

UNDERWRITING AGREEMENT

Effective September 27, 2021

Headwater Exploration Inc.
Suite 1200, 500 4th Avenue S.W.
Calgary, Alberta T2P 2V6

Attention: Neil Roszell, Chairman and Chief Executive Officer

Cenovus Energy Inc.
225, 6th Avenue S.W., P.O. Box 766
Calgary, Alberta T2P 0M5

Cenovus Marten Hills Partnership
c/o Cenovus Energy Inc., as its managing partner
225, 6th Avenue S.W., P.O. Box 766
Calgary, Alberta T2P 0M5

Attention: Karamjit S. Sandhar, Executive Vice-President, Strategy & Corporate Development

Dear Sirs:

Re: Secondary Offering of Common Shares of Headwater Exploration Inc.

The undersigned, Peters & Co. Limited (“**Peters & Co.**”) and BMO Nesbitt Burns Inc. (together with Peters & Co., the “**Co-Lead Underwriters**”), together with CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and TD Securities Inc. (collectively with the Lead Underwriters, the “**Underwriters**”) understand that Cenovus Marten Hills Partnership (the “**Selling Shareholder**”), a wholly-owned subsidiary of Cenovus Energy Inc. (“**Cenovus**”) proposes to sell 45,000,000 common shares (each an “**Initial Share**”) in the capital of Headwater Exploration Inc. (the “**Corporation**”) at a price of \$4.55 (the “**Offering Price**”) per Offered Share (the “**Offering**”).

We also understand that the Corporation will prepare and file, in accordance with the terms hereof, the Preliminary Prospectus (as defined herein), the Prospectus (as defined herein) and all other necessary documents in order to qualify for distribution in each of the Qualifying Jurisdictions (as defined herein), the Offered Shares (as defined herein).

Upon and subject to the terms and conditions hereof, the Underwriters hereby severally, and not jointly, nor jointly and severally, agree to purchase from the Selling Shareholder on the Closing Date (as defined herein), in the respective percentages set forth in section 19, and the Selling Shareholder hereby agrees to sell to the Underwriters or purchasers identified by the Underwriters, all but not less than all of the Initial Shares for an aggregate purchase price of \$204,750,000.

In consideration of the Underwriters’ agreement to purchase the Initial Shares, the Selling Shareholder hereby grants to the Underwriters an option (the “**Over-Allotment Option**”) to purchase from the Selling Shareholder, at the Underwriters’ election, up to an additional 5,000,000 common shares (each an “**Over-Allotment Option Share**”) and together with the Initial Shares, the “**Offered Shares**”) in the capital of the Corporation. The Underwriters may exercise the Over-Allotment Option, in whole or in part, at any time and from time to time prior to 5:00 p.m. (Calgary time) on the date that is thirty (30) days following the Closing Date solely for the purpose of covering over-allotments at the Closing Time (as defined herein), if

any, and for market stabilization purposes, by written notice to the Selling Shareholder by the Co-Lead Underwriters, on behalf of the Underwriters, setting forth the number of Over-Allotment Option Shares to be purchased. In the event and to the extent that the Underwriters exercise the Over-Allotment Option, subject to the terms and conditions hereof, the Underwriters hereby severally, and not jointly, nor jointly and severally, agree to purchase from the Selling Shareholder the number of Over-Allotment Option Shares as to which the Over-Allotment Option shall have been exercised in the respective percentages set forth in section 19, and the Selling Shareholder hereby agrees to sell such number of Over-Allotment Option Shares to the Underwriters at the Offering Price.

The Underwriters propose to distribute the Offered Shares in the Qualifying Jurisdictions pursuant to the Prospectus and in the United States on a private placement basis in accordance with the exemption from the registration requirements of the U.S. Securities Act (as defined herein) provided by Rule 144A (as defined herein), all in the manner contemplated by this Agreement (as defined herein) (including Schedule “A” hereto, the terms and conditions of which are incorporated herein by reference and form a part of this Agreement) and as permitted by Canadian Securities Laws (as defined herein) and applicable securities laws of the United States.

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

The Underwriters will offer the Offered Shares initially at the Offering Price. The Underwriters may subsequently reduce the price at which the Offered Shares are offered. Any such reduction shall not reduce the proceeds received by the Selling Shareholder in accordance with this Agreement.

1. Definitions

In this Agreement:

- (a) “**2143289**” means 2143289 Alberta Ltd.;
- (b) “**ABCA**” means the *Business Corporations Act* (Alberta), as amended from time to time, together with any and all the regulations promulgated thereunder;
- (c) “**Acquired Assets**” means 100% of Cenovus’s assets located in the Marten Hills area of Alberta acquired by the Corporation from the Selling Shareholder pursuant to a purchase and sale agreement dated November 8, 2020 among the Corporation, Cenovus and the Selling Shareholder;
- (d) “**Acquired Assets Operating Statements**” means:
 - (i) the audited operating statements of Cenovus for the Acquired Assets for the year ended December 31, 2019, together with report of PWC thereon and the notes thereto;
 - (ii) the unaudited operating statements of Cenovus for the Acquired Assets for the year ended December 31, 2018, together with the notes thereto; and
 - (iii) the unaudited operating statements of Cenovus for the Acquired Assets for the nine months ended September 30, 2020 and 2019, together with the notes thereto;

- (e) “**Additional Closing Date**” or “**Additional Closing Time**” has the meaning given to it in subsection 14(b);
- (f) “**affiliate**” has the meaning given to it in the *Securities Act* (Alberta);
- (g) “**Agreement**” means this underwriting agreement, including any schedules or exhibits attached hereto, and not any particular article or section or other portion except as may be specified, and words such as “**hereof**”, “**hereto**”, “**herein**” and “**hereby**” refer to this Agreement as the context requires;
- (h) “**AIF**” means the annual information form of the Corporation for the year ended December 31, 2020 and dated March 10, 2021;
- (i) “**Anti-Money Laundering Laws**” has the meaning given to it in section 7(b)(lxii);
- (j) “**Applicable Indemnifier(s)**” has the meaning given to it in section 9(a)(iii);
- (k) “**ASC**” means the Alberta Securities Commission;
- (l) “**Business Day**” means any day, other than a Saturday or Sunday, on which commercial banks in Calgary, Alberta and Toronto, Ontario are open for commercial banking business during normal banking hours;
- (m) “**Canadian Securities Laws**” means all applicable securities laws in each of the Qualifying Jurisdictions and the respective rules, regulations, instruments, blanket orders and blanket rulings under such laws together with applicable published policies, policy statements and notices of the Canadian Securities Regulators;
- (n) “**Canadian Securities Regulators**” means the securities commissions or similar regulatory authorities in the Qualifying Jurisdictions;
- (o) “**Cenovus**” has the meaning ascribed to such term in the recitals hereto;
- (p) “**Cenovus Warrants**” means Common Share purchase warrants of the Corporation issued to the Selling Shareholder as a portion of the consideration payable by the Corporation for the Acquired Assets;
- (q) “**Claims**” has the meaning given to it in section 9(a)(i);
- (r) “**Closing Date**” means October 14, 2021 or such other date as the Underwriters, the Corporation and the Selling Shareholder may agree but not later than the date that is 42 days after the date of the Final Passport System Decision Document;
- (s) “**Closing Time**” means 6:30 a.m. (Calgary time) or such other time, on the Closing Date, as the Underwriters, the Corporation and the Selling Shareholder may agree;
- (t) “**Co-Lead Underwriters**” has the meaning ascribed to such term in the recitals hereto;
- (u) “**Common Shares**” means the common shares in the capital of the Corporation;
- (v) “**Corporation**” has the meaning ascribed to such term in the recitals hereto;

- (w) **“Credit Agreement”** means the credit agreement between the Corporation and National Bank of Canada dated May 7, 2020 providing for a risk management facility and credit card facility;
- (x) **“distribution”** and **“distribution to the public”** have the respective meanings given to them under Canadian Securities Laws;
- (y) **“Documents”** means, collectively, the documents incorporated by reference in the Prospectuses and any Supplementary Material including, without limitation:
 - (i) the AIF;
 - (ii) the audited financial statements of the Corporation as at and for the years ended December 31, 2020 and 2019, together with the notes thereto and KPMG’s report thereon for the year ended December 31, 2020 and PWC’s report on the audited financial statements of the Corporation as at and for the year ended December 31, 2019;
 - (iii) management’s discussion and analysis of the financial condition and results of operations of the Corporation for the year ended December 31, 2020;
 - (iv) management’s discussion and analysis of the financial condition and results of operations of the Corporation for the three and six months ended June 30, 2021;
 - (v) the business acquisition report of the Corporation dated February 10, 2021;
 - (vi) the management information circular of the Corporation dated March 29, 2021 for the annual and special meeting of the Corporation’s shareholders held on May 13, 2021;
 - (vii) the management information circular of the Corporation dated April 27, 2020 for the annual and special meeting of the Corporation’s shareholders held on June 15, 2020;
 - (viii) the management information circular of the Corporation dated February 3, 2020 for the special meeting of the Corporation’s shareholders held on March 4, 2020;
 - (ix) the Marketing Documents; and
 - (x) any documents of the type required by NI 44-101 to be incorporated by reference in a short form prospectus, including any material change reports (excluding confidential reports), interim financial statements, annual financial statements and the auditor’s report thereon, management’s discussion and analysis of financial condition and results of operations, information circulars, annual information forms, marketing materials and business acquisition reports filed by the Corporation with the Canadian Securities Regulators after the date of this Agreement and during the period of distribution;
- (z) **“Due Diligence Session”** has the meaning given to it in section 3(d);
- (aa) **“Employment Laws”** has the meaning given to it in section 7(b)(xlii)(A);

- (bb) “**Environmental Laws**” means any federal, state, provincial, territorial or local law, statute, ordinance, rule, regulation, order, decree, judgment, injunction, permit, license, authorization or other binding requirement, or common law, relating to health, safety or the regulation, protection, cleanup or restoration of the environment or natural resources, including those relating to the distribution, processing, generation, treatment, control, storage, disposal, transportation, other handling or release or threatened release of Hazardous Materials;
- (cc) “**Final Passport System Decision Document**” means a receipt for the Prospectus issued in accordance with the Passport System;
- (dd) “**Financial Statements**” means:
 - (i) the audited financial statements of the Corporation as at and for the years ended December 31, 2020 and 2019, together with the report of KPMG thereon and the notes thereto; and
 - (ii) the condensed financial statements of the Corporation as at and for the three and six months ended June 30, 2021 and 2020, together with the notes thereto;
- (ee) “**Forward-looking Statements**” as the meaning given to it in section 7(b)(lxx);
- (ff) “**GLJ**” means GLJ Ltd., independent qualified reserves evaluators;
- (gg) “**Governmental Authorities**” means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities: (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;
- (hh) “**GST**” means goods and services tax provided for under the *Excise Tax Act* (Canada);
- (ii) “**Hazardous Materials**” means any contaminant, pollutant, subject waste, hazardous waste, deleterious substance, industrial waste, toxic matter or any other substance that when released into the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health;
- (jj) “**Headwater Pro Forma Operating Statements**” means:
 - (i) the unaudited pro forma operating statements of the Corporation that give effect to the acquisition of the Acquired Assets as if the Acquired Assets were acquired on January 1 for the year ended December 31, 2019, including the notes thereto; and
 - (ii) the unaudited pro forma operating statements of the Corporation that give effect to the acquisition of the Acquired Assets as if the Acquired Assets were acquired on January 1 for the nine months ended September 30, 2020, including the notes thereto;

- (kk) **“Headwater Reserves Report”** means the independent engineering evaluation of the NGLs, natural gas, shale gas and heavy crude oil reserves associated with the Corporation’s assets prepared by GLJ with an effective date of December 31, 2020 and a preparation date of February 22, 2021;
- (ll) **“IFRS”** means Canadian generally accepted accounting principles for publicly accountable enterprises, being International Financial Reporting Standards as issued by the International Accounting Standards Board, as adopted by the Canadian Institute of Chartered Accountants;
- (mm) **“Indemnified Parties”** and **“Indemnified Party”** has the meaning given to it in section 9(a)(i);
- (nn) **“Intellectual Property”** has the meaning given to it in section 7(b)(lviii);
- (oo) **“Investor Agreement”** means the investor agreement dated December 2, 2020 between the Corporation and the Selling Shareholder;
- (pp) **“IT Systems and Data”** has the meaning given to it in section 7(b)(lxx);
- (qq) **“KPMG”** means KPMG LLP, Chartered Professional Accountants;
- (rr) **“Lien”** means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature, or any other arrangement or condition which, in substance, secures payment or performance of an obligation;
- (ss) **“Marketing Documents”** means, collectively:
 - (i) all Standard Term Sheets; and
 - (ii) all Marketing Materials (including any template version, revised template version or limited use version thereof) approved by the Corporation and the Co-Lead Underwriters and provided to a potential investor in connection with the distribution of the Offered Shares;
- (tt) **“Marketing Materials”** has the meaning ascribed to such term in NI 41-101;
- (uu) **“Material Adverse Effect”** or **“Material Adverse Change”** means any fact, change, effect, event, occurrence or circumstances which, individually or in the aggregate:
 - (i) is, or is reasonably likely to be, materially adverse to the business, operations, revenues, capital, assets, properties, results of operations, cash flow, affairs, assets, capitalization, condition (financial or otherwise), rights or liabilities (contingent or otherwise) of the Corporation; or
 - (ii) would result in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material containing a misrepresentation;
- (vv) **“material change”** has the meaning given to it under Canadian Securities Laws;

- (ww) “**material fact**” has the meaning given to it under Canadian Securities Laws and/or the U.S. Exchange Act, as the context applies;
- (xx) “**MI 11-102**” means Multilateral Instrument 11-102, *Passport System* of the Canadian Securities Administrators;
- (yy) “**misrepresentation**” has the meaning given to it under Canadian Securities Laws;
- (zz) “**NGL**” means those hydrocarbon components that can be recovered from natural gas as liquids including, but not limited to, ethane, propane, butanes, pentanes plus, condensate and small quantities of non-hydrocarbons;
- (aaa) “**NI 41-101**” means National Instrument 41-101, *General Prospectus Requirements* of the Canadian Securities Administrators;
- (bbb) “**NI 44-101**” means National Instrument 44-101, *Short Form Prospectus Distributions* of the Canadian Securities Administrators;
- (ccc) “**NI 51-102**” means National Instrument 51-102, *Continuous Disclosure Obligations* of the Canadian Securities Administrators;
- (ddd) “**NP 11-202**” means National Policy 11-202, *Process for Prospectus Reviews in Multiple Jurisdictions* of the Canadian Securities Administrators;
- (eee) “**Odyssey**” means Odyssey Trust Company;
- (fff) “**OFAC**” has the meaning given to it in section 7(b)(lxiii);
- (ggg) “**Offered Shares**” has the meaning ascribed to such term in the recitals hereto;
- (hhh) “**Offering Price**” has the meaning ascribed to such term in the recitals hereto;
- (iii) “**Option**” means an option to purchase a Common Share granted under the Option Plan;
- (jjj) “**Option Plan**” means, collectively, the stock option plans of the Corporation pursuant to which the Corporation has granted directors, officers and employees and other service providers options to acquire Common Shares;
- (kkk) “**Over-Allotment Option**” has the meaning ascribed to such term in the recitals hereto;
- (lll) “**Over-Allotment Option Shares**” has the meaning ascribed to such term in the recitals hereto;
- (mmm) “**Passport System**” means the system and procedures for the filing of prospectuses and related materials in one or more Canadian jurisdictions pursuant to MI 11-102 and NP 11-202;
- (nnn) “**Permitted Encumbrances**” has the meaning given to it in section 7(b)(xlvi);
- (ooo) “**person**” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, company, limited liability company, unlimited liability company or

