

**Share Sale and Purchase Agreement**

**Dated**

**27 July 2022**

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**CUB ENERGY INC**

**and**

**SERGII PANCHUK AND IEVGEN CHABAN**

**RELATING TO THE SALE AND PURCHASE OF 100 PER CENT OF THE ISSUED  
SHARE CAPITAL OF 3P INTERNATIONAL ENERGY LIMITED**

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**THIS AGREEMENT** (the **Agreement**) is dated 27 July 2022 and is made by and between:

- (1) **CUB ENERGY INC.**, a public company incorporated and existing under the Canada Business Corporations Act, with company number 1235805-1, whose registered office is at 4500, 855 2nd Street S.W. Calgary, Alberta, Canada T2P 4K7, and its principal office at Suite 3300, 205 5th Avenue SW, Calgary, AB, Canada T2P 2V7 (the **Seller**);
- (2) **Ievgen Chaban**, a citizen of Ukraine, holder of Ukrainian international passport No. FG570238 issued on June 12, 2017, whose registered residential address is 9G Iordanska Str. apt.100, Kyiv, Ukraine, acting in his own individual capacity (the **Buyer A**), and
- (3) **Sergii Panchuk**, a citizen of Ukraine, holder of Ukrainian international passport No. FX880565 issued on November 20, 2019, whose registered residential address is 2 Sarzhynska Str. apt.9, Kharkiv, Ukraine, acting in his own individual capacity (the **Buyer B**) (Ievgen Chaban and Sergii Panchuk are together referred to as the **Buyer** or the **Buyers**).

#### **RECITALS**

- (A) 3P International Energy Limited is a private limited company registered in the Republic of Cyprus (No. 276678) whose registered office is at Ifigeneias 17, 2007 Strovolos, Nicosia, Cyprus (the **Company**).
- (B) The **Seller** is the legal and beneficial owner of the one hundred per cent (100%) of the issued share capital of the **Company** comprising 1,000 ordinary shares of EUR 2.00 each.
- (C) Subject to the terms of this Agreement, the **Seller** intends to sell and the **Buyers** intend to buy the entirety of the **Seller's** one hundred per cent (100%) shareholding in the issued share capital of the **Company** comprising 1,000 ordinary shares of EUR 2.00 each.

**NOW IT IS HEREBY AGREED** as follows:

#### **1 Definitions and interpretation**

- 1.1 In this Agreement, the following words, abbreviations and phrases shall have the following meanings:

**3P Ukraine** means 3P Energy Consulting LLC, a 100%-owned subsidiary of the **Company**, incorporated and existing under the laws of Ukraine with identification code 40428153

**Affiliate** means, when used with respect to any specified person or entity, any other person or entity that directly or indirectly (through one or more intermediaries) controls, or is controlled by, or is under common control with, such first mentioned person or entity. The term "**control**" (including the terms "**controlled by**" and "**under common control with**") means the



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possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise

**Applicable Law** means all applicable constitutions, treaties, statutes, laws, ordinances, regulations, directives, codes, decrees, orders, by-laws and common law or any other rule or requirement having the force of law

**Business Day** means a day (other than a Saturday, Sunday or public holiday) on which banks are ordinarily open for the transaction of normal banking business in Cyprus and Canada

**Buyer's Group** means the Buyer and each company which is for the time being (whether on or after the date of this Agreement) an Affiliate of the Buyer

**Buyer's Warranties** means the warranties and representations of the Buyer set forth in clause 9 of this Agreement

**Company** has the meaning given to it in recital (A)

**Company Registrar** means the register of companies kept by the Department of Registrar of Companies and Official Receiver of the Republic of Cyprus

**Completion** means the completion of the sale and purchase of the Sales Shares in accordance with the terms of this Agreement

**Cub Guarantee** means the Seller's guarantee of Tysagaz' obligations before MTB Bank, including the Seller's guarantee of Tysagaz' obligations provided in accordance with agreements No. K06859/2020/S-1 and No. 160П/LV both dated December 10, 2022

**Encumbrance** means any mortgage, charge, rent charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, claim, right, interest or preference granted to any third party, or any other encumbrance or security interest of any kind (or an agreement or commitment to create any of the same)

