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APPLICANT	ACES CANADA SPV III ULC
RESPONDENT	BLUE SKY RESOURCES LTD.
DOCUMENT	BRIEF OF ARGUMENT OF BLUE SKY RESOURCES LTD.
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Commercial List Chambers Application  
Scheduled for the 12<sup>th</sup> day of June 2026  
before the Honourable Justice J. S. Little

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## I. INTRODUCTION

1. This Bench Brief is submitted by KSV Restructuring Inc. (“**KSV**”), in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of all of current and future assets, undertakings and properties (collectively, the “**Property**”) of Blue Sky Resources Ltd. (“**Blue Sky**”) in support of its Application seeking the following relief:

- (a) an order substantially in the form attached as **Schedule “A”** to the Application, among other things:
  - (i) abridging the time for service of this Application and the supporting materials, if necessary, and deeming service thereof to be good and sufficient;
  - (ii) sealing the Confidential Appendices to the Second Report of the Receiver dated June 5, 2026 (the “**Second Report**”) containing the unredacted copies of the purchase and sale agreements for the Archer Sale, Potts Sale and CNRL Sale (each as defined below);
- (b) an order substantially in the form attached as **Schedule “B”** to the Application, approving and authorizing the sale and vesting of certain assets to Archer Exploration Corp. (the “**Archer Sale**”);
- (c) an order substantially in the form attached as **Schedule “C”** to the Application, approving and authorizing the sale and vesting of certain assets to Potts Petroleum Inc. (the “**Potts Sale**”);
- (d) an order substantially in the form attached as **Schedule “D”** to the Application, approving and authorizing the sale and vesting of certain assets to Canadian Natural Resources Limited (the “**CNRL Sale**”);
- (e) a reverse vesting order substantially in the form attached as **Schedule “E”** to the Application, approving and authorizing the transaction (the “**RVO**”) contemplated in the subscription agreement between the Receiver and Aces Canada SPV III ULC (“**ACES**”) (the “**Subscription Agreement**”); and

- (f) granting such further and other relief as counsel may advise and this Honourable Court may permit.

2. For the reasons set out herein, the Receiver is of the view that approval of the Archer Sale, the Potts Sale, the CNRL Sale, the Subscription Agreement (collectively, the “**Transactions**”), as well as granting of the RVO, is reasonable and appropriate in the circumstances and in the best interests of Blue Sky's creditors and stakeholders. The Receiver further submits that the proposed sealing order is warranted and satisfies the applicable common law test.

## II. STATEMENT OF FACTS

3. Capitalized terms not otherwise defined herein have meanings ascribed to them in the Receivership Order,<sup>1</sup> the First Report of the Receiver dated May 7, 2026 (the “**First Report**”),<sup>2</sup> or the Second Report,<sup>3</sup> as applicable.

### A. The NOI Proceedings

4. On September 24, 2025, Blue Sky filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended (the “**BIA**”)<sup>4</sup> (the “**NOI Proceedings**”), and KSV consented to act as proposal trustee (in such capacity, the “**Proposal Trustee**”).

5. On November 20, 2025, the Honourable Justice B. Johnston granted an order (the “**SISP Order**”),<sup>5</sup> approving a sales and investment solicitation process in respect of (the “**SISP**”), and appointing Sayer Energy Advisors as the sales agent tasked with administering the SISP (the “**Sales Agent**”).

### B. The Receivership Proceedings

6. On March 23, 2026, the Honourable Justice J.S. Little granted an order (the “**Receivership Order**”), among other things, appointing KSV as the Receiver over all of the

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<sup>1</sup> Receivership Order filed March 24, 2026 [**Receivership Order**] [TAB A].

<sup>2</sup> First Report of the Receiver dated May 7, 2026 [TAB B].

<sup>3</sup> Second Report of the Receiver dated June 5, 2026 [TAB C].

<sup>4</sup> *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 [BIA] [TAB 1], s 50.4(1).

<sup>5</sup> SISP Order filed November 21, 2025 [TAB E].

Property of Blue Sky, and declaring the NOI Proceedings of no force and terminated (the “**Receivership Proceedings**”).

7. The principal purposes of the Receivership Proceeding are to: (i) allow the Receiver an opportunity to complete the SISP; (ii) continue the operations of Blue Sky, to preserve value for stakeholders; and (iii) continue to provide a formal process for Blue Sky’s creditors and stakeholders to obtain information about Blue Sky.

**C. The SISP**

8. A court approved SISP was conducted, it did not result in purchasers being located for all of the assets. The Receiver was subsequently able to enter into a corporate transaction with the secured lender of Blue Sky which enables some of the bids identified through the SISP proceeding and a corpore sale to Aces.

9. The corporate sale of Blue Sky’s shares will result in the existing equity interests of Blue Sky being redeemed for nominal consideration; all of the numerated Transferred Liabilities and Transferred Assets (as defined in the Subscription Agreement) being transferred from Blue Sky to the Blue Sky Residual Trust; and the purchaser, Aces Canada SPV III ULC acquiring all of the newly issued shares of Blue Sky, such that at the conclusion of the transaction it will be the sole shareholder of Blue Sky.

**III. ISSUES**

10. The issues to be considered on this application are whether:

- (a) the Transactions should be approved;
- (b) the RVO should be granted; and
- (c) the Confidential Appendices should be sealed.

11. The Receiver is of the view this Court should grant the requested relief in respect of all of the issues above.

#### IV. LAW AND ARGUMENT

##### A. The Transactions Should be Approved

12. The Court's jurisdiction to approve the Transactions is found in section 243(1)(c) of the *BIA*,<sup>6</sup> which provides that, on application by a secured creditor, a court may appoint a receiver to “take any other action that the court considers advisable” if it considers it to be just or convenient to do so.

13. Subparagraphs 6(h), (l)(ii), and (m) of the Receivership Order expressly authorizes the Receiver to:

- (h) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose;
- (l) sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
  - (ii) with the approval of this Court in respect of any transaction...
- (m) apply for any vesting order or other relief necessary to convey the Property or any part or parts thereof to a potential purchaser or purchasers.<sup>7</sup>

14. The Ontario Court of Appeal in *RBC v Soundair Corp [Soundair]*,<sup>8</sup> described the criteria to be considered by this Court in reviewing a proposed sale transaction by a receiver:

- (a) whether the receiver has made a sufficient effort to get the best price and has not acted improvidently;
- (b) interests of all parties;
- (c) the efficacy and integrity of the process by which offers are obtained; and

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<sup>6</sup> *BIA*, s 243(1)(c) [TAB 1].

<sup>7</sup> Receivership Order at paras 6(h), (l)(ii), and (m) [TAB A].

<sup>8</sup> *Royal Bank of Canada v Soundair Corp*, 1991 CanLII 2727, 91 CBR (5th) 285 (ON CA) [*Soundair*] [TAB 2].

(d) whether there has been unfairness in the working out of the process.<sup>9</sup>

15. In *Soundair*, the Court acknowledged that a receiver's expertise in structuring and executing a sale process lies well beyond the institutional competence of the Court, and concluded accordingly:

...the court must place a great deal of confidence in the actions taken and in the opinions formed by the receiver. It should also assume that the receiver is acting properly unless the contrary is clearly shown. The second observation is that the court should be reluctant to second-guess, with the benefit of hindsight, the considered business decisions made by its receiver. The third observation which I wish to make is that the conduct of the receiver should be reviewed in the light of the specific mandate given to him by the court.<sup>10</sup>

16. The Alberta Court of Appeal has adopted and applied these criteria and principles in several cases.<sup>11</sup>

17. In carrying out its duties and exercising its powers, a receiver must deal with the debtor's property in a commercially reasonable manner.<sup>12</sup> Courts afford significant deference to court-appointed receivers, and will presume that the receiver's proposed course of action and recommendations are appropriate unless the contrary is clearly established.<sup>13</sup>

18. As the Court in *Soundair* cautioned, approval should not be lightly withheld.<sup>14</sup>

***i. The Receiver acted providently and made sufficient efforts to receive the best price***

19. In determining whether a receiver has acted providently, the Court must consider the receiver's conduct in light of the information available at the time the relevant offers were accepted. A receiver's recommendation should only be rejected in exceptional circumstances.<sup>15</sup>

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<sup>9</sup> *Soundair* at para 16 [TAB 2]; *Delta 9 Cannabis Inc (Re)*, 2025 ABKB 52 at para 46 [TAB 3]; *Long Run Exploration Ltd (Re)*, 2024 ABKB 710 at paras 11-12 [TAB 4]; *Sanjel Corporation (Re)*, 2016 ABQB 257 at paras 54-55 [TAB 5]; *Acerus Pharmaceuticals Corporation (Re)*, 2023 ONSC 3314 at paras 10-11 [TAB 6].

<sup>10</sup> *Soundair* at para 14 [TAB 2].

<sup>11</sup> *PricewaterhouseCoopers Inc v 1905393 Alberta Ltd*, 2019 ABCA 433 at paras 10-12 [*PricewaterhouseCoopers*] [TAB 7]; *1705221 Alberta Ltd v Three M Mortgages Inc*, 2021 ABCA 144 at para 2 [*Three M*] [TAB 8].

<sup>12</sup> *PricewaterhouseCoopers* at para 13 [TAB 7], citing *Skyepharama PLC v Hyal Pharmaceutical Corp*, 2000 CanLII 5650 at para 4 [TAB 9].

<sup>13</sup> *Soundair* at para 46-48 [TAB 2].

<sup>14</sup> *Soundair* at para 29-30 [TAB 2].

<sup>15</sup> *Soundair* at para 21 [TAB 2]; *PricewaterhouseCoopers* at para 14 [TAB 7].

20. As the Alberta Court of Appeal has emphasized, a court considering a receiver's recommended sale "is not engaged in a perfunctory, rubberstamp exercise," but neither should it reject the recommendation "absent special circumstances."<sup>16</sup> A receiver's advice is therefore entitled to significant weight.

21. In this case, the Receiver acted diligently and in a commercially reasonable manner to expose the assets to the market and obtain the highest and best price available. The SISP was administered by the Sales Agent, in consultation with the Receiver. The assets included in the Transactions were actively marketed as part of the SISP, and the purchasers submitted the highest and best offers for the purchased assets prior to the bid deadline established under the terms of the SISP.

*ii. The Transactions are in the interests of all parties*

22. In considering the interests of the parties, the Court's primary concern is the position of a debtor's creditors. A receiver must have regard to the interests of all creditors and act for the benefit of the creditor body as a whole.<sup>17</sup>

23. The Receiver is of the view that the Transactions represent the best available outcome in the circumstances for all of Blue Sky's stakeholders. The Transactions ensure that Blue Sky's oil and gas assets are transferred to responsible operators who will assume the associated environmental liabilities, including abandonment and reclamation obligations. In the absence of the Transactions, those assets remain subject to the AER's suspension order and in the care of the Orphan Well Association ("OWA"), which is not in the interests of any stakeholder. Approval of the Transactions provides economic benefit to the estate and ensures that all environmental obligations associated with the purchased assets are assumed by the purchasers.

*iii. The efficacy and integrity of the Receiver's process was appropriate*

24. The Court is not required to scrutinize every element of a receiver's sale process when assessing whether to approve an accepted offer.<sup>18</sup> Courts should exercise caution before interfering with a receiver's chosen sale process. It is essential to the integrity of the

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<sup>16</sup> *Three M* at para 22 [TAB 8].

<sup>17</sup> *Soundair* at para 39-40 [TAB 2]; *Alberta Treasury Branches v Elaborate Homes Ltd.*, 2014 ABQB 350 at para 61 [*Elaborate Homes*] [TAB 10].

<sup>18</sup> *Crown Trust Co et al v Rosenberg et al.*, 1986 CanLII 2760 at paras 65-66 [*Crown Trust*] [TAB 11].

receivership process that bona fide purchasers who have negotiated in good faith and entered into an agreement with a receiver can rely on the court not lightly interfering with the receiver's commercial judgment.

25. The Receiver implemented a fair and transparent process for the solicitation and assessment of offers, and the integrity of the SISP was maintained throughout. The SISP was approved by the Court during the NOI Proceedings, and the Sales Agent conducted an extensive marketing effort in accordance with its terms. All interested parties were afforded meaningful opportunities to conduct due diligence and submit bids for consideration. The First Report and the Second Report document the Receiver's recommendation on the Transactions and provides a comprehensive basis for this Court's evaluation of the process.

*iv. The Receiver's process was fair*

26. It is only in exceptional circumstances that a court will find a receiver's sale process to be unfair or depart from the receiver's recommendation.<sup>19</sup> Courts are to avoid unduly scrutinizing the details of the process or second-guessing the receiver's commercial strategy, while remaining satisfied that the process was conducted in a fair and commercially reasonable manner.<sup>20</sup>

27. There is no basis to suggest that the SISP was unfair. The SISP was approved by the Court during the NOI Proceedings, and the Receiver has consistently acted in a transparent and commercially reasonable manner in administering the process. At all material times, the Receiver engaged in ongoing communication with stakeholders and provided clear rationale for its decisions and steps taken. No party has alleged any defect in the fairness or integrity of the SISP or the process by which the Transactions were generated.

28. For the above noted reasons, the Applicant submits that the proposed Transactions should be approved.

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<sup>19</sup> *Crown Trust* at paras 67 and 77 [TAB 11].

<sup>20</sup> *Three M* at para 47 [TAB 8], citing *Soundair* at para 49 [TAB 2].

**B. The RVO Should Be Granted**

29. This Court has jurisdiction to approve the RVO pursuant to sections 183 and 243 of the BIA.<sup>21</sup> The issue before the Court is whether the relief sought is appropriate in the circumstances and whether it treats stakeholders fairly and reasonably.<sup>22</sup>

30. It has been recognized that reverse vesting orders are not the norm.<sup>23</sup> Courts must be satisfied that the circumstances warrant such relief.<sup>24</sup>

31. Reverse vesting orders may be appropriate where:

- (a) the debtor operates in a highly-regulated environment in which its existing permits, licenses or other rights are difficult or impossible to reassign to a purchaser;
- (b) the debtor is a party to certain key agreements that would be similarly difficult or impossible to assign to a purchaser; or
- (c) maintaining the existing legal entities would preserve certain tax attributes that would otherwise be lost in a traditional vesting order transaction.<sup>25</sup>

32. In addition to the *Soundair* principles, *Harte Gold* establishes four additional questions relevant to the approval of a reverse vesting order:

- (a) Why is the RVO necessary?
- (b) Does the RVO structure produce an economic result at least as favourable as any other viable alternative?
- (c) Is any stakeholder worse off under the RVO structure than they would be under any other viable alternative?

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<sup>21</sup> [BIA](#), ss 183 and 243 [TAB A].

<sup>22</sup> *Harte Gold Corp (Re)*, [2022 ONSC 653](#) at para 29 [*Harte Gold*] [TAB 12].

<sup>23</sup> *Just Energy Group Inc et al v Morgan Stanley Capital Group Inc et al*, [2022 ONSC 6354](#) at para 33 [*Just Energy*] [TAB 13].

<sup>24</sup> *Just Energy* at para 33 [TAB 13]; *Harte Gold* at para 38 [TAB 12].

<sup>25</sup> *Just Energy* at para 34 [TAB 13]; *Invico Diversified Income Limited Partnership v NewGrange Energy Inc*, [2024 ABKB 214](#) at paras 21-22 [*Invico*] [TAB 14].

- (d) Does the consideration being paid reflect the value of the intangible assets being preserved under the RVO?<sup>26</sup>

33. The principles of *Harte Gold* have been extended to reverse vesting orders in the receivership context. In *MCAP Financial Corporation v QRD (Willoughby) Holdings Inc.*, the Supreme Court of British Columbia adopted the *Harte Gold* framework and held that the following factors were relevant to the granting of an RVO:

- (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
- (b) whether the monitor approved the process leading to the proposed sale or disposition;
- (c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
- (d) the extent to which the creditors were consulted;
- (e) the effects of the proposed sale or disposition on the creditors and other interested parties; and
- (f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.<sup>27</sup>

34. In *Re Acerus Pharmaceuticals Corporation [Acerus]*, the Court granted an RVO observing that the insolvent company operated in a heavily regulated sector, where its licenses were essential to the capability of the business.<sup>28</sup> The Court noted that difficulties in transferring the insolvent company's licenses to a purchaser, preserving its tax attributes, and assumption of unsecured liabilities associated with retained contracts, were important factors in granting the RVO.<sup>29</sup>

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<sup>26</sup> *Harte Gold* at para 38 [TAB 12]; *Invico* at para 20 [TAB 14].

<sup>27</sup> *Peakhill Capital Inc v Southview Gardens Limited Partnership*, 2023 BCSC 1476 at paras 21-22 [TAB 15]; *MCAP Financial Corporation v QRD (Willoughby) Holdings Inc.*, 2024 BCSC 1654 at para 12 [TAB 16], citing *Harte Gold* at para 23 [TAB 12].

<sup>28</sup> *Acerus* at para 13 [TAB 6].

<sup>29</sup> *Acerus* at paras 16 and 21 [TAB 6].

35. In *Cleo Energy Corp (Re)* [*Cleo*],<sup>30</sup> the Court emphasized that where a receiver asserts that the delays, risks, and costs of licence transfers necessitate an RVO structure, those claims must be substantiated with specificity.

*i. The RVO is necessary in the present case*

36. Blue Sky operates in the oil and gas industry in Alberta, Saskatchewan and British Columbia. This is a highly regulated industry. Blue Sky's oil and gas assets located in Alberta are currently suspended pursuant to a suspension order issued by the AER on November 10, 2025. The assets at risk of environmental degradation, operational deterioration, and value erosion. There is a need to transfer these assets to a responsible operator capable of assuming the associated environmental liabilities, resuming operations where appropriate, and fulfilling abandonment and reclamation obligations.

37. A transaction by way of a traditional asset sale would require the Purchaser to proceed through multiple regulatory transfer approval processes which would take a number of months to proceed, including consultation obligations associated with the assets regulated by Indian Oil and Gas Canada. Given the volume and geographic distribution of Blue Sky's licensed assets and the current suspended status of operations, the licence transfer process would be protracted and would introduce material risk that some assets, licences, or other applicable interests could be missed or fail to transfer.

38. As the Court recognized in *Cleo*, avoidance of licence transfers must be substantiated with specificity. In the present case, the Receiver has detailed in its Second Report the particular risks, costs, and delays associated with the licence transfer process, which are material in circumstances where Blue Sky's assets are shut in, deteriorating, in multiple jurisdictions and in need of operational attention.

39. An RVO is the only practical mechanism available to preserve and transfer the licences, permits, regulatory approvals, and other rights necessary for the continued operation of Blue Sky's assets. The assets are environmentally sensitive and are currently shut in, such that there is neither sufficient time, funds nor a reasonable basis for the Receiver to assume the risks

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<sup>30</sup> *Cleo Energy Corp (Re)*, [2025 ABKB 621](#) [TAB 17].

associated with waiting for the transfer of licences and approvals through a traditional asset purchase transaction.

40. The RVO will allow for the seamless preservation of Blue Sky's permits and licences and expedite the time required to get the assets up and running, thereby avoiding the material risks, delays, and costs. Further, it will minimize costs associated with prolonging these receivership proceedings, enabling the Receiver to maximize the funds available to be posted by the Receiver as security with the AER in order to offset outstanding environmental obligations. In these circumstances, the RVO is necessary and appropriate and strongly supports approval of the Transaction.

***ii. The RVO produces a favorable economic result***

41. In *Acerus, Just Energy, Rambler Metals*<sup>31</sup> and *CannaPiece Group Inc v Marzilli*,<sup>32</sup> the respective courts granted RVOs and noted that the RVO mechanism provided more benefits to the insolvent party's stakeholders than the alternative of an asset sale under a bankruptcy.<sup>33</sup> The proposed transaction assured a going concern outcome as a result of the RVO.<sup>34</sup>

42. In *Rambler Metals*, the Court held that the RVO produced an economic result at least as favourable as any other viable alternative. The Court reasoned that the additional cost to implement and approve an alternative transaction would affect the time that it would take to restart operations.<sup>35</sup>

43. The granting of the RVO is a material condition of the Subscription Agreement and therefore vital to the closing of the transaction. There are no other viable alternatives that would produce a more favourable result than the RVO, given the size and complexity of the operations.

44. In absence of the RVO, there would be a significant delay in transferring Blue Sky's permits and licenses to the Purchaser and less funds available to be posted as security.

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<sup>31</sup> *Rambler Metals and Mining Limited, Re CCAA*, [2023 NLSC 134](#) [*Rambler Metals*] [TAB 18].

<sup>32</sup> *CannaPiece Group Inc v Marzilli*, [2023 ONSC 3291](#) [*CannaPiece*] [TAB 19].

<sup>33</sup> *Acerus* at para 26 [TAB 6]; *Just Energy* at para 52 [TAB 13]; *Rambler Metals* at para 67-68 [TAB 18]; *Arrangement relatif à Blacrock Metals Inc.*, [2022 QCCS 2828](#) para 109 [TAB 20]; *CannaPiece* at para 19 [TAB 19].

<sup>34</sup> *Acerus* at para 18 [TAB 6].

<sup>35</sup> *Rambler Metals* at para 67 [TAB 19].

**iii. No stakeholders are worse off under the RVO**

45. None of the Blue Sky's stakeholders are worse off if the Subscription Agreement is completed through an RVO.

46. In *Acerus* and *Just Energy*, the respective courts recognized that that RVO transactions often result in unsecured creditors' claims being transferred to a residual trust, with no recovery available to those creditors; however, this outcome is not a consequence of the RVO structure itself.<sup>36</sup> Rather, it reflects the underlying value of the debtor's assets and business.<sup>37</sup> As a result, unsecured creditors are generally no worse off than they would be under an alternative transaction structure, such as an asset sale. The Court in *Acerus* explained:

Under the proposed transactions, the applicants, some of the unsecured creditors and all of the existing shareholders will have no recovery. However, the evidence makes it clear that these stakeholders would not realize any recovery in any other available restructuring alternative either (i.e., under either of the unsuccessful bids or in a bankruptcy/liquidation).<sup>38</sup>

47. At this point in time, it is unclear what funds if any will be available for distribution through the Blue Sky ResidualCo. While certain of Blue Sky's unsecured creditors' claims will be transferred to a ResidualCo, those creditors would not have received any distribution from any other form of transaction, whether by an asset purchase structure or through a liquidation in receivership or bankruptcy. Blue Sky's subordinate creditors are not prejudiced or worse off by the Transaction proceeding through an RVO, as those subordinate creditors would not be in a better position through an alternative transaction structure.

48. The Subscription Agreement involves a significant number of Blue Sky's assets and ensures that all of Blue Sky's environmental liabilities will be assumed.

**iv. The consideration being paid reflects the value of Blue Sky's assets and business**

49. The consideration of the Subscription Agreement assumed the value of Blue Sky's assets and business, including Blue Sky's licenses and permits which were extensively marketed by the Sales Agent in consultation with the Receiver in accordance with the SISF.

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<sup>36</sup> *Acerus* at para 26 [TAB 6]; *Just Energy* at para 5 [TAB 13].

<sup>37</sup> *Acerus* at para 26 [TAB 6]; *Just Energy* at para 5 [TAB 13].

<sup>38</sup> *Acerus* at para 18 [TAB 6].

The Subscription Agreement represents the highest and best price that could be achieved for Blue Sky's business and assets when considering the amount of liabilities being assumed.

50. For the reasons provided, the Receiver submits that each of the *Harte Gold* factors is satisfied and favours granting the RVO.

**C. The Releases in the RVO Should be Granted**

51. The RVO provides that the Receiver, the purchaser, and their current and former directors, officers, employees, contractors, executive team, agents, representatives, and all of their respective advisors including financial advisors and legal counsel, as well as Blue Sky (collectively, the "**Released Parties**") are to be released from the Released Claims.

52. The claims proposed to be released pursuant to the RVO include any claims arising out of Blue Sky's business, assets, operations and affairs during the pendency of these Receivership Proceedings, or the implementation of the Subscription Agreement, but excludes any obligations of the Released Parties under or in connection with the Transaction or the Subscription Agreement (the "**Released Claims**").

53. In *Re Lydian International Limited*, the Ontario Superior Court set out factors to be considered in granting releases, which have been reiterated in *Harte Gold*:

- (a) whether the parties to be released from claims were necessary and essential to the restructuring efforts of the debtor;
- (b) whether the claims to be released were rationally connected to the purpose of the plan of arrangement and necessary for it;
- (c) whether the plan of arrangement could succeed without the releases;
- (d) whether the parties being released contributed to the plan of arrangement; and
- (e) whether the release benefits the debtors as well as creditors more broadly.<sup>39</sup>

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<sup>39</sup> *Harte Gold* at paras 80-86 [TAB 12]; *Lydian International Limited (Re)*, 2020 ONSC 4006 at para 54 [TAB 21].

***i. The Released Parties were necessary and essential to the restructuring***

54. The Released Parties have been integral to these Receivership Proceedings, including the conduct of the SISP and the negotiation of the Subscription Agreement and the contemplated transaction. The Purchaser requires the proposed releases as a condition of the Subscription Agreement, which as previously noted provides for the highest and best realization of the Property for the benefit of all stakeholders. Further, the Released Parties will be involved in the implementation of the transaction by carrying out post-closing obligations.

***ii. The claims to be released are rationally connected to the Transaction and necessary for the Transaction***

55. The Receiver submits that the scope of the Released Claims is reasonable in the circumstances. The proposed releases are fair and reasonable in the circumstances and rationally connected to the Transaction and RVO. The Released Parties were necessary to Blue Sky's restructuring and contributed materially to the conduct of the SISP, which culminated in the Transaction. Closing of the Transaction is conditional upon the granting of the RVO, the form of which includes the releases of the Released Claims.

***iii. The Transaction cannot succeed without the releases***

56. As a result of the Released Parties' efforts during these Receivership Proceedings, Blue Sky obtained the highest and best value for its assets. Given the pivotal role of the proposed releases in both the Transaction and the RVO, if the releases are not granted there is a risk that the Purchaser does not proceed to closing or reduces the Purchase Price.

***iv. The Released Parties Contributed to the Restructuring***

57. In *Harte Gold*, the Court found that the released parties contributed to the restructuring, both prior to and through the proceedings. The Court reasoned:

The released parties made significant contributions to Harte Gold's restructuring, both prior to and throughout these CCAA Proceedings. Among other things, the extensive efforts of the directors and management of Harte Gold were instrumental in the conduct

of the pre-filing strategic process, the SISP and the continued operations of Harte Gold during the CCAA proceedings.<sup>40</sup>

58. Here, the Released Parties all contributed to Blue Sky's restructuring through organizing and implementing the SISP and negotiating the Transaction. The releases of the claims noted above in favour of the Released Parties will assist in the closing of the Transaction and completion of the administration of the estate for which reserves or charges might otherwise be required.

**D. The Confidential Appendices Should be Sealed**

59. This Court has broad discretion to grant a sealing order.<sup>41</sup> A sealing order may be granted when:

- (a) an order is required to prevent serious risk to an important interest because reasonable alternative measures will not prevent the risk; and
- (b) the salutary effects of the order outweigh its deleterious effects, including the effects on the right to free expression, which includes public interest in open and accessible court proceedings.<sup>42</sup>

60. The Supreme Court of Canada restated the test an applicant must satisfy to obtain a sealing order in *Sherman Estate v Donovan*.<sup>43</sup> An applicant must demonstrate:

- (a) court openness poses a serious risk to an important public interest;
- (b) the order sought is necessary to prevent this serious risk to the identified interest because reasonably alternative measures will not prevent this risk; and
- (c) as a matter of proportionality, the benefits of the order outweigh its negative effects.<sup>44</sup>

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<sup>40</sup> *Harte Gold* at para 82 [TAB 12].

<sup>41</sup> *Alberta Rules of Court*, Alta Reg 124/2010, s 6.28 [TAB 22].

<sup>42</sup> *Sierra Club of Canada v Canada (Minister of Finance)*, 2002 SCC 41 at para 53 [TAB 23].

<sup>43</sup> *Sherman Estate v Donovan*, 2021 SCC 25 [*Sherman Estate*] [TAB 24].

<sup>44</sup> *Sherman Estate* at para 38 [TAB 24].

61. In insolvency proceedings, courts routinely grant sealing orders over confidential documents containing commercially sensitive information.<sup>45</sup> Such relief particularly appropriate where a further bidding process or subsequent sale may be required if the proposed transaction does not close. A sealing order ensures fair play so that competitors do not obtain an unfair advantage through access to court filings.<sup>46</sup>

62. The Receiver respectfully requests that this Court seal the Confidential Appendices to the Second Report, as they contain commercially sensitive information concerning the Transactions and prospective purchasers. Public disclosure of this information could prejudice the parties' future business dealings and undermine the integrity of the SISP.

63. Sealing the Confidential Appendices is the least restrictive method available. The salutary effects of the sealing order, which are to protect the general commercial interest of maintaining confidentiality and commercially sensitive information and promoting settlement discussions, far outweigh the deleterious effects of restricting the accessibility of court proceedings.

## V. CONCLUSION

64. For all of the foregoing reasons, the Receiver respectfully requests that its Application be granted. The relief sought will substantially assist in advancing these proceedings in a manner that is most advantageous to the stakeholders of Blue Sky through enabling the assumption of all of its environmental liabilities.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED** at Calgary, Alberta this 5<sup>th</sup> day of June 2026.

Estimated Time for  
Argument: 30 minutes

**BENNETT JONES LLP**

Per: \_\_\_\_\_

Keely Cameron / Chyna Brown  
Counsel for KSV Restructuring Inc.

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<sup>45</sup> *Elaborate Homes* at para 54 [TAB 10]; *Look Communications Inc v Look Mobile Corporation*, 2009 CanLII 71005 at para 17 [*Look Communications*] [TAB 25].

<sup>46</sup> *Elaborate Homes* at para 54 [TAB 10]; *Look Communications* at para 17 [TAB 25]; *Maxtech Manufacturing Inc (Re)*, 2010 ONSC 1161 at para 30 [TAB 26].

## VI. TABLE OF AUTHORITIES

1. [\*Bankruptcy and Insolvency Act\*](#), RSC 1985, c B-3
2. *Royal Bank of Canada v Soundair Corp*, [1991 CanLII 2727, 91 CBR \(5th\) 285](#) (ON CA)
3. *Delta 9 Cannabis Inc (Re)*, [2025 ABKB 52](#)
4. *Long Run Exploration Ltd (Re)*, [2024 ABKB 710](#)
5. *Sanjel Corporation (Re)*, [2016 ABQB 257](#)
6. *Acerus Pharmaceuticals Corporation (Re)*, [2023 ONSC 3314](#)
7. *PricewaterhouseCoopers Inc v 1905393 Alberta Ltd*, [2019 ABCA 433](#)
8. *1705221 Alberta Ltd v Three M Mortgages Inc*, [2021 ABCA 144](#)
9. *Skyepharama PLC v Hyal Pharmaceutical Corp*, [2000 CanLII 5650](#)
10. *Alberta Treasury Branches v Elaborate Homes Ltd*, [2014 ABQB 350](#)
11. *Crown Trust Co et al v Rosenberg et al*, [1986 CanLII 2760](#)
12. *Harte Gold Corp (Re)*, [2022 ONSC 653](#)
13. *Just Energy Group Inc et al v Morgan Stanley Capital Group Inc et al*, [2022 ONSC 6354](#)
14. *Invico Diversified Income Limited Partnership v NewGrange Energy Inc*, [2024 ABKB 214](#)
15. *Peakhill Capital Inc v Southview Gardens Limited Partnership*, [2023 BCSC 1476](#)
16. *MCAP Financial Corporation v QRD (Willoughby) Holdings Inc*, [2024 BCSC 1654](#)
17. *Cleo Energy Corp (Re)*, [2025 ABKB 621](#)
18. *Rambler Metals and Mining Limited, Re CCAA*, [2023 NLSC 134](#)
19. *CannaPiece Group Inc v Marzilli*, [2023 ONSC 3291](#)
20. *Arrangement relatif à Blacrock Metals Inc.*, [2022 QCCS 2828](#)

21. *Lydian International Limited (Re)*, [2020 ONSC 4006](#)
22. [Alberta Rules of Court](#), Alta Reg 124/2010
23. *Sierra Club of Canada v Canada (Minister of Finance)*, [2002 SCC 41](#)
24. *Sherman Estate v Donovan*, [2021 SCC 25](#)
25. *Look Communications Inc v Look Mobile Corporation*, [2009 CanLII 71005](#)
26. *Maxtech Manufacturing Inc (Re)*, [2010 ONSC 1161](#)

## **VII. COMPENDIUM OF DOCUMENTS**

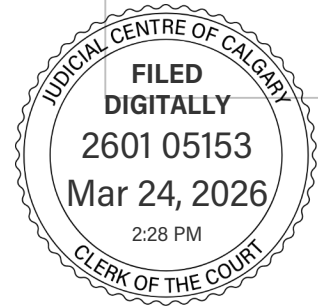
- A. Receivership Order filed March 24, 2026
- B. First Report of the Receiver dated May 7, 2026
- C. Second Report of the Receiver June 6, 2026
- D. SISP Order filed November 21, 2025

CERTIFIED *Wayne Ligne*  
by the Court Clerk as a true copy of  
the document digitally filed on Mar  
24, 2026 COURT FILE NUMBER

**2601-05153**

Clerk's Stamp

COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
PLAINTIFF/APPLICANT **ACES CANADA SPV III ULC**  
DEFENDANT/RESPONDENT **BLUE SKY RESOURCES LTD.**  
DOCUMENT **RECEIVERSHIP ORDER**  
ADDRESS FOR **BORDEN LADNER GERVAIS LLP**  
SERVICE AND CONTACT  
INFORMATION Barristers and Solicitors  
OF PARTY FILING 1900, 520 – 3<sup>rd</sup> Avenue SW  
THIS DOCUMENT Calgary, AB T2P 0R3



**Attention: Kevin E. Barr / Miles Pittman**

Telephone: (403) 232-9786 / 9487

Facsimile: (403) 266-1395

Email: kbarr@blg.com / mpittman@blg.com

File No.: 446935.000005

**DATE ON WHICH ORDER WAS PRONOUNCED:**

**MARCH 23, 2026**

**LOCATION WHERE ORDER WAS PRONOUNCED:**

**EDMONTON, ALBERTA**

**NAME OF JUSTICE WHO GRANTED THIS ORDER:**

**J.S. LITTLE**

**UPON** the application of ACES CANADA SPV III ULC ("**ACES**"), in respect of Blue Sky Resources Ltd. ("**Debtor**"); **AND UPON** having read the Application, the Affidavit of David O'Driscoll; the Affidavit of Ann Bullock; and the Affidavit of Service of Ann Bullock, filed as well as such other pleadings in the Alberta Court of King's Bench Action No. 25-3276975 (the "**NOI Proceedings**"); **AND UPON** reading the consent of KSV Restructuring Inc. ("**KSV**") to act as receiver and manager (the "**Receiver**") of the Debtor, filed; **AND UPON** hearing counsel for ACES, counsel for the proposed Receiver and any other counsel or other interested parties present;

**IT IS HEREBY ORDERED THAT:**

**Service**

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.

**Lifting of NOI Stay**

2. The stay of proceedings provided for in the NOI Proceedings is hereby lifted nunc pro tunc to allow for the commencement of the within action and the Application.
3. The time within which the Debtor may file a proposal to its creditors is hereby immediately terminated in accordance with Section 50.4(11) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (the “**BIA**”).
4. The Debtor shall not automatically be deemed to have made an assignment into bankruptcy, pursuant to sections 50.4(8) and 50.4(11) of the BIA, as a result of: (i) the Debtor or KSV, in its capacity as proposal trustee in the NOI Proceedings (the “**Proposal Trustee**”), failing to file a proposal within the applicable time frame; or (ii) the termination of the time within which the Debtor may file a proposal to its creditors. The NOI Proceedings shall have no further force and effect, and are hereby terminated, save that any and all acts, steps, agreements and procedures validly taken, done or entered into by the Debtor during the NOI Proceedings shall remain valid, binding and actionable within these proceedings. For certainty, approval of the Proposal Trustee and its counsel's fees and disbursements and approval of the Proposal Trustee’s activities in this proceeding shall be deemed approval of the fees and disbursements and activities of KSV in its capacity as Proposal Trustee and the fees and disbursements of the Proposal Trustee's counsel in the NOI Proceedings. The Debtor is hereby directed and authorized to file a copy of this Order in the NOI Proceedings.

**Appointment**

5. Pursuant to section 243(1) of the BIA, and sections 13(2) of the *Judicature Act*, RSA 2000, c.J-2, 99(a) of the *Business Corporations Act*, RSA 2000, c.B-9, and 65(7) of the *Personal Property Security Act*, RSA 2000, c.P-7, KSV is hereby appointed Receiver, without security, of all of the

Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”).

### **Receiver’s Powers**

6. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
  - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property, which shall include the Receiver’s ability:
    - (i) to abandon, dispose of, or otherwise release any interest in any of the Debtor’s real or personal property, or any right in any immovable; and
    - (ii) upon further order of the Court, to abandon, dispose of, or otherwise release any license or authorization issued by the Alberta Energy Regulator, or any other similar government authority;
  - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
  - (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
  - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver’s powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to or by the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
  - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and

- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, RSA 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.

- (m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property, and when submitted by the Receiver for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding Section 191 of the *Land Titles Act*, RSA 2000, c. L-4, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtor, and without interference from any other Person (as defined below).

#### **Duty to Provide Access and Co-operations to the Receiver**

7. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
8. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to

Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

9. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names, and account numbers that may be required to gain access to the information.

#### **No Proceedings Against the Receiver**

10. No proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **No Proceedings Against the Debtor or the Property**

11. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph; and (ii) affect a Regulatory Body’s investigation in respect of the debtor or an action, suit or proceeding that is

taken in respect of the debtor by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. “**Regulatory Body**” means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a Province.

### **No Exercise of Rights of Remedies**

12. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtor or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, including, without limitation, any rights or remedies or provisions in any agreement, construction, ownership and operating agreement, joint venture agreement or any such similar agreement or agreements to which the Debtor is a party that purport to effect or cause a cessation of operatorship as a result of the occurrence of any default or non-performance by or the insolvency of the Debtor, the making or filing of these proceedings or any allegation, admission or evidence in these proceedings and under no circumstances shall the Debtor be replaced as operator pursuant to any such agreements without further order of this Court provided, however, that this stay and suspension does not apply in respect of any “eligible financial contract” (as defined in the BIA), and further provided that nothing in this Order shall:
  - (a) empower the Debtor to carry on any business that the Debtor is not lawfully entitled to carry on;
  - (b) prevent the filing of any registration to preserve or perfect a security interest;
  - (c) prevent the registration of a claim for lien; or
  - (d) exempt the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment.
  
13. Nothing in this Order shall prevent any party from taking an action against the Debtor where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance

with the other provisions of this Order, and notice in writing of such action be given to the Receiver at the first available opportunity.

**No Interference with the Receiver**

14. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, except with the written consent of the Debtor and the Receiver, or leave of this Court Nothing in this Order shall prohibit any party to an eligible financial contract (as defined in the BIA) from closing out and terminating such contract in accordance with its terms.

**Continuation of Services**

15. All persons having:
- (a) statutory or regulatory mandates for the supply of goods and/or services; or
  - (b) oral or written agreements or arrangements with the Debtor, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Debtor,
  - (c) are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Debtor or exercising any other remedy provided under such agreements or arrangements. The Debtor shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Debtor in accordance with the payment practices of the Debtor, or such other practices as may be agreed upon by the supplier or service provider and each of the Debtor and the Receiver, or as may be ordered by this Court.

### Receiver to Hold Funds

16. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “**Post Receivership Accounts**”) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

### Employees

17. Subject to employees’ rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, SC 2005, c.47 (“**WEPPA**”).
18. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

### Limitations on Environmental Liabilities

19. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- (i) before the Receiver's appointment; or
  - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
- (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
    - (A) complies with the order, or
    - (B) on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
  - (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the

order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by:

- (A) the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
  - (B) the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

#### **Limitation on the Receiver's Liability**

20. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

#### **Receiver's Accounts**

21. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property as security for their professional fees and disbursements incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.
22. The Receiver and its legal counsel shall pass their accounts from time to time.
23. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including

the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

### **Funding of the Receivership**

24. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$2,000,000 (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver's Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.
25. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
26. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule “A”** hereto (the “**Receiver's Certificates**”) for any amount borrowed by it pursuant to this Order.
27. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
28. The Receiver shall be authorized to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

### **Continuation of Charges and Priorities of Charges**

29. Each of the Administration Charge, the Interim Lender's Charge and the KERP Charge (each as defined in the orders granted in the NOI Proceedings) shall continue to constitute valid and enforceable charges on the Property, provided that the Administration Charge, the Interim Lender's Charge, and the KERP Charge are hereby terminated with the effect that no further amounts shall accrue thereunder from or after the date of this Order. For greater certainty, amounts validly incurred under such charges, prior to the date of this Order, shall continue to be secured by such charges in these proceedings.
30. The priority of the charges created in the NOI Proceedings (and continued and terminated by this Order) in relation to the Receiver's Charge and the Receiver's Borrowings Charge created hereunder, shall be as follows:
  - (a) First – the Receiver's Charge;
  - (b) Second – the Receiver's Borrowings Charge and the Interim Lender's Charge, *pari passu*;
  - (c) Third – the Administration Charge; and
  - (d) Fourth – the KERP Charge.

### **Allocation**

31. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property

### **General**

32. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
33. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in

affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.

34. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
35. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
36. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
37. The Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis, including legal costs on a solicitor-client full indemnity basis, to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
38. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

**Filing**

39. This Order is issued and shall be filed in Court of King's Bench Action No. 2601-05153.

40. The Receiver shall establish and maintain a website in respect of these proceedings at <https://www.ksvadvisory.com/experience/case/blue-sky-resources-ltd> (the “Receiver’s Website”) and shall post there as soon as practicable:


- (a) all materials prescribed by statute or regulation to be made publicly available; and
- (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

41. Service of this Order shall be deemed good and sufficient by:

- (a) serving the same on:
  - (i) the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
  - (ii) any other person served with notice of the application for this Order;
  - (iii) any other parties attending or represented at the application for this Order; and
- (b) posting a copy of this Order on the Receiver’s Website

and service on any other person is hereby dispensed with.

42. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

  
\_\_\_\_\_  
Justice of the Court of King’s Bench of Alberta

**SCHEDULE "A"**

**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

43. **THIS IS TO CERTIFY** that KSV Restructuring Inc., the interim receiver and receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of Blue Sky Resources Ltd. appointed by Order of the Court of King's Bench of Alberta and Court of King's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "**Court**") dated the 23<sup>rd</sup> day of March, 2026 (the "**Order**") made in action number 2601-05153, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$[•], being part of the total principal sum of \$[•], that the Receiver is authorized to borrow under and pursuant to the Order.
44. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [•] after the date hereof at a notional rate per annum equal to the rate of [•] per cent above the prime commercial lending rate of [•] from time to time.
45. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
46. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at [•].
47. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

- 48. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
- 49. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**KSV Restructuring Inc., solely in its capacity as  
Receiver of the Property (as defined in the Order),  
and not in its personal capacity**

Per: \_\_\_\_\_

Name:

Title:

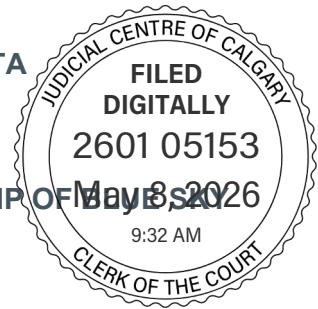


COURT FILE NUMBER           **2601-05153**

COURT                               **COURT OF KING’S BENCH OF ALBERTA**

JUDICIAL CENTRE               **CALGARY**

PROCEEDING                   **IN THE MATTER OF THE RECEIVERSHIP OF ~~BYBES~~  
RESOURCES LTD.**



DOCUMENT                       **FIRST REPORT OF THE RECEIVER**

**MAY 7, 2026**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT           **RECEIVER**  
KSV Restructuring Inc.  
324-8<sup>th</sup> Avenue SW, Suite 1165  
Calgary, AB  
T2P 2Z2

Attention:           Andrew Basi/Ross Graham  
Telephone:          (587) 287-2670/(587) 287-2750  
Facsimile:          (416) 932-6266  
Email:               [abasi@ksvadvisory.com](mailto:abasi@ksvadvisory.com)  
                              [rgraham@ksvadvisory.com](mailto:rgraham@ksvadvisory.com)

**RECEIVER’S COUNSEL**  
4500 Bankers Hall East  
855 - 2nd Street SW  
Calgary, AB, T2P 4K7

Attention:           Keely Cameron  
Telephone:          (403) 298-3324  
E-Mail:               [cameronk@bennettjones.com](mailto:cameronk@bennettjones.com)

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## 1.0 Introduction

1. On September 24, 2025, Blue Sky Resources Ltd. (“**Blue Sky**” or the “**Company**”) filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to section 50.4(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) (the “**NOI Proceedings**”), and KSV Restructuring Inc. (“**KSV**”) consented to act as proposal trustee (in such capacity, the “**Proposal Trustee**”).
2. On March 23, 2026, the Court of King’s Bench of Alberta (the “**Court**”) granted an application made by Aces Canada SPV III ULC (“**ACES**”), seeking an order (the “**Receivership Order**”) which, among other things:
  - a) appointed KSV as receiver and manager (in such capacity, the “**Receiver**”) of the property, assets and undertakings of Blue Sky (the “**Receivership Proceedings**”);
  - b) declared Blue Sky as a debtor shall not be automatically deemed to have made an assignment into bankruptcy pursuant to sections 50.4(8) and 50.4(11) of the BIA; and
  - c) declared that the NOI Proceedings shall have no further force and was terminated.
3. The principal purposes of the Receivership Proceeding are to: (i) allow the Receiver an opportunity to complete the court-supervised sale and investment solicitation process (“**SISP**”) which was approved by the Court during the NOI Proceedings; (ii) continue the operations of the Company, to preserve value for Stakeholders; and (iii) continue to provide a formal process for Blue Sky’s creditors and stakeholders to obtain information about the Company.

## 1.1 Background of the NOI Proceedings

1. On October 15, 2025, the Court granted, among other things, the following relief:
  - a) Blue Sky's application for an Order which, among other matters, extended the period in which Blue Sky can make a proposal to its creditors and the stay of proceedings up to and including November 9, 2025 (the "**Stay of Proceedings**"); and
  - b) Blue Sky's application for an Order (the "**Admin Charge Order**") which, among other matters, granted a charge against Blue Sky's current and future assets, undertakings and properties of every nature and kind whatsoever (including all real and personal property) wherever situated, including all proceeds thereof (collectively the "**Property**"), to not exceed \$500,000 as security for the fees and disbursements of the Proposal Trustee, the Proposal Trustee's counsel, Bennett Jones LLP, and the Company's counsel, DLA Piper (Canada) LLP (the "**Admin Charge**").
2. Between November 7 and November 20, 2025, the Court granted, among other things, the following relief:
  - a) approval of the SISP;
  - b) authorization for the Company to borrow from ACES pursuant to an interim facility term sheet and granting the interim lender's charge, ranking only subordinate to the Administration Charge;
  - c) an extension of the Stay of Proceedings up to and including December 24, 2025;
  - d) authorization for the Proposal Trustee and Sayer Energy Advisors ("**Sayer**" or the "**Sales Agent**") to conduct the SISP;
  - e) Blue Sky's application for a sale approval and vesting order approving the sale transaction pursuant to the purchase and sale agreement dated November 4, 2025, between the Company and Tamarack Valley Energy; and
  - f) Blue Sky's application for a sale approval and vesting order approving the sale transaction pursuant to the purchase and sale agreement dated November 4, 2025, between the Company and Spur Petroleum Ltd.

3. On December 17, 2025, the Court granted Blue Sky's application for an Order which included, among other matters, the following relief:
  - a) a charge in favour of the Key Employee Retention Plan for amounts payable to certain key personnel up to a maximum of \$75,000; and
  - b) an extension of the Stay of Proceedings up to and including February 7, 2026.
4. On January 26, 2026, the Court released its decision with respect to Canadian Natural Resources Limited's ("**CNRL**") application filed on December 17, 2025. The Court confirmed that during the NOI Proceedings, Alberta Energy is stayed from seeking to collect any payments related to the Blue Sky Royalty Arrears from Canadian Natural or any other leaseholder noted on the Royalty Default Letter but may seek to recover the Blue Sky Royalty Arrears as cure costs and as a condition to the approval of the transfer of mineral interests. On February 4, 2026, Alberta Energy filed a Civil Notice of Appeal to appeal the decision released on January 26, 2026. The Appeal was heard on April 16, 2026.
5. On February 3, 2026, the Court granted Blue Sky's application for an Order which included, among other matters, extending the Stay of Proceedings up to and including March 24, 2026.
6. On February 18, 2026, the Court granted Blue Sky's application for multiple sale and approval vesting orders which authorized and approved several transactions involving non-AER licensed assets pursuant to purchase agreements entered into between Blue Sky and Baytex Energy Ltd., Obsidian Energy Ltd., and Peyto Exploration & Development Corp (collectively, the "**February 18<sup>th</sup> Transactions**").
7. Finally, on March 3, 2026, the Court granted an application for an approval and vesting order authorizing the sale of certain well licenses, facilities and pipelines located in the Saddle Hills, Cranberry, Hotchkiss, Fox Creek, Bilbo, Arch Minor, and Dunvegan areas of Alberta to CNRL (the "**CNRL Transaction**" and together with the February 18<sup>th</sup> Transactions, the "**NOI Transactions**").

## 1.2 Purposes of this First Report

1. The purposes of this first report (the “**First Report**”) are to provide this Court with further information regarding, among other things:
  - a) the status of the SISP;
  - b) the Receiver’s activities since the commencement of the Receivership Proceedings;
  - c) the estate’s receipts and disbursements since the commencement of the Receivership Proceedings;
  - d) a summary of the Receiver’s fees and disbursements, and those of its legal counsel, from the commencement of the Receivership Proceedings through to April 30, 2026;
  - e) the Receiver’s application for multiple sale approval and vesting orders approving several transactions pursuant to several purchase and sale agreements between the Receiver and:
    - i. Enercapita Energy Ltd. (“**Enercapita**”);
    - ii. Prairie Thunder Resources Ltd. (“**Prairie Thunder**”);
    - iii. Potts Petroleum Inc. (“**Potts**”);
    - iv. Revolution Oil & Gas Corporation (“**Revolution**”);
    - v. NVS Engineering Inc. (“**NVS**”); and
    - vi. Altair Energy Ltd. (“**Altair**”);
  - f) the Receiver’s application for a sealing order which, among other things, seals the Confidential Documents (defined below); and
  - g) the Receiver’s request to approve the actions, activities and conduct of the Receiver up to the date of this First Report and approve the Receiver’s and its counsel’s fees and disbursements up to April 30, 2026.

### 1.3 Scope and Terms of Reference

1. In preparing this First Report, the Receiver has relied upon the Company's unaudited financial information, books and records, information available in the public domain and discussions with the Company's management and legal counsel.
2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this First Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own due diligence.
3. This First Report should be read in conjunction with: (i) the first affidavit of David O'Driscoll, dated March 20, 2026 (the "**O'Driscoll Affidavit**"); (ii) the reports filed by the Proposal Trustee in the NOI Proceedings; and (iii) the materials filed by the Company in the NOI Proceedings, including the First Affidavit of Ilyas Chaudhary, sworn October 8, 2025, the First Affidavit of Mike Bouvier, sworn October 30, 2025, the Second Affidavit of Mike Bouvier sworn November 4, 2025, the Third Affidavit of Mike Bouvier sworn December 10, 2025, the Fourth Affidavit of Mike Bouvier sworn January 28, 2026, the Fifth Affidavit of Mike Bouvier sworn February 11, 2026, and the Sixth Affidavit of Mike Bouvier sworn February 26, 2026 (collectively, the "**Blue Sky Affidavits**"). Capitalized terms not defined in this First Report have the meanings ascribed to them in the Blue Sky Affidavits or the reports filed by the Proposal Trustee in the NOI Proceedings.