Governmental Authority and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

- (ppp) “**Peters & Co.**” has the meaning ascribed to such term in the recitals hereto;
- (qqq) “**Preliminary Passport System Decision Document**” means a receipt for the Preliminary Prospectus issued in accordance with the Passport System;
- (rrr) “**Preliminary Prospectus**” means the preliminary short form prospectus of the Corporation to be dated October 1, 2021 and any amendments thereto, in respect of the distribution of the Offered Shares, including the documents incorporated by reference therein;
- (sss) “**Preliminary U.S. Placement Memorandum**” means the preliminary U.S. private placement memorandum, including the Preliminary Prospectus, prepared in connection with the offer and sale of the Offered Shares in the United States, and any amendments thereto;
- (ttt) “**Prospectus**” means the (final) short form prospectus of the Corporation to be dated on or about October 8, 2021 and any amendments thereto, in respect of the distribution of the Offered Shares, including the documents incorporated by reference therein;
- (uuu) “**Prospectuses**” means, collectively, the Preliminary Prospectus and the Prospectus;
- (vvv) “**Public Record**” means all information filed by or on behalf of the Corporation with the Canadian Securities Regulators since January 1, 2018, including without limitation, the Documents, the Prospectuses, any Supplementary Material and any other information filed with any Canadian Securities Regulator in compliance, or intended compliance, with any Canadian Securities Laws;
- (www) “**PWC**” means PricewaterhouseCoopers LLP, Chartered Professional Accountants;
- (xxx) “**Qualifying Jurisdictions**” means each of the provinces of Canada, except Québec;
- (yyy) “**Responses**” means the responses delivered on behalf of the Corporation or the Selling Shareholder, as applicable, by certain officers of the Corporation or the Selling Shareholder, as applicable, at the Due Diligence Session;
- (zzz) “**Rule 144A**” means Rule 144A adopted by the SEC under the U.S. Securities Act;
- (aaaa) “**SEC**” means the United States Securities and Exchange Commission;
- (bbbb) “**Selling Dealer Group**” means the dealers and brokers other than the Underwriters who participate in the offer and sale of the Offered Shares pursuant to this Agreement;
- (cccc) “**Selling Shareholder**” has the meaning ascribed to such term in the recitals hereto;
- (dddd) “**Selling Shareholder Information**” means the legal name and the number of Common Shares beneficially owned by the Selling Shareholder before the completion of the Offering and immediately following the closing of the Offering and any other information and statements relating solely to Cenovus or the Selling Shareholder and furnished to the

Corporation by Cenovus or the Selling Shareholder for use in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material;

- (eeee) “**Standard Term Sheet**” has the meaning given to it in NI 41-101;
- (ffff) “**subsidiary**” has the meaning given to it in the *Securities Act* (Alberta);
- (gggg) “**Supplementary Material**” means, collectively, any amendment to the Preliminary Prospectus or Prospectus, any amended or supplemental Preliminary Prospectus or Prospectus or any ancillary material, information, evidence, return, report, application, statement or document which may be filed by or on behalf of the Corporation under the Canadian Securities Laws relating to the Offering;
- (hhhh) “**Swaps**” means any transaction which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, forward sale, exchange traded futures contract, hedging agreement or any other similar transaction (including any option with respect to any of these transactions or any combination of these transactions);
- (iiii) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time;
- (jjjj) “**template version**” has the meaning ascribed to such term in NI 41-101;
- (kkkk) “**to the best of the knowledge, information and belief**” or “**knowledge**” or similar terms mean, unless otherwise expressly stated, a statement of the declarant’s actual knowledge of the facts or circumstances to which such phrase relates, after having made reasonable inquiries and investigations in connection with such facts and circumstances;
- (llll) “**TSX**” means the Toronto Stock Exchange;
- (mmmm) “**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (nnnn) “**Underwriters**” has the meaning ascribed to such term in the recitals hereto;
- (oooo) “**Underwriters’ counsel**” means Torys LLP or such other legal counsel as the Underwriters, with the consent of the Corporation, may appoint;
- (pppp) “**Underwriters’ Information**” means information and statements relating solely to the Underwriters which have been provided by the Underwriters to the Corporation in writing specifically for use in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material;
- (qqqq) “**Underwriting Fee**” has the meaning given to it in section 2;
- (rrrr) “**U.S. Affiliate**” means a United States registered broker-dealer affiliate of an Underwriter;

- (ssss) “**U.S. Exchange Act**” means the *United States Securities Exchange Act of 1934*, as amended;
- (tttt) “**U.S. Placement Memorandum**” means the final U.S. private placement memorandum, including the Prospectus, prepared in connection with the offer and sale of the Offered Shares in the United States;
- (uuuu) “**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended;
- (vvvv) “**U.S. Securities Laws**” means the United States federal securities laws, including the U.S. Securities Act, and applicable state securities laws; and
- (wwww) “**Warrants**” means Common Share purchase warrants of the Corporation, other than the Cenovus Warrants.

Unless otherwise defined herein capitalized terms shall have the meanings ascribed thereto in the AIF.

Unless otherwise expressly provided in this Agreement, words importing only the singular number include the plural and vice versa and words importing gender include all genders. References to “sections”, “paragraphs” and “clauses” are to the appropriate section, paragraph or clause of this Agreement.

All references to dollars or “\$” are to Canadian dollars unless otherwise expressed.

2. Underwriting Fee

In consideration for their services hereunder, the Selling Shareholder agrees to pay to Peters & Co. on behalf of the Underwriters:

- (a) at the Closing Time, a fee of \$0.1820 (4.0%) for each Initial Share purchased (being an aggregate amount of \$8,190,000); and
- (b) if applicable, at each Additional Closing Time, a fee of \$0.1820 (4.0%) for each Over-Allotment Option Share purchased.

The foregoing fees (collectively, the “**Underwriting Fee**”) may, at the sole option of Co-Lead Underwriters, be deducted from the aggregate gross proceeds of the sale of the Offered Shares and withheld for the account of the Underwriters. For greater certainty, the services provided by the Underwriters in connection herewith will not be subject to the GST provided for in the *Excise Tax Act* (Canada) and taxable supplies provided will be incidental to the exempt financial services provided. However, in the event that the Canada Revenue Agency determines that GST provided for in the *Excise Tax Act* (Canada) is exigible on the Underwriting Fee, the Selling Shareholder agrees to pay the amount of GST forthwith upon the request of the Underwriters. The Selling Shareholder also agrees to pay the Underwriters’ expenses as set forth in section 11 hereof if applicable.

3. Qualification for Sale

- (a) The Corporation represents and warrants to the Underwriters that it is eligible to use the short form prospectus offering qualification system described in NI 44-101 for the distribution of the Offered Shares.

- (b) The Corporation and Cenovus (only to the extent Cenovus is required to execute the Preliminary Prospectus and the Prospectus in its capacity as managing partner of the Selling Shareholder, in its capacity as selling shareholder of the Corporation, and if required by Canadian Securities Laws) shall elect and comply with the Passport System and shall:
- (i) have:
 - (A) not later than 5:00 p.m. (Calgary time) on October 1, 2021, prepared and filed the Preliminary Prospectus and other documents required under Canadian Securities Laws with the Canadian Securities Regulators and designated the ASC as the principal regulator under the Passport System; and
 - (B) used commercially reasonable efforts to obtain from the ASC a Preliminary Passport System Decision Document dated October 1, 2021, evidencing that a receipt for the Preliminary Prospectus has been issued in Alberta and has been deemed to have been issued in each of the Qualifying Jurisdictions other than Alberta;
 - (ii) forthwith after any comments with respect to the Preliminary Prospectus have been received from the Canadian Securities Regulators have:
 - (A) prepared and filed the Prospectus and other documents required under Canadian Securities Laws with the Canadian Securities Regulators; and
 - (B) obtained from the ASC a Final Passport System Decision Document, evidencing that a receipt for the Prospectus has been issued in Alberta and has been deemed to have been issued in each of the Qualifying Jurisdictions other than Alberta or otherwise obtained a receipt for the Prospectus from each of the Canadian Securities Regulators;
- and shall have used commercially reasonable efforts to do so by not later than October 8, 2021 and otherwise fulfilled all legal requirements to enable the Offered Shares to be offered and sold to the public in each of the Qualifying Jurisdictions through the Underwriters or any other investment dealer or broker registered in the appropriate category in the applicable Qualifying Jurisdiction; and
- (iii) until the completion of the distribution of the Offered Shares, promptly take all additional steps and proceedings that from time to time may be required under Canadian Securities Laws to continue to qualify the Offered Shares for distribution or, in the event that the Offered Shares have, for any reason, ceased to so qualify, to again qualify the Offered Shares for distribution.
- (c) Prior to the filing of the Prospectuses and, during the period of distribution of the Offered Shares, prior to the filing with any Canadian Securities Regulators of any Supplementary Material or any documents incorporated by reference therein after the date hereof, each of the Corporation and the Selling Shareholder shall have allowed the Underwriters and the Underwriters' counsel to participate fully in the preparation of, and to approve the form of, such documents and to have reviewed any documents incorporated by reference therein.

- (d) During the period from the date hereof until completion of the distribution of the Offered Shares, each of the Corporation and the Selling Shareholder shall allow the Underwriters to conduct all due diligence which they may reasonably require in order to fulfill their obligations as underwriters and in order to enable the Underwriters responsibly to execute the certificates required to be executed by them in the Prospectuses or in any Supplementary Material. Without limiting the generality of the foregoing, each of the Corporation and the Selling Shareholder shall make available its respective directors and senior management and the Corporation shall use its commercially reasonable efforts to cause its auditors and reserve evaluators (including of any predecessor entity or business), legal counsel and other experts to be available, to answer any questions which the Underwriters may have and to participate in one or more due diligence sessions to be held prior to the Closing Time (collectively, the “**Due Diligence Session**”). The Underwriters shall distribute a list of written questions to be answered in advance of such Due Diligence Session and each of the Corporation and the Selling Shareholder shall provide written responses to such questions in advance of such Due Diligence Session and the Corporation shall use its best efforts to have the above-mentioned auditors, reserve evaluators and legal counsel provide written responses to such questions in advance of the Due Diligence Session. In addition, the Corporation will ensure that management of the Corporation will make themselves available to, and shall assist in the marketing of, the Offered Shares at such times and in such manner as the Underwriters may reasonably request.
- (e) The Corporation and the Selling Shareholder shall take or cause to be taken all such other steps and proceedings, including fulfilling all legal, regulatory and other requirements, as required under Canadian Securities Laws to qualify the Offered Shares for distribution to the public in the Qualifying Jurisdictions, and to the extent within its control and required to be taken by it, to offer and sell the Offered Shares in the United States in accordance with this Agreement.
- (f) During the distribution of the Offered Shares:
 - (i) the Corporation and the Co-Lead Underwriters shall approve in writing, prior to such time Marketing Materials are provided to potential investors, a template version of any Marketing Materials reasonably requested to be provided by the Underwriters to any such potential investor, such Marketing Materials to comply with Canadian Securities Laws. The Corporation shall file a template version of such Marketing Materials with the Canadian Securities Regulators as soon as reasonably practicable after such Marketing Materials are so approved in writing by the Corporation and Co-Lead Underwriters, on behalf of the Underwriters, and in any event on or before the day the Marketing Materials are first provided to any potential investor of Offered Shares, and such filing shall constitute the Underwriters’ authority to use such Marketing Materials in connection with the distribution of the Offered Shares. Any comparables shall be redacted from the template version in accordance with NI 44-101 prior to filing such template version with the Canadian Securities Regulators and a complete template version containing such comparables and any disclosure relating to the comparables, if any, shall be delivered to the Canadian Securities Regulators by the Corporation. The Corporation shall prepare and file with the Canadian Securities Regulators a revised template version of any Marketing Materials provided to potential investors of Offered Shares where required under Canadian Securities Laws; and

- (ii) the Corporation, and the Underwriters, on a several basis (and not joint, nor joint and several), covenant and agree:
 - (A) not to provide any potential investor of Offered Shares with any Marketing Materials unless a template version of such Marketing Materials has been filed by the Corporation with the Canadian Securities Regulators on or before the day such Marketing Materials are first provided to any potential investor of Offered Shares;
 - (B) not to provide any potential investor with any materials or information in relation to the distribution of the Offered Shares or the Corporation other than: (1) such Marketing Materials that have been approved and filed in accordance with this subsection 3(f); (2) the Preliminary Prospectus and the Prospectus; and (3) any Standard Term Sheets approved in writing by the Corporation and Co-Lead Underwriters; and
 - (C) that any Marketing Materials approved and filed in accordance with this subsection 3(f), and any Standard Term Sheets approved in writing by the Corporation and Co-Lead Underwriters, shall only be provided to potential investors of Offered Shares in the Qualifying Jurisdictions and such other jurisdictions as may be agreed to by the Corporation and the Co-Lead Underwriters.

4. Delivery of Prospectus and Related Documents

The Corporation shall deliver or cause to be delivered without charge (except as otherwise set out in section 11) to the Underwriters, the Underwriters' counsel, the Selling Shareholder and the Selling Shareholder's counsel the documents set out below at the respective times indicated:

- (a) prior to or contemporaneously, as nearly as practicable, with the filing with the Canadian Securities Regulators of each of the Preliminary Prospectus and the Prospectus:
 - (i) copies of the Preliminary Prospectus and the Prospectus signed as required by Canadian Securities Laws;
 - (ii) copies of the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum; and
 - (iii) upon request by the Underwriters, copies of any documents incorporated by reference in the Preliminary Prospectus and the Prospectus which have not previously been delivered to the Underwriters;
- (b) as soon as they are available, copies of any Supplementary Material signed as required by Canadian Securities Laws and including, in each case, copies of any documents incorporated by reference therein which have not been previously delivered to the Underwriters; and
- (c) prior to the filing of the Prospectus with the Canadian Securities Regulators, a "comfort letter" from each of KPMG and PWC and any other auditors who have audited any of the financial statements included or incorporated by reference in the Prospectus, dated the date of the Prospectus, addressed to the Underwriters and the board of directors of the

Corporation and the Selling Shareholder and satisfactory in form and substance to the Underwriters and the Underwriters' counsel, acting reasonably, to the effect that they have carried out certain procedures performed for the purposes of comparing certain specified financial information and percentages appearing in the Prospectus and the documents incorporated therein by reference with indicated amounts in the financial statements or accounting records of the Corporation or other applicable entity or business, as applicable, and have found such information and percentages to be in agreement, which comfort letter shall be based on the Corporation's auditor and other applicable auditors' review having a cut-off date of not more than two Business Days prior to the date of the Prospectus;

Comfort letters similar to the foregoing shall be provided to the Underwriters, the Selling Shareholder and the board of directors of the Corporation with respect to any Supplementary Material and any other relevant document at the time the same is presented to the Underwriters for their signature or, if the Underwriters' signature is not required, at the Closing Time. All such letters shall be in form and substance acceptable to the Underwriters and the Underwriters' counsel, acting reasonably.

The filings and deliveries referred to in this Agreement shall also constitute the Corporation's consent to the use by the Underwriters, the U.S. Affiliates and other members of the Selling Dealer Group of the Documents, the Prospectuses, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum and any Supplementary Material in connection with the Offering.

5. Commercial Copies

- (a) The Corporation shall, as soon as possible but in any event not later than noon (local time at the place of delivery) on the Business Day following the date of receipt of the Preliminary Passport System Decision Document or the Final Passport System Decision Document, as the case may be (or such other date or time as the Underwriters and the Corporation may agree), from the Canadian Securities Regulators and no later than noon (local time) on the first Business Day after the execution of any Supplementary Material in connection with the Prospectuses cause to be delivered to the Underwriters, without charge, commercial copies of the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or such Supplementary Material in such numbers and in such cities as the Underwriters may reasonably request by oral or written instructions to the Corporation or the printer thereof given no later than the time when the Corporation authorizes the printing of the commercial copies of such documents.
- (b) The Corporation shall cause to be provided to the Underwriters such number of copies of any documents incorporated by reference in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Materials as the Underwriters may reasonably request.
- (c) The Corporation will similarly cause to be delivered to the Underwriters, at those delivery points as the Underwriters may reasonably request, commercial copies of any Supplementary Material required to be delivered to purchasers or prospective purchasers of the Offered Shares, as applicable.

6. Material Change and Certain Other Covenants

- (a) During the period of distribution of the Offered Shares the Corporation will promptly inform the Underwriters and the Selling Shareholder in writing of the full particulars of:

- (i) any material change (actual, anticipated or, to the knowledge of the Corporation, threatened) in or affecting the business, operations, revenues, capital, properties, results of operations, affairs, assets, capitalization, condition (financial or otherwise), rights or liabilities (contingent or otherwise) of the Corporation;
- (ii) any change in any material fact contained or referred to in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material; and
- (iii) the occurrence or discovery of a material fact or event which, in any such case, is, or may be, of such a nature as to:
 - (A) render the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material untrue, false or misleading in any material respect;
 - (B) result in a misrepresentation in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material; or
 - (C) result in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material not complying in any material respect with Canadian Securities Laws,

provided that if the Corporation is uncertain as to whether a material change, change, occurrence or event of the nature referred to in this section has occurred or been discovered, the Corporation shall promptly inform the Underwriters of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Underwriters as to whether the occurrence is of such nature prior to making any filing referred to in subsection 6(c).