**Governmental Authority** means any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions on behalf of a state or its political subdivision including any governmental authority, ministry, agency, department, board, commission or instrumentality or subdivision thereof; any court, including any tribunal (whether standing or ad hoc), arbitration panel or arbitrator (including an arbitrator of international commercial arbitrations); and any self-regulatory organisation acting on behalf of a state or itself pursuant to the rights granted thereto by Applicable Law



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**Instrument of Transfer** means a Transfer and Acceptance Act which implements the transfer of Sales Shares from the Seller to the Buyer A or Buyer B to be governed by Cyprus law in the form agreed between the Parties

**July Royalties, Estimated July Royalties and Actual July Royalties** have meanings given in clause 5 herein.

**MTB Bank** means Joint-Stock Company MTB BANK, a bank incorporated under the laws of Ukraine with id code 21650966, including all its branches, departments and the like.

**Purchase Price** means the amount of US\$1.00 payable in accordance with clause 3.1

**Relevant Claim** means any claim, demand, action, proceeding or suit by the Buyer involving or relating to a breach of any of the Seller's Warranties or any other undertakings under this Agreement

**Representative** means, in relation to any person, its directors, officers, employees, agents, advisers, accountants, auditors, lawyers and/or consultants

**Royalty Tax** (укр. "рентна плата за користування надрами") means royalty for the use of subsoil with purpose of production of natural gas as established by Ukrainian laws, in particular Article 252 of the Tax Code of Ukraine.

**Sales Shares** means one hundred per cent (100%) of the issued share capital of the Company comprising 1,000 ordinary shares of two euro (€2.00) each in the capital of the Company and owned by the Seller

**Seller's Account** means the Seller's USD bank account:

Bank:	Bank of Montreal 56 Queen Street East Brampton, Ontario L6V 4M8
Swift BIC address:	BOFMCAM2
Beneficiary account:	2315-4614-698
Beneficiary name:	Cub Energy Inc. #3300 205 5 <sup>th</sup> Avenue SW Calgary, AB, Canada T2P 2V7
Intermediary Bank:	Wells Fargo Bank (FKA Wachovia Bank) (no address required)
ABA #:	026005092
Swift Code:	PNBPUS3NNYC



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**Seller's Bank** means the bank keeping the Seller's Account

**Seller's Warranties** means the warranties of the Seller set forth in Schedule 2 attached hereto

**Third Party Claim** has the meaning given in paragraph 29.1 of Schedule 3 attached hereto

**Transaction** means the sale and purchase of the Sales Shares as contemplated by this Agreement.

**Tysagaz** means Tysagaz LLC, a 100%-owned subsidiary of the Company, incorporated and existing under the laws of Ukraine with identification code 22091121

1.2 In this Agreement, unless the context requires otherwise:

- (a) a document expressed to be in the **agreed form** means a document in a form which has been agreed by the Parties on or before the execution of this Agreement and signed or initialed by them or on their behalf, for the purposes of identification;
- (b) a **Party** means a party to this Agreement and includes its permitted assignees (if any) and/or successors in title to substantially the whole of its undertaking;
- (c) a **person** includes any person, individual, company, firm, corporation, government, state or agency of a state or any undertaking (whether or not having separate legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists);
- (d) a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established;
- (e) **writing** or **written** includes any methods of representing words in a legible and non-transitory manner;
- (f) the words **include(s)**, **including**, **in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- (g) words denoting the singular shall include the plural and vice versa and words denoting any gender shall include all genders;
- (h) any document (including this Agreement) is a reference to that document including its schedules, annexes and addenda, as may be amended, consolidated, supplemented, novated or replaced from time to time;



- (i) a statute, statutory instrument, regulation, by-law or accounting standard, or any of their provisions, is to be construed as a reference to as the same may have been amended or re-enacted before the date of this Agreement, and provided that as between the Parties, no such amendment or re-enactment shall apply for the purposes of this Agreement to the extent that it would impose any new or extended obligation or restriction on, or otherwise adversely affect the rights of, any Party;
- (j) the time of day is to time in Republic of Cyprus; and references to "US Dollars" or "US\$" are to the lawful currency from time to time of the United States of America.

1.3 The index to and the headings in this Agreement are for information only and shall not affect its construction or interpretation.

1.4 References to clauses, paragraphs and Schedules are references to clauses and paragraphs of and schedules to this Agreement. The Schedules comprise and form part of the operative provisions of this Agreement and references to this Agreement shall include the Schedules to this Agreement.