### 1.4 Currency

1. Unless otherwise noted, all currency references in this First Report are in Canadian dollars.

## 1.5 Court Materials

1. Court materials filed in these Receivership Proceedings are made available by KSV on its case website at <https://www.ksvadvisory.com/experience/case/blue-sky-resources-ltd> (the “**Case Website**”).

## 2.0 Background

1. Blue Sky, a corporation registered in accordance with the laws of Alberta, operates as an oil and gas producer from its headquarters in Calgary, Alberta. The Company operates its licensed assets throughout Alberta, British Columbia and Saskatchewan.
2. The oil and gas assets located in Alberta are suspended pursuant to a suspension order issued by the AER on November 10, 2025. The Receiver continues to operate the BC Assets (defined below). The licensed assets located in Saskatchewan are inactive and were suspended prior to the commencement of the NOI Proceedings.
3. A detailed background on the Company, the Company’s liquidity position prior to the NOI Proceedings, and the reasons for the Receivership Proceedings have been included in the Blue Sky Affidavits, the O’Driscoll Affidavit and the first report of the Proposal Trustee, dated October 10, 2025 (the “**Proposal Trustee’s First Report**”).

## 3.0 Sale and Investment Solicitation Process (SISP) <sup>1</sup>

### 3.1 NOI Transactions and SISP Results

1. An extensive summary of the activities undertaken by the Sales Agent and the outcome of the bids received in the SISP during the NOI Proceedings is summarized in the sixth report of the Proposal Trustee, dated February 13, 2026. The Sales Agent prepared a summary of the activities in the SISP and the bids received prior to the bid deadline (the “**Bid Summary**”). The Bid Summary is attached as **Confidential Appendix “1”**.

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<sup>1</sup> Capitalized terms in this section have the meaning provided to them in the SISP or the Purchase and Sale Agreements (defined below), unless otherwise defined herein.

2. As discussed above, the Court authorized the NOI Transactions during the NOI Proceedings. The Receiver can confirm that each of the NOI Transactions have since closed and the Proposal Trustee's Certificates were issued prior to the commencement of the Receivership Proceedings.

### 3.2 RVO Transaction

1. Following the commencement of the Receivership Proceedings, ACES advised the Receiver of its intention to pursue a transaction that contemplates the acquisition of all of Blue Sky's assets, together with the associated asset retirement obligations, that remain following closing of the NOI Transactions and any other asset sale transaction conducted in these Receivership Proceedings (the "**RVO Transaction**"). The completion of the RVO Transaction is expected to result in all of Blue Sky's oil and gas assets being acquired and no asset retirement obligations remaining with the Orphan Well Association ("**OWA**").
2. On April 29, 2026, ACES, the Receiver, and the Alberta Energy Regulator ("**AER**") met to discuss the proposed structure and merits of the RVO Transaction.
3. As of the date of this First Report, the terms of the RVO Transaction remain under negotiation and are being revised to address comments provided by the AER. The Receiver anticipates returning to Court at a later date to seek approval of a reverse vesting order to complete the RVO Transaction.

### 3.3 Receivership Transactions

1. Since the commencement of the Receivership Proceedings, the Receiver has completed a review of the remaining bids received in the SISF and has entered into negotiations with a number of bidders in an effort to agree on transaction terms. These negotiations have culminated in a number of finalized purchase and sale agreements. The Receiver is seeking approval of the following purchase and sale agreements<sup>2</sup> (the "**Purchase and Sale Agreements**"):

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<sup>2</sup> The Receiver is currently negotiating several additional transactions; however, these transactions were not finalized in advance of this application. The Receiver expects to return at a subsequent application to seek approval of these transactions.

- a) a purchase and sale agreement dated May 5, 2026 with Enercapita (the “**Enercapita Transaction**”);
  - b) a purchase and sale agreement dated May 5, 2026 with Prairie Thunder (the “**Prairie Transaction**”);
  - c) a purchase and sale agreement dated May 7, 2026 with Potts (the “**Potts Transaction**”);
  - d) a purchase and sale agreement dated May 5, 2026 with Revolution (the “**Revolution Transaction**”);
  - e) a purchase and sale agreement dated May 7, 2026 with NVS (the “**NVS Transaction**”); and
  - f) a purchase and sale agreement dated May 6, 2026 with Altair (the “**Altair Transaction**” and together with the Enercapita Transaction, the Prairie Transaction, the Potts Transaction, the Revolution Transaction, and the NVS Transaction, the “**Transactions**”).
2. The key terms and conditions of the Purchase and Sale Agreements are summarized in **Appendix “A”**. Executed copies of the redacted Purchase and Sale Agreements for each of the Transactions are attached as **Appendix “B” to “G”**. Unredacted copies of the Purchase and Sale Agreements are attached as **Confidential Appendix “2” to “7”**.

### **3.4 Receivers Recommendation on the Purchase and Sale Agreements**

1. The Receiver has considered, among other things, the “Soundair” principles established by the Ontario Court of Appeal in *Royal Bank of Canada v. Soundair Corp. (1991), 4 O.R. (3d) 1 (CA), at para. 16* in determining its recommendation to this Court on the Transactions. The Receiver’s corresponding comments, are listed below:
  - a) *Whether the process leading to the proposed sale or disposition was reasonable in the circumstance.*

The assets included in the Transactions were actively marketed as part of the SISP, which was a Court-approved sale process granted during the NOI Proceedings. The purchasers involved with the Transactions submitted the highest and best offers for the purchased assets prior to the deadline established in the SISP.

- b) *Whether the Receiver approved the process leading to the proposed sale or disposition.*

The Court approved the SISP, which was recommended by the Proposal Trustee during the NOI Proceedings. The proposed sales have been advanced in consultation with the Sales Agent.

- c) *Whether the Receiver filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy.*

This First Report reflects the Receiver's views of the Transactions. The Receiver supports the Transactions as their structure is practical, cost-effective, and consistent with other similar transactions, while providing economic benefit to these Receivership Proceedings and, thereby, its stakeholders.

- d) *The extent to which the creditors were consulted.*

The Transactions resulted from the Court-approved SISP. There is no indication that the process leading to Transactions was unfair and the Receiver is not aware of any creditor objections at the time this First Report. The Receiver understands that ACES is supportive of the Transactions.

- e) *The effects of the proposed sale or disposition on the creditors and other interested parties.*

If successful, the Transactions will provide proceeds to assist in funding the conclusion of the Receivership Proceedings, which will benefit all stakeholders.

- f) *Whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.*

As mentioned above, the Transactions resulted from the Court-approved SISP, which tested the broader market and remains the highest and best transaction value for the assets.

2. Based on the foregoing, the Receiver respectfully recommends this Court approve the Transactions.

## 4.0 Sealing

1. The Receiver is requesting a sealing order (the “**Sealing Order**”) in respect of the unredacted Purchase and Sale Agreements and Bid Summary (the “**Confidential Documents**”). The Receiver believes it is appropriate to seal the Confidential Documents, as the sealing of the Confidential Documents will ensure that the integrity of the SISP is maintained and that there is minimal impact on any bidder in the SISP through to its conclusion and the closing of the Transactions.
2. Based on the foregoing, the Receiver does not believe that any stakeholder will be prejudiced if the information in the Confidential Documents is sealed.
3. The Sealing Order permits any party to vacate or vary the terms of the Sealing Order on at least seven days’ notice to the Receiver and any affected party.

## 5.0 Other Matters

### 5.1 Activities of the Receiver

1. The Receiver has performed the following key activities since the commencement of the Receivership Proceedings:
  - a) obtaining information regarding the Company’s bank accounts and issuing a notice to put any such accounts on deposit only;
  - b) establishing the Receiver’s bank accounts for the administration of the Company’s financial affairs during these proceedings, and facilitating the transfer of the balances in the Company’s accounts to the Receiver;
  - c) assisting the Company with its communications to both internal and external stakeholders;

- d) identifying the location of the Company's vehicle assets located throughout Alberta for potential liquidation;
- e) reviewing the circumstances of the BC Transactions (as defined and summarized below);
- f) attending multiple meetings with ACES to discuss the status of these Receivership Proceedings and the viability of the RVO Transaction;
- g) with assistance from the Sales Agent, reviewing the bids submitted in the SISP during the NOI Proceedings;
- h) negotiating the Purchase and Sale Agreements and other transactions that are not yet finalized;
- i) preparing applications for the former employees under the Wage Earner Protection Program;
- j) retaining certain former employees as contractors;
- k) discussing with the OWA and AER regarding the status of these Receivership Proceedings and the OWA suspension activities being performed on the Company's licensed assets in Alberta as directed by the AER's Suspension Order issued in November 2025 (discussed below);
- l) attending a meeting with the AER to discuss the merits of the RVO Transaction;
- m) conducting the office relocation (discussed below);
- n) maintaining and updating a cash flow forecasting the Receiver's ongoing receipts and disbursements;
- o) preparing a capex program to enhance the production value of certain of the Company's licensed assets;
- p) engaging in extensive discussions with Blue Sky's utility providers and its counsel regarding maintaining services and prepayments for same;
- q) resolving concerns raised by the British Columbia Energy Regulator with respect to Blue Sky's emergency contact phone number;

- r) adding the Receiver as a named insured party on the Company's existing insurance policies;
- s) preparing and delivering notice of these proceedings to all known creditors pursuant to Subsection 245(1) and 246(1) of the BIA;
- t) preparing a list of all known secured and unsecured creditors;
- u) maintaining the Case Website for these Receivership Proceedings; and
- v) preparing this First Report.

## 5.2 Update on Disputed Revenue Production

1. As previously reported in the NOI Proceedings, certain amounts (the "**TIK Payments**") were the subject of an arrangement involving the Company, its secured lenders and Macquarie Energy Canada Ltd. ("**Macquarie**") in respect of production revenues from certain of the Company's oil assets. Following the commencement of the Receivership Proceeding, the treatment and ultimate remittance of the TIK Payments remained outstanding.
2. On April 14, 2026, the Court pronounced a consent order which ordered that the TIK Payments held by Macquarie shall be remitted to the Receiver, after deducting its reasonable solicitor and legal fees. Accordingly, on April 23, 2026, Macquarie transferred the TIK Payments to the Receiver in the amount of USD\$409,042.04.

## 5.3 BC Assets

1. As discussed in the Proposal Trustee's First Report and the third report of the Proposal Trustee, dated December 16, 2025 (the "**Third Report**"), in an effort to address its financial challenges prior to the NOI Proceedings, Blue Sky entered into various transactions for the sale of Blue Sky's interest in its licensed assets located in British Columbia (the "**BC Assets**") to Blue Sky Global Energy Corp. ("**BSG**") (the "**BC Transactions**") which subsequently changed its name to Saba Energy Ltd. ("**Saba**"). Saba is a publicly traded company listed on the TSX-V and Saba is a non-arm's length related party to the Company as Mr. Ilyas Chaudhary is a material shareholder (either directly and/or indirectly) of both Saba and Blue Sky.

2. Following commencement of the NOI Proceedings, an amending agreement was entered into on October 7, 2025 for the purposes of altering Saba's payment obligations for the Purchase Price, which allowed Blue Sky to continue to retain all production revenue from the BC Assets as consideration to be applied to the purchase price until licenses for the BC Assets are transferred from Blue Sky to Saba. To date, the BC Asset licenses have not been transferred to Saba and the full amount of production revenues from the BC Assets continue to be earned and retained by the Receiver.
3. On December 11, 2025, the Proposal Trustee was copied on a letter received from ACE's counsel which stated that ACES was aware of the BC Transactions and was of the position that the BC Transactions constituted reviewable transactions under the BIA (the "**BC Transactions Letter**"). The letter further stated that ACES was prepared to bring an application before the Court to unwind the BC Transactions. A copy of the BC Transactions Letter was attached as Appendix "G" to the Third Report.
4. As a result of the issues surrounding the BC Assets, these assets were excluded from the SISF and were not marketed by the Sales Agent.
5. Following the commencement of the Receivership Proceedings, the Receiver began to receive correspondence from Saba which, among other things: (i) requested certain books and records relating to the BC Assets for purposes of completing Saba's year end audit; and (ii) requested the Receiver complete the transfer of the licenses for the BC Assets to Saba.
6. On April 7, 2026, the Receiver delivered a letter (the "**April 7<sup>th</sup> Letter**") informing Saba that, among other things, the Receiver had concerns regarding the nature of the BC Transactions and was, accordingly, conducting a review of same. As a result, the Receiver would not be able to advance transferring the BC Assets' licenses until the Receiver's review was completed. A copy of the April 7<sup>th</sup> Letter is attached hereto as **Appendix "H"**.
7. At the date of this First Report, discussions are ongoing with Saba regarding a potential resolution of these matters.

## 5.4 Suspension of Alberta Assets

1. On November 10, 2025, the AER issued a suspension order requiring Blue Sky to suspend all of its licensed assets producing in Alberta (the “**Suspension Order**”), unless specific sites were approved for continued operation by the AER under clauses 7-9 of the Suspension Order. As detailed in the Proposal Trustee’s fifth report, dated February 2, 2026, Blue Sky subsequently requested a stay of the Suspension Order while it worked to address the AER’s concerns. Despite this request, the AER dismissed Blue Sky’s application for a stay of the Suspension Order and required the Company to shut in all of its Alberta licensed assets by February 6, 2026 (the “**Suspension Activity**”).
2. Since then, the AER has provided direction that the assets cannot resume operation until outstanding non-compliances are addressed. The AER has further advised that the onset of spring is a critical time to manage contamination at one of Blue Sky’s sites and has asked that Blue Sky take actions under its Conditional Remedial Action Plan or where funding, access or other constraints are anticipated to advise the AER. The Receiver is currently considering the steps required and adequacy of funds to complete the work. Further engagement with the AER is anticipated on this matter.
3. The OWA was subsequently ordered by the AER to complete the Suspension Activity on Blue Sky’s assets throughout Alberta, which has continued during these Receivership Proceedings. On May 4, 2026, the OWA issued its invoice for the Suspension Activity completed to date in the amount of \$415,756.75. The Receiver understands the OWA is in receipt of oil revenues from oil in storage tanks that were removed during the Suspension Activity which it intends to apply against costs incurred for the Suspension Activity. The Receiver has since requested an update from the OWA and the AER on the timeline to complete the Suspension Activity and provide a reconciliation of the costs and oil revenues. A further update will be provided to this Court following receipt of an update and reconciliation from the OWA and AER.

## 5.5 Office Relocation

1. Following the commencement of the Receivership Proceedings, the Receiver initiated negotiations with the landlord of the Company's head office lease located in Calgary, Alberta. Despite these efforts, the parties were unable to reach agreement on revised lease terms reflecting the reduced space requirements during the Receivership Proceedings. As a result, the Receiver arranged a short-term lease of an alternative premises, effective May 1, 2026.
2. As of the date of this First Report, the Receiver is in the process of completing the relocation of the Company's books, records, and certain computer equipment, to the new premises. Any office equipment and furniture that is not moved will be sold by way of auction.

## 6.0 Receivership Estate Receipts and Disbursements

1. The Receiver has prepared a summary of the Company's transactions from March 23, 2026, the date of the commencement of the Receivership, through May 5, 2026. This analysis forms the basis for determining the Company's closing cash balance as at May 5, 2026 (the "R&D").

(unaudited; \$000s)	Notes	As at May 5, 2026
Opening Cash		996
Operating Receipts		
Revenue from operations	a	677
TIK	b	553
Sale proceeds	c	90
		1,320
Disbursements		
Operating disbursements	d	(974)
Professional fees	e	(8)
		(982)
Net cash flow		338
<b>Ending cash balance</b>		<b>1,334</b>

## Receiver's Comments

- a) **Revenue from Operations:** Represents oil sales collected by Blue Sky for the period from March 23, 2026 to May 5, 2026.
- b) **TIK Payments:** Reflects the TIK Payments received from Macquarie on April 24, 2026.
- c) **Sale Proceeds:** Reflect deposits received from prospective purchasers in the SISP.
- d) **Operating Disbursements:** Comprise the Company's operating expenses incurred since commencement of the Receivership Proceedings, including power and utilities, operator payroll, surface and mineral lease expenses, oil hauling and processing costs, repairs and maintenance, regulatory compliance costs, rent, fuel and chemicals, operating contingencies, and general and administrative expenses.
- e) **Professional Fees:** Includes fees incurred in connection with the Receivership Proceedings, comprising the paid Receiver's fees and the Receiver's counsel's fees.

### **6.1 Funding the Receivership Proceedings**

1. The Receivership Proceedings are currently being funded by the production revenues earned from the BC Assets located in the Boundary Lake area of British Columbia. As the Company's licensed assets in Alberta are shut in, the revenues earned from the Company's BC Assets does not provide sufficient funding to service all ongoing post-filing obligations.
2. As funding from production revenues remains limited, closing the Transactions will be necessary to assist in the funding of the Receivership Proceedings. For this reason, the Receiver reiterates its recommendation that this Court authorize the Transactions as they remain in the best interest of all stakeholders.

## 7.0 Approval of Professional Fees and Expenses

1. Pursuant to paragraphs 18 to 20 of the Receivership Order, the Receiver seeks approval from this Honourable Court of the respective professional fees and disbursements of the Receiver and its legal counsel for the period from commencement of the Receivership Proceedings to April 30, 2026 (the "**Interim Taxation Period**").
2. Professional fees and expenses rendered by the Receiver during the Interim Taxation Period total \$201,031.27 (exclusive of GST) (the "**Receiver's Fees and Costs**"). Professional fees and expenses of the Receiver's Counsel during the Interim Taxation Period total \$51,687.50 (exclusive of GST) (the "**Receiver's Counsel's Fees and Costs**").
3. A summary of the Receiver's Fees and Costs and the Receiver's Counsel's Fees and Costs are attached as **Appendix "I"**.
4. The Receiver and its legal counsel's invoices outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work. Copies of the invoices will be brought to the Receiver's application before this Honourable Court set for May 28, 2026 and made available to the Court.
5. The Receiver respectfully submits that its professional fees and disbursements and those of its legal counsel in this operating receivership are: (i) commensurate with the work performed as outlined in this First Report; (ii) are commercially fair and reasonable; and (iii) were validly incurred in accordance with the provisions of the Receivership Order.

## 8.0 Receiver's Ongoing Activities and Future Course of Action

1. The Receiver's next steps include, but are not limited to:
  - a) completing the Transactions (if approved by this Honourable Court) and continuing to progress further transactions the Receiver is currently pursuing;
  - b) continuing to work with ACES to advance their proposed RVO Transaction;

- c) continuing its review of the BC Transactions and discussions with Saba;
- d) continuing to work with both the AER and OWA to complete the Suspension Activity and address other regulatory matters;
- e) continuing communication with, and providing updates to, the secured lenders and other stakeholders in these Receivership Proceedings;
- f) completing other administrative tasks related to these Receivership Proceedings; and
- g) continuing to work with other regulatory agencies as required.

## 9.0 Conclusion and Recommendation

1. Based on the forgoing, the Receiver respectfully recommends that this Honourable Court grant the relief sought by the Receiver.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,  
in its capacity as Court-appointed Receiver of  
Blue Sky Resources Ltd., and not in its personal capacity**

## **Appendix “A”**

**Blue Sky Resources Ltd.**  
**Transaction Summary**

	Revolution Transaction	Enercapita Transaction	Prairie Transaction	Potts Transaction	Altair Transaction	NVS Transaction
<b>Seller</b>	Blue Sky Resources Ltd.					
<b>Buyer</b>	Revolution Oil & Gas Corporation	Enercapita Energy Ltd.	Prairie Thunder Resources Ltd.	Potts Petroleum Inc.	Altair Energy Ltd.	NVS Engineering Inc.
<b>Assets</b>	Various lands, mineral properties, and wells, detailed in Schedule A	Blue Sky's licensed working interest in Well 100/14-36-087-11W6M, as well as various lands, mineral properties and pipelines detailed in Schedule A	Various lands, wells, facilities and pipelines detailed in Schedule A	Various lands, wells, facilities and pipelines detailed in Schedule A	Various lands, mineral properties, and wells, detailed in Schedule A	Various wells, facilities and pipelines detailed in Schedule A
<b>Assumed Liabilities</b>	All liabilities and obligations arising from the possession, ownership and/or use of the Assets following Closing, including Environmental Liabilities, Abandonment and Reclamation Obligations and Cure Costs					
<b>Representations and Warranties</b>	Consistent with the terms of a standard insolvency transaction (i.e., on an "as is, where is" basis, with limited representations and warranties)					
<b>Material Conditions</b>	Includes, among other things, the Court's granting of the Approval and Vesting Order					
<b>Outside Date</b>	90 Days following the execution date of the purchase and sale agreement					120 Days following the execution date of the purchase and sale agreement
<b>Closing</b>	5 Business Days following satisfaction of all material conditions					

## **Appendix “B”**

**KSV RESTRUCTURING INC., SOLELY IN ITS CAPACITY AS THE RECEIVER AND  
MANAGER OF THE ASSETS, PROPERTY AND UNDERTAKING OF BLUE SKY  
RESOURCES LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

**- and -**

**ENERCAPITA ENERGY LTD.**

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**ASSET PURCHASE AND SALE AGREEMENT**

**May 5, 2026**

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## ASSET PURCHASE AND SALE AGREEMENT

**THIS PURCHASE AND SALE AGREEMENT** is dated as of May 5, 2026,

**BETWEEN:**

**KSV RESTRUCTURING INC.**, a corporation existing under the federal laws of Canada, solely in its capacity as the receiver and manager of the assets, property and undertaking of Blue Sky Resources Ltd. (the "**Debtor**") and not in its personal or corporate capacity (herein referred to as the "**Vendor**")

- and -

**ENERCAPITA ENERGY LTD.**, a body corporate, existing under the laws of the Province of Alberta (herein referred to as the "**Purchaser**")

**WHEREAS:**

- A. pursuant to the Receivership Order, the Vendor was appointed as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof; and
- B. subject to receipt of Court Approval, the Purchaser has agreed to purchase and acquire and the Vendor has agreed to sell, transfer and assign to the Purchaser, all of the Vendor's Interest in and to the Assets, on the terms and conditions set forth herein.

**NOW THEREFORE**, this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged by each Party to the other, the Parties covenant and agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement:

- (a) "**Abandonment and Reclamation Obligations**" means all past, present and future obligations to:
  - (i) abandon, shut-down, close, decommission, dismantle or remove any and all Wells and Tangibles, including all structures, foundations, buildings, pipelines, equipment and other facilities forming part of the Wells and Tangibles or otherwise located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands; and
  - (ii) restore, remediate and reclaim the surface and subsurface locations of the Wells and the Tangibles and any lands used to gain access thereto, including such obligations relating to wells, pipelines and facilities which were abandoned or

decommissioned prior to the Closing Date that were located on the Lands or that were located on other lands and used in respect of Petroleum Substances produced or previously produced from the Lands, and including the remediation, restoration and reclamation of any other surface and sub-surface lands affected by any environmental damage, contamination or other environmental issues emanating from or relating to the sites for the Wells or the Tangibles;

all in accordance with generally accepted oil and gas industry practices and in compliance with all Applicable Laws;

- (b) "**AER**" means the Alberta Energy Regulator, or any successor thereto having jurisdiction over the Assets or certain of them or the operation thereof;
- (c) "**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with that specified Person. For the purposes of this definition, "control" (including with correlative meanings, controlling, controlled by and under common control with) means the power to direct or cause the direction of the management and policies of that Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and, it being understood and agreed that with respect to a corporation or partnership, control shall mean direct or indirect ownership of more than 50% of the voting shares in any such corporation or of the general partnership interest or voting interest in any such partnership;
- (d) "**Agreement**" means this agreement of purchase and sale and any schedules attached hereto which are referred to in this agreement, together with any amendment or supplement thereto;
- (e) "**Applicable Law**" means, in respect of any Person, asset, transaction, event or circumstance: (i) statutes (including regulations enacted thereunder); (ii) judgments, decrees and orders of courts of competent jurisdiction (including the common law); (iii) regulations, orders, ordinances and directives issued by Governmental Authorities; and (iv) the terms and conditions of all permits, licenses, approvals and authorizations, in each case which are applicable to such Person, asset, transaction, event or circumstance;
- (f) "**Approval and Vesting Order**" means an order of the Court approving the Transaction in accordance with the provisions of this Agreement, and, subject to Closing, vesting all of the Vendor's Interest in and to the Assets in the Purchaser free and clear of all Claims (other than Permitted Encumbrances) and interests, such order to be substantially in the form attached hereto as Schedule B together with such modifications and amendments to such form as may be approved by both the Vendor and the Purchaser, acting reasonably;
- (g) "**Assets**" means the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests;
- (h) "**Assignment Order**" means an order of the Court in form and substance satisfactory to the Vendor and the Purchaser, acting reasonably, and obtained on a motion made on notice to such Persons as the Vendor and the Purchaser determine, to be sought by the Vendor, authorizing and approving the assignment to the Purchaser of any Assumed Contracts for which the consent, approval or waiver of the party or parties thereto (other than the Company) is required to assign such Assumed Contracts;

- (i) "**Assumed Contracts**" means the contracts referenced in subsection (i) of the definition of Miscellaneous Interests, which contracts shall be assigned by the Vendor in its own right or for and on behalf of the Debtor and assumed by the Purchaser in accordance with the terms of this Agreement, the relevant contracts and/or the Approval and Vesting Order, and/or other order of the Court in form and substance satisfactory to the Parties;
- (j) "**Assumed Liabilities**" means, collectively, all liabilities and obligations arising from the possession, ownership and/or use of the Assets following Closing (including for greater certainty any municipal or property taxes that accrue commencing on the Closing Date), along with Environmental Liabilities, Abandonment and Reclamation Obligations and Cure Costs;
- (k) "**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the City of Calgary in the Province of Alberta;
- (l) "**Claim**" means any caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgments, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing:
  - (i) any encumbrances or charges created by the Receivership Order;
  - (ii) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
  - (iii) any liens or claims of lien under the *Prompt Payment and Construction Lien Act* (Alberta);
  - (iv) any outstanding amounts owing in respect of the AER Orphan Fund Levy and Administration Fees; and
  - (v) those claims which may be specifically identified in Schedule "C" to the Approval and Vesting Order, as applicable;
- (m) "**Closing**" means the completion of the purchase by the Purchaser, and sale by the Vendor, of the Vendor's Interest in and to the Assets and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such purchase and sale, all subject to and in accordance with the terms and conditions of this Agreement;
- (n) "**Closing Date**" means the date on which Closing occurs, being the date which is five Business Days following the date upon which all of the conditions in Sections 11.1, 11.2 and 11.3 have been satisfied or waived (other than such conditions which are to be satisfied on the Closing Date), or such other date as the Parties may agree in writing; provided, however, that the Closing Date shall not be later than the Outside Date;

- (o) "**Confidentiality Agreement**" means the confidentiality agreement between the Vendor and the Purchaser executed prior to the date hereof in respect of the evaluation by the Purchaser of potential transactions involving the assets of the Debtor;
- (p) "**Consent Required Contract**" means any Assumed Contract or license which is not assignable in whole or in part without the consent, approval or waiver of the party or parties thereto (other than the Vendor), for clarity other than the License Transfers;
- (q) "**Consequential Damages**" has the meaning ascribed to that term in Section 14.5;
- (r) "**Court**" means the Court of King's Bench of Alberta, Judicial Centre of Calgary;
- (s) "**Cure Costs**" means, in respect of any Assumed Contract, all amounts, required to be paid to remedy all of the Vendor's or the Debtor's monetary defaults under such Assumed Contract or required to secure a counterparty's or any other necessary Person's consent to the assignment of such Assumed Contract pursuant to its terms (including any deposits or other forms of security required by any Governmental Authority) or as may be required pursuant to the Approval and Vesting Order, and includes any other fees and expenses required to be paid to a counterparty or any other Person in connection with the assignment of an Assumed Contract pursuant to its terms or Applicable Laws;
- (t) "**Deposit**" has the meaning ascribed to that term in Section 3.3(a)(i);
- (u) "**Due Diligence Information**" means all information made available (by the Vendor, the Debtor or otherwise) for the Purchaser's review in paper or electronic form in relation to the Debtor, its Affiliates and/or the Assets;
- (v) "**Environment**" means the components of the earth and includes the air, the surface and subsurface of the earth, bodies of water (including rivers, streams, lakes and aquifers) and plant and animal life (including humans);
- (w) "**Environmental Laws**" means all Applicable Laws relating to pollution or protection of human health or the Environment (including ambient air, water, surface water, groundwater, land surface, soil, or subsurface) or natural resources, including Applicable Laws relating to the storage, transfer, transportation, investigation, cleanup, treatment, or use of, or release or threatened release into the Environment of, any Hazardous Substances;
- (x) "**Environmental Liabilities**" means all past, present and future Losses and Liabilities, Claims and other duties and obligations, whether arising under contract, Applicable Laws or otherwise, arising from, relating to or associated with:
  - (i) any damage, pollution, contamination or other adverse situations pertaining to the Environment howsoever and by whomsoever caused and regardless of whether such damage, pollution, contamination or other adverse situations occur or arise in whole or in part prior to, at or subsequent to the date of this Agreement;
  - (ii) the presence, storage, use, holding, collection, accumulation, assessment, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, release, emission or discharge of Petroleum Substances, oilfield wastes, water, Hazardous Substances, environmental contaminants and all other substances and materials regulated under any Applicable Law, including any

forms of energy, or any corrosion to or deterioration of any structures or other property;

- (iii) compliance with or the consequences of any non-compliance with, or violation or breach of, any Environmental Law;
- (iv) sampling, monitoring or assessing the Environment or any potential impacts thereon from any past, present or future activities or operations; or
- (v) the protection, reclamation, remediation or restoration of the Environment;

that relate to or arise by virtue of the Assets or the ownership thereof or any past, present or future operations and activities conducted in connection with the Assets or on or in respect of the Lands or any lands pooled or unitized therewith;

- (y) "**Facilities**" means the Vendor's Interest in and to all field facilities whether or not solely located on or under the surface of the Lands (or lands with which the Lands are pooled) and that are, or have been, used for production, gathering, treatment, compression, transportation, injection, water disposal, measurement, processing, storage or other operations respecting the Leased Substances, including any applicable battery, separator, compressor station, gathering system, pipeline, production storage facility or warehouse, including those facilities and pipelines identified in Schedule A under the headings entitled "Facilities" and "Pipelines", respectively, and as applicable;
- (z) "**General Conveyance, Assignment and Assumption Agreement**" means an agreement providing for the assignment by the Vendor of the Vendor's Interest in and to the Assets, free and clear of all Claims (other than Permitted Encumbrances), substantially in the form attached hereto as Schedule C, and the assumption by the Purchaser of the Assumed Liabilities, substantially in the form attached hereto as Schedule C;
- (aa) "**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Assets or this Transaction, including for greater certainty the AER;
- (bb) "**GST**" means taxes, interest, penalties and other additions thereto imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and "**GST Legislation**" means such act and regulations collectively;
- (cc) "**Hazardous Substances**" means any substance, material or waste defined, regulated, listed or prohibited by Environmental Laws, including pollutants, contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, radioactive materials, flammable substances, explosives, Petroleum Substances and products of Petroleum Substances, polychlorinated biphenyls, chlorinated solvents and asbestos;
- (dd) "**Lands**" means the lands set out and described in Schedule A under the heading entitled "Lands Schedule/Mineral Property Report", and the Petroleum Substances within, upon or

under such lands (subject to the restrictions and exclusions identified in the Title Documents as to Petroleum Substances and geological formations);

- (ee) "**Leased Substances**" means all Petroleum Substances, rights to or in respect of which are granted, reserved or otherwise conferred by or under the Title Documents (but only to the extent that the Title Documents pertain to the Lands);
- (ff) "**Legal Proceeding**" means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;
- (gg) "**Licence Transfers**" means the transfer from the Vendor and/or the Debtor to the Purchaser of any permits, approvals, licences and authorizations granted by the AER or any other Governmental Authority in relation to the construction, installation, ownership, use or operation of the Wells or the Facilities, as applicable.
- (hh) "**Losses and Liabilities**" means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations and penalties, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim by any Governmental Authority or any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, and those arising under any contract, agreement, arrangement, commitment or undertaking and costs and expenses of any Legal Proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith (on a full indemnity basis);
- (ii) "**LTAs**" has the meaning set forth in Section 2.4(a);
- (jj) "**Miscellaneous Interests**" means, subject to any and all limitations and exclusions provided for in this definition, the Vendor's Interest in and to all property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles (other than the Petroleum and Natural Gas Rights and the Tangibles), or either of them, but only to the extent that such property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including any and all of the following:
  - (i) all contracts relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);
  - (ii) all warranties, guarantees and similar rights relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including warranties and guarantees made by suppliers, manufacturers and contractors under the Assets, and claims against other Third Parties in connection with the contracts relating to the Petroleum and Natural Gas Rights and the Tangibles;
  - (iii) all subsisting rights to carry out operations relating to the Lands, the Tangibles or the Wells, and without limitation, all easements and other permits, licenses and authorizations pertaining to the Tangibles or the Wells;

- (iv) rights to enter upon, use, occupy and enjoy the surface of any lands which are used or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them;
- (v) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them including any of the foregoing that pertain to geological or geophysical matters and, including plats, surveys, maps, cross-sections, production records, electric logs, cuttings, cores, core data, pressure data, decline and production curves, well files, and related matters, division of interest records, lease files, title opinions, abstracts of title, title curative documents, lease operating statements and all other accounting information, marketing reports, statements, gas balancing information, and all other documents relating to customers, sales information, supplier lists, records, literature and correspondence, physical maps, geologic or geophysical interpretation, electronic and physical project files; and
- (vi) the Wells, including the wellbores and any and all casing and down-hole monitoring and pumping equipment;

provided that unless otherwise agreed in writing by the Parties, the Miscellaneous Interests shall not include any documents or data to the extent that they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by the Vendor or the Debtor to an assignee;

- (kk) "**Notice Period**" has the meaning ascribed to that term in Section 8.2(b);
- (ll) "**Order**" means any order, writ, judgment, injunction, decree, stipulation, determination, decision, verdict, ruling, subpoena, or award entered by or with any Governmental Authority (whether temporary, preliminary, or permanent);
- (mm) "**Outside Date**" means the date which occurs 90 days following the date of execution of this Agreement, or such other date as the Parties may agree;
- (nn) "**Outstanding ROFR Assets**" has the meaning set forth in Section 10.2(e)(ii);
- (oo) "**Outstanding ROFRs**" has the meaning set forth in Section 10.2(e);
- (pp) "**Parties**" means, collectively, the Purchaser and the Vendor, and "**Party**" means any one of them;
- (qq) "**Permitted Encumbrances**" means:
  - (i) any overriding royalties, net profits interests and other burdens, which are provided for under the Title Documents;
  - (ii) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;

- (iii) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
- (iv) easements, rights of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;
- (v) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;
- (vi) agreements for the sale, processing, transmission or transportation of Petroleum Substances entered into by the Debtor, or the Vendor for and on behalf of the Debtor subsequent to the date of this Agreement;
- (vii) any obligation of the Vendor or the Debtor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
- (viii) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;
- (ix) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards the Vendor's or any Debtor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;
- (x) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;
- (xi) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;
- (xii) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority;
- (xiii) any linear or non-linear municipal property tax claims under the *Municipal Government Act* (Alberta), or otherwise; and
- (xiv) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's or any Debtor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof;

- (rr) "**Person**" means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executory, Governmental Authority, or other entity however designated or instituted;
- (ss) "**Petroleum and Natural Gas Rights**" means the Vendor's Interest in and to all rights to and in respect of the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands);
- (tt) "**Petroleum Substances**" means any of crude oil, petroleum, natural gas, natural gas liquids, coal bed methane and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur;
- (uu) "**Purchase Price**" has the meaning ascribed to that term in Section 3.1;
- (vv) "**Purchaser**" has the meaning ascribed to that term in the preamble hereto;
- (ww) "**Receivership Order**" means the order of the Court dated March 23, 2026, pursuant to which the Vendor was appointed as the receiver and manager of all of the current and future assets, undertakings and properties of every nature or kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof;
- (xx) "**Receivership Proceedings**" means the court proceedings brought in the Court pursuant to Court Action No. 2601-05153, pursuant to which the Vendor was appointed as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof;
- (yy) "**Representative**" means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its Affiliates;
- (zz) "**ROFR**" means a right of first refusal, right of first offer or other pre-emptive or preferential right of purchase or similar right to acquire the Assets or certain of them that may become operative by virtue of this Agreement or the completion of the Transaction;
- (aaa) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the Vendor's Interest in and to the Assets to the Purchaser and to novate the Purchaser in the place and stead of the Vendor or the Debtor, as applicable, with respect to the Assets (excluding the Licence Transfers);
- (bbb) "**Tangibles**" means the Vendor's Interest in and to the Facilities and any and all other tangible depreciable property and assets, if any, which are located within, upon or in the vicinity of the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, store, transport, make marketable or inject the Leased Substances or any of them;
- (ccc) "**Third Party**" means any Person who is not a Party or an Affiliate of a Party;

- (ddd) "**Third Party Claim**" means any Claim by a Third Party asserted against the Vendor or the Debtor for which the Purchaser has indemnified the Vendor and the Debtor or is otherwise responsible pursuant to this Agreement;
- (eee) "**Title Documents**" means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements, acreage contribution agreements, joint venture agreements and any other documents and agreements granting, reserving or otherwise conferring rights to (i) explore for, drill for, produce, take, use or market Petroleum Substances, (ii) share in the production of Petroleum Substances, (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced, and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands;
- (fff) "**Transaction**" means the transaction for the purchase and sale of the Vendor's Interest in and to the Assets, together with all other transactions contemplated in this Agreement, all as contemplated in this Agreement;
- (ggg) "**Transfer Taxes**" means all transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Assets, including GST; and which, for certainty, shall not include freehold mineral taxes;
- (hhh) "**Vendor**" has the meaning ascribed to that term in the preamble hereto;
- (iii) "**Vendor's Interest**" means, when used in relation to any asset, undertaking or property, the entire right, title and interest, if any, of the Debtor and/or the Vendor, as applicable, in, to and/or under such asset, undertaking or property;
- (jjj) "**Vendor's Solicitors**" means the law firm of Bennett Jones LLP, or such other firm or firms of solicitors as are retained or engaged by the Vendor from time to time and notice of which is provided to the Purchaser; and
- (kkk) "**Wells**" means the Vendor's Interest in and to the wells listed in Schedule A under the heading entitled "Wells", as applicable.

## 1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) All references to monetary amounts are to the lawful currency of Canada.
- (b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.
- (c) The word "include" and "including" and derivatives thereof shall be read as if followed by the phrase "without limitation".

- (d) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.
- (e) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.
- (f) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified.
- (g) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.
- (h) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.
- (i) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.
- (j) Reference to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof.
- (k) References to an Applicable Law means such Applicable Law as amended from time to time and includes any successor Applicable Law thereto any regulations promulgated thereunder.

### **1.3 Schedules**

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule A	Assets Listing
Schedule B	Form of Approval and Vesting Order
Schedule C	Form of General Conveyance, Assignment and Assumption Agreement

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

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

## **ARTICLE 2 PURCHASE AND SALE**

### **2.1 Agreement of Purchase and Sale**

Subject to the terms and conditions of this Agreement, and in consideration of the Purchase Price, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase, accept and receive from the Vendor, the Vendor's Interest in and to the Assets.

## **2.2 Transfer of Property and Assumption of Liabilities**

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk, and legal and beneficial ownership of the Assets shall transfer from the Vendor to the Purchaser on the Closing Date, and the Purchaser agrees to assume, discharge, perform and fulfil all Assumed Liabilities. Without limiting the provisions of this Agreement relating to the General Conveyance, Assignment and Assumption Agreement (and such agreement itself), or any other provisions of this Agreement relating to sale, transfer, assignment, conveyance or delivery, the Assets shall be sold, assigned, transferred, conveyed, and delivered by the Vendor to the Purchaser by way of the Licence Transfers, the Specific Conveyances and other appropriate instruments of transfer, bills of sale, endorsements, assignments, and deeds, in recordable form, or by way of an Order of the Court, as appropriate, and free and clear of any and all Claims other than Permitted Encumbrances, as applicable.

## **2.3 Assignment of Consent Required Contracts**

The Vendor and the Purchaser shall cooperate and shall take such commercially reasonable steps as necessary to obtain the consent of the counterparties for the assignment of the Consent Required Contracts, including, if necessary, obtaining an Assignment Order, provided that Closing shall not be delayed even if certain consents for any Consent Required Contracts are outstanding at the Closing.

## **2.4 Licence Transfers**

- (a) Promptly following the Closing Date (or at such earlier time as may be permitted by the AER, as applicable), the Vendor shall electronically submit applications to the AER for the Licence Transfers ("**LTAs**"), and confirm that such submission has been made to the Purchaser. Each of the Purchaser and the Vendor agrees that it shall cause to be provided any information and documentation along with such LTAs to the AER as are required to be provided in connection with the foregoing, including in the case of Purchaser, any information required by the AER in connection with the AER assessing the LTAs pursuant to criteria under the AER's *Directive 088* and *Manual 023: Licensee Life-Cycle Management*, if applicable. The Purchaser shall take any steps required to accept or ratify such LTAs without delay, provided that, if the Purchaser in good faith determines or believes that any of the LTAs are not complete and accurate, or the AER refuses to process any such LTAs because of some defect therein, the Parties shall cooperate to duly complete or to correct such incomplete or inaccurate LTAs as soon as practicable and thereafter, the Vendor shall promptly re-submit such LTAs and the Purchaser shall accept or ratify such re-submitted LTAs without delay. Each Party shall be responsible for its own costs relating to LTAs hereunder. The Purchaser shall provide any information and documentation in respect of such LTAs to the AER which are required to be provided by the transferee in connection with the foregoing. Following submission of the LTAs, the Purchaser shall use reasonable commercial efforts to obtain the approval from the AER of the LTAs and registration of the Licence Transfers, subject to the specific requirements of this Section 2.4.
- (b) If the AER denies any of the LTAs because of misdescription or other minor deficiencies contained therein, the Vendor shall, within two Business Days of such denial, correct the LTA(s) and amend and re-submit the LTA(s), and the Purchaser shall accept or ratify such re-submitted LTAs without delay.
- (c) In the event that the Purchaser has applied, or prior to the Closing Date applies, to the AER for a discretionary waiver from the AER's security requirements in respect of the

Transaction, the Vendor shall provide such information and documentation to the AER regarding the Assets as may reasonably be required in connection with the AER's review of such discretionary waiver application made by the Purchaser (but only to the extent such information and documentation has not already been made available by the Vendor or its Representatives to the Purchaser or its Representatives); provided that the Purchaser agrees it shall have primary carriage of, and be solely responsible at its own cost for submitting and liaising with the AER in respect of, any such application.

- (d) The Purchaser shall on a timely and continuing basis keep the Vendor fully apprised and informed regarding all communications the Purchaser may have with the AER in connection with the Transaction, including all communications respecting LTAs, and without limiting the generality of the foregoing, the Purchaser shall provide copies to the Vendor of all related correspondence from the Purchaser to the AER, and the Purchaser shall request that the AER provide copies to the Vendor of all related correspondence from the AER to the Purchaser.
- (e) The Purchaser expressly acknowledges and agrees that it shall be solely responsible for all Assumed Liabilities associated with the Assets as of and after the Closing Date including in the event that the Licence Transfers do not occur for any reason. In the event that any of the Licence Transfers have not been completed by the date that is six (6) months following the Closing Date, the Vendor shall be entitled to seek and obtain a discharge from the Court in respect of any licences relating to the Assets which have not been transferred to the Purchaser by such date, and the Vendor shall have no further obligations to the Purchaser with respect to such licences, the Licence Transfers or LTAs contemplated in this Agreement.

## **2.5 Specific Conveyances**

- (a) Within a reasonable time following its receipt of the Title Documents from the Vendor, the Purchaser shall prepare and provide for the Vendor's review all Specific Conveyances. None of the Specific Conveyances shall confer or impose upon either Party any greater right or obligation than as contemplated in this Agreement. Promptly after Closing, the Purchaser shall register and/or distribute (as applicable), all such Specific Conveyances and shall bear all costs incurred therewith and in preparing and registering any further assurances required to convey the Assets to the Purchaser.
- (b) As soon as practicable following Closing, the Vendor shall deliver or cause to be delivered to the Purchaser such original copies of the Title Documents and any other agreements and documents to which the Assets are subject and such original copies of contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests which are now in the possession or control of the Vendor or the Debtor or of which the Vendor or the Debtor gain possession or control prior to Closing.
- (c) Notwithstanding Sections 2.5(a) and 2.5(b), requests for the transfers from the Vendor to the Purchaser of registered Crown leases or licences, related surface rights and any other Title Documents which are administered by a Governmental Authority shall be submitted by the Vendor and accepted by the Purchaser as soon as is practicable after Closing.

## 2.6 Post-Closing Maintenance of Assets

- (a) Following Closing, if and to the extent that the Purchaser must be novated into, recognized as a party to, or otherwise accepted as assignee or transferee of the Vendor's and/or the Debtor's interest in the Assets or certain of them, including any Title Documents and Assumed Contracts, the following provisions shall apply with respect to the applicable Assets until such novation, recognition or acceptance has occurred:
- (i) the Purchaser shall use reasonable commercial efforts to obtain, as may be required by the terms of any Assumed Contracts, consents or approvals to the assignment of such Assumed Contracts; provided that to the extent that any Cure Costs are payable with respect to any Assumed Contract, the Purchaser shall be responsible for and shall pay all such Cure Costs, which shall be paid directly to the counterparty as and when required in conjunction with the assignment of the Assumed Contracts, and which Cure Costs shall form part of the Purchase Price for the Assets;
  - (ii) to the extent not obtained prior to the Closing Date, the Purchaser shall continue to use reasonable commercial efforts to obtain the AER's approval of the LTAs and registration of the Licence Transfers;
  - (iii) to the extent applicable, the Vendor and/or the Debtor shall hold the rights, entitlements, benefits, remedies, duties and obligations in respect of the applicable Assets in trust for the exclusive benefit of the Purchaser as bare trustee and agent;
  - (iv) to the extent permitted by any applicable Assumed Contract:
    - (A) the Purchaser will pay, perform and discharge the duties and obligations accruing after Closing under such Assumed Contract, on behalf of the Vendor and/or any Debtor, until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser; and
    - (B) the Vendor shall, or shall cause the Debtor to, use reasonable commercial efforts to exercise the rights, entitlements, benefits and remedies under such Assumed Contract, on behalf of the Purchaser until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser, or such Assumed Contract expires or otherwise terminates;
  - (v) neither the Vendor nor the Debtor shall have any liability as a consequence of the Vendor or any Debtor taking any action or causing anything to be done under this Section 2.6(a), and the Purchaser shall be responsible and liable for, and, as a separate covenant, shall hereby indemnify and save harmless the Vendor, the Debtor and their respective Representatives against, all costs and expenses reasonably incurred by the Vendor, the Debtor, their Affiliates or their respective Representatives as a consequence of or in connection with this Section 2.6(a); and
  - (vi) nothing in this Agreement shall constitute an agreement to assign, and shall not be construed as an assignment of, or an attempt to assign to the Purchaser, any Assumed Contract until such time as the necessary consents or approvals with respect to the assignment are obtained.

- (b) Both before and after Closing, the Purchaser shall use all commercially reasonable efforts to obtain any and all approvals required under Applicable Law and any and all material consents of Third Parties required to permit this Transaction to be completed. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances, deposits or security that may be required by Governmental Authorities or any Third Parties under the Assumed Contracts or Applicable Laws to permit the transfer of the Assets, including the Assumed Contracts, to the Purchaser.

## 2.7 Assumed Liabilities

Following Closing, the Purchaser shall assume, perform, discharge and pay when due all of the Assumed Liabilities. For greater certainty, the Purchaser acknowledges and agrees that the Environmental Liabilities and Abandonment and Reclamation Obligations in respect of the Assets are future costs and obligations associated with the ownership of the Assets that are tied and connected to the ownership of the Assets such that they are inextricably linked and embedded with the Assets.

## ARTICLE 3 PURCHASE PRICE

### 3.1 Purchase Price

The consideration payable by the Purchaser for the Assets shall be the sum of [REDACTED] (the "**Purchase Price**"). The Purchase Price shall be satisfied in accordance with Section 3.3(b) and shall not be subject to any adjustment (and for greater certainty, Cure Costs shall be satisfied in accordance with Section 2.6(a)(i)). The Purchaser and the Vendor acknowledge and agree that the Purchase Price reflects the fair market value of the Assets as of the Closing Date, having due regard to the Environmental Liabilities connected to and embedded in the Assets that depress the value of the Assets.

### 3.2 Allocation of Purchase Price

The Purchase Price shall be allocated among the Assets as follows:

- [REDACTED]
- [REDACTED]
- [REDACTED]

### 3.3 Deposit and Satisfaction of Purchase Price

- (a) The Parties acknowledge that:
  - (i) on the date hereof, the Purchaser paid the amount equal to ten percent (10%) of the Purchase Price (the "**Deposit**") to the Vendor;
  - (ii) the Deposit has been delivered to and shall be held in trust by the Vendor; and
  - (iii) the Deposit shall be held and administered by the Vendor in accordance with the terms and conditions of this Agreement (including this Section 3.3).

- (b) At Closing, the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.6(a)(i)) shall be paid and satisfied as follows:
  - (i) as to the amount of the Deposit, the Vendor shall retain the amount of the Deposit and apply such amount against the amount of the Purchase Price; and
  - (ii) as to the balance of the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.6(a)(i)), along with any additional amounts owing in respect of applicable GST, the Purchaser shall pay to the Vendor such amount by electronic wire transfer.
- (c) If this Agreement is terminated:
  - (i) (A) pursuant to Section 13.1(a) by mutual agreement of the Parties; (B) pursuant to Sections 13.1(b) or 13.1(c) by the Purchaser; (C) pursuant to Section 13.1(e) by the Vendor; or (D) for any other reason other than as contemplated under Section 3.3(c)(ii); then the Deposit shall be returned to the Purchaser; or
  - (ii) pursuant to Section 13.1(d) by the Vendor, the full amount of the Deposit shall be forfeited to the Vendor,

and, subject to Section 13.2, each Party shall be released from all obligations and liabilities under or in connection with this Agreement. In the event of termination of this Agreement under Section 3.3(c)(ii) pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit, constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

#### **ARTICLE 4 TRANSFER TAXES**

##### **4.1 Transfer Taxes**

The Parties agree that:

- (a) the Purchase Price does not include Transfer Taxes and the Purchaser shall be liable for and shall pay, and be solely responsible for, any and all Transfer Taxes pertaining to the Purchaser's acquisition of the Assets; and
- (b) the Purchaser shall indemnify the Vendor, the Debtor and their respective Affiliates for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that any of them are required to pay or for which any of them may become liable as a result of any failure by the Purchaser to self-assess, pay or remit such Transfer Taxes, other than as a result of a failure by the Vendor, the Debtor or their respective Affiliates to timely remit any amounts on account of Transfer Taxes paid by the Purchaser hereunder.

