Applicable Laws.
- (e) **Subsidiaries:** Following the Pre-Closing Reorganization, the Company has no subsidiaries and no other equity or ownership interests in any other corporation, partnership or trust.
- (f) **Capitalization:** NRL is a direct wholly-owned subsidiary of Vendor.

(g) **Shares:**

- (i) The NAL Shares comprise all of the issued and outstanding shares in the share capital of the Company and no other shares will be issued and outstanding. All NAL Shares will by Closing, have been duly and validly issued and outstanding as fully paid and non-assessable and will not be subject to, nor were they issued, and be fully paid and non-assessable and shall not be subject to, nor have been issued in violation of, any pre-emptive or contractual rights to purchase securities issued by the Company.
- (ii) Following the Pre-Closing Reorganization, other than the NAL Shares, there will be no other outstanding securities of the Company or options, warrants, rights of conversion or exchange privileges or other securities entitling anyone to acquire any securities of the Company (including common shares) or any other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by the Company of any securities (including common shares).

(h) **Business of the Company:**

- (i) The Company has all requisite power and authority to carry on its businesses as presently conducted.
 - (ii) Except to the extent undertaken pursuant to the Pre-Closing Reorganization or that would not reasonably be expected to create a Material Adverse Effect, the Company is not a party to or bound or affected by any commitment, agreement, judgment, injunction, order, decree or document binding upon the Company, containing any covenant expressly prohibiting, restricting or limiting its freedom or ability to: (a) compete in any line of business or geographic region; (b) transfer or move any of its Assets or operations; (c) conduct any business practice of the Company, as now conducted; or (d) effect any acquisition of property by the Company (including following the Transaction).
- (i) **Corporate Records:** To Vendor's knowledge, the corporate records and minute books, and books of account of the Company have been maintained in accordance with, in all material respects, prudent business practice and are complete and accurate in all material respects.
- (j) **Conduct of Business:** To the knowledge of the Vendor, since August 1, 2020, the Company has, save and except only for the Pre-Closing Reorganization, conducted its business only in the Ordinary Course of Business.
- (k) **Absence of Further Requirements:** Except for the Competition Act Approval, no material approval, authorization, consent or other order of, and no filing, registration or recording with, any Governmental Authority is required to be obtained or made by the Vendor or the Company in connection with the execution and delivery of this Agreement or the performance by the Company or the Vendor of its obligations hereunder or with the consummation of the Transaction except as has been obtained or made by Purchaser in respect of the TSX Approval, or will, after Closing, be sought, or if not obtained or made, would not result in a Material Adverse Effect.
- (l) **Litigation:** Except as disclosed in the Company Disclosure Materials, there are no Claims, outstanding judgments, orders, injunctions, investigations or other proceedings, including appeals and applications for review, in progress, or to the Vendor's knowledge pending or threatened, against or relating to the Company before any Governmental Authority, which, if

determined adversely to the Company, would have a Material Adverse Effect. To the Vendor's knowledge, there is not any factual or legal basis on which any such proceeding may be commenced with any reasonable likelihood of success.

- (m) **No Fees:** Except for *[permitted expenditures redacted]* funded or prepaid by Vendor, neither the Company nor the Vendor has incurred any material obligation or liability, contingent or otherwise, for brokerage fees, finder's fees, agent's commission or other similar forms of compensation with respect to the Transaction for which the Purchaser shall have any obligation or liability whatsoever.
- (n) **Guarantees:** Other than the indemnification of directors and officers of the Company pursuant to Applicable Laws, the corporate by-laws, indemnity agreements of the Company, customary indemnities in favour of the Company's bankers and the financial advisors and agreements entered into in the Ordinary Course of Business, including letters of credit issued pursuant to, liabilities, and performance obligations under, the Marketing and Midstream Agreements, or as may be imposed on the Company in its capacity as a working interest owner under the Title Documents or pursuant to Applicable Laws upon the default or insolvency or a Third Party working interest owner, or pursuant to the Pre-Closing Reorganization, the Company has not guaranteed, endorsed, assumed, indemnified or accepted any responsibility for, and do not and will not guarantee, endorse, assume, indemnify or accept any responsibility for, contingently or otherwise, any Indebtedness or the performance of any obligation of any other Person.
- (o) **Employee Matters:**
 - (i) the Employee Information contains a true and accurate list of all Employees employed by the Company as of the date it was provided, *[inclusions redacted]*;
 - (ii) the Contractor Information contains a true and accurate list of all Contractors engaged by the Company, *[inclusions redacted]*;
 - (iii) the Company is in material compliance with all Applicable Laws respecting service providers, including with respect to employment standards, occupational health and safety, human rights, labour relations and workers' compensation, and there are no outstanding or, to the knowledge of Vendor, threatened Claims against the Company by or on behalf of any Employee or Contractor;
 - (iv) there are no Claims against the Company, or to the knowledge of the Vendor, threatened to be brought or filed, by or with any Governmental Authority or arbitrator in connection with the employment of any Employee or former Employee, Contractors or former contractors including any Claim relating to unfair labour practices, employment discrimination, harassment, retaliation, pay equity, employment insurance or any other employment-related matter arising under Applicable Laws.
 - (v) there are no disputes, grievances, controversy, Claims, pending Claims nor, to the knowledge of the Vendor, threatened Claims pursuant to any Laws relating to the Employees or former employees or Contractors or former contractors of the Company (or any Person acting on behalf of such individuals), including pursuant to Applicable Laws regarding employment standards, human rights, labour relations, occupational health and safety, workers' compensation, accessibility, privacy, or pay equity. There are no outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to any workplace safety and insurance legislation

relating to the Employees and Contractors, or any former employees or contractors, and all workers' compensation premiums in respect of the Employees have been paid;

- (vi) to the knowledge of the Vendor, all individuals who are or were performing consulting or other services for the Company are or were correctly classified under all Applicable Laws by the Company as either "independent contractors" or "employees" as the case may be, and the Company has not received any notice from any Governmental Authority disputing such classification;
 - (vii) there is no collective agreement, letter of understanding or other legally binding commitment with or to any labour union, trade union or employee organization or group which might qualify as a trade union with respect to the Employees;
 - (viii) as of the date hereof, there is no strike, labour dispute, work slowdown or work stoppage ongoing or to the Vendor's knowledge threatened against the Company by its Employees or Contractors, nor has there been any such strike, labour dispute, work slowdown or work stoppage within the last three years. The Company is not currently engaged in any labour negotiation that may be expected to have a Material Adverse Effect;
 - (ix) with respect to any employee or contractor of the Company whose employment or relationship has been terminated within two years prior to the date hereof, all amounts owing have been paid and to the knowledge of the Vendor, no such former employee or independent contractor has any legal basis to make any claim for further payment, whether in respect of salary, benefits, severance or termination payment or otherwise;
 - (x) the Employee Information lists all material written and oral benefit plans for the benefit of the current and former Employees, officers or directors of the Company that are currently maintained, sponsored or funded by the Company and/or any Affiliate for the benefit of the Employees whether funded or unfunded, insured or self-insured, registered or unregistered, other than plans established pursuant to statute (collectively the "**Company Benefit Plans**");
 - (xi) the Company has furnished to the Purchaser copies of all the Company Benefit Plans, together with current employee booklets and, where applicable, related trust or other funding agreements and actuarial reports most recently filed with the applicable Governmental Authority;
 - (xii) except as would not reasonably be likely to result in a Material Adverse Effect, each Company Benefit Plan has been administered and funded in accordance with all Applicable Laws and the terms of the applicable Company Benefit Plan; and
 - (xiii) except as required by Applicable Law or as may occur in the Ordinary Course of Business, (i) no amendments or improvements to any Company Benefit Plan have been promised by the Company or any of its Affiliates to any Employees that are still outstanding; and (ii) no amendments or improvements to any Company Benefit Plan will be made or promised by the Company or any of its Affiliates to any Employees prior to Closing.
- (p) **Insurance:** Until the Closing Date, the Company is insured against all such losses and risks and in such amounts as are prudent and customary in the oil and gas exploration and production

business in the jurisdictions in which it operates; all policies of insurance insuring the Company or its businesses, assets, employees, officers and directors are in full force and effect. To the Vendor's knowledge, the Company is not in default with respect to any of the provisions contained in any such insurance policy and has not failed to give any notice or present any material claim under any such insurance policy in due and timely fashion.

(q) **Bank Accounts:** The Company will not have any bank accounts, term deposits or safety deposit boxes except those listed in the Company Disclosure Materials;

(r) **Taxes:**

- (i) the Company is not a non-resident of Canada for the purposes of the Tax Act;
- (ii) the Company has, and on the Closing Date will have, duly and on a timely basis prepared and filed all Tax Returns required to be filed by it, and such Tax Returns are, or will be, true, complete and correct in all material respects;
- (iii) the Company has duly and timely paid all Taxes, including all instalments on account of Taxes for the current year that are due and payable by it whether or not assessed by the appropriate Governmental Authority;
- (iv) the Company has withheld from any amount paid or credited to any Person, including its officers and directors and any non-resident of Canada, the amount of all Taxes required by Applicable Law to be withheld from any amount and duly and in a timely manner remitted the same to the appropriate Governmental Authority;
- (v) There are no Encumbrances on any of the Assets of the Company that arose in connection with any failure (or alleged failure) to pay any Taxes;
- (vi) The Company has not made, prepared and/or filed any elections, designations or similar filings relating to Taxes or entered into any agreement or other arrangement in respect of Taxes or Tax Returns that has effect for any period ending after the Closing Date;
- (vii) Copies of all Tax Returns and all material written communications to or from any Governmental Authority relating to the Taxes of the Company have been made available to Purchaser, to the extent relating to periods or events in respect of which any Governmental Authority may by Applicable Law assess or otherwise impose any such Tax on the Company;
- (viii) None of sections 69, 78, 80, 80.01 to 80.04, 160 or 191.3 of the Tax Act, or any equivalent provision of the Tax legislation of any province or any other jurisdiction, have applied or will apply to the Company at any time up to and including the Closing Date;
- (ix) the Company has paid, or accrued on an estimated basis in the Company Financial Statements, all Taxes due and payable for all periods ending on or before the December 31, 2019;
- (x) the Company has collected all amounts on account of any sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by Applicable Law to be collected by it and has duly and timely remitted to

the appropriate Governmental Authority any such amounts required by Applicable Law to be remitted by it;

and, as of the date hereof:

- (xi) the Company has not received any assessments, reassessments, suits or Claims now subsisting against the Company in respect of any Taxes;
 - (xii) there are no matters that are the subject of any audit, investigation, objection, appeal, legal proceedings or agreement with any Governmental Authority relating to claims for Taxes now in progress, pending or, to the knowledge of the Vendor, threatened against the Company in respect of Taxes; and
 - (xiii) there are no agreements, waivers or other arrangements providing for an extension of time with respect to the assessment or reassessment of any Tax or the filing of any Tax Returns or Tax elections by, or the payment of any Tax by, the Company.
- (s) **Material Agreements:** Except as disclosed in the Company Disclosure Materials, and in respect of those Material Agreements that the Company is restricted from disclosing due to confidentiality restrictions for which summarized aggregated information has been provided to Purchaser instead, the Company is not a party to any Material Agreements with respect to the Assets. All Material Agreements are in full force and effect and are unamended, true and accurate copies of which have been provided to Purchaser, and to the Company's knowledge, there are no outstanding material defaults (or events or state of facts which would constitute a material default with the passage of time or giving of notice or both) under any such Material Agreement on the part of the Company or, to the knowledge of Vendor, on the part of any other party to such Material Agreement of the Company's obligations under the Material Agreements. The Company has not received or given any notice of default under any such Material Agreement which remains uncured.
- (t) **Certain Contracts and Agreements:** Other than pursuant to the Pre-Closing Reorganization, the Company is not a party to any Contract or agreement to merge or consolidate with any other Person, to acquire substantially all of the assets or shares of any other Person or to sell all or any material part of the Assets.
- (u) **Compliance and Default:** To its knowledge:
- (i) (A) the Company has complied with, performed, observed and satisfied in all material respects, all terms, conditions, obligations and liabilities which have heretofore arisen and were the obligations of it under any of the provisions of the Material Agreements; (B) the Company has not received any notice of any material default under any Material Agreements or Applicable Law relating to the Assets;
 - (ii) it is not in material default under any judgment, order or injunction of any court, arbitrator or Governmental Authority related to the Assets or any Applicable Laws relating to the Assets in existence at the time of this Agreement; and
 - (iii) to Vendor's knowledge, there exists no state of facts which after notice or lapse of time or both would constitute a default or breach of any Material Agreement that would reasonably be expected to create a Material Adverse Effect or entitle any party to terminate, accelerate, modify or cause a default under, or trigger any pre-emptive rights or rights of first refusal under, any such Material Agreement.

- (v) **Indebtedness for Borrowed Money:** At the Closing Date, the Company will not have any loans, credit agreements, notes, bonds, mortgages, indentures and other binding commitments relating to Indebtedness for borrowed money.
- (w) **Off-Balance Sheet Arrangements:** The Company (on a consolidated basis) is not a party to any off-balance sheet arrangements, as that term is understood under GAAP.
- (x) **Financial Commitments:** Except: (i) as disclosed in the Company's Disclosure Materials; (ii) for *[permitted expenditures redacted]* funded or prepaid by Vendor or the Company, (iii) for Interim General & Administrative Costs funded by the Company; (iv) financial commitments incurred or approved during the *[period redacted]* in accordance with Section 4.2; and (v), which may become due by virtue of matters occurring or arising after the date hereof, other than usual operating expenses incurred in the normal conduct of operations, to the Company's knowledge, at the Closing Date, there shall be no financial commitments of the Company which are then due or outstanding which are in excess of \$3,000,000.
- (y) **Title to Assets:** Although Vendor does not warrant title to any of the Assets, the Vendor does represent and warrant that, except for Permitted Encumbrances:
 - (i) neither the Vendor nor the Company have assigned, pledged, alienated or encumbered the Assets or any part or portion thereof;
 - (ii) subject to the rents, covenants, conditions and stipulations in the Title Documents, the Company is entitled to hold and enjoy the Assets without any lawful interruption by any Person claiming, by, through or under the Company;
 - (iii) the Assets shall be free and clear of all Encumbrances created by, through or under it and, to Vendor's knowledge, there are no other Encumbrances in or over the Company's interest in and to the Assets; and
 - (iv) neither the Vendor nor the Company have done or failed to do any act or thing whereby any of the Assets may be liable or subject to termination, surrender, forfeiture, cancellation, alienation or reduction.
- (z) **Reserves Report:** The Company made available to McDaniel & Associates ("**McDaniel's**"), prior to the issuance of the report effective December 31, 2019 in respect of the reserves of the Company, for the purpose of preparing such report, all information requested by McDaniel's, which information, to the knowledge of the Company, taken as a whole did not contain any material misrepresentation at the time such information was so provided.
- (aa) **Processing and Transportation Commitments.** The Company Disclosure Materials contains a complete and accurate list of all of the third party processing and transportation agreements of the Company which cannot be terminated within 31 days or less without penalty. Other than as set forth in the Company Disclosure Materials, to the Company's knowledge, the Company has no material third party processing or transportation agreements or any obligations to deliver sales volumes to any other Person which cannot be terminated in 31 days or less without penalty.
- (bb) **Receipt of Revenues:** To the knowledge of the Vendor, the Company has been receiving the share of the net proceeds of production from the Assets attributable to its interest in the Assets and no Person has provided the Company with written notice of, nor does the Vendor have any

knowledge of, a Claim by any Person that the Company is not entitled to such amounts, with the possible exception of: (i) Claims of accounting errors which do not challenge the percentage share of revenues to which it is entitled and which are not material; and (ii) Claims subject to resolution through insolvency, receivership, or bankruptcy proceedings involving Third Parties.

- (cc) **Outstanding AFEs:** Except as disclosed in the Company Disclosure Materials, or as approved pursuant to Section 4.2, as of the Closing Date there is no authorization for expenditure, cash call or similar approval approved by the Company pursuant to which the Company will be obliged to a Third Party to make or advance money in respect of expenditures with respect to the Assets, the Company's share of which is reasonably expected to exceed Two Hundred and Fifty Thousand Dollars (\$250,000).
- (dd) **Environmental:** Except as disclosed in the Company Disclosure Materials, as at the date of this Agreement:
 - (i) the Company has not received any orders or directives that relate to Environmental Matters in respect of the Assets from any Governmental Authority under any Environmental Law that require any work, repairs, construction or capital expenditures with respect to the Assets operated by the Company where such orders or directives have not been complied with in all material respects;
 - (ii) the Company has not received any demands or notices from any Governmental Authority issued under any Environmental Law with respect to the breach of any Environmental Law applicable to the Company or the Assets operated by the Company including in respect of a Release, the use, storage, treatment, transportation, handling or disposition of Hazardous Materials, or the protection of the Environment, which demand or notice remains outstanding;
- (ee) **Major Facilities:** To the Vendor's knowledge, the Company has good and valid title to, or a valid and enforceable leasehold interest in, the Major Facilities.
- (ff) **No Areas of Mutual Interest or Purchase Rights.** To the Vendor's knowledge, except as set forth in the Company Disclosure Materials:
 - (i) there are no active areas of mutual interest provisions or areas of exclusion in any of the Contracts or otherwise to which the Assets are subject; and
 - (ii) there are no rights of first refusal, pre-emptive purchase rights or similar rights applicable to the Assets that apply to or are triggered as a result of the Transaction.
- (gg) **Take or Pay and Offset Obligations:** Except as disclosed in the Company Disclosure Materials: (i) the Company has no take or pay obligations; and (ii) to the Vendor's knowledge, the Company has not received any offset notices under the terms of any Lease that remain outstanding in any material respect.
- (hh) **Swaps:** Except as disclosed in the Company Disclosure Materials, the Company does not: (i) currently have outstanding Derivative Contracts; and (ii) no Derivative Contracts will be outstanding as at the Closing Date.
- (ii) **Taxes and Royalties Paid.** To the knowledge of Vendor, all royalties and all ad valorem, property, production, severance and similar taxes and assessments based on or measured by the

ownership of property or the production of Petroleum Substances, or the receipt of proceeds therefrom, payable in respect of the Assets and other payments and obligations due and payable, or performable, as the case may be, on or prior to the date hereof under, with respect to, or on account of, any direct or indirect Assets have been: (i) duly paid in a timely manner; (ii) duly performed; or (iii) provided for in the accounts of the Company. To the knowledge of Vendor, there are no unpaid taxes or assessments which could result in a lien or charge on its oil and gas assets except to the extent that such defaults would not in the aggregate have a Material Adverse Effect on the Company.