## **2 Sale and Purchase of Sales Shares**

2.1 The Seller shall sell to the Buyers and the Buyers shall purchase from the Seller the Sales Shares with full title guarantee and free from any Encumbrance.

2.2 The Seller shall transfer a half of the entire amount of the Sales Shares (500 shares of two euro (€2.00) each) to the Buyer A and another half of the entire amount of the Sales Shares (500 shares of two euro (€2.00) each) to the Buyer B.

2.3 Title to, beneficial ownership of, and any risk attaching to, the Sales Shares shall pass on Completion to the Buyer together with all associated rights and benefits attaching or accruing to them on or after Completion.

2.4 All and any rights of the Seller towards the reserves of the Company shall be transferred to the Buyers in proportion to the number of shares of the company held by each of the Buyers.

2.5 The Parties acknowledge and agree that their respective rights and obligations with respect to the transfer of the Sales Shares shall be governed exclusively by this Agreement, subject to any mandatory provisions of Cyprus law applicable to the transfer of the Sales Shares.

## **3 Consideration**

3.1 The consideration for the sale of the Sales Shares shall be the payment by the Buyers to the Seller of the Purchase Price in cash.



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3.2 The Buyer shall pay the Purchase Price which is hereby acknowledged as received and such Purchase Price shall be clear of all costs, fees, deductions (including any tax deductions, if applicable) and charges.

3.3 The Buyers shall be jointly and severally liable for paying the Purchase Price to the Seller. Each one of the Buyers may pay the entire Purchase Price to the Seller.

#### **4 Completion**

4.1 Completion is conditional upon each of the following conditions are fulfilled: (1) TSX Venture Exchange approved the Transaction in accordance with its regulations, (2) MTB Bank provided to the Seller full and unconditional release from Cub Guarantee and (3) no material breach of the provisions and representations and warranties hereunder having occurred.

4.2 If any of the conditions enumerated in clause 4.1. have not been fulfilled or waived by the 14<sup>th</sup> day from the signing date of this Agreement, this Agreement shall terminate and cease to have effect immediately after that date and time, unless otherwise agreed in writing by the Parties.

4.3 Subject to the conditions enumerated in clause 4.1 having been fulfilled or waived, Completion shall take place on such date as may be agreed in writing by the Parties when all (but not part only unless the Parties so agree) of the following business shall be transacted (if not transacted earlier):

- (a) The Seller shall provide the Buyer with a copy of the resolution of its board of directors, authorizing the Seller's entry into, and performance of the Seller's obligations under, this Agreement and such other documents relating to this Agreement;
- (b) authorised representatives of the Seller and the Buyers shall execute Instruments of Transfer;
- (c) the Parties shall ensure that Director of the Company passes a resolution on the following matters, conditional upon and with effect from Completion, and the copy of the resolution shall be delivered to each Party:
  - (i) approve the registration of the transfer of the Sales Shares;
  - (ii) cancel the existing share certificate of the Seller and approve the issuing of the new share certificates in the names of the Buyer A and Buyer B; and
  - (iii) instruct the secretary of the Company to take all relevant steps to amend the register of members of the Company and to record the Buyers as the registered holders of the Sales Shares and file all relevant resolutions at the Company



Registrar and at any other relevant authorities in Cyprus and take all required steps to implement the transfer of the Sales Shares to the Buyers;

(d) the Buyers shall pay Purchase Price in accordance with clause 3.

- 4.4 The Seller shall ensure that there will be an aggregate amount of US \$300,000 cash remaining on the bank accounts of 3P and its subsidiaries at the time of Completion, denominated in US Dollars or other currencies according to National Bank of Ukraine exchange rate (in case the money are deposited in Ukrainian banks) or to European Central Bank exchange rate (in all other cases). The aggregate cash of 3P and its subsidiaries in excess of US \$300,000 shall be paid to the Seller's Account on the day before the Completion as a loan repayment, unless the Parties agree to another method.
- 4.5 On Completion, the Seller shall cease being a shareholder of the Company and shall have no further obligations nor liability for any actions taken by the Company and/or the Buyer in respect of the Company and the Sale Shares after Completion.
- 4.6 The Buyers shall ensure that MTB Bank provides the Seller with a full release of the Cub Guarantee to the Seller's satisfaction.
- 4.7 The Buyers shall ensure that the Seller's representatives are removed as signatories from 3P's bank accounts within 10 days after Completion.
- 4.8 The Buyer shall be responsible for the compensation of all 3P Consulting employees and consulting Private Entrepreneurs effective 1 August 2022 save and except the IFRS accountant. Sergey Panchuk shall resign as Chief Operating Officer of the Seller.
- 4.9 The Parties acknowledge that this Agreement is subject to the approval of the TSX Venture Exchange.