## 4.2 GST Registration

The Debtor is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and its GST registration number is:

**Debtor**  
BLUE SKY RESOURCES LTD.

**GST Registration Number**  
747330488 RT0001

## ARTICLE 5 REPRESENTATIONS AND WARRANTIES

### 5.1 Vendor's Representations

The Vendor hereby represents and warrants to the Purchaser that:

- (a) pursuant to the Receivership Order, it has, among other things, been appointed by the Court as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof, and such appointment is valid and subsisting and has not been varied or amended, except as set forth in the Receivership Order; and
- (b) subject to the Approval and Vesting Order being obtained, this Agreement has been duly executed and delivered and constitutes a legal, valid and binding obligation of it and is enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;

### 5.2 Purchaser's Representations

The Purchaser hereby represents and warrants to the Vendor that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation or formation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (b) it has taken all necessary corporate or other acts to authorize the execution, delivery and performance by it of this Agreement;
- (c) neither the execution of this Agreement nor its performance by the Purchaser will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which the Purchaser is a party or by which it is bound which breach could materially affect the ability of the Purchaser to perform its obligations hereunder;
- (d) except for: (i) the Approval and Vesting Order; and (ii) the Licence Transfers and (iii) any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract including the Consent Required Contracts; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action,

or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of this Transaction;

- (e) subject to the Approval and Vesting Order being obtained, this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (f) the Purchaser is not a non-Canadian Person within the meaning of the *Investment Canada Act* (Canada) nor a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (g) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser;
- (h) to the knowledge of the Purchaser, the Purchaser meets all eligibility requirements of Governmental Authorities to purchase and accept a transfer of the Assets, including without limiting the generality of the foregoing, the eligibility requirements of the AER under *Directive 067*, as applicable to the Purchaser in connection with the transactions as contemplated hereunder. As of the date of submission of the LTAs, the Purchaser has "General Eligibility" status as defined under *Directive 067* and the Purchaser's BA code is A73W;
- (i) as of the date of submission of the LTAs, the Purchaser is not aware of any fact or circumstance that would (i) result in the AER determining that the Purchaser poses an unreasonable risk in accordance with the factors and criteria established by the AER pursuant to *Directive 088* and *Manual 023: Licensee Life-Cycle Management*, or (ii) prevent or delay the Licence Transfers or the review of the LTAs by the AER as contemplated hereunder;
- (j) with respect to the GST imposed under the GST Legislation, the Purchaser is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and that its GST registration number is 804686434 RT0001;
- (k) the Purchaser is a "Canadian" within the meaning of the *Investment Canada Act* (Canada);
- (l) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, the Purchase Price (including the Deposit), the Cure Costs, the Transfer Taxes, its legal fees and expenses, registration costs and any other amounts payable by the Purchaser pursuant hereto; and
- (m) the Purchaser has the financial resources necessary to post or satisfy all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Assets and to satisfy the security required by the Assumed Contracts.

### **5.3 Enforcement of Representations and Warranties**

- (a) The representations and warranties of each Party contained in this Agreement shall survive until Closing and shall thereafter be of no further force and effect. Effective upon the occurrence of Closing, each Party hereby releases and forever discharges each other Party from any breach of any representations and warranties set forth in this Agreement. For greater certainty, none of the representations and warranties contained in this Article 5 shall survive Closing and, the Purchaser's sole recourse for any material breach of representation or warranty by the Vendor shall be for the Purchaser to not complete the Transaction in accordance with this Agreement.
- (b) The representations and warranties of the Vendor made herein or pursuant hereto are made for the exclusive benefit of the Purchaser, and the representations and warranties of the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.
- (c) The Parties expressly acknowledge and agree that the provisions of this Section 5.3 and the limit on each Party's liability set out in this Section 5.3 are intended by the Parties as a limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each Party has agreed to assume in connection with the subject matter hereof and is not an agreement within the provision of subsection 7(2) of the *Limitations Act* (Alberta).

## **ARTICLE 6 "AS IS, WHERE IS" AND NO ADDITIONAL REPRESENTATIONS AND WARRANTIES**

### **6.1 Due Diligence Acknowledgement**

The Purchaser acknowledges and agrees that:

- (a) it was solely responsible to perform any inspections it deemed pertinent to the purchase of the Assets and to be satisfied as to the condition of the Assets prior to entering into this Agreement with the Vendor;
- (b) notwithstanding the fact that it was permitted to review any diligence materials and disclosures provided by the Vendor, including the Due Diligence Information, the Vendor assumes no liability for errors or omissions in such diligence materials and disclosure or any other property listings or advertising, promotional or publicity statements and materials, and makes no representations or warranties in respect thereof;
- (c) by entering into this Agreement with the Vendor, the Purchaser shall be deemed to represent, warrant and agree with respect to the Assets that:
  - (i) the Purchaser has inspected the Assets and is familiar and satisfied with the physical condition thereof and has conducted such investigation of the Assets as the Purchaser has determined appropriate;
  - (ii) none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives have made any oral or written representation, warranty, promise

or guarantee whatsoever to the Purchaser, expressed or implied, and in particular, that no such representations, warranties, guarantees, or promises have been made with respect to the physical condition, operation, or any other matter or thing affecting or related to the Assets and/or the offering or sale of the Assets;

- (iii) the Purchaser has not relied upon any representation, warranty, guarantee or promise or upon any statement made or any information provided concerning the Assets, including the Due Diligence Information made available to the Purchaser by the Vendor, the Debtor, their respective Affiliates or their respective Representatives;
- (iv) the Purchaser has entered into this Agreement after having relied solely on its own independent investigation, inspection, analysis, appraisal and evaluation of the Assets and the facts and circumstances related thereto;
- (v) any information provided or to be provided by or on behalf of the Vendor with respect to the Assets, including all Due Diligence Information, was obtained from information provided to the Vendor and the Vendor has not made any independent investigation or verification of such information, and makes no representations as to the accuracy or completeness of such information;
- (vi) without limiting the generality of the foregoing, the Vendor is not under any obligation to disclose to the Purchaser, and shall have no liability for its failure to disclose to the Purchaser, any information known to it relating to the Assets except as may be required by any Applicable Law; and
- (vii) none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives are liable or bound in any manner by any oral or written statements, representations or information pertaining to the Assets, or the operation thereof, made or furnished by any real estate broker, agent, employee, or other Person.

## **6.2 "As Is, Where Is", No Additional Representations**

- (a) Without limiting any other provision of this Agreement, the Purchaser acknowledges and agrees that it is acquiring the Assets on an "as is, where is" and "without recourse" basis with all defects, both patent and latent, and with all faults, whether known or unknown, presently existing or that may hereafter arise. The Purchaser acknowledges and agrees that, except as expressly set forth in this Agreement, the Vendor, the Debtor, their respective Affiliates and their respective Representatives have not made, do not make and specifically negate and disclaim any representation, warranty, promise, covenant, agreement or guaranty of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Assets. For greater certainty, but without limitation, except as expressly set forth in this Agreement, none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives make any condition, representation or warranty whatsoever, express or implied, with respect to:
  - (i) the title and interest of the Vendor or the Debtor in and to the Assets;

- (ii) whether any ROFRs are exercisable by a Third Party in connection with the completion of the Transactions;
  - (iii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;
  - (iv) the income to be derived from the Assets, if any;
  - (v) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;
  - (vi) the rates of production of Petroleum Substances from the Lands;
  - (vii) the quality, condition, marketability, profitability, fitness for a particular purpose or merchantability of any tangible depreciable equipment or property interests which comprise the Assets (including the Tangibles or any personal property);
  - (viii) the suitability of the Assets for any and all purposes, activities and uses which the Purchaser may desire to conduct thereon;
  - (ix) the compliance of or by the Assets or its operation with any Applicable Law (including Environmental Laws);
  - (x) the validity or enforceability of the Assumed Contracts or the ability to assign any of the Assumed Contracts;
  - (xi) any regulatory approvals, permits and licenses, consents or authorizations that may be needed to complete the purchase of the Assets contemplated by this Agreement;
  - (xii) the manner or quality of the construction or materials, if any, incorporated into the Assets;
  - (xiii) the manner, quality, state of repair or lack of repair of the Assets;
  - (xiv) the existence of soil instability, past soil repairs, susceptibility to landslides, sufficiency of under-shoring, sufficiency of drainage, or any other matter affecting the stability or integrity of the Assets or any structures or improvements situated thereon;
  - (xv) whether the Assets are located in a seismic hazards zone or a flood hazard zone;
  - (xvi) the presence of pests and any damage to the Assets and/or its improvements that may have occurred as a result;
  - (xvii) the nature and quantum of the Assumed Liabilities; or
  - (xviii) any other matter with respect to the Assets.
- (b) The Purchaser acknowledges that the release and disclaimer described in this Article 6 is intended to be very broad and, except for its express rights under this Agreement, the Purchaser expressly waives and relinquishes any rights or benefits it may have under any Applicable Law designed to invalidate releases of unknown or unsuspected claims.

- (c) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor, the Debtor, their respective Affiliates and their respective Representatives in respect of the Assets and any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means). Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the *Sale of Goods Act* (Alberta) (or similar applicable statutes, all as may be amended, repealed or replaced), warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

## **ARTICLE 7 RISK AND COSTS AND INSURANCE**

### **7.1 Risk and Costs**

Except as otherwise provided for in this Agreement, the Assets will be at the sole risk and responsibility of the Vendor and the Debtor until the Closing Date, and thereafter at the sole risk and responsibility of the Purchaser.

### **7.2 Insurance**

Any property, liability and other insurance maintained by the Vendor and/or the Debtor in relation to the Assets, to the extent applicable, shall not be transferred at Closing, but shall remain the responsibility of the Vendor and/or the Debtor until the Closing Date. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Assets in respect of the period from and after 12:01 a.m. on the Closing Date.

## **ARTICLE 8 INDEMNIFICATION**

### **8.1 Indemnification Given by Purchaser**

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, the Debtor, their respective Affiliates and their respective Representatives for; and
- (b) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives related to or in connection with the Assets and the Assumed Liabilities, including: (i) all Losses and Liabilities attributable to the ownership, operation, use, construction or maintenance of the Assets during the period following the Closing Date; (ii) all Losses and Liabilities arising or accruing on or after the Closing Date under any Assumed Contract, including any and all Cure Costs; and (iii) any other Losses and Liabilities for which the Purchaser has otherwise agreed to

indemnify the Vendor and the Debtor pursuant to this Agreement, including pursuant to Section 9.2. The Purchaser's indemnity obligations set forth in this Section 8.1 shall survive the Closing Date indefinitely pursuant to Section 14.3.

## 8.2 Third Party Claims

- (a) If any of the Vendor, the Debtor, their respective Affiliates or any of their respective Representatives receives written notice of the commencement or assertion of any Third Party Claim for which the Purchaser is liable pursuant to this Agreement (or has otherwise agreed to indemnify the Vendor, the Debtor, their respective Affiliates or their respective Representatives against), the Vendor shall give the Purchaser reasonably prompt notice thereof, but in any event no later than ten (10) days after receipt of such notice of such Third Party Claim. Such notice to the Purchaser shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount (or the method of computation of the amount) of the Losses and Liabilities that has been or may be sustained by the Vendor, the Debtor, their respective Affiliates or their respective Representatives, respectively, and a reference to the provisions of this Agreement, or other applicable document, upon which such claim is based.
- (b) The Purchaser may assume the carriage and control of the defence of any Third Party Claim by giving notice to that effect to the Vendor or the Debtor(s), respectively, not later than ten (10) days after receiving notice of that Third Party Claim (the "**Notice Period**") so long as: (i) the Purchaser first acknowledges to the Vendor, in writing, liability to the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, under this Agreement with respect to such Third Party Claim and that the outcome of such Third Party Claim does not alter or diminish the Purchaser's obligation to indemnify the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, pursuant to this Agreement, subject to the Purchaser's right to contest in good faith the Third Party Claim; (ii) the Purchaser has the financial resources to defend against the Third Party Claim and fulfill any indemnification obligations and has provided the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, with evidence thereof; (iii) the Third Party Claim involves monetary damages; and (iv) the Purchaser thereafter pursues the defence or settlement of the Third Party Claim actively and diligently. The Purchaser's right to do so shall be subject to the rights of any insurer or other third party who has potential liability in respect of that Third Party Claim. The Purchaser shall pay all of its own expenses of participating in or assuming such defence. In the event that the Purchaser elects to assume the carriage and control of the defence of a Third Party Claim pursuant to this Section 8.2(b), then the Vendor shall, or shall cause the Debtor, their respective Affiliates and/or their respective Representatives to, cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice at its own expense.
- (c) If the Vendor has not received notice within the Notice Period that the Purchaser has elected to assume the carriage and control of the defence of such Third Party Claim in accordance with Section 8.2(b), or if the Purchaser has given such notice but thereafter fails or is unable to pursue the defence or settlement of such Third Party Claim actively and diligently, the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, may, at their option, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Losses and Liabilities suffered or incurred by the Vendor,

the Debtor, their respective Affiliates and/or their Representatives with respect to such Third Party Claim.

### **8.3 Failure to Give Timely Notice**

Notwithstanding that time is of the essence, a failure to give timely notice as provided in this Article 8 shall not affect the rights or obligations of any Party except and only to the extent that, as a result of such failure, any Party which was entitled to receive such notice was deprived of its right to recover any payment under any applicable insurance coverage or was otherwise prejudiced as a result of such failure.

### **8.4 No Merger**

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

### **8.5 Third Party Beneficiary**

The Vendor's Representatives and the Vendor's Affiliates, the Debtor, their respective Affiliates and all of their respective Representatives are intended third party beneficiaries of this Article 8 and shall have the right, power and authority to enforce the provisions hereof as though they were each a party hereto. The Purchaser further agrees to execute such agreements as may be reasonably requested by such Persons in connection with these provisions that are consistent with this Article 8 or that are reasonably necessary to give further effect thereto.

## **ARTICLE 9 ENVIRONMENTAL MATTERS**

### **9.1 Acknowledgements Regarding Environmental Condition**

The Purchaser acknowledges that, insofar as the environmental condition of the Assets is concerned, it will acquire the Assets pursuant hereto on an "as is, where is" basis. The Purchaser acknowledges that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of the Purchaser (insofar as the Vendor could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Vendor, the Debtor or any of their respective Representatives as to the environmental condition of the Assets, or any Environmental Liabilities or Abandonment and Reclamation Obligations in respect thereof.

### **9.2 Assumption of Environmental Liabilities**

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, the Debtor, their respective Affiliates and their respective Representatives for; and
- (b) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, the Debtor, their respective Affiliates or their respective Representatives as a result of any matter or thing arising out of, attributable to

or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, the Purchaser shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations as between the Vendor and the Debtor (on one hand) and the Purchaser (on the other hand) including whether occurring or accruing prior to, on or after the Closing Date, and hereby releases the Vendor, the Debtor, their respective Affiliates and their respective Representatives from any claims the Purchaser may have against the Vendor or the Debtor with respect to all such Environmental Liabilities and Abandonment and Reclamation Obligations. Without restricting the generality of the foregoing, the Purchaser shall be responsible for all Environmental Liabilities and Abandonment and Reclamation Obligations (including whether occurring or accruing prior to, on or after the Closing Date) in respect of all Wells and Tangibles.

## **ARTICLE 10 COVENANTS**

### **10.1 Conduct of Business Until Closing**

- (a) From the date hereof until the Closing Date, subject to the Receivership Order and any limitations set out in the Title Documents and any other agreements and documents to which the Assets are subject, the Vendor shall use reasonable commercial efforts, to maintain the Assets in a proper and prudent manner in material compliance with all Applicable Laws, but for greater certainty only to the extent that the nature, scope and authority of the Vendor's role as receiver and manager of the assets, property and undertaking of the Debtor and the nature of the Receivership Proceedings permits and is consistent with the foregoing.
- (b) Until the Closing Date, the Vendor shall provide the Purchaser with all access to the Assets as is reasonably required by the Purchaser in order to allow for and assist the Purchaser with an orderly passing of the Assets to the Purchaser following Closing in accordance herewith.
- (c) The access to the Assets to be afforded to the Purchaser and its Representatives pursuant to this Section 10.1 will be subject to the Assumed Contracts and all of the Vendor's and the Debtor's site entry protocols, health, safety and environmental rules, policies and procedures. Further, the Purchaser acknowledges and agrees that it shall:
  - (i) be solely liable and responsible for any and all Losses and Liabilities which the Vendor, the Debtor, their respective Affiliates or their respective Representatives may suffer, sustain, pay or incur; and
  - (ii) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives harmless from any and all Claims or Losses and Liabilities whatsoever which may be brought against, suffered by or incurred by the Vendor, the Debtor, their respective Affiliates or their respective Representatives;

arising out of, resulting from, attributable to or in any way connected with any access provided to the Purchaser or its Representatives pursuant to this Section 10.1.

## 10.2 ROFRs

- (a) The Purchaser acknowledges that it shall be responsible for conducting such separate investigation of the Assets as the Purchaser has determined is appropriate with respect to the identification of ROFRs applicable to the Assets as soon as is reasonably practicable after the date hereof. The Purchaser shall indemnify Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, the Debtor, their respective Affiliates or their respective Representatives as a result of any failure by the Purchaser to identify ROFRs applicable to the Assets or any Third Party Claim relating to the allocation of the value of a ROFR to be determined by the Purchaser in accordance with Section 10.2(b)(i), as applicable.
- (b) If the Purchaser has identified any ROFRs pursuant to Section 10.2(a):
  - (i) promptly following the identification of Assets which are the subject of ROFRs, the Purchaser shall prepare and provide the Vendor with ROFR notices to be issued in respect of such ROFRs, which shall include the Purchaser's bona fide allocation of the amount of the Purchase Price attributable to each of such Assets which are subject to a ROFR;
  - (ii) the Vendor shall courier ROFR notices to the Third Parties holding such ROFRs promptly following the receipt of the same from the Purchaser; and
  - (iii) to the extent the Purchaser is not copied directly on a response from a Third Party ROFR holder, the Vendor shall notify the Purchaser in writing forthwith upon each Third Party exercising or waiving such a ROFR.
- (c) If any such Third Party elects to exercise such a ROFR, then:
  - (i) the definition of Assets shall be deemed to be amended to exclude those Assets in respect of which the ROFR has been exercised;
  - (ii) such Assets shall not be conveyed to the Purchaser;
  - (iii) any proceeds received by the Vendor from a Third Party in respect of the sale and conveyance of any Assets which are subject to a ROFR shall be deemed to not constitute Assets for the purposes of this Agreement; and
  - (iv) the Purchase Price shall not be subject to any reduction in the event of the exercise of any such ROFR by a Third Party.
- (d) In the event that a Third Party exercises a ROFR and is then unable or unwilling to enter into a conveyance agreement with the Vendor for the relevant Assets, the Purchaser agrees to accept a conveyance of such Assets under the same terms and conditions as this Agreement to whatever extent possible.
- (e) Closing shall not be delayed even though certain of the ROFRs are outstanding and capable of exercise by the holders thereof as of the Closing Date (such ROFRs being referred to as "**Outstanding ROFRs**"). In such case, the following procedures shall apply:

- (i) the Parties shall proceed with Closing (for greater certainty without any reduction in the Purchase Price for the Outstanding ROFRs, and without variation of any other terms or conditions of this Agreement);
- (ii) the Purchaser shall have (as of the Closing Date) prepared all Specific Conveyances and other closing documentation required for the sale of the Assets subject to the Outstanding ROFRs (the "**Outstanding ROFR Assets**");
- (iii) if an Outstanding ROFR is exercised by a Third Party, the Vendor will promptly notify the Purchaser thereof in writing, the Specific Conveyances and other closing documentation related to such Outstanding ROFR Assets will be of no force or effect and shall be destroyed by the Purchaser, and the provisions of Section 10.2(c) shall apply to the Assets which are the subject of the Outstanding ROFR being exercised by the Third Party, *mutatis mutandis*; and
- (iv) if after Closing an Outstanding ROFR is extinguished by lapse of time, waiver or otherwise (other than as a result of being exercised), the Vendor will promptly notify the Purchaser thereof in writing and promptly deliver copies of the Specific Conveyances and closing documentation previously prepared to the Purchaser, and such documentation shall be effective and the sale of such Outstanding ROFR Assets to Purchaser pursuant hereto shall be deemed to have closed on the Closing Date.

### **10.3 Document Review**

Prior to Closing, the Vendor shall provide Purchaser with reasonable access to the Title Documents and other Miscellaneous Interests in the possession or under the control of Vendor for the purpose of verifying the continued validity and effect of the Title Documents, the identification of Assets the subject of ROFRs, the preparation of Specific Conveyances and other matters related to this Agreement and the Transaction.

## **ARTICLE 11 CONDITIONS**

### **11.1 Mutual Conditions**

The respective obligations of the Parties to complete the purchase and sale of the Assets are subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) the Court shall have granted the Approval and Vesting Order;
- (b) no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable order or Applicable Law subsequent to the date hereof which has the effect of: (i) making any of the transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the Vendor from the sale of the Assets; and
- (c) the Closing is not otherwise prohibited by Applicable Law.

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be asserted by the Vendor or the Purchaser regardless of the circumstances and may be waived only with the agreement of the Vendor and the Purchaser.

## **11.2 Conditions for the Benefit of the Purchaser**

The obligation of the Purchaser to complete the purchase of the Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Vendor contained in Section 5.1 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time;
- (b) the Vendor shall have complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement; and
- (c) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 12.2.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have.

## **11.3 Conditions for the Benefit of the Vendor**

The obligation of the Vendor to complete the sale of the Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Purchaser contained in Section 5.2 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time;
- (b) the Purchaser shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement;
- (c) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at or before the Closing all the documents contemplated in Section 12.3; and
- (d) the Vendor has not lost its ability to convey the Assets due to an order of the Court.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Vendor may have.

## **11.4 Satisfaction of Conditions**

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 11.1, 11.2 and 11.3. In addition, each of the Parties agrees not to take any action that could reasonably be expected to preclude, delay or have an adverse effect on the Transaction or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

## **ARTICLE 12 CLOSING**

### **12.1 Closing Date and Place of Closing**

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date, or at such other time as the Parties may agree in writing.

### **12.2 Deliveries on Closing by the Vendor**

The Vendor shall deliver (or cause to be delivered) to the Purchaser on or before the Closing Date:

- (a) a Court certified copy of the Approval and Vesting Order;
- (b) any consents for the Consent Required Contracts received prior to the Closing Date;
- (c) the General Conveyance, Assignment and Assumption Agreement duly executed by the Vendor; and
- (d) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

### **12.3 Deliveries on Closing by the Purchaser**

The Purchaser shall deliver (or cause to be delivered) to the Vendor's Solicitor on or before the Closing Date:

- (a) payment of the Purchase Price in accordance with Section 3.3(b);
- (b) evidence of payment of the Cure Costs in accordance with Section 2.6(a)(i), as applicable;
- (c) payment of all Transfer Taxes payable on Closing to the Vendor or the Vendor's Solicitors (or evidence of self-assessment and payment by the Purchaser thereof to the relevant Governmental Authorities);
- (d) the General Conveyance, Assignment and Assumption Agreement duly executed by the Purchaser; and
- (e) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

## **ARTICLE 13 TERMINATION**

### **13.1 Grounds for Termination**

This Agreement may be terminated at any time prior to Closing:

- (a) by the mutual written agreement of the Vendor and the Purchaser, provided however that if this Agreement has been approved by the Court, any such termination shall require the approval of the Court;
- (b) by the Purchaser, upon written notice to the Vendor, if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Vendor received such notice;
- (c) by the Purchaser, upon written notice to the Vendor, any time after the Outside Date, if (A) the Approval and Vesting Order has not been obtained, or (B) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Purchaser's breach of this Agreement;
- (d) by the Vendor, upon written notice to the Purchaser, if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.3 impossible by the Outside Date; or (ii) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Purchaser received such notice; or
- (e) by the Vendor, upon written notice to the Purchaser, any time after the Outside Date, if (A) the Approval and Vesting Order has not been obtained, or (B) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the breach of this Agreement by the Vendor.

### **13.2 Effect of Termination**

Notwithstanding any termination of this Agreement as permitted under Section 13.1, or as otherwise provided for in this Agreement, the provisions of Sections 3.3 (Deposit), 14.1 (Public Announcements), 14.4 (Governing Law), 14.5 (Consequential Damages), 14.11 (Costs and Expenses) and 14.15 (Third Party Beneficiaries) shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.3.

## **ARTICLE 14 GENERAL**

### **14.1 Public Announcements**

- (a) Subject to Section 14.1(b), if a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Parties with an advance copy of any such press release or public disclosure with sufficient time to enable the other Parties to review such press release or

other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure without the prior written consent of the other Parties, such consent not to be unreasonably withheld.

- (b) Notwithstanding Section 14.1(a): (i) this Agreement may be filed by the Vendor with the Court; and (ii) the Transaction may be disclosed by the Vendor to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Law. The Parties further agree that:
- (i) the Vendor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms of the Transaction;
  - (ii) the Vendor may forward a copy of this Agreement and all related documentation to the Orphan Well Association and its Representatives, agents, legal counsel and financial advisors, and may further advise such Persons of the existence and nature of any discussions and negotiations in relation thereto or in relation to the Transaction; provided that the Orphan Well Association and its Representatives agree in advance to be bound by any confidentiality undertakings or similar confidentiality requirements reasonably requested by the Vendor; and
  - (iii) the Vendor and its professional advisors may prepare and file such reports and other documents with the Court containing references to the Transaction contemplated by this Agreement and the terms of such Transaction as may reasonably be necessary to obtain the Approval and Vesting Order and to complete the Transaction contemplated by this Agreement or to comply with their obligations to the Court.

## **14.2 Dissolution of Debtor**

The Purchaser acknowledges and agrees that nothing in this Agreement shall operate to prohibit or diminish in any way the right of the Vendor or any of its Affiliates to cause the dissolution or wind-up of any of the Debtor subsequent to the Closing Date, or otherwise cause or allow the Debtor to cease operations in any manner or at any time subsequent to the Closing Date as the Vendor may determine in its sole discretion, which may be exercised without regard to the impact any such action may have on the Vendor's ability to fulfil its obligations under this Agreement that survive Closing.

## **14.3 Survival**

Upon Closing, the obligations, covenants, representations and warranties of the Parties set out in this Agreement shall expire, be terminated and extinguished and of no further force or effect, provided that notwithstanding the Closing contemplated hereunder or the delivery of documents pursuant to this Agreement, the obligations and covenants of the Parties set out in Section 2.3 (Assignment of Consent Required Contracts), Section 2.4 (Licence Transfers), Section 2.5 (Specific Conveyances), Section 2.6 (Post-Closing Maintenance of Assets), Section 5.3 (Enforcement of Representations and Warranties), Section 10.2 (ROFRs) and Article 4 (Transfer Taxes), Article 6 ("As Is, Where Is" and No Additional Representations and Warranties), Article 8 (Indemnification), Article 9 (Environmental Matters) and Article 14 (General), shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties indefinitely thereafter except as expressly stated to the contrary therein or otherwise in accordance with Applicable Laws.

#### **14.4 Governing Law**

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.
- (b) Notwithstanding Section 14.4(a), any and all documents or orders that may be filed, made or entered in the Receivership Proceedings, and the rights and obligations of the Parties thereunder, including all matters of construction, validity and performance thereunder, shall in all respects be governed by, and interpreted, construed and determined in accordance with the laws of the Province of Alberta. The Parties consent to the jurisdiction and venue of the Court, as applicable, for the resolution of any such disputes, regardless of whether such disputes arose under this Agreement. Each Party agrees that service of process on such Party as provided in Section 14.13 shall be deemed effective service of process on such Party.

#### **14.5 Consequential Damages**

Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any punitive, exemplary, consequential or indirect damages (including for greater certainty, any loss of profits) (collectively, "**Consequential Damages**") that may be alleged to result, in connection with, arise out of, or relate to this Agreement or the Transaction, other than Consequential Damages for which the Purchaser is liable as a result of a Third Party Claim (which liability shall be subject to and recoverable under Article 8 (Indemnification)). For greater certainty, the Parties agree that none of the Parties, the Debtor, their respective Affiliates or their respective Representatives shall be liable for any lost profits whatsoever, whether such lost profits are considered to be direct, consequential or indirect losses, and regardless of whether such lost profits were foreseeable by the Parties at any time or whether such lost profits were the direct and natural result of a Party's breach of its obligations under this Agreement.

#### **14.6 Further Assurances**

Each of the Parties from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

#### **14.7 Assignment**

The Purchaser shall not, without the Vendor's prior written consent, assign any right or interest in this Agreement, which consent may be withheld in the Vendor's sole and absolute discretion, except that the Purchaser shall have the right to assign any or all of its rights, interests or obligations hereunder to one or more Affiliates of the Purchaser, provided that: (a) such Affiliate agrees to be bound by the terms of this Agreement; (b) the Purchaser shall remain liable hereunder for any breach of the terms of this Agreement by such Affiliate; (c) such assignment shall not release the Purchaser from any obligation or liability hereunder in favour of the Vendor; and (d) the Purchaser shall acknowledge and confirm its continuing obligations in favour of the Vendor in an assignment and assumption agreement in form and substance satisfactory to the Vendor.

#### **14.8 Waiver**

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

#### **14.9 Amendment**

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

#### **14.10 Time of the Essence**

Time is of the essence in this Agreement.

#### **14.11 Costs and Expenses**

Unless otherwise provided for in this Agreement, each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the Transaction. Notwithstanding any other provision of this Agreement, the Purchaser shall pay the cost of all surveys, title insurance policies and title reports ordered by the Purchaser.

#### **14.12 Entire Agreement**

This Agreement and the Confidentiality Agreement (the terms and conditions of which are incorporated by reference into this Agreement, and binding upon the Parties, as if such agreement were signed directly by the Parties) constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement or in the Confidentiality Agreement.

#### **14.13 Notices**

Any notice, direction or other communication given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or electronic mail and addressed:

- (a) in the case of the Vendor:

KSV Restructuring Inc.  
Home Oil Tower  
324 8th Avenue SW, Suite 1165  
Calgary, AB T2P 2Z2

Attention: Andrew Basi Email: abasi@ksvadvisory.com

With a copy, which shall not constitute notice, to the Vendor's Solicitors:

Bennett Jones LLP  
4500, 855 - 2<sup>nd</sup> Avenue S.W.  
Calgary, AB T2P 4K7

Attention: Keely Cameron  
Email: CameronK@bennettjones.com

(b) In the case of the Purchaser:

Enercapita Energy Ltd.  
600, 215 – 2<sup>nd</sup> Avenue SW  
Calgary, AB T2P 1M4

Attention: **Land Manager**  
Email: info@enercapita.com

A notice is deemed to be given and received if: (i) sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day; or (ii) email, on the date of transmission if it is a Business Day and the transmission was made prior to 4:00 p.m. (local time in place of receipt), and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a notice in accordance with the foregoing. Any subsequent notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a notice will be assumed not to be changed. **Sending a copy of a notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice to that Party. The failure to send a copy of a notice to legal counsel does not invalidate delivery of that notice to a Party.**

#### 14.14 Enurement

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

#### 14.15 Third Party Beneficiaries

Except as otherwise provided for in this Agreement, each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns and, except as otherwise provided for in this Agreement, no Person, other than the Parties and their successors and permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum. The Purchaser acknowledges to the Vendor, the Debtor, their respective Affiliates and their respective Representatives their direct rights against the Purchaser under this Agreement. To the extent required by Applicable Law to give full effect to these direct rights, the Purchaser agrees and acknowledges that the Vendor is acting as agent and/or as trustee of its Representatives, its Affiliates and their respective Representatives and the Debtor, their respective Affiliates and their respective Representatives.

#### **14.16 Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

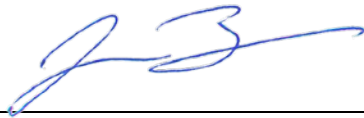
#### **14.17 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

**[THE BALANCE OF THIS PAGE INTENTIONALLY BLANK]**

**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**KSV RESTRUCTURING INC.**, A CORPORATION EXISTING UNDER THE FEDERAL LAWS OF CANADA, SOLELY IN ITS CAPACITY AS THE RECEIVER AND MANAGER OF THE ASSETS, PROPERTY AND UNDERTAKING OF BLUE SKY RESOURCES LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY

Per:   
Name: Andrew Basi  
Title: Managing Director

**ENERCAPITA ENERGY LTD.**

Per: \_\_\_\_\_  
Name: Shawn Tomlinson  
Title: VP Finance & CFO

**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**KSV RESTRUCTURING INC.**, A CORPORATION EXISTING UNDER THE FEDERAL LAWS OF CANADA, SOLELY IN ITS CAPACITY AS THE RECEIVER AND MANAGER OF THE ASSETS, PROPERTY AND UNDERTAKING OF BLUE SKY RESOURCES LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY

Per: \_\_\_\_\_  
Name: Andrew Basi  
Title: Managing Director

**ENERCAPITA ENERGY LTD.**

Per:  \_\_\_\_\_  
Name: Shawn Tomlinson  
Title: VP Finance & CFO

**SCHEDULE A**

**Assets Listing**

Lands Schedule/Mineral Property Report:

<b>Lease</b>	<b>Lands &amp; Rights</b>	<b>Vendor's Working Interest</b>	<b>Encumbrances</b>
Cr PNG Lease No. 0599070598 Effective Date: July 29, 1999 Continuation: Section 15	TWP 87 RGE 11 W6M: SEC 36 PNG TO BASE CHARLIE LAKE EXCL 100/14-36-087-11W6M WELLBORE	33.75%	1) Crown S/S 2) NCGOR 7% on 100% payable to Tallahassee by Vendor
Cr PNG Lease No. 0599070598 Effective Date: July 29, 1999 Continuation: Section 15	TWP 87 RGE 11 W6M: SEC 36 100/14-36-087-11W6M WELLBORE	BPEN 57.75% APEN 32.75%	1) Crown S/S 2) NCGOR 7% on 100% payable to Tallahassee by Vendor

Wells:

100/14-36-087-11W6M (BSRL CLEARH 14-36-87-11 - Lic. No. 0334421 – Vendor Interest 32.75%)

Facilities:

N/A

Pipelines:

48114-1 (From 14-36-087-11W6 to 04-12-088-11W6)

Contracts:

N/A

**SCHEDULE B**

**Form of Approval and Vesting Order**

**(see attached)**

COURT FILE NUMBER	2601-05153
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ACES CANADA SPV III ULC
RESPONDENT	BLUE SKY RESOURCES LTD.

Clerk's Stamp
---------------

DOCUMENT **APPROVAL AND VESTING ORDER  
(Sale by Receiver)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<b>BENNETT JONES LLP</b> Suite 4500, 855 – 2nd Street S.W. Calgary, AB T2P 4K7
---	--

Attention: Keely Cameron/Sarah Aaron  
Telephone No.: 403-298-3324  
Fax No.: 403-265-7219  
Client File No.: 069209.27  
Cameronk@bennettjones.com/AaronS@bennettjones.com

**DATE ON WHICH ORDER WAS PRONOUNCED:**

**LOCATION WHERE ORDER WAS PRONOUNCED:**

**NAME OF JUSTICE WHO MADE THIS ORDER:**

**UPON THE APPLICATION** by KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the undertakings, property and assets of Blue Sky Resources Ltd. (“**Blue Sky**” or the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and [**Name of Purchaser**] (the “**Purchaser**”) dated [**Date**] and appended to the \_\_\_ Report of the Receiver dated [**Date**] (the “**Report**”), and vesting in the Purchaser (or its nominee) the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”);

**AND UPON HAVING READ** the Receivership Order dated March 23, 2026 (the “**Receivership Order**”), the Report and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser [**Names of other parties appearing**], no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

**APPROVAL OF TRANSACTION**

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

**VESTING OF PROPERTY**

3. Subject only to approval by the Alberta Energy Regulator (“**Energy Regulator**”) of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta) upon delivery of a Receiver’s certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule “A”** hereto (the “**Receiver’s Closing Certificate**”), all of the Debtor’s right, title and interest in and to the Purchased Assets listed in **Schedule “B”** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, “**Claims**”) including, without limiting the generality of the foregoing:
  - (a) any encumbrances or charges created by the Receivership Order;
  - (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
  - (c) any liens or claims of lien under the *Prompt Payment and Construction Lien Act* (Alberta); and

- (d) those Claims listed in **Schedule “C”** hereto (all of which are collectively referred to as the **“Encumbrances”**, which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule “D”** (collectively, **“Permitted Encumbrances”**))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

4. Upon delivery of the Receiver’s Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, **“Governmental Authorities”**) are hereby authorized, requested and directed to accept delivery of such Receiver’s Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of Land Titles (**“Land Titles Registrar”**) for the lands defined below shall and is hereby authorized, requested and directed to forthwith:

- (i) cancel existing Certificates of Title No. \* for those lands and premises municipally described as \*, and legally described as:

\*  
(the **“Lands”**)

- (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee), namely, \*;
- (iii) transfer to the New Certificate of Title the existing instruments listed in **Schedule “D”**, to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in **Schedule “D”**; and
- (iv) discharge and expunge the Encumbrances listed in **Schedule “C”** to this Order and discharge and expunge any Claims including Encumbrances (but excluding

Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;

- (b) Alberta Energy (“**Energy Ministry**”) shall and is hereby authorized, requested and directed to forthwith:
    - (v) cancel and discharge those Claims including builders’ liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Debtor in and to any of the Purchased Assets located in the Province of Alberta; and
    - (vi) transfer all Crown leases listed in **Schedule “E”** to this Order standing in the name of the Debtor, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;
  - (c) the Registrar of the Alberta Personal Property Registry (the “**PPR Registrar**”) shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver’s Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
  6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement, other than any required approval by the Energy Regulator referenced in paragraph 3 above.

7. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.
9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or

other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtor was entitled.

#### **MISCELLANEOUS MATTERS**

15. Notwithstanding:
  - (a) the pendency of these proceedings and any declaration of insolvency made herein;
  - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "BIA"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
  - (c) any assignment in bankruptcy made in respect of the Debtor; and
  - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or

other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
  17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
  18. Service of this Order shall be deemed good and sufficient by:
    - (a) Serving the same on:
      - (i) the persons listed on the service list created in these proceedings;
      - (ii) any other person served with notice of the application for this Order;
      - (iii) any other parties attending or represented at the application for this Order;
      - (iv) the Purchaser or the Purchaser's solicitors; and
    - (b) Posting a copy of this Order on the Receiver's website at:  
<https://www.ksvadvisory.com/experience/case/blue-sky-resources-ltd>and service on any other person is hereby dispensed with.
  19. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.
-

Justice of the Court of King's Bench of Alberta

**SCHEDULE “A”****Form of Receiver’s Certificate**

COURT FILE NUMBER	2601-05153
COURT	COURT OF KING’S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ACES CANADA SPV III ULC
RESPONDENT	BLUE SKY RESOURCES LTD.

Clerk's Stamp

DOCUMENT	<b>RECEIVER’S CERTIFICATE</b>
----------	-------------------------------

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<b>BENNETT JONES LLP</b> Suite 4500, 855 – 2nd Street S.W. Calgary, AB T2P 4K7
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Attention: Keely Cameron/Sarah Aaron  
 Telephone No.: 403-298-3324  
 Fax No.: 403-265-7219  
 Client File No.: 069209.27  
 Cameronk@bennettjones.com/AaronS@bennettjones.com

**RECITALS**

- A. Pursuant to an Order of the Honourable Justice J.S. Little of the Court of King’s Bench of Alberta, Judicial District of Calgary (the “**Court**”) dated March 23, 2026, KSV Restructuring Inc. was appointed as the receiver (the “**Receiver**”) of the undertakings, property and assets of Blue Sky Resources Ltd. (the “**Debtor**”).
- B. Pursuant to an Order of the Court dated [**Date**], the Court approved the agreement of purchase and sale made as of [**Date of Agreement**] (the “**Sale Agreement**”) between the Receiver and [**Name of Purchaser**] (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 12 of the Sale Agreement have been satisfied or

waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 12 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at [Time] on [Date].

**KSV RESTRUCTURING INC., in its capacity as Receiver of the assets, property and undertaking of Blue Sky Resources Ltd., and not in its personal capacity.**

**Per:** \_\_\_\_\_

**Name:**

**Title:**

**SCHEDULE "B"**  
**PURCHASED ASSETS**

**SCHEDULE "C"**

**CLAIMS**

## **SCHEDULE "D"**

### **PERMITTED ENCUMBRANCES**

Permitted Encumbrances consist of the following (with capitalized terms having the definitions given to them in the Sale Agreement, unless otherwise defined in this Order):

- (a) any overriding royalties, net profits interests and other burdens, which are provided for under the Title Documents;
- (b) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;
- (c) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
- (d) easements, rights of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;
- (e) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;
- (f) agreements for the sale, processing, transmission or transportation of Petroleum Substances entered into by the Debtor, or the Vendor for and on behalf of the Debtor subsequent to the date of this Agreement;
- (g) any obligation of the Vendor or the Debtor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
- (h) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;
- (i) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards the Vendor's or any Debtor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;
- (j) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;
- (k) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;

- (l) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority;
- (m) any linear or non-linear municipal property tax claims under the *Municipal Government Act* (Alberta), or otherwise; and
- (n) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's or any Debtor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof.

**SCHEDULE "E"**  
**CROWN LEASES**

## SCHEDULE C

### Form of General Conveyance, Assignment and Assumption Agreement

#### GENERAL CONVEYANCE, ASSIGNMENT, AND ASSUMPTION AGREEMENT

**THIS** General Conveyance, Assignment, and Assumption Agreement (this "**Agreement**") is made as of the 27<sup>th</sup> day of April, 2026.

#### AMONG:

**KSV RESTRUCTURING INC.**, a corporation existing under the federal laws of Canada, solely in its capacity as the receiver and manager of the assets, property and undertaking of Blue Sky Resources Ltd. (the "**Debtor**"), and not in its personal or corporate capacity (herein referred to as the "**Vendor**")

- and -

**ENERCAPITA ENERGY LTD.**, a body corporate existing under the laws of the Province of Alberta (herein referred to as the "**Purchaser**")

#### RECITALS:

- A. In accordance with the terms of that certain Asset Purchase and Sale Agreement dated as of May 5, 2026, by and between the Vendor and the Purchaser (the "**Purchase Agreement**"), the Vendor has agreed to sell, assign, and transfer the Assets to the Purchaser and the Purchaser has agreed to purchase the Assets from the Vendor;
- B. the Purchaser has agreed to assume the Assumed Liabilities; and
- C. this Agreement is delivered pursuant to the Purchase Agreement.

**NOW THEREFORE**, for good and valuable consideration now paid by the Purchaser to the Vendor pursuant to the Purchase Agreement (the receipt and sufficiency of which is hereby acknowledged by the Vendor) the parties hereto agree as follows:

#### 1. Definitions

All capitalized terms used but not otherwise defined in this Agreement shall have the meaning ascribed to such terms in the Purchase Agreement.

#### 2. Certain Rules of Interpretation

- (i) In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.

- (ii) The division of this Agreement into Sections and the inclusion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (iii) The terms "hereof," "hereunder," and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.
- (iv) Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections of this Agreement.
- (v) The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

### **3. Conveyance**

The Vendor hereby sells, transfers, assigns, conveys and delivers to the Purchaser, and the Purchaser hereby purchases, accepts and receives from the Vendor, upon the terms and subject to the conditions of the Purchase Agreement, the Vendor's Interest in and to the Assets, free and clear of any and all Claims other than Permitted Encumbrances, as applicable, with effect as of the Closing on the date hereof, to have and to hold the Assets and all such right, title, interest, property, claim, and demand unto and to the use of the Purchaser.

### **4. Assumption of Assumed Liabilities**

Effective as of the Closing on the date hereof, the Purchaser hereby assumes and agrees to pay, perform, and discharge, when due, the Assumed Liabilities.

### **5. Further Assurances**

Each of the Parties hereto from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

### **6. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.

### **7. Entire Agreement**

This Agreement, the Purchase Agreement, and the documents referred to therein and contemplated thereby constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or

written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement, the Purchase Agreement, the Confidentiality Agreement and the documents referred to therein and contemplated thereby.

**8. Successors and Assigns**

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

**9. Counterparts**

This Agreement may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one instrument. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

**10. Amendments**

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party. Any amendment effected in accordance with this Section 10 will be binding upon the Parties and their respective successors and permitted assigns.

**11. Paramountcy**

This Agreement is delivered pursuant to, and is subject to, all of the terms and conditions contained in the Purchase Agreement. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Purchase Agreement, the provisions of the Purchase Agreement shall prevail.

**12. Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

**[Signature Page Follows.]**

**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**KSV RESTRUCTURING INC.,** A CORPORATION EXISTING UNDER THE FEDERAL LAWS OF CANADA, SOLELY IN ITS CAPACITY AS THE RECEIVER AND MANAGER OF THE ASSETS, PROPERTY AND UNDERTAKING OF BLUE SKY RESOURCES LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY

Per: \_\_\_\_\_  
Name:  
Title:

**ENERCAPITA ENERGY LTD.**

Per: \_\_\_\_\_  
Name: Shawn Tomlinson  
Title: VP Finance & CFO

## **Appendix “C”**

**KSV RESTRUCTURING INC., SOLELY IN ITS CAPACITY AS THE RECEIVER AND  
MANAGER OF THE ASSETS, PROPERTY AND UNDERTAKING OF BLUE SKY  
RESOURCES LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

**- and -**

**PRAIRIE THUNDER RESOURCES LTD., a corporation having an office and carrying on  
business in the City of Calgary in the Province of Alberta (hereinafter referred to as “Purchaser”)**

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**ASSET PURCHASE AND SALE AGREEMENT**

**May 5, 2026**

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## SCHEDULES

Schedule A	Assets Listing
Schedule B	Form of Approval and Vesting Order
Schedule C	Form of General Conveyance, Assignment and Assumption Agreement

## ASSET PURCHASE AND SALE AGREEMENT

**THIS PURCHASE AND SALE AGREEMENT** is dated as of May 5, 2026,

**BETWEEN:**

**KSV RESTRUCTURING INC.**, a corporation existing under the federal laws of Canada, solely in its capacity as the receiver and manager of the assets, property and undertaking of Blue Sky Resources Ltd. (the "**Debtor**") and not in its personal or corporate capacity (herein referred to as the "**Vendor**")

- and -

**PRAIRIE THUNDER RESOURCES LTD.**, a corporation existing under the laws of Alberta (herein referred to as the "**Purchaser**")

**WHEREAS:**

- A. pursuant to the Receivership Order, the Vendor was appointed as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof; and
- B. subject to receipt of Court Approval, the Purchaser has agreed to purchase and acquire and the Vendor has agreed to sell, transfer and assign to the Purchaser, all of the Vendor's Interest in and to the Assets, on the terms and conditions set forth herein.