- (jj) **Joint Venture or Royalty Audits:** There are no ongoing (i) joint venture audits by a Third Party under the Company's Title Documents, or (ii) royalty audits by any owner pursuant to the Company's Title Documents, that would individually or in aggregate have a Material Adverse Effect.
- (kk) **Possession of Necessary License and Permits:** The Company has obtained and is in compliance with all material licences, permits, approvals, certificates, consents, orders, grants, procedures, standards and other authorizations of or from any Governmental Authority that are applicable to or held by the Company, or are necessary to conduct its business as it is now being conducted, and all such licences, permits, approvals, certificates, consents, orders, grants, procedures, standards and other authorizations are valid and subsisting.
- (ll) **Compliance with Anti-Corruption Legislation:** The Company has not directly or indirectly, (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any Governmental Authority, authority or instrumentality of any jurisdiction or (ii) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the Canada Corruption of Foreign Public Officials Act, or the rules and regulations promulgated thereunder.
- (mm) **Compliance with Anti-Money Laundering Laws:** the Company's operations are, and have been conducted at all times, in compliance with applicable financial recordkeeping and reporting requirements and the money laundering statutes and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court, Governmental Authority or arbitrator involving it with respect to the Money Laundering Laws is pending or, to its knowledge, threatened.
- (nn) **EDocs Systems:** To the knowledge of the Company's officers, the 'edocs systems' described in paragraph 1.1(ii)(i) do not contain any information that would cause Vendor's representations and warranties to be untrue or inaccurate to the extent of a Material Adverse Effect on the cash flow, business or operations of the Company of more than *[dollar amount redacted]*;

5.3 No Additional Representations or Warranties

- (a) Vendor makes no representation or warranty of any kind whatsoever, direct or indirect, express or implied, in fact or by law, with respect to:
 - (i) the quantity, quality or recoverability of Petroleum Substances;

- (ii) the Environmental condition of any Asset or any Environmental Liability, except as set forth in Section 5.2(dd);
 - (iii) the value of the Company, the NAL Shares or the Assets, or the future revenues applicable thereto;
 - (iv) title to the Assets, except as set forth in Section 5.2(y);
 - (v) any Third Party engineering, geological, geophysical or other information or interpretations thereof, economic evaluations, or Environmental assessments respecting the Assets or Environmental Liabilities;
 - (vi) the quality, condition, fitness, suitability, serviceability or merchantability of all or any of the Assets;
 - (vii) the accuracy or completeness of any AFE which estimates any capital expenditures, including reclamation, remediation or abandonment costs; or
 - (viii) the accuracy or completeness of any information or data supplied by Vendor Group or any of its Related Parties or Representatives, to Purchaser Group or any of its Related Parties or Representatives in connection with the Company, the NAL Shares, the Assets or the Transaction.
- (b) Except as expressly set forth in Sections 5.1 and 5.2, the Vendor expressly negates and disclaims, and shall not be liable for, any representation or warranty that may have been made or alleged to be made in any other document or instrument in connection herewith or in any statement or information made or communicated to Purchaser in any manner (including the engineering reports, Environmental assessments and any opinion, information or advice that may have been provided by Vendor Group or its Related Parties or Representatives).
- (c) On Closing, save and except for the representations provided in Sections 5.1 and 5.2, the Assets will be possessed by the Company on an “as is, where is” basis. Purchaser hereby acknowledges that except as expressly set forth in Sections 5.1 and 5.2:
- (i) it has had a reasonable opportunity to inspect and review the Company Data Room, conduct site visits regarding the Assets, and review the Company’s title to the Assets, and that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, and is relying solely on its own investigations concerning the Assets and that it has not relied on advice or any information provided to it by or on behalf of Vendor or its Representatives with respect to the matters enumerated in Sections 5.1 and 5.2 ;
 - (ii) it is not relying on any information provided to or on behalf of Purchaser by Vendor and it is relying solely upon its own Representatives and due diligence respecting the Company, the NAL Shares and the Assets.
- (d) Except for its rights under Sections 7.1 and 9.1, the Purchaser hereby waives all rights and remedies (whether now existing or hereafter arising and including all common law, tort, contractual, equitable and statutory rights and remedies) against the Vendor, its Affiliates or their respective Representatives and Related Parties in respect of any breach or inaccuracy of a representation or warranty made by the Vendor hereunder and in respect of any information

provided by the Vendor, its Representatives or Related Parties to the Purchaser or its Representatives or Related Parties.

5.4 Survival of Representations and Warranties

Subject to Article 9, the representations and warranties of Vendor in this Article 5 shall survive the Closing and not be merged in any conveyances or other documents provided pursuant to this Agreement.

ARTICLE 6 PURCHASER'S REPRESENTATIONS AND WARRANTIES

6.1 Purchaser's Representations and Warranties

The Purchaser hereby represents and warrants to the Vendor, subject in all cases to all matters disclosed in the Purchaser's Data Room:

- (a) **Standing:** It is and at the Closing Date shall continue to be a valid corporation, subsisting under the laws of Alberta with the necessary corporate power and capacity to conduct its business in the jurisdiction(s) where its assets are located.
- (b) **Requisite Authority:** It has the necessary corporate power and authority to enter into this Agreement and the other documents and agreements to be executed and delivered hereunder and to perform its obligations hereunder and the other documents and agreements to be executed and delivered hereunder.
- (c) **Execution and Enforceability:** this Agreement has been, and all documents and agreements to be executed and delivered by it at Closing pursuant to this Agreement shall be, duly executed and delivered by it, and subject to execution by the Vendor and the Company and receipt of the Competition Act Approval, the TSX Approval, this Agreement constitutes, and all documents and agreements required to be executed and delivered by it at Closing will constitute valid and legally binding obligations of it enforceable against it in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency (including all laws relating to fraudulent transfers), reorganization, moratorium or similar laws affecting enforcement of creditors' rights generally and except as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law) and except that rights of indemnity and contribution contained in this Agreement or any such other documents and agreements may be limited under Applicable Laws.
- (d) **No Conflicts or Defaults:** Provided the Competition Act Approval and TSX Approval has been obtained, and except as would not result in a Material Adverse Effect, it is not in breach or violation of, and the execution and delivery by the Purchaser of this Agreement and the performance by the Purchaser of its obligations hereunder and the consummation of the Transaction do not and will not result in any breach or violation of, or be in conflict with, or constitute, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under: (i) any term or provision of the constating documents or by-laws of the Purchaser, (ii) conflict with, result in a breach of, constitute a default under, or prohibit the performance required by Applicable Laws, or (iii) any resolution of the directors (or any committee thereof) or shareholders of the Purchaser.
- (e) **No Bankruptcy/Insolvency:** The Purchaser is not an insolvent Person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and, is able to pay its debts as and when they fall

due, it has not stopped or suspended, or threatened to stop or suspend, payments of all or any call of its debts, it has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no resolution has been passed by its board of directors for the winding up or dissolution of it and no proceedings have occurred, or to its knowledge, been threatened, for the purpose of winding it up or dissolving it and no petition for a receiving order, winding-up or dissolution has been presented in respect of it and there are no circumstances justifying such a petition or other process. It has not initiated proceedings with respect to a compromise or arrangement with its creditors or for the assignment of any of its assets for the benefit of its creditors or for the winding up, liquidation or dissolution of it. No receiver or interim receiver, receiver-manager, monitor, judicial manager, liquidator, administrator, trustee or like official has been appointed in respect of it or any of its undertakings, property or assets and no execution or distress has been levied on any of its undertakings, property or assets, nor have any proceedings been commenced in connection with any of the foregoing.

- (f) **Business of the Purchaser:** Except as would not reasonably be expected to create a Material Adverse Effect, the Purchaser is not a party to or bound or affected by any commitment, agreement, judgment, injunction, order, decree or document binding upon the Company, containing any covenant expressly prohibiting, restricting or limiting its freedom or ability to: (a) compete in any line of business or geographic region; (b) transfer or move any of its assets or operations; (c) conduct any business practice of the Purchaser, as now conducted; or (d) effect any acquisition of property by the Purchaser (including following the Transaction).
- (g) **Conduct of Business:** To the knowledge of the Purchaser, since August 1, 2020, the Purchaser has conducted its business only in the Ordinary Course of Business.
- (h) **No Lawsuits or Claims:** As of the date of this Agreement, it has not received notice of any Claims in existence, contemplated, nor, to its knowledge, pending or threatened against it to seek to prevent the consummation of the Transaction.
- (i) **Investment Canada Act:** It is a “Canadian” within the meaning of the Investment Canada Act.
- (j) **Canadian Resident:** The Purchaser is not a non-resident of Canada for the purposes of the Tax Act.
- (k) **Absence of Further Requirements:** Except for the Competition Act Approval, no approval, authorization, order of, and registration, clearance, or qualification of, any Governmental Authority is required to be obtained or made by the Purchaser in connection with the execution and delivery of this Agreement or the performance by the Purchaser of its obligations hereunder or with the consummation of the Transaction except as has been obtained or made and are in full force and effect or, if not obtained or made, would not result in a Material Adverse Effect.
- (l) **Compliance with Anti-Corruption Legislation:** It and its subsidiaries have not directly or indirectly, (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any Governmental Authority, authority or instrumentality of any jurisdiction or (ii) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the Canada Corruption of Foreign Public Officials Act, or the rules and regulations promulgated thereunder.

- (m) **Compliance with Anti-Money Laundering Laws:** Its operations and the operations of its subsidiaries are, and have been conducted at all times, in compliance with applicable financial recordkeeping and reporting requirements and the Money Laundering Laws and no action, suit or proceeding by or before any court, Governmental Authority or arbitrator involving it or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to its knowledge, threatened.
- (n) **Consideration Shares:** The Consideration Shares, when issued, will have been duly and validly authorized and issued as fully paid and non-assessable common shares in the capital of the Purchaser.
- (o) **Securities Laws:** subject only to the restrictions set forth in this Agreement, the Investor Agreement and Applicable Securities Laws, the Consideration Shares will be freely tradeable by the holder thereof unless a change of law occurs that limits such tradability.
- (p) **Shareholder Agreements; Registration Rights:** There are no unanimous shareholder agreements and, to its knowledge, there are no shareholders' agreements, voting agreements, investors' rights agreements or other agreements in force or effect as of the date hereof or will be at the Closing Date which in any manner affects or will affect the voting or control of any of its securities or that materially affects or materially will affect the control of the Purchaser.
- (q) **Absence of Manipulation:** It has not taken, directly or indirectly, any action that is designed to or that has constituted or that would reasonably be expected to cause or result in, under Applicable Securities Laws or otherwise, the stabilization or manipulation of the price of any of its securities to facilitate the sale or resale of the Consideration Shares.
- (r) **Proceedings:** There are no legal or government proceedings pending to which it or any of its Affiliates is a party or of which any property of it or any of its Affiliates is subject which, if determined adversely to it or any of its Affiliates, would result in a Material Adverse Effect and, to its knowledge, no such proceedings are contemplated by any Governmental Authority.
- (s) **Environmental:** Except as disclosed in the Purchaser's Data Room, as of the date of this Agreement:
 - (i) the Purchaser and its subsidiaries have not received any orders or directives that relate to Environmental Matters in respect of any of their assets from any Governmental Authority under any Environmental Law that require any material work, repairs, construction or capital expenditures with respect to such assets operated by the Purchaser or its subsidiaries where such orders or directives have not been complied with in all material respects;
 - (ii) to Purchaser's knowledge, the Purchaser and its subsidiaries have not received any demands or notices from any Governmental Authority issued under any Environmental Law with respect to the material breach of any Environmental Law applicable to the assets operated by the Purchaser or its subsidiaries including in respect of a Release, the use, storage, treatment, transportation, handling or disposition of Environmental contaminants, or the protection of the Environment, which demand or notice remains outstanding on the date hereof.
- (t) **Licences and Permits:** It and its subsidiaries have all licences, franchises, permits authorizations, approvals and orders and other concessions of and from all Governmental Authorities that are necessary to own or lease their respective properties and conduct their

businesses as described in the Public Record, except where such failure would not result in a Material Adverse Effect.

(u) **Title to Assets:** Although the Purchaser does not warrant title to any of its assets, it does represent and warrant that, except for Permitted Encumbrances:

- (i) it has not assigned, pledged, alienated or encumbered its assets or any part or portion thereof;
- (ii) subject to the rents, covenants, conditions and stipulations in the Purchaser's title documents, the Purchaser is entitled to hold and enjoy its assets without any lawful interruption by any Person claiming, by, through or under the Company;
- (iii) its assets shall be free and clear of all Encumbrances created by, through or under it and, to Purchaser's knowledge, there are no other Encumbrances in or over Purchaser's interest in and to its assets; and
- (iv) it has done no act or thing whereby any of its assets may be reduced, cancelled or determined or its title to its assets terminated.

(v) **Financial Statements:** The Purchaser Financial Statements and any interim unaudited consolidated financial statements of the Purchaser as at and for a fiscal quarter ending prior to the Closing Date and filed by the Purchaser in accordance with its obligation under Applicable Securities Laws, and financial statements of the Purchaser in the Public Record, together with the related notes, present fairly the financial position of it and its consolidated subsidiaries at the dates indicated and the earning, retained earnings and cash flows of it and its consolidated subsidiaries for the periods specified; said consolidated financial statements comply as to the form with the applicable accounting requirements of Applicable Securities Laws as interpreted and applied by the Canadian securities commissions, as applicable, and have been prepared in conformity with GAAP applied on a consistent basis throughout the periods involved.

(w) **Internal Controls and Disclosure Controls:**

- (i) the Purchaser and its subsidiaries maintain "internal control over financial reporting" (as such term is defined in National Instrument 52-109); such internal control over financial reporting and procedures are effective and the Purchaser and its subsidiaries are not aware of any material weakness in their internal control over financial reporting; and
- (ii) the Purchaser and its subsidiaries maintain "disclosure controls and procedures" (as such term is defined in National Instrument 52-109); such disclosure controls and procedures are effective;

(x) **Authorized and Issued Share Capital:** the Purchaser is authorized to issue an unlimited number of common shares, of which no more than 408,258,342 common shares are issued and outstanding as of the date of this Agreement, and subject to the restrictions set forth in the Purchaser's articles, an unlimited number of preferred shares, none of which are issued and outstanding, and except as provided for herein and under Purchaser's employee incentive plans including the Purchaser's Share Award Plan and Employee Savings Plan or similar plans, no Person has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement (including convertible securities or warrants) for the purchase, subscription or issuance of common shares in the capital of the Purchaser; when

entered into in connection with the Transaction, no Person has the right to require the Purchaser or any of its subsidiaries to qualify or register any securities for sale under the Applicable Securities Laws by reason of the issuance of the Consideration Shares.

- (y) **Public Record:** The information and statements set forth in the Public Record were true, correct, and complete and did not contain any material misrepresentation, as of the date of such information or statements, and the Purchaser has not filed any material change reports which continue to be confidential.
- (z) **Reserves Report:** The Purchaser made available to McDaniel & Associates ("McDaniel's"), prior to the issuance of the report effective December 31, 2019 in respect of the reserves of the Purchaser, for the purpose of preparing such report, all information requested by McDaniel's, which information, to the knowledge of the Purchaser, taken as a whole did not contain any material misrepresentation at the time such information was so provided.
- (aa) **Transfer Agent:** Odyssey Trust Company has been duly appointed as transfer agent and registrar for the Purchaser's Shares.
- (bb) **Absence of Restrictions by Securities Commissions:** No securities commission, stock exchange or similar securities regulatory authority has issued any order which is currently outstanding preventing or suspending trading in any of the Purchaser's securities and, no such proceeding is, to the knowledge of the Purchaser, pending or contemplated or threatened.
- (cc) **Listing:** The issued and outstanding common shares of the Purchaser are listed and posted for trading on the TSX and the Purchaser is not in default of its listing requirements on the TSX in any material respect.
- (dd) **Reporting Issuer:** The Purchaser is a "reporting issuer" (within the meaning of Applicable Securities Laws) in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia and Newfoundland and the Purchaser has not received any correspondence or notice from a securities commission or similar securities regulatory authority in any of the provinces or territories of Canada concerning a review of any of the Purchaser's continuous disclosure documents in respect of which any matters remain outstanding.
- (ee) **Finders' Fees:** It has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of the Transaction for which the Vendor shall have any obligation or liability.

6.2 Survival of Representations and Warranties

Subject to Article 9, the representations and warranties of Purchaser in this Article 6 shall survive the Closing and not be merged in any conveyances or other documents provided pursuant to this Agreement.

6.3 No Additional Representations and Warranties by Purchaser

- (a) Except as expressly set forth in Section 6.1 the Purchaser disclaims and shall not be liable for any representation or warranty which may have been made or alleged to have been made in any instrument or document relative hereto, or in any statement or information made or communicated to the Vendor or its Representatives in any manner including any opinion, information, or advice which may have been provided to the Vendor or its Representatives by the Purchaser or its Representatives in relation to the Transaction;

- (b) The Vendor acknowledges and confirms that it is relying on the representations and warranties of the Purchaser in Section 6.1 as well as its own investigations concerning the Purchaser's business and assets in connection with the issuance of the Consideration Shares as part of the Transaction.

ARTICLE 7 TAX MATTERS

7.1 Tax Liability

- (a) Provided that Closing has occurred, Vendor shall be liable for and, as a separate and independent covenant, shall indemnify Purchaser for all Taxes attributable to the Company for any period ending on or before the Closing Date, and, for greater certainty, including any Taxes attributable to the Company arising directly or indirectly pursuant to the Pre-Closing Reorganization. The Purchaser shall be liable for and, as a separate and independent covenant, shall indemnify the Vendor for all Taxes of the Company attributable to any period from and after the Closing Date and thereafter.
- (b) Provided that Closing has occurred, Vendor shall be liable for and, as a separate independent covenant, shall indemnify Purchaser for all Losses and Liabilities as a result of any breach of a representation and warranty contained in Section 5.2(r).
- (c) Notwithstanding anything to the contrary contained herein, the Parties acknowledge and agree that the Company shall be entitled to utilize such tax attributes of the Company as are necessary to prevent cash Taxes from being payable in respect of taxable income of the Company for the *[period redacted]*.

7.2 Tax Filings

- (a) The Vendor shall timely file or cause the Company to timely file all Tax Returns of the Company that are required by Applicable Law to be filed on or before the Closing Date.
- (b) The Vendor shall timely file or cause the Company to timely file all Tax Returns of the Company that are required to be filed after the Closing Date in respect of any taxation period ending on or before the Closing Date. The Vendor shall deliver to the Purchaser a complete and accurate copy of each Tax Return prepared by it pursuant to this Section 7.2(b) in draft not less than 30 days before the filing due date of such Tax Return for review and comment by Purchaser. Purchaser comments submitted to such Vendor not less than 10 days prior to the filing due date of the applicable Tax Return shall be considered in good faith by the Vendor and shall be incorporated where reasonable.
- (c) Except as required by Applicable Law, the Purchaser shall not and shall not cause or permit the Company to change, amend or modify any method, principle, practice or election of each such entity that would affect Tax Returns for taxation periods ending on or before the Closing Date, without the prior written consent of the Vendor.
- (d) The Purchaser shall prepare or cause to be prepared, in a manner consistent with the past practice of the Company, all tax returns required to be filed by the Company for taxation periods ending after the Closing Date and in so doing take into account all comments, suggested changes or corrections that pertain to taxes in respect of any taxation periods ending on or before the Closing Date.

- (e) The Purchaser shall not and shall not cause the Company to refile any Tax Return or change, amend or modify any Tax Return or settle any audit, examination or other proceeding in connection with Taxes of or with respect to each such entity for taxation periods ending on or before the Closing Date without the prior written consent of the Vendor.

7.3 Cooperation

Each Party shall, and shall use reasonable efforts to cause its Affiliates to, provide to the other Party the cooperation and information that it may reasonably request in filing any Tax Returns, amended Tax Returns or claims for refund, determining a liability for Taxes or a right to refund of Taxes or in conducting any audit or other proceeding in respect of Taxes, provided that the Vendor shall have no obligation to provide legally privileged information created by or for Vendor. The cooperation and information shall include providing copies of all relevant portions of relevant Tax Returns, together with relevant accompanying schedules, relevant documents relating to rulings or other determinations by taxing authorities and relevant records concerning the ownership and tax basis of property, in the possession of the Party. Each Party shall make its employees reasonably available on a mutually convenient basis at its cost to provide explanation of any documents or information so provided.