## 5 Tysagaz Post-Completion Taxes

- 5.1 The Parties acknowledge that Tysagaz carries out continuing production of natural gas, which is taxable with Royalty Tax. The Parties shall ensure payment of Royalty Tax payable by Tysagaz for the natural gas produced in July 2022 ("**July Royalties**") at the Seller's expense in accordance with this Clause 5.
- 5.2 The Seller is entitled to all revenues to be received by Tysagaz from the sale of natural gas produced in July notwithstanding the date of Completion, time of the gas sale or time of receipt of money ("**July Revenues**"), subject to clause 5.3.



- 5.3 July Royalties shall be paid from the amount of July Revenues, and the difference between July Royalties and July Revenues shall be settled in accordance with clause 5.5.
- 5.4 The Buyer shall ensure that Tysagaz declares and pays July Royalties, in the amount and in accordance with the laws of Ukraine, on or before the statutory deadline.
- 5.5 The Buyer shall ensure that 3P or Tysagaz pays to the Seller the difference between July Revenues and July Royalties before August 30, 2022, unless the July Royalties exceed the amount of July Revenues, in which case the Seller shall pay to 3P the difference between July Royalties and July Revenues.

## **6 Refundable Deposit**

The Seller shall return to the Buyers within 5 business days from the Completion the amount of EUR 20,000 paid by the Buyers as a refundable deposit pursuant to clause 5.2 of the Letter Agreement regarding the acquisition of 100% of 3P International Energy Limited, dated 8 July, 2022.

## **7 Joint and Several Liability of the Buyers**

The Buyer A and Buyer B are jointly and severally liable for all obligations, warranties and representations of the Buyers under this Agreement.

## **8 Seller's Warranties**

- 8.1 The Seller warrants to the Buyer that each of the Seller's Warranties is true and correct as at the date of this Agreement.
- 8.2 Each of the Seller's Warranties shall be construed as a separate and independent warranty and the Buyer shall have a separate claim and right of action in respect of every breach of a Seller's Warranty.
- 8.3 The Seller's liability for any Relevant Claim shall be limited in accordance with the provisions of Schedule 3 except where a Relevant Claim arises as a result of fraud or fraudulent concealment by the Seller.
- 8.4 The Buyers are employees of the 3P and its subsidiaries and have intimate knowledge of the business affairs, liabilities and operations.



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## 9 Buyer's Warranties

9.1 The Buyers hereby jointly and severally warrant to the Seller that each of the statements set out below are true and correct as at the date of this Agreement:

- (a) MTB Bank provided to the Seller full and unconditional release from the Seller's guarantee of Tysagaz' obligations under all agreements between Tysagaz or the Seller and MTB Bank, including the Seller's guarantees of Tysagaz' obligations provided in accordance with agreements No. K06859/2020/S-1 and No. 160П/LV both dated December 10, 2022
- (b) this Agreement and the Transaction constitute (or will constitute when executed) valid, legal, binding and enforceable obligations of the Buyer;
- (c) the Buyer has the legal right, full power and authority to enter into and to perform its obligations under this Agreement and any other documents to be delivered on Completion;
- (d) the execution, delivery and performance by the Buyer of its obligations under this Agreement and any other documents to be delivered on Completion will not require them to obtain any consent, waiver or approval of, or give any notice to or make any registration or filing with, any Governmental Authority or other person which has not been obtained or made at the date of this Agreement;
- (e) neither the entry into this Agreement and any other documents to be delivered on Completion nor the implementation of the Transaction contemplated herein and thereby by the Buyer will:
  - (i) result in a material breach of, or constitute a material default under, any instrument to which it is a party or by which it is bound; or
  - (ii) result in a breach of any applicable laws or regulations or of any order, decree or judgment of any Governmental Authority in any jurisdiction;
- (f) the funds used by the Buyer to pay the Purchase Price do not constitute or represent and are not derived from, in whole or in part, directly or indirectly, a person's benefit from any criminal conduct which constitutes an offence, including under any of the following:
  - (i) in Canada: Proceeds of Crime (Money Laundering) Act, Terrorism Financing Act, Freezing Assets of Corrupt Foreign Officials Act;
  - (ii) in the UK: Proceeds of Crime Act 2002 or Bribery Act 2010;