**NOW THEREFORE**, this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged by each Party to the other, the Parties covenant and agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement:

- (a) "**Abandonment and Reclamation Obligations**" means all past, present and future obligations to:
  - (i) abandon, shut-down, close, decommission, dismantle or remove any and all Wells and Tangibles, including all structures, foundations, buildings, pipelines, equipment and other facilities forming part of the Wells and Tangibles or otherwise located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands; and
  - (ii) restore, remediate and reclaim the surface and subsurface locations of the Wells and the Tangibles and any lands used to gain access thereto, including such obligations relating to wells, pipelines and facilities which were abandoned or

decommissioned prior to the Closing Date that were located on the Lands or that were located on other lands and used in respect of Petroleum Substances produced or previously produced from the Lands, and including the remediation, restoration and reclamation of any other surface and sub-surface lands affected by any environmental damage, contamination or other environmental issues emanating from or relating to the sites for the Wells or the Tangibles;

all in accordance with generally accepted oil and gas industry practices and in compliance with all Applicable Laws;

- (b) "**AER**" means the Alberta Energy Regulator, or any successor thereto having jurisdiction over the Assets or certain of them or the operation thereof;
- (c) "**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with that specified Person. For the purposes of this definition, "control" (including with correlative meanings, controlling, controlled by and under common control with) means the power to direct or cause the direction of the management and policies of that Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and, it being understood and agreed that with respect to a corporation or partnership, control shall mean direct or indirect ownership of more than 50% of the voting shares in any such corporation or of the general partnership interest or voting interest in any such partnership;
- (d) "**Agreement**" means this agreement of purchase and sale and any schedules attached hereto which are referred to in this agreement, together with any amendment or supplement thereto;
- (e) "**Applicable Law**" means, in respect of any Person, asset, transaction, event or circumstance: (i) statutes (including regulations enacted thereunder); (ii) judgments, decrees and orders of courts of competent jurisdiction (including the common law); (iii) regulations, orders, ordinances and directives issued by Governmental Authorities; and (iv) the terms and conditions of all permits, licenses, approvals and authorizations, in each case which are applicable to such Person, asset, transaction, event or circumstance;
- (f) "**Approval and Vesting Order**" means an order of the Court approving the Transaction in accordance with the provisions of this Agreement, and, subject to Closing, vesting all of the Vendor's Interest in and to the Assets in the Purchaser free and clear of all Claims (other than Permitted Encumbrances) and interests, such order to be substantially in the form attached hereto as Schedule B together with such modifications and amendments to such form as may be approved by both the Vendor and the Purchaser, acting reasonably;
- (g) "**Assets**" means the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests;
- (h) "**Assignment Order**" means an order of the Court in form and substance satisfactory to the Vendor and the Purchaser, acting reasonably, and obtained on a motion made on notice to such Persons as the Vendor and the Purchaser determine, to be sought by the Vendor, authorizing and approving the assignment to the Purchaser of any Assumed Contracts for which the consent, approval or waiver of the party or parties thereto (other than the Company) is required to assign such Assumed Contracts;

- (i) "**Assumed Contracts**" means the contracts referenced in subsection (i) of the definition of Miscellaneous Interests, which contracts shall be assigned by the Vendor in its own right or for and on behalf of the Debtor and assumed by the Purchaser in accordance with the terms of this Agreement, the relevant contracts and/or the Approval and Vesting Order, and/or other order of the Court in form and substance satisfactory to the Parties;
- (j) "**Assumed Liabilities**" means, collectively, all liabilities and obligations arising from the possession, ownership and/or use of the Assets following Closing (including for greater certainty any municipal or property taxes that accrue commencing on the Closing Date), along with Environmental Liabilities, Abandonment and Reclamation Obligations and Cure Costs;
- (k) "**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the City of Calgary in the Province of Alberta;
- (l) "**Claim**" means any caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgments, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing:
  - (i) any encumbrances or charges created by the Receivership Order;
  - (ii) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
  - (iii) any liens or claims of lien under the *Prompt Payment and Construction Lien Act* (Alberta);
  - (iv) any outstanding amounts owing in respect of the AER Orphan Fund Levy and Administration Fees; and
  - (v) those claims which may be specifically identified in Schedule "C" to the Approval and Vesting Order, as applicable;
- (m) "**Closing**" means the completion of the purchase by the Purchaser, and sale by the Vendor, of the Vendor's Interest in and to the Assets and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such purchase and sale, all subject to and in accordance with the terms and conditions of this Agreement;
- (n) "**Closing Date**" means the date on which Closing occurs, being the date which is five Business Days following the date upon which all of the conditions in Sections 11.1, 11.2 and 11.3 have been satisfied or waived (other than such conditions which are to be satisfied on the Closing Date), or such other date as the Parties may agree in writing; provided, however, that the Closing Date shall not be later than the Outside Date;

- (o) "**Confidentiality Agreement**" means the confidentiality agreement between the Vendor and the Purchaser executed prior to the date hereof in respect of the evaluation by the Purchaser of potential transactions involving the assets of the Debtor;
- (p) "**Consent Required Contract**" means any Assumed Contract or license which is not assignable in whole or in part without the consent, approval or waiver of the party or parties thereto (other than the Vendor), for clarity other than the License Transfers;
- (q) "**Consequential Damages**" has the meaning ascribed to that term in Section 14.5;
- (r) "**Court**" means the Court of King's Bench of Alberta, Judicial Centre of Calgary;
- (s) "**Cure Costs**" means, in respect of any Assumed Contract, all amounts, required to be paid to remedy all of the Vendor's or the Debtor's monetary defaults under such Assumed Contract or required to secure a counterparty's or any other necessary Person's consent to the assignment of such Assumed Contract pursuant to its terms (including any deposits or other forms of security required by any Governmental Authority) or as may be required pursuant to the Approval and Vesting Order, and includes any other fees and expenses required to be paid to a counterparty or any other Person in connection with the assignment of an Assumed Contract pursuant to its terms or Applicable Laws;
- (t) "**Deposit**" has the meaning ascribed to that term in Section 3.3(a)(i);
- (u) "**Due Diligence Information**" means all information made available (by the Vendor, the Debtor or otherwise) for the Purchaser's review in paper or electronic form in relation to the Debtor, its Affiliates and/or the Assets;
- (v) "**Environment**" means the components of the earth and includes the air, the surface and subsurface of the earth, bodies of water (including rivers, streams, lakes and aquifers) and plant and animal life (including humans);
- (w) "**Environmental Laws**" means all Applicable Laws relating to pollution or protection of human health or the Environment (including ambient air, water, surface water, groundwater, land surface, soil, or subsurface) or natural resources, including Applicable Laws relating to the storage, transfer, transportation, investigation, cleanup, treatment, or use of, or release or threatened release into the Environment of, any Hazardous Substances;
- (x) "**Environmental Liabilities**" means all past, present and future Losses and Liabilities, Claims and other duties and obligations, whether arising under contract, Applicable Laws or otherwise, arising from, relating to or associated with:
  - (i) any damage, pollution, contamination or other adverse situations pertaining to the Environment howsoever and by whomsoever caused and regardless of whether such damage, pollution, contamination or other adverse situations occur or arise in whole or in part prior to, at or subsequent to the date of this Agreement;
  - (ii) the presence, storage, use, holding, collection, accumulation, assessment, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, release, emission or discharge of Petroleum Substances, oilfield wastes, water, Hazardous Substances, environmental contaminants and all other substances and materials regulated under any Applicable Law, including any

forms of energy, or any corrosion to or deterioration of any structures or other property;

- (iii) compliance with or the consequences of any non-compliance with, or violation or breach of, any Environmental Law;
- (iv) sampling, monitoring or assessing the Environment or any potential impacts thereon from any past, present or future activities or operations; or
- (v) the protection, reclamation, remediation or restoration of the Environment;

that relate to or arise by virtue of the Assets or the ownership thereof or any past, present or future operations and activities conducted in connection with the Assets or on or in respect of the Lands or any lands pooled or unitized therewith;

- (y) "**Facilities**" means the Vendor's Interest in and to all field facilities whether or not solely located on or under the surface of the Lands (or lands with which the Lands are pooled) and that are, or have been, used for production, gathering, treatment, compression, transportation, injection, water disposal, measurement, processing, storage or other operations respecting the Leased Substances, including any applicable battery, separator, compressor station, gathering system, pipeline, production storage facility or warehouse, including those facilities and pipelines identified in Schedule A under the headings entitled "Facilities" and "Pipelines", respectively, and as applicable;
- (z) "**General Conveyance, Assignment and Assumption Agreement**" means an agreement providing for the assignment by the Vendor of the Vendor's Interest in and to the Assets, free and clear of all Claims (other than Permitted Encumbrances), substantially in the form attached hereto as Schedule C, and the assumption by the Purchaser of the Assumed Liabilities, substantially in the form attached hereto as Schedule C;
- (aa) "**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Assets or this Transaction, including for greater certainty the AER;
- (bb) "**GST**" means taxes, interest, penalties and other additions thereto imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and "**GST Legislation**" means such act and regulations collectively;
- (cc) "**Hazardous Substances**" means any substance, material or waste defined, regulated, listed or prohibited by Environmental Laws, including pollutants, contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, radioactive materials, flammable substances, explosives, Petroleum Substances and products of Petroleum Substances, polychlorinated biphenyls, chlorinated solvents and asbestos;
- (dd) "**Lands**" means the lands set out and described in Schedule A under the heading entitled "Lands Schedule/Mineral Property Report", and the Petroleum Substances within, upon or

under such lands (subject to the restrictions and exclusions identified in the Title Documents as to Petroleum Substances and geological formations);

- (ee) "**Leased Substances**" means all Petroleum Substances, rights to or in respect of which are granted, reserved or otherwise conferred by or under the Title Documents (but only to the extent that the Title Documents pertain to the Lands);
- (ff) "**Legal Proceeding**" means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;
- (gg) "**Licence Transfers**" means the transfer from the Vendor and/or the Debtor to the Purchaser of any permits, approvals, licences and authorizations granted by the AER or any other Governmental Authority in relation to the construction, installation, ownership, use or operation of the Wells or the Facilities, as applicable.
- (hh) "**Losses and Liabilities**" means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations and penalties, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim by any Governmental Authority or any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, and those arising under any contract, agreement, arrangement, commitment or undertaking and costs and expenses of any Legal Proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith (on a full indemnity basis);
- (ii) "**LTAs**" has the meaning set forth in Section 2.4(a);
- (jj) "**Miscellaneous Interests**" means, subject to any and all limitations and exclusions provided for in this definition, the Vendor's Interest in and to all property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles (other than the Petroleum and Natural Gas Rights and the Tangibles), or either of them, but only to the extent that such property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including any and all of the following:
  - (i) all contracts relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);
  - (ii) all warranties, guarantees and similar rights relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including warranties and guarantees made by suppliers, manufacturers and contractors under the Assets, and claims against other Third Parties in connection with the contracts relating to the Petroleum and Natural Gas Rights and the Tangibles;
  - (iii) all subsisting rights to carry out operations relating to the Lands, the Tangibles or the Wells, and without limitation, all easements and other permits, licenses and authorizations pertaining to the Tangibles or the Wells;

- (iv) rights to enter upon, use, occupy and enjoy the surface of any lands which are used or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them;
- (v) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them including any of the foregoing that pertain to geological or geophysical matters and, including plats, surveys, maps, cross-sections, production records, electric logs, cuttings, cores, core data, pressure data, decline and production curves, well files, and related matters, division of interest records, lease files, title opinions, abstracts of title, title curative documents, lease operating statements and all other accounting information, marketing reports, statements, gas balancing information, and all other documents relating to customers, sales information, supplier lists, records, literature and correspondence, physical maps, geologic or geophysical interpretation, electronic and physical project files; and
- (vi) the Wells, including the wellbores and any and all casing and down-hole monitoring and pumping equipment;

provided that unless otherwise agreed in writing by the Parties, the Miscellaneous Interests shall not include any documents or data to the extent that they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by the Vendor or the Debtor to an assignee;

- (kk) "**Notice Period**" has the meaning ascribed to that term in Section 8.2(b);
- (ll) "**Order**" means any order, writ, judgment, injunction, decree, stipulation, determination, decision, verdict, ruling, subpoena, or award entered by or with any Governmental Authority (whether temporary, preliminary, or permanent);
- (mm) "**Outside Date**" means the date which occurs 90 days following the date of execution of this Agreement, or such other date as the Parties may agree;
- (nn) "**Outstanding ROFR Assets**" has the meaning set forth in Section 10.2(e)(ii);
- (oo) "**Outstanding ROFRs**" has the meaning set forth in Section 10.2(e);
- (pp) "**Parties**" means, collectively, the Purchaser and the Vendor, and "**Party**" means any one of them;
- (qq) "**Permitted Encumbrances**" means:
  - (i) any overriding royalties, net profits interests and other burdens, which are provided for under the Title Documents;
  - (ii) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;

- (iii) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
- (iv) easements, rights of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;
- (v) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;
- (vi) agreements for the sale, processing, transmission or transportation of Petroleum Substances entered into by the Debtor, or the Vendor for and on behalf of the Debtor subsequent to the date of this Agreement;
- (vii) any obligation of the Vendor or the Debtor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
- (viii) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;
- (ix) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards the Vendor's or any Debtor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;
- (x) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;
- (xi) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;
- (xii) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority;
- (xiii) any linear or non-linear municipal property tax claims under the *Municipal Government Act* (Alberta), or otherwise; and
- (xiv) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's or any Debtor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof;

- (rr) "**Person**" means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executory, Governmental Authority, or other entity however designated or instituted;
- (ss) "**Petroleum and Natural Gas Rights**" means the Vendor's Interest in and to all rights to and in respect of the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands);
- (tt) "**Petroleum Substances**" means any of crude oil, petroleum, natural gas, natural gas liquids, coal bed methane and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur;
- (uu) "**Purchase Price**" has the meaning ascribed to that term in Section 3.1;
- (vv) "**Purchaser**" has the meaning ascribed to that term in the preamble hereto;
- (ww) "**Receivership Order**" means the order of the Court dated March 23, 2026, pursuant to which the Vendor was appointed as the receiver and manager of all of the current and future assets, undertakings and properties of every nature or kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof;
- (xx) "**Receivership Proceedings**" means the court proceedings brought in the Court pursuant to Court Action No. 2601-05153, pursuant to which the Vendor was appointed as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof;
- (yy) "**Representative**" means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its Affiliates;
- (zz) "**ROFR**" means a right of first refusal, right of first offer or other pre-emptive or preferential right of purchase or similar right to acquire the Assets or certain of them that may become operative by virtue of this Agreement or the completion of the Transaction;
- (aaa) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the Vendor's Interest in and to the Assets to the Purchaser and to novate the Purchaser in the place and stead of the Vendor or the Debtor, as applicable, with respect to the Assets (excluding the Licence Transfers);
- (bbb) "**Tangibles**" means the Vendor's Interest in and to the Facilities and any and all other tangible depreciable property and assets, if any, which are located within, upon or in the vicinity of the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, store, transport, make marketable or inject the Leased Substances or any of them;
- (ccc) "**Third Party**" means any Person who is not a Party or an Affiliate of a Party;

- (ddd) "**Third Party Claim**" means any Claim by a Third Party asserted against the Vendor or the Debtor for which the Purchaser has indemnified the Vendor and the Debtor or is otherwise responsible pursuant to this Agreement;
- (eee) "**Title Documents**" means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements, acreage contribution agreements, joint venture agreements and any other documents and agreements granting, reserving or otherwise conferring rights to (i) explore for, drill for, produce, take, use or market Petroleum Substances, (ii) share in the production of Petroleum Substances, (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced, and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands;
- (fff) "**Transaction**" means the transaction for the purchase and sale of the Vendor's Interest in and to the Assets, together with all other transactions contemplated in this Agreement, all as contemplated in this Agreement;
- (ggg) "**Transfer Taxes**" means all transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Assets, including GST; and which, for certainty, shall not include freehold mineral taxes;
- (hhh) "**Vendor**" has the meaning ascribed to that term in the preamble hereto;
- (iii) "**Vendor's Interest**" means, when used in relation to any asset, undertaking or property, the entire right, title and interest, if any, of the Debtor and/or the Vendor, as applicable, in, to and/or under such asset, undertaking or property;
- (jjj) "**Vendor's Solicitors**" means the law firm of Bennett Jones LLP, or such other firm or firms of solicitors as are retained or engaged by the Vendor from time to time and notice of which is provided to the Purchaser; and
- (kkk) "**Wells**" means the Vendor's Interest in and to the wells listed in Schedule A under the heading entitled "Wells", as applicable.

## 1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) All references to monetary amounts are to the lawful currency of Canada.
- (b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.
- (c) The word "include" and "including" and derivatives thereof shall be read as if followed by the phrase "without limitation".

- (d) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.
- (e) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.
- (f) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified.
- (g) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.
- (h) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.
- (i) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.
- (j) Reference to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof.
- (k) References to an Applicable Law means such Applicable Law as amended from time to time and includes any successor Applicable Law thereto any regulations promulgated thereunder.

### **1.3 Schedules**

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule A	Assets Listing
Schedule B	Form of Approval and Vesting Order
Schedule C	Form of General Conveyance, Assignment and Assumption Agreement

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

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

## **ARTICLE 2 PURCHASE AND SALE**

### **2.1 Agreement of Purchase and Sale**

Subject to the terms and conditions of this Agreement, and in consideration of the Purchase Price, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase, accept and receive from the Vendor, the Vendor's Interest in and to the Assets.

## **2.2 Transfer of Property and Assumption of Liabilities**

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk, and legal and beneficial ownership of the Assets shall transfer from the Vendor to the Purchaser on the Closing Date, and the Purchaser agrees to assume, discharge, perform and fulfil all Assumed Liabilities. Without limiting the provisions of this Agreement relating to the General Conveyance, Assignment and Assumption Agreement (and such agreement itself), or any other provisions of this Agreement relating to sale, transfer, assignment, conveyance or delivery, the Assets shall be sold, assigned, transferred, conveyed, and delivered by the Vendor to the Purchaser by way of the Licence Transfers, the Specific Conveyances and other appropriate instruments of transfer, bills of sale, endorsements, assignments, and deeds, in recordable form, or by way of an Order of the Court, as appropriate, and free and clear of any and all Claims other than Permitted Encumbrances, as applicable.

## **2.3 Assignment of Consent Required Contracts**

The Vendor and the Purchaser shall cooperate and shall take such commercially reasonable steps as necessary to obtain the consent of the counterparties for the assignment of the Consent Required Contracts, including, if necessary, obtaining an Assignment Order, provided that Closing shall not be delayed even if certain consents for any Consent Required Contracts are outstanding at the Closing.

## **2.4 Licence Transfers**

- (a) Promptly following the Closing Date (or at such earlier time as may be permitted by the AER, as applicable), the Vendor shall electronically submit applications to the AER for the Licence Transfers ("LTAs"), and confirm that such submission has been made to the Purchaser. Each of the Purchaser and the Vendor agrees that it shall cause to be provided any information and documentation along with such LTAs to the AER as are required to be provided in connection with the foregoing, including in the case of Purchaser, any information required by the AER in connection with the AER assessing the LTAs pursuant to criteria under the AER's *Directive 088* and *Manual 023: Licensee Life-Cycle Management*, if applicable. The Purchaser shall take any steps required to accept or ratify such LTAs without delay, provided that, if the Purchaser in good faith determines or believes that any of the LTAs are not complete and accurate, or the AER refuses to process any such LTAs because of some defect therein, the Parties shall cooperate to duly complete or to correct such incomplete or inaccurate LTAs as soon as practicable and thereafter, the Vendor shall promptly re-submit such LTAs and the Purchaser shall accept or ratify such re-submitted LTAs without delay. Each Party shall be responsible for its own costs relating to LTAs hereunder. The Purchaser shall provide any information and documentation in respect of such LTAs to the AER which are required to be provided by the transferee in connection with the foregoing. Following submission of the LTAs, the Purchaser shall use reasonable commercial efforts to obtain the approval from the AER of the LTAs and registration of the Licence Transfers, subject to the specific requirements of this Section 2.4.
- (b) If the AER denies any of the LTAs because of misdescription or other minor deficiencies contained therein, the Vendor shall, within two Business Days of such denial, correct the LTA(s) and amend and re-submit the LTA(s), and the Purchaser shall accept or ratify such re-submitted LTAs without delay.
- (c) In the event that the Purchaser has applied, or prior to the Closing Date applies, to the AER for a discretionary waiver from the AER's security requirements in respect of the

Transaction, the Vendor shall provide such information and documentation to the AER regarding the Assets as may reasonably be required in connection with the AER's review of such discretionary waiver application made by the Purchaser (but only to the extent such information and documentation has not already been made available by the Vendor or its Representatives to the Purchaser or its Representatives); provided that the Purchaser agrees it shall have primary carriage of, and be solely responsible at its own cost for submitting and liaising with the AER in respect of, any such application.

- (d) The Purchaser shall on a timely and continuing basis keep the Vendor fully apprised and informed regarding all communications the Purchaser may have with the AER in connection with the Transaction, including all communications respecting LTAs, and without limiting the generality of the foregoing, the Purchaser shall provide copies to the Vendor of all related correspondence from the Purchaser to the AER, and the Purchaser shall request that the AER provide copies to the Vendor of all related correspondence from the AER to the Purchaser.
- (e) The Purchaser expressly acknowledges and agrees that it shall be solely responsible for all Assumed Liabilities associated with the Assets as of and after the Closing Date including in the event that the Licence Transfers do not occur for any reason. In the event that any of the Licence Transfers have not been completed by the date that is six (6) months following the Closing Date, the Vendor shall be entitled to seek and obtain a discharge from the Court in respect of any licences relating to the Assets which have not been transferred to the Purchaser by such date, and the Vendor shall have no further obligations to the Purchaser with respect to such licences, the Licence Transfers or LTAs contemplated in this Agreement.

## **2.5 Specific Conveyances**

- (a) Within a reasonable time following its receipt of the Title Documents from the Vendor, the Purchaser shall prepare and provide for the Vendor's review all Specific Conveyances. None of the Specific Conveyances shall confer or impose upon either Party any greater right or obligation than as contemplated in this Agreement. Promptly after Closing, the Purchaser shall register and/or distribute (as applicable), all such Specific Conveyances and shall bear all costs incurred therewith and in preparing and registering any further assurances required to convey the Assets to the Purchaser.
- (b) As soon as practicable following Closing, the Vendor shall deliver or cause to be delivered to the Purchaser such original copies of the Title Documents and any other agreements and documents to which the Assets are subject and such original copies of contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests which are now in the possession or control of the Vendor or the Debtor or of which the Vendor or the Debtor gain possession or control prior to Closing.
- (c) Notwithstanding Sections 2.5(a) and 2.5(b), requests for the transfers from the Vendor to the Purchaser of registered Crown leases or licences, related surface rights and any other Title Documents which are administered by a Governmental Authority shall be submitted by the Vendor and accepted by the Purchaser as soon as is practicable after Closing.

## 2.6 Post-Closing Maintenance of Assets

- (a) Following Closing, if and to the extent that the Purchaser must be novated into, recognized as a party to, or otherwise accepted as assignee or transferee of the Vendor's and/or the Debtor's interest in the Assets or certain of them, including any Title Documents and Assumed Contracts, the following provisions shall apply with respect to the applicable Assets until such novation, recognition or acceptance has occurred:
- (i) the Purchaser shall use reasonable commercial efforts to obtain, as may be required by the terms of any Assumed Contracts, consents or approvals to the assignment of such Assumed Contracts; provided that to the extent that any Cure Costs are payable with respect to any Assumed Contract, the Purchaser shall be responsible for and shall pay all such Cure Costs, which shall be paid directly to the counterparty as and when required in conjunction with the assignment of the Assumed Contracts, and which Cure Costs shall form part of the Purchase Price for the Assets;
  - (ii) to the extent not obtained prior to the Closing Date, the Purchaser shall continue to use reasonable commercial efforts to obtain the AER's approval of the LTAs and registration of the Licence Transfers;
  - (iii) to the extent applicable, the Vendor and/or the Debtor shall hold the rights, entitlements, benefits, remedies, duties and obligations in respect of the applicable Assets in trust for the exclusive benefit of the Purchaser as bare trustee and agent;
  - (iv) to the extent permitted by any applicable Assumed Contract:
    - (A) the Purchaser will pay, perform and discharge the duties and obligations accruing after Closing under such Assumed Contract, on behalf of the Vendor and/or any Debtor, until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser; and
    - (B) the Vendor shall, or shall cause the Debtor to, use reasonable commercial efforts to exercise the rights, entitlements, benefits and remedies under such Assumed Contract, on behalf of the Purchaser until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser, or such Assumed Contract expires or otherwise terminates;
  - (v) neither the Vendor nor the Debtor shall have any liability as a consequence of the Vendor or any Debtor taking any action or causing anything to be done under this Section 2.6(a), and the Purchaser shall be responsible and liable for, and, as a separate covenant, shall hereby indemnify and save harmless the Vendor, the Debtor and their respective Representatives against, all costs and expenses reasonably incurred by the Vendor, the Debtor, their Affiliates or their respective Representatives as a consequence of or in connection with this Section 2.6(a); and
  - (vi) nothing in this Agreement shall constitute an agreement to assign, and shall not be construed as an assignment of, or an attempt to assign to the Purchaser, any Assumed Contract until such time as the necessary consents or approvals with respect to the assignment are obtained.

- (b) Both before and after Closing, the Purchaser shall use all commercially reasonable efforts to obtain any and all approvals required under Applicable Law and any and all material consents of Third Parties required to permit this Transaction to be completed. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances, deposits or security that may be required by Governmental Authorities or any Third Parties under the Assumed Contracts or Applicable Laws to permit the transfer of the Assets, including the Assumed Contracts, to the Purchaser.

## 2.7 Assumed Liabilities

Following Closing, the Purchaser shall assume, perform, discharge and pay when due all of the Assumed Liabilities. For greater certainty, the Purchaser acknowledges and agrees that the Environmental Liabilities and Abandonment and Reclamation Obligations in respect of the Assets are future costs and obligations associated with the ownership of the Assets that are tied and connected to the ownership of the Assets such that they are inextricably linked and embedded with the Assets.

## ARTICLE 3 PURCHASE PRICE

### 3.1 Purchase Price

The consideration payable by the Purchaser for the Assets shall be the sum of [REDACTED] (the "**Purchase Price**"). The Purchase Price shall be satisfied in accordance with Section 3.3(b) and shall not be subject to any adjustment (and for greater certainty, Cure Costs shall be satisfied in accordance with Section 2.6(a)(i)). The Purchaser and the Vendor acknowledge and agree that the Purchase Price reflects the fair market value of the Assets as of the Closing Date, having due regard to the Environmental Liabilities connected to and embedded in the Assets that depress the value of the Assets.

### 3.2 Allocation of Purchase Price

The Purchase Price shall be allocated among the Assets as follows:

- [REDACTED]
- [REDACTED]
- [REDACTED]

### 3.3 Deposit and Satisfaction of Purchase Price

- (a) The Parties acknowledge that:
  - (i) on the date hereof, the Purchaser paid the amount equal to ten percent (10%) of the Purchase Price (the "**Deposit**") to the Vendor;
  - (ii) the Deposit has been delivered to and shall be held in trust by the Vendor; and
  - (iii) the Deposit shall be held and administered by the Vendor in accordance with the terms and conditions of this Agreement (including this Section 3.3).

- (b) At Closing, the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.6(a)(i)) shall be paid and satisfied as follows:
  - (i) as to the amount of the Deposit, the Vendor shall retain the amount of the Deposit and apply such amount against the amount of the Purchase Price; and
  - (ii) as to the balance of the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.6(a)(i)), along with any additional amounts owing in respect of applicable GST, the Purchaser shall pay to the Vendor such amount by electronic wire transfer.
- (c) If this Agreement is terminated:
  - (i) (A) pursuant to Section 13.1(a) by mutual agreement of the Parties; (B) pursuant to Sections 13.1(b) or 13.1(c) by the Purchaser; (C) pursuant to Section 13.1(e) by the Vendor; or (D) for any other reason other than as contemplated under Section 3.3(c)(ii); then the Deposit shall be returned to the Purchaser; or
  - (ii) pursuant to Section 13.1(d) by the Vendor, the full amount of the Deposit shall be forfeited to the Vendor,

and, subject to Section 13.2, each Party shall be released from all obligations and liabilities under or in connection with this Agreement. In the event of termination of this Agreement under Section 3.3(c)(ii) pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit, constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

#### **ARTICLE 4 TRANSFER TAXES**

##### **4.1 Transfer Taxes**

The Parties agree that:

- (a) the Purchase Price does not include Transfer Taxes and the Purchaser shall be liable for and shall pay, and be solely responsible for, any and all Transfer Taxes pertaining to the Purchaser's acquisition of the Assets; and
- (b) the Purchaser shall indemnify the Vendor, the Debtor and their respective Affiliates for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that any of them are required to pay or for which any of them may become liable as a result of any failure by the Purchaser to self-assess, pay or remit such Transfer Taxes, other than as a result of a failure by the Vendor, the Debtor or their respective Affiliates to timely remit any amounts on account of Transfer Taxes paid by the Purchaser hereunder.

#### **4.2 GST Registration**

The Debtor is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and its GST registration number is:

**Debtor**  
BLUE SKY RESOURCES LTD.

**GST Registration Number**  
747330488 RT0001

### **ARTICLE 5 REPRESENTATIONS AND WARRANTIES**

#### **5.1 Vendor's Representations**

The Vendor hereby represents and warrants to the Purchaser that:

- (a) pursuant to the Receivership Order, it has, among other things, been appointed by the Court as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof, and such appointment is valid and subsisting and has not been varied or amended, except as set forth in the Receivership Order; and
- (b) subject to the Approval and Vesting Order being obtained, this Agreement has been duly executed and delivered and constitutes a legal, valid and binding obligation of it and is enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;

#### **5.2 Purchaser's Representations**

The Purchaser hereby represents and warrants to the Vendor that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation or formation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (b) it has taken all necessary corporate or other acts to authorize the execution, delivery and performance by it of this Agreement;
- (c) neither the execution of this Agreement nor its performance by the Purchaser will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which the Purchaser is a party or by which it is bound which breach could materially affect the ability of the Purchaser to perform its obligations hereunder;
- (d) except for: (i) the Approval and Vesting Order; and (ii) the Licence Transfers and (iii) any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract including the Consent Required Contracts; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action,

or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of this Transaction;

- (e) subject to the Approval and Vesting Order being obtained, this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (f) the Purchaser is not a non-Canadian Person within the meaning of the *Investment Canada Act* (Canada) nor a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (g) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser;
- (h) to the knowledge of the Purchaser, the Purchaser meets all eligibility requirements of Governmental Authorities to purchase and accept a transfer of the Assets, including without limiting the generality of the foregoing, the eligibility requirements of the AER under *Directive 067*, as applicable to the Purchaser in connection with the transactions as contemplated hereunder. As of the date of submission of the LTAs, the Purchaser has "General Eligibility" status as defined under *Directive 067* and the Purchaser's BA code is A7NA.
- (i) as of the date of submission of the LTAs, the Purchaser is not aware of any fact or circumstance that would (i) result in the AER determining that the Purchaser poses an unreasonable risk in accordance with the factors and criteria established by the AER pursuant to *Directive 088* and *Manual 023: Licensee Life-Cycle Management*, or (ii) prevent or delay the Licence Transfers or the review of the LTAs by the AER as contemplated hereunder;
- (j) with respect to the GST imposed under the GST Legislation, the Purchaser is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and that its GST registration number is **722380524RT001**;
- (k) the Purchaser is a "Canadian" within the meaning of the *Investment Canada Act* (Canada);
- (l) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, the Purchase Price (including the Deposit), the Cure Costs, the Transfer Taxes, its legal fees and expenses, registration costs and any other amounts payable by the Purchaser pursuant hereto; and
- (m) the Purchaser has the financial resources necessary to post or satisfy all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Assets and to satisfy the security required by the Assumed Contracts.

### **5.3 Enforcement of Representations and Warranties**

- (a) The representations and warranties of each Party contained in this Agreement shall survive until Closing and shall thereafter be of no further force and effect. Effective upon the occurrence of Closing, each Party hereby releases and forever discharges each other Party from any breach of any representations and warranties set forth in this Agreement. For greater certainty, none of the representations and warranties contained in this Article 5 shall survive Closing and, the Purchaser's sole recourse for any material breach of representation or warranty by the Vendor shall be for the Purchaser to not complete the Transaction in accordance with this Agreement.
- (b) The representations and warranties of the Vendor made herein or pursuant hereto are made for the exclusive benefit of the Purchaser, and the representations and warranties of the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.
- (c) The Parties expressly acknowledge and agree that the provisions of this Section 5.3 and the limit on each Party's liability set out in this Section 5.3 are intended by the Parties as a limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each Party has agreed to assume in connection with the subject matter hereof and is not an agreement within the provision of subsection 7(2) of the *Limitations Act* (Alberta).

## **ARTICLE 6 "AS IS, WHERE IS" AND NO ADDITIONAL REPRESENTATIONS AND WARRANTIES**

### **6.1 Due Diligence Acknowledgement**

The Purchaser acknowledges and agrees that:

- (a) it was solely responsible to perform any inspections it deemed pertinent to the purchase of the Assets and to be satisfied as to the condition of the Assets prior to entering into this Agreement with the Vendor;
- (b) notwithstanding the fact that it was permitted to review any diligence materials and disclosures provided by the Vendor, including the Due Diligence Information, the Vendor assumes no liability for errors or omissions in such diligence materials and disclosure or any other property listings or advertising, promotional or publicity statements and materials, and makes no representations or warranties in respect thereof;
- (c) by entering into this Agreement with the Vendor, the Purchaser shall be deemed to represent, warrant and agree with respect to the Assets that:
  - (i) the Purchaser has inspected the Assets and is familiar and satisfied with the physical condition thereof and has conducted such investigation of the Assets as the Purchaser has determined appropriate;
  - (ii) none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives have made any oral or written representation, warranty, promise

or guarantee whatsoever to the Purchaser, expressed or implied, and in particular, that no such representations, warranties, guarantees, or promises have been made with respect to the physical condition, operation, or any other matter or thing affecting or related to the Assets and/or the offering or sale of the Assets;

- (iii) the Purchaser has not relied upon any representation, warranty, guarantee or promise or upon any statement made or any information provided concerning the Assets, including the Due Diligence Information made available to the Purchaser by the Vendor, the Debtor, their respective Affiliates or their respective Representatives;
- (iv) the Purchaser has entered into this Agreement after having relied solely on its own independent investigation, inspection, analysis, appraisal and evaluation of the Assets and the facts and circumstances related thereto;
- (v) any information provided or to be provided by or on behalf of the Vendor with respect to the Assets, including all Due Diligence Information, was obtained from information provided to the Vendor and the Vendor has not made any independent investigation or verification of such information, and makes no representations as to the accuracy or completeness of such information;
- (vi) without limiting the generality of the foregoing, the Vendor is not under any obligation to disclose to the Purchaser, and shall have no liability for its failure to disclose to the Purchaser, any information known to it relating to the Assets except as may be required by any Applicable Law; and
- (vii) none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives are liable or bound in any manner by any oral or written statements, representations or information pertaining to the Assets, or the operation thereof, made or furnished by any real estate broker, agent, employee, or other Person.

## **6.2 "As Is, Where Is", No Additional Representations**

- (a) Without limiting any other provision of this Agreement, the Purchaser acknowledges and agrees that it is acquiring the Assets on an "as is, where is" and "without recourse" basis with all defects, both patent and latent, and with all faults, whether known or unknown, presently existing or that may hereafter arise. The Purchaser acknowledges and agrees that, except as expressly set forth in this Agreement, the Vendor, the Debtor, their respective Affiliates and their respective Representatives have not made, do not make and specifically negate and disclaim any representation, warranty, promise, covenant, agreement or guaranty of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Assets. For greater certainty, but without limitation, except as expressly set forth in this Agreement, none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives make any condition, representation or warranty whatsoever, express or implied, with respect to:
  - (i) the title and interest of the Vendor or the Debtor in and to the Assets;

- (ii) whether any ROFRs are exercisable by a Third Party in connection with the completion of the Transactions;
  - (iii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;
  - (iv) the income to be derived from the Assets, if any;
  - (v) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;
  - (vi) the rates of production of Petroleum Substances from the Lands;
  - (vii) the quality, condition, marketability, profitability, fitness for a particular purpose or merchantability of any tangible depreciable equipment or property interests which comprise the Assets (including the Tangibles or any personal property);
  - (viii) the suitability of the Assets for any and all purposes, activities and uses which the Purchaser may desire to conduct thereon;
  - (ix) the compliance of or by the Assets or its operation with any Applicable Law (including Environmental Laws);
  - (x) the validity or enforceability of the Assumed Contracts or the ability to assign any of the Assumed Contracts;
  - (xi) any regulatory approvals, permits and licenses, consents or authorizations that may be needed to complete the purchase of the Assets contemplated by this Agreement;
  - (xii) the manner or quality of the construction or materials, if any, incorporated into the Assets;
  - (xiii) the manner, quality, state of repair or lack of repair of the Assets;
  - (xiv) the existence of soil instability, past soil repairs, susceptibility to landslides, sufficiency of under-shoring, sufficiency of drainage, or any other matter affecting the stability or integrity of the Assets or any structures or improvements situated thereon;
  - (xv) whether the Assets are located in a seismic hazards zone or a flood hazard zone;
  - (xvi) the presence of pests and any damage to the Assets and/or its improvements that may have occurred as a result;
  - (xvii) the nature and quantum of the Assumed Liabilities; or
  - (xviii) any other matter with respect to the Assets.
- (b) The Purchaser acknowledges that the release and disclaimer described in this Article 6 is intended to be very broad and, except for its express rights under this Agreement, the Purchaser expressly waives and relinquishes any rights or benefits it may have under any Applicable Law designed to invalidate releases of unknown or unsuspected claims.

- (c) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor, the Debtor, their respective Affiliates and their respective Representatives in respect of the Assets and any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means). Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the *Sale of Goods Act* (Alberta) (or similar applicable statutes, all as may be amended, repealed or replaced), warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

## **ARTICLE 7 RISK AND COSTS AND INSURANCE**

### **7.1 Risk and Costs**

Except as otherwise provided for in this Agreement, the Assets will be at the sole risk and responsibility of the Vendor and the Debtor until the Closing Date, and thereafter at the sole risk and responsibility of the Purchaser.

### **7.2 Insurance**

Any property, liability and other insurance maintained by the Vendor and/or the Debtor in relation to the Assets, to the extent applicable, shall not be transferred at Closing, but shall remain the responsibility of the Vendor and/or the Debtor until the Closing Date. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Assets in respect of the period from and after 12:01 a.m. on the Closing Date.

## **ARTICLE 8 INDEMNIFICATION**

### **8.1 Indemnification Given by Purchaser**

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, the Debtor, their respective Affiliates and their respective Representatives for; and
- (b) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives related to or in connection with the Assets and the Assumed Liabilities, including: (i) all Losses and Liabilities attributable to the ownership, operation, use, construction or maintenance of the Assets during the period following the Closing Date; (ii) all Losses and Liabilities arising or accruing on or after the Closing Date under any Assumed Contract, including any and all Cure Costs; and (iii) any other Losses and Liabilities for which the Purchaser has otherwise agreed to

indemnify the Vendor and the Debtor pursuant to this Agreement, including pursuant to Section 9.2. The Purchaser's indemnity obligations set forth in this Section 8.1 shall survive the Closing Date indefinitely pursuant to Section 14.3.

## 8.2 Third Party Claims

- (a) If any of the Vendor, the Debtor, their respective Affiliates or any of their respective Representatives receives written notice of the commencement or assertion of any Third Party Claim for which the Purchaser is liable pursuant to this Agreement (or has otherwise agreed to indemnify the Vendor, the Debtor, their respective Affiliates or their respective Representatives against), the Vendor shall give the Purchaser reasonably prompt notice thereof, but in any event no later than ten (10) days after receipt of such notice of such Third Party Claim. Such notice to the Purchaser shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount (or the method of computation of the amount) of the Losses and Liabilities that has been or may be sustained by the Vendor, the Debtor, their respective Affiliates or their respective Representatives, respectively, and a reference to the provisions of this Agreement, or other applicable document, upon which such claim is based.
- (b) The Purchaser may assume the carriage and control of the defence of any Third Party Claim by giving notice to that effect to the Vendor or the Debtor(s), respectively, not later than ten (10) days after receiving notice of that Third Party Claim (the "**Notice Period**") so long as: (i) the Purchaser first acknowledges to the Vendor, in writing, liability to the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, under this Agreement with respect to such Third Party Claim and that the outcome of such Third Party Claim does not alter or diminish the Purchaser's obligation to indemnify the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, pursuant to this Agreement, subject to the Purchaser's right to contest in good faith the Third Party Claim; (ii) the Purchaser has the financial resources to defend against the Third Party Claim and fulfill any indemnification obligations and has provided the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, with evidence thereof; (iii) the Third Party Claim involves monetary damages; and (iv) the Purchaser thereafter pursues the defence or settlement of the Third Party Claim actively and diligently. The Purchaser's right to do so shall be subject to the rights of any insurer or other third party who has potential liability in respect of that Third Party Claim. The Purchaser shall pay all of its own expenses of participating in or assuming such defence. In the event that the Purchaser elects to assume the carriage and control of the defence of a Third Party Claim pursuant to this Section 8.2(b), then the Vendor shall, or shall cause the Debtor, their respective Affiliates and/or their respective Representatives to, cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice at its own expense.
- (c) If the Vendor has not received notice within the Notice Period that the Purchaser has elected to assume the carriage and control of the defence of such Third Party Claim in accordance with Section 8.2(b), or if the Purchaser has given such notice but thereafter fails or is unable to pursue the defence or settlement of such Third Party Claim actively and diligently, the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, may, at their option, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Losses and Liabilities suffered or incurred by the Vendor,

the Debtor, their respective Affiliates and/or their Representatives with respect to such Third Party Claim.

### **8.3 Failure to Give Timely Notice**

Notwithstanding that time is of the essence, a failure to give timely notice as provided in this Article 8 shall not affect the rights or obligations of any Party except and only to the extent that, as a result of such failure, any Party which was entitled to receive such notice was deprived of its right to recover any payment under any applicable insurance coverage or was otherwise prejudiced as a result of such failure.

### **8.4 No Merger**

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

### **8.5 Third Party Beneficiary**

The Vendor's Representatives and the Vendor's Affiliates, the Debtor, their respective Affiliates and all of their respective Representatives are intended third party beneficiaries of this Article 8 and shall have the right, power and authority to enforce the provisions hereof as though they were each a party hereto. The Purchaser further agrees to execute such agreements as may be reasonably requested by such Persons in connection with these provisions that are consistent with this Article 8 or that are reasonably necessary to give further effect thereto.

## **ARTICLE 9 ENVIRONMENTAL MATTERS**

### **9.1 Acknowledgements Regarding Environmental Condition**

The Purchaser acknowledges that, insofar as the environmental condition of the Assets is concerned, it will acquire the Assets pursuant hereto on an "as is, where is" basis. The Purchaser acknowledges that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of the Purchaser (insofar as the Vendor could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Vendor, the Debtor or any of their respective Representatives as to the environmental condition of the Assets, or any Environmental Liabilities or Abandonment and Reclamation Obligations in respect thereof.

### **9.2 Assumption of Environmental Liabilities**

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, the Debtor, their respective Affiliates and their respective Representatives for; and
- (b) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, the Debtor, their respective Affiliates or their respective Representatives as a result of any matter or thing arising out of, attributable to

or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, the Purchaser shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations as between the Vendor and the Debtor (on one hand) and the Purchaser (on the other hand) including whether occurring or accruing prior to, on or after the Closing Date, and hereby releases the Vendor, the Debtor, their respective Affiliates and their respective Representatives from any claims the Purchaser may have against the Vendor or the Debtor with respect to all such Environmental Liabilities and Abandonment and Reclamation Obligations. Without restricting the generality of the foregoing, the Purchaser shall be responsible for all Environmental Liabilities and Abandonment and Reclamation Obligations (including whether occurring or accruing prior to, on or after the Closing Date) in respect of all Wells and Tangibles.

## **ARTICLE 10 COVENANTS**

### **10.1 Conduct of Business Until Closing**

- (a) From the date hereof until the Closing Date, subject to the Receivership Order and any limitations set out in the Title Documents and any other agreements and documents to which the Assets are subject, the Vendor shall use reasonable commercial efforts, to maintain the Assets in a proper and prudent manner in material compliance with all Applicable Laws, but for greater certainty only to the extent that the nature, scope and authority of the Vendor's role as receiver and manager of the assets, property and undertaking of the Debtor and the nature of the Receivership Proceedings permits and is consistent with the foregoing.
- (b) Until the Closing Date, the Vendor shall provide the Purchaser with all access to the Assets as is reasonably required by the Purchaser in order to allow for and assist the Purchaser with an orderly passing of the Assets to the Purchaser following Closing in accordance herewith.
- (c) The access to the Assets to be afforded to the Purchaser and its Representatives pursuant to this Section 10.1 will be subject to the Assumed Contracts and all of the Vendor's and the Debtor's site entry protocols, health, safety and environmental rules, policies and procedures. Further, the Purchaser acknowledges and agrees that it shall:
  - (i) be solely liable and responsible for any and all Losses and Liabilities which the Vendor, the Debtor, their respective Affiliates or their respective Representatives may suffer, sustain, pay or incur; and
  - (ii) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives harmless from any and all Claims or Losses and Liabilities whatsoever which may be brought against, suffered by or incurred by the Vendor, the Debtor, their respective Affiliates or their respective Representatives;

arising out of, resulting from, attributable to or in any way connected with any access provided to the Purchaser or its Representatives pursuant to this Section 10.1.

## 10.2 ROFRs

- (a) The Purchaser acknowledges that it shall be responsible for conducting such separate investigation of the Assets as the Purchaser has determined is appropriate with respect to the identification of ROFRs applicable to the Assets as soon as is reasonably practicable after the date hereof. The Purchaser shall indemnify Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, the Debtor, their respective Affiliates or their respective Representatives as a result of any failure by the Purchaser to identify ROFRs applicable to the Assets or any Third Party Claim relating to the allocation of the value of a ROFR to be determined by the Purchaser in accordance with Section 10.2(b)(i), as applicable.
- (b) If the Purchaser has identified any ROFRs pursuant to Section 10.2(a):
  - (i) promptly following the identification of Assets which are the subject of ROFRs, the Purchaser shall prepare and provide the Vendor with ROFR notices to be issued in respect of such ROFRs, which shall include the Purchaser's bona fide allocation of the amount of the Purchase Price attributable to each of such Assets which are subject to a ROFR;
  - (ii) the Vendor shall courier ROFR notices to the Third Parties holding such ROFRs promptly following the receipt of the same from the Purchaser; and
  - (iii) to the extent the Purchaser is not copied directly on a response from a Third Party ROFR holder, the Vendor shall notify the Purchaser in writing forthwith upon each Third Party exercising or waiving such a ROFR.
- (c) If any such Third Party elects to exercise such a ROFR, then:
  - (i) the definition of Assets shall be deemed to be amended to exclude those Assets in respect of which the ROFR has been exercised;
  - (ii) such Assets shall not be conveyed to the Purchaser;
  - (iii) any proceeds received by the Vendor from a Third Party in respect of the sale and conveyance of any Assets which are subject to a ROFR shall be deemed to not constitute Assets for the purposes of this Agreement; and
  - (iv) the Purchase Price shall not be subject to any reduction in the event of the exercise of any such ROFR by a Third Party.
- (d) In the event that a Third Party exercises a ROFR and is then unable or unwilling to enter into a conveyance agreement with the Vendor for the relevant Assets, the Purchaser agrees to accept a conveyance of such Assets under the same terms and conditions as this Agreement to whatever extent possible.
- (e) Closing shall not be delayed even though certain of the ROFRs are outstanding and capable of exercise by the holders thereof as of the Closing Date (such ROFRs being referred to as "**Outstanding ROFRs**"). In such case, the following procedures shall apply:

- (i) the Parties shall proceed with Closing (for greater certainty without any reduction in the Purchase Price for the Outstanding ROFRs, and without variation of any other terms or conditions of this Agreement);
- (ii) the Purchaser shall have (as of the Closing Date) prepared all Specific Conveyances and other closing documentation required for the sale of the Assets subject to the Outstanding ROFRs (the "**Outstanding ROFR Assets**");
- (iii) if an Outstanding ROFR is exercised by a Third Party, the Vendor will promptly notify the Purchaser thereof in writing, the Specific Conveyances and other closing documentation related to such Outstanding ROFR Assets will be of no force or effect and shall be destroyed by the Purchaser, and the provisions of Section 10.2(c) shall apply to the Assets which are the subject of the Outstanding ROFR being exercised by the Third Party, *mutatis mutandis*; and
- (iv) if after Closing an Outstanding ROFR is extinguished by lapse of time, waiver or otherwise (other than as a result of being exercised), the Vendor will promptly notify the Purchaser thereof in writing and promptly deliver copies of the Specific Conveyances and closing documentation previously prepared to the Purchaser, and such documentation shall be effective and the sale of such Outstanding ROFR Assets to Purchaser pursuant hereto shall be deemed to have closed on the Closing Date.

### **10.3 Document Review**

Prior to Closing, the Vendor shall provide Purchaser with reasonable access to the Title Documents and other Miscellaneous Interests in the possession or under the control of Vendor for the purpose of verifying the continued validity and effect of the Title Documents, the identification of Assets the subject of ROFRs, the preparation of Specific Conveyances and other matters related to this Agreement and the Transaction.

## **ARTICLE 11 CONDITIONS**

### **11.1 Mutual Conditions**

The respective obligations of the Parties to complete the purchase and sale of the Assets are subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) the Court shall have granted the Approval and Vesting Order;
- (b) no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable order or Applicable Law subsequent to the date hereof which has the effect of: (i) making any of the transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the Vendor from the sale of the Assets; and
- (c) the Closing is not otherwise prohibited by Applicable Law.

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be asserted by the Vendor or the Purchaser regardless of the circumstances and may be waived only with the agreement of the Vendor and the Purchaser.

## **11.2 Conditions for the Benefit of the Purchaser**

The obligation of the Purchaser to complete the purchase of the Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Vendor contained in Section 5.1 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time;
- (b) the Vendor shall have complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement; and
- (c) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 12.2.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have.

## **11.3 Conditions for the Benefit of the Vendor**

The obligation of the Vendor to complete the sale of the Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Purchaser contained in Section 5.2 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time;
- (b) the Purchaser shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement;
- (c) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at or before the Closing all the documents contemplated in Section 12.3; and
- (d) the Vendor has not lost its ability to convey the Assets due to an order of the Court.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Vendor may have.

## **11.4 Satisfaction of Conditions**

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 11.1, 11.2 and 11.3. In addition, each of the Parties agrees not to take any action that could reasonably be expected to preclude, delay or have an adverse effect on the Transaction or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

## **ARTICLE 12 CLOSING**

### **12.1 Closing Date and Place of Closing**

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date, or at such other time as the Parties may agree in writing.

### **12.2 Deliveries on Closing by the Vendor**

The Vendor shall deliver (or cause to be delivered) to the Purchaser on or before the Closing Date:

- (a) a Court certified copy of the Approval and Vesting Order;
- (b) any consents for the Consent Required Contracts received prior to the Closing Date;
- (c) the General Conveyance, Assignment and Assumption Agreement duly executed by the Vendor; and
- (d) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

### **12.3 Deliveries on Closing by the Purchaser**

The Purchaser shall deliver (or cause to be delivered) to the Vendor's Solicitor on or before the Closing Date:

- (a) payment of the Purchase Price in accordance with Section 3.3(b);
- (b) evidence of payment of the Cure Costs in accordance with Section 2.6(a)(i), as applicable;
- (c) payment of all Transfer Taxes payable on Closing to the Vendor or the Vendor's Solicitors (or evidence of self-assessment and payment by the Purchaser thereof to the relevant Governmental Authorities);
- (d) the General Conveyance, Assignment and Assumption Agreement duly executed by the Purchaser; and
- (e) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

## **ARTICLE 13 TERMINATION**

### **13.1 Grounds for Termination**

This Agreement may be terminated at any time prior to Closing:

- (a) by the mutual written agreement of the Vendor and the Purchaser, provided however that if this Agreement has been approved by the Court, any such termination shall require the approval of the Court;
- (b) by the Purchaser, upon written notice to the Vendor, if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Vendor received such notice;
- (c) by the Purchaser, upon written notice to the Vendor, any time after the Outside Date, if (A) the Approval and Vesting Order has not been obtained, or (B) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Purchaser's breach of this Agreement;
- (d) by the Vendor, upon written notice to the Purchaser, if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.3 impossible by the Outside Date; or (ii) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Purchaser received such notice; or
- (e) by the Vendor, upon written notice to the Purchaser, any time after the Outside Date, if (A) the Approval and Vesting Order has not been obtained, or (B) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the breach of this Agreement by the Vendor.

### **13.2 Effect of Termination**

Notwithstanding any termination of this Agreement as permitted under Section 13.1, or as otherwise provided for in this Agreement, the provisions of Sections 3.3 (Deposit), 14.1 (Public Announcements), 14.4 (Governing Law), 14.5 (Consequential Damages), 14.11 (Costs and Expenses) and 14.15 (Third Party Beneficiaries) shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.3.

## **ARTICLE 14 GENERAL**

### **14.1 Public Announcements**

- (a) Subject to Section 14.1(b), if a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Parties with an advance copy of any such press release or public disclosure with sufficient time to enable the other Parties to review such press release or

other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure without the prior written consent of the other Parties, such consent not to be unreasonably withheld.

- (b) Notwithstanding Section 14.1(a): (i) this Agreement may be filed by the Vendor with the Court; and (ii) the Transaction may be disclosed by the Vendor to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Law. The Parties further agree that:
- (i) the Vendor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms of the Transaction;
  - (ii) the Vendor may forward a copy of this Agreement and all related documentation to the Orphan Well Association and its Representatives, agents, legal counsel and financial advisors, and may further advise such Persons of the existence and nature of any discussions and negotiations in relation thereto or in relation to the Transaction; provided that the Orphan Well Association and its Representatives agree in advance to be bound by any confidentiality undertakings or similar confidentiality requirements reasonably requested by the Vendor; and
  - (iii) the Vendor and its professional advisors may prepare and file such reports and other documents with the Court containing references to the Transaction contemplated by this Agreement and the terms of such Transaction as may reasonably be necessary to obtain the Approval and Vesting Order and to complete the Transaction contemplated by this Agreement or to comply with their obligations to the Court.

## **14.2 Dissolution of Debtor**

The Purchaser acknowledges and agrees that nothing in this Agreement shall operate to prohibit or diminish in any way the right of the Vendor or any of its Affiliates to cause the dissolution or wind-up of any of the Debtor subsequent to the Closing Date, or otherwise cause or allow the Debtor to cease operations in any manner or at any time subsequent to the Closing Date as the Vendor may determine in its sole discretion, which may be exercised without regard to the impact any such action may have on the Vendor's ability to fulfil its obligations under this Agreement that survive Closing.

## **14.3 Survival**

Upon Closing, the obligations, covenants, representations and warranties of the Parties set out in this Agreement shall expire, be terminated and extinguished and of no further force or effect, provided that notwithstanding the Closing contemplated hereunder or the delivery of documents pursuant to this Agreement, the obligations and covenants of the Parties set out in Section 2.3 (Assignment of Consent Required Contracts), Section 2.4 (Licence Transfers), Section 2.5 (Specific Conveyances), Section 2.6 (Post-Closing Maintenance of Assets), Section 5.3 (Enforcement of Representations and Warranties), Section 10.2 (ROFRs) and Article 4 (Transfer Taxes), Article 6 ("As Is, Where Is" and No Additional Representations and Warranties), Article 8 (Indemnification), Article 9 (Environmental Matters) and Article 14 (General), shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties indefinitely thereafter except as expressly stated to the contrary therein or otherwise in accordance with Applicable Laws.

#### **14.4 Governing Law**

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.
- (b) Notwithstanding Section 14.4(a), any and all documents or orders that may be filed, made or entered in the Receivership Proceedings, and the rights and obligations of the Parties thereunder, including all matters of construction, validity and performance thereunder, shall in all respects be governed by, and interpreted, construed and determined in accordance with the laws of the Province of Alberta. The Parties consent to the jurisdiction and venue of the Court, as applicable, for the resolution of any such disputes, regardless of whether such disputes arose under this Agreement. Each Party agrees that service of process on such Party as provided in Section 14.13 shall be deemed effective service of process on such Party.

#### **14.5 Consequential Damages**

Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any punitive, exemplary, consequential or indirect damages (including for greater certainty, any loss of profits) (collectively, "**Consequential Damages**") that may be alleged to result, in connection with, arise out of, or relate to this Agreement or the Transaction, other than Consequential Damages for which the Purchaser is liable as a result of a Third Party Claim (which liability shall be subject to and recoverable under Article 8 (Indemnification)). For greater certainty, the Parties agree that none of the Parties, the Debtor, their respective Affiliates or their respective Representatives shall be liable for any lost profits whatsoever, whether such lost profits are considered to be direct, consequential or indirect losses, and regardless of whether such lost profits were foreseeable by the Parties at any time or whether such lost profits were the direct and natural result of a Party's breach of its obligations under this Agreement.

#### **14.6 Further Assurances**

Each of the Parties from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

#### **14.7 Assignment**

The Purchaser shall not, without the Vendor's prior written consent, assign any right or interest in this Agreement, which consent may be withheld in the Vendor's sole and absolute discretion, except that the Purchaser shall have the right to assign any or all of its rights, interests or obligations hereunder to one or more Affiliates of the Purchaser, provided that: (a) such Affiliate agrees to be bound by the terms of this Agreement; (b) the Purchaser shall remain liable hereunder for any breach of the terms of this Agreement by such Affiliate; (c) such assignment shall not release the Purchaser from any obligation or liability hereunder in favour of the Vendor; and (d) the Purchaser shall acknowledge and confirm its continuing obligations in favour of the Vendor in an assignment and assumption agreement in form and substance satisfactory to the Vendor.

#### **14.8 Waiver**

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

#### **14.9 Amendment**

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

#### **14.10 Time of the Essence**

Time is of the essence in this Agreement.