- (b) During the period of distribution of the Offered Shares, each of the Corporation and the Selling Shareholder (to the extent the Selling Shareholder has knowledge of such matters and the Corporation has not previously advised the Underwriters of such matters) will promptly inform the Underwriters in writing of the full particulars of:
 - (i) any request of any Canadian Securities Regulator or other Governmental Authority for:
 - (A) any amendment to, or to suspend or prevent the use of, the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any other part of the Public Record; or
 - (B) any additional information relating to the Offering or which may be relevant to the Offering;
 - (ii) the issuance by any Canadian Securities Regulator, the TSX or other Governmental Authority of:

- (A) any order to cease or suspend trading of any securities of the Corporation;
or
 - (B) of the institution or threat of institution of any proceedings for that purpose; and
- (iii) the receipt by the Corporation of any communication from any Canadian Securities Regulator, the TSX or other Governmental Authority relating to:
 - (A) the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any other part of the Public Record; or
 - (B) the distribution of the Offered Shares.
- (c) The Corporation will promptly comply, to the reasonable satisfaction of the Underwriters, the Selling Shareholder and their respective counsel, with Canadian Securities Laws with respect to any material change, change, occurrence or event of the nature referred to in subsections (a) or (b) above and the Corporation will prepare and file promptly at the Underwriters' or the Selling Shareholder's reasonable request any amendment to the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or Supplementary Material as may be required under Canadian Securities Laws; provided that the Corporation shall have allowed the Underwriters, the Selling Shareholder and their respective counsel to participate fully in the preparation of any Supplementary Material, to have reviewed any other documents incorporated by reference therein and allowed the Underwriters to conduct all due diligence investigations which the Underwriters may reasonably require in order to fulfill their obligations as underwriters and in order to enable the Underwriters to responsibly execute the certificate required to be executed by them in, or in connection with, any Supplementary Material. The Corporation shall further promptly deliver to each Underwriters, the Selling Shareholder and their respective counsel a copy of each Supplementary Material as filed with the Canadian Securities Regulators, and of comfort letters with respect to each such Supplementary Material substantially similar to those referred to in section 4 above.
- (d) During the period of distribution of the Offered Shares, the Corporation will promptly provide to the Underwriters, for review on a confidential basis by the Underwriters and the Underwriters' counsel, prior to filing or issuance:
 - (i) any financial statement or management's discussion and analysis of the Corporation;
 - (ii) any proposed document, including without limitation any amendment to the Documents and any new annual information form, material change report, interim report, business acquisition report or information circular, which may be incorporated, or deemed to be incorporated, by reference in the Prospectus or otherwise is or may be deemed to be part of or become part of the Public Record;
 - (iii) any press release of the Corporation; and

- (iv) any amendment to the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum,

and provide to the Underwriters, for review by the Underwriters and the Underwriters' counsel any draft or final independent engineering evaluation of the NGLs, natural gas, shale gas and heavy crude oil reserves associated with the Corporation's assets prepared by GLJ or any other independent engineer as soon as practicable following receipt thereof by the Corporation.

7. Representations and Warranties of the Corporation

- (a) Each delivery of the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum and any Supplementary Material pursuant to section 4 shall constitute a representation and warranty to the Underwriters by the Corporation (and the Corporation hereby acknowledges that each of the Underwriters is relying on such representations and warranties in entering into this Agreement) that at the time of such delivery:
 - (i) all of the information and statements (except the Underwriters' Information and the Selling Shareholder Information) contained in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material, as applicable:
 - (A) are at the respective dates of such documents, true and correct in all material respects;
 - (B) contain no misrepresentation; and
 - (C) constitute full, true and plain disclosure of all material facts relating to the Corporation and the Offered Shares as required by Canadian Securities Laws; and
 - (ii) the Preliminary Prospectus, the Prospectus or any Supplementary Material, as applicable, comply in all material respects with the Canadian Securities Laws, including without limitation NI 44-101 and the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum and any related Supplementary Material, as applicable, complies in all material respects with U.S. Securities Laws; and
 - (iii) there has been no intervening material change (actual, anticipated or, to the knowledge of the Corporation, threatened) from the date of the Preliminary Prospectus, the Prospectus and any Supplementary Material to the time of delivery thereof, in or affecting the business, operations, revenues, capital, properties, results of operations, affairs, assets, capitalization, condition (financial or otherwise), rights or liabilities (contingent or otherwise) of the Corporation.
- (b) In addition to the representations and warranties contained in subsection 7(a) hereof, the Corporation represents and warrants to the Underwriters, and acknowledges that each of the Underwriters is relying upon such representations and warranties in entering into this Agreement that:

- (i) the Corporation is a validly subsisting corporation under the ABCA and is registered to carry on business under the laws of each jurisdiction in which it carries on a material portion of its business, except where the failure to be so registered would not have a Material Adverse Effect;
- (ii) the Corporation has all requisite corporate power, authority and capacity to enter into this Agreement and to perform all of its obligations hereunder, and this Agreement and the performance of its obligations hereunder, has been duly authorized by all necessary corporate action on the part of the Corporation and has been duly executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms, subject to the general qualifications that:
 - (A) enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally,
 - (B) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court,
 - (C) the courts in Canada having jurisdiction may have equitable or statutory powers to stay proceedings before them and the execution of judgments,
 - (D) rights to indemnity and contribution hereunder may be limited under applicable law,
 - (E) enforceability of provisions which purport to sever any provision which is prohibited or unenforceable under applicable law without affecting the enforceability of validity of the remainder of such document would be determined only in the discretion of the court, and
 - (F) enforceability of the provisions exculpating a party from liability or duty otherwise owed by it may be limited under applicable law;
- (iii) the execution and delivery of this Agreement, and the performance of and compliance with the terms of this Agreement by the Corporation, does not and will not result in a breach of, or constitute a default under, any provision of the articles or by-laws of the Corporation, any resolutions of the directors (including committees of directors) or the shareholders of the Corporation, any statute, rule, policy or regulation applicable to the Corporation, any judgment, decree or order applicable to the Corporation or any agreement or instrument to which it is a party or by which it or any of its assets or property is bound, which default or breach would constitute a Material Adverse Effect;
- (iv) the corporate records and minute book of the Corporation are complete in all material respects;
- (v) the books of account and other records of the Corporation, whether of a financial or accounting nature or otherwise, have been maintained in accordance with prudent business practices that are customary in the business in which the Corporation is engaged;

- (vi) the Corporation has not received any notice of and is not in default or violation of any order, rule, regulation, writ, injunction or decree of any Governmental Authority or any statute, regulation, rule, policy or by-law, which default or violation would constitute a Material Adverse Effect;
- (vii) the Corporation is not aware of any applicable law or regulation or governmental position, or any announced, pending or contemplated change thereto or announced, pending or contemplated new law or regulation or governmental position (including without limitation any law, regulation or governmental position regarding greenhouse gas emissions or the oil and gas exploration and production business) that, in any of these cases, would constitute a Material Adverse Effect;
- (viii) no Canadian Securities Regulator, the TSX or other Governmental Authority has issued any order which is currently outstanding preventing or suspending trading in any securities of the Corporation, no such proceeding is, to the knowledge of the Corporation, pending, contemplated or threatened;
- (ix) to the knowledge of the Corporation, none of its directors or officers are subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a corporation listed on a particular stock exchange;
- (x) Odyssey, at its principal offices in the cities of Calgary, Alberta and Toronto, Ontario, has been duly appointed as registrar and transfer agent for the Common Shares;
- (xi) the provisions of the Common Shares conform, in all material respects, with the description thereof contained in the Prospectuses;
- (xii) KPMG is, and PWC was (at the time they were auditors of the Corporation), independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta and there has not been any reportable event (within the meaning of NI 51-102) with either such firm or any other prior auditor of the Corporation;
- (xiii) the form and terms of definitive certificates representing the Common Shares (including the Offered Shares) have been duly approved and adopted by the Corporation and comply, in all material respects, with all legal and TSX requirements relating thereto and do not conflict with the Corporation's by-laws or constating documents;
- (xiv) no approval, authorization, consent or other order of, and no filing, registration or recording with, any Governmental Authority is required of the Corporation in connection with the execution and delivery of this Agreement, or the performance by the Corporation of its obligations hereunder, except as has been or will have been obtained on or prior to the Closing Date and are or will be in full force and effect or as required by Canadian Securities Laws with regard to the distribution of the Offered Shares, if any, in the Qualifying Jurisdictions, or except where the failure to obtain or make, as the case may be, such approval, authorization, consent, order, filing, registration or recording would not constitute a Material Adverse Effect or would not impair the ability of the Corporation to consummate the

transactions contemplated hereby or thereby or to duly observe and perform any of its covenants or obligations contained in this Agreement;

- (xv) the Corporation has filed in a timely manner each document or report required to be filed by it pursuant to NI 51-102 and all other applicable Canadian Securities Laws and under the rules of the TSX, and each such document or report set forth in the Public Record and any amendment thereto, after giving effect and taking into account any re-filing of any such document, at the time it was filed conformed in all material respects to the requirements of such Canadian Securities Laws and applicable rules of the TSX and the Corporation has not filed any confidential material change reports still maintained on a confidential basis;
- (xvi) the issued and outstanding Common Shares are listed and posted for trading on the TSX and the Corporation is in compliance, in all material respects, with rules of the TSX;
- (xvii) the Corporation is a “reporting issuer” in all provinces of Canada, within the meaning of Canadian Securities Laws in such provinces and is not included on a list of defaulting reporting issuers maintained by the Canadian Securities Regulators of such provinces and the Corporation is not in default of any material requirement of Canadian Securities Laws;
- (xviii) the Corporation has complied, in all respects, with all laws, regulations, rules, policies and by-laws of Governmental Authorities applicable to the Corporation and the conduct of the Corporation’s business except to the extent that the failure to do so would not constitute a Material Adverse Effect;
- (xix) the Corporation has all requisite power and authority and has obtained all necessary registrations, licenses and permits to carry on its business as presently proposed to be conducted by it and to own its assets except to the extent that the failure to do so would not constitute a Material Adverse Effect;
- (xx) the Corporation has no subsidiaries other than 2143289 and the Corporation is not, directly or indirectly, a partner of any partnerships, limited partnerships or material joint ventures other than as described in the Prospectuses;
- (xxi) the Corporation does not own, directly or indirectly, any shares or any other equity or long-term debt securities of any corporation or other person other than 2143289;
- (xxii) the Corporation owns all of the issued and outstanding shares and securities of 2143289 and 2143289 does not own any assets, have any liabilities or otherwise carry on any business;
- (xxiii) since December 31, 2020, the Corporation has not made any acquisition that would be a significant acquisition for the purposes of Canadian Securities Laws, and no proposed acquisition by the Corporation has progressed to a state where a reasonable person would believe that the likelihood of the Corporation completing the acquisition is high and that, if completed by the Corporation at the date of the Prospectuses, would be a significant acquisition for the purposes of Canadian Securities Laws, in each case, that would require the prescribed disclosure in the Prospectus pursuant to such laws;

- (xxiv) the Corporation maintains internal controls over financial reporting (“**ICFR**”) and disclosure controls and procedures (“**DC&P**”) as contemplated by the certifications required under Form 52-109F1 – Certification of Annual Filings – Full Certificate and Form 52 109F2 – Certification of Interim Filings – Full Certificate under National Instrument 52-109, *Certificate of Disclosure in Issuers’ Annual and Interim Filings*, such ICFR and DC&P were effective as of the dates of the applicable certificates of the Corporation therefor, and the Corporation is now aware of any material weakness in its ICFR;
- (xxv) except as disclosed in the Prospectus, since December 31, 2020, the Corporation has not: (i) incurred any material liabilities (absolute, accrued, contingent or otherwise) other than in the ordinary course of business, or (ii) suffered any Material Adverse Change;
- (xxvi) there are no outstanding judgments against the Corporation or any consent decrees or injunctions to which the Corporation is subject or by which its assets are bound and there are no claims, proceedings, actions or lawsuits in existence or, to the Corporation’s knowledge, threatened or pending against the Corporation or with respect to any of the assets of the Corporation or the interests of the Corporation therein that would constitute a Material Adverse Effect, including but not limited to, environmental actions or claims;
- (xxvii) the share capital of the Corporation consists of an unlimited number of Common Shares; of which as of the date hereof, there are 202,465,519 Common Shares issued and outstanding and such outstanding Common Shares are validly issued, fully paid and non-assessable;
- (xxviii) as at the date hereof, there are Options to purchase 9,661,335 Common Shares outstanding, Warrants to acquire 15,420,374 Common Shares outstanding and Cenovus Warrants to acquire 15,000,000 Common Shares outstanding;
- (xxix) other than the Permitted Encumbrances, the Corporation does not have outstanding any debentures, notes or mortgages that are or will be material to the Corporation;
- (xxx) there are no restrictions on the transfer of the Offered Shares contained in the articles or by-laws of the Corporation;
- (xxxi) with the exceptions of Common Shares issuable on the exercise of any Options, Warrants or Cenovus Warrants, or as otherwise set out in the Prospectus, no person has any agreement with the Corporation or any warrant, convertible security or option exercisable against the Corporation or any right capable of being an agreement with the Corporation for the purchase of any of the Common Shares or any other unissued securities of the Corporation or any agreement with the Corporation or any warrant, convertible security or option exercisable against the Corporation or any right capable of becoming an agreement with the Corporation for the purchase, subscription or issuance of any unissued Common Shares or any other unissued securities of the Corporation;
- (xxxii) the Corporation has established on its books and records reserves which are adequate for the payment of all taxes not yet due and payable and there are no Liens for taxes on the assets of the Corporation except for taxes not yet due, and

(other than as disclosed in writing to the Underwriters) there are no audits of any of the tax returns of the Corporation which are known by the Corporation's management to be pending, and there are no claims which have been or may be asserted relating to any such tax returns which, if determined adversely, would result in the assertion by any Governmental Authority of any deficiency which would constitute a Material Adverse Effect;

(xxxiii) other than the fees and payments set out in the Prospectus, the Corporation is not a party to or bound by any written or oral agreement or instrument under which the completion of the Offering would require a payment of any amount or cause the acceleration of the payment of any amount by the Corporation;

(xxxiv) other than this Agreement and the agreements described in the Prospectus and agreements entered into in the ordinary course of business, the Corporation is not a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with its by-laws and indemnity agreements entered into among the Corporation and its directors and officers) or any other like commitment in respect of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;

(xxxv) except as set out in the Prospectuses, none of the directors, officers, or employees of the Corporation or any person not dealing at arm's length with the Corporation is currently indebted to or has any obligation or liability to the Corporation, except for customary indemnity agreements and for employment or consulting arrangements with employees or consultants of the Corporation;

(xxxvi) except as set out in the Prospectuses, to the knowledge of the Corporation, other than with respect to the Selling Shareholder in respect of the Offering, to the knowledge of the Corporation, no insider (as such term is defined in the Canadian Securities Laws) of the Corporation has a present intention to sell any securities of the Corporation held by it;

(xxxvii) the Corporation is not in breach or default, has not received any notice of default or violation, and is not aware of any potential or threatened notice of alleged default or violation, of the provisions of any material contracts, agreements, indentures or instruments to which the Corporation is a party except to the extent any such breach, default or violation would not constitute a Material Adverse Effect;

(xxxviii) except for such matters as would not constitute a Material Adverse Effect: (i) the Corporation is not in default or breach of any agreement; (ii) to the knowledge of the Corporation, no other party is in default or breach in the observance or performance of any term or obligation to be performed by it under any contract to which the Corporation is a party or by which it is bound which is material to the business of the Corporation; and (iii) no event has occurred which, with notice or lapse of time or both, would constitute such a default or breach;

(xxxix) subject to any conflicts of interest that a director may have from time to time in respect of his or her duties as a director of other corporations, to the knowledge of the Corporation, no officer, director or employee of the Corporation is subject to any limitations or restrictions on their activities or investments, including any non-

competition provisions, that would in any way limit or restrict their involvement with the Corporation or the business affairs of the Corporation;

- (xl) the Corporation is not a party to any written contracts of employment which may not be terminated on one month or less notice or which provide for payments occurring on the change of control of the Corporation;
- (xli) except as described in the Prospectus or as disclosed in writing to the Underwriters, there are no material contracts or agreements to which the Corporation is a party or by which it is bound which are outside of the ordinary course of business. For the purposes of this subparagraph, any contract or agreement pursuant to which the Corporation will, or may reasonably be expected to result in, a requirement of the Corporation to expend more than an aggregate of \$1,000,000 or receive or be entitled to receive revenue of more than \$1,000,000, in either case in the next 12 months, shall be considered to be material;
- (xlii) except for such matters as would not, individually or in the aggregate, constitute a Material Adverse Effect:
 - (A) the Corporation is in compliance with the provisions of all applicable federal, provincial, local and foreign laws and regulations respecting employment and employment practices, terms and conditions of employment and wages and hours (collectively, “**Employment Laws**”);
 - (B) no collective labour dispute, grievance, arbitration or legal proceeding is ongoing or, to the knowledge of the Corporation, pending or threatened, and no individual labour dispute, grievance, arbitration or legal proceeding is ongoing or, to the knowledge of the Corporation, pending or threatened, with any employee of the Corporation and, to the knowledge of the Corporation, none has occurred during the past year, and
 - (C) no union has been accredited or otherwise designated to represent any employees of the Corporation and, to the knowledge of the Corporation, no accreditation request or other representation question is pending with respect to the employees of the Corporation and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect in any of the facilities of the Corporation and none is currently being negotiated by the Corporation;
- (xliii) except to the extent that any violation or other matter referred to in this subparagraph would not, individually or in the aggregate, constitute a Material Adverse Effect:
 - (A) to the Corporation’s knowledge, the Corporation is not in violation of any Environmental Laws,
 - (B) the Corporation has operated its business, and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws,