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(iii) in the US: Foreign Corrupt Practices Act of 1977; and

(iv) in Ukraine: the act on Prevention and Counteraction to Legalization (Money Laundering) of Proceeds from Crime, Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction;

(collectively defined as the **Acts**), and the Buyers have at all times complied with the Acts.

## **10 Entire agreement**

10.1 Each Party acknowledges and agrees for itself that:

- (a) this Agreement constitutes the entire agreement between the Parties and supersedes any prior agreement, understanding, undertaking or arrangement between the Parties relating to the subject matter of this Agreement;
- (b) by entering into this Agreement, they do not rely on any statement, representation, assurance or warranty of any person (whether a party to this Agreement or not and whether made in writing or not) other than as expressly set out in this Agreement;
- (c) except as otherwise provided in this Agreement, no Party may rescind or terminate this Agreement for breach of contract or for negligent or innocent misrepresentation or otherwise; and
- (d) nothing in this clause, and no other limitation in this Agreement, shall exclude or limit any liability for fraud.

## **11 Further assurances**

Each Party shall at its own cost promptly execute or, so far as it is able, procure that any necessary third party shall execute all such documents, and deliver all such documents and do all such things and take all such steps as the other Party may reasonably require for perfecting the Transaction intended to be effected under, or pursuant to, this Agreement and for giving each Party the full benefit of the provisions of this Agreement.

## **12 Waivers**

The rights and remedies of each Party to this Agreement are, except where expressly stated to the contrary, without prejudice to any other rights and remedies available to it. No neglect, delay or indulgence by either Party in enforcing any provision of this Agreement shall be construed as



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a waiver and no single or partial exercise of any rights or remedy of either Party under this Agreement will affect or restrict the further exercise or enforcement of any such right or remedy.

### 13 Alterations

No amendment to this Agreement shall be effective unless it is made in writing, refers to this Agreement and is duly executed by each Party to this Agreement.

### 14 Counterparts

This Agreement may be executed in any number of counterparts. Each counterpart, when duly exchanged or delivered, is an original, but the counterparts together are one and the same agreement. All signatures to this Agreement may be delivered via facsimile or PDF and each such signature shall be considered an original signature.

### 15 Costs

Each of the Parties shall be responsible for its respective legal and other costs incurred in relation to the negotiation, preparation and completion of this Agreement and any and all ancillary documents relating to the Transaction.

### 16 Assignment

Neither of the Parties shall be entitled to assign the benefit of any rights under this Agreement, provided that the benefit of any rights under this Agreement (including the Warranties) shall be freely assignable by the Buyer, and, in the event of any such assignment, all references in this Agreement to the Buyer shall be deemed to include its assignees.

### 17 Announcements and confidentiality

17.1 Subject to clause 17.2, no announcement, circular or communication (each an **Announcement**) concerning the existence or content of this Agreement shall be made by either Party (or any of its respective Affiliates) without the prior written approval of the other Party (such approval not to be unreasonably withheld or delayed).

17.2 Clause 17.1 does not apply to any Announcement if, and to the extent that, it is required to be made by the rules of any stock exchange (including, specifically the TSX Venture Exchange) or any governmental, regulatory or supervisory body or court of competent jurisdiction (**Relevant Authority**) to which the Party making the Announcement is subject, whether or not any of the same has the force of law, provided that any Announcement shall, so far as is practicable, be made after consultation with the other Party and after taking into account its reasonable



requirements regarding the content, timing and manner of despatch of the Announcement in question.

17.3 Subject to clause 17.4, each Party shall treat as strictly confidential all information received or obtained as a result of entering into or performing this Agreement (or, in the case of the Seller, as a result of its ownership of the Company prior to Completion) which relates to:

- (a) the subject matter and provisions of this Agreement;
- (b) the negotiations relating to this Agreement;
- (c) the other Party and/or its Affiliates; and/or
- (d) in the case of the Seller and with effect only on or after Completion, the Company.