#### **14.11 Costs and Expenses**

Unless otherwise provided for in this Agreement, each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the Transaction. Notwithstanding any other provision of this Agreement, the Purchaser shall pay the cost of all surveys, title insurance policies and title reports ordered by the Purchaser.

#### **14.12 Entire Agreement**

This Agreement and the Confidentiality Agreement (the terms and conditions of which are incorporated by reference into this Agreement, and binding upon the Parties, as if such agreement were signed directly by the Parties) constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement or in the Confidentiality Agreement.

#### **14.13 Notices**

Any notice, direction or other communication given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or electronic mail and addressed:

- (a) in the case of the Vendor:

KSV Restructuring Inc.  
Home Oil Tower  
324 8th Avenue SW, Suite 1165  
Calgary, AB T2P 2Z2

Attention: Andrew Basi Email: abasi@ksvadvisory.com

With a copy, which shall not constitute notice, to the Vendor's Solicitors:

Bennett Jones LLP  
4500, 855 - 2<sup>nd</sup> Avenue S.W.  
Calgary, AB T2P 4K7

Attention: Keely Cameron  
Email: CameronK@bennettjones.com

(b) In the case of the Purchaser:

**Prairie Thunder Resources Ltd.**  
**2500, 333-7<sup>th</sup> Avenue SW**  
**Calgary, AB T2P 2Z1**

Attention: **Sheldon Nedjelski**  
Email: **snedjelski@prairiethunder.ca**

A notice is deemed to be given and received if: (i) sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day; or (ii) email, on the date of transmission if it is a Business Day and the transmission was made prior to 4:00 p.m. (local time in place of receipt), and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a notice in accordance with the foregoing. Any subsequent notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a notice will be assumed not to be changed. **Sending a copy of a notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice to that Party. The failure to send a copy of a notice to legal counsel does not invalidate delivery of that notice to a Party.**

#### **14.14 Enurement**

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

#### **14.15 Third Party Beneficiaries**

Except as otherwise provided for in this Agreement, each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns and, except as otherwise provided for in this Agreement, no Person, other than the Parties and their successors and permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum. The Purchaser acknowledges to the Vendor, the Debtor, their respective Affiliates and their respective Representatives their direct rights against the Purchaser under this Agreement. To the extent required by Applicable Law to give full effect to these direct rights, the Purchaser agrees and acknowledges that the Vendor is acting as agent and/or as trustee of its Representatives, its Affiliates and their respective Representatives and the Debtor, their respective Affiliates and their respective Representatives.

#### **14.16 Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.


#### **14.17 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

**[THE BALANCE OF THIS PAGE INTENTIONALLY BLANK]**

**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**KSV RESTRUCTURING INC.,** A CORPORATION EXISTING UNDER THE FEDERAL LAWS OF CANADA, SOLELY IN ITS CAPACITY AS THE RECEIVER AND MANAGER OF THE ASSETS, PROPERTY AND UNDERTAKING OF BLUE SKY RESOURCES LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY

Per:   
Name: Andrew Basi  
Title: Managing Director

**PRAIRIE THUNDER RESOURCES LTD.**

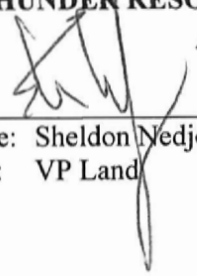
Per: \_\_\_\_\_  
Name: Sheldon Nedjelski  
Title: VP Land

**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**KSV RESTRUCTURING INC.,** A CORPORATION  
EXISTING UNDER THE FEDERAL LAWS OF  
CANADA, SOLELY IN ITS CAPACITY AS THE  
RECEIVER AND MANAGER OF THE ASSETS,  
PROPERTY AND UNDERTAKING OF BLUE SKY  
RESOURCES LTD., AND NOT IN ITS PERSONAL  
OR CORPORATE CAPACITY

Per: \_\_\_\_\_  
Name: Andrew Basi  
Title: Managing Director

**PRAIRIE THUNDER RESOURCES LTD.**

Per:  \_\_\_\_\_  
Name: Sheldon Nedjelski  
Title: VP Land

## SCHEDULE A

### Assets Listing

Lands Schedule:

Crown Number	Land Description	Formations	Vendor Interest	Royalty
50505020313	T085-08W6: 9NW,SE,SW	PNG below Base of the Charlie Lk to Base of the Doig	22.50%	CSS
50584110494	T085-08W6: 9	PNG from Surface to Base of the Nancy	75.00%	CSS
50584110494	T085-08W6: 9	PNG from Base of the Nancy to base of the Charlie Lake	22.50%	CSS
50599030507	T084-08W6: 33	PNG from Surface to Base of the Doig	58.00%	CSS 2.5-5% ss ORR
50599030508	T084-08W6: 34NW	PNG in Charlie Lake and Halfway	58.00%	CSS 2.5-5% ss ORR
50599110200	T085-08W6: 4	PNG from Surface to Base of the Doig	47.40%	CSS 2.5-5% ss ORR
5494030135	T085-08W6: 5;8SE	PNG from Surface to Base of the Doig	53.00%	CSS 2.5-5% ss ORR
592060303	T081-05W6; 5	PNG from Surface to Base Of Triassic	33.34%	CSS 7.5-10% ss GORR
592060303	T081-05W6; 5	PNG from Base Of Triassic to Base Wabamun	33.34%	CSS

Wells:

UWI	License #	Status	Vendor Interest
102/08-32-084-08W6/00	0361957	Inj	58%
100/14-33-084-08W6/00	0304852	Suspended Oil	58%
102/16-33-084-08W6/00	0305222	Suspended Oil	58%
100/03-34-084-08W6/00	0312986	Inj	58%
100/12-34-084-08W6/00	0312991	Abandoned Zn	58%
100/12-34-084-08W6/02	0312991	Suspended	58%
100/06-04-085-08W6/00	0309952	Suspended Oil	47.4%
100/14-04-085-08W6/00	0312621	Suspended Oil	47.4%
100/06-05-085-08W6/00	0284473	Suspended Oil	53.4%
100/08-05-085-08W6/00	0293014	Suspended Oil	31.470667%
100/14-05-085-08W6/00	0305683	Suspended Oil	53.4%
100/15-05-085-08W6/00	0268001	Suspended Oil	31.470667%
100/08-08-085-08W6/00	0312694	Suspended Oil	53.4%
100/06-09-085-08W6/00	0317623	Suspended Oil	22.5%

100/16-09-085-08W6/00	0132548	Suspended Gas	75%
100/16-09-085-08W6/02	0132548	Drilled & Cased	75%

Facilities:

License Number	Facility Number	Location	Facility Type Name	Vendor Interest
0017060	FAC03885	16-04-085-08W6M	GAS PROCESSING PLANT	22.96580%
0017060	FAC04476	16-04-085-08W6M	FACILITY FUNCTIONAL UNIT	21.12310%
0017060	FAC04477	16-04-085-08W6M	INLET SEPERATOR	21.12310%
0017060	FAC04478	16-04-085-08W6M	COMPRESSOR STATION	16.89670%
0017060	FAC04479	16-04-085-08W6M	GAS PROCESSING PLANT	5.81720%
0132548	FAC01691	16-09-085-08W6M	BATTERY	75.00000%
0031887	FAC04480	16-33-084-08W6M	BATTERY	18.90910%

Pipelines:

License & Line #	Licensee	Frome Location	To Location
44364 - 1	BLUE SKY RESOURCES LTD.	6-9-85-8W6	14-4-85-8W6
44621 - 1	BLUE SKY RESOURCES LTD.	14-4-85-8W6	6-9-85-8W6
49445 - 1	BLUE SKY RESOURCES LTD.	16-33-84-8W6	8-32-84-8W6
25987 - 1	BLUE SKY RESOURCES LTD.	14-34-87-6W6	7-21-87-6W6

**SCHEDULE B**

**Form of Approval and Vesting Order**

**(see attached)**

COURT FILE NUMBER	2601-05153
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ACES CANADA SPV III ULC
RESPONDENT	BLUE SKY RESOURCES LTD.

Clerk's Stamp
---------------

DOCUMENT **APPROVAL AND VESTING ORDER  
(Sale by Receiver)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<b>BENNETT JONES LLP</b> Suite 4500, 855 – 2nd Street S.W. Calgary, AB T2P 4K7
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Attention: Keely Cameron/Sarah Aaron  
Telephone No.: 403-298-3324  
Fax No.: 403-265-7219  
Client File No.: 069209.27  
Cameronk@bennettjones.com/AaronS@bennettjones.com

**DATE ON WHICH ORDER WAS PRONOUNCED:**

**LOCATION WHERE ORDER WAS PRONOUNCED:**

**NAME OF JUSTICE WHO MADE THIS ORDER:**

**UPON THE APPLICATION** by KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the undertakings, property and assets of Blue Sky Resources Ltd. (“**Blue Sky**” or the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and [**Name of Purchaser**] (the “**Purchaser**”) dated [**Date**] and appended to the \_\_\_ Report of the Receiver dated [**Date**] (the “**Report**”), and vesting in the Purchaser (or its nominee) the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”);

**AND UPON HAVING READ** the Receivership Order dated March 23, 2026 (the “**Receivership Order**”), the Report and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser [**Names of other parties appearing**], no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

**APPROVAL OF TRANSACTION**

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

**VESTING OF PROPERTY**

3. Subject only to approval by the Alberta Energy Regulator (“**Energy Regulator**”) of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta) upon delivery of a Receiver’s certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule “A”** hereto (the “**Receiver’s Closing Certificate**”), all of the Debtor’s right, title and interest in and to the Purchased Assets listed in **Schedule “B”** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, “**Claims**”) including, without limiting the generality of the foregoing:
  - (a) any encumbrances or charges created by the Receivership Order;
  - (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
  - (c) any liens or claims of lien under the *Prompt Payment and Construction Lien Act* (Alberta); and

- (d) those Claims listed in **Schedule “C”** hereto (all of which are collectively referred to as the **“Encumbrances”**, which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule “D”** (collectively, **“Permitted Encumbrances”**))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

4. Upon delivery of the Receiver’s Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, **“Governmental Authorities”**) are hereby authorized, requested and directed to accept delivery of such Receiver’s Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a)<sup>1</sup> the Registrar of Land Titles (**“Land Titles Registrar”**) for the lands defined below shall and is hereby authorized, requested and directed to forthwith:

- (i) cancel existing Certificates of Title No. \* for those lands and premises municipally described as \*, and legally described as:

\*  
(the **“Lands”**)

- (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee), namely, \*;

- (iii) transfer to the New Certificate of Title the existing instruments listed in **Schedule “D”**, to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in **Schedule “D”**; and

- (iv) discharge and expunge the Encumbrances listed in **Schedule “C”** to this Order and discharge and expunge any Claims including Encumbrances (but excluding

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<sup>1</sup> Paragraph 4(a) is included when the Purchased Assets include titled lands.

Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;

- (b) Alberta Energy (“**Energy Ministry**”) shall and is hereby authorized, requested and directed to forthwith:
    - (v) cancel and discharge those Claims including builders’ liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Debtor in and to any of the Purchased Assets located in the Province of Alberta; and
    - (vi) transfer all Crown leases listed in **Schedule “E”** to this Order standing in the name of the Debtor, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;
  - (c) the Registrar of the Alberta Personal Property Registry (the “**PPR Registrar**”) shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver’s Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
  6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement, other than any required approval by the Energy Regulator referenced in paragraph 3 above.

7. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.
9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or

other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtor was entitled.

#### **MISCELLANEOUS MATTERS**

15. Notwithstanding:
  - (a) the pendency of these proceedings and any declaration of insolvency made herein;
  - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "BIA"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
  - (c) any assignment in bankruptcy made in respect of the Debtor; and
  - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or

other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
  17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
  18. Service of this Order shall be deemed good and sufficient by:
    - (a) Serving the same on:
      - (i) the persons listed on the service list created in these proceedings;
      - (ii) any other person served with notice of the application for this Order;
      - (iii) any other parties attending or represented at the application for this Order;
      - (iv) the Purchaser or the Purchaser's solicitors; and
    - (b) Posting a copy of this Order on the Receiver's website at:  
<https://www.ksvadvisory.com/experience/case/blue-sky-resources-ltd>and service on any other person is hereby dispensed with.
  19. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.
-

Justice of the Court of King's Bench of Alberta

**SCHEDULE "A"****Form of Receiver's Certificate**

COURT FILE NUMBER	2601-05153
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ACES CANADA SPV III ULC
RESPONDENT	BLUE SKY RESOURCES LTD.

Clerk's Stamp

DOCUMENT	<b>RECEIVER'S CERTIFICATE</b>
----------	-------------------------------

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<b>BENNETT JONES LLP</b> Suite 4500, 855 – 2nd Street S.W. Calgary, AB T2P 4K7
---	--

Attention: Keely Cameron/Sarah Aaron  
 Telephone No.: 403-298-3324  
 Fax No.: 403-265-7219  
 Client File No.: 069209.27  
 Cameronk@bennettjones.com/AaronS@bennettjones.com

**RECITALS**

- A. Pursuant to an Order of the Honourable Justice J.S. Little of the Court of King's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated March 23, 2026, KSV Restructuring Inc. was appointed as the receiver (the "**Receiver**") of the undertakings, property and assets of Blue Sky Resources Ltd. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated [**Date**], the Court approved the agreement of purchase and sale made as of [**Date of Agreement**] (the "**Sale Agreement**") between the Receiver and [**Name of Purchaser**] (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 12 of the Sale Agreement have been satisfied or

waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 12 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at [Time] on [Date].

**KSV RESTRUCTURING INC., in its capacity as Receiver of the assets, property and undertaking of Blue Sky Resources Ltd., and not in its personal capacity.**

**Per:** \_\_\_\_\_

**Name:**

**Title:**

**SCHEDULE "B"**  
**PURCHASED ASSETS**

**SCHEDULE "C"**

**CLAIMS**

## **SCHEDULE "D"**

### **PERMITTED ENCUMBRANCES**

Permitted Encumbrances consist of the following (with capitalized terms having the definitions given to them in the Sale Agreement, unless otherwise defined in this Order):

- (a) any overriding royalties, net profits interests and other burdens, which are provided for under the Title Documents;
- (b) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;
- (c) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
- (d) easements, rights of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;
- (e) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;
- (f) agreements for the sale, processing, transmission or transportation of Petroleum Substances entered into by the Debtor, or the Vendor for and on behalf of the Debtor subsequent to the date of this Agreement;
- (g) any obligation of the Vendor or the Debtor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
- (h) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;
- (i) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards the Vendor's or any Debtor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;
- (j) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;
- (k) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;

- (l) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority;
- (m) any linear or non-linear municipal property tax claims under the *Municipal Government Act* (Alberta), or otherwise; and
- (n) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's or any Debtor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof.

**SCHEDULE "E"**  
**CROWN LEASES**

## SCHEDULE C

### Form of General Conveyance, Assignment and Assumption Agreement

#### GENERAL CONVEYANCE, ASSIGNMENT, AND ASSUMPTION AGREEMENT

THIS General Conveyance, Assignment, and Assumption Agreement (this "**Agreement**") is made as of the [•] day of [•], [•].

#### AMONG:

**KSV RESTRUCTURING INC.**, a corporation existing under the federal laws of Canada, solely in its capacity as the receiver and manager of the assets, property and undertaking of Blue Sky Resources Ltd. (the "**Debtor**"), and not in its personal or corporate capacity (herein referred to as the "**Vendor**")

- and -

**PRAIRIE THUNDER RESOURCES LTD.**, a corporation existing under the laws of Alberta (herein referred to as the "**Purchaser**")

#### RECITALS:

- A. In accordance with the terms of that certain Asset Purchase and Sale Agreement dated as of May 5, 2026, by and between the Vendor and the Purchaser (the "**Purchase Agreement**"), the Vendor has agreed to sell, assign, and transfer the Assets to the Purchaser and the Purchaser has agreed to purchase the Assets from the Vendor;
- B. the Purchaser has agreed to assume the Assumed Liabilities; and
- C. this Agreement is delivered pursuant to the Purchase Agreement.

**NOW THEREFORE**, for good and valuable consideration now paid by the Purchaser to the Vendor pursuant to the Purchase Agreement (the receipt and sufficiency of which is hereby acknowledged by the Vendor) the parties hereto agree as follows:

#### 1. Definitions

All capitalized terms used but not otherwise defined in this Agreement shall have the meaning ascribed to such terms in the Purchase Agreement.

#### 2. Certain Rules of Interpretation

- (i) In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.

- (ii) The division of this Agreement into Sections and the inclusion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (iii) The terms "hereof," "hereunder," and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.
- (iv) Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections of this Agreement.
- (v) The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

### **3. Conveyance**

The Vendor hereby sells, transfers, assigns, conveys and delivers to the Purchaser, and the Purchaser hereby purchases, accepts and receives from the Vendor, upon the terms and subject to the conditions of the Purchase Agreement, the Vendor's Interest in and to the Assets, free and clear of any and all Claims other than Permitted Encumbrances, as applicable, with effect as of the Closing on the date hereof, to have and to hold the Assets and all such right, title, interest, property, claim, and demand unto and to the use of the Purchaser.

### **4. Assumption of Assumed Liabilities**

Effective as of the Closing on the date hereof, the Purchaser hereby assumes and agrees to pay, perform, and discharge, when due, the Assumed Liabilities.

### **5. Further Assurances**

Each of the Parties hereto from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

### **6. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.

### **7. Entire Agreement**

This Agreement, the Purchase Agreement, and the documents referred to therein and contemplated thereby constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or

written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement, the Purchase Agreement, the Confidentiality Agreement and the documents referred to therein and contemplated thereby.

**8. Successors and Assigns**

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

**9. Counterparts**

This Agreement may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one instrument. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

**10. Amendments**

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party. Any amendment effected in accordance with this Section 10 will be binding upon the Parties and their respective successors and permitted assigns.

**11. Paramountcy**

This Agreement is delivered pursuant to, and is subject to, all of the terms and conditions contained in the Purchase Agreement. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Purchase Agreement, the provisions of the Purchase Agreement shall prevail.

**12. Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

**[Signature Page Follows.]**

**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**KSV RESTRUCTURING INC.,** A CORPORATION EXISTING UNDER THE FEDERAL LAWS OF CANADA, SOLELY IN ITS CAPACITY AS THE RECEIVER AND MANAGER OF THE ASSETS, PROPERTY AND UNDERTAKING OF BLUE SKY RESOURCES LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY

Per: \_\_\_\_\_  
Name:  
Title:

**PRAIRIE THUNDER RESOURCES LTD.**

Per: \_\_\_\_\_  
Name: Sheldon Nedjelski  
Title: VP Land

## **Appendix “D”**

**Intentionally Blank**  
Purchase and Sale Agreement to be  
Filed Separately

## **Appendix “E”**

**KSV RESTRUCTURING INC., SOLELY IN ITS CAPACITY AS THE RECEIVER AND  
MANAGER OF THE ASSETS, PROPERTY AND UNDERTAKING OF BLUE SKY  
RESOURCES LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

**- and -**

**REVOLUTION OIL & GAS CORPORATION**

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**ASSET PURCHASE AND SALE AGREEMENT**

**May 5, 2026**

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## SCHEDULES

Schedule A	Assets Listing
Schedule B	Form of Approval and Vesting Order
Schedule C	Form of General Conveyance, Assignment and Assumption Agreement

## ASSET PURCHASE AND SALE AGREEMENT

**THIS PURCHASE AND SALE AGREEMENT** is dated as of May 5, 2026,

**BETWEEN:**

**KSV RESTRUCTURING INC.**, a corporation existing under the federal laws of Canada, solely in its capacity as the receiver and manager of the assets, property and undertaking of Blue Sky Resources Ltd. (the "**Debtor**") and not in its personal or corporate capacity (herein referred to as the "**Vendor**")

- and -

**REVOLUTION OIL & GAS CORPORATION**, a body corporate, incorporated under the laws of the Province of Alberta (herein referred to as the "Purchaser")

**WHEREAS:**

- A. pursuant to the Receivership Order, the Vendor was appointed as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof; and
- B. subject to receipt of Court Approval, the Purchaser has agreed to purchase and acquire and the Vendor has agreed to sell, transfer and assign to the Purchaser, all of the Vendor's Interest in and to the Assets, on the terms and conditions set forth herein.

**NOW THEREFORE**, this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged by each Party to the other, the Parties covenant and agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement:

- (a) "**Abandonment and Reclamation Obligations**" means all past, present and future obligations to:
  - (i) abandon, shut-down, close, decommission, dismantle or remove any and all Wells and Tangibles, including all structures, foundations, buildings, pipelines, equipment and other facilities forming part of the Wells and Tangibles or otherwise located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands; and
  - (ii) restore, remediate and reclaim the surface and subsurface locations of the Wells and the Tangibles and any lands used to gain access thereto, including such obligations relating to wells, pipelines and facilities which were abandoned or

decommissioned prior to the Closing Date that were located on the Lands or that were located on other lands and used in respect of Petroleum Substances produced or previously produced from the Lands, and including the remediation, restoration and reclamation of any other surface and sub-surface lands affected by any environmental damage, contamination or other environmental issues emanating from or relating to the sites for the Wells or the Tangibles;

all in accordance with generally accepted oil and gas industry practices and in compliance with all Applicable Laws;

- (b) "**AER**" means the Alberta Energy Regulator, or any successor thereto having jurisdiction over the Assets or certain of them or the operation thereof;
- (c) "**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with that specified Person. For the purposes of this definition, "control" (including with correlative meanings, controlling, controlled by and under common control with) means the power to direct or cause the direction of the management and policies of that Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and, it being understood and agreed that with respect to a corporation or partnership, control shall mean direct or indirect ownership of more than 50% of the voting shares in any such corporation or of the general partnership interest or voting interest in any such partnership;
- (d) "**Agreement**" means this agreement of purchase and sale and any schedules attached hereto which are referred to in this agreement, together with any amendment or supplement thereto;
- (e) "**Applicable Law**" means, in respect of any Person, asset, transaction, event or circumstance: (i) statutes (including regulations enacted thereunder); (ii) judgments, decrees and orders of courts of competent jurisdiction (including the common law); (iii) regulations, orders, ordinances and directives issued by Governmental Authorities; and (iv) the terms and conditions of all permits, licenses, approvals and authorizations, in each case which are applicable to such Person, asset, transaction, event or circumstance;
- (f) "**Approval and Vesting Order**" means an order of the Court approving the Transaction in accordance with the provisions of this Agreement, and, subject to Closing, vesting all of the Vendor's Interest in and to the Assets in the Purchaser free and clear of all Claims (other than Permitted Encumbrances) and interests, such order to be substantially in the form attached hereto as Schedule B together with such modifications and amendments to such form as may be approved by both the Vendor and the Purchaser, acting reasonably;
- (g) "**Assets**" means the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests as defined in the attached Schedule A;
- (h) "**Assignment Order**" means an order of the Court in form and substance satisfactory to the Vendor and the Purchaser, acting reasonably, and obtained on a motion made on notice to such Persons as the Vendor and the Purchaser determine, to be sought by the Vendor, authorizing and approving the assignment to the Purchaser of any Assumed Contracts for which the consent, approval or waiver of the party or parties thereto (other than the Company) is required to assign such Assumed Contracts;

- (i) "**Assumed Contracts**" means the contracts referenced in subsection (i) of the definition of Miscellaneous Interests, which contracts shall be assigned by the Vendor in its own right or for and on behalf of the Debtor and assumed by the Purchaser in accordance with the terms of this Agreement, the relevant contracts and/or the Approval and Vesting Order, and/or other order of the Court in form and substance satisfactory to the Parties;
- (j) "**Assumed Liabilities**" means, collectively, all liabilities and obligations arising from the possession, ownership and/or use of the Assets following Closing (including for greater certainty any municipal or property taxes that accrue commencing on the Closing Date), along with Environmental Liabilities, Abandonment and Reclamation Obligations and Cure Costs;
- (k) "**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the City of Calgary in the Province of Alberta;
- (l) "**Claim**" means any caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgments, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing:
  - (i) any encumbrances or charges created by the Receivership Order;
  - (ii) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
  - (iii) any liens or claims of lien under the *Prompt Payment and Construction Lien Act* (Alberta);
  - (iv) any outstanding amounts owing in respect of the AER Orphan Fund Levy and Administration Fees; and
  - (v) those claims which may be specifically identified in Schedule "C" to the Approval and Vesting Order, as applicable;
- (m) "**Closing**" means the completion of the purchase by the Purchaser, and sale by the Vendor, of the Vendor's Interest in and to the Assets and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such purchase and sale, all subject to and in accordance with the terms and conditions of this Agreement;
- (n) "**Closing Date**" means the date on which Closing occurs, being the date which is five Business Days following the date upon which all of the conditions in Sections 11.1, 11.2 and 11.3 have been satisfied or waived (other than such conditions which are to be satisfied on the Closing Date), or such other date as the Parties may agree in writing; provided, however, that the Closing Date shall not be later than the Outside Date;

- (o) "**Confidentiality Agreement**" means the confidentiality agreement between the Vendor and the Purchaser executed prior to the date hereof in respect of the evaluation by the Purchaser of potential transactions involving the assets of the Debtor;
- (p) "**Consent Required Contract**" means any Assumed Contract or license which is not assignable in whole or in part without the consent, approval or waiver of the party or parties thereto (other than the Vendor), for clarity other than the License Transfers;
- (q) "**Consequential Damages**" has the meaning ascribed to that term in Section 14.5;
- (r) "**Court**" means the Court of King's Bench of Alberta, Judicial Centre of Calgary;
- (s) "**Cure Costs**" means, in respect of any Assumed Contract, all amounts, required to be paid to remedy all of the Vendor's or the Debtor's monetary defaults under such Assumed Contract or required to secure a counterparty's or any other necessary Person's consent to the assignment of such Assumed Contract pursuant to its terms (including any deposits or other forms of security required by any Governmental Authority) or as may be required pursuant to the Approval and Vesting Order, and includes any other fees and expenses required to be paid to a counterparty or any other Person in connection with the assignment of an Assumed Contract pursuant to its terms or Applicable Laws;
- (t) "**Due Diligence Information**" means all information made available (by the Vendor, the Debtor or otherwise) for the Purchaser's review in paper or electronic form in relation to the Debtor, its Affiliates and/or the Assets;
- (u) "**Environment**" means the components of the earth and includes the air, the surface and subsurface of the earth, bodies of water (including rivers, streams, lakes and aquifers) and plant and animal life (including humans);
- (v) "**Environmental Laws**" means all Applicable Laws relating to pollution or protection of human health or the Environment (including ambient air, water, surface water, groundwater, land surface, soil, or subsurface) or natural resources, including Applicable Laws relating to the storage, transfer, transportation, investigation, cleanup, treatment, or use of, or release or threatened release into the Environment of, any Hazardous Substances;
- (w) "**Environmental Liabilities**" means all past, present and future Losses and Liabilities, Claims and other duties and obligations, whether arising under contract, Applicable Laws or otherwise, arising from, relating to or associated with:
  - (i) any damage, pollution, contamination or other adverse situations pertaining to the Environment howsoever and by whomsoever caused and regardless of whether such damage, pollution, contamination or other adverse situations occur or arise in whole or in part prior to, at or subsequent to the date of this Agreement;
  - (ii) the presence, storage, use, holding, collection, accumulation, assessment, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, release, emission or discharge of Petroleum Substances, oilfield wastes, water, Hazardous Substances, environmental contaminants and all other substances and materials regulated under any Applicable Law, including any forms of energy, or any corrosion to or deterioration of any structures or other property;

- (iii) compliance with or the consequences of any non-compliance with, or violation or breach of, any Environmental Law;
- (iv) sampling, monitoring or assessing the Environment or any potential impacts thereon from any past, present or future activities or operations; or
- (v) the protection, reclamation, remediation or restoration of the Environment;

that relate to or arise by virtue of the Assets or the ownership thereof or any past, present or future operations and activities conducted in connection with the Assets or on or in respect of the Lands or any lands pooled or unitized therewith;

- (x) "**Facilities**" means the Vendor's Interest in and to all field facilities whether or not solely located on or under the surface of the Lands (or lands with which the Lands are pooled) and that are, or have been, used for production, gathering, treatment, compression, transportation, injection, water disposal, measurement, processing, storage or other operations respecting the Leased Substances, including any applicable battery, separator, compressor station, gathering system, pipeline, production storage facility or warehouse, including those facilities and pipelines identified in Schedule A under the headings entitled "Facilities" and "Pipelines", respectively, and as applicable;
- (y) "**General Conveyance, Assignment and Assumption Agreement**" means an agreement providing for the assignment by the Vendor of the Vendor's Interest in and to the Assets, free and clear of all Claims (other than Permitted Encumbrances), substantially in the form attached hereto as Schedule C, and the assumption by the Purchaser of the Assumed Liabilities, substantially in the form attached hereto as Schedule C;
- (z) "**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Assets or this Transaction, including for greater certainty the AER;
- (aa) "**GST**" means taxes, interest, penalties and other additions thereto imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and "**GST Legislation**" means such act and regulations collectively;
- (bb) "**Hazardous Substances**" means any substance, material or waste defined, regulated, listed or prohibited by Environmental Laws, including pollutants, contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, radioactive materials, flammable substances, explosives, Petroleum Substances and products of Petroleum Substances, polychlorinated biphenyls, chlorinated solvents and asbestos;
- (cc) "**Lands**" means the lands set out and described in Schedule A under the heading entitled "Lands Schedule/Mineral Property Report", and the Petroleum Substances within, upon or under such lands (subject to the restrictions and exclusions identified in the Title Documents as to Petroleum Substances and geological formations);

- (dd) **"Leased Substances"** means all Petroleum Substances, rights to or in respect of which are granted, reserved or otherwise conferred by or under the Title Documents (but only to the extent that the Title Documents pertain to the Lands);
- (ee) **"Legal Proceeding"** means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;
- (ff) **"Licence Transfers"** means the transfer from the Vendor and/or the Debtor to the Purchaser of any permits, approvals, licences and authorizations granted by the AER or any other Governmental Authority in relation to the construction, installation, ownership, use or operation of the Wells or the Facilities, as applicable.
- (gg) **"Losses and Liabilities"** means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations and penalties, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim by any Governmental Authority or any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, and those arising under any contract, agreement, arrangement, commitment or undertaking and costs and expenses of any Legal Proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith (on a full indemnity basis);
- (hh) **"LTAs"** has the meaning set forth in Section 2.4(a);
- (ii) **"Miscellaneous Interests"** means, subject to any and all limitations and exclusions provided for in this definition, the Vendor's Interest in and to all property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles (other than the Petroleum and Natural Gas Rights and the Tangibles), or either of them, but only to the extent that such property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including any and all of the following:
  - (i) all contracts relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);
  - (ii) all warranties, guarantees and similar rights relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including warranties and guarantees made by suppliers, manufacturers and contractors under the Assets, and claims against other Third Parties in connection with the contracts relating to the Petroleum and Natural Gas Rights and the Tangibles;
  - (iii) all subsisting rights to carry out operations relating to the Lands, the Tangibles or the Wells, and without limitation, all easements and other permits, licenses and authorizations pertaining to the Tangibles or the Wells;
  - (iv) rights to enter upon, use, occupy and enjoy the surface of any lands which are used or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them;

- (v) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them including any of the foregoing that pertain to geological or geophysical matters and, including plats, surveys, maps, cross-sections, production records, electric logs, cuttings, cores, core data, pressure data, decline and production curves, well files, and related matters, division of interest records, lease files, title opinions, abstracts of title, title curative documents, lease operating statements and all other accounting information, marketing reports, statements, gas balancing information, and all other documents relating to customers, sales information, supplier lists, records, literature and correspondence, physical maps, geologic or geophysical interpretation, electronic and physical project files; and
- (vi) the Wells, including the wellbores and any and all casing and down-hole monitoring and pumping equipment;

provided that unless otherwise agreed in writing by the Parties, the Miscellaneous Interests shall not include any documents or data to the extent that they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by the Vendor or the Debtor to an assignee;

- (jj) "**Notice Period**" has the meaning ascribed to that term in Section 8.2(b);
- (kk) "**Order**" means any order, writ, judgment, injunction, decree, stipulation, determination, decision, verdict, ruling, subpoena, or award entered by or with any Governmental Authority (whether temporary, preliminary, or permanent);
- (ll) "**Outside Date**" means the date which occurs 90 days following the date of execution of this Agreement, or such other date as the Parties may agree;
- (mm) "**Outstanding ROFR Assets**" has the meaning set forth in Section 10.2(e)(ii);
- (nn) "**Outstanding ROFRs**" has the meaning set forth in Section 10.2(e);
- (oo) "**Parties**" means, collectively, the Purchaser and the Vendor, and "**Party**" means any one of them;
- (pp) "**Permitted Encumbrances**" means:
  - (i) any overriding royalties, net profits interests and other burdens, which are provided for under the Title Documents;
  - (ii) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;
  - (iii) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;

- (iv) easements, rights of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;
  - (v) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;
  - (vi) agreements for the sale, processing, transmission or transportation of Petroleum Substances entered into by the Debtor, or the Vendor for and on behalf of the Debtor subsequent to the date of this Agreement;
  - (vii) any obligation of the Vendor or the Debtor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
  - (viii) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;
  - (ix) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards the Vendor's or any Debtor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;
  - (x) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;
  - (xi) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;
  - (xii) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority;
  - (xiii) any linear or non-linear municipal property tax claims under the *Municipal Government Act* (Alberta), or otherwise; and
  - (xiv) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's or any Debtor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof;
- (qq) "**Person**" means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executory, Governmental Authority, or other entity however designated or instituted;

- (rr) "**Petroleum and Natural Gas Rights**" means the Vendor's Interest in and to all rights to and in respect of the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands);
- (ss) "**Petroleum Substances**" means any of crude oil, petroleum, natural gas, natural gas liquids, coal bed methane and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur;
- (tt) "**Purchase Price**" has the meaning ascribed to that term in Section 3.1;
- (uu) "**Purchaser**" has the meaning ascribed to that term in the preamble hereto;
- (vv) "**Receivership Order**" means the order of the Court dated March 23, 2026, pursuant to which the Vendor was appointed as the receiver and manager of all of the current and future assets, undertakings and properties of every nature or kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof;
- (ww) "**Receivership Proceedings**" means the court proceedings brought in the Court pursuant to Court Action No. 2601-05153, pursuant to which the Vendor was appointed as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof;
- (xx) "**Representative**" means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its Affiliates;
- (yy) "**ROFR**" means a right of first refusal, right of first offer or other pre-emptive or preferential right of purchase or similar right to acquire the Assets or certain of them that may become operative by virtue of this Agreement or the completion of the Transaction;
- (zz) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the Vendor's Interest in and to the Assets to the Purchaser and to novate the Purchaser in the place and stead of the Vendor or the Debtor, as applicable, with respect to the Assets (excluding the Licence Transfers);
- (aaa) "**Tangibles**" means the Vendor's Interest in and to the Facilities and any and all other tangible depreciable property and assets, if any, which are located within, upon or in the vicinity of the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, store, transport, make marketable or inject the Leased Substances or any of them;
- (bbb) "**Third Party**" means any Person who is not a Party or an Affiliate of a Party;
- (ccc) "**Third Party Claim**" means any Claim by a Third Party asserted against the Vendor or the Debtor for which the Purchaser has indemnified the Vendor and the Debtor or is otherwise responsible pursuant to this Agreement;
- (ddd) "**Title Documents**" means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements,

royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements, acreage contribution agreements, joint venture agreements and any other documents and agreements granting, reserving or otherwise conferring rights to (i) explore for, drill for, produce, take, use or market Petroleum Substances, (ii) share in the production of Petroleum Substances, (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced, and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands;

- (eee) "**Transaction**" means the transaction for the purchase and sale of the Vendor's Interest in and to the Assets, together with all other transactions contemplated in this Agreement, all as contemplated in this Agreement;
- (fff) "**Transfer Taxes**" means all transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Assets, including GST; and which, for certainty, shall not include freehold mineral taxes;
- (ggg) "**Vendor**" has the meaning ascribed to that term in the preamble hereto;
- (hhh) "**Vendor's Interest**" means, when used in relation to any asset, undertaking or property, the entire right, title and interest, if any, of the Debtor and/or the Vendor, as applicable, in, to and/or under such asset, undertaking or property;
- (iii) "**Vendor's Solicitors**" means the law firm of Bennett Jones LLP, or such other firm or firms of solicitors as are retained or engaged by the Vendor from time to time and notice of which is provided to the Purchaser; and
- (jjj) "**Wells**" means the Vendor's Interest in and to the wells listed in Schedule A under the heading entitled "Wells", as applicable.

## 1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) All references to monetary amounts are to the lawful currency of Canada.
- (b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.
- (c) The word "include" and "including" and derivatives thereof shall be read as if followed by the phrase "without limitation".
- (d) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.
- (e) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.

- (f) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified.
- (g) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.
- (h) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.
- (i) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.
- (j) Reference to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof.
- (k) References to an Applicable Law means such Applicable Law as amended from time to time and includes any successor Applicable Law thereto any regulations promulgated thereunder.

### **1.3 Schedules**

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule A	Assets Listing
Schedule B	Form of Approval and Vesting Order
Schedule C	Form of General Conveyance, Assignment and Assumption Agreement

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

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

## **ARTICLE 2 PURCHASE AND SALE**

### **2.1 Agreement of Purchase and Sale**

Subject to the terms and conditions of this Agreement, and in consideration of the Purchase Price, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase, accept and receive from the Vendor, the Vendor's Interest in and to the Assets.

### **2.2 Transfer of Property and Assumption of Liabilities**

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk, and legal and beneficial ownership of the Assets shall transfer from the Vendor to the Purchaser on the Closing Date, and the Purchaser agrees to assume, discharge, perform and fulfil all Assumed Liabilities.

Without limiting the provisions of this Agreement relating to the General Conveyance, Assignment and Assumption Agreement (and such agreement itself), or any other provisions of this Agreement relating to sale, transfer, assignment, conveyance or delivery, the Assets shall be sold, assigned, transferred, conveyed, and delivered by the Vendor to the Purchaser by way of the Licence Transfers, the Specific Conveyances and other appropriate instruments of transfer, bills of sale, endorsements, assignments, and deeds, in recordable form, or by way of an Order of the Court, as appropriate, and free and clear of any and all Claims other than Permitted Encumbrances, as applicable.

### **2.3 Assignment of Consent Required Contracts**

The Vendor and the Purchaser shall cooperate and shall take such commercially reasonable steps as necessary to obtain the consent of the counterparties for the assignment of the Consent Required Contracts, including, if necessary, obtaining an Assignment Order, provided that Closing shall not be delayed even if certain consents for any Consent Required Contracts are outstanding at the Closing.

### **2.4 Licence Transfers**

- (a) Promptly following the Closing Date (or at such earlier time as may be permitted by the AER, as applicable), the Vendor shall electronically submit applications to the AER for the Licence Transfers ("**LTAs**"), and confirm that such submission has been made to the Purchaser. Each of the Purchaser and the Vendor agrees that it shall cause to be provided any information and documentation along with such LTAs to the AER as are required to be provided in connection with the foregoing, including in the case of Purchaser, any information required by the AER in connection with the AER assessing the LTAs pursuant to criteria under the AER's *Directive 088* and *Manual 023: Licensee Life-Cycle Management*, if applicable. The Purchaser shall take any steps required to accept or ratify such LTAs without delay, provided that, if the Purchaser in good faith determines or believes that any of the LTAs are not complete and accurate, or the AER refuses to process any such LTAs because of some defect therein, the Parties shall cooperate to duly complete or to correct such incomplete or inaccurate LTAs as soon as practicable and thereafter, the Vendor shall promptly re-submit such LTAs and the Purchaser shall accept or ratify such re-submitted LTAs without delay. Each Party shall be responsible for its own costs relating to LTAs hereunder. The Purchaser shall provide any information and documentation in respect of such LTAs to the AER which are required to be provided by the transferee in connection with the foregoing. Following submission of the LTAs, the Purchaser shall use reasonable commercial efforts to obtain the approval from the AER of the LTAs and registration of the Licence Transfers, subject to the specific requirements of this Section 2.4.
- (b) If the AER denies any of the LTAs because of misdescription or other minor deficiencies contained therein, the Vendor shall, within two Business Days of such denial, correct the LTA(s) and amend and re-submit the LTA(s), and the Purchaser shall accept or ratify such re-submitted LTAs without delay.
- (c) In the event that the Purchaser has applied, or prior to the Closing Date applies, to the AER for a discretionary waiver from the AER's security requirements in respect of the Transaction, the Vendor shall provide such information and documentation to the AER regarding the Assets as may reasonably be required in connection with the AER's review of such discretionary waiver application made by the Purchaser (but only to the extent such information and documentation has not already been made available by the Vendor or its Representatives to the Purchaser or its Representatives); provided that the Purchaser agrees

it shall have primary carriage of, and be solely responsible at its own cost for submitting and liaising with the AER in respect of, any such application.

- (d) The Purchaser shall on a timely and continuing basis keep the Vendor fully apprised and informed regarding all communications the Purchaser may have with the AER in connection with the Transaction, including all communications respecting LTAs, and without limiting the generality of the foregoing, the Purchaser shall provide copies to the Vendor of all related correspondence from the Purchaser to the AER, and the Purchaser shall request that the AER provide copies to the Vendor of all related correspondence from the AER to the Purchaser.
- (e) The Purchaser expressly acknowledges and agrees that it shall be solely responsible for all Assumed Liabilities associated with the Assets as of and after the Closing Date including in the event that the Licence Transfers do not occur for any reason. In the event that any of the Licence Transfers have not been completed by the date that is six (6) months following the Closing Date, the Vendor shall be entitled to seek and obtain a discharge from the Court in respect of any licences relating to the Assets which have not been transferred to the Purchaser by such date, and the Vendor shall have no further obligations to the Purchaser with respect to such licences, the Licence Transfers or LTAs contemplated in this Agreement.

## **2.5 Specific Conveyances**

- (a) Within a reasonable time following its receipt of the Title Documents from the Vendor, the Purchaser shall prepare and provide for the Vendor's review all Specific Conveyances. None of the Specific Conveyances shall confer or impose upon either Party any greater right or obligation than as contemplated in this Agreement. Promptly after Closing, the Purchaser shall register and/or distribute (as applicable), all such Specific Conveyances and shall bear all costs incurred therewith and in preparing and registering any further assurances required to convey the Assets to the Purchaser.
- (b) As soon as practicable following Closing, the Vendor shall deliver or cause to be delivered to the Purchaser such original copies of the Title Documents and any other agreements and documents to which the Assets are subject and such original copies of contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests which are now in the possession or control of the Vendor or the Debtor or of which the Vendor or the Debtor gain possession or control prior to Closing.
- (c) Notwithstanding Sections 2.5(a) and 2.5(b), requests for the transfers from the Vendor to the Purchaser of registered Crown leases or licences, related surface rights and any other Title Documents which are administered by a Governmental Authority shall be submitted by the Vendor and accepted by the Purchaser as soon as is practicable after Closing.

## **2.6 Post-Closing Maintenance of Assets**

- (a) Following Closing, if and to the extent that the Purchaser must be novated into, recognized as a party to, or otherwise accepted as assignee or transferee of the Vendor's and/or the Debtor's interest in the Assets or certain of them, including any Title Documents and Assumed Contracts, the following provisions shall apply with respect to the applicable Assets until such novation, recognition or acceptance has occurred:

- (i) the Purchaser shall use reasonable commercial efforts to obtain, as may be required by the terms of any Assumed Contracts, consents or approvals to the assignment of such Assumed Contracts; provided that to the extent that any Cure Costs are payable with respect to any Assumed Contract, the Purchaser shall be responsible for and shall pay all such Cure Costs, which shall be paid directly to the counterparty as and when required in conjunction with the assignment of the Assumed Contracts, and which Cure Costs shall form part of the Purchase Price for the Assets;
  - (ii) to the extent not obtained prior to the Closing Date, the Purchaser shall continue to use reasonable commercial efforts to obtain the AER's approval of the LTAs and registration of the Licence Transfers;
  - (iii) to the extent applicable, the Vendor and/or the Debtor shall hold the rights, entitlements, benefits, remedies, duties and obligations in respect of the applicable Assets in trust for the exclusive benefit of the Purchaser as bare trustee and agent;
  - (iv) to the extent permitted by any applicable Assumed Contract:
    - (A) the Purchaser will pay, perform and discharge the duties and obligations accruing after Closing under such Assumed Contract, on behalf of the Vendor and/or any Debtor, until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser; and
    - (B) the Vendor shall, or shall cause the Debtor to, use reasonable commercial efforts to exercise the rights, entitlements, benefits and remedies under such Assumed Contract, on behalf of the Purchaser until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser, or such Assumed Contract expires or otherwise terminates;
  - (v) neither the Vendor nor the Debtor shall have any liability as a consequence of the Vendor or any Debtor taking any action or causing anything to be done under this Section 2.6(a), and the Purchaser shall be responsible and liable for, and, as a separate covenant, shall hereby indemnify and save harmless the Vendor, the Debtor and their respective Representatives against, all costs and expenses reasonably incurred by the Vendor, the Debtor, their Affiliates or their respective Representatives as a consequence of or in connection with this Section 2.6(a); and
  - (vi) nothing in this Agreement shall constitute an agreement to assign, and shall not be construed as an assignment of, or an attempt to assign to the Purchaser, any Assumed Contract until such time as the necessary consents or approvals with respect to the assignment are obtained.
- (b) Both before and after Closing, the Purchaser shall use all commercially reasonable efforts to obtain any and all approvals required under Applicable Law and any and all material consents of Third Parties required to permit this Transaction to be completed. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances, deposits or security that may be required by Governmental Authorities or any Third Parties under the Assumed Contracts

or Applicable Laws to permit the transfer of the Assets, including the Assumed Contracts, to the Purchaser.

## 2.7 Assumed Liabilities

Following Closing, the Purchaser shall assume, perform, discharge and pay when due all of the Assumed Liabilities. For greater certainty, the Purchaser acknowledges and agrees that the Environmental Liabilities and Abandonment and Reclamation Obligations in respect of the Assets are future costs and obligations associated with the ownership of the Assets that are tied and connected to the ownership of the Assets such that they are inextricably linked and embedded with the Assets.

## ARTICLE 3 PURCHASE PRICE

### 3.1 Purchase Price

The consideration payable by the Purchaser for the Assets shall be the sum of [REDACTED] (the "Purchase Price"). The Purchase Price shall be satisfied in accordance with Section 3.3(b) and shall not be subject to any adjustment (and for greater certainty, Cure Costs shall be satisfied in accordance with Section 2.6(a)(i)). The Purchaser and the Vendor acknowledge and agree that the Purchase Price reflects the fair market value of the Assets as of the Closing Date, having due regard to the Environmental Liabilities connected to and embedded in the Assets that depress the value of the Assets.

### 3.2 Allocation of Purchase Price

The Purchase Price shall be allocated among the Assets as follows:

■	[REDACTED]
■	[REDACTED]
■	[REDACTED]

### 3.3 Satisfaction of Purchase Price

- (a) As of the date hereof, the Purchaser shall have paid the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.6(a)(i)) shall be paid and satisfied as follows:
  - (i) as to the amount of the Deposit, the Vendor shall retain the amount of the Deposit and apply such amount against the amount of the Purchase Price; and
  - (ii) as to the balance of the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.6(a)(i)), along with any additional amounts owing in respect of applicable GST, the Purchaser shall pay to the Vendor such amount by electronic wire transfer.
- (b) If this Agreement is terminated:
  - (i) (A) pursuant to Section 13.1(a) by mutual agreement of the Parties; (B) pursuant to Sections 13.1(b) or 13.1(c) by the Purchaser; (C) pursuant to Section 13.1(e) by

the Vendor; or (D) for any other reason other than as contemplated under Section 3.3(c)(ii); then the Deposit shall be returned to the Purchaser; or

- (ii) pursuant to Section 13.1(d) by the Vendor, the full amount of the Purchase Price shall be forfeited to the Vendor,

and, subject to Section 13.2, each Party shall be released from all obligations and liabilities under or in connection with this Agreement. In the event of termination of this Agreement under Section 3.3(c)(ii) pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit, constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

## **ARTICLE 4 TRANSFER TAXES**

### **4.1 Transfer Taxes**

The Parties agree that:

- (a) the Purchase Price does not include Transfer Taxes and the Purchaser shall be liable for and shall pay, and be solely responsible for, any and all Transfer Taxes pertaining to the Purchaser's acquisition of the Assets; and
- (b) the Purchaser shall indemnify the Vendor, the Debtor and their respective Affiliates for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that any of them are required to pay or for which any of them may become liable as a result of any failure by the Purchaser to self-assess, pay or remit such Transfer Taxes, other than as a result of a failure by the Vendor, the Debtor or their respective Affiliates to timely remit any amounts on account of Transfer Taxes paid by the Purchaser hereunder.

### **4.2 GST Registration**

The Debtor is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and its GST registration number is:

**Debtor**  
BLUE SKY RESOURCES LTD.

**GST Registration Number**  
747330488 RT0001

## **ARTICLE 5 REPRESENTATIONS AND WARRANTIES**

### **5.1 Vendor's Representations**

The Vendor hereby represents and warrants to the Purchaser that:

- (a) pursuant to the Receivership Order, it has, among other things, been appointed by the Court as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof, and such appointment is valid and subsisting and has not been varied or amended, except as set forth in the Receivership Order; and
- (b) subject to the Approval and Vesting Order being obtained, this Agreement has been duly executed and delivered and constitutes a legal, valid and binding obligation of it and is enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;

## 5.2 Purchaser's Representations

The Purchaser hereby represents and warrants to the Vendor that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation or formation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (b) it has taken all necessary corporate or other acts to authorize the execution, delivery and performance by it of this Agreement;
- (c) neither the execution of this Agreement nor its performance by the Purchaser will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which the Purchaser is a party or by which it is bound which breach could materially affect the ability of the Purchaser to perform its obligations hereunder;
- (d) except for: (i) the Approval and Vesting Order; and (ii) the Licence Transfers and (iii) any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract including the Consent Required Contracts; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of this Transaction;
- (e) subject to the Approval and Vesting Order being obtained, this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (f) the Purchaser is not a non-Canadian Person within the meaning of the *Investment Canada Act* (Canada) nor a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);

- (g) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser;
- (h) to the knowledge of the Purchaser, the Purchaser meets all eligibility requirements of Governmental Authorities to purchase and accept a transfer of the Assets, including without limiting the generality of the foregoing, the eligibility requirements of the AER under *Directive 067*, as applicable to the Purchaser in connection with the transactions as contemplated hereunder. As of the date of submission of the LTAs, the Purchaser has "General Eligibility" status as defined under *Directive 067* and the Purchaser's BA code is A89A;
- (i) as of the date of submission of the LTAs, the Purchaser is not aware of any fact or circumstance that would (i) result in the AER determining that the Purchaser poses an unreasonable risk in accordance with the factors and criteria established by the AER pursuant to *Directive 088* and *Manual 023: Licensee Life-Cycle Management*, or (ii) prevent or delay the Licence Transfers or the review of the LTAs by the AER as contemplated hereunder;
- (j) with respect to the GST imposed under the GST Legislation, the Purchaser is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and that its GST registration number is 769122086;
- (k) the Purchaser is a "Canadian" within the meaning of the *Investment Canada Act* (Canada);
- (l) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, the Purchase Price (including the Deposit), the Cure Costs, the Transfer Taxes, its legal fees and expenses, registration costs and any other amounts payable by the Purchaser pursuant hereto; and
- (m) the Purchaser has the financial resources necessary to post or satisfy all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Assets and to satisfy the security required by the Assumed Contracts.

### **5.3 Enforcement of Representations and Warranties**

- (a) The representations and warranties of each Party contained in this Agreement shall survive until Closing and shall thereafter be of no further force and effect. Effective upon the occurrence of Closing, each Party hereby releases and forever discharges each other Party from any breach of any representations and warranties set forth in this Agreement. For greater certainty, none of the representations and warranties contained in this Article 5 shall survive Closing and, the Purchaser's sole recourse for any material breach of representation or warranty by the Vendor shall be for the Purchaser to not complete the Transaction in accordance with this Agreement.
- (b) The representations and warranties of the Vendor made herein or pursuant hereto are made for the exclusive benefit of the Purchaser, and the representations and warranties of the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.