- (C) there have been no spills, releases, deposits or discharges of Hazardous Materials into the earth, air or into any body of water or any municipal or other sewer or drain water systems by the Corporation that have not been remedied or that are not presently being remedied,
 - (D) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of the Corporation and, to its knowledge, no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of third parties on or in respect of the assets and properties of the Corporation,
 - (E) the Corporation has not failed to report to the proper federal, provincial, municipal or other political subdivision, government, department, commission, board, bureau, agency or instrumentality, domestic or foreign the occurrence of any event which is required to be so reported by any Environmental Law, and
 - (F) the Corporation holds all licenses, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, all such licenses, permits and approvals are in full force and effect, and except for: (A) notifications and conditions of general application to assets of the type owned by the Corporation; and (B) notifications relating to reclamation obligations under the *Environmental Protection and Enhancement Act* (Alberta), the Corporation has not received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any licence, permit or approval issued pursuant thereto, or that any licence, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated;
- (xlv) any and all operations of the Corporation and, to its knowledge, any and all operations by third parties on or in respect of the assets and properties of the Corporation, have been conducted in accordance with good oil and gas industry practices;
 - (xlv) in respect of the assets and properties of the Corporation that are operated by it, the Corporation holds all valid licenses, permits and similar rights and privileges that are required and necessary under applicable law to operate its assets and properties as presently operated or as proposed to be operated and where the failure to so hold such licenses and permits would constitute a Material Adverse Effect;
 - (xlvi) although it does not warrant title, the Corporation has no reason to believe that it does not have good and marketable title to or the right to use the property and assets material to the operation of its business; and (i) the properties and assets of the Corporation are free and clear of all Liens other than Liens granted pursuant to the Credit Agreement and those encumbrances that are standard in the oil and gas industry and which would not constitute a Material Adverse Effect on the ownership or operation of such assets and properties (collectively, the “**Permitted**

Encumbrances"); and (ii) other than the Permitted Encumbrances, the Corporation has not done any act or suffered or permitted any action whereby any person has acquired or may acquire an interest in the properties and assets of the Corporation, nor has it done any act, omitted to do any act or permitted any act to be done that may adversely affect or defeat its title to any of such properties and assets;

- (xlvii) to the knowledge of the Corporation, policies of insurance in force as of the date hereof naming the Corporation and, where applicable, its directors and officers as insured(s) provide terms and coverage generally comparable to those that are customarily carried and insured against by similar size owners of comparable business, properties and assets. Unless replaced by policies providing substantially similar terms and coverage, all such policies of insurance shall remain in full force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated hereby and the Corporation is not in default as to the payment of premiums or otherwise under the terms of any such policy; and the Corporation has not received any notice of the non-renewal of any such policy, or of any reservation of claims pursuant to any such policy; there are no material claims by the Corporation under any such policies or instruments as to which any insurance company is denying liabilities or defending under a reservation of rights clause; and the Corporation has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not constitute a Material Adverse Effect;
- (xlviii) all tax returns required to be filed or made by or on behalf of the Corporation have been duly filed or made on a timely basis, except to the extent any failure to file or make such tax returns would not constitute a Material Adverse Effect, and such tax returns are true, complete and correct in all material respects. All taxes shown to be payable on the tax returns or on subsequent assessments with respect thereto have been paid in full on a timely basis or have been accrued for on the Financial Statements, and no other material taxes are payable by the Corporation with respect to items or periods covered by such tax returns;
- (xlix) for the year ended December 31, 2020, the Corporation has paid all applicable material taxes or the Corporation has provided adequate accruals in the Financial Statements for all such unpaid material taxes. The Financial Statements disclose all future income taxes in conformity in all material respects with IFRS;
 - (l) no material deficiencies exist or have been asserted with respect to taxes of the Corporation that have not been addressed. The Corporation is not currently a party to any action or proceeding for assessment or collection of any material amount of taxes, nor has such event been asserted or threatened against the Corporation or its assets. No waiver or extension of any statute of limitations is in effect with respect to taxes or tax returns of the Corporation. No audit of the Corporation's tax returns is currently in process nor to the knowledge of the Corporation is any such audit pending or threatened;
 - (li) the Financial Statements fairly present, in accordance with IFRS, consistently applied, the financial position and condition of the Corporation at the dates thereof and the results of the operations of the Corporation for the periods then ended and

reflect in accordance with IFRS, consistently applied, all assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Corporation as at the date thereof;

- (lii) the Acquired Assets Operating Statements fairly present, in accordance with the financial reporting framework specified in section 3.11(5) of National Instrument 52-107, *Acceptable Accounting Principles and Auditing Standards*, consistently applied, results of operations for the periods referred to in such statements and after giving effect to the transactions and assumptions described in the related notes thereto;
- (liii) the Headwater Pro Forma Operating Statements have been prepared in conformity with IFRS, consistently applied, have been prepared and presented in accordance with Canadian Securities Laws, and include all adjustments necessary to fairly present pro forma results of operations for the periods referred to in such statements and after giving effect to the transactions and assumptions described in the related notes thereto; the assumptions used in the preparation of such statements are reasonable and the adjustments used in such statements are appropriate to give effect to the transactions and assumptions described in the related notes thereto;
- (liv) the Corporation:
 - (A) has no retirement savings plans (either registered or unregistered) or other similar employee retirement benefit plans, and has not made any promises with respect to increased benefits under such plans, and
 - (B) has provided adequate accruals in the Financial Statements (or such amounts are fully funded) for all pension or other employee benefit obligations of the Corporation arising under or relating to each of the pension or retirement income plans or other employee benefit plans or agreements or policies maintained by or binding on the Corporation as well as for any other payment required to be made by the Corporation in connection with the termination of employment or retirement of any employee of the Corporation in respect of the fiscal period ended December 31, 2020;
- (lv) a true and complete copy of the Headwater Reserves Report has been provided to the Underwriters' counsel;
- (lvi) the Corporation co-operated with GLJ in the preparation of the Headwater Reserves Report which has been accepted and approved by the reserves committee and the board of directors of the Corporation. The Corporation has made available to GLJ prior to the issuance of the Headwater Reserves Report for the purpose of preparing such report, all information requested by GLJ, which information did not, at the time such information was provided, contain any material misrepresentation, and the Corporation does not have any knowledge of a material adverse change in any production, cost, reserves, resources or other relevant information provided to GLJ since the date that such information was so provided. The Corporation believes that the Headwater Reserves Report reasonably presents the estimated quantity and pre-tax net present values of the oil and natural gas

reserves associated with the Corporation's assets evaluated in such report as at December 31, 2020, based upon information available at the time such reserves information was prepared, and the Corporation believes that at the date of such report it reasonably presents the aggregate estimated quantity and pre-tax net present values of such reserves and resources or the estimated monthly productions volumes therefrom;

- (lvii) other than as disclosed in the Prospectus or as otherwise disclosed in writing to the Underwriters, the Corporation is not a party to, or bound by any outstanding Swaps;
- (lviii) except for such matters as would not constitute a Material Adverse Effect: (i) the Corporation will own all rights in or have obtained valid and enforceable licenses or other rights to use the patents, patent applications, inventions, copyrights, know how (including trade secrets and other proprietary or confidential information), trade-marks (both registered and unregistered), trade names or any other intellectual property (collectively, "**Intellectual Property**") which is necessary for the conduct of its business as currently carried on, free and clear of any Liens or other adverse claims or interest of any kind or nature affecting its assets (other than the Permitted Encumbrances); and (ii) to the knowledge of the Corporation, there is no infringement by third parties of any Intellectual Property to be then owned, licensed or commercialized by the Corporation;
- (lix) the Corporation is not aware of any defects, failures or impairments in the title of the Corporation to its assets or properties and has not received notice of, and does not have knowledge of, any dispute or claim, potential or otherwise, involving any Governmental Authority or other person, including, without limitation, aboriginal groups, which the Corporation reasonably believes would constitute a material adverse effect on any oil and gas exploration, development or production operations of the Corporation, the quantity and pre-tax present value of estimated further net revenue values of oil and natural gas reserves of the Corporation as shown in the Headwater Reserves Report or the current cash flow of the Corporation;
- (lx) the Corporation's estimated aggregate tax pools set forth in the Prospectuses are true and correct in all material respects. For the purposes of this provision, "aggregate tax pools" means, in respect of the Corporation directly, the total of the following balances for its taxation year ended December 31, 2020: undepreciated capital cost of all classes of depreciable property, cumulative Canadian exploration expense balance, cumulative Canadian development expense balance, cumulative Canadian oil and gas property expense balance, previously undeducted non-capital loss carry-forward balances for each year, and previously undeducted financing expense balance for the purpose of paragraph 20(1)(e) of the Tax Act as all such terms are defined for the purpose of the Tax Act and the *Alberta Corporate Tax Act*;
- (lxi) subject to the solvency restrictions in the ABCA, the Corporation is not currently prohibited, directly or indirectly, from paying any dividends, from making any other distribution on the Common Shares or other securities, or from paying any interest or repaying any loans, advances or other indebtedness;

- (lxii) the operations of the Corporation are and have been conducted at all times in compliance with the anti-money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency to which they are subject (collectively, the “**Anti-Money Laundering Laws**”) and no action, suit or proceeding by or before any Governmental Authority or any arbitrator involving the Corporation with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Corporation, threatened;
- (lxiii) neither the Corporation, nor, to the knowledge of the Corporation, any director, officer, agent, employee, affiliate or other person acting on behalf of the Corporation, is currently the target of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department (“**OFAC**”); and the Corporation will not directly or indirectly use the proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person that is currently the target of any U.S. sanctions administered by OFAC;
- (lxiv) neither the Corporation, nor, to the knowledge of the Corporation, any director, officer, agent, employee, or other person acting on behalf of the Corporation has: (i) used any of the Corporation’s funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic governmental official from corporate funds; (iii) violated or is in violation of any provision of the *U.S. Foreign Corrupt Practices Act of 1977*, as amended, the *Corruption of Foreign Public Officials Act (Canada)* or any other law, rule or regulation of similar purpose and scope; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment;
- (lxv) other than the Investor Agreement, (i) to the knowledge of the Corporation, there are, and will be on the Closing Date, no shareholder agreements, voting agreements, investors’ rights agreements or other agreements in force or effect which in any manner affects or will affect the voting or control of any of the securities of the Corporation; and (ii) there are, and will be on the Closing Date, no persons with registration rights or other similar rights to have any securities of the Corporation registered or qualified for distribution pursuant to any Canadian Securities Laws, the U.S. Securities Act or the securities laws of any state thereof, or the laws, rules or regulations of any other country;
- (lxvi) other than as provided for in this Agreement, the Corporation has not incurred any obligation or liability, contingent or otherwise, brokerage fees, finder’s fees, underwriter’s or agent’s commission or other similar forms of compensation with respect to the transactions contemplated hereby;
- (lxvii) neither the Corporation nor any affiliate of the Corporation has taken, and neither the Corporation nor any affiliate of the Corporation will take, any action which constitutes stabilization or manipulation of the price of any security of the Corporation to facilitate the sale or resale of the Offered Shares;

- (lxviii) any market, independent third-party and industry data included in the Prospectuses is based on or derived from sources that the Corporation believes to be reliable and accurate in all material respects;
- (lxix) no forward-looking information within the meaning of Canadian Securities Laws contained in the Prospectuses has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith;
- (lxx) (i) to the knowledge of the Corporation, there has been no security breach or other compromise of or relating to any of the Corporation's information technology and computer systems, networks, hardware, software, data (including the data of its customers, employees, suppliers, vendors and any third party data maintained by or on behalf of it), equipment or technology (collectively, "**IT Systems and Data**") and the Corporation has not been notified of, and has no knowledge of any event or condition that would reasonably be expected to result in, any security breach or other compromise to its IT Systems and Data; (ii) the Corporation is presently in compliance with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, internal policies and contractual obligations relating to the privacy and security of IT Systems and Data and to the protection of such IT Systems and Data from unauthorized use, access, misappropriation or modification; (iii) the Corporation has implemented and maintained commercially reasonable safeguards to maintain and protect their material confidential information and the integrity, continuous operation, redundancy and security of all IT Systems and Data; and (iv) the Corporation has implemented backup and disaster recovery technology consistent with industry standards and practices, except as would not, in the case of clause (i) or clause (ii), individually or in the aggregate, have a Material Adverse Effect;
- (lxxi) except as mandated by a Governmental Authority, which mandates have not materially adversely affected the business or financial condition of the Corporation as at the date of this Agreement, and except as disclosed in the Prospectuses, there has been no material suspension of the operations of the Corporation as a result of the COVID-19. The Corporation has been monitoring COVID-19 and the potential impact on its operations and has used reasonable commercial efforts to put reasonable measures in place to reduce the risk to the health of its employees; and
- (lxxii) the Corporation's Responses will be true and correct in all material respects where they relate to matters of fact, and as at the time such responses are given and, to the knowledge of the Corporation, such responses taken as a whole shall not omit any fact or information necessary to make any of the responses not misleading in light of the circumstances in which such responses were given. Where the Corporation's Responses reflect the opinion or view of the Corporation or its directors or officers (including, Responses or portions of such Responses, which are forward-looking or otherwise relate to projections, forecasts or estimates of future performance or results (operating, financial or otherwise)) ("**Forward-looking Statements**"), such opinions or views are subject to the qualifications and provisions set forth in such responses and will be honestly held and believed to be reasonable at the time they are given; provided, however, it shall not constitute a breach of this paragraph solely if the actual results vary or differ from those contained in Forward-looking Statements.

8. Additional Representations and Warranties of the Selling Shareholder

The Selling Shareholder represents and warrants to the Underwriters, and acknowledges that the Underwriters are relying upon such representations and warranties in purchasing the Offered Shares that:

- (a) all of the information and statements comprising the Selling Shareholder Information contained in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum or any Supplementary Material, as applicable: (A) are at the respective dates of such documents, true and correct in all material respects; and (B) contain no misrepresentation;
- (b) the Selling Shareholder is a validly subsisting general partnership and is registered to carry on business under the laws of each jurisdiction in which it carries on a material portion of its business, except where the failure to be so registered would not have a Material Adverse Effect;
- (c) the Selling Shareholder has all requisite power, authority and capacity to enter into this Agreement and to perform all of its obligations hereunder, and this Agreement and the performance of its obligations hereunder, has been duly authorized by all necessary action on the part of the Selling Shareholder and has been duly executed and delivered by the Selling Shareholder and constitutes a legal, valid and binding obligation of the Selling Shareholder enforceable against the Selling Shareholder in accordance with its terms, subject to the general qualifications that:
 - (i) enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally,
 - (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court,
 - (iii) the courts in Canada having jurisdiction may have equitable or statutory powers to stay proceedings before them and the execution of judgments,
 - (iv) rights to indemnity and contribution hereunder may be limited under applicable law,
 - (v) enforceability of provisions which purport to sever any provision which is prohibited or unenforceable under applicable law without affecting the enforceability of validity of the remainder of such document would be determined only in the discretion of the court, and
 - (vi) enforceability of the provisions exculpating a party from liability or duty otherwise owed by it may be limited under applicable law;
- (d) the execution and delivery of this Agreement, and the performance of and compliance with the terms of this Agreement by the Selling Shareholder, does not and will not result in a breach of, or constitute a default under, any provision of partnership agreement and other applicable governing documents of the Selling Shareholder, any statute, rule, policy or regulation applicable to the Selling Shareholder, any judgment, decree or order applicable to the Selling Shareholder or any agreement or instrument which it is a party or by which it or any of its assets or property is bound, which default or breach would reasonably be

expected to impair the ability of the Selling Shareholder to consummate the transactions contemplated hereby or to duly observe and perform its obligations contained in this Agreement;

- (e) no approval, authorization, consent or other order of, and no filing, registration or recording with, any Governmental Authority is required of the Selling Shareholder in connection with the execution and delivery of this Agreement, or the performance by the Selling Shareholder of its obligations hereunder, except as has been or will have been obtained on or prior to the Closing Date and are or will be in full force and effect or as required by Canadian Securities Laws with regard to the distribution of the Offered Shares, if any, in the Qualifying Jurisdictions, or except where the failure to obtain or make, as the case may be, such approval, authorization, consent, order, filing, registration or recording would not individually or in the aggregate impair the ability of the Selling Shareholder to consummate the transactions contemplated hereby or thereby or to duly observe and perform any of its obligations contained in this Agreement;
- (f) the Selling Shareholder is the sole registered and beneficial owner of all of the Offered Shares free and clear of any and all Liens and has the full legal right, power and authority to sell the Offered Shares free and clear of any and all Liens; and at the Closing Time, no person (except the Underwriters and the U.S. Affiliates) will have any written or oral agreement, option, understanding or commitment, or any right of privilege (whether by applicable law, pre-emptive or contractual) capable of becoming such, under which the Selling Shareholder is, or may become, obligated to transfer any of the Offered Shares;
- (g) the Selling Shareholder is not disposing of the Offered Shares on the basis of a material fact or material change with respect to the Corporation which is not disclosed in the Prospectuses and the Selling Shareholder is not aware of such a material fact or material change which is not disclosed in the Prospectuses;
- (h) other than pursuant to this Agreement, no person has any agreement or option, or any right or privilege (whether by law, pre-emptive, contractual or otherwise) capable of becoming an agreement or option, for the purchase, acquisition or transfer from such Selling Shareholder of any of the Offered Shares being offered by it or has any interest in such Offered Shares or right to such Offered Shares;
- (i) neither the Selling Shareholder nor any affiliate of the Selling Shareholder has taken, and neither the Selling Shareholder nor any affiliate of the Selling Shareholder will take, any action which constitutes stabilization or manipulation of the price of any security of the Selling Shareholder to facilitate the sale or resale of the Offered Shares;
- (j) except as disclosed in the Prospectuses: (i) to the knowledge of the Selling Shareholder, there are, and will be on the Closing Date, no shareholder agreements, voting agreements, investors' rights agreements or other agreements in force or effect which in any manner affects or will affect the voting or control of any of the securities of the Selling Shareholder; and (ii) there are, and will be on the Closing Date, no persons with registration rights or other similar rights to have any securities of the Selling Shareholder registered or qualified for distribution pursuant to any Canadian Securities Laws, the U.S. Securities Act or the securities laws of any state thereof, or the laws, rules or regulations of any other country; and

- (k) the Selling Shareholder's Responses will be true and correct in all material respects where they relate to matters of fact, and as at the time such responses are given and, to the knowledge of the Selling Shareholder, such responses taken as a whole shall not omit any fact or information necessary to make any of the responses not misleading in light of the circumstances in which such responses were given.