17.4 A Party may disclose information which would otherwise be confidential under clause 17.3 if and to the extent:

- (a) required by the law of any relevant jurisdiction;
- (b) required by any Governmental Authority or taxation authority or the TSX Venture Exchange (and its applicable rules) to which the Party making the disclosure is subject, whether or not such requirement has the force of law;
- (c) required to vest the full benefit of this Agreement in either Party;
- (d) disclosure is made to its Affiliates and/or its Representatives, provided that any such Affiliate or Representative is first informed of the confidential nature of the information and such Affiliate or Representative acts in accordance with the provisions of clause 17.3 as if it were a party hereto;
- (e) the information has come into the public domain through no fault of that Party;
- (f) the other Party has given prior written approval to the disclosure; or
- (g) disclosure is required to court in connection with a dispute.

provided that any disclosure shall, so far as it practicable, be made only after consultation with the other Party.

## 18 Notices

18.1 A notice or other communication given under or in connection with this Agreement must be:



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- (a) in writing;
- (b) in the English language; and
- (c) sent by the Permitted Method to the Notified Address.

18.2 The **Permitted Method** means any of the methods set out in column (1) below. A notice given by the Permitted Method will be deemed to be given and received on the date set out in column (2) below.

Permitted Method	Date on which noticed deemed given and received
(i) Personal delivery	If left at the Notified Address before 5pm on a Business Day, when left and otherwise on the next Business Day
(ii) Ordinary pre-paid airmail or prepaid recorded or special delivery (or the nearest local equivalent in the jurisdiction of the sender) or courier delivery	Five Business Days after posting
(iii) email attachment	On next business day (as recorded on the device from which the sender sent the email), unless the sender receives an automated message that the email has not been delivered or when the recipient acknowledges receipt of the email before lapse of the period described above

18.3 The Notified Addresses of each of the Parties is as set out below:

Name of Party	Address	Marked for the attention of:
Ievgen Chaban	7 Fedyntsya Street, 5th floor Uzhgorod, Zakarpatska Oblast, Ukraine 88000 <a href="mailto:echaban@gmail.com">echaban@gmail.com</a>	Ievgen Chaban
Sergii Panchuk	7 Fedyntsya Street, 5th floor Uzhgorod, Zakarpatska Oblast,	Sergii Panchuk



	Ukraine 88000 panchuk105@gmail.com	
GASTEK LLC	C/O Cub Energy Inc. #3300, 205 5th Avenue SW, Calgary, AB, Canada T2P 2V7 <a href="mailto:Patrick.mcgrath@cubenergyinc.com">Patrick.mcgrath@cubenergyinc.com</a>	Patrick McGrath CEO

or such other Notified Address as either Party may, by notice to the other Party pursuant to the requirements herein, substitute for its Notified Address set out above.

## 19 Governing law and Jurisdiction

- 19.1 This Agreement and any non-contractual obligations connected with it shall be governed by the laws of the Province of Alberta, Canada.
- 19.2 Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination or the legal relationships established by this Agreement and the validity of this arbitration provision, shall be referred to and finally resolved by Canadian courts.

## 20 Arm's Length

The parties acknowledge that one or more of the Buyers occupy positions of officers and directors of the Seller and the Buyers disclosed the Buyers' interest in the Transaction to the Seller. The parties agreed to discuss and carry out the Transaction on an arm's length basis, i.e. each of the Parties acted, independently and in their respective self-interest avoiding any conflict of interest. The Parties acknowledge that the Buyers did not vote or participate in any Seller's internal discussions related to the Transaction and that the Buyers did not use their authority to improve their bargaining power.

**Schedule 1  
Details of the Company**

Name	3P INTERNATIONAL ENERGY LIMITED
Registered number	276678
Company type	Private limited company
Country of incorporation	Cyprus
Registered office	Ifigeneias 17, 2007 Strovolos, Nicosia, Cyprus
Issued share capital	1,000 ordinary shares
Shareholders	Cub Energy Inc. – 100%
Encumbrances	None



**Schedule 2**  
**The Seller's Warranties**

**21 The Sales Shares and the Company**

- 21.1 The Sales Shares have been validly issued and allotted and are fully paid up.
- 21.2 The Seller is the sole legal and beneficial owner of the Sales Shares and is entitled to sell and transfer and transfer of the full legal and beneficial ownership in the Sales Shares to the Buyer on the terms set out in this Agreement.
- 21.3 There is no Encumbrance in relation to the Sales Shares, and no person has claimed to be entitled to an Encumbrance in relation to the Sales Shares. There is no agreement or commitment to give or create any Encumbrance over the Sales Shares.