- (c) The Parties expressly acknowledge and agree that the provisions of this Section 5.3 and the limit on each Party's liability set out in this Section 5.3 are intended by the Parties as a limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each Party has agreed to assume in connection with the subject matter hereof and is not an agreement within the provision of subsection 7(2) of the *Limitations Act* (Alberta).

**ARTICLE 6**  
**"AS IS, WHERE IS" AND NO ADDITIONAL**  
**REPRESENTATIONS AND WARRANTIES**

**6.1 Due Diligence Acknowledgement**

The Purchaser acknowledges and agrees that:

- (a) it was solely responsible to perform any inspections it deemed pertinent to the purchase of the Assets and to be satisfied as to the condition of the Assets prior to entering into this Agreement with the Vendor;
- (b) notwithstanding the fact that it was permitted to review any diligence materials and disclosures provided by the Vendor, including the Due Diligence Information, the Vendor assumes no liability for errors or omissions in such diligence materials and disclosure or any other property listings or advertising, promotional or publicity statements and materials, and makes no representations or warranties in respect thereof;
- (c) by entering into this Agreement with the Vendor, the Purchaser shall be deemed to represent, warrant and agree with respect to the Assets that:
  - (i) the Purchaser has inspected the Assets and is familiar and satisfied with the physical condition thereof and has conducted such investigation of the Assets as the Purchaser has determined appropriate;
  - (ii) none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives have made any oral or written representation, warranty, promise or guarantee whatsoever to the Purchaser, expressed or implied, and in particular, that no such representations, warranties, guarantees, or promises have been made with respect to the physical condition, operation, or any other matter or thing affecting or related to the Assets and/or the offering or sale of the Assets;
  - (iii) the Purchaser has not relied upon any representation, warranty, guarantee or promise or upon any statement made or any information provided concerning the Assets, including the Due Diligence Information made available to the Purchaser by the Vendor, the Debtor, their respective Affiliates or their respective Representatives;
  - (iv) the Purchaser has entered into this Agreement after having relied solely on its own independent investigation, inspection, analysis, appraisal and evaluation of the Assets and the facts and circumstances related thereto;
  - (v) any information provided or to be provided by or on behalf of the Vendor with respect to the Assets, including all Due Diligence Information, was obtained from

information provided to the Vendor and the Vendor has not made any independent investigation or verification of such information, and makes no representations as to the accuracy or completeness of such information;

- (vi) without limiting the generality of the foregoing, the Vendor is not under any obligation to disclose to the Purchaser, and shall have no liability for its failure to disclose to the Purchaser, any information known to it relating to the Assets except as may be required by any Applicable Law; and
- (vii) none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives are liable or bound in any manner by any oral or written statements, representations or information pertaining to the Assets, or the operation thereof, made or furnished by any real estate broker, agent, employee, or other Person.

## **6.2 "As Is, Where Is", No Additional Representations**

- (a) Without limiting any other provision of this Agreement, the Purchaser acknowledges and agrees that it is acquiring the Assets on an "as is, where is" and "without recourse" basis with all defects, both patent and latent, and with all faults, whether known or unknown, presently existing or that may hereafter arise. The Purchaser acknowledges and agrees that, except as expressly set forth in this Agreement, the Vendor, the Debtor, their respective Affiliates and their respective Representatives have not made, do not make and specifically negate and disclaim any representation, warranty, promise, covenant, agreement or guaranty of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Assets. For greater certainty, but without limitation, except as expressly set forth in this Agreement, none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives make any condition, representation or warranty whatsoever, express or implied, with respect to:
  - (i) the title and interest of the Vendor or the Debtor in and to the Assets;
  - (ii) whether any ROFRs are exercisable by a Third Party in connection with the completion of the Transactions;
  - (iii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;
  - (iv) the income to be derived from the Assets, if any;
  - (v) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;
  - (vi) the rates of production of Petroleum Substances from the Lands;
  - (vii) the quality, condition, marketability, profitability, fitness for a particular purpose or merchantability of any tangible depreciable equipment or property interests which comprise the Assets (including the Tangibles or any personal property);

- (viii) the suitability of the Assets for any and all purposes, activities and uses which the Purchaser may desire to conduct thereon;
  - (ix) the compliance of or by the Assets or its operation with any Applicable Law (including Environmental Laws);
  - (x) the validity or enforceability of the Assumed Contracts or the ability to assign any of the Assumed Contracts;
  - (xi) any regulatory approvals, permits and licenses, consents or authorizations that may be needed to complete the purchase of the Assets contemplated by this Agreement;
  - (xii) the manner or quality of the construction or materials, if any, incorporated into the Assets;
  - (xiii) the manner, quality, state of repair or lack of repair of the Assets;
  - (xiv) the existence of soil instability, past soil repairs, susceptibility to landslides, sufficiency of under-shoring, sufficiency of drainage, or any other matter affecting the stability or integrity of the Assets or any structures or improvements situated thereon;
  - (xv) whether the Assets are located in a seismic hazards zone or a flood hazard zone;
  - (xvi) the presence of pests and any damage to the Assets and/or its improvements that may have occurred as a result;
  - (xvii) the nature and quantum of the Assumed Liabilities; or
  - (xviii) any other matter with respect to the Assets.
- (b) The Purchaser acknowledges that the release and disclaimer described in this Article 6 is intended to be very broad and, except for its express rights under this Agreement, the Purchaser expressly waives and relinquishes any rights or benefits it may have under any Applicable Law designed to invalidate releases of unknown or unsuspected claims.
- (c) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor, the Debtor, their respective Affiliates and their respective Representatives in respect of the Assets and any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means). Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the *Sale of Goods Act* (Alberta) (or similar applicable statutes, all as may be amended, repealed or replaced), warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

**ARTICLE 7  
RISK AND COSTS AND INSURANCE**

**7.1 Risk and Costs**

Except as otherwise provided for in this Agreement, the Assets will be at the sole risk and responsibility of the Vendor and the Debtor until the Closing Date, and thereafter at the sole risk and responsibility of the Purchaser.

**7.2 Insurance**

Any property, liability and other insurance maintained by the Vendor and/or the Debtor in relation to the Assets, to the extent applicable, shall not be transferred at Closing, but shall remain the responsibility of the Vendor and/or the Debtor until the Closing Date. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Assets in respect of the period from and after 12:01 a.m. on the Closing Date.

**ARTICLE 8  
INDEMNIFICATION**

**8.1 Indemnification Given by Purchaser**

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, the Debtor, their respective Affiliates and their respective Representatives for; and
- (b) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives related to or in connection with the Assets and the Assumed Liabilities, including: (i) all Losses and Liabilities attributable to the ownership, operation, use, construction or maintenance of the Assets during the period following the Closing Date; (ii) all Losses and Liabilities arising or accruing on or after the Closing Date under any Assumed Contract, including any and all Cure Costs; and (iii) any other Losses and Liabilities for which the Purchaser has otherwise agreed to indemnify the Vendor and the Debtor pursuant to this Agreement, including pursuant to Section 9.2. The Purchaser's indemnity obligations set forth in this Section 8.1 shall survive the Closing Date indefinitely pursuant to Section 14.3.

**8.2 Third Party Claims**

- (a) If any of the Vendor, the Debtor, their respective Affiliates or any of their respective Representatives receives written notice of the commencement or assertion of any Third Party Claim for which the Purchaser is liable pursuant to this Agreement (or has otherwise agreed to indemnify the Vendor, the Debtor, their respective Affiliates or their respective Representatives against), the Vendor shall give the Purchaser reasonably prompt notice thereof, but in any event no later than ten (10) days after receipt of such notice of such Third Party Claim. Such notice to the Purchaser shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount (or the method of computation of the amount) of the Losses and Liabilities that has been or may

be sustained by the Vendor, the Debtor, their respective Affiliates or their respective Representatives, respectively, and a reference to the provisions of this Agreement, or other applicable document, upon which such claim is based.

- (b) The Purchaser may assume the carriage and control of the defence of any Third Party Claim by giving notice to that effect to the Vendor or the Debtor(s), respectively, not later than ten (10) days after receiving notice of that Third Party Claim (the "**Notice Period**") so long as: (i) the Purchaser first acknowledges to the Vendor, in writing, liability to the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, under this Agreement with respect to such Third Party Claim and that the outcome of such Third Party Claim does not alter or diminish the Purchaser's obligation to indemnify the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, pursuant to this Agreement, subject to the Purchaser's right to contest in good faith the Third Party Claim; (ii) the Purchaser has the financial resources to defend against the Third Party Claim and fulfill any indemnification obligations and has provided the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, with evidence thereof; (iii) the Third Party Claim involves monetary damages; and (iv) the Purchaser thereafter pursues the defence or settlement of the Third Party Claim actively and diligently. The Purchaser's right to do so shall be subject to the rights of any insurer or other third party who has potential liability in respect of that Third Party Claim. The Purchaser shall pay all of its own expenses of participating in or assuming such defence. In the event that the Purchaser elects to assume the carriage and control of the defence of a Third Party Claim pursuant to this Section 8.2(b), then the Vendor shall, or shall cause the Debtor, their respective Affiliates and/or their respective Representatives to, cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice at its own expense.
- (c) If the Vendor has not received notice within the Notice Period that the Purchaser has elected to assume the carriage and control of the defence of such Third Party Claim in accordance with Section 8.2(b), or if the Purchaser has given such notice but thereafter fails or is unable to pursue the defence or settlement of such Third Party Claim actively and diligently, the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, may, at their option, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Losses and Liabilities suffered or incurred by the Vendor, the Debtor, their respective Affiliates and/or their Representatives with respect to such Third Party Claim.

### **8.3 Failure to Give Timely Notice**

Notwithstanding that time is of the essence, a failure to give timely notice as provided in this Article 8 shall not affect the rights or obligations of any Party except and only to the extent that, as a result of such failure, any Party which was entitled to receive such notice was deprived of its right to recover any payment under any applicable insurance coverage or was otherwise prejudiced as a result of such failure.

### **8.4 No Merger**

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

## **8.5 Third Party Beneficiary**

The Vendor's Representatives and the Vendor's Affiliates, the Debtor, their respective Affiliates and all of their respective Representatives are intended third party beneficiaries of this Article 8 and shall have the right, power and authority to enforce the provisions hereof as though they were each a party hereto. The Purchaser further agrees to execute such agreements as may be reasonably requested by such Persons in connection with these provisions that are consistent with this Article 8 or that are reasonably necessary to give further effect thereto.

## **ARTICLE 9 ENVIRONMENTAL MATTERS**

### **9.1 Acknowledgements Regarding Environmental Condition**

The Purchaser acknowledges that, insofar as the environmental condition of the Assets is concerned, it will acquire the Assets pursuant hereto on an "as is, where is" basis. The Purchaser acknowledges that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of the Purchaser (insofar as the Vendor could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Vendor, the Debtor or any of their respective Representatives as to the environmental condition of the Assets, or any Environmental Liabilities or Abandonment and Reclamation Obligations in respect thereof.

### **9.2 Assumption of Environmental Liabilities**

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, the Debtor, their respective Affiliates and their respective Representatives for; and
- (b) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, the Debtor, their respective Affiliates or their respective Representatives as a result of any matter or thing arising out of, attributable to or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, the Purchaser shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations as between the Vendor and the Debtor (on one hand) and the Purchaser (on the other hand) including whether occurring or accruing prior to, on or after the Closing Date, and hereby releases the Vendor, the Debtor, their respective Affiliates and their respective Representatives from any claims the Purchaser may have against the Vendor or the Debtor with respect to all such Environmental Liabilities and Abandonment and Reclamation Obligations. Without restricting the generality of the foregoing, the Purchaser shall be responsible for all Environmental Liabilities and Abandonment and Reclamation Obligations (including whether occurring or accruing prior to, on or after the Closing Date) in respect of all Wells and Tangibles.

**ARTICLE 10  
COVENANTS**

**10.1 Conduct of Business Until Closing**

- (a) From the date hereof until the Closing Date, subject to the Receivership Order and any limitations set out in the Title Documents and any other agreements and documents to which the Assets are subject, the Vendor shall use reasonable commercial efforts, to maintain the Assets in a proper and prudent manner in material compliance with all Applicable Laws, but for greater certainty only to the extent that the nature, scope and authority of the Vendor's role as receiver and manager of the assets, property and undertaking of the Debtor and the nature of the Receivership Proceedings permits and is consistent with the foregoing.
- (b) Until the Closing Date, the Vendor shall provide the Purchaser with all access to the Assets as is reasonably required by the Purchaser in order to allow for and assist the Purchaser with an orderly passing of the Assets to the Purchaser following Closing in accordance herewith.
- (c) The access to the Assets to be afforded to the Purchaser and its Representatives pursuant to this Section 10.1 will be subject to the Assumed Contracts and all of the Vendor's and the Debtor's site entry protocols, health, safety and environmental rules, policies and procedures. Further, the Purchaser acknowledges and agrees that it shall:
  - (i) be solely liable and responsible for any and all Losses and Liabilities which the Vendor, the Debtor, their respective Affiliates or their respective Representatives may suffer, sustain, pay or incur; and
  - (ii) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives harmless from any and all Claims or Losses and Liabilities whatsoever which may be brought against, suffered by or incurred by the Vendor, the Debtor, their respective Affiliates or their respective Representatives;

arising out of, resulting from, attributable to or in any way connected with any access provided to the Purchaser or its Representatives pursuant to this Section 10.1.

**10.2 ROFRs**

- (a) The Purchaser acknowledges that it shall be responsible for conducting such separate investigation of the Assets as the Purchaser has determined is appropriate with respect to the identification of ROFRs applicable to the Assets as soon as is reasonably practicable after the date hereof. The Purchaser shall indemnify Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, the Debtor, their respective Affiliates or their respective Representatives as a result of any failure by the Purchaser to identify ROFRs applicable to the Assets or any Third Party Claim relating to the allocation of the value of a ROFR to be determined by the Purchaser in accordance with Section 10.2(b)(i), as applicable.
- (b) If the Purchaser has identified any ROFRs pursuant to Section 10.2(a):

- (i) promptly following the identification of Assets which are the subject of ROFRs, the Purchaser shall prepare and provide the Vendor with ROFR notices to be issued in respect of such ROFRs, which shall include the Purchaser's bona fide allocation of the amount of the Purchase Price attributable to each of such Assets which are subject to a ROFR;
  - (ii) the Vendor shall courier ROFR notices to the Third Parties holding such ROFRs promptly following the receipt of the same from the Purchaser; and
  - (iii) to the extent the Purchaser is not copied directly on a response from a Third Party ROFR holder, the Vendor shall notify the Purchaser in writing forthwith upon each Third Party exercising or waiving such a ROFR.
- (c) If any such Third Party elects to exercise such a ROFR, then:
  - (i) the definition of Assets shall be deemed to be amended to exclude those Assets in respect of which the ROFR has been exercised;
  - (ii) such Assets shall not be conveyed to the Purchaser;
  - (iii) any proceeds received by the Vendor from a Third Party in respect of the sale and conveyance of any Assets which are subject to a ROFR shall be deemed to not constitute Assets for the purposes of this Agreement; and
  - (iv) the Purchase Price shall not be subject to any reduction in the event of the exercise of any such ROFR by a Third Party.
- (d) In the event that a Third Party exercises a ROFR and is then unable or unwilling to enter into a conveyance agreement with the Vendor for the relevant Assets, the Purchaser agrees to accept a conveyance of such Assets under the same terms and conditions as this Agreement to whatever extent possible.
- (e) Closing shall not be delayed even though certain of the ROFRs are outstanding and capable of exercise by the holders thereof as of the Closing Date (such ROFRs being referred to as "**Outstanding ROFRs**"). In such case, the following procedures shall apply:
  - (i) the Parties shall proceed with Closing (for greater certainty without any reduction in the Purchase Price for the Outstanding ROFRs, and without variation of any other terms or conditions of this Agreement);
  - (ii) the Purchaser shall have (as of the Closing Date) prepared all Specific Conveyances and other closing documentation required for the sale of the Assets subject to the Outstanding ROFRs (the "**Outstanding ROFR Assets**");
  - (iii) if an Outstanding ROFR is exercised by a Third Party, the Vendor will promptly notify the Purchaser thereof in writing, the Specific Conveyances and other closing documentation related to such Outstanding ROFR Assets will be of no force or effect and shall be destroyed by the Purchaser, and the provisions of Section 10.2(c) shall apply to the Assets which are the subject of the Outstanding ROFR being exercised by the Third Party, *mutatis mutandis*; and

- (iv) if after Closing an Outstanding ROFR is extinguished by lapse of time, waiver or otherwise (other than as a result of being exercised), the Vendor will promptly notify the Purchaser thereof in writing and promptly deliver copies of the Specific Conveyances and closing documentation previously prepared to the Purchaser, and such documentation shall be effective and the sale of such Outstanding ROFR Assets to Purchaser pursuant hereto shall be deemed to have closed on the Closing Date.

### **10.3 Document Review**

Prior to Closing, the Vendor shall provide Purchaser with reasonable access to the Title Documents and other Miscellaneous Interests in the possession or under the control of Vendor for the purpose of verifying the continued validity and effect of the Title Documents, the identification of Assets the subject of ROFRs, the preparation of Specific Conveyances and other matters related to this Agreement and the Transaction.

## **ARTICLE 11 CONDITIONS**

### **11.1 Mutual Conditions**

The respective obligations of the Parties to complete the purchase and sale of the Assets are subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) the Court shall have granted the Approval and Vesting Order;
- (b) no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable order or Applicable Law subsequent to the date hereof which has the effect of: (i) making any of the transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the Vendor from the sale of the Assets; and
- (c) the Closing is not otherwise prohibited by Applicable Law.

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be asserted by the Vendor or the Purchaser regardless of the circumstances and may be waived only with the agreement of the Vendor and the Purchaser.

### **11.2 Conditions for the Benefit of the Purchaser**

The obligation of the Purchaser to complete the purchase of the Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Vendor contained in Section 5.1 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time;
- (b) the Vendor shall have complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement; and

- (c) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 12.2.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have.

### **11.3 Conditions for the Benefit of the Vendor**

The obligation of the Vendor to complete the sale of the Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Purchaser contained in Section 5.2 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time;
- (b) the Purchaser shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement;
- (c) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at or before the Closing all the documents contemplated in Section 12.3; and
- (d) the Vendor has not lost its ability to convey the Assets due to an order of the Court.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Vendor may have.

### **11.4 Satisfaction of Conditions**

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 11.1, 11.2 and 11.3. In addition, each of the Parties agrees not to take any action that could reasonably be expected to preclude, delay or have an adverse effect on the Transaction or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

## **ARTICLE 12 CLOSING**

### **12.1 Closing Date and Place of Closing**

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date, or at such other time as the Parties may agree in writing.

### **12.2 Deliveries on Closing by the Vendor**

The Vendor shall deliver (or cause to be delivered) to the Purchaser on or before the Closing Date:

- (a) a Court certified copy of the Approval and Vesting Order;

- (b) any consents for the Consent Required Contracts received prior to the Closing Date;
- (c) the General Conveyance, Assignment and Assumption Agreement duly executed by the Vendor; and
- (d) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

### **12.3 Deliveries on Closing by the Purchaser**

The Purchaser shall deliver (or cause to be delivered) to the Vendor's Solicitor on or before the Closing Date:

- (a) payment of the Purchase Price in accordance with Section 3.3(b);
- (b) evidence of payment of the Cure Costs in accordance with Section 2.6(a)(i), as applicable;
- (c) payment of all Transfer Taxes payable on Closing to the Vendor or the Vendor's Solicitors (or evidence of self-assessment and payment by the Purchaser thereof to the relevant Governmental Authorities);
- (d) the General Conveyance, Assignment and Assumption Agreement duly executed by the Purchaser; and
- (e) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

## **ARTICLE 13 TERMINATION**

### **13.1 Grounds for Termination**

This Agreement may be terminated at any time prior to Closing:

- (a) by the mutual written agreement of the Vendor and the Purchaser, provided however that if this Agreement has been approved by the Court, any such termination shall require the approval of the Court;
- (b) by the Purchaser, upon written notice to the Vendor, if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Vendor received such notice;

- (c) by the Purchaser, upon written notice to the Vendor, any time after the Outside Date, if (A) the Approval and Vesting Order has not been obtained, or (B) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Purchaser's breach of this Agreement;
- (d) by the Vendor, upon written notice to the Purchaser, if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.3 impossible by the Outside Date; or (ii) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Purchaser received such notice; or
- (e) by the Vendor, upon written notice to the Purchaser, any time after the Outside Date, if (A) the Approval and Vesting Order has not been obtained, or (B) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the breach of this Agreement by the Vendor.

### **13.2 Effect of Termination**

Notwithstanding any termination of this Agreement as permitted under Section 13.1, or as otherwise provided for in this Agreement, the provisions of Sections 3.3 (Deposit), 14.1 (Public Announcements), 14.4 (Governing Law), 14.5 (Consequential Damages), 14.11 (Costs and Expenses) and 14.15 (Third Party Beneficiaries) shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.3.

## **ARTICLE 14 GENERAL**

### **14.1 Public Announcements**

- (a) Subject to Section 14.1(b), if a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Parties with an advance copy of any such press release or public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure without the prior written consent of the other Parties, such consent not to be unreasonably withheld.
- (b) Notwithstanding Section 14.1(a): (i) this Agreement may be filed by the Vendor with the Court; and (ii) the Transaction may be disclosed by the Vendor to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Law. The Parties further agree that:
  - (i) the Vendor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms of the Transaction;
  - (ii) the Vendor may forward a copy of this Agreement and all related documentation to the Orphan Well Association and its Representatives, agents, legal counsel and

financial advisors, and may further advise such Persons of the existence and nature of any discussions and negotiations in relation thereto or in relation to the Transaction; provided that the Orphan Well Association and its Representatives agree in advance to be bound by any confidentiality undertakings or similar confidentiality requirements reasonably requested by the Vendor; and

- (iii) the Vendor and its professional advisors may prepare and file such reports and other documents with the Court containing references to the Transaction contemplated by this Agreement and the terms of such Transaction as may reasonably be necessary to obtain the Approval and Vesting Order and to complete the Transaction contemplated by this Agreement or to comply with their obligations to the Court.

#### **14.2 Dissolution of Debtor**

The Purchaser acknowledges and agrees that nothing in this Agreement shall operate to prohibit or diminish in any way the right of the Vendor or any of its Affiliates to cause the dissolution or wind-up of any of the Debtor subsequent to the Closing Date, or otherwise cause or allow the Debtor to cease operations in any manner or at any time subsequent to the Closing Date as the Vendor may determine in its sole discretion, which may be exercised without regard to the impact any such action may have on the Vendor's ability to fulfil its obligations under this Agreement that survive Closing.

#### **14.3 Survival**

Upon Closing, the obligations, covenants, representations and warranties of the Parties set out in this Agreement shall expire, be terminated and extinguished and of no further force or effect, provided that notwithstanding the Closing contemplated hereunder or the delivery of documents pursuant to this Agreement, the obligations and covenants of the Parties set out in Section 2.3 (Assignment of Consent Required Contracts), Section 2.4 (Licence Transfers), Section 2.5 (Specific Conveyances), Section 2.6 (Post-Closing Maintenance of Assets), Section 5.3 (Enforcement of Representations and Warranties), Section 10.2 (ROFRs) and Article 4 (Transfer Taxes), Article 6 ("As Is, Where Is" and No Additional Representations and Warranties), Article 8 (Indemnification), Article 9 (Environmental Matters) and Article 14 (General), shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties indefinitely thereafter except as expressly stated to the contrary therein or otherwise in accordance with Applicable Laws.

#### **14.4 Governing Law**

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.
- (b) Notwithstanding Section 14.4(a), any and all documents or orders that may be filed, made or entered in the Receivership Proceedings, and the rights and obligations of the Parties thereunder, including all matters of construction, validity and performance thereunder, shall in all respects be governed by, and interpreted, construed and determined in accordance with the laws of the Province of Alberta. The Parties consent to the jurisdiction and venue of the Court, as applicable, for the resolution of any such disputes, regardless of

whether such disputes arose under this Agreement. Each Party agrees that service of process on such Party as provided in Section 14.13 shall be deemed effective service of process on such Party.

#### **14.5 Consequential Damages**

Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any punitive, exemplary, consequential or indirect damages (including for greater certainty, any loss of profits) (collectively, "**Consequential Damages**") that may be alleged to result, in connection with, arise out of, or relate to this Agreement or the Transaction, other than Consequential Damages for which the Purchaser is liable as a result of a Third Party Claim (which liability shall be subject to and recoverable under Article 8 (Indemnification)). For greater certainty, the Parties agree that none of the Parties, the Debtor, their respective Affiliates or their respective Representatives shall be liable for any lost profits whatsoever, whether such lost profits are considered to be direct, consequential or indirect losses, and regardless of whether such lost profits were foreseeable by the Parties at any time or whether such lost profits were the direct and natural result of a Party's breach of its obligations under this Agreement.

#### **14.6 Further Assurances**

Each of the Parties from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

#### **14.7 Assignment**

The Purchaser shall not, without the Vendor's prior written consent, assign any right or interest in this Agreement, which consent may be withheld in the Vendor's sole and absolute discretion, except that the Purchaser shall have the right to assign any or all of its rights, interests or obligations hereunder to one or more Affiliates of the Purchaser, provided that: (a) such Affiliate agrees to be bound by the terms of this Agreement; (b) the Purchaser shall remain liable hereunder for any breach of the terms of this Agreement by such Affiliate; (c) such assignment shall not release the Purchaser from any obligation or liability hereunder in favour of the Vendor; and (d) the Purchaser shall acknowledge and confirm its continuing obligations in favour of the Vendor in an assignment and assumption agreement in form and substance satisfactory to the Vendor.

#### **14.8 Waiver**

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

#### **14.9 Amendment**

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

#### **14.10 Time of the Essence**

Time is of the essence in this Agreement.

#### **14.11 Costs and Expenses**

Unless otherwise provided for in this Agreement, each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the Transaction. Notwithstanding any other provision of this Agreement, the Purchaser shall pay the cost of all surveys, title insurance policies and title reports ordered by the Purchaser.

#### **14.12 Entire Agreement**

This Agreement and the Confidentiality Agreement (the terms and conditions of which are incorporated by reference into this Agreement, and binding upon the Parties, as if such agreement were signed directly by the Parties) constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement or in the Confidentiality Agreement.

#### **14.13 Notices**

Any notice, direction or other communication given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or electronic mail and addressed:

- (a) in the case of the Vendor:

KSV Restructuring Inc.  
Home Oil Tower  
324 8th Avenue SW, Suite 1165  
Calgary, AB T2P 2Z2

Attention: Andrew Basi      Email: abasi@ksvadvisory.com

With a copy, which shall not constitute notice, to the Vendor's Solicitors:

Bennett Jones LLP  
4500, 855 - 2<sup>nd</sup> Avenue S.W.  
Calgary, AB T2P 4K7

Attention: Keely Cameron  
Email: CameronK@bennettjones.com

(b) In the case of the Purchaser:

Revolution Oil & Gas Corporation  
3200, 333 7<sup>th</sup> Avenue SW  
Calgary, AB T2P 2Z1

Attention: Ron Lambie  
Email: [rlambie@revolutionoilandgas.com](mailto:rlambie@revolutionoilandgas.com)

A notice is deemed to be given and received if: (i) sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day; or (ii) email, on the date of transmission if it is a Business Day and the transmission was made prior to 4:00 p.m. (local time in place of receipt), and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a notice in accordance with the foregoing. Any subsequent notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a notice will be assumed not to be changed. **Sending a copy of a notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice to that Party. The failure to send a copy of a notice to legal counsel does not invalidate delivery of that notice to a Party.**

#### 14.14 Enurement

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

#### 14.15 Third Party Beneficiaries

Except as otherwise provided for in this Agreement, each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns and, except as otherwise provided for in this Agreement, no Person, other than the Parties and their successors and permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum. The Purchaser acknowledges to the Vendor, the Debtor, their respective Affiliates and their respective Representatives their direct rights against the Purchaser under this Agreement. To the extent required by Applicable Law to give full effect to these direct rights, the Purchaser agrees and acknowledges that the Vendor is acting as agent and/or as trustee of its Representatives, its Affiliates and their respective Representatives and the Debtor, their respective Affiliates and their respective Representatives.

#### 14.16 Severability

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

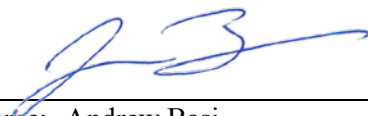
**14.17 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

**[THE BALANCE OF THIS PAGE INTENTIONALLY BLANK]**

**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**KSV RESTRUCTURING INC., A CORPORATION  
EXISTING UNDER THE FEDERAL LAWS OF  
CANADA, SOLELY IN ITS CAPACITY AS THE  
RECEIVER AND MANAGER OF THE ASSETS,  
PROPERTY AND UNDERTAKING OF BLUE SKY  
RESOURCES LTD., AND NOT IN ITS PERSONAL  
OR CORPORATE CAPACITY**

Per:   
Name: Andrew Basi  
Title: Managing Director

**REVOLUTION OIL & GAS CORPORATION**

Per: \_\_\_\_\_  
Name: Ron Lambie  
Title: Sr. VP Geoscience

**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**KSV RESTRUCTURING INC., A CORPORATION  
EXISTING UNDER THE FEDERAL LAWS OF  
CANADA, SOLELY IN ITS CAPACITY AS THE  
RECEIVER AND MANAGER OF THE ASSETS,  
PROPERTY AND UNDERTAKING OF BLUE SKY  
RESOURCES LTD., AND NOT IN ITS PERSONAL  
OR CORPORATE CAPACITY**

Per: \_\_\_\_\_

Name: Andrew Basi

Title: Managing Director

**REVOLUTION OIL & GAS CORPORATION**



Per: \_\_\_\_\_

Name: Ron Lambie

Title: Sr. VP Geoscience

## SCHEDULE A

### Assets

Lands Schedule/Mineral Property Report:

Lands	Rights	Crown#	WI	Wells/ Burdens	Encumbrances	BlueSky Files
Twp. 16 Rge.18 W4M Sec 32	PNG Surface to Base Mannville	0490040273	28.95%	100/12-32-016-18W4/00	LOR	M07942
Twp. 16 Rge. 18 W4M; Sec E 33	P&NG Surface to Base Mannville	0488100029	15%	102/13-33-016-18W4/00	LOR GORR 3% Paid to Ramsay Dalton	M07944 C02406
Twp. 16 Rge. 18 W4M; Sec E 33	P&NG in Bow Island Sand; P&NG in Glauconitic Sandstone	0488100029	15%	100/13-33-016-18W4/00	LOR GORR 3% Paid to Ramsay Dalton	M07944 C02406
Twp. 16 Rge. 18 W4M; Sec W 33	P&NG Surface to Base Bow Island Sand	0484110167	15%		LOR	M07943
Twp. 16 Rge. 18 W4M; Sec W 33	P&NG IN Glauconitic Sandstone	0484110167	15%	100/13-33-016-18W4/00	LOR GORR 3% Paid to Ramsay Dalton	M07943 C02406
Twp. 16 Rge. 18 W4M; Sec W 33	P&NG from Base Bow Island to Base Mannville Excl. P&NG in Glauconitic Sandstone	0484110167	15%	102/13-33-016-18W4/00	LOR GORR 3% Paid to Ramsay Dalton	M07943 C02406

Wells:

**Well Schedule**

Well Name	UWI	Licence	WI	Operated/Non-Operated
Revolution Badger 12-32-16-18	100/12-32-016-18W4/00	0297893	28.95%	Non-operated. Operated by Revolution
Revolution Badger 13-33-16-18	102/13-33-016-18W4/00	0196854	15%	Non-operated. Operated by Revolution
Revolution Badger 13-33-16-18	100/13-33-016-18W4/00	0142238	15%	Non-operated. Operated by Revolution

Facilities:

**None**

Pipelines:

**None**

**SCHEDULE B**

**Form of Approval and Vesting Order**

**(see attached)**

COURT FILE NUMBER	2601-05153
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ACES CANADA SPV III ULC
RESPONDENT	BLUE SKY RESOURCES LTD.

Clerk's Stamp
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DOCUMENT	<b>APPROVAL AND VESTING ORDER (Sale by Receiver)</b>
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ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<b>BENNETT JONES LLP</b> Suite 4500, 855 – 2nd Street S.W. Calgary, AB T2P 4K7
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Attention: Keely Cameron/Sarah Aaron  
Telephone No.: 403-298-3324  
Fax No.: 403-265-7219  
Client File No.: 069209.27  
Cameronk@bennettjones.com/AaronS@bennettjones.com

**DATE ON WHICH ORDER WAS PRONOUNCED:**

**LOCATION WHERE ORDER WAS PRONOUNCED:**

**NAME OF JUSTICE WHO MADE THIS ORDER:**

**UPON THE APPLICATION** by KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the undertakings, property and assets of Blue Sky Resources Ltd. (“**Blue Sky**” or the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and [**Name of Purchaser**] (the “**Purchaser**”) dated [**Date**] and appended to the \_\_\_ Report of the Receiver dated [**Date**] (the “**Report**”), and vesting in the Purchaser (or its nominee) the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”);

**AND UPON HAVING READ** the Receivership Order dated March 23, 2026 (the “**Receivership Order**”), the Report and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser [**Names of other parties appearing**], no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

**APPROVAL OF TRANSACTION**

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

**VESTING OF PROPERTY**

3. Subject only to approval by the Alberta Energy Regulator (“**Energy Regulator**”) of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta) upon delivery of a Receiver’s certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule “A”** hereto (the “**Receiver’s Closing Certificate**”), all of the Debtor’s right, title and interest in and to the Purchased Assets listed in **Schedule “B”** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, “**Claims**”) including, without limiting the generality of the foregoing:
  - (a) any encumbrances or charges created by the Receivership Order;
  - (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
  - (c) any liens or claims of lien under the *Prompt Payment and Construction Lien Act* (Alberta); and

- (d) those Claims listed in **Schedule “C”** hereto (all of which are collectively referred to as the **“Encumbrances”**, which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule “D”** (collectively, **“Permitted Encumbrances”**))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

4. Upon delivery of the Receiver’s Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, **“Governmental Authorities”**) are hereby authorized, requested and directed to accept delivery of such Receiver’s Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a)<sup>1</sup> the Registrar of Land Titles (**“Land Titles Registrar”**) for the lands defined below shall and is hereby authorized, requested and directed to forthwith:

- (i) cancel existing Certificates of Title No. \* for those lands and premises municipally described as \*, and legally described as:

\*  
(the **“Lands”**)

- (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee), namely, \*;

- (iii) transfer to the New Certificate of Title the existing instruments listed in **Schedule “D”**, to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in **Schedule “D”**; and

- (iv) discharge and expunge the Encumbrances listed in **Schedule “C”** to this Order and discharge and expunge any Claims including Encumbrances (but excluding

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<sup>1</sup> Paragraph 4(a) is included when the Purchased Assets include titled lands.

Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;

- (b) Alberta Energy (“**Energy Ministry**”) shall and is hereby authorized, requested and directed to forthwith:
    - (v) cancel and discharge those Claims including builders’ liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Debtor in and to any of the Purchased Assets located in the Province of Alberta; and
    - (vi) transfer all Crown leases listed in **Schedule “E”** to this Order standing in the name of the Debtor, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;
  - (c) the Registrar of the Alberta Personal Property Registry (the “**PPR Registrar**”) shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver’s Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
  6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement, other than any required approval by the Energy Regulator referenced in paragraph 3 above.

7. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.
9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or

other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtor was entitled.

#### **MISCELLANEOUS MATTERS**

15. Notwithstanding:
  - (a) the pendency of these proceedings and any declaration of insolvency made herein;
  - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "BIA"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
  - (c) any assignment in bankruptcy made in respect of the Debtor; and
  - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or

other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
18. Service of this Order shall be deemed good and sufficient by:
  - (a) Serving the same on:
    - (i) the persons listed on the service list created in these proceedings;
    - (ii) any other person served with notice of the application for this Order;
    - (iii) any other parties attending or represented at the application for this Order;
    - (iv) the Purchaser or the Purchaser's solicitors; and
  - (b) Posting a copy of this Order on the Receiver's website at:  
<https://www.ksvadvisory.com/experience/case/blue-sky-resources-ltd>and service on any other person is hereby dispensed with.
19. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

**SCHEDULE "A"****Form of Receiver's Certificate**

COURT FILE NUMBER	2601-05153
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ACES CANADA SPV III ULC
RESPONDENT	BLUE SKY RESOURCES LTD.

Clerk's Stamp

DOCUMENT	<b>RECEIVER'S CERTIFICATE</b>
----------	-------------------------------

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<b>BENNETT JONES LLP</b> Suite 4500, 855 – 2nd Street S.W. Calgary, AB T2P 4K7
---	--

Attention: Keely Cameron/Sarah Aaron  
 Telephone No.: 403-298-3324  
 Fax No.: 403-265-7219  
 Client File No.: 069209.27  
 Cameronk@bennettjones.com/AaronS@bennettjones.com

**RECITALS**

- A. Pursuant to an Order of the Honourable Justice J.S. Little of the Court of King's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated March 23, 2026, KSV Restructuring Inc. was appointed as the receiver (the "**Receiver**") of the undertakings, property and assets of Blue Sky Resources Ltd. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated **[Date]**, the Court approved the agreement of purchase and sale made as of **[Date of Agreement]** (the "**Sale Agreement**") between the Receiver and **[Name of Purchaser]** (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 12 of the Sale Agreement have been satisfied or

waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 12 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at [Time] on [Date].

**KSV RESTRUCTURING INC., in its capacity as Receiver of the assets, property and undertaking of Blue Sky Resources Ltd., and not in its personal capacity.**

**Per:** \_\_\_\_\_

**Name:**

**Title:**

**SCHEDULE "B"**

**PURCHASED ASSETS**

Lands Schedule/Mineral Property Report:

<b>Lands</b>	<b>Rights</b>	<b>Crown#</b>	<b>WI</b>	<b>Wells/ Burdens</b>	<b>Encumbrances</b>	<b>BlueSky Files</b>
Twp. 16 Rge.18 W4M Sec 32	PNG Surface to Base Mannville	0490040273	28.95%	100/12-32-016-18W4/00	LOR	M07942
Twp. 16 Rge. 18 W4M; Sec E 33	P&NG Surface to Base Mannville	0488100029	15%	102/13-33-016-18W4/00	LOR GORR 3% Paid to Ramsay Dalton	M07944 C02406
Twp. 16 Rge. 18 W4M; Sec E 33	P&NG in Bow Island Sand; P&NG in Glauconitic Sandstone	0488100029	15%	100/13-33-016-18W4/00	LOR GORR 3% Paid to Ramsay Dalton	M07944 C02406
Twp. 16 Rge. 18 W4M; Sec W 33	P&NG Surface to Base Bow Island Sand	0484110167	15%		LOR	M07943
Twp. 16 Rge. 18 W4M; Sec W 33	P&NG IN Glauconitic Sandstone	0484110167	15%	100/13-33-016-18W4/00	LOR GORR 3% Paid to Ramsay Dalton	M07943 C02406
Twp. 16 Rge. 18 W4M; Sec W 33	P&NG from Base Bow Island to Base Mannville Excl. P&NG in Glauconitic Sandstone	0484110167	15%	102/13-33-016-18W4/00	LOR GORR 3% Paid to Ramsay Dalton	M07943 C02406

Wells:

**Well Schedule**

Well Name	UWI	Licence	WI	Operated/Non-Operated
Revolution Badger 12-32-16-18	100/12-32-016-18W4/00	0297893	28.95%	Non-operated. Operated by Revolution
Revolution Badger 13-33-16-18	102/13-33-016-18W4/00	0196854	15%	Non-operated. Operated by Revolution
Revolution Badger 13-33-16-18	100/13-33-016-18W4/00	0142238	15%	Non-operated. Operated by Revolution

Facilities:

**None**

Pipelines:

**None**

**SCHEDULE "C"**

**CLAIMS**

## **SCHEDULE "D"**

### **PERMITTED ENCUMBRANCES**

Permitted Encumbrances consist of the following (with capitalized terms having the definitions given to them in the Sale Agreement, unless otherwise defined in this Order):

- (a) any overriding royalties, net profits interests and other burdens, which are provided for under the Title Documents;
- (b) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;
- (c) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
- (d) easements, rights of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;
- (e) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;
- (f) agreements for the sale, processing, transmission or transportation of Petroleum Substances entered into by the Debtor, or the Vendor for and on behalf of the Debtor subsequent to the date of this Agreement;
- (g) any obligation of the Vendor or the Debtor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
- (h) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;
- (i) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards the Vendor's or any Debtor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;
- (j) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;
- (k) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;

- (l) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority;
- (m) any linear or non-linear municipal property tax claims under the *Municipal Government Act* (Alberta), or otherwise; and
- (n) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's or any Debtor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof.

**SCHEDULE "E"**

**CROWN LEASES**

**Crown Lease 0490040273**

**Crown Lease 0488100029**

**Crown Lease 0484110167**

## SCHEDULE A

### Form of General Conveyance, Assignment and Assumption Agreement

#### GENERAL CONVEYANCE, ASSIGNMENT, AND ASSUMPTION AGREEMENT

**THIS** General Conveyance, Assignment, and Assumption Agreement (this "**Agreement**") is made as of the [■] day of [■], [■].

**AMONG:**

**KSV RESTRUCTURING INC.**, a corporation existing under the federal laws of Canada, solely in its capacity as the receiver and manager of the assets, property and undertaking of Blue Sky Resources Ltd. (the "**Debtor**"), and not in its personal or corporate capacity (herein referred to as the "**Vendor**")

- and -

**REVOLUTION OIL & GAS CORPORATION** a body corporate, incorporated under the laws of the Province of Alberta (herein referred to as the "**Purchaser**")

**RECITALS:**

- A. In accordance with the terms of that certain Asset Purchase and Sale Agreement dated as of May 5, 2026, by and between the Vendor and the Purchaser (the "**Purchase Agreement**"), the Vendor has agreed to sell, assign, and transfer the Assets to the Purchaser and the Purchaser has agreed to purchase the Assets from the Vendor;
- B. the Purchaser has agreed to assume the Assumed Liabilities; and
- C. this Agreement is delivered pursuant to the Purchase Agreement.

**NOW THEREFORE**, for good and valuable consideration now paid by the Purchaser to the Vendor pursuant to the Purchase Agreement (the receipt and sufficiency of which is hereby acknowledged by the Vendor) the parties hereto agree as follows:

**1. Definitions**

All capitalized terms used but not otherwise defined in this Agreement shall have the meaning ascribed to such terms in the Purchase Agreement.

**2. Certain Rules of Interpretation**

- (i) In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.

- (ii) The division of this Agreement into Sections and the inclusion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (iii) The terms "hereof," "hereunder," and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.
- (iv) Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections of this Agreement.
- (v) The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

### **3. Conveyance**

The Vendor hereby sells, transfers, assigns, conveys and delivers to the Purchaser, and the Purchaser hereby purchases, accepts and receives from the Vendor, upon the terms and subject to the conditions of the Purchase Agreement, the Vendor's Interest in and to the Assets, free and clear of any and all Claims other than Permitted Encumbrances, as applicable, with effect as of the Closing on the date hereof, to have and to hold the Assets and all such right, title, interest, property, claim, and demand unto and to the use of the Purchaser.

### **4. Assumption of Assumed Liabilities**

Effective as of the Closing on the date hereof, the Purchaser hereby assumes and agrees to pay, perform, and discharge, when due, the Assumed Liabilities.

### **5. Further Assurances**

Each of the Parties hereto from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

### **6. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.

### **7. Entire Agreement**

This Agreement, the Purchase Agreement, and the documents referred to therein and contemplated thereby constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or

written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement, the Purchase Agreement, the Confidentiality Agreement and the documents referred to therein and contemplated thereby.

**8. Successors and Assigns**

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

**9. Counterparts**

This Agreement may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one instrument. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

**10. Amendments**

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party. Any amendment effected in accordance with this Section 10 will be binding upon the Parties and their respective successors and permitted assigns.

**11. Paramountcy**

This Agreement is delivered pursuant to, and is subject to, all of the terms and conditions contained in the Purchase Agreement. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Purchase Agreement, the provisions of the Purchase Agreement shall prevail.

**12. Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

**[Signature Page Follows.]**

**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**KSV RESTRUCTURING INC., A CORPORATION EXISTING UNDER THE FEDERAL LAWS OF CANADA, SOLELY IN ITS CAPACITY AS THE RECEIVER AND MANAGER OF THE ASSETS, PROPERTY AND UNDERTAKING OF BLUE SKY RESOURCES LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

Per: \_\_\_\_\_  
Name:  
Title:

**REVOLUTION OIL & GAS CORPORATION**

Per: \_\_\_\_\_  
Name Ron Lambie  
Title: Sr. VP Geoscience

## **Appendix “F”**

**Intentionally Blank**  
Purchase and Sale Agreement to be  
Filed Separately

## **Appendix “G”**

**KSV RESTRUCTURING INC., SOLELY IN ITS CAPACITY AS THE RECEIVER AND  
MANAGER OF THE ASSETS, PROPERTY AND UNDERTAKING OF BLUE SKY  
RESOURCES LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

**- and -**

**ALTAIR ENERGY LTD.**

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**ASSET PURCHASE AND SALE AGREEMENT**

**May 1, 2026**

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Schedule C	Form of General Conveyance, Assignment and Assumption Agreement

## ASSET PURCHASE AND SALE AGREEMENT

**THIS PURCHASE AND SALE AGREEMENT** is dated as of May 1, 2026,

**BETWEEN:**

**KSV RESTRUCTURING INC.**, a corporation existing under the federal laws of Canada, solely in its capacity as the receiver and manager of the assets, property and undertaking of Blue Sky Resources Ltd. (the "**Debtor**") and not in its personal or corporate capacity (herein referred to as the "**Vendor**")

- and -

**ALTAIR ENERGY LTD.**, a corporation having an office and carrying on a business in the City of Calgary in the Province of Alberta (herein referred to as the "**Purchaser**")

**WHEREAS:**

- A. pursuant to the Receivership Order, the Vendor was appointed as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof; and
- B. subject to receipt of Court Approval, the Purchaser has agreed to purchase and acquire and the Vendor has agreed to sell, transfer and assign to the Purchaser, all of the Vendor's Interest in and to the Assets, on the terms and conditions set forth herein.