9. Indemnity

- (a) Rights of Indemnity

- (i) The Corporation agrees to indemnify and save harmless each of the Underwriters and each of their respective affiliates, and each of their respective directors, officers, partners, employees, agents and controlling persons (collectively, the "**Indemnified Parties**" and individually an "**Indemnified Party**") from and against all liabilities, claims, losses (but excluding any loss of profits or other indirect or consequential damages), costs, damages and expenses, or actions in respect thereof (collectively, "**Claims**") and to reimburse such parties for any legal and other expenses reasonably incurred by such parties in connection with investigating or defending any such Claim as such expenses are incurred, in any way caused by, or arising directly or indirectly from, or in consequence of:

- (A) any information or statement (other than the Underwriters' Information and the Selling Shareholder Information) contained in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material, any other part of the Public Record or in any certificates of the Corporation delivered pursuant to this Agreement which at the time and in the light of the circumstances under which it was made contains or is alleged to contain a misrepresentation within the meaning of Canadian Securities Law, or an untrue statement of a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, within the meaning of the U.S. Exchange Act;

- (B) any omission or alleged omission to state in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material, any other part of the Public Record or any certificates of the Corporation delivered pursuant to this Agreement, any material fact (other than a material fact relating solely to the Underwriters' Information or the Selling Shareholder Information) required to make any statement therein or necessary in order to make any statement therein not a misrepresentation under Canadian Securities Laws or necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, within the meaning of the U.S. Exchange Act;

- (C) any order made or enquiry, investigation or proceeding commenced or threatened by any court, securities commission or other competent authority based upon any actual or alleged untrue statement of a material fact or omission or alleged omission to state a material fact necessary to make any statement not misleading in the light of the circumstances under

which it was made (within the meaning of the U.S. Exchange Act) or any misrepresentation or alleged misrepresentation (in each case, other than relating solely to any Underwriters' Information or the Selling Shareholder Information) contained in or omitted from the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material, any other part of the Public Record or based upon any failure to comply with Canadian Securities Laws or the U.S. Securities Act (other than any failure or alleged failure to comply by the Underwriters or the Selling Shareholder), preventing or restricting the trading in or the sale or distribution of the Offered Shares in any of the Qualifying Jurisdictions;

- (D) the non-compliance or alleged non-compliance by the Corporation with any of Canadian Securities Laws or the U.S. Securities Act in connection with the transactions contemplated by this Agreement; or
- (E) any breach by the Corporation of its representations, warranties, covenants or obligations to be complied with under this Agreement or any other document delivered by it pursuant to this Agreement.

(ii) The Selling Shareholder agrees to indemnify and save harmless each of the Indemnified Parties from and against all Claims and to reimburse such parties for any legal and other expenses reasonably incurred by such parties in connection with investigating or defending any such Claim as such expenses are incurred, in any way caused by, or arising directly or indirectly from, or in consequence of:

- (A) any Selling Shareholder Information contained in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material, or in any certificates of the Selling Shareholder delivered pursuant to this Agreement which at the time and in the light of the circumstances under which it was made contains or is alleged to contain a misrepresentation within the meaning of Canadian Securities Law, or an untrue statement of a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, within the meaning of the U.S. Exchange Act;
- (B) any omission or alleged omission to state in the Selling Shareholder Information contained in the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material, or in any certificates of the Selling Shareholder delivered pursuant to this Agreement, any material fact required to make any statement therein or necessary in order to make any statement therein not a misrepresentation under Canadian Securities Laws or necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, within the meaning of the U.S. Exchange Act;
- (C) any order made or enquiry, investigation or proceeding commenced or threatened by any court, securities commission or other competent authority based upon any actual or alleged untrue statement of a material

fact or omission or alleged omission to state a material fact necessary to make any statement not misleading in the light of the circumstances under which it was made (within the meaning of the U.S. Exchange Act) or any misrepresentation or alleged misrepresentation in any Selling Shareholder Information contained in or omitted from the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material, or based upon any failure to comply with Canadian Securities Laws or the U.S. Securities Act (other than any failure or alleged failure to comply by the Underwriters), preventing or restricting the trading in or the sale or distribution of the Offered Shares in any of the Qualifying Jurisdictions;

- (D) the non-compliance or alleged non-compliance by the Selling Shareholder with any of Canadian Securities Laws or the U.S. Securities Act in connection with the transactions contemplated by this Agreement; or
- (E) any breach by Selling Shareholder of its representations, warranties, covenants or obligations to be complied with under this Agreement or any other document delivered by it pursuant to this Agreement.

Notwithstanding anything to the contrary contained in this Agreement, the maximum aggregate amount payable by the Selling Shareholder under the indemnity provision contained in this section 9(a)(ii) and the contribution provision contained in section 10 shall be the extent of the net proceeds actually received by the Selling Shareholder for the sale of the Offered Shares under the Offering.

- (iii) As used in this Agreement “**Applicable Indemnifier(s)**” means (A) the Corporation, in respect of a claim for indemnification under section 9(a)(i); or (B) the Selling Shareholder in respect of a claim for indemnification under section 9(a)(ii), as applicable.
- (iv) If and to the extent that a court of competent jurisdiction in a final judgment from which no appeal can be made or a regulatory authority in a final ruling from which no appeal can be made shall determine that the losses, costs, expenses, claims, actions, damages and liabilities resulted from the gross negligence, fraud or wilful misconduct of an Indemnified Party (or any Underwriter or the directors, officers, partners, employees, agents and controlling persons of such Underwriter if any of them have engaged in such activities) claiming indemnity, such Indemnified Party (or such Underwriter or the directors, officers, partners, employees, agents and controlling persons of such Underwriter) shall promptly reimburse to the Applicable Indemnifier, any funds advanced to the Indemnified Party in respect of such Claim and the indemnity provided for in this section 9 shall cease to apply to such Indemnified Party in respect of such Claim. For greater certainty, the Corporation, the Selling Shareholders and the Underwriters agree that they do not intend that any failure by the Underwriters to conduct such reasonable investigation as necessary to provide the Underwriters with reasonable grounds for believing the Prospectuses or the U.S. Placement Memorandum contained no misrepresentation shall constitute “negligence” or “wilful misconduct” for the purposes of this section 9 or otherwise disentitle the Underwriters from indemnification hereunder.

- (b) If any Claim is asserted against any Indemnified Party in respect of which indemnification is or might reasonably be considered to be sought pursuant to section 9(a), such Indemnified Party will notify the Applicable Indemnifier(s) in writing, as soon as reasonably practicable of the nature of such Claim (but failure or delay to so notify the Applicable Indemnifier(s) of any potential Claim shall not relieve the Applicable Indemnifier(s) from any liability which it may have to any Indemnified Party except and only to the extent that any such delay in or failure to give notice as herein required prejudices the defense of such Claim or results in any material increase in the liability which the Applicable Indemnifier(s) has under this indemnity). The Applicable Indemnifier(s) shall assume the defence of any suit brought to enforce such Claim; provided, however, that:
- (i) the defence shall be conducted through legal counsel reasonably acceptable to the Indemnified Party; and
 - (ii) no settlement of any such Claim or admission of liability may be made by the Applicable Indemnifier(s) without the prior written consent of the Indemnified Parties, acting reasonably, or unless such settlement, compromise or judgment: (A) includes an unconditional release of each Indemnified Party from all liability arising out of such Claim; and (B) does not include a statement as to or an admission of fault, culpability or failure to act, by or on behalf of any Indemnified Party.
- (c) In any Claim, the Indemnified Party shall have the right to retain one other counsel in each jurisdiction to act on its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party, unless:
- (i) the Indemnified Party has been advised in writing by outside counsel that there may be a reasonable legal defense available to the Indemnified Party which is different from or additional to a defense available to the Applicable Indemnifier(s) and/or that representation of the Indemnified Party and the Applicable Indemnifier(s) by the same counsel would be inappropriate due to the actual or potential differing interests between them (in which case the Applicable Indemnifier(s) shall not have the right to assume the defense of such proceedings on the Indemnified Party's behalf);
 - (ii) the Applicable Indemnifier(s) shall not have assumed responsibility for the Claim and retained acceptable counsel within 10 days following receipt by the Applicable Indemnifier(s) of notice of any such Claim from the Indemnified Party; or
 - (iii) the employment of such counsel has been authorized by the Applicable Indemnifier(s) in connection with the defense of such proceedings,

provided, however, that no settlement of any such Claim or admission of liability may be made by the Indemnified Party without the prior written consent of the Applicable Indemnifier(s), which consent will not be unreasonably withheld or delayed, but further provided that the Applicable Indemnifier will be liable for the settlement of any such Claim effected without its prior written consent if (i) the Indemnified Party shall have requested the Applicable Indemnifier to reimburse the Indemnified Party for the fees and expenses of counsel, (ii) the settlement is entered into more than 45 days after receipt by the Applicable Indemnifier of such request, (iii) the Applicable Indemnifier shall have

received notice of the terms of such settlement at least 30 days prior to such settlement being entered into, and (iv) the Applicable Indemnifier shall not have reimbursed the Indemnified Party in accordance with such request prior to the date of such settlement.

- (d) If any legal proceedings shall be instituted against the Corporation or the Selling Shareholder in respect of the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material or any other part of the Public Record or the Offered Shares or if any Governmental Authority shall carry out an investigation of the Corporation in respect of the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, any Supplementary Material or any other part of the Public Record or the Offered Shares and, in either case, any Indemnified Party is required to testify, or respond to procedures designed to discover information, in connection with or by reason of the services performed by the Underwriters hereunder, the Indemnified Parties may employ one local law firm as their own legal counsel and, provided such proceeding is not brought as a result of any gross negligence, fraud or wilful misconduct of the Indemnified Party (or any Underwriter or the directors, officers, partners, employees, agents and controlling persons of such Underwriter if any of them have engaged in such activities) (as determined by a court of competent jurisdiction in a non-appealable final judgment), the Corporation shall pay and reimburse the Indemnified Parties for the reasonable fees, charges and disbursements (on a full indemnity basis) of such legal counsel, the other out-of-pocket expenses reasonably incurred by the Indemnified Parties in connection with such proceedings or investigation and a fee at the normal per diem rate for any director, officer or employee of the Underwriters involved in the preparation for or attendance at such proceedings or investigation.
- (e) The rights and remedies accorded to the Indemnified Parties under this section 9 are not exclusive and shall not limit any rights or remedies which may be available to any Indemnified Party at law, in equity or otherwise.

10. Contribution

- (a) In order to provide for a just and equitable contribution in circumstances in which the indemnity provided in section 9 would otherwise be available in accordance with its terms but is, for any reason, held to be unavailable to, or unenforceable by the Indemnified Parties, or enforceable otherwise than in accordance with its terms, the Applicable Indemnifier(s), on the one hand, and the Indemnified Parties, on the other hand, shall:
 - (i) contribute to the aggregate of all claims, expenses, costs and liabilities and all losses of a nature contemplated by section 9 in such proportions so that the Indemnified Parties shall be responsible for the portion represented by the percentage that the aggregate Underwriting Fee payable to the Underwriters hereunder bears to the aggregate offering price of the Offered Shares, and the Applicable Indemnifier(s) shall be responsible for the balance, whether or not they have been sued or sued separately; and
 - (ii) if the allocation provided by section 10(a)(i) above is not permitted by applicable law, the Applicable Indemnifier(s) and the Indemnified Parties shall contribute such proportions as is appropriate to reflect not only the relative benefits referred to in section 10(a)(i) above but also the relative fault of the Applicable Indemnifier(s), on the one hand, and the Indemnified Parties, on the other hand, in

connection with the Claim or Claims which resulted in such losses, claims, damages, liabilities, costs or expenses, as determined by final judgment of a court of competent jurisdiction, as well as any other relevant equitable considerations,

provided, however, that: (a) the Indemnified Parties shall not in any event be liable to contribute, in the aggregate, any amounts in excess of such aggregate Underwriting Fee or any portion of such fee actually received under this Agreement; (b) each Underwriter shall not in any event be liable to contribute, individually, any amount in excess of such Underwriter's portion of the aggregate Underwriting Fee or any portion of such fee actually received by such Underwriter under this Agreement; (c) the Selling Shareholder shall not in any event be liable to contribute, in the aggregate, any amount in excess of the maximum amount for which it may be liable under the indemnity contemplated by section 9(a)(ii) less any amounts otherwise payable by the Selling Shareholder hereunder, including section 9(a)(ii) above; and (d) no party who has been determined by a court of competent jurisdiction in a final, non-appealable judgment to have engaged in any fraud, wilful default or gross negligence in connection with the Claim or Claims which resulted in such losses, claims, damages, liabilities, costs or expenses shall be entitled to claim contribution from any person who has not been determined by a court of competent jurisdiction in a final, non-appealable judgment to have engaged in such fraud, wilful default or gross negligence in connection with such Claim or Claims.

- (b) The relative fault of the Applicable Indemnifier(s), on the one hand, and of the Underwriters, on the other hand, shall be determined by reference to, among other things, whether the matters or things referred to in section 9(a)(i) or section 9(a)(ii), as applicable, which resulted in such Claim, relate to information supplied by or steps or actions taken or done or not taken or done by or on behalf of the Applicable Indemnifier(s) or to information supplied by or steps or actions taken or done or not taken or done by or on behalf of the Underwriters and the relative intent, knowledge, access to information and opportunity to correct or prevent such statement, omission or misrepresentation, or other matter or thing referred to in section 9(a)(i) or section 9(a)(ii), as applicable. The amount paid or payable by an Underwriter as a result of the Claim referred to above shall be deemed to include any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such liabilities, claims, demands, losses, costs, damages and expenses, whether or not resulting in an action, suit, proceeding or claim.
- (c) The rights to contribution provided in this section 10 shall be in addition to and not in derogation of any other right to contribution which the Indemnified Parties may have by statute or otherwise at law or in equity.
- (d) In the event that the Applicable Indemnifier(s) may be held to be entitled to contribution from the Underwriters under the provisions of any statute or at law, the Applicable Indemnifier(s) shall be limited to contribution in an amount not exceeding the lesser of:
 - (i) the portion of the full amount of the loss or liability giving rise to such contribution for which the Underwriters are responsible, as determined in section 10(a); and
 - (ii) the amount of the Underwriting Fee actually received by the Underwriters under this Agreement;

and an Underwriter shall in no event be liable to contribute any amount in excess of such Underwriter's portion of the Underwriting Fee actually received under this Agreement.

- (e) If the Underwriters have reason to believe that a claim for contribution may arise, they shall give the Applicable Indemnifier(s) notice of such claim in writing, as soon as reasonably possible, but failure or delay to so notify the Applicable Indemnifier(s) shall not relieve such Applicable Indemnifier(s) of any obligation which it may have to the Underwriters under this section 10.
- (f) With respect to this section 10, each of the Applicable Indemnifier(s) acknowledges and agrees that the Underwriters are contracting on their own behalf and as agents for their affiliates, directors, officers, employees and agents, and each person, if any, controlling any Underwriter or any of its subsidiaries and each shareholder of any Underwriter. The Underwriters' respective obligations to contribute pursuant to this section 10 are several in proportion to the percentages of Offered Shares set forth opposite their respective names in section 19 hereof and not joint (or joint and several).
- (g) The rights and remedies provided for in this section 10 are not exclusive and shall not limit any rights or remedies which may be available to any party at law, in equity or otherwise. The obligations under indemnity and right to contribution provided herein shall apply whether or not the transactions contemplated by this Agreement are completed and shall survive the completion of the transactions contemplated under this Agreement and the termination of this Agreement.
- (h) Each of the Applicable Indemnifier(s) and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Agreement were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding sections. The rights to contribution provided in this section 10 shall be in addition to, and without prejudice to, any other right to contribution which the Underwriters or other Indemnified Parties may have.