**22 Powers and obligations of the Seller**

- 22.1 The Seller is a company duly incorporated and validly existing under the laws of Canada.
- 22.2 This Agreement and the Transaction constitute (or will constitute when executed) valid, legal, binding and enforceable obligations of the Seller.
- 22.3 The Seller has the legal right, full power and authority and has taken all action necessary to enter into and perform its obligations under this Agreement and any other documents to be delivered on Completion. The execution and performance by the Seller of this Agreement has been duly authorised by the competent corporate bodies of the Seller, and no other corporate action from the Seller is necessary to authorise its execution and performance except for the approval by the TSX Venture Exchange in accordance with applicable regulations.
- 22.4 The execution, delivery and performance by the Seller of its obligations under this Agreement will not require the Seller to obtain any consent, authorisation, licence, waiver or approval of, or give any notice to or make any registration or filing with, any Governmental Authority or other person which has not been obtained or made at the date of this Agreement.
- 22.5 Neither the entry into this Agreement and any other documents to be delivered on Completion nor the implementation of the Transaction contemplated by the Seller will:
- (a) result in a breach of or conflict with any provision of its constitutional documents;
  - (b) result in a material breach of, or constitute a material default under, any instrument to which it is a party or by which it is bound; or



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- (c) result in a breach of any applicable laws or regulations or of any order, decree or judgment of any Governmental Authority in any jurisdiction in which it is domiciled or doing business.
- 22.6 The Seller's representative has been duly authorised to sign this Agreement and the other Transaction Documents.
- 22.7 The Seller is not engaged in any pending litigation or arbitration or similar proceedings that may affect the Transaction and no third party has filed a lawsuit or delivered a claim to the Seller, which can result in such litigation or similar proceedings other than as already disclosed or the Buyer is already aware of.
- 22.8 The Seller is not insolvent or unable to pay its debts within the meaning of the Insolvency Act 1986 or any other applicable insolvency legislation or has not taken any corporate action nor have any other steps been taken or legal proceedings been started by itself or by any third party for its reorganisation, temporary administration, declaration of bankruptcy or liquidation.
- 22.9 The execution and delivery of and the performance by the Seller of its obligations under this Agreement and other agreed form documents to which it is a party, shall not be a breach of, or default under the constitutional documents of the Seller or under any agreement, applicable law or judgement which binds the Seller.
- 22.10 So far as the Seller is aware, no material litigation, arbitration, dispute resolution or criminal proceedings which are likely to materially and adversely affect the Sale Shares is in progress and so far as the Seller is aware there are no facts or circumstances likely to give rise to these matters.



**Schedule 3**  
**Limitations on the Liability of the Seller**

**23 Sole and Exclusive Remedy**

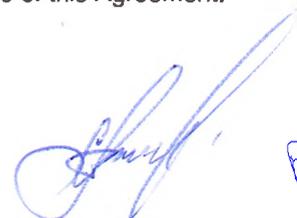
- 23.1 The sole and exclusive remedy of the Buyer for any Relevant Claim shall be to seek damages and the Buyer hereby expressly and unconditionally waives all other rights and remedies (whether statutory, at common law, in equity or otherwise).
- 23.2 Notwithstanding anything to the contrary in this Agreement, the Seller, its Affiliates and its and their managers, directors, officers, shareholders, members, trustees and employees (individually and respectively, a "Released Party") shall not be liable to the Buyer or its Affiliates or to Company for any losses, claims, damages or liabilities arising from any act or omission performed or omitted by such Released Party arising out of or in connection with this Agreement or the Company's business or affairs, except for any such loss, claim, damage or liability attributable to fraud, gross negligence or wilful misconduct or material breach of its obligations under this Agreement.
- 23.3 From and after the Completion, the Buyers shall indemnify and hold harmless the Seller and its affiliates, directors, officers, and employees from and against any and all claims that are brought by third parties in relation to any actual or alleged events, acts or omissions which occur after the Completion and are related to the Company or its subsidiaries.