**NOW THEREFORE**, this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged by each Party to the other, the Parties covenant and agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement:

- (a) "**Abandonment and Reclamation Obligations**" means all past, present and future obligations to:
  - (i) abandon, shut-down, close, decommission, dismantle or remove any and all Wells and Tangibles, including all structures, foundations, buildings, pipelines, equipment and other facilities forming part of the Wells and Tangibles or otherwise located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands; and
  - (ii) restore, remediate and reclaim the surface and subsurface locations of the Wells and the Tangibles and any lands used to gain access thereto, including such obligations relating to wells, pipelines and facilities which were abandoned or

decommissioned prior to the Closing Date that were located on the Lands or that were located on other lands and used in respect of Petroleum Substances produced or previously produced from the Lands, and including the remediation, restoration and reclamation of any other surface and sub-surface lands affected by any environmental damage, contamination or other environmental issues emanating from or relating to the sites for the Wells or the Tangibles;

all in accordance with generally accepted oil and gas industry practices and in compliance with all Applicable Laws;

- (b) "**AER**" means the Alberta Energy Regulator, or any successor thereto having jurisdiction over the Assets or certain of them or the operation thereof;
- (c) "**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with that specified Person. For the purposes of this definition, "control" (including with correlative meanings, controlling, controlled by and under common control with) means the power to direct or cause the direction of the management and policies of that Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and, it being understood and agreed that with respect to a corporation or partnership, control shall mean direct or indirect ownership of more than 50% of the voting shares in any such corporation or of the general partnership interest or voting interest in any such partnership;
- (d) "**Agreement**" means this agreement of purchase and sale and any schedules attached hereto which are referred to in this agreement, together with any amendment or supplement thereto;
- (e) "**Applicable Law**" means, in respect of any Person, asset, transaction, event or circumstance: (i) statutes (including regulations enacted thereunder); (ii) judgments, decrees and orders of courts of competent jurisdiction (including the common law); (iii) regulations, orders, ordinances and directives issued by Governmental Authorities; and (iv) the terms and conditions of all permits, licenses, approvals and authorizations, in each case which are applicable to such Person, asset, transaction, event or circumstance;
- (f) "**Approval and Vesting Order**" means an order of the Court approving the Transaction in accordance with the provisions of this Agreement, and, subject to Closing, vesting all of the Vendor's Interest in and to the Assets in the Purchaser free and clear of all Claims (other than Permitted Encumbrances) and interests, such order to be substantially in the form attached hereto as Schedule B together with such modifications and amendments to such form as may be approved by both the Vendor and the Purchaser, acting reasonably;
- (g) "**Assets**" means the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests;
- (h) "**Assignment Order**" means an order of the Court in form and substance satisfactory to the Vendor and the Purchaser, acting reasonably, and obtained on a motion made on notice to such Persons as the Vendor and the Purchaser determine, to be sought by the Vendor, authorizing and approving the assignment to the Purchaser of any Assumed Contracts for which the consent, approval or waiver of the party or parties thereto (other than the Company) is required to assign such Assumed Contracts;

- (i) "**Assumed Contracts**" means the contracts referenced in subsection (i) of the definition of Miscellaneous Interests, which contracts shall be assigned by the Vendor in its own right or for and on behalf of the Debtor and assumed by the Purchaser in accordance with the terms of this Agreement, the relevant contracts and/or the Approval and Vesting Order, and/or other order of the Court in form and substance satisfactory to the Parties;
- (j) "**Assumed Liabilities**" means, collectively, all liabilities and obligations arising from the possession, ownership and/or use of the Assets following Closing (including for greater certainty any municipal or property taxes that accrue commencing on the Closing Date), along with Environmental Liabilities, Abandonment and Reclamation Obligations and Cure Costs;
- (k) "**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the City of Calgary in the Province of Alberta;
- (l) "**Claim**" means any caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgments, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing:
  - (i) any encumbrances or charges created by the Receivership Order;
  - (ii) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
  - (iii) any liens or claims of lien under the *Prompt Payment and Construction Lien Act* (Alberta);
  - (iv) any outstanding amounts owing in respect of the AER Orphan Fund Levy and Administration Fees; and
  - (v) those claims which may be specifically identified in Schedule "C" to the Approval and Vesting Order, as applicable;
- (m) "**Closing**" means the completion of the purchase by the Purchaser, and sale by the Vendor, of the Vendor's Interest in and to the Assets and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such purchase and sale, all subject to and in accordance with the terms and conditions of this Agreement;
- (n) "**Closing Date**" means the date on which Closing occurs, being the date which is five Business Days following the date upon which all of the conditions in Sections 11.1, 11.2 and 11.3 have been satisfied or waived (other than such conditions which are to be satisfied on the Closing Date), or such other date as the Parties may agree in writing; provided, however, that the Closing Date shall not be later than the Outside Date;

- (o) "**Confidentiality Agreement**" means the confidentiality agreement between the Vendor and the Purchaser executed prior to the date hereof in respect of the evaluation by the Purchaser of potential transactions involving the assets of the Debtor;
- (p) "**Consent Required Contract**" means any Assumed Contract or license which is not assignable in whole or in part without the consent, approval or waiver of the party or parties thereto (other than the Vendor), for clarity other than the License Transfers;
- (q) "**Consequential Damages**" has the meaning ascribed to that term in Section 14.5;
- (r) "**Court**" means the Court of King's Bench of Alberta, Judicial Centre of Calgary;
- (s) "**Cure Costs**" means, in respect of any Assumed Contract, all amounts, required to be paid to remedy all of the Vendor's or the Debtor's monetary defaults under such Assumed Contract or required to secure a counterparty's or any other necessary Person's consent to the assignment of such Assumed Contract pursuant to its terms (including any deposits or other forms of security required by any Governmental Authority) or as may be required pursuant to the Approval and Vesting Order, and includes any other fees and expenses required to be paid to a counterparty or any other Person in connection with the assignment of an Assumed Contract pursuant to its terms or Applicable Laws;
- (t) "**Deposit**" has the meaning ascribed to that term in Section 3.3(a)(i);
- (u) "**Due Diligence Information**" means all information made available (by the Vendor, the Debtor or otherwise) for the Purchaser's review in paper or electronic form in relation to the Debtor, its Affiliates and/or the Assets;
- (v) "**Environment**" means the components of the earth and includes the air, the surface and subsurface of the earth, bodies of water (including rivers, streams, lakes and aquifers) and plant and animal life (including humans);
- (w) "**Environmental Laws**" means all Applicable Laws relating to pollution or protection of human health or the Environment (including ambient air, water, surface water, groundwater, land surface, soil, or subsurface) or natural resources, including Applicable Laws relating to the storage, transfer, transportation, investigation, cleanup, treatment, or use of, or release or threatened release into the Environment of, any Hazardous Substances;
- (x) "**Environmental Liabilities**" means all past, present and future Losses and Liabilities, Claims and other duties and obligations, whether arising under contract, Applicable Laws or otherwise, arising from, relating to or associated with:
  - (i) any damage, pollution, contamination or other adverse situations pertaining to the Environment howsoever and by whomsoever caused and regardless of whether such damage, pollution, contamination or other adverse situations occur or arise in whole or in part prior to, at or subsequent to the date of this Agreement;
  - (ii) the presence, storage, use, holding, collection, accumulation, assessment, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, release, emission or discharge of Petroleum Substances, oilfield wastes, water, Hazardous Substances, environmental contaminants and all other substances and materials regulated under any Applicable Law, including any

forms of energy, or any corrosion to or deterioration of any structures or other property;

- (iii) compliance with or the consequences of any non-compliance with, or violation or breach of, any Environmental Law;
- (iv) sampling, monitoring or assessing the Environment or any potential impacts thereon from any past, present or future activities or operations; or
- (v) the protection, reclamation, remediation or restoration of the Environment;

that relate to or arise by virtue of the Assets or the ownership thereof or any past, present or future operations and activities conducted in connection with the Assets or on or in respect of the Lands or any lands pooled or unitized therewith;

- (y) "**Facilities**" means the Vendor's Interest in and to all field facilities whether or not solely located on or under the surface of the Lands (or lands with which the Lands are pooled) and that are, or have been, used for production, gathering, treatment, compression, transportation, injection, water disposal, measurement, processing, storage or other operations respecting the Leased Substances, including any applicable battery, separator, compressor station, gathering system, pipeline, production storage facility or warehouse, including those facilities and pipelines identified in Schedule A under the headings entitled "Facilities" and "Pipelines", respectively, and as applicable;
- (z) "**General Conveyance, Assignment and Assumption Agreement**" means an agreement providing for the assignment by the Vendor of the Vendor's Interest in and to the Assets, free and clear of all Claims (other than Permitted Encumbrances), substantially in the form attached hereto as Schedule C, and the assumption by the Purchaser of the Assumed Liabilities, substantially in the form attached hereto as Schedule C;
- (aa) "**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Assets or this Transaction, including for greater certainty the AER;
- (bb) "**GST**" means taxes, interest, penalties and other additions thereto imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and "**GST Legislation**" means such act and regulations collectively;
- (cc) "**Hazardous Substances**" means any substance, material or waste defined, regulated, listed or prohibited by Environmental Laws, including pollutants, contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, radioactive materials, flammable substances, explosives, Petroleum Substances and products of Petroleum Substances, polychlorinated biphenyls, chlorinated solvents and asbestos;
- (dd) "**Lands**" means the lands set out and described in Schedule A under the heading entitled "Lands Schedule/Mineral Property Report", and the Petroleum Substances within, upon or

under such lands (subject to the restrictions and exclusions identified in the Title Documents as to Petroleum Substances and geological formations);

- (ee) "**Leased Substances**" means all Petroleum Substances, rights to or in respect of which are granted, reserved or otherwise conferred by or under the Title Documents (but only to the extent that the Title Documents pertain to the Lands);
- (ff) "**Legal Proceeding**" means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;
- (gg) "**Licence Transfers**" means the transfer from the Vendor and/or the Debtor to the Purchaser of any permits, approvals, licences and authorizations granted by the AER or any other Governmental Authority in relation to the construction, installation, ownership, use or operation of the Wells or the Facilities, as applicable.
- (hh) "**Losses and Liabilities**" means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations and penalties, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim by any Governmental Authority or any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, and those arising under any contract, agreement, arrangement, commitment or undertaking and costs and expenses of any Legal Proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith (on a full indemnity basis);
- (ii) "**LTAs**" has the meaning set forth in Section 2.4(a);
- (jj) "**Miscellaneous Interests**" means, subject to any and all limitations and exclusions provided for in this definition, the Vendor's Interest in and to all property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles (other than the Petroleum and Natural Gas Rights and the Tangibles), or either of them, but only to the extent that such property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including any and all of the following:
  - (i) all contracts relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);
  - (ii) all warranties, guarantees and similar rights relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including warranties and guarantees made by suppliers, manufacturers and contractors under the Assets, and claims against other Third Parties in connection with the contracts relating to the Petroleum and Natural Gas Rights and the Tangibles;
  - (iii) all subsisting rights to carry out operations relating to the Lands, the Tangibles or the Wells, and without limitation, all easements and other permits, licenses and authorizations pertaining to the Tangibles or the Wells;

- (iv) rights to enter upon, use, occupy and enjoy the surface of any lands which are used or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them;
- (v) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them including any of the foregoing that pertain to geological or geophysical matters and, including plats, surveys, maps, cross-sections, production records, electric logs, cuttings, cores, core data, pressure data, decline and production curves, well files, and related matters, division of interest records, lease files, title opinions, abstracts of title, title curative documents, lease operating statements and all other accounting information, marketing reports, statements, gas balancing information, and all other documents relating to customers, sales information, supplier lists, records, literature and correspondence, physical maps, geologic or geophysical interpretation, electronic and physical project files; and
- (vi) the Wells, including the wellbores and any and all casing and down-hole monitoring and pumping equipment;

provided that unless otherwise agreed in writing by the Parties, the Miscellaneous Interests shall not include any documents or data to the extent that they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by the Vendor or the Debtor to an assignee;

- (kk) "**Notice Period**" has the meaning ascribed to that term in Section 8.2(b);
- (ll) "**Order**" means any order, writ, judgment, injunction, decree, stipulation, determination, decision, verdict, ruling, subpoena, or award entered by or with any Governmental Authority (whether temporary, preliminary, or permanent);
- (mm) "**Outside Date**" means the date which occurs 90 days following the date of execution of this Agreement, or such other date as the Parties may agree;
- (nn) "**Outstanding ROFR Assets**" has the meaning set forth in Section 10.2(e)(ii);
- (oo) "**Outstanding ROFRs**" has the meaning set forth in Section 10.2(e);
- (pp) "**Parties**" means, collectively, the Purchaser and the Vendor, and "**Party**" means any one of them;
- (qq) "**Permitted Encumbrances**" means:
  - (i) any overriding royalties, net profits interests and other burdens, which are provided for under the Title Documents;
  - (ii) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;

- (iii) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
- (iv) easements, rights of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;
- (v) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;
- (vi) agreements for the sale, processing, transmission or transportation of Petroleum Substances entered into by the Debtor, or the Vendor for and on behalf of the Debtor subsequent to the date of this Agreement;
- (vii) any obligation of the Vendor or the Debtor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
- (viii) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;
- (ix) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards the Vendor's or any Debtor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;
- (x) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;
- (xi) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;
- (xii) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority;
- (xiii) any linear or non-linear municipal property tax claims under the *Municipal Government Act* (Alberta), or otherwise; and
- (xiv) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's or any Debtor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof;

- (rr) **"Person"** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executory, Governmental Authority, or other entity however designated or instituted;
- (ss) **"Petroleum and Natural Gas Rights"** means the Vendor's Interest in and to all rights to and in respect of the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands);
- (tt) **"Petroleum Substances"** means any of crude oil, petroleum, natural gas, natural gas liquids, coal bed methane and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur;
- (uu) **"Purchase Price"** has the meaning ascribed to that term in Section 3.1;
- (vv) **"Purchaser"** has the meaning ascribed to that term in the preamble hereto;
- (ww) **"Purchaser's Solicitors"** means **Lawson Lundell LLP**;
- (xx) **"Receivership Order"** means the order of the Court dated March 23, 2026, pursuant to which the Vendor was appointed as the receiver and manager of all of the current and future assets, undertakings and properties of every nature or kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof;
- (yy) **"Receivership Proceedings"** means the court proceedings brought in the Court pursuant to Court Action No. 2601-05153, pursuant to which the Vendor was appointed as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof;
- (zz) **"Representative"** means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its Affiliates;
- (aaa) **"ROFR"** means a right of first refusal, right of first offer or other pre-emptive or preferential right of purchase or similar right to acquire the Assets or certain of them that may become operative by virtue of this Agreement or the completion of the Transaction;
- (bbb) **"Specific Conveyances"** means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the Vendor's Interest in and to the Assets to the Purchaser and to novate the Purchaser in the place and stead of the Vendor or the Debtor, as applicable, with respect to the Assets (excluding the Licence Transfers);
- (ccc) **"Tangibles"** means the Vendor's Interest in and to the Facilities and any and all other tangible depreciable property and assets, if any, which are located within, upon or in the vicinity of the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, store, transport, make marketable or inject the Leased Substances or any of them;
- (ddd) **"Third Party"** means any Person who is not a Party or an Affiliate of a Party;

- (eee) "**Third Party Claim**" means any Claim by a Third Party asserted against the Vendor or the Debtor for which the Purchaser has indemnified the Vendor and the Debtor or is otherwise responsible pursuant to this Agreement;
- (fff) "**Title Documents**" means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements, acreage contribution agreements, joint venture agreements and any other documents and agreements granting, reserving or otherwise conferring rights to (i) explore for, drill for, produce, take, use or market Petroleum Substances, (ii) share in the production of Petroleum Substances, (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced, and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands;
- (ggg) "**Transaction**" means the transaction for the purchase and sale of the Vendor's Interest in and to the Assets, together with all other transactions contemplated in this Agreement, all as contemplated in this Agreement;
- (hhh) "**Transfer Taxes**" means all transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Assets, including GST; and which, for certainty, shall not include freehold mineral taxes;
- (iii) "**Vendor**" has the meaning ascribed to that term in the preamble hereto;
- (jjj) "**Vendor's Interest**" means, when used in relation to any asset, undertaking or property, the entire right, title and interest, if any, of the Debtor and/or the Vendor, as applicable, in, to and/or under such asset, undertaking or property;
- (kkk) "**Vendor's Solicitors**" means the law firm of Bennett Jones LLP, or such other firm or firms of solicitors as are retained or engaged by the Vendor from time to time and notice of which is provided to the Purchaser; and
- (lll) "**Wells**" means the Vendor's Interest in and to the wells listed in Schedule A under the heading entitled "Wells", as applicable.

## 1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) All references to monetary amounts are to the lawful currency of Canada.
- (b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.
- (c) The word "include" and "including" and derivatives thereof shall be read as if followed by the phrase "without limitation".

- (d) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.
- (e) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.
- (f) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified.
- (g) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.
- (h) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.
- (i) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.
- (j) Reference to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof.
- (k) References to an Applicable Law means such Applicable Law as amended from time to time and includes any successor Applicable Law thereto any regulations promulgated thereunder.

### **1.3 Schedules**

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule A	Assets Listing
Schedule B	Form of Approval and Vesting Order
Schedule C	Form of General Conveyance, Assignment and Assumption Agreement

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

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

## **ARTICLE 2 PURCHASE AND SALE**

### **2.1 Agreement of Purchase and Sale**

Subject to the terms and conditions of this Agreement, and in consideration of the Purchase Price, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase, accept and receive from the Vendor, the Vendor's Interest in and to the Assets.

## **2.2 Transfer of Property and Assumption of Liabilities**

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk, and legal and beneficial ownership of the Assets shall transfer from the Vendor to the Purchaser on the Closing Date, and the Purchaser agrees to assume, discharge, perform and fulfil all Assumed Liabilities. Without limiting the provisions of this Agreement relating to the General Conveyance, Assignment and Assumption Agreement (and such agreement itself), or any other provisions of this Agreement relating to sale, transfer, assignment, conveyance or delivery, the Assets shall be sold, assigned, transferred, conveyed, and delivered by the Vendor to the Purchaser by way of the Licence Transfers, the Specific Conveyances and other appropriate instruments of transfer, bills of sale, endorsements, assignments, and deeds, in recordable form, or by way of an Order of the Court, as appropriate, and free and clear of any and all Claims other than Permitted Encumbrances, as applicable.

## **2.3 Assignment of Consent Required Contracts**

The Vendor and the Purchaser shall cooperate and shall take such commercially reasonable steps as necessary to obtain the consent of the counterparties for the assignment of the Consent Required Contracts, including, if necessary, obtaining an Assignment Order, provided that Closing shall not be delayed even if certain consents for any Consent Required Contracts are outstanding at the Closing.

## **2.4 Licence Transfers**

- (a) Promptly following the Closing Date (or at such earlier time as may be permitted by the AER, as applicable), the Vendor shall electronically submit applications to the AER for the Licence Transfers ("**LTAs**"), and confirm that such submission has been made to the Purchaser. Each of the Purchaser and the Vendor agrees that it shall cause to be provided any information and documentation along with such LTAs to the AER as are required to be provided in connection with the foregoing, including in the case of Purchaser, any information required by the AER in connection with the AER assessing the LTAs pursuant to criteria under the AER's *Directive 088* and *Manual 023: Licensee Life-Cycle Management*, if applicable. The Purchaser shall take any steps required to accept or ratify such LTAs without delay, provided that, if the Purchaser in good faith determines or believes that any of the LTAs are not complete and accurate, or the AER refuses to process any such LTAs because of some defect therein, the Parties shall cooperate to duly complete or to correct such incomplete or inaccurate LTAs as soon as practicable and thereafter, the Vendor shall promptly re-submit such LTAs and the Purchaser shall accept or ratify such re-submitted LTAs without delay. Each Party shall be responsible for its own costs relating to LTAs hereunder. The Purchaser shall provide any information and documentation in respect of such LTAs to the AER which are required to be provided by the transferee in connection with the foregoing. Following submission of the LTAs, the Purchaser shall use reasonable commercial efforts to obtain the approval from the AER of the LTAs and registration of the Licence Transfers, subject to the specific requirements of this Section 2.4.
- (b) If the AER denies any of the LTAs because of misdescription or other minor deficiencies contained therein, the Vendor shall, within two Business Days of such denial, correct the LTA(s) and amend and re-submit the LTA(s), and the Purchaser shall accept or ratify such re-submitted LTAs without delay.
- (c) In the event that the Purchaser has applied, or prior to the Closing Date applies, to the AER for a discretionary waiver from the AER's security requirements in respect of the

Transaction, the Vendor shall provide such information and documentation to the AER regarding the Assets as may reasonably be required in connection with the AER's review of such discretionary waiver application made by the Purchaser (but only to the extent such information and documentation has not already been made available by the Vendor or its Representatives to the Purchaser or its Representatives); provided that the Purchaser agrees it shall have primary carriage of, and be solely responsible at its own cost for submitting and liaising with the AER in respect of, any such application.

- (d) The Purchaser shall on a timely and continuing basis keep the Vendor fully apprised and informed regarding all communications the Purchaser may have with the AER in connection with the Transaction, including all communications respecting LTAs, and without limiting the generality of the foregoing, the Purchaser shall provide copies to the Vendor of all related correspondence from the Purchaser to the AER, and the Purchaser shall request that the AER provide copies to the Vendor of all related correspondence from the AER to the Purchaser.
- (e) The Purchaser expressly acknowledges and agrees that it shall be solely responsible for all Assumed Liabilities associated with the Assets as of and after the Closing Date including in the event that the Licence Transfers do not occur for any reason. In the event that any of the Licence Transfers have not been completed by the date that is six (6) months following the Closing Date, the Vendor shall be entitled to seek and obtain a discharge from the Court in respect of any licences relating to the Assets which have not been transferred to the Purchaser by such date, and the Vendor shall have no further obligations to the Purchaser with respect to such licences, the Licence Transfers or LTAs contemplated in this Agreement.

## **2.5 Specific Conveyances**

- (a) Within a reasonable time following its receipt of the Title Documents from the Vendor, the Purchaser shall prepare and provide for the Vendor's review all Specific Conveyances. None of the Specific Conveyances shall confer or impose upon either Party any greater right or obligation than as contemplated in this Agreement. Promptly after Closing, the Purchaser shall register and/or distribute (as applicable), all such Specific Conveyances and shall bear all costs incurred therewith and in preparing and registering any further assurances required to convey the Assets to the Purchaser.
- (b) As soon as practicable following Closing, the Vendor shall deliver or cause to be delivered to the Purchaser such original copies of the Title Documents and any other agreements and documents to which the Assets are subject and such original copies of contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests which are now in the possession or control of the Vendor or the Debtor or of which the Vendor or the Debtor gain possession or control prior to Closing.
- (c) Notwithstanding Sections 2.5(a) and 2.5(b), requests for the transfers from the Vendor to the Purchaser of registered Crown leases or licences, related surface rights and any other Title Documents which are administered by a Governmental Authority shall be submitted by the Vendor and accepted by the Purchaser as soon as is practicable after Closing.

## 2.6 Post-Closing Maintenance of Assets

- (a) Following Closing, if and to the extent that the Purchaser must be novated into, recognized as a party to, or otherwise accepted as assignee or transferee of the Vendor's and/or the Debtor's interest in the Assets or certain of them, including any Title Documents and Assumed Contracts, the following provisions shall apply with respect to the applicable Assets until such novation, recognition or acceptance has occurred:
- (i) the Purchaser shall use reasonable commercial efforts to obtain, as may be required by the terms of any Assumed Contracts, consents or approvals to the assignment of such Assumed Contracts; provided that to the extent that any Cure Costs are payable with respect to any Assumed Contract, the Purchaser shall be responsible for and shall pay all such Cure Costs, which shall be paid directly to the counterparty as and when required in conjunction with the assignment of the Assumed Contracts, and which Cure Costs shall form part of the Purchase Price for the Assets;
  - (ii) to the extent not obtained prior to the Closing Date, the Purchaser shall continue to use reasonable commercial efforts to obtain the AER's approval of the LTAs and registration of the Licence Transfers;
  - (iii) to the extent applicable, the Vendor and/or the Debtor shall hold the rights, entitlements, benefits, remedies, duties and obligations in respect of the applicable Assets in trust for the exclusive benefit of the Purchaser as bare trustee and agent;
  - (iv) to the extent permitted by any applicable Assumed Contract:
    - (A) the Purchaser will pay, perform and discharge the duties and obligations accruing after Closing under such Assumed Contract, on behalf of the Vendor and/or any Debtor, until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser; and
    - (B) the Vendor shall, or shall cause the Debtor to, use reasonable commercial efforts to exercise the rights, entitlements, benefits and remedies under such Assumed Contract, on behalf of the Purchaser until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser, or such Assumed Contract expires or otherwise terminates;
  - (v) neither the Vendor nor the Debtor shall have any liability as a consequence of the Vendor or any Debtor taking any action or causing anything to be done under this Section 2.6(a), and the Purchaser shall be responsible and liable for, and, as a separate covenant, shall hereby indemnify and save harmless the Vendor, the Debtor and their respective Representatives against, all costs and expenses reasonably incurred by the Vendor, the Debtor, their Affiliates or their respective Representatives as a consequence of or in connection with this Section 2.6(a); and
  - (vi) nothing in this Agreement shall constitute an agreement to assign, and shall not be construed as an assignment of, or an attempt to assign to the Purchaser, any Assumed Contract until such time as the necessary consents or approvals with respect to the assignment are obtained.

- (b) Both before and after Closing, the Purchaser shall use all commercially reasonable efforts to obtain any and all approvals required under Applicable Law and any and all material consents of Third Parties required to permit this Transaction to be completed. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances, deposits or security that may be required by Governmental Authorities or any Third Parties under the Assumed Contracts or Applicable Laws to permit the transfer of the Assets, including the Assumed Contracts, to the Purchaser.

## 2.7 Assumed Liabilities

Following Closing, the Purchaser shall assume, perform, discharge and pay when due all of the Assumed Liabilities. For greater certainty, the Purchaser acknowledges and agrees that the Environmental Liabilities and Abandonment and Reclamation Obligations in respect of the Assets are future costs and obligations associated with the ownership of the Assets that are tied and connected to the ownership of the Assets such that they are inextricably linked and embedded with the Assets.

## ARTICLE 3 PURCHASE PRICE

### 3.1 Purchase Price

The consideration payable by the Purchaser for the Assets shall be the sum of [REDACTED] (the "**Purchase Price**"). The Purchase Price shall be satisfied in accordance with Section 3.3(b) and shall not be subject to any adjustment (and for greater certainty, Cure Costs shall be satisfied in accordance with Section 2.6(a)(i)). The Purchaser and the Vendor acknowledge and agree that the Purchase Price reflects the fair market value of the Assets as of the Closing Date, having due regard to the Environmental Liabilities connected to and embedded in the Assets that depress the value of the Assets.

### 3.2 Allocation of Purchase Price

The Purchase Price shall be allocated among the Assets as follows:

- [REDACTED]
- [REDACTED]
- [REDACTED]

### 3.3 Deposit and Satisfaction of Purchase Price

- (a) The Parties acknowledge that:
  - (i) on the date hereof, the Purchaser paid the amount equal to ten percent (10%) of the Purchase Price (the "**Deposit**") to the Vendor;
  - (ii) the Deposit has been delivered to and shall be held in trust by the Vendor; and
  - (iii) the Deposit shall be held and administered by the Vendor in accordance with the terms and conditions of this Agreement (including this Section 3.3).

- (b) At Closing, the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.6(a)(i)) shall be paid and satisfied as follows:
  - (i) as to the amount of the Deposit, the Vendor shall retain the amount of the Deposit and apply such amount against the amount of the Purchase Price; and
  - (ii) as to the balance of the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.6(a)(i)), along with any additional amounts owing in respect of applicable GST, the Purchaser shall pay to the Vendor such amount by electronic wire transfer.
- (c) If this Agreement is terminated:
  - (i) (A) pursuant to Section 13.1(a) by mutual agreement of the Parties; (B) pursuant to Sections 13.1(b) or 13.1(c) by the Purchaser; (C) pursuant to Section 13.1(e) by the Vendor; or (D) for any other reason other than as contemplated under Section 3.3(c)(ii); then the Deposit shall be returned to the Purchaser; or
  - (ii) pursuant to Section 13.1(d) by the Vendor, the full amount of the Deposit shall be forfeited to the Vendor,

and, subject to Section 13.2, each Party shall be released from all obligations and liabilities under or in connection with this Agreement. In the event of termination of this Agreement under Section 3.3(c)(ii) pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit, constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

#### **ARTICLE 4 TRANSFER TAXES**

##### **4.1 Transfer Taxes**

The Parties agree that:

- (a) the Purchase Price does not include Transfer Taxes and the Purchaser shall be liable for and shall pay, and be solely responsible for, any and all Transfer Taxes pertaining to the Purchaser's acquisition of the Assets; and
- (b) the Purchaser shall indemnify the Vendor, the Debtor and their respective Affiliates for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that any of them are required to pay or for which any of them may become liable as a result of any failure by the Purchaser to self-assess, pay or remit such Transfer Taxes, other than as a result of a failure by the Vendor, the Debtor or their respective Affiliates to timely remit any amounts on account of Transfer Taxes paid by the Purchaser hereunder.

## 4.2 GST Registration

The Debtor is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and its GST registration number is:

**Debtor**  
BLUE SKY RESOURCES LTD.

**GST Registration Number**  
747330488 RT0001

## ARTICLE 5 REPRESENTATIONS AND WARRANTIES

### 5.1 Vendor's Representations

The Vendor hereby represents and warrants to the Purchaser that:

- (a) pursuant to the Receivership Order, it has, among other things, been appointed by the Court as receiver and manager of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of the Debtor, including all proceeds thereof, and such appointment is valid and subsisting and has not been varied or amended, except as set forth in the Receivership Order; and
- (b) subject to the Approval and Vesting Order being obtained, this Agreement has been duly executed and delivered and constitutes a legal, valid and binding obligation of it and is enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;

### 5.2 Purchaser's Representations

The Purchaser hereby represents and warrants to the Vendor that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation or formation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (b) it has taken all necessary corporate or other acts to authorize the execution, delivery and performance by it of this Agreement;
- (c) neither the execution of this Agreement nor its performance by the Purchaser will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which the Purchaser is a party or by which it is bound which breach could materially affect the ability of the Purchaser to perform its obligations hereunder;
- (d) except for: (i) the Approval and Vesting Order; and (ii) the Licence Transfers and (iii) any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract including the Consent Required Contracts; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action,

or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of this Transaction;

- (e) subject to the Approval and Vesting Order being obtained, this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (f) the Purchaser is not a non-Canadian Person within the meaning of the *Investment Canada Act* (Canada) nor a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (g) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser;
- (h) with respect to the GST imposed under the GST Legislation, the Purchaser is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and that its GST registration number is 733703334-RT0001;
- (i) the Purchaser is a "Canadian" within the meaning of the *Investment Canada Act* (Canada);
- (j) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, the Purchase Price (including the Deposit), the Cure Costs, the Transfer Taxes, its legal fees and expenses, registration costs and any other amounts payable by the Purchaser pursuant hereto; and
- (k) the Purchaser has the financial resources necessary to post or satisfy all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Assets and to satisfy the security required by the Assumed Contracts.

### **5.3 Enforcement of Representations and Warranties**

- (a) The representations and warranties of each Party contained in this Agreement shall survive until Closing and shall thereafter be of no further force and effect. Effective upon the occurrence of Closing, each Party hereby releases and forever discharges each other Party from any breach of any representations and warranties set forth in this Agreement. For greater certainty, none of the representations and warranties contained in this Article 5 shall survive Closing and, the Purchaser's sole recourse for any material breach of representation or warranty by the Vendor shall be for the Purchaser to not complete the Transaction in accordance with this Agreement.
- (b) The representations and warranties of the Vendor made herein or pursuant hereto are made for the exclusive benefit of the Purchaser, and the representations and warranties of the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.

- (c) The Parties expressly acknowledge and agree that the provisions of this Section 5.3 and the limit on each Party's liability set out in this Section 5.3 are intended by the Parties as a limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each Party has agreed to assume in connection with the subject matter hereof and is not an agreement within the provision of subsection 7(2) of the *Limitations Act* (Alberta).

**ARTICLE 6**  
**"AS IS, WHERE IS" AND NO ADDITIONAL**  
**REPRESENTATIONS AND WARRANTIES**

**6.1 Due Diligence Acknowledgement**

The Purchaser acknowledges and agrees that:

- (a) it was solely responsible to perform any inspections it deemed pertinent to the purchase of the Assets and to be satisfied as to the condition of the Assets prior to entering into this Agreement with the Vendor;
- (b) notwithstanding the fact that it was permitted to review any diligence materials and disclosures provided by the Vendor, including the Due Diligence Information, the Vendor assumes no liability for errors or omissions in such diligence materials and disclosure or any other property listings or advertising, promotional or publicity statements and materials, and makes no representations or warranties in respect thereof;
- (c) by entering into this Agreement with the Vendor, the Purchaser shall be deemed to represent, warrant and agree with respect to the Assets that:
  - (i) the Purchaser has inspected the Assets and is familiar and satisfied with the physical condition thereof and has conducted such investigation of the Assets as the Purchaser has determined appropriate;
  - (ii) none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives have made any oral or written representation, warranty, promise or guarantee whatsoever to the Purchaser, expressed or implied, and in particular, that no such representations, warranties, guarantees, or promises have been made with respect to the physical condition, operation, or any other matter or thing affecting or related to the Assets and/or the offering or sale of the Assets;
  - (iii) the Purchaser has not relied upon any representation, warranty, guarantee or promise or upon any statement made or any information provided concerning the Assets, including the Due Diligence Information made available to the Purchaser by the Vendor, the Debtor, their respective Affiliates or their respective Representatives;
  - (iv) the Purchaser has entered into this Agreement after having relied solely on its own independent investigation, inspection, analysis, appraisal and evaluation of the Assets and the facts and circumstances related thereto;
  - (v) any information provided or to be provided by or on behalf of the Vendor with respect to the Assets, including all Due Diligence Information, was obtained from

information provided to the Vendor and the Vendor has not made any independent investigation or verification of such information, and makes no representations as to the accuracy or completeness of such information;

- (vi) without limiting the generality of the foregoing, the Vendor is not under any obligation to disclose to the Purchaser, and shall have no liability for its failure to disclose to the Purchaser, any information known to it relating to the Assets except as may be required by any Applicable Law; and
- (vii) none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives are liable or bound in any manner by any oral or written statements, representations or information pertaining to the Assets, or the operation thereof, made or furnished by any real estate broker, agent, employee, or other Person.

## **6.2 "As Is, Where Is", No Additional Representations**

- (a) Without limiting any other provision of this Agreement, the Purchaser acknowledges and agrees that it is acquiring the Assets on an "as is, where is" and "without recourse" basis with all defects, both patent and latent, and with all faults, whether known or unknown, presently existing or that may hereafter arise. The Purchaser acknowledges and agrees that, except as expressly set forth in this Agreement, the Vendor, the Debtor, their respective Affiliates and their respective Representatives have not made, do not make and specifically negate and disclaim any representation, warranty, promise, covenant, agreement or guaranty of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Assets. For greater certainty, but without limitation, except as expressly set forth in this Agreement, none of the Vendor, the Debtor, their respective Affiliates or their respective Representatives make any condition, representation or warranty whatsoever, express or implied, with respect to:
  - (i) the title and interest of the Vendor or the Debtor in and to the Assets;
  - (ii) whether any ROFRs are exercisable by a Third Party in connection with the completion of the Transactions;
  - (iii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;
  - (iv) the income to be derived from the Assets, if any;
  - (v) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;
  - (vi) the rates of production of Petroleum Substances from the Lands;
  - (vii) the quality, condition, marketability, profitability, fitness for a particular purpose or merchantability of any tangible depreciable equipment or property interests which comprise the Assets (including the Tangibles or any personal property);

- (viii) the suitability of the Assets for any and all purposes, activities and uses which the Purchaser may desire to conduct thereon;
  - (ix) the compliance of or by the Assets or its operation with any Applicable Law (including Environmental Laws);
  - (x) the validity or enforceability of the Assumed Contracts or the ability to assign any of the Assumed Contracts;
  - (xi) any regulatory approvals, permits and licenses, consents or authorizations that may be needed to complete the purchase of the Assets contemplated by this Agreement;
  - (xii) the manner or quality of the construction or materials, if any, incorporated into the Assets;
  - (xiii) the manner, quality, state of repair or lack of repair of the Assets;
  - (xiv) the existence of soil instability, past soil repairs, susceptibility to landslides, sufficiency of under-shoring, sufficiency of drainage, or any other matter affecting the stability or integrity of the Assets or any structures or improvements situated thereon;
  - (xv) whether the Assets are located in a seismic hazards zone or a flood hazard zone;
  - (xvi) the presence of pests and any damage to the Assets and/or its improvements that may have occurred as a result;
  - (xvii) the nature and quantum of the Assumed Liabilities; or
  - (xviii) any other matter with respect to the Assets.
- (b) The Purchaser acknowledges that the release and disclaimer described in this Article 6 is intended to be very broad and, except for its express rights under this Agreement, the Purchaser expressly waives and relinquishes any rights or benefits it may have under any Applicable Law designed to invalidate releases of unknown or unsuspected claims.
- (c) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor, the Debtor, their respective Affiliates and their respective Representatives in respect of the Assets and any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means). Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the *Sale of Goods Act* (Alberta) (or similar applicable statutes, all as may be amended, repealed or replaced), warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

**ARTICLE 7  
RISK AND COSTS AND INSURANCE**

**7.1 Risk and Costs**

Except as otherwise provided for in this Agreement, the Assets will be at the sole risk and responsibility of the Vendor and the Debtor until the Closing Date, and thereafter at the sole risk and responsibility of the Purchaser.

**7.2 Insurance**

Any property, liability and other insurance maintained by the Vendor and/or the Debtor in relation to the Assets, to the extent applicable, shall not be transferred at Closing, but shall remain the responsibility of the Vendor and/or the Debtor until the Closing Date. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Assets in respect of the period from and after 12:01 a.m. on the Closing Date.

**ARTICLE 8  
INDEMNIFICATION**

**8.1 Indemnification Given by Purchaser**

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, the Debtor, their respective Affiliates and their respective Representatives for; and
- (b) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives related to or in connection with the Assets and the Assumed Liabilities, including: (i) all Losses and Liabilities attributable to the ownership, operation, use, construction or maintenance of the Assets during the period following the Closing Date; (ii) all Losses and Liabilities arising or accruing on or after the Closing Date under any Assumed Contract, including any and all Cure Costs; and (iii) any other Losses and Liabilities for which the Purchaser has otherwise agreed to indemnify the Vendor and the Debtor pursuant to this Agreement, including pursuant to Section 9.2. The Purchaser's indemnity obligations set forth in this Section 8.1 shall survive the Closing Date indefinitely pursuant to Section 14.3.

**8.2 Third Party Claims**

- (a) If any of the Vendor, the Debtor, their respective Affiliates or any of their respective Representatives receives written notice of the commencement or assertion of any Third Party Claim for which the Purchaser is liable pursuant to this Agreement (or has otherwise agreed to indemnify the Vendor, the Debtor, their respective Affiliates or their respective Representatives against), the Vendor shall give the Purchaser reasonably prompt notice thereof, but in any event no later than ten (10) days after receipt of such notice of such Third Party Claim. Such notice to the Purchaser shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount (or the method of computation of the amount) of the Losses and Liabilities that has been or may

be sustained by the Vendor, the Debtor, their respective Affiliates or their respective Representatives, respectively, and a reference to the provisions of this Agreement, or other applicable document, upon which such claim is based.

- (b) The Purchaser may assume the carriage and control of the defence of any Third Party Claim by giving notice to that effect to the Vendor or the Debtor(s), respectively, not later than ten (10) days after receiving notice of that Third Party Claim (the "**Notice Period**") so long as: (i) the Purchaser first acknowledges to the Vendor, in writing, liability to the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, under this Agreement with respect to such Third Party Claim and that the outcome of such Third Party Claim does not alter or diminish the Purchaser's obligation to indemnify the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, pursuant to this Agreement, subject to the Purchaser's right to contest in good faith the Third Party Claim; (ii) the Purchaser has the financial resources to defend against the Third Party Claim and fulfill any indemnification obligations and has provided the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, with evidence thereof; (iii) the Third Party Claim involves monetary damages; and (iv) the Purchaser thereafter pursues the defence or settlement of the Third Party Claim actively and diligently. The Purchaser's right to do so shall be subject to the rights of any insurer or other third party who has potential liability in respect of that Third Party Claim. The Purchaser shall pay all of its own expenses of participating in or assuming such defence. In the event that the Purchaser elects to assume the carriage and control of the defence of a Third Party Claim pursuant to this Section 8.2(b), then the Vendor shall, or shall cause the Debtor, their respective Affiliates and/or their respective Representatives to, cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice at its own expense.
- (c) If the Vendor has not received notice within the Notice Period that the Purchaser has elected to assume the carriage and control of the defence of such Third Party Claim in accordance with Section 8.2(b), or if the Purchaser has given such notice but thereafter fails or is unable to pursue the defence or settlement of such Third Party Claim actively and diligently, the Vendor, the Debtor, their respective Affiliates and/or their respective Representatives, may, at their option, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Losses and Liabilities suffered or incurred by the Vendor, the Debtor, their respective Affiliates and/or their Representatives with respect to such Third Party Claim.

### **8.3 Failure to Give Timely Notice**

Notwithstanding that time is of the essence, a failure to give timely notice as provided in this Article 8 shall not affect the rights or obligations of any Party except and only to the extent that, as a result of such failure, any Party which was entitled to receive such notice was deprived of its right to recover any payment under any applicable insurance coverage or was otherwise prejudiced as a result of such failure.

### **8.4 No Merger**

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

### **8.5 Third Party Beneficiary**

The Vendor's Representatives and the Vendor's Affiliates, the Debtor, their respective Affiliates and all of their respective Representatives are intended third party beneficiaries of this Article 8 and shall have the right, power and authority to enforce the provisions hereof as though they were each a party hereto. The Purchaser further agrees to execute such agreements as may be reasonably requested by such Persons in connection with these provisions that are consistent with this Article 8 or that are reasonably necessary to give further effect thereto.

## **ARTICLE 9 ENVIRONMENTAL MATTERS**

### **9.1 Acknowledgements Regarding Environmental Condition**

The Purchaser acknowledges that, insofar as the environmental condition of the Assets is concerned, it will acquire the Assets pursuant hereto on an "as is, where is" basis. The Purchaser acknowledges that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of the Purchaser (insofar as the Vendor could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Vendor, the Debtor or any of their respective Representatives as to the environmental condition of the Assets, or any Environmental Liabilities or Abandonment and Reclamation Obligations in respect thereof.

### **9.2 Assumption of Environmental Liabilities**

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, the Debtor, their respective Affiliates and their respective Representatives for; and
- (b) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives from and against;

all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, the Debtor, their respective Affiliates or their respective Representatives as a result of any matter or thing arising out of, attributable to or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, the Purchaser shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations as between the Vendor and the Debtor (on one hand) and the Purchaser (on the other hand) including whether occurring or accruing prior to, on or after the Closing Date, and hereby releases the Vendor, the Debtor, their respective Affiliates and their respective Representatives from any claims the Purchaser may have against the Vendor or the Debtor with respect to all such Environmental Liabilities and Abandonment and Reclamation Obligations. Without restricting the generality of the foregoing, the Purchaser shall be responsible for all Environmental Liabilities and Abandonment and Reclamation Obligations (including whether occurring or accruing prior to, on or after the Closing Date) in respect of all Wells and Tangibles.

**ARTICLE 10  
COVENANTS**

**10.1 Conduct of Business Until Closing**

- (a) From the date hereof until the Closing Date, subject to the Receivership Order and any limitations set out in the Title Documents and any other agreements and documents to which the Assets are subject, the Vendor shall use reasonable commercial efforts, to maintain the Assets in a proper and prudent manner in material compliance with all Applicable Laws, but for greater certainty only to the extent that the nature, scope and authority of the Vendor's role as receiver and manager of the assets, property and undertaking of the Debtor and the nature of the Receivership Proceedings permits and is consistent with the foregoing.
- (b) Until the Closing Date, the Vendor shall provide the Purchaser with all access to the Assets as is reasonably required by the Purchaser in order to allow for and assist the Purchaser with an orderly passing of the Assets to the Purchaser following Closing in accordance herewith.
- (c) The access to the Assets to be afforded to the Purchaser and its Representatives pursuant to this Section 10.1 will be subject to the Assumed Contracts and all of the Vendor's and the Debtor's site entry protocols, health, safety and environmental rules, policies and procedures. Further, the Purchaser acknowledges and agrees that it shall:
  - (i) be solely liable and responsible for any and all Losses and Liabilities which the Vendor, the Debtor, their respective Affiliates or their respective Representatives may suffer, sustain, pay or incur; and
  - (ii) as a separate covenant, indemnify and save harmless the Vendor, the Debtor, their respective Affiliates and their respective Representatives harmless from any and all Claims or Losses and Liabilities whatsoever which may be brought against, suffered by or incurred by the Vendor, the Debtor, their respective Affiliates or their respective Representatives;

arising out of, resulting from, attributable to or in any way connected with any access provided to the Purchaser or its Representatives pursuant to this Section 10.1.

**10.2 ROFRs**

- (a) The Purchaser acknowledges that it shall be responsible for conducting such separate investigation of the Assets as the Purchaser has determined is appropriate with respect to the identification of ROFRs applicable to the Assets as soon as is reasonably practicable after the date hereof. The Purchaser shall indemnify Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, the Debtor, their respective Affiliates or their respective Representatives as a result of any failure by the Purchaser to identify ROFRs applicable to the Assets or any Third Party Claim relating to the allocation of the value of a ROFR to be determined by the Purchaser in accordance with Section 10.2(b)(i), as applicable.
- (b) If the Purchaser has identified any ROFRs pursuant to Section 10.2(a):

- (i) promptly following the identification of Assets which are the subject of ROFRs, the Purchaser shall prepare and provide the Vendor with ROFR notices to be issued in respect of such ROFRs, which shall include the Purchaser's bona fide allocation of the amount of the Purchase Price attributable to each of such Assets which are subject to a ROFR;
  - (ii) the Vendor shall courier ROFR notices to the Third Parties holding such ROFRs promptly following the receipt of the same from the Purchaser; and
  - (iii) to the extent the Purchaser is not copied directly on a response from a Third Party ROFR holder, the Vendor shall notify the Purchaser in writing forthwith upon each Third Party exercising or waiving such a ROFR.
- (c) If any such Third Party elects to exercise such a ROFR, then:
- (i) the definition of Assets shall be deemed to be amended to exclude those Assets in respect of which the ROFR has been exercised;
  - (ii) such Assets shall not be conveyed to the Purchaser;
  - (iii) any proceeds received by the Vendor from a Third Party in respect of the sale and conveyance of any Assets which are subject to a ROFR shall be deemed to not constitute Assets for the purposes of this Agreement; and
  - (iv) the Purchase Price shall not be subject to any reduction in the event of the exercise of any such ROFR by a Third Party.
- (d) In the event that a Third Party exercises a ROFR and is then unable or unwilling to enter into a conveyance agreement with the Vendor for the relevant Assets, the Purchaser agrees to accept a conveyance of such Assets under the same terms and conditions as this Agreement to whatever extent possible.
- (e) Closing shall not be delayed even though certain of the ROFRs are outstanding and capable of exercise by the holders thereof as of the Closing Date (such ROFRs being referred to as "**Outstanding ROFRs**"). In such case, the following procedures shall apply:
- (i) the Parties shall proceed with Closing (for greater certainty without any reduction in the Purchase Price for the Outstanding ROFRs, and without variation of any other terms or conditions of this Agreement);
  - (ii) the Purchaser shall have (as of the Closing Date) prepared all Specific Conveyances and other closing documentation required for the sale of the Assets subject to the Outstanding ROFRs (the "**Outstanding ROFR Assets**");
  - (iii) if an Outstanding ROFR is exercised by a Third Party, the Vendor will promptly notify the Purchaser thereof in writing, the Specific Conveyances and other closing documentation related to such Outstanding ROFR Assets will be of no force or effect and shall be destroyed by the Purchaser, and the provisions of Section 10.2(c) shall apply to the Assets which are the subject of the Outstanding ROFR being exercised by the Third Party, *mutatis mutandis*; and

- (iv) if after Closing an Outstanding ROFR is extinguished by lapse of time, waiver or otherwise (other than as a result of being exercised), the Vendor will promptly notify the Purchaser thereof in writing and promptly deliver copies of the Specific Conveyances and closing documentation previously prepared to the Purchaser, and such documentation shall be effective and the sale of such Outstanding ROFR Assets to Purchaser pursuant hereto shall be deemed to have closed on the Closing Date.

### **10.3 Document Review**

Prior to Closing, the Vendor shall provide Purchaser with reasonable access to the Title Documents and other Miscellaneous Interests in the possession or under the control of Vendor for the purpose of verifying the continued validity and effect of the Title Documents, the identification of Assets the subject of ROFRs, the preparation of Specific Conveyances and other matters related to this Agreement and the Transaction.

## **ARTICLE 11 CONDITIONS**

### **11.1 Mutual Conditions**

The respective obligations of the Parties to complete the purchase and sale of the Assets are subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) the Court shall have granted the Approval and Vesting Order;
- (b) no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable order or Applicable Law subsequent to the date hereof which has the effect of: (i) making any of the transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the Vendor from the sale of the Assets; and
- (c) the Closing is not otherwise prohibited by Applicable Law.

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be asserted by the Vendor or the Purchaser regardless of the circumstances and may be waived only with the agreement of the Vendor and the Purchaser.

### **11.2 Conditions for the Benefit of the Purchaser**

The obligation of the Purchaser to complete the purchase of the Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Vendor contained in Section 5.1 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time;
- (b) the Vendor shall have complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement; and

- (c) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 12.2.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have.

### **11.3 Conditions for the Benefit of the Vendor**

The obligation of the Vendor to complete the sale of the Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Purchaser contained in Section 5.2 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time;
- (b) the Purchaser shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement;
- (c) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at or before the Closing all the documents contemplated in Section 12.3; and
- (d) the Vendor has not lost its ability to convey the Assets due to an order of the Court.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Vendor may have.

### **11.4 Satisfaction of Conditions**

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 11.1, 11.2 and 11.3. In addition, each of the Parties agrees not to take any action that could reasonably be expected to preclude, delay or have an adverse effect on the Transaction or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

## **ARTICLE 12 CLOSING**

### **12.1 Closing Date and Place of Closing**

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date, or at such other time as the Parties may agree in writing.

### **12.2 Deliveries on Closing by the Vendor**

The Vendor shall deliver (or cause to be delivered) to the Purchaser on or before the Closing Date:

- (a) a Court certified copy of the Approval and Vesting Order;

- (b) any consents for the Consent Required Contracts received prior to the Closing Date;
- (c) the General Conveyance, Assignment and Assumption Agreement duly executed by the Vendor; and
- (d) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

### **12.3 Deliveries on Closing by the Purchaser**

The Purchaser shall deliver (or cause to be delivered) to the Vendor's Solicitor on or before the Closing Date:

- (a) payment of the Purchase Price in accordance with Section 3.3(b);
- (b) evidence of payment of the Cure Costs in accordance with Section 2.6(a)(i), as applicable;
- (c) payment of all Transfer Taxes payable on Closing to the Vendor or the Vendor's Solicitors (or evidence of self-assessment and payment by the Purchaser thereof to the relevant Governmental Authorities);
- (d) the General Conveyance, Assignment and Assumption Agreement duly executed by the Purchaser; and
- (e) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

## **ARTICLE 13 TERMINATION**

### **13.1 Grounds for Termination**

This Agreement may be terminated at any time prior to Closing:

- (a) by the mutual written agreement of the Vendor and the Purchaser, provided however that if this Agreement has been approved by the Court, any such termination shall require the approval of the Court;
- (b) by the Purchaser, upon written notice to the Vendor, if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Vendor received such notice;

- (c) by the Purchaser, upon written notice to the Vendor, any time after the Outside Date, if (A) the Approval and Vesting Order has not been obtained, or (B) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Purchaser's breach of this Agreement;
- (d) by the Vendor, upon written notice to the Purchaser, if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 11.3 impossible by the Outside Date; or (ii) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Purchaser received such notice; or
- (e) by the Vendor, upon written notice to the Purchaser, any time after the Outside Date, if (A) the Approval and Vesting Order has not been obtained, or (B) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the breach of this Agreement by the Vendor.

### **13.2 Effect of Termination**

Notwithstanding any termination of this Agreement as permitted under Section 13.1, or as otherwise provided for in this Agreement, the provisions of Sections 3.3 (Deposit), 14.1 (Public Announcements), 14.4 (Governing Law), 14.5 (Consequential Damages), 14.11 (Costs and Expenses) and 14.15 (Third Party Beneficiaries) shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.3.

## **ARTICLE 14 GENERAL**

### **14.1 Public Announcements**

- (a) Subject to Section 14.1(b), if a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Parties with an advance copy of any such press release or public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure without the prior written consent of the other Parties, such consent not to be unreasonably withheld.
- (b) Notwithstanding Section 14.1(a): (i) this Agreement may be filed by the Vendor with the Court; and (ii) the Transaction may be disclosed by the Vendor to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Law. The Parties further agree that:
  - (i) the Vendor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms of the Transaction;
  - (ii) the Vendor may forward a copy of this Agreement and all related documentation to the Orphan Well Association and its Representatives, agents, legal counsel and

financial advisors, and may further advise such Persons of the existence and nature of any discussions and negotiations in relation thereto or in relation to the Transaction; provided that the Orphan Well Association and its Representatives agree in advance to be bound by any confidentiality undertakings or similar confidentiality requirements reasonably requested by the Vendor; and

- (iii) the Vendor and its professional advisors may prepare and file such reports and other documents with the Court containing references to the Transaction contemplated by this Agreement and the terms of such Transaction as may reasonably be necessary to obtain the Approval and Vesting Order and to complete the Transaction contemplated by this Agreement or to comply with their obligations to the Court.

#### **14.2 Dissolution of Debtor**

The Purchaser acknowledges and agrees that nothing in this Agreement shall operate to prohibit or diminish in any way the right of the Vendor or any of its Affiliates to cause the dissolution or wind-up of any of the Debtor subsequent to the Closing Date, or otherwise cause or allow the Debtor to cease operations in any manner or at any time subsequent to the Closing Date as the Vendor may determine in its sole discretion, which may be exercised without regard to the impact any such action may have on the Vendor's ability to fulfil its obligations under this Agreement that survive Closing.

#### **14.3 Survival**

Upon Closing, the obligations, covenants, representations and warranties of the Parties set out in this Agreement shall expire, be terminated and extinguished and of no further force or effect, provided that notwithstanding the Closing contemplated hereunder or the delivery of documents pursuant to this Agreement, the obligations and covenants of the Parties set out in Section 2.3 (Assignment of Consent Required Contracts), Section 2.4 (Licence Transfers), Section 2.5 (Specific Conveyances), Section 2.6 (Post-Closing Maintenance of Assets), Section 5.3 (Enforcement of Representations and Warranties), Section 10.2 (ROFRs) and Article 4 (Transfer Taxes), Article 6 ("As Is, Where Is" and No Additional Representations and Warranties), Article 8 (Indemnification), Article 9 (Environmental Matters) and Article 14 (General), shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties indefinitely thereafter except as expressly stated to the contrary therein or otherwise in accordance with Applicable Laws.

#### **14.4 Governing Law**

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.
- (b) Notwithstanding Section 14.4(a), any and all documents or orders that may be filed, made or entered in the Receivership Proceedings, and the rights and obligations of the Parties thereunder, including all matters of construction, validity and performance thereunder, shall in all respects be governed by, and interpreted, construed and determined in accordance with the laws of the Province of Alberta. The Parties consent to the jurisdiction and venue of the Court, as applicable, for the resolution of any such disputes, regardless of

whether such disputes arose under this Agreement. Each Party agrees that service of process on such Party as provided in Section 14.13 shall be deemed effective service of process on such Party.

#### **14.5 Consequential Damages**

Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any punitive, exemplary, consequential or indirect damages (including for greater certainty, any loss of profits) (collectively, "**Consequential Damages**") that may be alleged to result, in connection with, arise out of, or relate to this Agreement or the Transaction, other than Consequential Damages for which the Purchaser is liable as a result of a Third Party Claim (which liability shall be subject to and recoverable under Article 8 (Indemnification)). For greater certainty, the Parties agree that none of the Parties, the Debtor, their respective Affiliates or their respective Representatives shall be liable for any lost profits whatsoever, whether such lost profits are considered to be direct, consequential or indirect losses, and regardless of whether such lost profits were foreseeable by the Parties at any time or whether such lost profits were the direct and natural result of a Party's breach of its obligations under this Agreement.

#### **14.6 Further Assurances**

Each of the Parties from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

#### **14.7 Assignment**

The Purchaser shall not, without the Vendor's prior written consent, assign any right or interest in this Agreement, which consent may be withheld in the Vendor's sole and absolute discretion, except that the Purchaser shall have the right to assign any or all of its rights, interests or obligations hereunder to one or more Affiliates of the Purchaser, provided that: (a) such Affiliate agrees to be bound by the terms of this Agreement; (b) the Purchaser shall remain liable hereunder for any breach of the terms of this Agreement by such Affiliate; (c) such assignment shall not release the Purchaser from any obligation or liability hereunder in favour of the Vendor; and (d) the Purchaser shall acknowledge and confirm its continuing obligations in favour of the Vendor in an assignment and assumption agreement in form and substance satisfactory to the Vendor.