11. Expenses

Whether or not the transactions contemplated herein shall be completed, except as hereinafter specifically provided, all expenses of or incidental to the authorization, and sale of the Offered Shares and all expenses of or incidental to all other matters in connection with the Offering including, without limitation, listing and filing fees, fees and expenses of the Corporation's transfer agent, expenses payable in connection with the qualification of the Offered Shares for distribution, the fees and expenses of counsel for the Corporation, all fees and expenses of local counsel to the Corporation, all fees and expenses of the auditors to the Corporation and to other entities or businesses in respect of which financial information is included in the Prospectus, all fees and expenses of the independent qualified reserves evaluator of the Corporation, all costs incurred in connection with preparing, printing, and providing copies of the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum and any Supplementary Materials and certificates representing the Offered Shares, the Underwriters' reasonable and documented out-of-pocket expenses (including fees of Canadian legal counsel to the Underwriters, fees of U.S. legal counsel to the Underwriters and disbursements and taxes) together with all related taxes (including, without limitation, provincial sales taxes, harmonized sales tax and GST) shall be borne by and for the account of the Selling Shareholder. The Underwriters' expenses may be deducted by the Underwriters from the gross proceeds of the Offering immediately prior to those proceeds being distributed to the Selling Shareholder and such Underwriters' expenses will be payable by the Selling Shareholder to Peters & Co., on behalf of the Underwriters, at the Closing Time or if the Offering is not completed upon receipt of an invoice from Peters & Co., on its own behalf and on behalf of the Underwriters, in respect thereof.

12. Termination

- (a) In addition to any other rights or remedies available to the Underwriters, the Underwriters, or any of them, may, without liability, terminate their obligations hereunder, by written notice to the Corporation and the Selling Shareholder in the event that after the date hereof:
- (i) there should occur or there should be announced by the Corporation or discovered by the Underwriter any material change, any change in a material fact or new material fact or undisclosed material fact which, in the opinion of the Underwriter, acting reasonably, would be expected to have a significant adverse effect on the market price or value of the Common Shares or could reasonably be expected to result in the purchasers of a material number of Offered Shares exercising their rights under Canadian Securities Laws to withdraw from or rescind their purchase thereof or sue for damages in respect thereof;
 - (ii) (A) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence which, in the opinion of the Underwriter, acting reasonably, seriously adversely affects, or involves, or may seriously adversely affect, or involve, the financial markets in Canada or the United States or the business, operations or affairs of the Corporation; (B) there shall have occurred any outbreak or escalation of hostilities, declaration by Canada or the United States of a national emergency or war, or other calamity or crisis (including without limitation matters caused by, related to or resulting from COVID-19 to the extent that there are material adverse developments related thereto after the date hereof), which, in the opinion of the Underwriter, acting reasonably, seriously adversely affects, or involves, or may seriously adversely affect, or involve, the financial markets in Canada or the United States or the business, operations or affairs of Corporation; or (C) there should develop, occur or come into effect or existence any governmental action, law, regulation, inquiry or other similar occurrence which, in the opinion of the Underwriter, acting reasonably, seriously adversely affects, or involves, or may seriously adversely affect, or involve, the financial markets in Canada or the United States or the business, operations or affairs of the Corporation;
 - (iii) any inquiry, action, suit, investigation or other proceeding, whether formal or informal, is instituted, announced or threatened or any order is made by any Governmental Authority in relation to the Corporation, which, in the opinion of the Underwriter, acting reasonably, operates to prevent, restrict, suspend, delay or materially impact the distribution or marketability of, or the trading in the Common Shares;
 - (iv) any order to cease or suspend trading in the Corporation's securities or to prohibit or restrict the distribution of the Common Shares is made, or proceedings are announced, commenced or threatened for the making of any such order, by any of the Canadian Securities Regulators or the TSX and has not been rescinded, revoked or withdrawn; or
 - (v) (A) the Corporation or the Selling Shareholder shall be in breach of or in default under or non-compliance with any covenant, term or condition of this Agreement in any material respect, or (B) any representation or warranty given by the Corporation or the Selling Shareholder in this Agreement becomes or is false in

any material respect and, which in the sole opinion of the Underwriters, or any of them, acting reasonably, could be reasonably expected to have a material adverse effect on the market price or value of the Common Shares.

- (b) The Underwriters, or any of them, may exercise any or all of the rights provided for in subsection 12(a) or section 13 or 17 notwithstanding any material change, change, event or state of facts and notwithstanding any act or thing taken or done by the Underwriters or any inaction by the Underwriters, whether before or after the occurrence of any material change, change, event or state of facts including, without limitation, any act of the Underwriters related to the offering or continued offering of the Offered Shares for sale and any act taken by the Underwriters in connection with any amendment to the Prospectus (including the execution of any amendment or any other Supplementary Material) and the Underwriters shall only be considered to have waived or be estopped from exercising or relying upon any of their rights under or pursuant to subsection 12(a) or section 13 or 17 if such waiver or estoppel is in writing and specifically waives or estops such exercise or reliance.
- (c) Any termination pursuant to the terms of this Agreement shall be effected by notice in writing delivered to the Corporation and the Selling Shareholder, with a copy to the Underwriters, provided that no termination shall discharge or otherwise affect any obligation of the Corporation or the Selling Shareholder under section 9, 10, 11, 17 or 18. The rights of the Underwriters to terminate their obligations hereunder are in addition to, and without prejudice to, any other rights or remedies they may have.
- (d) If an Underwriter elects to terminate its obligation to purchase the Offered Shares pursuant to this section 12, whether the reason for such termination is within or beyond the control of the Corporation or the Selling Shareholder, the liability of the Corporation and the Selling Shareholder hereunder with respect to such Underwriter shall be limited to the indemnity referred to in section 9, the contribution rights referred to in section 10 and in respect of the Selling Shareholder the payment of expenses referred to in section 11.

13. Closing Documents

The obligations of the Underwriters hereunder to purchase the Offered Shares at the Closing Time, shall be conditional upon all representations and warranties and other statements of the Corporation and the Selling Shareholder herein being, at and as of the Closing Time, true and correct in all material respects (except where qualified by materiality, in all respects), the Corporation and the Selling Shareholder having performed in all material respects, at the Closing Time, all of its respective obligations hereunder theretofore to be performed and the Underwriters receiving at the Closing Time:

- (a) favourable legal opinions of the Corporation's counsel, Burnet, Duckworth & Palmer LLP, addressed to the Underwriters, in form and substance reasonably satisfactory to the Underwriters, with respect to such matters as the Underwriters may reasonably request relating to the Corporation, the Offering and the transactions contemplated hereby, including, without limitation, that:
 - (i) as to the existence of the Corporation under the laws of its jurisdiction of incorporation and as to the corporate power and capacity of the Corporation to own and lease its property and assets and carry on its business as described in the Prospectuses, and to execute, deliver and perform its obligations under this Agreement;

- (ii) as to the authorized capital of the Corporation and that the outstanding Common Shares have been duly authorized and have been validly issued by the Corporation and are outstanding as fully paid and non-assessable Common Shares;
- (iii) all necessary corporate action has been taken by the Corporation to authorize the execution of each of the Preliminary Prospectus, the Prospectus or any Supplementary Material and the filing of such documents under Canadian Securities Laws in each of the Qualifying Jurisdictions, and to authorize the use and delivery of the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum including any amendments or supplements thereto;
- (iv) no approval, authorization, consent or other order of, and no filing, registration or recording with, any Governmental Authority is required of the Corporation in the Qualifying Jurisdictions in connection with the execution and delivery of or with the performance by the Corporation of its obligations under this Agreement, except as have been obtained or made and are in full force and effect, or as required by Canadian Securities Laws with regard to the distribution of the Offered Shares, if any, in the Qualifying Jurisdictions;
- (v) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of this Agreement and the performance by the Corporation of its obligations hereunder;
- (vi) this Agreement has been duly executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation and is enforceable against the Corporation in accordance with its terms, subject to customary qualifications for enforceability opinions;
- (vii) the execution and delivery of this Agreement and the performance by the Corporation of its obligations hereunder do not and will not result in a breach (whether after notice or lapse of time or both) of, or constitute a default under: (1) any of the terms, conditions or provisions of the articles or by-laws or resolutions of the Corporation; (2) any statute, published rule or regulation under the laws of the Province of Alberta or the federal laws of Canada applicable to the Corporation; (3) to such counsel's knowledge, any judgment, order or decree of any Governmental Authority having jurisdiction over the Corporation; or (4) to such counsel's knowledge, any material contract, mortgage, note, indenture, deed of trust, joint venture or partnership arrangement, instrument or lease to which the Corporation is a party;
- (viii) the attributes of the Offered Shares conform in all material respects with the descriptions thereof contained in the Prospectuses;
- (ix) the form and terms of the certificates representing the Common Shares have been duly approved by the Corporation and comply with the requirements of the ABCA;
- (x) Odyssey, at its principal offices in the cities of Calgary, Alberta and Toronto, Ontario has been duly appointed as the transfer agent and registrar for the Common Shares;

- (xi) all necessary documents have been filed, all requisite proceedings have been taken and all necessary approvals, permits, consents and authorizations have been obtained by the Corporation under Canadian Securities Laws to qualify the distribution of the Offered Shares to the public in each of the Qualifying Jurisdictions through registrants registered under the applicable securities laws of the Qualifying Jurisdictions who have complied with the relevant provisions of such applicable securities laws and terms of their registration;
 - (xii) the statements set out in the Prospectus under the heading “Eligibility for Investment” fairly summarize, in all material respects, the matters described therein, subject to the limitations, qualifications, assumptions and exceptions stated or referred to therein;
 - (xiii) the Corporation is a “reporting issuer” not in default of any requirement of the *Securities Act* (Alberta) and the regulations thereunder and has a similar status under the Canadian Securities Laws of each of the other Qualifying Jurisdictions; and
 - (xiv) as to any other legal matters reasonably requested by the Underwriters;
- (b) favourable legal opinions of the Selling Shareholder’s counsel, Bennett Jones LLP, addressed to the Underwriters, in form and substance reasonably satisfactory to the Underwriters, with respect to such matters as the Underwriters may reasonably request relating to the Selling Shareholder, the Offering and the transactions contemplated hereby, including, without limitation, that:
- (i) as to the existence of the Selling Shareholder under the laws of its jurisdiction of formation and as to the power and capacity of the Selling Shareholder to execute, deliver and perform its obligations under this Agreement;
 - (ii) that all necessary action has been taken by the Selling Shareholder to authorize the execution of each of the Preliminary Prospectus, the Prospectus or any Supplementary Material and the filing of such documents under Canadian Securities Laws in each of the Qualifying Jurisdictions;
 - (iii) no approval, authorization, consent or other order of, and no filing, registration or recording with, any Governmental Authority is required of the Selling Shareholder in the Qualifying Jurisdictions in connection with the execution and delivery of or with the performance by the Selling Shareholder of its obligations under this Agreement, except as have been obtained or made and are in full force and effect, or as required by Canadian Securities Laws with regard to the distribution of the Offered Shares, if any, in the Qualifying Jurisdictions;
 - (iv) all necessary action has been taken by the Selling Shareholder to authorize the execution and delivery of this Agreement and the performance by the Selling Shareholder of its obligations hereunder;
 - (v) this Agreement has been duly executed and delivered by the Selling Shareholder and constitutes a legal, valid and binding obligation of the Selling Shareholder and is enforceable against the Selling Shareholder in accordance with its terms, subject to customary qualifications for enforceability opinions;

- (vi) that the execution and delivery of this Agreement and the performance by the Selling Shareholder of its obligations hereunder do not and will not result in a breach (whether after notice or lapse of time or both) of, or constitute a default under: (1) any of the terms, conditions or provisions of the partnership agreement and other applicable governing documents or resolutions of the Selling Shareholder; (2) any statute, published rule or regulation under the laws of the Province of Alberta or the federal laws of Canada applicable to the Selling Shareholder; (3) to such counsel's knowledge, any judgment, order or decree of any Governmental Authority having jurisdiction over the Selling Shareholder; or (4) to such counsel's knowledge, any material contract, mortgage, note, indenture, deed of trust, joint venture or partnership arrangement, instrument or lease to which the Selling Shareholder is a party;
- (vii) all necessary documents have been filed, all requisite proceedings have been taken and all necessary approvals, permits, consents and authorizations have been obtained by the Selling Shareholder under Canadian Securities Laws to qualify the distribution of the Offered Shares to the public in each of the Qualifying Jurisdictions through registrants registered under the applicable securities laws of the Qualifying Jurisdictions who have complied with the relevant provisions of such applicable securities laws and terms of their registration;
- (viii) as to any other legal matters reasonably requested by the Underwriters; and

It is understood that the Corporation's counsel and the Selling Shareholder's counsel may rely on (or arrange for separate delivery of) the opinions of local counsel acceptable to them as to matters governed by the laws of jurisdictions other than where they are qualified to practice law, and on certificates of officers of the Corporation and the Selling Shareholder, as applicable, the transfer agent and KPMG and PWC as to relevant matters of fact;

- (c) if any Offered Shares are sold in the United States, a legal opinion, dated the Closing Date, of special U.S. counsel to the Corporation, Mayer Brown LLP, addressed to the Underwriters and the Selling Shareholder, in form and substance satisfactory to the Underwriters and the Selling Shareholder, to the effect that the offer and sale of the Offered Shares pursuant to this Agreement and the initial resale thereof by the Underwriters do not require registration under the U.S. Securities Act;
- (d) a certificate of the Corporation dated the Closing Date addressed to the Underwriters, and signed on behalf of the Corporation by the Chief Executive Officer and Chief Financial Officer of the Corporation or such other officers of the Corporation satisfactory to the Underwriters, acting reasonably, certifying for and on behalf of the Corporation, and not in their personal capacity, that:
 - (i) the Corporation has complied with and satisfied in all material respects all terms and conditions of this Agreement on its part to be complied with or satisfied at or prior to the Closing Time;
 - (ii) the representations and warranties of the Corporation set forth in this Agreement are true and correct in all material respects at the Closing Time, as if made at such time (except for such representations and warranties which refer to or are made as of another specified date, in which case, such representations and warranties will

have been true and correct as of that date and for such representations and warranties which are already qualified as to materiality or with respect to a Material Adverse Effect, in which case, such representations and warranties will be true and correct in all respects); and

- (iii) no event of a nature referred to in subsection 12(a)(i), 12(a)(ii) or 12(a)(iii) has occurred or to the knowledge of such officer is pending, contemplated or threatened (excluding any requirement to make any determination as to any Underwriter's opinion);
- (e) a certificate of the Selling Shareholder dated the Closing Date addressed to the Underwriters and signed on behalf of the Selling Shareholder by any two officers of Cenovus (in its capacity as managing partner of the Selling Shareholder) satisfactory to the Underwriters, acting reasonably, certifying for and on behalf of the Selling Shareholder, and not in their personal capacity, that:
 - (i) the Selling Shareholder has complied with and satisfied in all material respects all terms and conditions of this Agreement on its part to be complied with or satisfied at or prior to the Closing Time; and
 - (ii) the representations and warranties of the Selling Shareholder set forth in this Agreement are true and correct in all material respects at the Closing Time, as if made at such time (except for such representations and warranties which refer to or are made as of another specified date, in which case, such representations and warranties will have been true and correct as of that date and for such representations and warranties which are already qualified as to materiality or with respect to a Material Adverse Effect, in which case, such representations and warranties will be true and correct in all respects).
- (f) a "bring down" comfort letter of KPMG and PWC addressed to the Underwriters and the board of directors of the Corporation and the Selling Shareholder and dated the Closing Date, satisfactory in form and substance to the Underwriters, acting reasonably, bringing the information contained in the comfort letters referred to in subsection 4(c) hereof up to the Closing Time, which comfort letters shall be delivered not more than two (2) Business Days prior to the Closing Date.