**24 Financial Limits**

- 24.1 The Seller's maximum aggregate liability in respect of all Relevant Claims shall not exceed the amount of the Purchase Price.
- 24.2 Upon Completion the Seller shall be released and relieved from any liability in respect of Relevant Claims not related to the Seller's Warranties.
- 24.3 For the purposes of this paragraph 24, Relevant Claims shall be deemed to be one claim (rather than a series of claims) if they relate to one event, circumstance, act or omission (or a series of related events, circumstances, acts or omissions) or arise out of the same, or substantially the same, events, circumstances, acts or omissions.

**25 Time limits**

The Seller shall not be liable for any Relevant Claim and any such Relevant Claim shall be wholly barred and unenforceable unless the Buyer gives written notice containing reasonable details of the legal and factual basis of the Relevant Claim, including the amount of the Relevant Claim, to the Seller on or before the date being one (1) year from the date of this Agreement.



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## 26 Remediable breaches

Where the matter giving rise to a Relevant Claim is capable of remedy, the Buyer shall procure that the Seller is given the opportunity during the period of 30 Business Days immediately following the date on which notice of such Relevant Claim is given to the Seller to remedy the relevant matter or circumstance, provided in all cases so as not to cause undue disruption to the business of the Buyer or the Company. Notwithstanding the foregoing, the Buyer shall not be prevented from bringing a Relevant Claim to the extent that the matter or circumstance has not been remedied to the Buyer's satisfaction within such period.

## 27 Indirect and consequential loss

The Seller shall not be liable to the Buyer for any:

- (a) indirect or consequential loss;
- (b) loss of profit (whether direct or indirect); or
- (c) punitive damages (whether direct or indirect).

## 28 No double recovery

The Buyer agrees with the Seller that, in respect of any matter which may give rise to a liability under this Agreement, no such liability shall be met more than once.

## 29 Claims by or against third parties

29.1 If the Buyer becomes aware of any claim, action or demand made against it or any Company by a third party which has given, or might give rise, to a claim being made by a third party against the Buyer or the Company which will or is reasonably likely to give rise to a Relevant Claim (a **Third Party Claim**), then the following provisions of this paragraph 29 shall apply.

29.2 Where paragraph 29.1 applies, the Buyer shall:

- (a) within ten (10) Business Days give written notice (containing reasonable details of the Third Party Claim) to the Seller of the matter and shall consult with the Seller in a good faith with respect to that Third Party Claim and keep the Seller fully and promptly informed of all developments in relation to that Third Party Claim;
- (b) give the Seller or its duly authorised representatives unrestricted access to the personnel of the Buyer and/or the Company (as the case may be) and to any premises, chattels, accounts, documents and records which are relevant to such claim and are within the



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power, possession or control of the Buyer and/or the Company (**relevant assets**) in each case on reasonable notice and during normal working hours, to enable the Seller and its duly authorised representatives to investigate the claim and to examine and take copies or photographs of the relevant assets at the Seller's expense;

- (c) the Buyer shall upon the Seller's request exhaust all legally admissible appeals and remedies which can be reasonably requested by the Seller;
- (d) the Buyer shall consult with and follow the reasonable instructions of the Seller in relation to all matters connected with the Third Party Claim and take all such action as the Seller may reasonably request in relation to the Third Party Claim, including commencing conducting, defending, resisting, settling, compromising or appealing against any proceedings;
- (e) the Buyer shall not make any make any admission of liability, or settle or compromise a Third Party Claim, without the prior written consent of the Seller (such consent not to be unreasonably withheld).

For the avoidance of doubt, the Buyer shall not be required to provide any document, correspondence or other information to the Seller where it might cause the Buyer or the relevant member of the Buyer's Group to breach any law, regulation or regulatory guidance (including but not limited to data protection legislation).

### **30 Fraud**

Nothing in this Schedule, nor any other provision of this Agreement purporting to limit or exclude the Seller's liability, shall apply to any claim to the extent that it arises or is increased as a result of the fraud or fraudulent concealment by the Seller.

### **31 Duty to mitigate**

Nothing in this Agreement shall be deemed to relieve the Buyer of any common law duty to mitigate its loss.



**The Seller**

**SIGNED by Patrick McGrath** )

For and on behalf of **Cub Energy Inc** )  
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**The Buyer A**

**SIGNED by Ievgen Chaban** )

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**The Buyer B**

**SIGNED by Sergii Panchuk** )

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