#### **14.8 Waiver**

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

#### **14.9 Amendment**

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

#### **14.10 Time of the Essence**

Time is of the essence in this Agreement.

#### **14.11 Costs and Expenses**

Unless otherwise provided for in this Agreement, each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the Transaction. Notwithstanding any other provision of this Agreement, the Purchaser shall pay the cost of all surveys, title insurance policies and title reports ordered by the Purchaser.

#### **14.12 Entire Agreement**

This Agreement and the Confidentiality Agreement (the terms and conditions of which are incorporated by reference into this Agreement, and binding upon the Parties, as if such agreement were signed directly by the Parties) constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement or in the Confidentiality Agreement.

#### **14.13 Notices**

Any notice, direction or other communication given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or electronic mail and addressed:

- (a) in the case of the Vendor:

KSV Restructuring Inc.  
Home Oil Tower  
324 8th Avenue SW, Suite 1165  
Calgary, AB T2P 2Z2

Attention: Andrew Basi Email: abasi@ksvadvisory.com

With a copy, which shall not constitute notice, to the Vendor's Solicitors:

Bennett Jones LLP  
4500, 855 - 2<sup>nd</sup> Avenue S.W.  
Calgary, AB T2P 4K7

Attention: Keely Cameron  
Email: CameronK@bennettjones.com

(b) In the case of the Purchaser:

Altair Energy Ltd.  
Aquitaine Tower  
Suite 1410, 540 5th Avenue SW Calgary, AB T2P 0M2  
Attention: Tariq Chaudhary  
Email: tariq.c@altairenergy.ca

With a copy, which shall not constitute notice, to the Purchaser's Solicitors:

Lawson Lundell LLP.  
Brookfield Place  
225 6 Ave SW #1100, Calgary, AB T2P 1N2  
Attention: Paul Negenman  
Email: pnegenman@lawsonlundell.com

A notice is deemed to be given and received if: (i) sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day; or (ii) email, on the date of transmission if it is a Business Day and the transmission was made prior to 4:00 p.m. (local time in place of receipt), and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a notice in accordance with the foregoing. Any subsequent notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a notice will be assumed not to be changed. **Sending a copy of a notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice to that Party. The failure to send a copy of a notice to legal counsel does not invalidate delivery of that notice to a Party.**

#### **14.14 Enurement**

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

#### **14.15 Third Party Beneficiaries**

Except as otherwise provided for in this Agreement, each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns and, except as otherwise provided for in this Agreement, no Person, other than the Parties and their successors and permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum. The Purchaser acknowledges to the Vendor, the Debtor, their respective Affiliates and their respective Representatives their direct rights against the Purchaser under this Agreement. To the extent required by Applicable Law to give full effect to these direct rights, the Purchaser agrees and acknowledges that the Vendor is acting as agent and/or as trustee of its Representatives, its Affiliates and their respective Representatives and the Debtor, their respective Affiliates and their respective Representatives.

#### **14.16 Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or

unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

**14.17 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

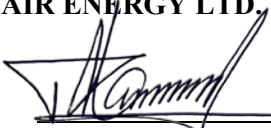
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**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**KSV RESTRUCTURING INC.**, A CORPORATION  
EXISTING UNDER THE FEDERAL LAWS OF  
CANADA, SOLELY IN ITS CAPACITY AS THE  
RECEIVER AND MANAGER OF THE ASSETS,  
PROPERTY AND UNDERTAKING OF BLUE SKY  
RESOURCES LTD., AND NOT IN ITS PERSONAL  
OR CORPORATE CAPACITY

Per:   
Name: Andrew Basi  
Title: Managing Director

**ALTAIR ENERGY LTD.**

Per:   
Name: Tariq Chaudhary  
Title: President

## SCHEDULE A

### Assets Listing

**Lands Schedule/Mineral Property:**

Mineral Property Report dated February 13, 2026; *Infra*, Schedule attached

**Wells:**

Blue Sky Resources Ltd. (“BSRL”) Working Interest (“WI”)

UWID	Licence No.	Description	Current Licensee	BSRL	BSRL WI
100/12-17-089-05W6/00	'0136273	CHARLIE 100/12-17-089-05W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/01-19-089-05W6/00	'0123336	CHARLIE 100/01-19-089-05W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/13-19-089-05W6/00	'0232411	CHARLIE 100/13-19-089-05W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/14-30-089-05W6/00	'0232363	CHARLIE 100/14-30-089-05W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/08-31-089-05W6/00	'0125641	CHARLIE 100/08-31-089-05W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/09-31-089-05W6/00	'0244085	CHARLIE 100/09-31-089-05W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/09-31-089-05W6/02	'0244085	CHARLIE 100/09-31-089-05W6/02	Altair Energy Ltd.	Non-Op Interest	14%
100/16-33-089-05W6/00	'0441800	CHARLIE 100/16-33-089-05W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/13-05-089-06W6/00	'0301311	CHARLIE 100/13-05-089-06W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/11-07-089-06W6/00	'0252820	CHARLIE 100/11-07-089-06W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/01-08-089-06W6/00	'0213685	CHARLIE 100/01-08-089-06W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/01-08-089-06W6/02	'0213685	CHARLIE 100/01-08-089-06W6/02	Altair Energy Ltd.	Non-Op Interest	14%
100/05-08-089-06W6/00	'0235248	CHARLIE 100/05-08-089-06W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/05-08-089-06W6/02	'0235248	CHARLIE 100/05-08-089-06W6/02	Altair Energy Ltd.	Non-Op Interest	14%
102/09-08-089-06W6/00	'0235244	CHARLIE 102/09-08-089-06W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/12-08-089-06W6/00	'0244717	CHARLIE 100/12-08-089-06W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/12-08-089-06W6/02	'0244717	CHARLIE 100/12-08-089-06W6/02	Altair Energy Ltd.	Non-Op Interest	14%
100/13-09-089-06W6/00	'0243861	CHARLIE 100/13-09-089-06W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/13-09-089-06W6/02	'0243861	CHARLIE 100/13-09-089-06W6/02	Altair Energy Ltd.	Non-Op Interest	14%
100/05-17-089-06W6/00	'0252679	CHARLIE 100/05-17-089-06W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/05-17-089-06W6/02	'0252679	CHARLIE 100/05-17-089-06W6/02	Altair Energy Ltd.	Non-Op Interest	14%
100/15-23-089-06W6/00	'0200874	CHARLIE 100/15-23-089-06W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/03-25-089-06W6/00	'0244185	CHARLIE 100/03-25-089-06W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/07-25-089-06W6/00	'0146657	CHARLIE 100/07-25-089-06W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/16-12-089-07W6/00	'0268256	CHARLIE 100/16-12-089-07W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/16-12-089-07W6/02	'0268256	CHARLIE 100/16-12-089-07W6/02	Altair Energy Ltd.	Non-Op Interest	14%
100/16-12-089-07W6/03	'0268256	CHARLIE 100/16-12-089-07W6/03	Altair Energy Ltd.	Non-Op Interest	14%
100/05-02-090-05W6/00	'0324863	CHARLIE 100/05-02-090-05W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/15-03-090-05W6/00	'0342874	CHARLIE 100/15-03-090-05W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/05-10-090-05W6/00	'0324916	CHARLIE 100/05-10-090-05W6/00	Altair Energy Ltd.	Non-Op Interest	14%
100/05-10-090-05W6/02	'0324916	CHARLIE 100/05-10-090-05W6/02	Altair Energy Ltd.	Non-Op Interest	14%
100/02-14-088-06W6/00	'0305328	HABAY 100/02-14-088-06W6/00	Altair Energy Ltd.	Non-Op Interest	70%
100/03-14-088-06W6/00	'0296060	HABAY 100/03-14-088-06W6/00	Altair Energy Ltd.	Non-Op Interest	70%
100/06-14-088-06W6/00	'0261282	HABAY 100/06-14-088-06W6/00	Altair Energy Ltd.	Non-Op Interest	70%
100/06-14-088-06W6/02	'0261282	HABAY 100/06-14-088-06W6/02	Altair Energy Ltd.	Non-Op Interest	70%
100/06-14-088-06W6/03	'0261282	HABAY 100/06-14-088-06W6/03	Altair Energy Ltd.	Non-Op Interest	70%

**Facilities:**

## Blue Sky Resources Ltd. (“BSRL”) Working Interest (“WI”)

<b>UWID</b>	<b>Licence No.</b>	<b>Description</b>	<b>Current Licensee</b>	<b>BSRL</b>	<b>BSRL WI</b>
13-09-089-06W6M	F25449	CHARLIE FAC 13-09-089-06W6 - Oil Facility	Altair Energy Ltd.	Non-Op Interest	14%
13-09-089-06W6M	F25449	CHARLIE FAC 13-09-089-06W6 - Injection Plant	Altair Energy Ltd.	Non-Op Interest	14%
12-05-089-05W6M	F17420	CHARLIE FAC COMP 12-05-089-05W6 - Compressor Station & GGS	Altair Energy Ltd.	Non-Op Interest	14%
10-30-089-05W6M	F50682	CHARLIE GAS BOOSTER 10-30-089-05W6	Altair Energy Ltd.	Non-Op Interest	14%
06-23-088-06W6M	F41919	HABAY FAC TANKS 06-23-088-06W6	Altair Energy Ltd.	Non-Op Interest	70%
11-14-088-06W6M	F41949	HABAY SATELLITE 11-14-088-06W6	Altair Energy Ltd.	Non-Op Interest	70%

**Pipelines:**

N/A

**Contracts:**

N/A

**SCHEDULE B**

**Form of Approval and Vesting Order**

**(see attached)**

COURT FILE NUMBER 2601-05153  
 COURT COURT OF KING'S BENCH OF ALBERTA  
 JUDICIAL CENTRE CALGARY  
 APPLICANT ACES CANADA SPV III ULC  
 RESPONDENT BLUE SKY RESOURCES LTD.

Clerk's Stamp

DOCUMENT **APPROVAL AND VESTING ORDER  
 (Sale by Receiver)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **BENNETT JONES LLP**  
 Suite 4500, 855 – 2nd Street S.W.  
 Calgary, AB T2P 4K7

Attention: Keely Cameron/Sarah Aaron  
 Telephone No.: 403-298-3324  
 Fax No.: 403-265-7219  
 Client File No.: 069209.27  
 Cameronk@bennettjones.com/AaronS@bennettjones.com

**DATE ON WHICH ORDER WAS PRONOUNCED:**

**LOCATION WHERE ORDER WAS PRONOUNCED:**

**NAME OF JUSTICE WHO MADE THIS ORDER:**

**UPON THE APPLICATION** by KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the undertakings, property and assets of Blue Sky Resources Ltd. (“**Blue Sky**” or the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and **Altair Energy Ltd.** (the “**Purchaser**”) dated [Date] and appended to the \_\_\_ Report of the Receiver dated [Date] (the “**Report**”), and vesting in the Purchaser (or its nominee)<sup>1</sup> the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”);

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<sup>1</sup> Ensure that there are no legal obstacles to the vesting of assets in a nominee (for example competition and anti-trust law). Should land be transferred and vested in a nominee, the Registrar of Land Titles requires the Purchaser to complete a Certificate of Nomination (which needs to be signed under seal if the Purchaser is a corporation. If the Purchaser is an individual, the signature needs to be witnessed with an affidavit of execution completed.)

**AND UPON HAVING READ** the Receivership Order dated March 23, 2026 (the “**Receivership Order**”), the Report and the Affidavit of Service; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser [**Names of other parties appearing**], no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

**APPROVAL OF TRANSACTION**

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

**VESTING OF PROPERTY**

3. Subject only to approval by the Alberta Energy Regulator (“**Energy Regulator**”) of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta) upon delivery of a Receiver’s certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule “A”** hereto (the “**Receiver’s Closing Certificate**”), all of the Debtor’s right, title and interest in and to the Purchased Assets listed in **Schedule “B”** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, “**Claims**”) including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
- (c) any liens or claims of lien under the *Prompt Payment and Construction Lien Act* (Alberta); and
- (d) those Claims listed in **Schedule “C”** hereto (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule “D”** (collectively, “**Permitted Encumbrances**”))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

4. Upon delivery of the Receiver’s Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, “**Governmental Authorities**”) are hereby authorized, requested and directed to accept delivery of such Receiver’s Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

(a)<sup>2</sup> the Registrar of Land Titles (“**Land Titles Registrar**”) for the lands defined below shall and is hereby authorized, requested and directed to forthwith:

- (i) cancel existing Certificates of Title No. \* for those lands and premises municipally described as \*, and legally described as:

\*  
(the “**Lands**”)

- (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee), namely, \*;

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<sup>2</sup> Paragraph 4(a) is included when the Purchased Assets include titled lands.

- (iii) transfer to the New Certificate of Title the existing instruments listed in **Schedule “D”**, to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in **Schedule “D”**; and
  - (iv) discharge and expunge the Encumbrances listed in **Schedule “C”** to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;
- (b) Alberta Energy (“**Energy Ministry**”) shall and is hereby authorized, requested and directed to forthwith:
- (v) cancel and discharge those Claims including builders’ liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Debtor in and to any of the Purchased Assets located in the Province of Alberta; and
  - (vi) transfer all Crown leases listed in **Schedule “E”** to this Order standing in the name of the Debtor, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;
- (c) the Registrar of the Alberta Personal Property Registry (the “**PPR Registrar**”) shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver’s Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register

transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement, other than any required approval by the Energy Regulator referenced in paragraph 3 above.
7. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.
9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any

kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtor was entitled.

#### **MISCELLANEOUS MATTERS**

15. Notwithstanding:
  - (a) the pendency of these proceedings and any declaration of insolvency made herein;
  - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "**BIA**"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
  - (c) any assignment in bankruptcy made in respect of the Debtor; and

(d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
18. Service of this Order shall be deemed good and sufficient by:
  - (a) Serving the same on:
    - (i) the persons listed on the service list created in these proceedings;
    - (ii) any other person served with notice of the application for this Order;
    - (iii) any other parties attending or represented at the application for this Order;
    - (iv) the Purchaser or the Purchaser's solicitors; and
  - (b) Posting a copy of this Order on the Receiver's website at:  
<https://www.ksvadvisory.com/experience/case/blue-sky-resources-ltd>

and service on any other person is hereby dispensed with.

19. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

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Justice of the Court of King's Bench of Alberta

**SCHEDULE “A”****Form of Receiver’s Certificate**

COURT FILE NUMBER	2601-05153
COURT	COURT OF KING’S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ACES CANADA SPV III ULC
RESPONDENT	BLUE SKY RESOURCES LTD.

Clerk's Stamp

DOCUMENT	<b>RECEIVER’S CERTIFICATE</b>
----------	-------------------------------

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<b>BENNETT JONES LLP</b> Suite 4500, 855 – 2nd Street S.W. Calgary, AB T2P 4K7
---	--

Attention: Keely Cameron/Sarah Aaron  
 Telephone No.: 403-298-3324  
 Fax No.: 403-265-7219  
 Client File No.: 069209.27  
 Cameronk@bennettjones.com/AaronS@bennettjones.com

**RECITALS**

- A. Pursuant to an Order of the Honourable Justice J.S. Little of the Court of King’s Bench of Alberta, Judicial District of Calgary (the “**Court**”) dated March 23, 2026, KSV Restructuring Inc. was appointed as the receiver (the “**Receiver**”) of the undertakings, property and assets of Blue Sky Resources Ltd. (the “**Debtor**”).
- B. Pursuant to an Order of the Court dated [**Date**], the Court approved the agreement of purchase and sale made as of [**Date of Agreement**] (the “**Sale Agreement**”) between the Receiver and [**Name of Purchaser**] (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article 12 of the Sale Agreement have been satisfied or

waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 12 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at [Time] on [Date].

**KSV RESTRUCTURING INC., in its capacity as Receiver of the assets, property and undertaking of Blue Sky Resources Ltd., and not in its personal capacity.**

**Per:** \_\_\_\_\_

**Name:**

**Title:**

**SCHEDULE "B"**  
**PURCHASED ASSETS**

**SCHEDULE "C"**

**CLAIMS**

## **SCHEDULE "D"**

### **PERMITTED ENCUMBRANCES**

Permitted Encumbrances consist of the following (with capitalized terms having the definitions given to them in the Sale Agreement, unless otherwise defined in this Order):

- (a) any overriding royalties, net profits interests and other burdens, which are provided for under the Title Documents;
- (b) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;
- (c) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
- (d) easements, rights of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;
- (e) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;
- (f) agreements for the sale, processing, transmission or transportation of Petroleum Substances entered into by the Debtor, or the Vendor for and on behalf of the Debtor subsequent to the date of this Agreement;
- (g) any obligation of the Vendor or the Debtor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
- (h) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;
- (i) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards the Vendor's or any Debtor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;
- (j) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;
- (k) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;

- (l) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority;
- (m) any linear or non-linear municipal property tax claims under the *Municipal Government Act* (Alberta), or otherwise; and
- (n) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's or any Debtor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof.

**SCHEDULE "E"**  
**CROWN LEASES**

## SCHEDULE C<sup>3</sup>

### Form of General Conveyance, Assignment and Assumption Agreement

#### GENERAL CONVEYANCE, ASSIGNMENT, AND ASSUMPTION AGREEMENT

**THIS** General Conveyance, Assignment, and Assumption Agreement (this "**Agreement**") is made as of the [•] day of [•], [•].

#### AMONG:

**KSV RESTRUCTURING INC.**, a corporation existing under the federal laws of Canada, solely in its capacity as the receiver and manager of the assets, property and undertaking of Blue Sky Resources Ltd. (the "**Debtor**"), and not in its personal or corporate capacity (herein referred to as the "**Vendor**")

- and -

**ALTAIR ENERGY LTD.**, a corporation having an office and carrying on a business in the City of Calgary in the Province of Alberta (herein referred to as the "**Purchaser**")

#### RECITALS:

- A. In accordance with the terms of that certain Asset Purchase and Sale Agreement dated as of **May 1, 2026**, by and between the Vendor and the Purchaser (the "**Purchase Agreement**"), the Vendor has agreed to sell, assign, and transfer the Assets to the Purchaser and the Purchaser has agreed to purchase the Assets from the Vendor;
- B. the Purchaser has agreed to assume the Assumed Liabilities; and
- C. this Agreement is delivered pursuant to the Purchase Agreement.

**NOW THEREFORE**, for good and valuable consideration now paid by the Purchaser to the Vendor pursuant to the Purchase Agreement (the receipt and sufficiency of which is hereby acknowledged by the Vendor) the parties hereto agree as follows:

#### 1. Definitions

All capitalized terms used but not otherwise defined in this Agreement shall have the meaning ascribed to such terms in the Purchase Agreement.

---

<sup>3</sup> Guidance note to Buyer: this Schedule C is a form only; it is required to be delivered at Closing (i.e. does not need to be signed and delivered at time of signing this PSA).

## **2. Certain Rules of Interpretation**

- (i) In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (ii) The division of this Agreement into Sections and the inclusion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (iii) The terms "hereof," "hereunder," and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.
- (iv) Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections of this Agreement.
- (v) The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

## **3. Conveyance**

The Vendor hereby sells, transfers, assigns, conveys and delivers to the Purchaser, and the Purchaser hereby purchases, accepts and receives from the Vendor, upon the terms and subject to the conditions of the Purchase Agreement, the Vendor's Interest in and to the Assets, free and clear of any and all Claims other than Permitted Encumbrances, as applicable, with effect as of the Closing on the date hereof, to have and to hold the Assets and all such right, title, interest, property, claim, and demand unto and to the use of the Purchaser.

## **4. Assumption of Assumed Liabilities**

Effective as of the Closing on the date hereof, the Purchaser hereby assumes and agrees to pay, perform, and discharge, when due, the Assumed Liabilities.

## **5. Further Assurances**

Each of the Parties hereto from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

## **6. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.

**7. Entire Agreement**

This Agreement, the Purchase Agreement, and the documents referred to therein and contemplated thereby constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement, the Purchase Agreement, the Confidentiality Agreement and the documents referred to therein and contemplated thereby.

**8. Successors and Assigns**

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

**9. Counterparts**

This Agreement may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one instrument. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

**10. Amendments**

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party. Any amendment effected in accordance with this Section 10 will be binding upon the Parties and their respective successors and permitted assigns.

**11. Paramountcy**

This Agreement is delivered pursuant to, and is subject to, all of the terms and conditions contained in the Purchase Agreement. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Purchase Agreement, the provisions of the Purchase Agreement shall prevail.

**12. Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

**[Signature Page Follows.]**

**IN WITNESS WHEREOF** this Agreement has been properly executed by the Parties as of the date first above written.

**KSV RESTRUCTURING INC.,** A CORPORATION EXISTING UNDER THE FEDERAL LAWS OF CANADA, SOLELY IN ITS CAPACITY AS THE RECEIVER AND MANAGER OF THE ASSETS, PROPERTY AND UNDERTAKING OF BLUE SKY RESOURCES LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY

Per: \_\_\_\_\_  
Name:  
Title:

**[BUYER]**

Per: \_\_\_\_\_  
Name:  
Title:

## **Appendix “H”**



Bennett Jones

Bennett Jones LLP

4500 Bankers Hall East, 855 - 2nd Street SW

Calgary, Alberta, Canada T2P 4K7

Tel: 403.298.3100 Fax: 403.265.7219

**Keely Cameron**

Partner

Direct Line: 403.298.3324

e-mail: cameronk@bennettjones.com

April 7, 2026

Amy M. Cooper

Partner

Tingle Merrett LLP

1250, 639 - 5th Avenue. S.W.

Calgary, AB T2P 0M9

Dear Ms. Cooper:

**Re: In the Matter of the Receivership of Blue Sky Resources Ltd ("Blue Sky")**

I write on behalf of KSV Restructuring Inc. (the "**Receiver**"), in its capacity as court-appointed Receiver of Blue Sky, in response to the March 31, 2026 correspondence sent on behalf of Saba Energy Ltd. ("**Saba**") and the April 1, 2026 email from MNP. The Receiver was appointed by the Court on March 23, 2026.

In the March 31, 2026 correspondence, Saba expresses concern regarding the operation of the assets, requests that \$10 million in security be posted with the British Columbia Energy Regulator ("**BCER**") by Blue Sky and that operations be transferred to Saba.

The Receiver understands that Saba purports to hold a 100% interest in certain assets located in British Columbia for which Blue Sky is the licensee ("**Licensed Assets**") pursuant to two non-arm's length transactions (the "**Transactions**"). The Receiver further understands that Saba has yet to provide full payment under the agreements governing the Transactions and that the Licensed Assets remain under the control of Blue Sky and Blue Sky is receiving all the revenue and pays all expenses associated with the Licensed Assets. Additionally, the Licensed Assets remain insured by Blue Sky.

The Receiver has received concerns regarding the Transactions from Blue Sky's secured creditor and is currently conducting a review of the Transactions to determine whether the Transactions constitute reviewable transactions under the *Bankruptcy and Insolvency Act*. The carrying out of this review is consistent with the Receiver's mandate. Until this review is completed, the Receiver cannot submit license transfer applications to the BCER.

We further request that Saba provide additional information regarding the operational concerns that are referenced in the March 31, 2026 correspondence. The Receiver has been in discussions with the BCER and has not been made aware of any operational concerns except for rectifying issues with respect to the emergency call number routing which is expected to be corrected shortly.

April 7, 2026

Page 2

In response to the email from MNP, we require further information regarding the purpose of the audit testing. MNP is requesting significant information from the Receiver which will require the incurrence of costs. Based on the information that the Receiver has, it is not clear that there is any value to the Blue Sky estate in carrying out the requested work and the Receiver lacks the funding to do so. If Saba is prepared to cover the costs necessary for preparing the information requested by MNP please advise and the Receiver would be prepared to consider the matter further.

We are available to discuss the matter further with you and your client and a meeting can be arranged by contacting me.

Yours truly,

**BENNETT JONES LLP**

A handwritten signature in cursive script that reads "Keely Cameron".

Keely Cameron

KC:kc

## **Appendix “I”**

**Blue Sky Resources Ltd.**  
**Schedule of Professional Fees**

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Invoice	Period	Professional Fees (\$)	Disbursements (\$)	GST (\$)	Total Fees (\$)
Receiver's Fees:					
Invoice	March 2026	57,150.75	1,583.28	2,936.70	61,670.73
Invoice	April 2026	142,274.50	22.74	7,114.86	149,412.10
<b>Total Receiver's Fees</b>		<b>199,425.25</b>	<b>1,606.02</b>	<b>10,051.56</b>	<b>211,082.83</b>
Receiver's Legal Counsel Fees:					
Invoice	March 2026	8,084.50	-	404.23	8,488.73
Invoice	April 2026	43,558.25	44.75	2,180.15	45,783.15
<b>Total Receiver's Legal Counsel Fees</b>		<b>51,642.75</b>	<b>44.75</b>	<b>2,584.38</b>	<b>54,271.88</b>

## **C. SECOND REPORT OF THE RECEIVER**

COURT/ESTATE FILE NUMBER B301 276975  
25-3276975



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COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c. B-3, AS AMENDED

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF BLUE SKY RESOURCES LTD.

DOCUMENT **ORDER**  
**(Approval of Sale and Investment Solicitation Process)**

**DLA Piper (Canada) LLP**  
1000, 250 2 Street SW  
Calgary, Alberta T2P OC1

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

Lawyer: Carole J. Hunter / Anthony Mersich  
Phone Number: (403) 698 8782 / (403) 766-8819  
Fax Number: (403) 697 6600  
Email Address: carole.hunter@ca.dlapiper.com / anthony.mersich@ca.dlapiper.com

File No. 101988-00025

<b>DATE ON WHICH ORDER WAS PRONOUNCED</b>	November 20, 2025
<b>LOCATION OF HEARING OR TRIAL</b>	Calgary, Alberta (Via Webex)
<b>NAME OF JUDGE WHO MADE THIS ORDER</b>	Justice B. Johnston

**UPON THE APPLICATION** of Blue Sky Resources Ltd. (the "**Applicant**") filed October 31, 2025 (the "**Application**"); **AND UPON** reading the Affidavit of Mike Bouvier sworn October 30, 2025 (the "**First Bouvier Affidavit**"), the Affidavit of Mike Bouvier sworn November 12, 2025 (the "**Second Bouvier Affidavit**" and together with the First Bouvier Affidavit, the "**Bouvier Affidavits**"), the Affidavit of Joe DeVries sworn November 6, 2025, and the Second Report of KSV Restructuring Inc., in its capacity as proposal trustee of the Applicant (the "**Proposal Trustee**") dated November 4, 2025, **AND UPON** noting that the Applicant filed a Notice of Intention to Make a Proposal under subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, as amended (the "**BIA**") on September 24, 2025; **AND UPON** noting that Blue Sky and Altima Energy Inc. ("**Altima**")

executed an asset purchase and sale agreement dated June 27, 2025 (the “**Altima APA**” and such transaction being the “**Altima Transaction**”) in respect of the sale of certain of Blue Sky’s oil and gas assets to Altima (the “**Altima Purchased Assets**”); **AND UPON** noting that Altima has assigned its rights under the Altima APA to its affiliate, Primrose Drilling Ventures Ltd.; **AND UPON** noting that the Second Closing (as defined in the Altima APA) of the Altima Transaction has not occurred as of the date of this Order; **AND UPON** hearing the submissions of counsel for the Applicant, and the other parties present;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

1. Capitalized terms otherwise used but not defined herein shall have the meanings ascribed to them in the Bouvier Affidavits.

**SERVICE**

2. Service of the Notice of Application for this Order is hereby validated and deemed good and sufficient, this application is properly returnable today, and no person other than those persons served is entitled to service of the Notice of Application.

**APPROVAL OF SALE AND INVESTMENT SOLICITATION PROCESS**

3. The sale and investment solicitation process (“**SISP**”) substantially in the form attached hereto as **Schedule “A”** is hereby approved.
4. The Proposal Trustee and the Sales Agent (as defined below) are hereby authorized and directed to proceed with the procedures set out in the SISP and to do all such things as are reasonably necessary to carry out its obligations thereunder and give full effect to the SISP.

**GENERAL**

5. The Applicant and the Proposal Trustee may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.
6. Any interested party (including the Applicant and the Proposal Trustee) may apply to this Court to vary or amend this Order on not less than seven (7) days’ notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
7. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

*BB Johns*

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J.C.K.B.A.

**SCHEDULE "A"**  
**SALES AND INVESTMENT SOLICITATION PROCESS**

1. On September 24, 2025, Blue Sky Resources Ltd. (the "**Company**") filed a Notice of Intention to Make a Proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**NOI Proceedings**").
2. KSV Restructuring Inc. consented to act as proposal trustee (the "**Proposal Trustee**") in the NOI Proceedings.
3. Aces Canada SPV III ULC (the "**Existing Lender Agent**") is currently agent of the primary secured lenders of the Company and, in that capacity, the Existing Lender Agent will, subject to paragraph 8 herein, have certain consultation rights as specifically provided for below.
4. On November 20, 2025, the Court of King's Bench of Alberta (the "**Court**") granted an order (the "**SISP Approval Order**") which, among other things, (i) empowered the Proposal Trustee and the Sales Agent to prepare and conduct a sales and investment solicitation process (the "**SISP**") to solicit offers for the Business and the Property of the Company, in whole or in part, or investments related thereto, and (ii) included a priority charge in favour of Aces Canada SPV III ULC (the "**Interim Lender**") to secure the Interim Credit Facility as set forth in such order.
5. This SISP Approval Order and this SISP shall govern how interested parties may gain access to due diligence materials concerning the Company and the Property, how bids involving Company, the Property, or any part or parts thereof ("**Bids**") will be submitted and addressed, and how the required court approvals will be addressed in the NOI Proceedings in respect of any transaction or transactions involving the Company or the Property.
6. The SISP will provide an opportunity for, all qualified interested parties to participate in the SISP. The SISP is intended to find the highest and/or best offer for a restructuring and/or refinancing of the Company, a sale of the Company's Property on a going concern or piecemeal basis, or a combination thereof, or other similar transaction (the "**Transaction**").
7. All capitalized terms used but not otherwise defined herein shall have the following meanings:

"**Altima**" means Altima Energy Inc.

"**Altima Purchased Assets**" means the Company's oil and gas assets which are subject to an asset purchase and sale agreement dated June 27, 2025 between the Company and Altima and the transaction contemplated therein.

"**Approval Application**" means a hearing before the Court to authorize the Company to enter into agreements with respect to the Successful Bid or Successful Bids.

"**BIA**" means the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.

"**Bid Deadline**" means January 29, 2026.

**“Business”** means the oil and gas operations carried on by the Company in Alberta, British Columbia and Saskatchewan.

**“Business Day”** means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are open for business in the City of Calgary, in the Province of Alberta.

**“Claims and Interests”** means pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against.

**“Commencement Date”** means the date the Sales Agent and the Proposal Trustee initiate the SISP.

**“Definitive Agreement”** means the template agreement of purchase and sale provided by the Proposal Trustee to the Successful Bidder(s) and to be finalized between the Successful Bidder(s) and the Company.

**“Definitive Agreement Deadline”** means February 20, 2026.

**“Deposit”** means an amount paid by one or more Qualified Bidders to be dealt with in accordance with the SISP.

**“Investment Proposal”** means an offer in accordance with the SISP to make an investment in, restructure, recapitalize, reorganize or refinance the Company and its Business.

**“Lender”** means, collectively, the Interim Lender and Existing Lender Agent in such capacities (or their respective assignees).

**“Lender Advisor”** means Alvarez & Marsal Canada Inc.

**“Lender Secured Indebtedness”** means the indebtedness owing to the primary secured lenders of the Company represented by the Existing Lender Agent.

**“Outside Closing Date”** means March 20, 2026.

**“Potential Bidder”** means a party with interest in a Transaction involving the Property or the Company by way of the SISP; however, that has not complied with the requirements of the SISP to be accepted as a Qualified Bidder.

**“Property”** means the assets, undertakings and property of the Company, excluding, however, any and all of the Company’s interest in and to all assets, undertakings and property and rights pertaining to the Altima Purchased Assets.

**“Purchase Price”** means the price proposed for the Property to be acquired, expressed in Canadian dollars, for the Transaction submitted with a Qualified Purchase Bid.

**“Qualified Bid”** means either: (i) a Qualified Purchase Bid; or (ii) a Qualified Investment Bid submitted to the Proposal Trustee in accordance with the SISP.

**“Qualified Investment Bid”** means an offer to make an investment in, restructure, reorganize, recapitalize, or refinance the Company and otherwise satisfies the requirements of the SISP.

**“Qualified Purchase Bid”** means an offer to purchase all or any part of the Property of the Company and otherwise satisfies the requirements of the SISP.

**“Red Earth Assets”** means the Company’s assets that are subject to a security interest granted by the Company in favour of the Existing Lender Agent in respect of the Lender Secured Indebtedness.

**“Regulatory Approvals”** means any required approvals necessary to operate the relevant aspects of the Property or the Business of the Company.

**“Representatives”** when used with respect to a person means each director, officer, employee, consultant, contractor, financial advisor, legal counsel, accountant and other agent, adviser or representative of that person.

**“Sale Proposal”** means an offer in accordance with the SISP to acquire all, substantially all or a portion of the Property.

**“Sales Agent”** means Sayer Energy Advisors.

**“Successful Bid”** means the most, or a combination of the most, favourable of the Qualified Bids as identified by the Sales Agent and the Proposal Trustee.

**“Successful Bidder”** means the highest and best Bid, or a combination of the highest and best Bids, as determined in the sole discretion of the Proposal Trustee, or alternatively, by this Honourable Court.

**“Target Dates”** means the milestone dates identified for purpose of the SISP, such dates may be amended or extended if the Proposal Trustee and the Sales Agent, in consultation with the Company, deem it to be necessary and advisable to do so, or by further order of the Court.

**“Term Sheet”** means terms and conditions of the proposed Transaction submitted with a Qualified Investment Bid.

**“VDR”** means virtual data room.

### **Consultation with the Lender and Lender Advisor**

8. The Proposal Trustee and the Sales Agent shall be entitled to consult with the Lender and the Lender Advisor in respect of any matter relating to the SISP provided that the Lender confirms to the Proposal Trustee that the Lender will (i) not submit a Bid for the Company or any of the Property, (ii) not provide financing to any other party that makes a Bid for the Company or any of the Property and (iii) only submit a Bid pursuant to paragraphs 33-34.
9. Upon receiving such confirmation, the Proposal Trustee shall disclose upon an undertaking of confidentiality from the Lender and the Lender Advisor confidential information concerning the SISP, including any list of potential purchasers or investors, information regarding the identity and number of bidders or prospective bidders participating in the SISP from time to time, the number of Bids received and the terms of any Bids received, and any similar information in connection with the SISP, including, but not limited to, any such information as may be included in the VDR.

### **Property Subject to SISP Procedures**

10. Bids may be submitted to acquire all, substantially all or a portion of the Company's Property. Where Bids are submitted for less than all (or substantially all) of the Property, the Purchase Price shall be appropriately allocated amongst the Property. In addition to Bids to purchase any or all of the Property, the Proposal Trustee will also consider Bids that contemplate a share transaction, including by way of a reverse vesting order structure; provided, however, that such share transaction shall not prejudice any rights, entitlements and interests held by Altima or its subsidiary and/or affiliate, as applicable, in respect of the Altima Purchased Assets.

### **Solicitation Process**

11. The SISP set forth herein describes, among other things, the Property available for sale and the opportunity for an investment in the Company, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property and the Company, the manner in which bidders and bids become Qualified Bidders and Qualified Bids, respectively, the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder, if any, and the Court's approval thereof. The SISP shall be conducted by the Proposal Trustee and the Sales Agent, in consultation with the Company. If there is disagreement as to the interpretation or application of the terms of the SISP set out herein, the Court will have exclusive jurisdiction to hear and resolve such dispute.

### **Sale and Investment Opportunity**

12. A teaser package describing the opportunity to acquire all or substantially all or portions of the Property or invest in the Company will be made available by the Sales Agent and the Proposal Trustee to prospective purchasers or prospective strategic or financial investors. Those prospective purchasers that have expressed an interest in the opportunity and have executed a confidentiality agreement with the Proposal Trustee will be granted access to a VDR that will be hosted by the Sales Agent.

### **"As Is, Where Is"**

13. The sale of any of the Property, or investment in the Business will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Proposal Trustee, the Sales Agent, the Company, the Lender, or any of their agents or estates, except to the extent set forth in the definitive sale or investment agreement with a Successful Bidder.

### **Free of Any and All Claims and Interest**

14. In the event of a sale, all of the right, title and interest of the Company in and to the Property to be acquired will be sold free and clear of all Claims and Interests, except surviving and permitted Claims and Interests, pursuant to approval and vesting orders made by the Court. The extinguished Claims and Interests will attach to the net proceeds of the sale of such Property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant sale agreement with a Successful Bidder and subject to any Claims and Interests that survive

pursuant to applicable law.

15. An investment in the Company may, at the option of the Successful Bidder, include one or more of the following: a restructuring, recapitalization or other form of reorganization of the business and affairs of the Company as a going concern; a sale of the Property to a newly formed acquisition entity on terms described in the above paragraph; or transactions pursuant to any applicable corporate legislation which compromises the Claims and Interests as set out therein.

### **Timeline**

16. The following sets out the Target Dates under the SISP, as further detailed below:
  - (a) The Commencement Date of Phase I shall be on or about December 5, 2025;
  - (b) The Bid Deadline for receiving non-binding letters of intent shall be January 29, 2026 at 12:00 PM (MT);
  - (c) The Definitive Agreement Deadline shall be no later than February 20, 2026; and,
  - (d) The Outside Closing Date for the Definitive Agreement(s) shall be March 20, 2026.
17. For greater certainty, the Target Dates may be amended or extended if the Proposal Trustee and the Sales Agent, in consultation with the Company and/or the Successful Bidder, deem it to be necessary and advisable to do so, or by further order of the Court.

### **Publication Notice**

18. The Sales Agent, in consultation with the Proposal Trustee and the Company, will prepare a teaser to be disseminated to Potential Bidders, and place any advertisements as are advisable and commercially reasonable in order to solicit interest in a sale of, or investment in, the Business.

### **Participation Requirements**

19. Unless otherwise ordered by the Court or as otherwise determined by the Proposal Trustee, in order to participate in the SISP, each Potential Bidder must deliver to the Proposal Trustee at the address specified in **Schedule A** hereto (including by e-mail or fax transmission) prior to the distribution of any confidential information, an executed confidentiality agreement in form and substance satisfactory to the Proposal Trustee, which shall inure to the benefit of any purchaser of the Property or any investor in the Company under the SISP.
20. A Potential Bidder that has executed a confidentiality agreement, as described above, will be deemed a "**Qualified Bidder**".

### **Due Diligence**

21. The Sales Agent shall provide a Qualified Bidder access to the VDR. Neither the Sales Agent nor the Proposal Trustee and its contractors, advisors and consultants make any

representation or warranty as to the information to be provided through the due diligence process or otherwise (including in respect of the completeness and accuracy thereof).

22. For greater certainty, Qualified Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and the Company in connection with their participation in the SISP and any Transaction they enter into with the Company.

### **Seeking Qualified Bids**

23. Each Qualified Bidder shall have access to such due diligence materials and information relating to the Property and the Company as the Sales Agent and the Proposal Trustee in their reasonable business judgement deems appropriate, having regard to the requirements of a Qualified Purchase Bid and a Qualified Investment Bid.
24. A Qualified Bidder that desires to submit a Qualified Bid will deliver written copies of a Qualified Purchase Bid or a Qualified Investment Bid to the Proposal Trustee at the address specified in **Schedule A** hereto (including by e-mail) so as to be received by it not later than 12:00 PM (MT) on the Bid Deadline, or such later other date or time as may be agreed by the Proposal Trustee,.
25. A Qualified Bid may be comprised of either a: (i) Qualified Purchase Bid; or (ii) Qualified Investment Bid.

### **Qualified Purchase Bids**

26. A bid submitted to acquire some of all of the Property will be considered a Qualified Purchase Bid only if the bid complies with all of the following (as applicable):
- (a) it constitutes, in the reasonable business judgement of the Proposal Trustee and the Sales Agent, a reasonable offer;
  - (b) it includes a letter stating that the Qualified Bidder's offer is irrevocable until the earlier of (i) the selection of the Successful Bidder, and (ii) thirty (30) days following the Bid Deadline, provided that if such Qualified Bidder is selected as the Successful Bidder its offer shall remain irrevocable until the closing of the sale to such Successful Bidder;
  - (c) it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed Transaction, which will allow the Proposal Trustee to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the Transaction contemplated by the bid;
  - (d) it is not conditioned on: (i) the outcome of unperformed due diligence by the Qualified Bidder; and/or, (ii) obtaining financing;
  - (e) it fully discloses the identity of each entity that will be sponsoring or participating in

the bid, and the complete terms of any such participation;

- (f) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property to be acquired and liabilities to be assumed in making its bid; and, (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Property to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase agreement;
- (g) it includes evidence, in form and substance reasonably satisfactory to the Proposal Trustee, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the Transaction contemplated by the bid;
- (h) it outlines any anticipated regulatory and other approvals required to close the Transaction and the anticipated timeframe and any anticipated impediments for obtaining such approvals;
- (i) it may not request or entitle the Qualified Bidder to any break-up fee, expense reimbursement, termination or similar type of fee or payment. Further, a Qualified Bidder shall be deemed to irrevocably waive any right to pursue a claim in any way related to the submission of its bid or this SISP;
- (j) it is accompanied by a Deposit (defined below) in the form of a wire transfer (to a bank account specified by the Proposal Trustee), or such other form acceptable to the Proposal Trustee, payable to the order of the Proposal Trustee, in trust, in an amount equal to not less than 10% of the Purchase Price, to be held and dealt with by the Proposal Trustee in accordance with the SISP;
- (k) if it contemplates the purchase of any of the Red Earth Assets, it provides an allocation of the Purchase Price toward the Red Earth Assets; and
- (l) it contains other information reasonably requested by the Sales Agent and/or the Proposal Trustee.

#### **Qualified Investment Bids**

27. A bid submitted to make an investment in the Company will be considered a Qualified Investment Bid only if the bid complies with all of the following (as applicable):
- (a) it constitutes, in the reasonable business judgment of the Sales Agent and the Proposal Trustee, a reasonable offer;
  - (b) it includes a duly authorized and executed Term Sheet describing the terms and conditions of the proposed Transaction, including details regarding the proposed equity and debt structure of the Company following completion of the proposed

Transaction;

- (c) it includes a letter stating that the Qualified Bidder's offer is irrevocable until the earlier of (i) the selection of the Successful Bidder and (ii) thirty (30) days following the Bid Deadline, provided that if such bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the investment by such Successful Bidder;
- (d) it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed Transaction, which will allow the Proposal Trustee to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the Transaction contemplated by the bid;
- (e) it is not conditioned on: (i) the outcome of unperformed due diligence by the Qualified Bidder; and/or, (ii) obtaining financing;
- (f) it fully discloses the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of any such participation;
- (g) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents in making its bid; and, (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Company or the completeness of any information provided in connection therewith except as expressly stated in the Term Sheet;
- (h) it includes evidence, in form and substance reasonably satisfactory to the Proposal Trustee, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the Transaction contemplated by the bid;
- (i) it outlines any anticipated regulatory and other approvals required to close the Transaction and the anticipated timeframe and any anticipated impediments for obtaining such approvals;
- (j) it may not request or entitle the Qualified Bidder to any break-up fee, expense reimbursement, termination or similar type of fee or payment. Further, a Qualified Bidder shall be deemed to irrevocably waive any right to pursue a claim in any way related to the submission of its bid or this SISF;
- (k) it is accompanied by a Deposit in the form of a wire transfer (to a bank account specified by the Proposal Trustee), or such other form acceptable to the Proposal Trustee, payable to the order of the Proposal Trustee, in trust, in an amount equal to not less than 10% of the total investment contemplated by such Qualified Investment Bid, to be held and dealt with in accordance with the SISF; and

- (l) it contains other information reasonably requested by the Proposal Trustee.

### **Bid Evaluation**

28. Following the Bid Deadline, the Sales Agent and the Proposal Trustee will assess the bids received with a preference for a Qualified Bid or Qualified Bids that contemplate assuming all of the abandonment and reclamation obligations of the Company. The Proposal Trustee and the Sales Agent shall, exercising their reasonable business judgement, approve the disqualification of any bids that are deemed not to be Qualified Bids. Only Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder.
29. The Proposal Trustee and the Sales Agent may discuss any Qualified Bids with the Alberta Energy Regulator ("**AER**") and/or the Orphan Well Association ("**OWA**") subject to the AER or OWA (as applicable) entering into a confidentiality agreement in a form that is satisfactory to the Proposal Trustee.
30. In assessing any Qualified Bids relating to the Red Earth Assets, the Proposal Trustee and the Sales Agent shall consult with the Existing Lender Agent prior to making a determination as to whether any such Qualified Bids should be selected as the Successful Bid or Bids.
31. The Proposal Trustee in consultation with the Company and the Sales Agent, may, following the receipt of any Qualified Bids, seek clarification with respect to any of the terms or conditions of such Qualified Bid and/or request and negotiate one or more amendments to such Qualified Bid prior to determining if the Qualified Bid should be considered.
32. The Sales Agent and the Proposal Trustee may identify the most favourable of the Qualified Bids as the Successful Bid or Bids. The Company shall then proceed to negotiate and settle the terms and conditions of a definitive agreement in respect of a Successful Bid or Bids by the Definitive Agreement Deadline, all of which shall be conditional upon Court approval and also conditional on the Successful Bid closing on or before March 20, 2026, or such date as shall be agreed to by the Company, in consultation with the Proposal Trustee. If a definitive agreement has been negotiated and settled in respect of a Successful Bid, the person(s) who made the Successful Bid shall be the Successful Bidder.
33. If, following the Bid Deadline, the Proposal Trustee determines that it has received a Qualified Bid in respect of the Red Earth Assets, it shall advise the Existing Lender Agent in writing and the Existing Lender Agreement shall have two Business Days, at its sole and exclusive discretion, to trigger an auction (the "**Auction**") for the Red Earth Assets. If the Existing Lender Agent elects to trigger an Auction, the Auction shall be held as soon as reasonably practicable after written notice is provided to the Proposal Trustee, and the Proposal Trustee shall provide each Auction participant with a copy of the rules and procedures for the Auction at least two Business Days prior to the Auction.
34. The Existing Lender Agent may submit a bid in the Auction that includes a credit bid component for some or all of the Lender Secured Indebtedness, subject to the Proposal Trustee receiving confirmation from its legal counsel that the security that secures the Lender

Secured Indebtedness is valid and enforceable and is first priority ranking as against the Red Earth Assets, subject to any court-ordered charges that rank in priority.

35. The Proposal Trustee, in consultation with the Company, shall be at liberty to shorten or extend the timelines set forth herein in their sole discretion, save and except for shortening the timelines provided in section 33 above, without further order of the Court.

### **Approval of Successful Bid**

36. The Approval Application to authorize the Company to enter into agreement(s) with respect to the Successful Bid or Bids will be held on a date scheduled by the Court upon application by the Company. The Approval Application will be held on a date to be scheduled by the Company, in consultation with the Proposal Trustee and the Lender. The Approval Application may be adjourned or scheduled by the Company, with the consent of the Proposal Trustee, without further notice, by an announcement of the adjourned date to the service list maintained in the NOI Proceedings prior to the Approval Application. The Company will consult with the Proposal Trustee, the Lender and the applicable Successful Bidder regarding the application material to be filed by the Company for the Approval Motion.
37. All Qualified Bids (for the same Property as the Successful Bid(s)) shall be deemed rejected on and as of the date of approval of the Successful Bid by the Court.

### **Deposits**

38. All Deposits shall be held by the Proposal Trustee or Proposal Trustee's counsel in a single interest-bearing account designated solely for such purpose. If there is a Successful Bidder, the Deposit (plus accrued interest, if any) paid by the Successful Bidder whose bid is approved at the Approval Application will be applied to the Purchase Price to be paid or investment amount to be made by the Successful Bidder upon closing of the approved transaction and will be non-refundable upon Court approval. A Deposit paid by a Qualified Bidder shall be dealt with in accordance with the SISP. Deposits, excluding any interest earned thereon, paid by Qualified Bidders not selected as a Successful Bidder, shall be returned to such Qualified Bidders within five (5) Business Days of Court approval of the Successful Bid for the same Property the unsuccessful Qualified Bidders had sought.

### **Confidentiality and Access to Information**

39. All discussions regarding a Transaction, Sale Proposal, Investment Proposal, Qualified Bid or Successful Bid should be directed through the Sales Agent and the Proposal Trustee. Under no circumstances should any members of management, employees, customers, suppliers, tenants/landlords or other creditors of the Company be contacted by a Bidder directly without the prior written consent of the Proposal Trustee. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP, at the discretion of the Proposal Trustee.
40. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Qualified Bidders, Bidders, Qualified Bids, the details of any Bids or Qualified Bids

submitted or the details of any confidential discussions or correspondence between the Sales Agent, the Proposal Trustee, the Company and such other Bidders or Qualified Bidders in connection with the SISP, except to the extent that the Proposal Trustee, with the consent of the applicable participants, are seeking to combine separate Bids into a single Bid.

41. Notwithstanding the foregoing, under no circumstances will the Sales Agent, the Proposal Trustee or the Lender share any material information concerning any of the Bids with any person other than representatives of the Sales Agent, the Proposal Trustee or Lender and its legal counsel and the Company and its legal counsel.

### **Supervision of the SISP**

42. The Sales Agent and the Proposal Trustee shall oversee, in all respects, the conduct of the SISP.
43. This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between the Company, the Proposal Trustee, the Lender, the Lender Advisor, the Sales Agent and any Potential Bidder, or Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be signed with the Company. Further, the Company reserves the right not to enter into such definitive agreement.
44. Without limiting the preceding paragraph, neither the Sales Agent, the Lender, the Lender Advisor, nor the Proposal Trustee shall have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Qualified Bidder, Bidder, the Successful Bidder, the Company, or any other creditor or other stakeholder of the Company, for any act or omission related to the process contemplated by these SISP Procedures, except to the extent such act or omission is the result of such party's gross negligence or willful misconduct. By submitting a bid, each Bidder, Qualified Bidder or Successful Bidder shall be deemed to have agreed that it has no claim against the Sales Agent, the Lender, the Lender Advisor or Proposal Trustee for any reason whatsoever, except to the extent that such claim is the result of the gross negligence of, or willful misconduct by, the Sales Agent, the Lender, the Lender Advisor or the Proposal Trustee.
45. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a Transaction.
46. The Sales Agent and the Proposal Trustee shall have the right to modify the SISP if, in their reasonable business judgement, such modification will enhance the process or better achieve the objectives of the SISP.

### **Miscellaneous**

47. Unless otherwise indicated herein, any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.
48. Each Qualified Bidder, upon being declared as such under the SISP, shall be deemed to

have irrevocably and unconditionally attorned and submitted to the jurisdiction of the Court in respect of any action, proceeding or dispute in relation to the conduct or any aspect of the SISP.

49. At any time during the SISP, the Proposal Trustee, the Sales Agent or the Company may apply to the Court for advice and directions with respect to the discharge of its obligations and duties herein.
50. The Company shall co-operate fully with the Sales Agent and the Proposal Trustee in the exercise of their powers and duties and discharge of its obligations under the SISP and provide the Sales Agent and the Proposal Trustee with assistance, information and documentation that is reasonably necessary to enable the Sales Agent and the Proposal Trustee to adequately carry out their functions herein.

**SCHEDULE "A"**

**KSV RESTRUCTURING INC.**

1165, 324 – 8<sup>th</sup> Avenue SW  
Calgary, AB T2P 2Z2

Attention: Ross Graham  
Phone: 587.287.2750  
Email: [rgraham@ksvadvisory.com](mailto:rgraham@ksvadvisory.com)

- and -

**SAYER ENERGY ADVISORS**

1620, 540 - 5th Avenue SW  
Calgary, AB T2P 0M2

Attention: Tom Pavic  
Phone: 403.266.6133  
Email: [tpavic@sayeradvisors.com](mailto:tpavic@sayeradvisors.com)