7.4 Tax Audits

Purchaser shall notify the Vendor in writing (a “**Tax Audit Notice**”) promptly upon learning of any Governmental Authority inquiry, examination or proceeding that could result in a determination with respect to Tax items of the Company or with respect to Taxes due or payable by Purchaser or the Company for which the Vendor may be liable or against which the Vendor may be required to indemnify Purchaser pursuant hereto. The Vendor shall have the right to exercise, at its expense, complete control over the handling, disposition and settlement of any such inquiry, examination or proceeding, to the extent that it relates to Taxes for which the Vendor may be liable or against which the Vendor may be required to indemnify the Purchaser hereunder upon providing written notification to the Purchaser within 10 days of the Vendor’s receipt of a Tax Audit Notice that it intends to exercise such control. The Vendor shall promptly notify Purchaser if, in connection with any such inquiry, examination or proceeding, any Governmental Authority proposes in writing to make any assessment or adjustment with respect to Tax items of the Company, which assessments or adjustments could affect the Company following the Closing Date, and shall consult with Purchaser with respect to any such proposed assessment or adjustment. Purchaser shall cooperate with Vendor, as Vendor may reasonably request, in any such inquiry, examination or proceeding. If Vendor does not notify Purchaser of its election to exercise control of any inquiry, examination or proceeding within 10 days of Vendor’s receipt of a Tax Audit Notice in respect thereof, Vendor shall be bound by the results of such inquiry, examination or proceeding for purposes of determining its indemnification obligations hereunder.

ARTICLE 8 POST-CLOSING COVENANTS

8.1 Access to Information

After the Closing Date, the Vendor may, upon reasonable notice to the Purchaser and subject to contractual restrictions relative to disclosure, have access during business hours to the books, accounts, minute books, Tax Returns and filings and Employees of the Company, and may obtain and copy information in respect of matters arising or relating to any period of time to and including the Closing Date, if copies of any such records or if the information derived from that access would be reasonably required by Vendor Group:

- (a) in connection with audits and filings to be made pursuant to Article 7;

- (b) in connection with Vendor Group's dealings with taxation and other Governmental Authorities;
- (c) in connection with Vendor Group's financial accounting and reporting matters;
- (d) to comply with any Applicable Law;
- (e) in connection with the calculation of any payments required to be made or released post-Closing; and
- (f) in connection with any action, suit or Proceeding commenced or threatened by any Third Party or Purchaser Group against Vendor Group or its Related Parties or Representatives or any of them or for which Vendor Group or any of its Related Parties or Representatives may have any liability.

8.2 Retention Period

The general corporate records, the financial and accounting records and the Tax Returns of the Company that relate to or were created with respect to matters arising or relating to the period of time to and including the Closing Date, shall be retained, maintained in good order and good condition and kept in a reasonably accessible location by Purchaser Group, for a period of time (the "**Retention Period**") beginning on the Closing Date and ending on the later of:

- (a) the expiration of all applicable limitation periods beginning before the Closing Date for all Tax periods provided for under the Applicable Law or the pronouncements of all relevant Governmental Authorities beginning before the Closing Date for all Tax periods; or
- (b) the end of any such period that may be required by the Applicable Law or the ruling by a Governmental Authority having jurisdiction.

8.3 Post-Closing Asset Sales

- (a) During the period which is 180 days following Closing, other than in respect of (i) Transfers between the Purchaser and its Affiliates; (ii) a merger, consolidation, amalgamation or arrangement which involves the acquisition of all of the NAL Shares; (iii) an acquisition of substantially all of the Purchaser's assets, or a disposition by Purchaser required to comply with the Competition Act Approval, without the prior written consent of the Vendor (which consent may, in the sole discretion of the Vendor, be withheld or given subject to such conditions as the Vendor may in its sole discretion determine), the Purchaser or any of its Affiliates, shall not Transfer any of the Assets (as constituted immediately prior to Closing) that comprise more than twenty-five percent (25%) of the aggregate production from the Assets (as constituted immediately prior to Closing) determined by volume or value, without complying with the provisions of Section 8.3(b).
- (b) If a Transfer of any of the Assets to which Section 8.3(a) applies occurs during the period specified in Section 8.3(a), and the Purchaser realizes a value greater than an amount equal to the Base Purchase Price allocated to the Assets in accordance with Schedule 8.3 (the "**Allocated Asset Value**"), as applicable, then the Purchaser shall pay a fee to the Vendor equal to the excess of such price or consideration received or receivable over the Allocated Asset Value for the Assets or portion thereof sold by Purchaser, to the Vendor in immediately available funds upon closing of such transaction.

- (c) Nothing contained in this Section 8.3 shall apply to any sales made by Purchaser after Closing to satisfy the conditions or requirements of any approval of the Transaction set out in this Agreement under the Competition Act or other Applicable Law.

8.4 Litigation Costs

- (a) The Purchaser acknowledges that the Company and its President & Chief Executive Officer have jointly engaged counsel in connection with litigation commenced against them by Response Energy Corporation and following the Closing Date, the Purchaser agrees to cause the Company to continue to pay all legal costs incurred by the Company and its President & Chief Executive Officer in connection with such litigation.

ARTICLE 9 LIABILITIES AND INDEMNITIES

9.1 Indemnification by Vendor

Provided that Closing has occurred, subject to Sections 9.5, 9.6 and 9.8, the Vendor shall indemnify, defend and save harmless the Purchaser and each of its directors, officers, agents, and employees (collectively referred to as the “**Purchaser Indemnified Parties**”) from and against any and all Claims, Losses and Liabilities suffered or incurred by the Purchaser Indemnified Parties as a direct result of:

- (a) any non-fulfilment or breach of any covenant or agreement on the part of the Vendor contained in this Agreement or in any certificate or other document furnished by or on behalf of the Vendor pursuant to this Agreement; and
- (b) any breach of a representation and warranty of Vendor set forth in Sections 5.1 and 5.2.

9.2 Indemnification by Purchaser

Provided that Closing has occurred, subject to Sections 9.5, 9.6 and 9.8, the Purchaser shall be liable for and indemnify, defend and save harmless the Vendor and its directors, officers, agents, and employees (collectively referred to as the “**Vendor Indemnified Parties**”) from and against any and all Claims, Losses and Liabilities suffered or incurred by the Vendor Indemnified Parties as a direct result of:

- (a) any non-fulfilment or breach of any covenant or agreement on the part of the Purchaser contained in this Agreement or in any certificate or other document furnished by or on behalf of the Purchaser pursuant to this Agreement; and
- (b) any breach of a representation or warranty of the Purchaser set forth in Section 6.1

9.3 Environmental Indemnity

Purchaser acknowledges that it is acquiring the Company on an "as is, where is" basis and that it is not entitled to rely upon any representation or warranty of the Vendor as to the condition, environmental or otherwise, of the Assets, except as is specifically made pursuant to Section 5.2(dd). Purchaser hereby agrees that, from and after the Closing, it shall indemnify, defend and hold harmless each member of the Vendor Group and their Related Parties (collectively, “**Vendor Environmental Indemnified Parties**”) from and against any and all Losses and Liabilities suffered or incurred by any of the Vendor Environmental Indemnified Parties to the extent arising out of or in connection with any Environmental Liabilities, whether occurring or accruing before, on or after the Closing Date, except to the extent that any such Losses and Liabilities are matters or things for which Purchaser is entitled to indemnification under Section 9.1(b) by

virtue of any breach by the Vendor of the representation and warranty contained in Section 5.2(dd). Subject only to the foregoing, Purchaser, on its own behalf and on behalf of its Affiliates, agrees that, from and after the Closing: (a) Purchaser and its Affiliates shall be solely responsible for all Environmental Liabilities as between any of the Vendor Environmental Indemnified Parties, on the one hand, and Purchaser and its Affiliates, on the other hand, (b) Purchaser and its Affiliates hereby waive, and acknowledge and agree that none of them shall exercise, any right or remedy against any of the Vendor Environmental Indemnified Parties in respect of any Environmental Liabilities that Purchaser or any of its Affiliates may otherwise have under any Applicable Laws, including any right to name any of the Vendor Environmental Indemnified Parties as a third party under any action commenced or enforcement proceeding by or against Purchaser or any of its Affiliates, and (c) Purchaser and its Affiliates hereby release the Vendor Environmental Indemnified Parties from any and all claims whatsoever Purchaser or any of its Affiliates may have against any of the Vendor Environmental Indemnified Parties with respect to any and all Environmental Liabilities. In addition, the Vendor Environmental Indemnified Parties shall also retain those other rights and remedies available to them under Applicable Laws with respect to any claim any of them may have against Purchaser and its Affiliates under this Section 9.3.

9.4 Indemnification of Third Party Claims

The following provisions shall be applicable to any and all Claims (a “**Third Party Claim**”) made against a Purchaser Indemnified Party, a Vendor Indemnified Party or a Vendor Environmental Indemnified Parties (the “**Indemnified Party**”) by a Person (other than the particular Indemnified Party or any of its Affiliates or Related Parties) for which the Indemnified Party is entitled to indemnification pursuant to this Agreement from an other Party (the “**Indemnifying Party**”):

- (a) Upon the Third Party Claim being made or commenced against the Indemnified Party, the Indemnified Party shall promptly provide written notice thereof to the Indemnifying Party. The notice shall describe the Third Party Claim in reasonable detail and indicate the estimated amount, if practicable, of the indemnified Losses and Liabilities that have been or may be sustained by the Indemnified Party in respect thereof. If the Indemnified Party does not give prompt notice to the Indemnifying Party as aforesaid, any such failure shall only lessen or limit the Indemnified Party’s rights to indemnity hereunder to the extent that the defence of the Third Party Claim was prejudiced by the lack of prompt notice.
- (b) The Indemnifying Party shall have the right to do either or both of the following:
 - (i) assume carriage of the defence of the Third Party Claim using legal counsel of its choice and at its sole cost; and
 - (ii) settle the Third Party Claim provided the Indemnifying Party pays the full monetary amount of the settlement and the Indemnified Party provides its prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned).
- (c) The Indemnified Party and the Indemnifying Party shall cooperate with the other in the defence of the Third Party Claim, including making available to the other Party, at the expense of the Indemnified Party, its directors, officers, employees and consultants whose assistance, testimony or presence is of material assistance in evaluating and defending the Third Party Claim.
- (d) The Indemnified Party shall not enter into any settlement, consent order or other compromise with respect to the Third Party Claim without the prior written consent of the Indemnifying

Party (which consent shall not be unreasonably withheld, delayed or conditioned) unless the Indemnified Party waives its rights to indemnification in respect of the Third Party Claim.

- (e) Upon payment of the Third Party Claim, the Indemnifying Party shall be subrogated to all claims the Indemnified Party may have relating thereto. The Indemnified Party shall give such further assurances and cooperate with the Indemnifying Party to permit the Indemnifying Party to pursue any and all such subrogated claims as reasonably requested by it.
- (f) If the Indemnifying Party has paid an amount pursuant to its indemnification obligations herein and the Indemnified Party is subsequently reimbursed from any other source in respect of the Third Party Claim, the Indemnified Party shall promptly pay the amount of the reimbursement (including interest actually received on the amount received from the other source) to the Indemnifying Party, net of Taxes required to be paid by the Indemnified Party as a result of any such payment and plus any Taxes saved or recovered by the Indemnified Party as a result of any such payment.

9.5 General Limitations on Liability

- (a) Notwithstanding anything herein to the contrary, a Party claiming indemnification under this Agreement shall not have any right to indemnification unless it has given a notice to the Party from whom it intends to seek indemnification within the applicable period specified below. Each such notice in respect of a Claim pursuant to the following provisions of this Agreement must be made within the following respective periods:
 - (i) in the case of a Claim pursuant to Section 9.1 or 9.2, or for breach of any covenant of Vendor or Purchaser as applicable, within *[period redacted]*;
 - (ii) in the case of a Claim under Section 7.1, no later than 30 days after the relevant Governmental Authority is no longer entitled to assess or reassess liability against the applicable Party or its Affiliates for Taxes; and
 - (iii) in the case of a Claim for indemnity under Section 9.3, at any time.
- (b) No Party shall make an indemnification claim hereunder with respect to a breach of any representation, warranty or covenant set forth in this Agreement if and to the extent that the liability underlying the claim is accounted for in any of the adjustments provided for in Sections 2.6 or 2.6(d)(ii) or below the thresholds specified in Section 9.6.
- (c) Notwithstanding anything herein to the contrary, the sole and exclusive remedy of a Party:
 - (i) in respect of a breach of the representations and warranties of Vendor and the Purchaser, as applicable, shall be for indemnification pursuant to Section 9.1(b) or 9.2(b);
 - (ii) for breach of any other covenant not referred to in Sections 9.5(c)(i) shall be for indemnification, if available, or breach of contract pursuant to the particular Section hereof in which the said other covenant is set forth.

The Purchaser hereby releases and forever discharges the Vendor from any breach of any representation or warranty set forth in Sections 5.1 and 5.2 and waive all other rights and remedies (whether now existing or hereafter arising and including all common law, tort,

contractual, equitable and statutory rights and remedies) that it may have against the Vendor, its Affiliates, Related Parties and Representatives in respect of any of the NAL Shares, the Assets or the Company. The time limit for bringing claims hereunder and the requirement to give notice in a special manner are intended by the Parties as a limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each Party has agreed to assume and is not an agreement within subsection 7(2) of the *Limitations Act* (Alberta).

9.6 Limitations and Exclusions regarding Liability

- (a) Notwithstanding anything herein to the contrary, other than in respect of indemnification pursuant to Section 7.1 or for a breach of a Purchaser Fundamental Representation, Vendor Fundamental Representation or Purchaser's Environmental Liability indemnification under Section 9.3 for which the limitations contained in this Section 9.6 shall not apply (other than as set forth in Section 9.6(c)), neither the Vendor Group nor any of its Related Parties or Representatives, on the one hand, and the Purchaser Group nor any of its Related Parties or Representatives, on the other hand, shall have any liability to or obligation to indemnify Purchaser Group or any of its Related Parties or Representatives, on the one hand, and Vendor Group and its Related Parties or Representatives, on the other hand, in respect of any breach of any warranty or covenant, or any indemnity herein or hereunder or in any document delivered pursuant hereto:
- (i) in respect of any individual matter unless the Losses and Liabilities suffered or incurred by the Indemnifying Party in respect of the individual matter exceeds [*dollar amount redacted*] (each a "**Qualifying Claim**") and the aggregate of all Losses and Liabilities in respect of such Qualifying Claims exceeds [*dollar amount redacted*] (the "**Deductible**") in which case, all of Indemnified Party's Losses and Liabilities that are indemnified shall be recoverable, subject to the limit specified in Section 9.6(b)(i);
 - (ii) in respect of any matter that was disclosed in writing to Purchaser Group or any of its Related Parties or Representatives or specifically referenced with reasonable detail in the Company Disclosure Materials or disclosed in writing to the Vendor Group or any of its Related Parties or Representatives or specifically referenced with reasonable detail in the Purchaser's Data Room, as applicable.
- (b) Notwithstanding anything herein to the contrary (other than arising under Article 7), the aggregate total liability of the Vendor and the Purchaser under Section 9.1 and 9.2, other than in respect of breaches, respectively, and any document delivered pursuant hereto, for the combined total of:
- (i) all Qualifying Claims for breaches of any representations, warranties and covenants once Losses and Liabilities in respect thereof reach or exceed the Deductible; and
 - (ii) all Qualifying Claims for indemnities an Indemnifying Party has provided or is required to provide, including in respect of all of an Indemnified Party's Losses and Liabilities once Losses and Liabilities in respect thereof reach or exceed the Deductible;
- shall not exceed, [*dollar amount redacted*].
- (c) Any indemnity for a breach of a Company Fundamental Representation or Purchaser Fundamental Representation, as applicable, shall not exceed the Base Purchase Price. The

indemnity under Section 7.1(a) and 7.1(b) shall not exceed *[dollar amount redacted]*. There shall be no limitation applicable to Purchaser's Environmental Liability indemnification specified in Section 9.3.

- (d) No Party and its Related Parties and Representatives shall be entitled to any rights or remedies pertaining to any Losses and Liabilities at law or in equity or under any Applicable Law as against an Indemnified Party or any of its Related Parties or Representatives, including the right to name the Indemnified Party as a Third Party to any action commenced by any Third Party against such Party, except insofar as the such Party is entitled to make a claim during the Survival Period against the Indemnified Party under this Article 9.

9.7 Indemnification Payments

Subject always to the limitations set forth in Section 9.6:

- (a) any payment made by the Vendor pursuant to this Article 9 shall constitute a cash reduction of the Total Purchase Price and any payment made by the Purchaser to the Vendor pursuant to this Article 9 shall constitute an increase in the Total Purchase Price; and
- (b) any payment made by any Indemnifying Party pursuant to this Article 9 shall be made by way of cash payment.

9.8 Direct Claims

Any Claim directly by the Indemnified Party against the Indemnifying Party (each, a "**Direct Claim**") shall be asserted by giving the Indemnifying Party reasonably prompt Notice thereof, but in any event not later than thirty (30) days after the Indemnified Party obtains actual knowledge of such Direct Claim; provided, however, failure to timely provide such notice shall not affect the right of the Indemnified Party to indemnification hereunder, except to the extent the Indemnifying Party is materially prejudiced by such delay or omission. The Indemnifying Party shall have 60 days from receipt of notice of such Direct Claim within which to make such investigation as the Indemnifying Party considers necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate its right to be indemnified under this Article 9, together with all such other information as the Indemnifying Party may reasonably request. If the Parties fail to agree in writing as to the Losses and Liabilities payable, if any, in respect of such Direct Claim at or before the expiration of such 60 day period (or any mutually agreed upon extension thereof), such Direct Claim shall be submitted for resolution in accordance with Section 13.6. Losses and Liabilities (or such portion thereof) arising from Direct Claims shall be paid in cash by the Indemnifying Party within 20 Business Days following the earliest of (i) the date on which the Indemnifying Party provides to the Indemnified Party an express written acknowledgement of its responsibility to indemnify the Indemnified Party under Article 9 for such damages (or such portion thereof), (ii) the date on which the Indemnifying Party and Indemnified Party agree in writing as to the Indemnifying Party's responsibility to indemnify the Indemnified Party under this Article 9 for such damages (or such portion thereof), and (iii) the date on which such damages (or such portion thereof) are finally determined in accordance with Section 13.6 to be the responsibility of the Indemnifying Party under this 13.6.

9.9 Mitigation

Any Indemnified Party shall take all commercially reasonable steps to mitigate any Losses and Liabilities upon and after becoming aware of any facts, matters, failures or circumstances that would reasonably be expected to result in any Losses and Liabilities that are indemnifiable hereunder. If an Indemnified Party

shall fail to take, or cause to be taken, such commercially reasonable steps, then notwithstanding anything in this Agreement to the contrary, the Indemnifying Party shall not be required to indemnify the Indemnified Party for that portion of Losses and Liabilities that would reasonably have been expected to have been avoided if the Indemnified Party had taken all such commercially reasonable steps.

9.10 Express Negligence

The payment, defence, indemnification, hold harmless and release provisions, in each case, provided for in this Agreement shall be applicable whether or not the Losses and Liabilities in question arose or resulted solely or in part from the gross, sole, active, passive, concurrent or comparative negligence, strict liability or other fault or violation of Applicable Laws of or by any Indemnified Party.

9.11 Trustee and Agent

Each of the Purchaser, on the one hand, and the Vendor, on the other hand, acknowledges that the other Party is acting as trustee and agent for the remaining applicable Indemnified Parties on whose behalf and for whose benefit the indemnity in this Agreement, as the case may be, is provided and that such remaining Indemnified Parties shall have the full right and entitlement to take the benefit of and enforce such indemnity notwithstanding that they may not individually be parties to this Agreement. Each Party agrees that the other Party may enforce the indemnity for and on behalf of such remaining Indemnified Parties and, in such event, the Party from whom indemnification is sought will not in any proceeding to enforce the indemnity by or on behalf of such remaining Indemnified Parties assert any defence thereto based on the absence of authority or consideration or privity of contract and irrevocably waives the benefit of any such defence.