14. Deliveries

- (a) The sale of the Initial Shares to be purchased hereunder shall be completed electronically. Subject to the conditions set forth in section 13, the Underwriters, on the Closing Date, shall deliver to the Selling Shareholder by wire transfer, an amount equal to the Offering Price per Offered Share (being an aggregated amount of \$204,750,000) against delivery by the Corporation and the Selling Shareholder, as applicable, of:
 - (i) the opinions, certificates and documents referred to in section 13;
 - (ii) delivery of the Initial Shares pursuant to section 14(c); and
 - (iii) payment to Peters & Co. on behalf of the Underwriters, by certified cheque, bank draft or wire transfer or such other means as the Selling Shareholder and the Underwriters may agree, of the Underwriting Fee provided for in subsection 2(a)

in respect of the Initial Shares and the expenses of the Underwriters provided for in section 11;

or the Underwriters may, in their sole discretion, deliver by wire transfer, the net amount of the amount in respect of the Initial Shares referred to above and the amount referred to in section 14(a)(iii) above.

- (b) The sale of the Over-Allotment Option Shares, if applicable, shall be completed electronically, on the date (the “**Additional Closing Date**”) and at the time (“**Additional Closing Time**”) specified by the Underwriters in the written notice given by the Underwriters pursuant to their election to purchase such Over-Allotment Option Shares (provided that in no event shall such time be earlier than the Closing Time or earlier than two (2) or later than ten (10) Business Days after the date of the written notice of the Underwriters to the Selling Shareholder in respect of the purchase of the Over-Allotment Option Shares), or at such other time and date as the Underwriters and the Selling Shareholder may agree upon in writing. Subject to the conditions set forth in section 13 hereof (with the references therein to the Closing Time and Closing Date changed to the Additional Closing Time and Additional Closing Date and the references to Initial Shares changed to Over-Allotment Option Shares), the Underwriters, at the Additional Closing Time, shall deliver to the Selling Shareholder, by certified cheque, bank draft or wire transfer or such other means as the Selling Shareholder and the Underwriters may agree, an amount equal to the Offering Price per Over-Allotment Option Share agreed to be purchased by the Underwriters from the Selling Shareholder pursuant to the exercise of the Over-Allotment Option, against delivery by the Corporation and the Selling Shareholder, as applicable, of:
- (i) the opinions, certificates and documents referred to in section 13 hereof;
 - (ii) delivery of all of the Over-Allotment Option Shares for which the Over-Allotment Option has been exercised pursuant to section 14(b)(c); and
 - (iii) payment to Peters & Co., on behalf of the Underwriters, by certified cheque, bank draft or wire transfer or such other means as the Selling Shareholder and the Underwriters may agree, of the Underwriting Fee provided for in subsection 2(b) hereof in respect of the Over-Allotment Option Shares;

or the Underwriters may, in their sole discretion, deliver by certified cheque, bank draft or wire transfer the net amount of the amount in respect of the Over-Allotment Option Shares referred to above and the amount referred to in subsection 14(b)(iii) above.

Whether or not specifically contemplated in this Agreement, all provisions of this Agreement shall apply in the same manner and upon the same terms and conditions in respect of any Over-Allotment Option Shares as would apply to the Initial Shares issued and sold pursuant to this Agreement, and any steps to be taken or conditions to be satisfied at the Additional Closing Time shall be the same as those steps to be taken or conditions to be satisfied at Closing Time.

- (c) All of the Offered Shares shall be transferred on a non-certificated basis in accordance with the rules and procedures of CDS Clearing and Depository Services Inc. (“**CDS**”) as follows:

- (i) the Underwriters will provide a direction to the Selling Shareholder with respect to the crediting of the Offered Shares to the accounts of the participants of CDS as shall be designated by the Underwriters in writing in sufficient time prior to the Closing Date to permit such crediting; and
- (ii) the Selling Shareholder and the Corporation shall cause Odyssey or any other applicable entity that may affect the transfer of the Offered Shares to electronically deposit to CDS, on behalf of the Underwriters, the Offered Shares to be purchased hereunder, in the name of "CDS & Co." as the nominee of CDS, in accordance with the rules and procedures of CDS.

15. Restrictions on Offerings

Each of the Corporation and the Selling Shareholder agrees not to, without the prior written consent of the Co-Lead Underwriters (such consent not to be unreasonably withheld or delayed); (i) issue, offer, sell (including without limitation, any short sale), contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of or transfer, directly or indirectly, any Common Shares, or any securities convertible into or exchangeable or exercisable for, or warrants or other rights to purchase, the foregoing; (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Shares or any other of the Corporation's securities that are substantially similar to Common Shares, or any securities convertible into or exchangeable or exercisable for, or any warrants or other rights to purchase, the foregoing, whether any such transaction is to be settled by delivery of Common Shares or such other securities, in cash or otherwise; or (iii) publicly announce an intention to do any of the foregoing, for a period commencing on the date hereof and until 90 days following the Closing Date, other than:

- (a) in the case of the Corporation: (A) the issuance of Options pursuant to the Option Plan or awards or rights granted pursuant to any shareholder approved security-based compensation arrangement, (B) the issuance of Common Shares upon the exercise of Options, Cenovus Warrants, Warrants or other rights of purchase, or pursuant to any shareholder approved security-based compensation arrangement, or (C) Common Shares issued by the Corporation directly to the vendors of assets or shares acquired by the Corporation pursuant to an arm's length acquisition; and
- (b) in the case of the Selling Shareholder: (A) pursuant to the Offering, including the Over-Allotment Option, (B) any transfer or other disposition being made to an affiliate of the Selling Shareholder, provided the affiliate agrees to be bound in writing to the restrictions contained herein, (C) pursuant to a bona fide third party take-over bid made to all shareholders of the Corporation or similar acquisition transaction that has been approved by a resolution of the Corporation's shareholders; provided that, in the event that the take-over bid or transaction is not completed, any securities of the Corporation held by the Selling Shareholder shall remain subject to the restrictions contained herein, or (D) any surrender of the Cenovus Warrants in exchange for Common Shares or cash.

Notwithstanding the foregoing, the Selling Shareholder acknowledges and confirms the right of the Corporation to cause the Selling Shareholder to exercise, subsequent to December 2, 2021, any Cenovus Warrants in accordance with the terms of such Cenovus Warrants and the Underwriters hereby agree that the exercise of the foregoing right by the Corporation shall not be restricted in any manner by this section 15 or otherwise hereunder.

16. Notices

Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a “**notice**”) shall be in writing addressed as follows:

- (a) If to the Corporation, addressed and sent to:

Headwater Exploration Inc.
Suite 1200, 500 – 4th Avenue S.W.
Calgary, Alberta T2P 2V6

Attention: Neil Roszell
E-mail: [redacted]

with a copy to:

Burnet, Duckworth & Palmer LLP
2400, 525 – 8 Avenue S.W.
Calgary, Alberta T2P 1G1

Attention: Ted Brown
E-mail: [redacted]

- (b) If to the Selling Shareholder, addressed and sent to:

Cenovus Energy Inc.
255 6th Avenue S.W., 41st Floor, P.O. Box 766
Calgary, Alberta T2P 0M5

Attention: Kam Sandhar
E-mail: [redacted]

with a copy to:

Bennett Jones LLP
Bankers Hall East, Suite 4500
855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: John Piasta
E-mail: [redacted]

- (c) If to the Underwriters, addressed and sent to:

Peters & Co. Limited
2300 Jamieson Place
308, 4 Avenue S.W.
Calgary, Alberta T2P 0H7

Attention: Chris Potter
Email: [redacted]

BMO Capital Markets
Eighth Avenue Place
1400, 525 - 8 Avenue S.W.
Calgary, Alberta T2P 1G1

Attention: Tim Lisevich
Email: [redacted]

CIBC World Markets Inc.
9th Floor, Bankers Hall East
855 – 2nd Street S.W.
Calgary, Alberta T2P 4J7

Attention: Bryan Berg
Email: [redacted]

RBC Dominion Securities Inc.
Bankers Hall West
3900, 888 – 3 Street S.W.
Calgary, Alberta T2P 5C5

Attention: Darrell Law
Email: [redacted]

Scotia Capital Inc.
Brookfield Place, Suite 1700
225 - 6 Avenue S.W.
Calgary, Alberta T2P 1N2

Attention: Roy Arthur
Email: [redacted]

TD Securities Inc.
36th Floor, TD Canada Trust Tower
421 – 7 Avenue S.W.
Calgary, Alberta T2P 4K9

Attention: Kiel Depoe
Email: [redacted]

with a copy to:

Torys LLP
4600, 525- 8 Avenue S.W.
Calgary, Alberta T2P 1G1

Attention: Scott R. Cochlan
Email: [redacted]

or to such other address as any of the parties may designate by giving notice to the others in accordance with this section 16. Each notice shall be personally delivered to the addressee or sent by e-mail to the

addressee. A notice which is personally delivered or delivered by e-mail shall, if delivered prior to 5:00 p.m. (Calgary time) on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered.

17. Conditions

All terms, covenants and conditions of this Agreement to be performed by the Corporation and the Selling Shareholder shall be construed as conditions, and any breach or failure to comply in any material respect with any terms and conditions which are for the benefit of the Underwriters shall entitle any of the Underwriters to terminate its obligations to purchase the Offered Shares, by written notice to that effect given to the Corporation and the Selling Shareholder prior to the Closing Time. The Underwriters may waive in whole or in part any breach of, default under or non-compliance with any representation, warranty, term or condition hereof, or extend the time for compliance therewith, without prejudice to any of their rights in respect of any other representation, warranty, term or condition hereof or any other breach of, default under or non-compliance with any other representation, warranty, term or condition hereof, provided that any such waiver or extension shall be binding on an Underwriter only if the same is in writing and signed by such Underwriter.

18. Survival of Representations and Warranties

All representation, warranties, covenants, obligations and agreements herein contained or contained in any documents delivered pursuant to this Agreement or in connection with the transaction of purchase and sale herein contemplated shall survive the purchase and sale of the Offered Shares and the termination of this Agreement and shall continue in full force and effect for the benefit of the Underwriters, the purchasers, the Corporation and the Selling Shareholder, as the case may be, in accordance with applicable law, regardless of the closing of the sale of the Offered Shares, any subsequent disposition of the Offered Shares and shall not be limited or prejudiced by any investigation by or on behalf of the Underwriters with respect thereto.

19. Several Liability of Underwriters

The Underwriters' rights and obligations under this Agreement are several and not joint, nor joint and several, including, without limitation, that:

- (a) each of the Underwriters shall be obligated to purchase only the percentage of the total number of Initial Shares at the Closing Time and, if applicable, the Over-Allotment Option Shares at the Additional Closing Time, set forth opposite their names set forth in this section 19;
- (b) if one or more of the Underwriters shall not purchase its applicable percentage of the Initial Shares at the Closing Time (or, if applicable, the Over-Allotment Option Shares at the Additional Closing Time) and the number of such Initial Shares (or, if applicable, the Over-Allotment Option Shares) which such defaulting Underwriter(s) agreed but failed or refused to purchase is not more than 10% of the aggregate number of Initial Shares (or, if applicable, the Over-Allotment Option Shares) to be purchased on such date, the non-defaulting Underwriters (the "**Continuing Underwriters**") shall be obligated severally and not jointly, nor jointly and severally, in the proportions represented by the respective percentage set forth below opposite the names of all such Continuing Underwriters, to purchase the Initial Shares which such defaulting Underwriter(s) agreed but failed or refused to purchase at such time; and

- (c) if any one or more of the Underwriters shall not purchase its applicable percentage of the Initial Shares at the Closing Time (or, if applicable, the Over-Allotment Option Shares at the Additional Closing Time), and the number of Initial Shares (or, if applicable, the Over-Allotment Option Shares) such defaulting Underwriter(s) agreed but failed or refused to purchase is more than 10% of the aggregate number of Initial Shares to be purchased at the Closing Time (or, if applicable, the Over-Allotment Option Shares at the Additional Closing Time), then the Continuing Underwriters who are willing and able to purchase their own applicable percentage of the total number of Initial Shares at the Closing Time (or, if applicable, the Over-Allotment Option Shares at the Additional Closing Time) shall have the right, but shall not be obligated, to purchase all of the percentage of the Initial Shares (or, if applicable, the Over-Allotment Option Shares) which would otherwise have been purchased by such one or more of the defaulting Underwriters; the Continuing Underwriters exercising such right shall purchase such Initial Shares (or, if applicable, the Over-Allotment Option Shares) pro rata to their respective percentages aforesaid or in such other proportions as they may otherwise agree. In the event such right is not exercised, the Continuing Underwriters which are not in default shall be entitled by written notice to the Corporation to terminate this Agreement without liability.

The applicable percentage of the total number of Offered Shares which each of the Underwriters shall be separately obligated to purchase is as follows:

Peters & Co. Limited	30.0%
BMO Nesbitt Burns Inc.	30.0%
CIBC World Markets Inc.	10.0%
RBC Dominion Securities Inc.	10.0%
Scotia Capital Inc.	10.0%
TD Securities Inc.	10.0%
	100.00%

Nothing in this Agreement shall obligate the Selling Shareholder to sell to the Underwriters less than all of the Initial Shares (or, if applicable, the Over-Allotment Option Shares that the Underwriters have elected to purchase) or shall relieve any Underwriter in default from liability to the Selling Shareholder or to any non-defaulting Underwriter in respect of the defaulting Underwriter's default hereunder. In the event of a termination by the Selling Shareholder of its obligations under this Agreement there shall be no further liability on the part of the Selling Shareholder or the Corporation to the Underwriters except in respect of any liability which may have arisen or may thereafter arise under sections 9, 10 or 11.

20. Authority to Bind Underwriters

The Corporation and the Selling Shareholder shall be entitled to and shall act on any notice, waiver, extension or communication given by or on behalf of the Underwriters by the Co-Lead Underwriters which shall represent the Underwriters and which shall have the authority to bind the Underwriters in respect of all matters hereunder, except in respect of any settlement under section 9 or 10, any matter referred to in section 12 or section 17 or any agreement under section 19. While not affecting the foregoing, the Co-Lead Underwriters shall consult with the other Underwriters with respect to any such notice, waiver, extension or other communication.

21. Underwriters Covenants

Each of the Underwriters severally and not jointly, nor jointly and severally, covenants and agrees with the Corporation and the Selling Shareholder that it will:

- (a) conduct activities in connection with the proposed offer and sale of the Offered Shares in compliance with all the Canadian Securities Laws and cause a similar covenant to be contained in any written agreement entered into with any Selling Dealer Group established in connection with the distribution of the Offered Shares;
- (b) not solicit subscriptions for the Offered Shares, trade in Offered Shares or otherwise do any act in furtherance of a trade of Offered Shares in any jurisdictions outside of the Qualifying Jurisdictions, except as contemplated in Schedule "A" hereto or in such other jurisdictions outside of Canada and the United States as may be agreed to by the Corporation provided that such sales, solicitations or other contracts in jurisdictions outside of Canada: (i) are made in accordance with the securities law of such other jurisdictions; (ii) do not subject the Corporation (or any of its directors, officers or employees) to any requirement to register, complete filings, or obtain approvals or to any inquiry, investigation or proceeding of any regulatory authority in such other jurisdictions nor require the qualification or registration of such Offered Shares in that jurisdiction or the filing of a prospectus, registration statement or other notice or documents with respect to the distribution of such Offered Shares under the laws of such jurisdiction nor impose any disclosure obligations on the Corporation (or any of its directors, officers or employees); and (iii) do not constitute Directed Selling Efforts (as defined in Schedule "A" hereto). For greater certainty, the Underwriters will not directly or indirectly, solicit offers to purchase or sell the Offered Shares or deliver any document to purchasers so as to require registration of the Offered Shares or the filing of a prospectus or registration statement with respect to the Offered Shares under the laws of any jurisdiction other than the Qualifying Jurisdictions, including without limitation, the United States;
- (c) use its commercially reasonable efforts to complete the distribution of the Offered Shares as promptly as possible after the Closing Time or Additional Closing Time, as applicable, and notify the Corporation as soon as possible when, in such Underwriter's opinion, the Underwriters and the Selling Dealer Groups have ceased the distribution of the Offered Shares, and cause any Selling Dealer Group appointed hereunder to do the foregoing; and
- (d) as soon as reasonably practicable after the Closing Date but in any event no later than thirty (30) days thereof provide the Corporation with a breakdown of the number of Offered Shares sold in each of the Qualifying Jurisdictions and, upon completion of the distribution of the Offered Shares, provide to the Corporation and to the Canadian Securities Regulators notice to that effect, if required by Canadian Securities Laws.

No Underwriter will be liable to the Corporation or the Selling Shareholder under this section 21, or any other section of this Agreement, with respect to a default by any of the other Underwriters or any member of the Selling Dealer Group but will be liable to the Corporation only for its own default.

22. Severance

If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

23. Relationship Between the Corporation, the Selling Shareholder and the Underwriters

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

24. Stabilization

In connection with the distribution of the Offered Shares, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Offered Shares and Common Shares at levels other than those which might otherwise prevail on the open market, but in each case only as permitted by applicable laws. Such stabilizing transactions, if any, may be discontinued at any time.

25. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. Each of the Corporation, the Selling Shareholder and the Underwriters hereby attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta.

26. Time of the Essence

Time shall be of the essence of this Agreement.