ARTICLE 10 TERMINATION

10.1 Events of Termination

- (a) This Agreement may be terminated, subject to Section 2.2(c):
 - (i) at any time by the mutual written consent of the Parties;
 - (ii) if the Closing has not occurred by the Closing Date, then by either Party, if and only if the reason that Closing has not occurred is not the failure by the Party seeking to terminate this Agreement, to perform any of its obligations under this Agreement;
 - (iii) by either Purchaser or the Vendor if Competition Act Approval is not received by the Closing Date, if and only if the reason that Competition Act Approval has not occurred is not due to the failure by the Party seeking to terminate this Agreement to perform any of its obligations related to obtaining Competition Act Approval under this Agreement;
 - (iv) by the Purchaser, provided that the Purchaser is not then in breach of this Agreement, if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Vendor set forth in this Agreement shall have occurred that would cause any of the conditions set forth in Sections 3.1(b), 3.1(c) or 3.1(c) not to be satisfied on the Closing Date;

- (v) by the Vendor, provided that the Vendor is not then in breach of this Agreement, if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Purchaser set forth in this Agreement shall have occurred that would cause any of the conditions set forth in Section 3.2(b), 3.2(c) or 3.2(d) not to be satisfied on the Closing Date; or
- (b) This Article 10 and Section 2.2(c), shall remain in force notwithstanding the termination of this Agreement.

10.2 Effect of Termination

If this Agreement is terminated prior to Closing in accordance with Section 10.1:

- (a) each Party shall be released from all of its obligations hereunder except to the extent provided in Section 2.2(c); and
- (b) each Party will each bear all costs incurred by it prior to termination.

ARTICLE 11 CONFIDENTIALITY

11.1 Confidentiality and Public Announcements.

- (a) The terms of the Confidentiality Agreement are incorporated into this Agreement by reference and shall continue in full force and effect until the Closing, at which time such confidentiality obligations shall terminate. If, for any reason, the Transaction is not consummated, the Confidentiality Agreement shall nonetheless continue in full force and effect in accordance with its terms. The Purchaser acknowledges and agrees that any information made available to Purchaser pursuant to this Agreements or any of its Affiliates or any of their respective Representatives prior to the Closing shall be subject to the terms and conditions of the Confidentiality Agreement.
- (b) No Party shall (and each Party shall cause its respective Affiliates not to) otherwise disclose the contents of this Agreement or any agreement or document delivered concurrently herewith or pursuant to this Agreement, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. Nothing contained in this Agreement shall prevent a Party (or its Affiliates) from disclosing such information (i) to any Governmental Authority or to the public, but in either case, only if and to the extent that such disclosure is required under any Applicable Laws (including continuous and timely disclosure requirements under applicable securities laws) or any stock exchange rule or policy to which such Party or its Affiliates are subject, (ii) to any Governmental Authority or to a third party, but in either case, only if and to the extent that such disclosure is required in order to obtain the Competition Act Approval or the TSX Approval, or (iii) to its Representatives who have a need to know; or (iv) such disclosure is otherwise contemplated herein, and the Party that proposes to make such a disclosure (whether directly or through one or more of its Affiliates) shall advise the other Party of such proposed disclosure and such Party shall use its reasonable efforts to prevent the disclosure of any such information that is not required to be disclosed for the listed purposes. In the event that a Party (or its Affiliates) is required to disclose information in accordance with the procedures set out in this Section 11.1(b), the non-disclosing Party shall be provided with at least 48 hours to review such disclosure, in its substantially final form, prior to dissemination, and the suggested revisions proposed by the non-disclosing party and

its professional advisors will be considered and accepted or rejected in good faith by the disclosing party and its professional advisors. The Parties agree to characterize the Proposed Transaction in all public disclosure documents as a strategic combination of Purchaser with the Company's western Canadian operated oil and gas business and not simply as a purchase and sale of shares. The Vendor acknowledges that the Purchaser will press release the entering into of this Agreement and may file a material change report in respect of the Agreement. Such press release and material change report shall be identical to the press release and material change report that was provided to the Vendor on the Business Day immediately prior to signing this Agreement.

- (c) The Parties acknowledge that the Purchaser may be required by Applicable Laws and/or by the TSX in compliance with its rules and regulations file a copy of this Agreement with the applicable securities regulatory authorities redacted to exclude any Employee Information, sensitive business or personal information, which redacted copy shall be provided to the other Party for their review and comment not later than 48 hours prior to the intended public filing thereof and the Parties shall, subject to ensuring that they will meet their respective disclosure obligations under Applicable Securities Laws, as determined in their sole discretion, accept any reasonable comments received thereon from the other Party and the other Party hereby provides its respective consent and approval to such disclosure as required under Section 11.1(b).

11.2 Survival

This Article 11 and Section 2.2(c) shall remain in force notwithstanding Closing or the termination of this Agreement.

ARTICLE 12 NOTICE

12.1 Service of Notice

All notices, requests, consents, waivers and other communications required or permitted hereunder or with respect to this Agreement shall be in writing and shall be deemed to have been properly served: (a) when delivered if delivered personally (including by courier); (b) on the Business Day after mailing if sent by a nationally recognized overnight delivery service that maintains records of the time, place and recipient of delivery; or (c) upon receipt of a confirmed transmission, if sent by facsimile transmission prior to 4:00 p.m. on a Business Day, otherwise on the next ensuing Business Day, in each case to a Party at its addresses set forth in Section 12.2.

12.2 Addresses for Notice

The address for service of notice of each of the Parties shall be as follows:

Purchaser: Whitecap Resources Inc.
3800 525 8th Avenue S.W.
Calgary AB
T2P 1G1

Attention: *[contact information redacted]*

Telephone No: *[contact information redacted]*
Email: *[contact information redacted]*

with a copy to: Burnet, Duckworth & Palmer LLP
525 8 Ave SW #2400,
Calgary, AB
T2P 1G1

Attention: *[contact information redacted]*

Telephone No: *[contact information redacted]*
Facsimile No: *[contact information redacted]*

Vendor (with respect to pre-Closing Notices): The Manufacturers Life Insurance Company

c/o NAL Resources Limited
600, 550 6 Ave SW
Calgary, AB
T2P 0S2

Attention: *[contact information redacted]*

Telephone No: *[contact information redacted]*
Facsimile No: *[contact information redacted]*

Vendor (with respect to post-Closing Notices): The Manufacturers Life Insurance Company

200 Bloor Street East, North Tower
Toronto, ON
M4W 1E5

Attention: *[contact information redacted]*

Telephone No: *[contact information redacted]*
Email: *[contact information redacted]*

in each case with a copy to: Osler, Hoskin & Harcourt LLP

Suite 2500
450 – 1st Street SW
Calgary, AB
T2P 5H1

Attention: *[contact information redacted]*

Telephone No: *[contact information redacted]*

Facsimile No: *[contact information redacted]*

12.3 Right to Change Addresses

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

ARTICLE 13 MISCELLANEOUS

13.1 Waiver

No waiver by either Party of any breach of any of the terms, conditions or warranties in this Agreement shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party and 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.

13.2 Further Assurances

At the Closing Date and thereafter as may be necessary, the Parties shall execute, acknowledge and deliver all such other instruments and take or refrain from taking any such other action as may be reasonably required to more fully assure the completion of the Transaction in accordance with the provisions of this Agreement and otherwise assure the carrying out of the intent and purpose of this Agreement.

13.3 Assignment

No Party may assign this Agreement nor, any of the rights, interests or obligations hereunder may be assigned by any Party without the express, prior written consent of the other Parties. Notwithstanding the foregoing, the Vendor shall be entitled, without the consent of the Purchaser, to assign any of its rights or obligations under this Agreement to one or more of its Affiliates who agree to be bound by the applicable covenants of the Vendor contained herein and comply with the applicable provisions of this Agreement, provided that any such assignment shall not relieve the Vendor of any of its obligations hereunder, and provided further that if such assignment takes place, the Vendor shall continue to be fully liable as primary obligor, on a joint and several basis with any such entity, to the Purchaser for any default in performance by the assignee of any of the Vendor's obligations hereunder.

13.4 Enurement

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

13.5 Non-Applicability of Contra Proferentum

The Parties acknowledge that they participated equally in the negotiation and preparation of this Agreement. Any legal rule of construction that would cause this Agreement to be construed against the Party that assumed primary responsibility for drafting this Agreement because of that role will not apply to this Agreement.

13.6 Governing Law and Dispute Resolution

This Agreement shall in all respects be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta.

Except in respect of disputes referred to in Section 2.7, the Parties will first attempt to resolve any dispute between the Parties arising under this Agreement through consultation and negotiation in good faith. If the Parties are unable to resolve the dispute in this manner, the Parties agree to arbitrate the dispute before a single arbitrator pursuant to the *Arbitration Act* (Alberta).

13.7 Entire Agreement

This Agreement, together with the Investor Agreement, the Registration Rights Agreement and any other documents to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no warranties, representations or other agreements between the Parties in connection with the subject matter hereof except as specifically set forth in this Agreement and in any document delivered pursuant to this Agreement. No supplement, modification or termination of this Agreement shall be binding unless executed in writing.

13.8 Prior Drafts

Proposed unsigned drafts of this Agreement and of documents delivered pursuant to this Agreement, and comments thereon provided or made by any Party or its Representatives directly in connection with the negotiation of this Agreement and the Transaction are confidential and agreed to have been and to be made on a “without prejudice” basis, such that in any legal proceeding the subject or outcome of which materially involves or depends on the interpretation of this Agreement or any such document, none of the Parties shall:

- (a) enter any of the said comments or drafts in evidence in any such proceeding;
- (b) make any of the said comments or drafts available to any party to such proceeding; or
- (c) refer to any of the said comment or drafts in any such proceeding,

unless required by Applicable Law.

13.9 Time

Time shall be of the essence of this Agreement.

13.10 Counterparts

This Agreement may be executed in counterpart and all executed counterparts together shall constitute one contract. Delivery of an executed counterpart of this Agreement by electronic means including by facsimile

transmission, portable document format or DocuSign, shall be equally effective as delivery of a manually executed counterpart thereof.

13.11 Expenses

Except as otherwise set forth herein, each Party will pay all costs and expenses incident to its negotiation and preparation of this Agreement and to its performance and compliance with all the provisions hereof, including the fees, expenses and disbursements of its financial advisors, counsel and accountants.

[Signatures Follow]

IN WITNESS WHEREOF the Parties have duly executed this Share Purchase Agreement as of the date first above written.

**THE MANUFACTURERS LIFE
INSURANCE COMPANY**

NAL RESOURCES LIMITED

Per: (signed)
Name: *[name redacted]*
Title: *[title redacted]*

Per: (signed)
Name: *[name redacted]*
Title: *[title redacted]*

WHITECAP RESOURCES INC.

Per: (signed)
Name: *[name redacted]*
Title: *[title redacted]*

SCHEDULE 1.1(II)
COMPANY DATA ROOM INDEX
(see attached)

[schedule contents redacted]

SCHEDULE 1.1(OOO)
INVESTOR RIGHTS AGREEMENT

(see attached)

INVESTOR AGREEMENT

This Agreement (this "**Agreement**"), is made and entered into as of [●], 2020, by and among **WHITECAP RESOURCES INC.**, a corporation existing under the laws of Alberta (the "**Company**"), and **THE MANUFACTURERS LIFE INSURANCE COMPANY**, a body corporate governed by the Insurance Companies Act (Canada) (the "**Holder**").

WHEREAS, as a result of the completion of the transactions contemplated by the Sale Agreement (as defined below) the Holder acquired beneficial ownership of [●] Common Shares (as defined below);

WHEREAS, the Parties wish to enter into this Agreement to provide for certain matters relating to the relationship between the Company and the Holder as a shareholder of the Company;

NOW, THEREFORE, in consideration of the premises and mutual agreements, covenants and provisions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE 1 **DEFINITIONS**

1.1 Certain Defined Terms

As used in this Agreement, the following terms shall have the meanings set forth or as referenced below:

"**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder.

"**Affiliate**" means, with respect to any Person, any direct or indirect Subsidiary of such Person, and any other Person that directly, or through one or more Subsidiaries, controls or is controlled by or is under common control with such first Person, and includes any account or fund managed by such Person over which such Person has voting or investment discretion, including as investment manager, advisor or subadvisor. The term "**control**" (including with correlative meanings, "**controlled by**" and "**under common control with**") means possession, directly or indirectly, of power to direct or cause the direction of management or policies or the power to appoint and remove a majority of directors (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

"**Agreement**" has the meaning set forth in the Preamble.

"**block trade**" includes (i) a "block trade" as such trades are defined and reported by the Toronto Stock Exchange, being a trade with a volume of 10,000 shares or more and a value of \$100,000 or more, (ii) a "designated trade" under the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada ("**UMIR**") which involve a distribution by a "Participant" (as defined in UMIR) of a significant block of shares, and (iii) any similar or corresponding definitions under the rules of any stock exchange or marketplace on which the Common Shares are listed or posted for trading.

"**Board**" means the board of directors of the Company.

"**Board Materials**" has the meaning set forth in Section 2.1(b).

"Business Day" means any day on which banks are generally open for the transaction of commercial business in Calgary, Alberta, but does not in any event include a Saturday or Sunday or statutory holiday in Alberta.

"Canadian Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations, blanket orders, published policies and forms made or promulgated under any such statute and the published national instruments and multilateral instruments of the relevant securities commission and similar regulatory authority of each relevant province and territory of Canada.

"Change of Control Transaction" has the meaning set forth in Section 3.4.

"Common Shares" means the common shares of the Company and includes any shares of the Company into which such shares may be converted, reclassified, subdivided, consolidated, exchanged or otherwise changed, whether pursuant to a reorganization, amalgamation, merger, arrangement or other form of reorganization.

"Convertible Security" means any debt or equity security that is convertible into, exchangeable for, or exercisable to acquire Common Shares or any other common shares in the capital of the Company, whether at the time of issuance or upon the passage of time or the occurrence of some future event.

"Confidential Information" has the meaning set forth in Section 5.1

"Company" has the meaning set forth in the Preamble.

"Equity Securities" means all Common Shares, all Convertible Securities and all options, share awards, warrants and other rights to purchase or otherwise, directly or indirectly, acquire Common Shares from the Company.

"Governmental Entity" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity or applicable stock exchange: (i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"Hedge" means, in respect of any Common Shares, to enter into any hedge, swap (including total return swap), derivative transaction, forward sale, futures contract, option, repurchase agreement, securities lending transaction, monetization transaction, financial instrument, insurance or other similar agreement or arrangement, or any combination thereof, or any other agreement, instrument, transaction or series of transactions that hedges, Transfers or has as the subject matter thereof, in whole or in part, directly or indirectly, any right or interest in any Common Shares, including the voting rights associated therewith or other economic consequence of ownership of such Common Shares, whether any such hedge, swap (including total return swap), derivative transaction, forward sale, futures contract, option, repurchase agreement, securities lending transaction, monetization transaction, financial instrument, insurance or other similar agreement or arrangement, or any combination thereof, or any other agreement, instrument, transaction or series of transactions, is to be settled by delivery of securities, in cash or otherwise.

"Holder" has the meaning set forth in the Preamble.

"Holders" includes any Affiliate to which Restricted Shares have been transferred or are subject to the direction or control of such Holder.

"Holder's Percentage of Outstanding Common Shares" means the percentage equivalent to the quotient obtained when (i) the aggregate number of Restricted Shares beneficially owned by the Holders and their Affiliates, is divided by (ii) the aggregate number of Common Shares outstanding, in each case as at the time of the calculation and on a non-diluted basis.

"Holder Representative" means [●], or such other Holder designated by the Holder from time to time upon written notice from the Holder to the Company.

"Informed Party" has the meaning set forth in Section 5.1.

"Law" or **"Laws"** means any law, statute, constitution, treaty, convention, code, injunction, order, decree, consent decree, judgment, rule, regulation, ordinance or other pronouncement having the effect of law whether in Canada, the United States or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity and including any Canadian Securities Law and any stock exchange rules.

"Observer" has the meaning set forth in Section 2.1(a).

"Offer" has the meaning set forth in Section 4.1(a).

"Offered Securities" has the meaning set forth in Section 4.1(a).

"Person" means an individual, a corporation, a partnership, a limited liability company, organization, trustee, executor, administrator, a trust, an unincorporated association, a Governmental Entity or any agency, instrumentality or political subdivision of a Governmental Entity, or any other entity or body.

"Registration Rights Agreement" means the registration rights agreement dated as of [●], 2020 among the Company and the Holder, as amended from time to time.

"Representatives" means, with respect to any Person, any of such Person's directors, officers, employees, consultants, advisers, agents or other Person acting on behalf of the first Person.

"Restricted Shares" means the Common Shares issued to the Holder pursuant to the Sale Agreement.

"Sale Agreement" means the share purchase and sale agreement dated as of August [●], 2020 among the Company and the Holder.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, association or business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity (other than a corporation), a majority of the membership, partnership or other similar ownership interests

thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity (other than a corporation) if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control the general partner, managing member, managing director (or a board comprised of any of the foregoing) or manager of such limited liability company, partnership, association or other business entity.

"Transfer" includes any sale, exchange, disposition, assignment, gift, bequest, mortgage, charge, pledge, encumbrance, grant of security interest or other arrangement by which possession, legal title or beneficial ownership or other ownership interest (including in respect of any associated voting rights) passes from one Person to another, or to the same Person in a different capacity, whether or not voluntary and whether or not for value and whether directly or indirectly in any manner whatsoever, and includes any agreement to effect any of the foregoing and, in the case of Common Shares includes a transaction (other than a Change of Control Transaction) involving the direct or indirect Transfer in any manner whatsoever of the ownership interests in a Holder which holds any legal title or beneficial ownership or other ownership interest (including in respect of any associated voting rights) in Common Shares which is designed to otherwise circumvent the restrictions contained in Section 3.1 of this Agreement; and the words **"Transferred"**, **"Transferring"** and similar words have corresponding meanings.

1.2 Interpretation

Except where otherwise expressly provided or unless the context otherwise necessarily requires, in this Agreement: (i) reference to a given Article, Section, or Schedule is a reference to an Article, Section, or Schedule of this Agreement, unless otherwise specified; (ii) the terms "hereof", "herein", "hereto", "hereunder" and "herewith" refer to this Agreement as a whole; (iii) reference to a given agreement, instrument, document or Law is a reference to that agreement, instrument, document, Law or regulation as modified, amended, supplemented and restated through the date as to which such reference was made, and, as to any Law or regulation, any successor Law or regulation; (iv) reference to a Person includes its predecessors, successors and permitted assigns and transferees; (v) the singular includes the plural and the masculine includes the feminine, and vice versa; (vi) the words "include", "includes" or "including" means "including, for example and without limitation"; (vii) references to "days" means calendar days and (viii) references to "Dollars", "dollars" or "\$", without more are to the lawful currency of Canada.

1.3 Beneficial Ownership

A Person shall be deemed the "beneficial owner" of, and to have "beneficial ownership" of, and to "beneficially own" any security of which such Person has direct or indirect beneficial ownership (within the meaning of National Instrument 62-104 – *Take-Over Bids and Issuer Bids*).

1.4 Acting Jointly and in Concert

The Holder acknowledges and agrees that, in addition to any determination that may reasonably be made pursuant to applicable Canadian Securities Laws, the Holder, together with its Affiliates and its and their respective Representatives that hold Restricted Shares, shall in all cases be deemed to be acting jointly, in concert, and jointly and in concert with respect to the matters described in this Agreement and where referenced under applicable Canadian Securities Laws.

ARTICLE 2
BOARD OBSERVER RIGHTS

2.1 Observer Rights

- (a) Until the date that the number of Restricted Shares beneficially owned by the Holder and its Affiliates represents less than 10% of the issued and outstanding Common Shares (calculated on a non-diluted basis), upon the written request of the Holder Representative, the Company shall permit the Holder Representative to designate one (1) individual mutually acceptable to the Holder Representative and the Company, acting reasonably, as a non-voting, observer to the Board (an "**Observer**"). The Holder Representative shall be entitled to designate a replacement Observer mutually acceptable to the Holder Representative and the Company, acting reasonably, at any time from time to time.
- (b) The Company shall send to the Observer all notices, consents, minutes, documents and other information and materials that the Company sends to the members of the Board (including all committees thereof), in their capacity as members of the Board ("**Board Materials**"), at substantially the same time and in substantially the same manner as the Company sends such Board Materials to members of its Board and the Company shall make arrangements as reasonably required to permit the Observer to have the right to be present at, observe and speak at Board meetings in person or, at the Observer's option, by telephone or video conference, except with respect to materials or resolutions, or attendance at such portions of any such meeting, in which (A) the subject matter relates to a transaction, proceeding or matter in which the Holder or its Affiliates are or may be interested parties, (B) the Board determines that such exclusion is reasonably necessary to preserve solicitor-client privilege or (C) the Board determines that such exclusion is reasonably necessary for the Company or its Subsidiaries to comply with their respective confidentiality obligations.
- (c) Under no circumstances shall the Observer be deemed to be: (i) a member of the Board; or (ii) have the right to make or second any motions or vote on any resolutions of the Board.

2.2 Confidentiality Agreement

Upon appointment as an Observer, each Observer shall enter into a confidentiality agreement, in the form and on terms reasonably satisfactory to the Company and each such Observer.

2.3 Additional Company Covenants

Provided that the number of Restricted Shares beneficially owned by the Holder and its Affiliates represents 10% or more of the issued and outstanding Common Shares (calculated on a non-diluted basis):

- (a) except as required by applicable Laws, the Company shall not alter or adopt policies, procedures, processes, codes, rules, standards or guidelines or amend its Articles or By-laws as in effect on the date hereof, in each case, in a manner that would materially interfere with or be contrary to the purpose and provisions of this Agreement; and
- (b) the Company shall maintain its status as a "reporting issuer" not in default under Canadian Securities Laws where it is a reporting issuer as of the date of this Agreement and maintain the listing of the Common Shares on the TSX.

ARTICLE 3
RESTRICTIONS ON SHARE TRANSFERS

3.1 Restrictions on Transfers of Restricted Shares

- (a) Without the prior written consent of the Company (which consent may, in the sole discretion of the Company, be withheld or given subject to such conditions as the Company may in its sole discretion determine), no Holder or any of its Affiliates, nor any of their respective Representatives acting on behalf of any Holder or any of its Affiliates, will, directly or indirectly, Transfer or cause the Transfer of any Restricted Shares or Hedge or cause the Hedge of its direct or indirect exposure to any Restricted Shares, and in the case of a Transfer to be completed pursuant to a block trade, without a minimum of seven (7) days prior written notice to the Company; provided, however, that the foregoing shall not apply to:
- (i) Transfers effected pursuant to the Registration Rights Agreement;
 - (ii) Transfers effected as a result of the consummation of a transaction which has been approved by a resolution of the Company shareholders, or made to an offeror in relation to a take-over bid where the offeror pursuant to such take-over bid is proposing to acquire such Common Shares from the Holder in connection with an identical offer made to all holders of Common Shares (in terms of price, timing, proportion of securities sought to be acquired and conditions) and does not acquire any such Common Shares unless the offeror also acquires a proportionate number of Common Shares actually tendered to such identical offer; or
 - (iii) Transfers made to an Affiliate in accordance with Section 3.2 hereof;
 - (iv) Transfers made in accordance with Section 3.3 hereof;

provided, however, that any Holder (or an Affiliate thereof) who acquires any Restricted Shares as a result of any of the foregoing provisions shall: (i) to the extent that it is already a Party to this Agreement, continue to be bound by this Agreement in respect of all Restricted Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, at any time; and (ii) to the extent that, prior to such acquisition, it was not a Party to this Agreement, agrees to be bound by and become a Party to this Agreement and, concurrent with the completion of such Transfer shall validly execute and deliver a joinder or similar document acceptable to the Company, acting reasonably, in order to effect the foregoing.

3.2 Transfers to Affiliates

Notwithstanding Section 3.1 and subject to applicable Canadian Securities Laws, a Holder may Transfer all or any portion of the Common Shares legally or beneficially owned by such Holder to an Affiliate of such Holder, provided that such Affiliate agrees to be bound by and become a Party to this Agreement as and in the manner contemplated in the final paragraph of Section 3.1. Prior to any such transferee ceasing to be an Affiliate of a Holder, such Holder shall cause such Common Shares to be Transferred to another Holder. A Holder, or its Affiliate, shall promptly (and in any event within three (3) Business Days) notify the Company if it engages in any of the transactions referred to in this Section 3.2.

3.3 Transfers over Time

Notwithstanding Section 3.1 and subject to Canadian Securities Laws, a Holder may Transfer all or any portion of the Restricted Shares legally or beneficially owned by such Holder, provided that, if the Transfer will be completed pursuant to a block trade, a minimum of seven (7) days prior written notice of such trade has been provided to the Company, and:

- (a) if the Transfer occurs on or after the date that is twelve (12) months from the date of this Agreement and before the date that is fifteen (15) months from the date of this Agreement, the Holder, either alone or in the aggregate with any other Holder or their respective Affiliates, will, following the Transfer, continue to beneficially own not less than 67% of the Restricted Shares;
- (b) if the Transfer occurs on or after the date that is fifteen (15) months the date of this Agreement and before the date that is eighteen (18) months from the date of this Agreement, the Holder, either alone or in the aggregate with any other Holder or their respective Affiliates, will, following the Transfer, continue to beneficially own not less than 34% of the Restricted Shares; and
- (c) the Transfer occurs on or after the date that is eighteen (18) months from the date of this Agreement, the Holders may dispose of any remaining Restricted Shares.

3.4 Transfers in Change of Control Transaction

Notwithstanding anything in Section 3.1 or elsewhere in this Agreement to the contrary, any transaction in which a person or "group" of persons acquires, directly or indirectly, including by merger, consolidation, asset sale, acquisition, liquidation, dissolution, restructuring, reorganization, recapitalization or other business combination transaction, control of at least a majority of the equity or assets of the Company (each a "**Change of Control Transaction**") shall be a permitted Transfer and Hedge of Common Shares for all purposes under this Agreement and shall not be deemed to violate in any manner any of the restrictions imposed in Article 3 of this Agreement.

ARTICLE 4 **PRE-EMPTIVE RIGHTS**

4.1 Participation Rights

- (a) Provided that the number of Restricted Shares beneficially owned by the Holder and its Affiliates represents 10% or more of the issued and outstanding Common Shares (calculated on a non-diluted basis), if the Company proposes to issue any securities including Common Shares or Convertible Securities (the "**Offered Securities**") to any Person, other than a Subsidiary of the Holder, subject to any stock exchange rules or requirements of Canadian Securities Laws that may be applicable, the Company will promptly first offer (an "**Offer**") to the Holder(s), by providing written notice to the Holder Representative as set out in Section 4.1(b) below, the opportunity to subscribe for and acquire that number of Offered Securities equal in amount to the percentage of Offered Securities that is equal to the Holder's Percentage of Outstanding Common Shares at the time the Offer is given, or any such lesser amount as the Holder Representative may elect to subscribe for, at a subscription price equal to the offering price.

- (b) Any Offer must be made by notice in writing, must contain a description of the terms and conditions relating to the Offered Securities, will state the Company's best estimate of the price (which may be satisfied by an estimated discount to the applicable market price) at which the Offered Securities are offered, the estimated date on which the purchase of Offered Securities by the Holders is to be completed (which shall be the same date as the date of completion of the sale of the balance of Offered Securities) and the number of securities to be offered and will state that the Holders may subscribe for Offered Securities only by having the Holder Representative give written notice of the exercise of the subscription right to the Company within the time period set forth in Offer. The Offer will also state that if the Holder(s) wishes to subscribe for a number of Offered Securities that is less than the number offered, then the Holder Representative will, in the notice of subscription, specify the number of Offered Securities that such Holder(s) wishes to purchase.
- (c) The Holder(s) may subscribe for Offered Securities with respect to any Offer by having the Holder Representative give written notice to the Company of the exercise of the subscription right within ten (10) Business Days after receipt by the Holder Representative of such Offer; provided that with respect to a bought deal financing: (i) the Company shall provide written notice to the Holder Representative when the Company is considering recommending a possible bought deal financing in which the Holder(s) would have the right to participate for approval by the Board, and (ii) if the Company receives an unsolicited bought deal proposal from an investment dealer for an offering of securities that the Company is required to respond to within 24 hours and which the Company is considering recommending for approval by the Board, the Company shall provide a copy of the bought deal proposal to the Holder Representative concurrently with the Company providing notice of the proposal to the Board. The Holder Representative, prior to one-half hour before the time by which the bought deal must be accepted or rejected by the Company, shall advise the Company as to whether the Holder(s) wishes to participate in the bought deal proposal and the extent of such participation. If the Holder Representative does not comply with the time periods provided for in this Section 4.1(c) with respect to an Offer, the Holder(s) shall be deemed to have elected not to participate in such Offer.
- (d) If any of the Offered Securities are not subscribed for by the Holder Representative within the applicable periods provided for in Section 4.1(c), the Company may proceed to offer such unsubscribed Offered Securities within the period of 90 days after the expiration of such applicable period to any Person (or, with respect to a bought deal financing, the period contemplated by the bought deal proposal provided to the Holder Representative pursuant to Section 4.1(c), provided the price at which such Offered Securities are sold is not less than the subscription price offered to the Holder(s) and the terms of payment for such Offered Securities are not more favourable to such Person than the terms of payment offered to the Holder(s).
- (e) In the case where the Holder's right to purchase Convertible Securities which are debt securities is based on the Percentage of Outstanding Common Shares, the Holder Representative shall be offered, the right to subscribe for up to that percentage of the total aggregate principal amount of debt securities to be issued equal to the Percentage of Outstanding Common Shares at the time that the Offer is given.
- (f) The Company will be entitled to issue securities including Common Shares and/or Equity Securities without complying with the foregoing provisions of this Section 4.1 when such securities including Common Shares or Equity Securities are being issued (i) to holders of

Common Shares as a stock dividend or dividend-in-kind, (ii) to employees, officers, directors or consultants of the Company or any of its Subsidiaries pursuant to any security-based compensation plan approved by the Board, (iii) in connection with any dividend reinvestment, stock dividend or similar plan, (iv) pursuant to any over-allotment option granted to any agent or underwriter of the Company in connection with a financing by the Company, or (v) as consideration with respect to any acquisition, business combination or similar transaction.

ARTICLE 5

CONFIDENTIALITY

5.1 Confidential Information

- (a) The Holder hereby agrees that, without the prior written consent of the Company (which consent may, in the sole discretion of the Company, be withheld or given subject to such conditions as the Company may in its sole discretion determine), neither it nor any of its Affiliates, nor any of their respective Representatives acting on behalf of any Holder or any of its Affiliates (each an "**Informed Party**"), will at any time use, disclose or make available, to any third-party, any information (herein "**Confidential Information**") concerning the business or activities carried on by the Company which is acquired in connection with the matters, transactions or activities contemplated herein or in the Registration Rights Agreement, provided that notwithstanding the foregoing, an Informed Party may make use of, reveal or disclose Confidential Information:
- (i) where it is already in the public domain when disclosed to the Informed Party or becomes, after having been disclosed to the Informed Party, generally available to the public through publication or otherwise, unless the publication or other disclosure was made directly or indirectly by the Informed Party in breach of this Agreement;
 - (ii) as legally required in order to comply with applicable Laws, the orders or directives of any Governmental Authority or court of competent jurisdiction, the requirements of any stock exchange, or an order, directive or requirement of any other regulatory authority having jurisdiction over the Informed Party; or
 - (iii) where it was made available to the Informed Party on a non-confidential basis from a third party source (excluding any other Informed Party or an Affiliate or Representative of an Informed Party or its Affiliate) which, to the knowledge of the Informed Party, acting reasonably, is not subject to an obligation of confidentiality in relation to such information.
- (b) If an Informed Party or any of its Affiliates or their respective Representatives becomes legally required pursuant to Section 5.1(a)(ii) to disclose any Confidential Information, the Informed Party will, to the extent practicable and not prohibited by applicable Law, provide the Company with prompt written notice of such requirement so that the Company may seek a protective order or other appropriate remedy (at the Company's sole cost and expense, unless such requirement to disclose is the result of a breach by the Holder or its Affiliates or Representatives of the confidentiality obligations under this Section 5.1), or waive compliance by the Informed Party or an applicable Affiliate or Representative with this paragraph. If such protective order or remedy is not obtained, the Informed Party will (and, in any case where the applicable request, order or other requirement is directed or

applicable to an Affiliate or Representative of the Informed Party or its Affiliate, will cause such Affiliate or Representative to) furnish only that portion of such Confidential Information that is legally required to be disclosed and will use reasonable commercial efforts to obtain (at the Company's sole cost and expense, unless such requirement to disclose is the result of a breach by the Holder or its Affiliates or Representatives of the confidentiality obligations under this Section 5.1) an assurance that such Confidential Information that is disclosed will be accorded confidential treatment. In addition, the Informed Party will (and will cause its applicable Affiliates and their respective Representatives to) provide all cooperation that the Company may reasonably request in connection with any effort on the part of the Company to obtain any such protective order or other remedy.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of the Company

By executing and delivering this Agreement, the Company hereby represents and warrants to the Holder that the following statements are true and correct as of the date hereof:

- (a) The Company is a corporation duly organized and validly existing under the laws of Alberta. The Company has the full power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action.
- (b) This Agreement has been duly and validly executed and delivered by the Company and constitutes a legal and binding obligation of the Company, enforceable against the Company in accordance with its terms.
- (c) The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby will not, with or without the giving of notice or lapse of time, or both (i) violate any provision of applicable Law or (ii) conflict with, or result in a breach or default under, any term or condition of the Articles or any agreement or instrument to which the Company is a party or by which the Company is bound.

6.2 Representations and Warranties of the Holder

The Holder and each Person who becomes a Holder after the date hereof with respect to itself hereby represents and warrants to and acknowledges with the Company and each other Holder that, as of the time such Holder becomes a party to this Agreement (whether by executing a separate joinder or otherwise):

- (a) Such Holder (i) if an entity, is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization and has all necessary corporate or equivalent power and authority to own, lease and operate its properties and to carry on its business as is now being conducted or (ii) if an individual, has the legal capacity to own, lease and operate his or her properties and assets and carry on his or her affairs as currently conducted.

- (b) Such Holder (i) if an entity, has the full power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action; and (ii) if an individual, is a competent adult and has full power, legal right and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby and thereby.
- (c) The execution, delivery and performance by such Holder of this Agreement and the consummation by such Holder of the transactions contemplated hereby will not, with or without the giving of notice or lapse of time, or both (i) violate any provision of applicable Law or (ii) conflict with, or result in a breach or default under, any term or condition of any agreement or instrument to which such Holder is a party or by which such Holder is bound.

ARTICLE 7

MISCELLANEOUS

7.1 Severability

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transaction is not affected in any manner materially adverse to any party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in a manner that makes such term or provision valid, legal or capable of being enforced, as the case may be.

7.2 Entire Agreement

This Agreement contains the entire understanding, whether oral or written, of the parties with respect to the matters covered hereby.

7.3 Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party shall have the right to transfer or assign this Agreement or any of its rights or obligations under this Agreement without the prior written consent of the other parties.

7.4 Remedies and Breaches

- (a) Each of the Holders, on the one hand (and for the purposes of this Section 7.4 collectively considered to be a "**Party**"), and the Company, on the other hand, acknowledges and agrees that irreparable injury to the other Party hereto may occur in the event any of the provisions of this Agreement were not performed in accordance with its specific terms or was otherwise breached and that such injury may not be adequately compensable in damages. It is accordingly agreed that each of the Holders, on the one hand, and the Company, on the other hand, shall, in addition to any other remedy to which they may be entitled at law or in equity, each be entitled to seek specific enforcement of, and injunctive relief to prevent any violation of, the terms hereof and the other Party hereto will not take any action, directly or indirectly, in opposition to the Party seeking relief on the grounds that

any other remedy or relief is available at law or in equity. The prevailing Party in any such action shall be entitled to recover legal fees and expenses from the non-prevailing Party.

- (b) Each of the Holders on the one hand, and the Company on the other hand, acknowledges that it shall be liable for any breach of this Agreement by any of its Affiliates or any of its or their Representatives or other Persons acting on their behalf, and that it shall inform its and its Affiliates' Representatives of the terms of this Agreement and shall cause them to comply with them.

7.5 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

7.6 Public Disclosure Consent

The parties acknowledge that the Company shall file a copy of this Agreement on SEDAR (with such redactions as may be reasonably requested by the Company or the Holder and permitted under applicable Canadian Securities Laws).

7.7 Notices

Except as otherwise provided herein, all notices, requests, claims, demands, waivers and other communications required or permitted under this Agreement shall be in writing and shall be delivered by hand or overnight courier service, or sent by email transmission (in the case of email transmission, with copies by overnight courier service) to the respective parties as follows (or, in each case, as otherwise notified by any of the parties hereto) and shall be effective and deemed to have been duly given (a) immediately when sent by email between 9:00 am and 6:00 pm (Toronto time) on any Business Day and when sent outside of such hours, at 9:00 am (Toronto time) on the next Business Day, and (b) when received if delivered by hand or overnight courier service on any Business Day:

- (a) If to the Company, addressed to it at:

-
-
-

Attention: •

Email: •

- (b) if to a Holder, c/o the Holder Representative addressed to it at:

-
-
-

Attention: •

Email: •

7.8 Governing Law; Jurisdiction; Waiver of Jury Trial

This Agreement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of Alberta and the federal laws of Canada applicable therein (without reference to conflict of laws principles), and shall be construed and treated in all respects as an Alberta contract. Each of the parties hereby irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Alberta in respect of all matters arising under and in relation to this Agreement. Each party hereby waives any right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the transaction or the actions of the Holder in the negotiation, administration, performance and enforcement of this Agreement.

7.9 Descriptive Headings

The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

7.10 Further Assurances

Each of the parties hereto covenants and agrees on behalf of itself, its successors and its assigns, without further consideration, to prepare, execute, acknowledge, file, record, publish and deliver such other instruments, documents and statements, and to take such other action, as may be required by Law or reasonably necessary to effectively carry out the purposes of this Agreement and the intentions of the parties expressed herein.

7.11 No Third Party Beneficiaries

This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

7.12 Holder Representative

The Company shall be entitled to rely upon any notice received by it from the Holder Representative on behalf of, or purporting to be on behalf of, the Holder without further investigation or inquiry. The Holder Representative hereby confirms to the Company that the Holder has appointed the Holder Representative to act on its behalf as agent hereunder and has authorized the Holder Representative to take such actions on its behalf and to exercise such powers as have been granted or delegated to the Holder Representative by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

7.13 Ownership Certificate

- (a) The Holder Representative agrees to deliver to the Company a written certificate signed by an officer of the Holder, certifying the beneficial ownership of Restricted Shares of the Holder and its Affiliates, such Ownership Certificate to be delivered to the Company as reasonably requested from time to time.
- (b) The Holder Representative shall promptly notify the Company in writing if the beneficial ownership of Restricted Shares of the Holder and its Affiliates represents less than 10% or more of the issued and outstanding Common Shares (calculated on a non-diluted basis).

7.14 Amendment and Waiver

- (a) Except as otherwise provided herein, the provisions of this Agreement may only be amended, modified, supplemented or waived with the prior written consent of the Company and the Holder.
- (b) No waiver by any party or parties shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

7.15 Termination

This Agreement shall terminate on the date that is the later of: (i) the date that the number of Restricted Shares beneficially owned by the Holder and its Affiliates represents less than 10% of the issued and outstanding Common Shares (calculated on a non-diluted basis), and (ii) the date that is twenty one (21) months following the date of this Agreement.

7.16 Joint and Several Obligations

The obligations of each Holder hereunder are joint and joint and several with the obligations of the other Holders.

7.17 Changes in Common Shares

If, and as often as, there are any changes in the Common Shares by way of stock split, stock dividend, combination or reclassification, or through merger, consolidation, reorganization or recapitalization, or by any other means, appropriate adjustment shall be made in the provisions hereof as may be required so that the rights and privileges granted hereby shall continue with respect to the Restricted Shares as so changed and the Company shall make appropriate provision in connection with any merger, consolidation, reorganization or recapitalization that any successor to the Company (or resulting parent thereof) shall agree, as a condition to the consummation of any such transaction, to expressly assume the Company's obligations hereunder.

7.18 Acknowledgement

Notwithstanding any other term in this Agreement, the Company acknowledges that Affiliates of the Holder provide asset management and insurance services which may be engaged in, among other things, the buying and selling of securities, including those of the Company and, accordingly, the Company understands, acknowledges and agrees that no Affiliates of the Holder shall be bound by the terms of this Agreement or restricted in any manner from conducting their business, including the trading of securities of the Company so long as the Holder and its Representatives do not provide any Confidential Information of the Company to such Affiliates.

7.19 Time of the Essence

Time is of the essence in this Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

WHITECAP RESOURCES INC.

By: _____
Name:
Title:

**THE MANUFACTURERS LIFE INSURANCE
COMPANY**

By: _____
Name:
Title:

**SCHEDULE 1.1(PPP)
LAND SCHEDULE**

(Delivered by email to the Purchaser on the date hereof)

[schedule contents redacted]

**SCHEDULE 1.1(VVV)
MAJOR FACILITIES**

(see attached)

[schedule contents redacted]

**SCHEDULE 1.1(GGGGG)
REGISTRATION RIGHTS AGREEMENT**

(see attached)

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "**Agreement**"), is made and entered into as of [●], 2020, by and among **WHITECAP RESOURCES INC.**, a corporation existing under the laws of Alberta (the "**Company**"), and **THE MANUFACTURERS LIFE INSURANCE COMPANY** (the "**Holder**") a body corporate governed by the *Insurance Companies Act* (Canada).

WHEREAS, as a result of the completion of the transactions contemplated by the Sale Agreement (as defined below), the Holder acquired beneficial ownership of, or direction or control over, [●] Common Shares (as defined below);

WHEREAS, the Company desires to grant the Holder certain registration rights with respect to such Common Shares; and

WHEREAS, the Company and the Holder hereby agree that this Agreement shall govern the rights of the Holder to cause the Company to register or qualify for distribution such Common Shares;

NOW, THEREFORE, in consideration of the premises and mutual agreements, covenants and provisions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE 1 **DEFINITIONS**

1.1 **Certain Defined Terms**

As used in this Agreement, the following terms shall have the meanings set forth or as referenced below:

"**Affiliate**" means, with respect to any Person, any direct or indirect Subsidiary of such Person, and any other Person that directly, or through one or more Subsidiaries, controls or is controlled by or is under common control with such first Person, and includes any account or fund managed by such Person over which such Person has voting or investment discretion, including as investment manager, advisor or subadvisor. The term "**control**" (including with correlative meanings, "**controlled by**" and "**under common control with**") means possession, directly or indirectly, of power to direct or cause the direction of management or policies or the power to appoint and remove a majority of directors (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

"**Agreement**" has the meaning set forth in the Preamble.

"**Board**" means the board of directors of the Company.

"**Blackout Period**" during the Company's normal course earnings and budget blackout periods existing as of July 23, 2020 and any other special blackouts not to exceed 75 days in length.

"**Bought Deal**" means an Underwritten Public Offering made on a "bought deal" basis in one or more Canadian provinces or territories pursuant to which an underwriter has committed to purchase securities of the Company in a "bought deal" letter prior to the filing of a prospectus under applicable Canadian Securities Laws, as permitted by NI 44-101.

"Canadian Preliminary Prospectus" means a preliminary prospectus in respect of Common Shares or other securities which (unless the context requires otherwise) has been filed with and a receipt or mutual reliance review decision document issued therefor by the applicable Canadian Securities Authorities, including, without limitation all amendments and all supplements thereto and also includes a preliminary base shelf prospectus or preliminary shelf prospectus supplement and all documents incorporated or deemed to be incorporated by reference therein.

"Canadian Prospectus" means a (final) prospectus in respect of Common Shares or other securities which (unless the context requires otherwise) has been filed with and a receipt or mutual reliance review decision document issued therefor by the applicable Canadian Securities Authorities, including, without limitation all amendments and all supplements thereto and also includes a (final) base shelf prospectus or (final) shelf prospectus supplement and all documents incorporated or deemed to be incorporated by reference therein.

"Canadian Securities Authorities" means the securities commissions or securities regulatory authorities in each of the provinces and territories of Canada and any of their successors.

"Canadian Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations, blanket orders, published policies and forms made or promulgated under any such statute and the published national instruments and multilateral instruments of the relevant securities commission and similar regulatory authority of each relevant province and territory of Canada.

"Common Shares" means the common shares of the Company.

"Company" has the meaning set forth in the Preamble.

"Company Indemnitee" has the meaning set forth in Section 2.8(e).

"Demand Canadian Preliminary Prospectus" has the meaning set forth in Section 2.1(a)(iii).

"Demand Canadian Prospectus" has the meaning set forth in Section 2.1(a)(iii).

"Demand Registration" has the meaning set forth in Section 2.1(a)(i).

"Demand Registration Request" has the meaning set forth in Section 2.1(a)(i).

"Demand Suspension" has the meaning set forth in Section 2.1(f).

"Equity Securities" means all Common Shares, all securities, directly or indirectly, convertible into or exercisable or exchangeable for Common Shares and all options, warrants and other rights to purchase or otherwise, directly or indirectly, acquire Common Shares from the Company, or securities convertible into or exercisable or exchangeable for Common Shares, whether at the time of issuance or upon the passage of time or the occurrence of some future event.

"Exchange Act" means the *United States Securities Exchange Act of 1934*, as amended, and any successor thereto, and any rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

"Governmental Entity" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute

settlement panel or other law, rule or regulation-making organization or entity or applicable stock exchange: (i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"**Holder Representative**" means [●], or such other Holder designated by the Holders from time to time upon written notice from the Holders to the Company.

"**Holder**" has the meaning set forth in the Preamble and "**Holders**" includes any Affiliate to which Registrable Shares have been transferred or are subject to the direction or control of such Holder.

"**IROC**" means the Investment Industry Regulatory Organization of Canada.

"**Initiating Holder**" has the meaning set forth in Section 2.1(a)(i).

"**Law**" or "**Laws**" means any law, statute, constitution, treaty, convention, code, injunction, order, decree, consent decree, judgment, rule, regulation, ordinance or other pronouncement having the effect of law whether in Canada, the United States or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity and includes applicable Canadian Securities Laws and stock exchange rules.

"**Lock-Up Period**" has the meaning set forth in Section 2.5.

"**marketing materials**" has the meaning set forth in NI 41-101.

"**misrepresentation**" has the meaning set forth under applicable Canadian Securities Laws.

"**NI 41-101**" means National Instrument 41-101 *General Prospectus Requirements*.

"**NI 44-101**" means National Instrument 44-101 *Short Form Prospectus Distributions*.

"**NI 44-102**" means National Instrument 44-102 *Shelf Distributions*.

"**NI 45-102**" means National Instrument 45-102 *Resale of Securities*.

"**Loss**" and "**Losses**" have the meaning set forth in Section 2.8(a).

"**Person**" means an individual, a corporation, a partnership, a limited liability company, organization, trustee, executor, administrator, a trust, an unincorporated association, a Governmental Entity or any agency, instrumentality or political subdivision of a Governmental Entity, or any other entity or body.

"**Piggyback Notice**" has the meaning set forth in Section 2.2(a).

"**Piggyback Party**" has the meaning set forth in Section 2.2(a).

"**Piggyback Registration**" has the meaning set forth in Section 2.2(a).

"**Pro Rata Portion**" means, with respect to each Holder for which any of its Registrable Shares are requested to be registered or sold pursuant to this Agreement, a number of such Common Shares equal to the aggregate number of Registrable Shares to be registered or sold (excluding any Equity

Securities to be registered or sold for the account of the Company) multiplied by a fraction, the numerator of which is the aggregate number of Registrable Shares held by such Holder, and the denominator of which is the aggregate number of Registrable Shares held by all Holders for which such Registrable Shares are to be registered or sold.

"Public Offering" means the offer and sale of Common Shares for cash pursuant to a Canadian Prospectus.

"Qualification Date" means the date that is twelve (12) months from the date of this Agreement.

"Registrable Shares" means the Common Shares issued to a Holder pursuant to the Sale Agreement and any Common Shares or other securities of the Company issued as a dividend, distribution, exchange, share split, recapitalization or other corporate event in respect of such Common Shares. As to any particular Registrable Shares, such securities shall cease to be Registrable Shares when (i) such securities shall have been qualified for distribution under applicable Canadian Securities Laws in any province or territory of Canada pursuant to the filing with the applicable Canadian Securities Authorities of a Canadian Prospectus and the issuance of a receipt therefor, and such securities shall have been disposed of thereunder; (ii) such securities shall have ceased to be outstanding; or (iii) such securities have been sold in a transaction to which the transferor's rights under this Agreement are not assigned to the transferee of the securities.

"Registration" means the qualification of any Equity Securities for distribution under applicable Canadian Securities Laws in any province or territory of Canada by way of a Canadian Prospectus. The terms "register", "registered" and "registering" shall have correlative meanings. For the avoidance of doubt, no obligation exists under this Agreement to register or qualify any Registrable Shares for offer or sale in the United States of America or any state or territory thereof.

"Registration Expenses" has the meaning set forth in Section 2.7.

"Rule 144" means Rule 144 under the Securities Act (or any successor rule).

"Rule 144A" means Rule 144A under the Securities Act (or any successor rule).

"Sale Agreement" means the share purchase and sale agreement dated as of August [●], 2020 among the Company and the Holders.

"SEC" means, at any time, the United States Securities and Exchange Commission or any other United States federal agency at such time administering the Securities Act.

"Securities Act" means the *United States Securities Act of 1933*, as amended, and any successor thereto, and any rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

"Selling Expenses" means all underwriting commissions, discounts, selling commissions and share transfer taxes applicable to the sale of Registrable Shares.

"Selling Holder Information" has the meaning set forth in Section 2.8(a).

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, association or business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in

the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity (other than a corporation), a majority of the membership, partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity (other than a corporation) if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control the general partner, managing member, managing director (or a board comprised of any of the foregoing) or manager of such limited liability company, partnership, association or other business entity.

"Trading Day" means the day on which the principal securities exchange (as determined by the Board) on which the Common Shares are listed or admitted to trading is open for the transaction of business.

"Underwritten Public Offering" means an underwritten Public Offering, including any Bought Deal or block sale to a financial institution conducted as an underwritten Public Offering.

1.2 Interpretation

Except where otherwise expressly provided or unless the context otherwise necessarily requires, in this Agreement: (i) reference to a given Article, Section, or Schedule is a reference to an Article, Section, or Appendix of this Agreement, unless otherwise specified; (ii) the terms "hereof", "herein", "hereto", "hereunder" and "herewith" refer to this Agreement as a whole; (iii) reference to a given agreement, instrument, document or Law is a reference to that agreement, instrument, document, Law or regulation as modified, amended, supplemented and restated through the date as to which such reference was made, and, as to any Law or regulation, any successor Law or regulation; (iv) reference to a Person includes its predecessors, successors and permitted assigns and transferees; (v) the singular includes the plural and the masculine includes the feminine, and vice versa; (vi) the words "include", "includes" or "including" means "including, for example and without limitation"; (vii) references to "days" means calendar days and (viii) references to "Dollars", "dollars" or "\$", without more are to the lawful currency of Canada.

ARTICLE 2 **REGISTRATION RIGHTS**

2.1 Demand Registration

(a) Request for Demand Registration.

- (i) Commencing from and after the Qualification Date, the Holder Representative shall have the right to make a written request from time to time (a "**Demand Registration Request**") to the Company for Registration of all or part of the Registrable Shares held by the Holder Representative and/or the other Holders. Any such Registration pursuant to a Demand Registration Request shall hereinafter be referred to as a "**Demand Registration**". The Holder or Holders for whom the Demand Registration Request is made are referred to as the "**Initiating Holder**" (or "**Initiating Holders**").

- (ii) Each Demand Registration Request shall specify (x) the aggregate amount of each Initiating Holder's Registrable Shares to be registered (y) the intended method or methods of disposition thereof and (z) the Canadian Securities Authorities with which the Prospectus shall be filed.
 - (iii) Upon receipt of a Demand Registration Request, the Company shall as promptly as practicable file with the applicable Canadian Securities Authorities (provided the Company shall not be required to file with the Autorité des marchés financiers (Québec) unless otherwise agreed to by the Company, acting reasonably), and use its commercially reasonable efforts to secure the issuance of a receipt or mutual reliance review decision document for, a Canadian Preliminary Prospectus (a "**Demand Canadian Preliminary Prospectus**") and a Canadian Prospectus (a "**Demand Canadian Prospectus**") relating to such Demand Registration, including, if necessary or useful, in reliance upon the post-receipt pricing procedures under National Instrument 44-103 *Post-Receipt Pricing*.
- (b) Limitation on Demand Registrations. The Company shall not be obligated (i) to take any action to effect any Demand Registration if, within the preceding 90 days, a Demand Canadian Prospectus was filed, or (ii) to effect in the aggregate more than three (3) Demand Registrations in any twelve (12)-month period. A Demand Registration shall not be counted as "effected" for purposes of this Section 2.1(b) until such time as the final receipt for the Canadian Prospectus has been provided by the applicable Canadian Securities Authorities or, subject to Section 2.1(h), a prospectus supplement has been filed with the applicable Canadian Securities Commissions in accordance with NI 44-102.
- (c) Company Participation. Subject to Section 2.1(g), the Company may participate in any Demand Registration and offer any of its Equity Securities for distribution upon written notice to the Holder Representative not more than ten (10) Trading Days after the date that the Demand Registration Request was delivered specifying the aggregate amount and type of Equity Securities to be registered by the Company. In the event that a Demand Registration is made in connection with a Bought Deal, the notice period set forth in this Section 2.1(c) shall not be applicable and the Company shall use commercially reasonable efforts to give the Holder Representative such notice as is practicable under the circumstances given the speed and urgency with which Bought Deals are currently carried out in common market practice.
- (d) Demand Withdrawal. The Holder Representative may withdraw all or any portion of the Registrable Shares included in a Demand Registration from such Demand Registration at any time prior to the filing of the Demand Canadian Prospectus. Upon receipt of a written notice to such effect with respect to all of the Registrable Shares included by the Holders in such Demand Registration, the Company shall cease all efforts to pursue or consummate such Demand Registration and such withdrawal will count as an exercise of the Demand Registration for purposes of Section 2.1(b). If the not all of the Registrable Shares are withdrawn and other Holders proceed with the Demand Registration, the Demand Registration shall continue to be treated for purposes of Section 2.1(b) to be a Demand Registration.
- (e) Effective Registration. The Company shall from the period beginning on the filing of any Demand Canadian Preliminary Prospectus or Demand Canadian Prospectus until the completion of the distribution of the Registrable Shares covered by such Demand Canadian Preliminary Prospectus or Demand Canadian Prospectus (or the closing date of the offering

of such Registrable Shares thereunder, if later), comply with section 57 of the *Securities Act* (Ontario) and the comparable provisions of other applicable Canadian Securities Laws, as applicable, and prepare and file promptly any prospectus or marketing material amendment which, in the opinion of the Company, acting reasonably, may be necessary or advisable, and will otherwise comply with all legal requirements and take all actions necessary to continue to qualify such Registrable Shares for distribution in the applicable provinces and territories of Canada for as long as may be necessary to complete the distribution of such Registrable Shares (not to exceed 120 days after the date of the Demand Canadian Prospectus other than a short form base shelf prospectus).

- (f) Delay in Filing; Suspension of Registration. If the filing or continued use of a Demand Canadian Preliminary Prospectus or Demand Canadian Prospectus at any time would occur during a Blackout Period, the Company may, upon giving prompt written notice of such action to the Holder Representative, delay the filing of, or suspend use of, as applicable, the Demand Canadian Preliminary Prospectus or Demand Canadian Prospectus (a "**Demand Suspension**"). In the case of a Demand Suspension, the Holders agree to suspend use of any applicable Demand Canadian Preliminary Prospectus or Canadian Prospectus in connection with any sale or purchase, or offer to sell or purchase, Registrable Shares, upon receipt of the notice referred to above. The Company shall promptly notify the Holder Representative in writing upon the termination of any Demand Suspension, and as promptly as practicable following such termination of Demand Suspension amend or supplement any Demand Canadian Preliminary Prospectus or Demand Canadian Prospectus, if necessary, so that it contains full, true and plain disclosure of all material facts relating to the securities distributed thereunder and does not contain a misrepresentation, and furnish to the Holder Representative such numbers of copies of any Demand Canadian Preliminary Prospectus or Demand Canadian Prospectus as so amended or supplemented as the Holder Representative may reasonably request. If the Company provides notice of a Demand Suspension, the Holder may within 30 days after receipt of such notice advise the Company in writing that it has determined to withdraw such request for a Demand Canadian Preliminary Prospectus or Demand Canadian Prospectus and such request will be deemed to have not been given for purposes of determining whether the Holder has exercised a Demand Registration under Section 2(b) and the Company shall pay all Registration Expenses in connection therewith.
- (g) Priority of Securities Registered Pursuant to Demand Registration. If the managing underwriter or underwriters of any proposed offering of securities (or, if such offering is not an Underwritten Public Offering, any nationally or internationally recognized investment bank engaged in connection with such offering) advise the Company in writing that, in its or their opinion, the number of securities requested to be included in such Demand Registration exceeds the number that can be sold in such offering without being likely to have an adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, then the securities to be included in such Registration shall be, (x) first, allocated to each Initiating Holder(s) that have requested to participate in such Demand Registration an amount equal to the lesser of (i) the number of such Registrable Shares requested to be registered or sold by such Initiating Holder(s), and (ii) a number of such Registrable Shares equal to such Initiating Holder's Pro Rata Portion, and (y) second, and only if all the securities referred to in clause (x) have been included, the number of other securities that, in the opinion of such managing underwriter or underwriters can be sold without having an adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered.

- (h) Short Form Base Shelf Prospectus. Commencing from and after the Qualification Date, the Company shall file and maintain a short form base shelf prospectus under the shelf prospectus provisions of NI 44-102, and use its commercially reasonable efforts to (i) secure the issuance of a receipt therefor, (ii) keep the base shelf prospectus continuously effective, and (iii) until the termination of this Agreement, file and maintain in effect successive base shelf prospectuses thereto. Such base shelf prospectus shall have sufficient capacity and scope to allow the sale thereunder of all remaining Registrable Shares and the Holder Representative shall be entitled, from time to time during the effectiveness of such short form base shelf prospectus, to make a Demand Request in accordance with Section 2.1 requiring the Company to prepare and file a shelf prospectus supplement and/or a pricing supplement (both as defined in NI 44-102) to effect the sale of any or all Registrable Shares under such short form base shelf prospectus. A Demand Registration by the Holder Representative for such a shelf prospectus supplement and/or a pricing supplement, as applicable, will count toward the aggregate maximum number of Demand Registrations pursuant to Section 2.1(b).

2.2 **Piggyback Registration**

- (a) Participation. Commencing from and after the Qualification Date, if the Company at any time proposes to qualify any of its Equity Securities for distribution for its own account (or the account of any third party that is not a Holder) under applicable Canadian Securities Laws in any province or territory of Canada by way of a Canadian Preliminary Prospectus, Canadian Prospectus or to otherwise conduct a Public Offering with respect to any offering of its Equity Securities for its own account or for the account of any other Person (other than (i) a Registration under Section 2.1 (ii) a Registration of securities solely relating to an offering and sale to officers, employees, directors or consultants of the Company or its Subsidiaries pursuant to any employee stock plan or other employee benefit plan arrangement, or (iii) a Registration relating to an asset acquisition, merger, acquisition or other business combination), then, as soon as practicable (but in no event less than ten (10) Trading Days (or, in the case of a Bought Deal, two (2) Trading Days) prior to the proposed date of filing of the Canadian Preliminary Prospectus in respect of such offering), the Company shall give written notice (a "**Piggyback Notice**") of such proposed filing or Public Offering to the Holder Representative, and such Piggyback Notice shall offer each Holder (each, a "**Piggyback Party**") the opportunity to register under any applicable Canadian Prospectus, or to include in such Public Offering, such number of Registrable Shares for each such Piggyback Party as the Holder Representative may request in writing (a "**Piggyback Registration**"). Subject to Section 2.2(b), the Company shall include in such Canadian Preliminary Prospectus or Canadian Prospectus or in such Public Offering, as applicable, all such Registrable Shares that are requested to be included therein within five (5) Trading Days (or, in the case of a Bought Deal, twenty-four (24) hours) after the receipt by the Holder Representative of any such notice; provided, however, that if at any time after giving written notice of its intention to register or sell any securities and prior to the filing of a Canadian Prospectus in connection with such Registration, the Company determines for any reason not to register or sell or to delay the Registration or sale of such securities, the Company shall give written notice of such determination to the Holder Representative and, thereupon, (i) in the case of a determination not to register or sell, shall be relieved of its obligation to register or sell any Registrable Shares in connection with such Registration or Public Offering, without prejudice, however, to the rights of the Holder Representative to request that such Registration or sale be effected as a Demand Registration under Section 2.1 and (ii) in the case of a determination to delay Registration or sale, in the absence of a request for a Demand Registration shall be permitted to delay

registering or selling any Registrable Shares, for the same period as the delay in registering or selling such other securities, in which case the Holder Representative shall have the right to withdraw all or part of any Piggyback Party's Registrable Shares by giving written notice to the Company of its request to withdraw.

- (b) Priority of Piggyback Registration. If the managing underwriter or underwriters of any proposed offering of securities (or, if such offering is not an Underwritten Public Offering, any nationally or internationally recognized investment bank engaged in connection with such offering) included in a Piggyback Registration informs the Company and the Holder Representative in writing that, in its or their opinion, the number of securities that the Piggyback Holders and any other Person intend to include in such offering exceeds the number that can be sold in such offering without being likely to have an adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, then the securities to be included in such Registration shall be (i) first, one hundred percent (100%) of the securities that the Company proposes to sell, (ii) second, and only if all the securities referred to in clause (i) have been included, the number of Registrable Shares that, in the opinion of such managing underwriter or underwriters, can be sold without having such adverse effect, with such number to be allocated among the Piggyback Holders that have requested to participate in such Registration based on an amount equal to the lesser of (x) the number of such Registrable Shares requested to be sold by such Piggyback Holder, and (y) a number of such Registrable Shares equal to such Piggyback Holder's Pro Rata Portion, and (iii) third, and only if all of the Registrable Shares referred to in clause (ii) have been included in such Registration, any other securities eligible for inclusion in such Registration.
- (c) Effect on Other Registrations. A Registration of Registrable Shares effected pursuant to a request under this Section 2.2 shall be deemed to have been effected pursuant to Section 2.1 and shall relieve the Company of its obligations under Section 2.1.

2.3 **Registration Procedures**

- (a) Requirements. In connection with the Company's obligations under Section 2.1 and Section 2.2, the Company shall use its commercially reasonable efforts to effect such Registration and to permit the offering, sale and distribution of such Registrable Shares in accordance with the intended method or methods of distribution thereof as expeditiously as reasonably practicable, and in connection therewith the Company shall:
- (i) as promptly as practicable prepare the required Canadian Preliminary Prospectus and Canadian Prospectus including all exhibits, financial statements and ancillary materials required under the Canadian Securities Laws to be filed therewith, and, before filing a Canadian Preliminary Prospectus, Canadian Prospectus or any amendments or supplements thereto, (x) furnish to the underwriters, if any, and to the Holder Representative, copies of all documents prepared to be filed, which documents shall be subject to the review of such underwriters and the Holder Representative and their respective counsel, and (y) make such changes in such documents concerning the Holders prior to the filing thereof as the Holder Representative, or its counsel, may reasonably request;
 - (ii) prepare and file with the applicable Canadian Securities Authorities such amendments and supplements to the Canadian Preliminary Prospectus and Canadian Prospectus as may be (x) reasonably requested by the Holder

Representative, or (y) necessary to continue to qualify such Registrable Shares for distribution as required by this Agreement, and comply with provisions of the applicable Laws with respect to the sale or other disposition of all securities covered by such Registration during such period in accordance with the intended method or methods of disposition by the sellers thereof;

- (iii) notify the Holder Representative and the managing underwriter or underwriters, if any, and (if requested) confirm such notice in writing and provide copies of the relevant documents, as soon as reasonably practicable after notice thereof is received by the Company (a) when the applicable Canadian Preliminary Prospectus, Canadian Prospectus, or any amendment or supplement thereto, has been filed (and when a receipt or mutual reliance review decision document has been issued for the Canadian Preliminary Prospectus or Canadian Prospectus), of any written comments by the Canadian Securities Authorities, or any request by the Canadian Securities Authorities or other Governmental Entity in any jurisdiction for amendments or supplements to any such Canadian Preliminary Prospectus or Canadian Prospectus or to any marketing materials, or for additional information or any other correspondence with the Canadian Securities Authorities relating to, or which may affect, the Registration in any material respect, (b) of the issuance of any order by the Canadian Securities Authorities or any other regulatory authority preventing or suspending the use of any Canadian Preliminary Prospectus, Canadian Prospectus or marketing materials, or the initiation or threatening of any proceedings for such purposes, (c) if, at any time, the representations and warranties of the Company in any applicable underwriting agreement cease to be true and correct in all material respects and (d) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Shares for offering, sale or distribution in any jurisdiction or the initiation or threatening of any proceeding for such purpose;
- (iv) promptly notify the Holder Representative and the managing underwriter or underwriters, if any, when the Company becomes aware of the happening of any event as a result of which any Canadian Preliminary Prospectus, Canadian Prospectus or marketing materials would contain a misrepresentation or a statement that is otherwise misleading or untrue, or, if for any other reason it shall be necessary during such time period to amend or supplement such Canadian Preliminary Prospectus, Canadian Prospectus or marketing materials in order to comply with Canadian Securities Laws and, as promptly as reasonably practicable thereafter, prepare and file with the applicable Canadian Securities Authority, and furnish without charge to the Holder Representative and the managing underwriter or underwriters, if any, an amendment or supplement to such Canadian Preliminary Prospectus, Canadian Prospectus or marketing materials which shall correct such misstatement or omission or effect such compliance;
- (v) use its commercially reasonable efforts to prevent, or obtain the withdrawal of, any stop order or other order or notice preventing or suspending the use of any Canadian Preliminary Prospectus, Canadian Prospectus or marketing materials;
- (vi) furnish to the Holder Representative and each underwriter, if any, without charge, as many conformed copies as the Holder Representative or underwriter may reasonably request of any applicable Canadian Preliminary Prospectus or Canadian Prospectus and any amendment or post-effective amendment or

supplement thereto, including financial statements and schedules and all exhibits (but excluding all documents incorporated therein by reference);

- (vii) deliver to each the Holder Representative and each underwriter, if any, without charge, as many copies of any applicable Canadian Preliminary Prospectus or Canadian Prospectus and any amendment or supplement thereto and such other documents as the Holder Representative or underwriter may reasonably request in order to facilitate the disposition of the Registrable Shares by the Holder Representative or underwriter (it being understood that the Company shall consent to the use of such Canadian Preliminary Prospectus or Canadian Prospectus or any amendment or supplement thereto by each of the selling Holders and the underwriters, if any, in connection with the offering, sale or distribution of the Registrable Shares covered by such Canadian Preliminary Prospectus or Canadian Prospectus or any amendment or supplement thereto);
- (viii) cooperate with the Holder Representative and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Shares to be sold and enable such Registrable Shares to be in such denominations and registered in such names as the managing underwriters may request prior to any sale of Registrable Shares to the underwriters;
- (ix) not later than the effective date of the filing of any applicable Canadian Prospectus, provide a CUSIP number for all Registrable Shares and, as applicable, provide the applicable transfer agent with printed certificates for the Registrable Shares which are in a form eligible for deposit with CDS Clearing and Depository Services Inc.;
- (x) make such representations and warranties to the underwriters or agents, if any, in form, substance and scope as are customarily made by issuers in public offerings similar to the offering then being undertaken;
- (xi) enter into such customary agreements (including underwriting and indemnification agreements) and use commercially reasonable efforts to take all such other actions as the managing underwriter or underwriters, if any, reasonably request in order to expedite or facilitate the Registration and disposition of such Registrable Shares in Canada;
- (xii) obtain for delivery to the Holder Representative (on behalf of the Holders) and underwriter or underwriters, if any, in the event of an Underwritten Public Offering or if customary in public offerings similar to the offering then being undertaken, on the date of the closing under the underwriting agreement or for such an offering,
 - (A) opinions of counsel in customary form, scope and substance, which opinions shall be reasonably satisfactory to such underwriters, including if applicable, as to translation and compliance with French language laws, and
 - (B) such corporate certificates as are reasonably requested in connection with such distribution, and in each case covering substantially the same matters as are customarily covered in such documents in the relevant jurisdictions

and such other matters as the Holder Representative may reasonably request;

- (xiii) in the case of an Underwritten Public Offering, obtain for delivery to the Holder Representative (on behalf of the Holders) and the managing underwriter or underwriters, a comfort letter from the Company's independent auditors (and, if necessary, any other independent auditors of any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Canadian Prospectus) in customary form and covering such matters of the type customarily covered by comfort letters as the managing underwriter or underwriters reasonably request, dated the date of execution of the underwriting agreement and brought down to the closing under the underwriting agreement;
- (xiv) cooperate with each seller of Registrable Shares and each underwriter, if any, participating in the disposition of such Registrable Shares and their respective counsel in connection with any filings required to be made with the Canadian Securities Authorities or IIROC;
- (xv) provide and cause to be maintained a transfer agent and registrar for all Registrable Shares covered by such Registration;
- (xvi) use commercially reasonable efforts to cause all Registrable Shares covered by such Registration to be listed on each securities exchange on which the Common Shares are then listed or quoted;
- (xvii) subject to the prior execution and delivery to the Company of reasonable confidentiality agreements, make available upon reasonable notice at reasonable times and for reasonable periods for inspection by the Holder Representative, by any underwriter participating in any Registration and by any attorney, accountant or other agent retained by the Holder Representative or any such underwriter, all pertinent financial and other records and pertinent corporate documents and properties of the Company as are reasonably necessary to enable the Holder Representative or underwriter to exercise their due diligence responsibility, and cause all of the Company's officers, directors and employees and the independent public accountants who have certified its financial statements to make themselves reasonably available to discuss the business of the Company and to supply all information reasonably requested by any such Person in connection with such Registration;
- (xviii) in the case of an Underwritten Public Offering, cause the appropriate officers of the Company to participate in the customary "road show" presentations that may be reasonably requested by the managing underwriter or underwriters in any such offering and otherwise participate in reasonable and customary selling efforts related thereto;
- (xix) take all reasonable action to ensure that any marketing materials to be provided in connection with such Registration comply with Canadian Securities Laws and approve in writing all such marketing materials (including as may be reasonably required by any managing underwriter or underwriters) and file such marketing

materials to the extent required for the use of such marketing materials under applicable Canadian Securities Laws; and

- (xx) take all such other commercially reasonable actions as are necessary or advisable in order to expedite or facilitate the disposition of such Registrable Shares in accordance with the terms of this Agreement in Canada.

- (b) Company Information Requests. The Company may require the Holder Representative to furnish to the Company such information regarding the distribution of Registrable Shares as to which any Registration or sale is being effected and such other information relating to each Holder and its ownership of Registrable Shares being distributed as the Company may from time to time reasonably request in writing and the Company may exclude from such Registration or sale the Registrable Shares of any such Holder for whom the Holder Representative unreasonably fails to furnish such information within a reasonable time after receiving such request. The Holder Representative agrees to furnish such information to the Company and to cooperate with the Company as reasonably necessary to enable the Company to comply with the provisions of this Agreement.

- (c) Discontinuing Registrations. The Holder Representative agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 2.3(a)(iv), the Holder Representative will and will cause each other Holder to discontinue disposition of Registrable Shares under such Canadian Preliminary Prospectus, Canadian Prospectus or marketing materials until the Holder Representative's receipt of the copies of the supplemented or amended Canadian Preliminary Prospectus, Canadian Prospectus or marketing materials contemplated by Section 2.3(a)(iv), or until the Holder Representative is advised in writing by the Company that the use of the Canadian Preliminary Prospectus, Canadian Prospectus or marketing materials may be resumed, and, as applicable, has received copies of any additional or supplemental filings that are incorporated by reference in the Canadian Preliminary Prospectus or Canadian Prospectus, or any amendments or supplements thereto, and if so directed by the Company, the Holder Representative shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in the Holder Representative's and each other Holder's possession, of such documents current at the time of receipt of such notice.

2.4 Underwritten Offerings

- (a) Demand Registrations. If requested by the underwriters for any Underwritten Public Offering, pursuant to a Registration or sale under Section 2.1, the Company and each selling Holder shall enter into an underwriting agreement with such underwriters, such agreement to be reasonably satisfactory in substance and form to each of the Company, the selling Holders and the underwriters, and to contain such representations and warranties by the Company and such other terms as are generally prevailing in agreements of that type, including indemnities substantially consistent with those provided in Section 2.8. The Holder Representative shall cooperate with the Company in the negotiation of the underwriting agreement and shall give consideration to the reasonable suggestions of the Company regarding the form thereof, and the Holders of the Registrable Shares proposed to be distributed by such underwriters shall complete and execute all questionnaires, powers of attorney and other documents reasonably requested by the underwriters and required under the terms of such underwriting arrangements. Any such Holder shall not be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such

Holder, such Holder's title to the Registrable Shares, such Holder's intended method of distribution and any other representations, warranties and agreements to be made by the Holder as are generally prevailing in agreements of that type, and the aggregate amount of the liability of such Holder under the indemnification provisions of such agreement shall not exceed such Holder's proceeds from the sale of its Registrable Shares in the offering, net of underwriting discounts and commissions but before expenses.

- (b) Piggyback Registrations. If the Company proposes to register or sell any of its securities as contemplated by Section 2.2 and such securities are to be distributed through one or more underwriters, the Company shall, if requested by the Holder Representative pursuant to Section 2.2 and, subject to the provisions of Section 2.2(b), use its commercially reasonable efforts to arrange for such underwriters to include on the same terms and conditions that apply to the other sellers in such Registration or sale all the Registrable Shares to be offered and sold by each Piggyback Holder among the securities of the Company to be distributed by such underwriters in such Registration or sale. The Holders of Registrable Shares to be distributed by such underwriters shall be parties to the underwriting agreement between the Company and such underwriters and shall complete and execute all questionnaires, powers of attorney and other documents reasonably requested by the underwriters and required under the terms of such underwriting arrangements. Any such Holder shall not be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Holder's title to the Registrable Shares, such Holder's intended method of distribution and any other representations, warranties and agreements to be made by the Holder as are generally prevailing in agreements of that type, and the aggregate amount of the liability of such Holder under the indemnification provisions of such agreement shall not exceed such Holder's proceeds from the sale of its Registrable Shares in the offering, net of underwriting discounts and commissions but before expenses.
- (c) Selection of Underwriters. The managing underwriter or underwriters to administer any offering shall be determined by the Company; provided that such underwriter or underwriters shall be of nationally recognized standing in Canada and otherwise reasonably acceptable to the Holder Representative.

2.5 Lock-Up

In respect of any offering of securities by the Company pursuant to this Agreement, upon request by the underwriters or dealers (as the case may be) in connection therewith, the Holders and the Company each agree to execute customary lock-up agreements, in each case for a period ending no later than 90 days or such shorter term as the underwriters may reasonably request (the "**Lock-Up Period**"), after the closing of such Registration, on terms required by the underwriters and consistent with those in public offering underwriting agreements customarily entered into by the Company. The Company shall be entitled to postpone the filing of a Canadian Preliminary Prospectus or Canadian Prospectus otherwise required to be prepared and filed by it pursuant hereto or may request Holders suspend the use of any Canadian Prospectus that has been pursuant hereto if a Demand Registration Request is received prior to the expiration of any Lock-Up Period.

2.6 No Inconsistent Agreements; Additional Rights

Neither the Company nor any of its Subsidiaries shall hereafter enter into, and neither the Company nor any of its Subsidiaries is currently a party to, any agreement with respect to its securities that is inconsistent with the rights granted to the Holders by this Agreement.

2.7 Registration Expenses; Selling Expenses

All expenses incident to the Company's performance of its obligations under this Agreement shall be paid by the Company, including (a) all registration and filing fees, and any other fees and expenses associated with filings required to be made with the Canadian Securities Authorities or IIROC, (b) all printing, translation, duplicating, word processing, messenger, telephone, facsimile and delivery expenses (including all expenses of any transfer agent and expenses relating to CDS Clearing and Depository Services Inc. and of printing prospectuses or other offering documents), (c) all fees and disbursements of counsel for the Company and of all independent auditors of the Company (including the expenses of any special audit and comfort letters required by or incident to such performance), (d) all fees and expenses incurred in connection with the listing of the Registrable Shares on any securities exchange or quotation of the Registrable Shares on any inter-dealer quotation system, (e) all fees and expenses of any special experts or other Persons retained by the Company in connection with any Registration or sale, (f) all expenses related to any "road show", including the reasonable out-of-pocket expenses of the underwriters, if so requested, (g) the fees and disbursements of one set of counsel for the Holders, (h) fees and expense of the underwriters, other than Selling Expenses and (i) all of the Company's internal expenses (including all salaries and expenses of its officers and employees performing legal or accounting duties) (all such expenses are referred to herein as "**Registration Expenses**"); provided, however, that any of the expenses for any Demand Registration requested by the Holder Representative pursuant to this Agreement and subsequently withdrawn by the Holder Representative, and not due to the exercise of the right of the Company pursuant to Section 2.1(f), shall be borne by the Holders based on their respective Pro Rata Portion. All Selling Expenses in connection with each registration under Sections 2.1 and 2.2 shall be borne by the participating sellers in proportion to the number of Registrable Shares sold by each relative to the total number of Common Shares sold pursuant to the registration. Notwithstanding the foregoing, the Company shall not be required to pay any Selling Expenses attributable to the sale of Registrable Shares unless the Company agrees to do so in the applicable underwriting agreement. All such Selling Expenses shall be borne by the participating sellers in proportion to the number of Registrable Shares sold by each relative to the total number of Common Shares sold pursuant to the registration.

2.8 Indemnification and Contribution

- (a) Indemnification by the Company. The Company shall indemnify and hold harmless, to the full extent permitted by law, each Holder, each shareholder, member, limited or general partner of such Holder, each of their respective Affiliates, officers, directors, managers, shareholders, employees, advisors, and agents and each Person who controls or is deemed to control such Persons and each of their respective Representatives from and against any and all losses, penalties, judgments, suits, costs, claims, damages, liabilities and expenses, joint or several (including reasonable and documented costs of investigation and legal expenses and any indemnity and contribution payments made to underwriters) (each, a "**Loss**" and collectively "**Losses**") arising out of any claim against such Persons based upon any information or statement in a Canadian Preliminary Prospectus or Canadian Prospectus that contains a misrepresentation or any omission of a Canadian Preliminary Prospectus, Canadian Prospectus, or any amendment thereto, to contain full, true and plain disclosure of all material facts relating to the securities distributed thereunder, or any violation or alleged violation by the Company or any of its Subsidiaries of any federal, state, provincial,

foreign or common law rule or regulation applicable to the Company or any of its Subsidiaries and relating to action or inaction by the Company in connection with any such Canadian Preliminary Prospectus or Canadian Prospectus and any distributions related thereto provided, that no selling Holder shall be entitled to indemnification pursuant to this Section 2.8(a) in respect of any untrue statement or omission or any misrepresentation contained in any information relating to such selling Holder furnished in writing by such selling Holder to the Company specifically for inclusion in a Canadian Preliminary Prospectus or Canadian Prospectus and used by the Company in conformity therewith (such information "**Selling Holder Information**"). This indemnity shall be in addition to any liability the Company may otherwise have. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Holder or any indemnified party and shall survive the Transfer of such securities by such Holder.

- (b) Indemnification by the Selling Holders. Each selling Holder agrees (jointly and severally) to indemnify and hold harmless, to the fullest extent permitted by law, the Company, its Subsidiaries and the Company and its Subsidiaries' respective directors and officers and each Person who controls or is deemed to control the Company from and against any Losses arising out of any claim against such Persons based upon any omission from or any information or statement in a Canadian Preliminary Prospectus, Canadian Prospectus, or any amendment thereto, that contains a misrepresentation or untrue statement, in each case to the extent, but only to the extent, that such untrue statement or omission or such misrepresentation is contained in such selling Holder's Selling Holder Information; provided that the Holders will not be liable under this Section 2.8(b) for any settlement of any action effected without its written consent, which consent will not be unreasonably withheld. In no event shall the liability of any selling Holder pursuant to this Section 2.8(b) be greater in amount than the dollar amount of the proceeds from the sale of all Registrable Shares in the offering giving rise to such indemnification obligation, net of underwriting discounts and commissions but before expenses, less any amounts paid by such Holder pursuant to Section 2.8(d) and any amounts paid by such Holder as a result of liabilities incurred under the underwriting agreement, if any, related to such sale.
- (c) Conduct of Indemnification Proceedings. Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that any delay or failure to so notify the indemnifying party shall relieve the indemnifying party of its obligations hereunder only to the extent that the indemnifying party forfeits substantive legal rights or has been materially prejudiced by reason of such delay or failure) and (ii) permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party; provided, however, that any Person entitled to indemnification hereunder shall have the right to select and employ separate counsel and to participate in the defense of such claim, but the reasonable and documented fees and expenses of such counsel shall be at the expense of such Person unless (A) the indemnifying party has agreed in writing to pay such fees or expenses, (B) the indemnifying party shall have failed to assume the defense of such claim within a reasonable time after receipt of notice of such claim from the Person entitled to indemnification hereunder and employ counsel reasonably satisfactory to such Person, (C) the indemnified party has reasonably concluded (based upon advice of its counsel) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party, or (D) in the reasonable judgment of any such Person (based upon advice of its counsel) a conflict of interest may exist between such Person and the indemnifying party with respect to such claims (in which case, if the Person notifies the

indemnifying party in writing that such Person elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such claim on behalf of such Person). If the indemnifying party assumes the defense, the indemnifying party shall not, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement that does not include as a term thereof the giving by the claimant or plaintiff to such indemnified party of an unconditional release from all liability in respect to such claim or litigation. If such defense is not assumed by the indemnifying party, the indemnifying party will not be subject to any liability for any settlement made without its prior written consent, but such consent may not be unreasonably withheld. It is understood that the indemnifying party or parties shall not, except as specifically set forth in this Section 2.8(a), in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable and documented fees, disbursements or other charges of more than one separate firm admitted to practice in such jurisdiction at any one time unless (x) the employment of more than one counsel has been authorized in writing by the indemnifying party or parties, (y) an indemnified party has reasonably concluded (based on the advice of counsel) that there may be legal defenses available to it that are different from or in addition to those available to the other indemnified parties or (z) a conflict or potential conflict exists or may exist (based upon advice of counsel to an indemnified party) between such indemnified party and the other indemnified parties, in each of which cases the indemnifying party shall be obligated to pay the reasonable and documented fees and expenses of such additional counsel or counsels.

- (d) Contribution. If for any reason the indemnification provided for in Section 2.8(a) and Section 2.8(b) is unavailable to an indemnified party or insufficient in respect of any Losses referred to therein (other than as a result of exceptions or limitations on indemnification contained in Section 2.8(a) and Section 2.8(b)), then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such Loss in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party or parties on the other hand in connection with the acts, statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations. The relative fault of the indemnifying party on the one hand and the indemnified party on the other hand shall be determined by reference to, among other things whether any untrue or alleged untrue statement of a material fact or misrepresentation or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement, misrepresentation or omission. The parties hereto agree that it would not be just or equitable if contribution pursuant to this Section 2.8(d) were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in this Section 2.8(d). No Person guilty of fraud, willful misconduct, fraudulent misrepresentation or negligence shall be entitled to contribution from any Person who was not guilty of such fraud, willful misconduct, fraudulent misrepresentation or negligence. The amount paid or payable by an indemnified party as a result of the Losses referred to in Section 2.8(a) and Section 2.8(b) shall be deemed to include, subject to the limitations set forth above, any documented and reasonable legal or other expenses incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 2.8(d), in connection with any Registration effected pursuant to this Agreement, a selling Holder shall not be required to contribute any amount in excess of the dollar amount of the proceeds from the sale of all Registrable Shares in the offering giving rise to such

indemnification obligation, net of underwriting discounts and commissions but before expenses, less any amounts paid by such Holder pursuant to Section 2.8(b) and any amounts paid by a Holder as a result of liabilities incurred under the underwriting agreement, if any, related to such Registration. If indemnification is available under this Section 2.8, the indemnifying parties shall indemnify each indemnified party to the full extent provided in Sections 2.8(a) and 2.8(b) hereof without regard to the provisions of this Section 2.8(d). The remedies provided for in this Section 2.8 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

- (e) Priority. The Company hereby acknowledges and agrees that any Person entitled to indemnification pursuant to Section 2.8(a) (a "**Company Indemnitee**") may have certain rights to indemnification, advancement of expenses and/or insurance provided by other sources. The Company hereby acknowledges and agrees that it is the indemnitor of first resort (i.e., its obligations to a Company Indemnitee are primary and any obligation of such other sources to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Company Indemnitee are secondary).

2.9 **Rule 144 and Rule 144A**

The Company will use commercially reasonable efforts to make publicly available such information specified in Rule 144(c)(2) under the Securities Act or any similar successor rule or regulation hereafter adopted by the SEC to enable such Holder to sell Registrable Shares without Registration under Rule 144 of the Securities Act or any such successor rule or regulation. The Company further covenants and agrees that at any time that it is not either subject to reporting under Section 13 or Section 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, it will provide to the Holder and any prospective purchaser designated by the Holder the information specified in Rule 144A(d)(4) under the Securities Act or any similar successor rule or regulation hereafter adopted by the SEC to enable such Holder to Sell Registrable Shares without registration under Rule 144A of the Securities Act or any such successor rule or regulation.

ARTICLE 3 **REPRESENTATIONS AND WARRANTIES**

3.1 **Representations and Warranties of the Company**

By executing and delivering this Agreement, the Company hereby represents and warrants to each of the Holders that the following statements are true and correct as of the date hereof:

- (a) The Company is a corporation duly organized and validly existing under the laws of Alberta. The Company has the full power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action.
- (b) This Agreement has been duly and validly executed and delivered by the Company and constitutes a legal and binding obligation of the Company, enforceable against the Company in accordance with its terms.

- (c) The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby will not, with or without the giving of notice or lapse of time, or both (i) violate any provision of applicable Law or (ii) conflict with, or result in a breach or default under, any term or condition of the Articles or any agreement or instrument to which the Company is a party or by which the Company is bound.

3.2 Representations and Warranties of the Holders

Each Holder and each Person who becomes a Holder after the date hereof with respect to itself hereby represents and warrants to and acknowledges with the Company and each other Holder that, as of the time such Holder becomes a party to this Agreement (whether by executing a separate joinder or otherwise):

- (a) Such Holder (i) if an entity, is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization and has all necessary corporate or equivalent power and authority to own, lease and operate its properties and to carry on its business as is now being conducted or (ii) if an individual, has the legal capacity to own, lease and operate his or her properties and assets and carry on his or her affairs as currently conducted.
- (b) Such Holder (i) if an entity, has the full power and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action; and (ii) if an individual, is a competent adult and has full power, legal right and authority to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby and thereby.
- (c) The execution, delivery and performance by such Holder of this Agreement and the consummation by such Holder of the transactions contemplated hereby will not, with or without the giving of notice or lapse of time, or both (i) violate any provision of applicable Law or (ii) conflict with, or result in a breach or default under, any term or condition of any agreement or instrument to which such Holder is a party or by which such Holder is bound.

ARTICLE 4 **MISCELLANEOUS**

4.1 Severability

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transaction is not affected in any manner materially adverse to any party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties hereto as closely as possible in a manner that makes such term or provision valid, legal or capable of being enforced, as the case may be.

4.2 Entire Agreement

This Agreement contains the entire understanding, whether oral or written, of the parties with respect to the matters covered hereby.

4.3 Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party shall have the right to transfer or assign this Agreement or any of its rights or obligations under this Agreement without the prior written consent of the other parties.

4.4 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

4.5 Public Disclosure Consent

The parties acknowledge that the Company shall file a copy of this Agreement on SEDAR (with such redactions as may be reasonably requested by the Company or the Holders and permitted under applicable Canadian Securities Laws).

4.6 Notices

Except as otherwise provided herein, all notices, requests, claims, demands, waivers and other communications required or permitted under this Agreement shall be in writing and shall be delivered by hand or overnight courier service, or sent by email transmission (in the case of email transmission, with copies by overnight courier service) to the respective parties as follows (or, in each case, as otherwise notified by any of the parties hereto) and shall be effective and deemed to have been duly given (a) immediately when sent by email between 9:00 am and 6:00 pm (Toronto time) on any Trading Day and when sent outside of such hours, at 9:00 am (Toronto time) on the next Trading Day, and (b) when received if delivered by hand or overnight courier service on any Trading Day:

(a) If to the Company, addressed to it at:

-
-
-

Attention: •
Email: •

(b) if to a Holder, c/o the Holder Representative addressed to it at:

-
-
-

Attention: •
Email: •

4.7 Governing Law; Jurisdiction; Waiver of Jury Trial

This Agreement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of Alberta and the federal laws of Canada applicable therein (without reference to conflict of laws principles), and shall be construed and treated in all respects as an Alberta contract. Each of the parties hereby irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Alberta in respect of all matters arising under and in relation to this Agreement. Each party hereby waives any right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the transaction or the actions of the Holders in the negotiation, administration, performance and enforcement of this Agreement.

4.8 Descriptive Headings

The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

4.9 Further Assurances

Each of the parties hereto covenants and agrees on behalf of itself, its successors and its assigns, without further consideration, to prepare, execute, acknowledge, file, record, publish and deliver such other instruments, documents and statements, and to take such other action, as may be required by Law or reasonably necessary to effectively carry out the purposes of this Agreement and the intentions of the parties expressed herein.

4.10 No Third Party Beneficiaries

Except as set forth in Section 2.8, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

4.11 Holder Representative

The Company shall be entitled to rely upon any notice received by it from the Holder Representative on behalf of, or purporting to be on behalf of, the Holders without further investigation or inquiry. The Holder Representative hereby confirms to the Company that each of the Holders has appointed the Holder Representative to act on its behalf as agent hereunder and has authorized the Holder Representative to take such actions on its behalf and to exercise such powers as have been granted or delegated to the Holder Representative by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

4.12 Amendment and Waiver

- (a) Except as otherwise provided herein, the provisions of this Agreement may only be amended, modified, supplemented or waived with the prior written consent of the Company and the Holder Representative.

- (b) No waiver by any party or parties shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

4.13 Termination

This Agreement shall terminate on the date that the Registrable Shares held collectively by the Holders, together with any Registrable Shares over which the Holders or any one or more of them exercises direction or control, represent in the aggregate less than or equal to 5.0% of the issued and outstanding Common Shares, determined on a non-diluted basis; provided, that the provisions of Sections 2.7 and 2.8, this Section 4.13, and Sections 4.14 and 4.16 shall survive any such termination.

4.14 Joint and Several Obligations

The obligations of each Holder hereunder are joint and several with the obligations of the other Holders.

4.15 Changes in Common Shares

If, and as often as, there are any changes in the Common Shares by way of stock split, stock dividend, combination or reclassification, or through merger, consolidation, reorganization or recapitalization, or by any other means, appropriate adjustment shall be made in the provisions hereof as may be required so that the rights and privileges granted hereby shall continue with respect to the Registrable Shares as so changed and the Company shall make appropriate provision in connection with any merger, consolidation, reorganization or recapitalization that any successor to the Company (or resulting parent thereof) shall agree, as a condition to the consummation of any such transaction, to expressly assume the Company's obligations hereunder.

4.16 Time of the Essence

Time is of the essence in this Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

WHITECAP RESOURCES INC.

By: _____
Name:
Title:

**THE MANUFACTURERS LIFE INSURANCE
COMPANY**

By: _____
Name:
Title:

**SCHEDULE 1.1(HHHHHH)
WELLS**

(see attached.)

[schedule contents redacted]

SCHEDULE 3.4(D)
FORM OF OFFICER'S CERTIFICATE OF VENDOR

(see attached.)

OFFICER'S CERTIFICATE

TO: WHITECAP RESOURCES INC. (the “Purchaser”)
FROM: THE MANUFACTURERS LIFE INSURANCE COMPANY (the “Vendor”)
RE: Share purchase and sale agreement between the Vendor, the Company and the Purchaser dated August 30, 2020 (the “SPA”)

Reference is made to the SPA. Capitalized terms used but not otherwise defined herein have the meanings given to them in the SPA.

This certificate is being provided pursuant to Section 3.4(d) of the SPA.

I, *[name redacted]*, the duly appointed *[title redacted]* of the Vendor, hereby certify, for and on behalf of the Vendor in my capacity as officer of the Vendor, and not in my personal capacity and without personal liability, that:

- (a) the representations and warranties of the Vendor set forth in the SPA that are not Vendor Fundamental Representations are true and correct in all respects (without regard to any materiality qualifier) as of the date of the SPA and as of the Closing Date, as though made on and as of the Closing Date (except to the extent such representations and warranties expressly speak of a specified date, in which event, such representations and warranties are true and correct as of such specified date), and except to the extent any untruth or inaccuracy in the aggregate does not create a Material Adverse Effect;
- (b) the Vendor’s Fundamental Representations are true and correct as of the date of the SPA and as of the Closing Date, as though made on and as of the Closing Date; and
- (c) the Vendor has performed or complied in all material respects with its obligations, covenants and agreements under the SPA, other than those set forth in Sections 3.4, 4.1 and 11.1 of the SPA, which have been complied with in all respects.

DATED January _____, 2021.

**THE MANUFACTURERS LIFE
INSURANCE COMPANY**

By: _____
Name: *[name redacted]*
Title: *[title redacted]*

SCHEDULE 3.4(E)
FORM OF OFFICER'S CERTIFICATE OF COMPANY

(see attached.)

OFFICER'S CERTIFICATE

TO: WHITECAP RESOURCES INC. (the “**Purchaser**”)
FROM: NAL RESOURCES LIMITED (the “**Company**”)
RE: Share Purchase and Sale Agreement between The Manufacturers Life Insurance Company,
the Company and the Purchaser dated August 30, 2020 (the “**SPA**”)

Reference is made to the SPA. Capitalized terms used but not otherwise defined herein have the meanings given to them in the SPA.

This certificate is being provided pursuant to Section 3.4(e) of the SPA.

I, *[name redacted]*, the duly appointed *[title redacted]* of the Company, hereby certify, for and on behalf of the Company in my capacity as officer of the Company, and not in my personal capacity and without personal liability, that the Company has performed or complied in all material respects with all of its obligations, covenants and agreements under the SPA.

DATED January _____, 2021.

NAL RESOURCES LIMITED

By: _____
Name: *[name redacted]*
Title: *[title redacted]*

SCHEDULE 3.5(C)
FORM OF OFFICER'S CERTIFICATE OF PURCHASER

(see attached.)

OFFICER'S CERTIFICATE

TO: THE MANUFACTURERS LIFE INSURANCE COMPANY (the “Vendor”)
AND TO: NAL RESOURCES LIMITED (the “Company”)
FROM: WHITECAP RESOURCES INC. (the “Purchaser”)
RE: Share Purchase and Sale Agreement between the Vendor, the Company and the Purchaser dated August 30, 2020 (the “SPA”)

Reference is made to the SPA. Capitalized terms used but not otherwise defined herein have the meanings given to them in the SPA.

This certificate is being provided pursuant to Section 3.5(c) of the SPA.

I, ●, the duly appointed ● of the Purchaser, hereby certify, for and on behalf of the Purchaser in my capacity as officer of the Purchaser, and not in my personal capacity and without personal liability, that:

- (a) the representations and warranties of the Purchaser set forth in the SPA that are not Purchaser Fundamental Representations are true and correct in all respects (without regard to any materiality qualifier) as of the date of the SPA and as of the Closing Date, as though made on and as of the Closing Date (except to the extent such representations and warranties expressly speak of a specified date, in which event, such representations and warranties are true and correct as of such specified date), and except to the extent any untruth or inaccuracy in the aggregate does not create a Material Adverse Effect;
- (b) the Purchaser Fundamental Representations are true and correct as of the date of the SPA and as of the Closing Date, as though made on and as of the Closing Date; and
- (c) the Purchaser has performed or complied in all material respects with all of its obligations, covenants and agreements under the SPA, other than those set forth in Sections 3.5 and 11.1 of the SPA, which have been complied with in all respects.

DATED January _____, 2021.

WHITECAP RESOURCES INC.

By: _____
Name: ●
Title: ●

SCHEDULE 4.2
SUMMARY OF AFEs

(see attached)

[schedule contents redacted]

**SCHEDULE 8.3
ALLOCATED ASSET VALUES**

(see attached)

[schedule contents redacted]