27. Counterpart Execution

This Agreement may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Delivery of counterparts may be effected by facsimile or other form of electronic transmission.

28. Further Assurances

Each party to this Agreement covenants and agrees that from time to time, it will, at the request of the requesting party, execute and deliver all such documents and do all such other acts and things as any party hereto, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

29. TMX Group Disclosure

The Corporation hereby acknowledges that TD Securities Inc. or an affiliate thereof, may own or control an equity interest in TMX Group Limited (“**TMX Group**”) and may have a nominee director serving on the TMX Group’s board of directors. As such, each such investment dealer may be considered to have an economic interest in the listing of securities on any exchange owned or operated by TMX Group, including the TSX, the TSX Venture Exchange and the Alpha Exchange. No person or corporation is required to obtain products or services from TMX Group or its affiliates as a condition of any such dealer supplying or continuing to supply a product or service.

30. Entire Agreement

It is understood that the terms and conditions of this Agreement, including Schedule “A” hereto, supersede any previous verbal or written agreement among the Underwriters, the Corporation and/or the Selling Shareholder.

31. U.S. Offers

- (a) The Underwriters make the representations, warranties, covenants and agreements applicable to them in Schedule “A” hereto, which is incorporated by reference into and forms part of this Agreement, and agree, on behalf of themselves and their U.S. Affiliates, for the benefit of the Corporation and the Selling Shareholder to comply with the U.S. selling restrictions imposed by the laws of the United States and set forth in Schedule “A” hereto. Notwithstanding the foregoing provisions of this section, no Underwriter or its U.S. Affiliate will be liable to the Corporation or the Selling Shareholder under this section or Schedule “A” hereto with respect to a violation by another Underwriter or its U.S. Affiliate of the provisions of this section or Schedule “A” hereto if the former Underwriter or its U.S. Affiliate is not itself also in violation.
- (b) The Corporation makes the representations, warranties, covenants and agreements applicable to it in Schedule “A” hereto.
- (c) The Selling Shareholder makes the representations, warranties, covenants and agreements applicable to it in Schedule “A” hereto.

32. Consent

In accordance with the terms and conditions of the Investor Agreement, the Corporation hereby represents that it has given its prior written consent (and reconfirms such), in favour of the Selling Shareholder, to the Transfer (as defined in the Investor Agreement) by the Selling Shareholder of the Offered Shares as contemplated hereunder provided that such consent is subject to the Co-Lead Underwriters receiving the written consent of the Corporation prior to any Underwriter selling or agreeing to sell Offered Shares to any purchaser (other than any purchaser who is an eligible financial institution (as defined under National Instrument 62-103 - The Early Warning System and Related Take-Over Bid and Insider Reporting Issues)

or its equivalent in a jurisdiction outside of Canada or the United States) pursuant to the Offering (including the Over-Allotment Option) if such sale of Offered Shares to such purchaser represents 5% or more of the then outstanding Common Shares.

[Signatures follow on next page]

Yours very truly,

PETERS & CO. LIMITED

By: signed "Christopher Potter"

BMO NESBITT BURNS INC.

By: signed "Tim Lisevich"

CIBC WORLD MARKETS INC.

By: signed "Bryan R. Berg"

RBC DOMINION SECURITIES INC.

By: signed "Darrell Law"

SCOTIA CAPITAL INC.

By: signed "Roy Arthur"

TD SECURITIES INC.

By: signed "Scott Barron"

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

HEADWATER EXPLORATION INC.

By: signed "Neil Roszell"

**CENOVUS MARTEN HILLS
PARTNERSHIP, by its managing partner
CENOVUS ENERGY INC.**

By: signed "Alex Pourbaix"

CENOVUS ENERGY INC.

By: signed "Alex Pourbaix"

SCHEDULE “A”

UNITED STATES OFFERS AND SALES

1. Definitions

As used in this Schedule and related exhibits, the following terms shall have the meanings indicated:

“**Directed Selling Efforts**” means “directed selling efforts” as that term is defined in Rule 902(c) of Regulation S, which, without limiting the foregoing, but for greater clarity in this Schedule, includes, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Offered Shares and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the Offering;

“**Foreign Private Issuer**” means a “foreign private issuer” as that term is defined in Rule 405 under the U.S. Securities Act;

“**General Solicitation**” and “**General Advertising**” mean “general solicitation” and “general advertising”, respectively, as used in Rule 502(c) under the U.S. Securities Act, including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

“**Investment Company Act**” means the U.S. Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder;

“**Qualified Institutional Buyer**” means a “qualified institutional buyer” as such term is defined in Rule 144A;

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

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

“**U.S. Purchasers**” means purchasers of Offered Shares in the Offering who are in the United States, were offered Offered Shares in the United States, or placed their order to purchase the Offered Shares from within the United States; and

“**U.S. Purchaser’s Letter**” means the U.S. Purchaser’s Letter, in substantially the same form appended to the U.S. Placement Memorandum.

All other capitalized terms used but not otherwise defined in this Schedule shall have the meanings given to them in the Underwriting Agreement to which this Schedule is attached and of which this Schedule forms a part.

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2. Representations, Warranties and Covenants of the Corporation

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

- (a) it is a Foreign Private Issuer and reasonably believes that there is no Substantial U.S. Market Interest with respect to the Common Shares;
- (b) except with respect to offers and sales by or through the Underwriters to (i) Qualified Institutional Buyers in reliance upon the exemption from registration under the U.S. Securities Act provided by Rule 144A in accordance with this Schedule “A”, neither the Corporation nor any of its affiliates, nor any person acting on its or their behalf (other than the Underwriters, their respective U.S. Affiliates, any members of the banking and selling group formed by them (the “**Selling Group**”) or any person acting on their behalf, in respect of which no representation, warranty, covenant or agreement is made), has made or will make: (i) any offer to sell, or any solicitation of an offer to buy, any Offered Shares in the United States; or (ii) any sale of Offered Shares to any purchaser unless, at the time the buy order was or will have been originated, either (A) such purchaser is outside the United States, or (B) the Corporation, its affiliates, and any person acting on their behalf (other than the Underwriters, their respective U.S. Affiliates, any Selling Group member or any person acting on their behalf, in respect of which no representation, warranty, covenant or agreement is made) reasonably believe that such purchaser is outside the United States;
- (c) in connection with offers and sales of the Offered Shares outside the United States, the Corporation, each of its affiliates, and any person acting on its or their behalf (other than the Underwriters and their U.S. Affiliates or any Selling Group member, as to which no representation, warranty, covenant or agreement is made) have complied and will comply with the requirements for an “offshore transaction” (as that term is defined in Rule 902(h) of Regulation S);
- (d) neither the Corporation nor any of its affiliates, nor any person acting on its or their behalf (other than the Underwriters, the U.S. Affiliates or any members of the Selling Group, as to whom the Corporation makes no representation, warranty, covenant or agreement), has engaged or will engage in any Directed Selling Efforts or any form of General Solicitation or General Advertising (or has acted in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act) in the United States with respect to the Offered Shares, or has taken or will take any action that would cause the applicable exemption or exclusion from registration under the U.S. Securities Act afforded by Rule 144A or Rule 903 of Regulation S to be unavailable for offers and sales of the Offered Shares pursuant to the Agreement to which this Schedule forms a part;
- (e) the Offered Shares are not, and as of the Closing Time will not be, and no securities of the same class as the Offered Shares are: (i) listed on a national securities exchange in the United States registered under Section 6 of the U.S. Exchange Act; (ii) quoted in an “automated inter-dealer quotation system”, as such term is used in the U.S. Exchange Act; or (iii) convertible or exchangeable into, or exercisable for, securities so listed or quoted at an effective conversion or exercise premium (calculated as specified in paragraph (a)(6) and (a)(7) of Rule 144A) of less than ten percent for securities so listed or quoted;
- (f) in connection with the initial resale of the Offered Shares to Qualified Institutional Buyers in the Offering, the Corporation shall make available to such Qualified Institutional Buyers

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the information required to be provided pursuant to Rule 144A(d)(4) under the U.S. Securities Act;

- (g) none of the Corporation, its affiliates or any person acting on its or their behalf has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with the Offering;
- (h) the Corporation is not, and after giving effect to the Offering and the application of the proceeds as described in the Prospectus will not be, registered as an investment company nor will it be required to register as an investment company pursuant to the Investment Company Act; and
- (i) none of the Corporation's securities are registered or are required to be registered under Section 12 of the U.S. Exchange Act and the Corporation does not, and will not upon the offer and sale of the Offered Shares, have a reporting obligation under Section 13 or Section 15(d) of the U.S. Exchange Act.

3. Representations, Warranties and Covenants of the Selling Shareholder

The Selling Shareholder represents, warrants and covenants to the Underwriters that:

- (a) except with respect to offers and sales by or through the Underwriters to (i) Qualified Institutional Buyers in reliance upon the exemption from registration under the U.S. Securities Act provided by Rule 144A in accordance with this Schedule "A", neither the Selling Shareholder nor any of its affiliates, nor any person acting on its or their behalf (other than the Underwriters, their respective U.S. Affiliates, any members of the Selling Group or any person acting on their behalf, in respect of which no representation, warranty, covenant or agreement is made), has made or will make: (i) any offer to sell, or any solicitation of an offer to buy, any Offered Shares in the United States; or (ii) any sale of Offered Shares to any purchaser unless, at the time the buy order was or will have been originated, either (A) such purchaser is outside the United States, or (B) the Selling Shareholder, its affiliates, and any person acting on their behalf (other than the Underwriters, their respective U.S. Affiliates, any Selling Group member or any person acting on their behalf, in respect of which no representation, warranty, covenant or agreement is made) reasonably believe that such purchaser is outside the United States;
- (b) in connection with offers and sales of the Offered Shares outside the United States, the Selling Shareholder, each of its affiliates, and any person acting on its or their behalf (other than the Underwriters and their U.S. Affiliates or any Selling Group member, as to which no representation, warranty, covenant or agreement is made) have complied and will comply with the requirements for an "offshore transaction" (as that term is defined in Rule 902(h) of Regulation S);
- (c) neither the Selling Shareholder nor any of its affiliates, nor any person acting on its or their behalf (other than the Underwriters, the U.S. Affiliates or any members of the Selling Group, as to whom the Corporation makes no representation, warranty, covenant or agreement), has engaged or will engage in any Directed Selling Efforts or any form of General Solicitation or General Advertising (or has acted in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act) in the United States with respect to the Offered Shares, or has taken or will take any action that would cause the applicable exemption or exclusion from registration under the U.S. Securities

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Act afforded by Rule 144A or Rule 903 of Regulation S to be unavailable for offers and sales of the Offered Shares pursuant to the Agreement to which this Schedule forms a part; and

- (d) none of the Selling Shareholder, its affiliates or any person acting on its or their behalf has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with the Offering.

4. Representations, Warranties and Covenants of the Underwriters

Each Underwriter and U.S. Affiliate jointly and not severally acknowledges, represents, warrants and covenants to the Corporation and the Selling Shareholder that:

- (a) the Offered Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable state securities laws. It has not offered and sold, and will not offer and sell, any Offered Shares except in an “offshore transaction” in accordance with Rule 903 of Regulation S or to Qualified Institutional Buyers in accordance with Rule 144A, and in compliance with U.S. state securities laws, as provided in the paragraphs set forth below. Accordingly, neither the Underwriter, its U.S. Affiliates nor any persons acting on its or their behalf, has made or will make (except as permitted in the paragraphs set forth below): (i) any offer to sell or any solicitation of an offer to buy, any Offered Shares in the United States; or (ii) any sale of Offered Shares to any purchaser unless, at the time the buy order was or will have been originated, either (A) such purchaser was outside the United States, or (B) the Underwriter, its U.S. Affiliates or persons acting on its behalf reasonably believed that such purchaser was outside the United States;
- (b) it and its affiliates, including its U.S. Affiliate, have not, either directly or through a person acting on its or their behalf, solicited and will not solicit offers for, and have not offered to sell and will not offer to sell, any of the Offered Shares in the United States by any form of General Solicitation or General Advertising, Directed Selling Efforts or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act;
- (c) it has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Shares, except with its U.S. Affiliate, any Selling Group members or with the prior written consent of the Corporation;
- (d) it has caused its U.S. Affiliate to agree, and it has required or will require each Selling Group member to agree, for the benefit of the Corporation, to comply with, and shall cause its U.S. Affiliate and shall use its commercially reasonable efforts to ensure that, each Selling Group member complies with, the provisions of this Schedule “A” applicable to the Underwriter as if such provisions applied to such U.S. Affiliate or Selling Group member, as applicable;
- (e) all offers and sales of Offered Shares in the United States have been and shall be made by the Underwriter through its U.S. Affiliate (which on the dates of such offers and sales was and will be duly registered as a broker-dealer under the U.S. Exchange Act and under all applicable state securities laws (unless exempt therefrom) and a member of, and in good

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standing with, the Financial Industry Regulatory Authority, Inc.) in accordance with all applicable broker-dealer laws and regulations and in compliance with this Schedule “A”;

- (f) each U.S. Affiliate selling the Offered Shares in the United States is a Qualified Institutional Buyer;
- (g) it has solicited and will solicit (and has caused and will cause its U.S. Affiliate to solicit, as applicable) offers for the Offered Shares in the United States only from, and has offered and will offer the Offered Shares only in accordance with Rule 144A to persons whom it reasonably believes to be Qualified Institutional Buyers in accordance with Rule 144A, pursuant to transactions that are exempt from registration under or in compliance with applicable U.S. state securities laws;
- (h) it has informed or will inform (and has caused or will cause its U.S. Affiliate to inform, as applicable) all U.S. Purchasers that the Offered Shares have not been and will not be registered under the U.S. Securities Act and are being offered and sold to such purchasers without registration in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A and in compliance with U.S. state securities laws;
- (i) it has caused or will cause its U.S. Affiliate to deliver (i) a copy of the Preliminary U.S. Placement Memorandum or the U.S. Placement Memorandum, to each of its offerees in the United States, and (ii) a copy of the U.S. Placement Memorandum to each U.S. Purchaser at or prior to the time of purchase of Offered Shares, and no other written material other than the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum and the Marketing Materials has been or will be used in connection with the offer or sale of the Offered Shares in the United States;
- (j) neither the Underwriter, its U.S. Affiliate nor any persons acting on its or their behalf has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with the Offering;
- (k) at Closing Time, it, together with its U.S. Affiliate offering or selling Offered Shares in the United States, will provide a certificate, substantially in the form of Exhibit I to this Schedule “A”, relating to the manner of the offer and sale of the Offered Shares in the United States or will be deemed to have represented and warranted for the benefit of the Corporation that neither it nor its U.S. Affiliate offered or sold Offered Shares in the United States; and
- (l) prior to the Closing Time, it will deliver to the Corporation signed copies of each U.S. Purchaser’s Letter from each of the U.S. Purchasers to which it has offered and sold Offered Shares.

Exhibit I

UNDERWRITERS' CERTIFICATE

In connection with the offer and sale, under Rule 144A, of Common Shares of Headwater Exploration Inc. (the "**Corporation**") in the United States pursuant to the Underwriting Agreement dated effective as of September 27, 2021 among the Corporation and the underwriters party thereto (the "**Underwriting Agreement**"), the undersigned [**name of Underwriter**] (the "**Underwriter**") and [**name of U.S. affiliate of Underwriter**], in its capacity as placement agent in the United States for the Underwriter (the "**U.S. Affiliate**"), each hereby certifies that:

- (a) all offers to sell, solicitations of offers to buy and sales of the Offered Shares in the United States were made only through the U.S. Affiliate in compliance with all applicable United States state and federal broker-dealer requirements. The U.S. Affiliate is, and was at all relevant times, a Qualified Institutional Buyer, a duly registered broker or dealer with the SEC and in each state applicable to the U.S. Affiliate (unless exempt therefrom) and a member of and in good standing with the Financial Industry Regulatory Authority, Inc.;
- (b) all offers and sales of the Offered Shares in the United States have been conducted by us in accordance with the Underwriting Agreement, including Schedule "A" thereto;
- (c) immediately prior to our making of any offers of Offered Shares to offerees in the United States, we had reasonable grounds to believe and did believe that each such offeree was a Qualified Institutional Buyer, and, on the date hereof, we have reasonable grounds to believe and continue to believe that each U.S. Purchaser of Offered Shares is a Qualified Institutional Buyer;
- (d) no form of General Solicitation or General Advertising was used by us in connection with the offer or sale of the Offered Shares in the United States and we did not engage in any Directed Selling Efforts in the United States in connection with the offer or sale of the Offered Shares; and
- (e) prior to any sale by us of Offered Shares in the United States, we caused each U.S. Purchaser to execute and deliver a U.S. Purchaser's Letter.

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

[Signature page follows]

Dated this ____ day of _____, 2021

[NAME OF UNDERWRITER]

[INSERT NAME OF U.S. AFFILIATE]

By: _____
Name:
Title:

By: _____
Name:
Title: