



COURT FILE NUMBER **2601-05153**

COURT **COURT OF KING'S BENCH OF ALBERTA**

JUDICIAL CENTRE **CALGARY**

PROCEEDING **IN THE MATTER OF THE RECEIVERSHIP OF BLUE SKY
RESOURCES LTD.**

DOCUMENT **SECOND REPORT OF THE RECEIVER**

June 5, 2026

ADDRESS FOR
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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.¹ (“**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.

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 Effective June 1, 2026, KSV Advisory Inc., the parent company of KSV Restructuring Inc., was acquired by an affiliate of AlixPartners Restructuring, Inc. and KSV Restructuring Inc. mandates will be performed by AlixPartners Restructuring, Inc. going forward. The name change will be effective following regulatory approval. The professionals involved in this mandate from the outset remain unchanged.

3. On April 14, 2026, the Court granted an order (the “**Consent Order**”) which declared that, among other things, production revenues (the “**TIK Payments**”) of Blue Sky held or received by Macquarie Energy Canada Ltd. (“**Macquarie**”) pursuant to the Amended and Restated Direct Pay Agreement dated September 12, 2025, between Blue Sky, ACES, and Macquarie shall be remitted to the Receiver. Accordingly, on April 23, 2026, Macquarie transferred the TIK Payments to the Receiver in the amount of USD\$409,042.04.
4. On May 14, 2026, on application by the Receiver, the Court granted the Receiver’s application for:
 - a) multiple sale approval and vesting orders approving several transactions pursuant to purchase and sale agreements between the Receiver and:
 - i. Prairie Thunder Resources Ltd. (“**Prairie**”);
 - ii. Enercapita Energy Ltd. (“**Enercapita**”);
 - iii. Altair Energy Ltd. (“**Altair**”);
 - iv. Revolution Oil & Gas Corporation (“**Revolution**”); and
 - v. NVS Engineering Inc. (“**NVS**”);(collectively referred herein as the “**May 14th Transactions**”); and
 - b) an order (the “**Ancillary Order**”) which, among other things:
 - i. sealed the Confidential Appendices to the First Report and the Confidential Appendix to the Supplement until (i) the discharge of the Receiver, or (ii) further order of this Court;
 - ii. approved the Receiver’s actions as set out in the First Report of the Receiver dated May 7, 2026 (the “**First Report**”); and
 - iii. approved the Receiver’s and Receiver’s legal counsel’s fees and disbursements as summarized in the First Report.
5. All the May 14th Transactions have closed as at the date of this second report (the “**Second Report**”).

1.1 Purposes of this Second Report

1. The purposes of this Second Report are summarized below with respect to the Receiver's application, which is scheduled to be heard before the Court on June 12, 2026 (the "**Application**"). The purposes of this Second Report specifically provide further information regarding, among other things:
 - a) the status of the SISP;
 - b) the Receiver's activities since the First Report;
 - c) the proposed RVO Transaction (as defined below) pursuant to the share subscription agreement (the "**Subscription Agreement**") between the Receiver and ACES (in such capacity, the "**Purchaser**");
 - d) an update on the estate's receipts and disbursements since the commencement of the Receivership Proceedings;
 - e) an update on the matters between the Receiver, Blue Sky, and Saba Energy Ltd. ("**Saba**");
 - f) the Receiver's application for multiple sale approval and vesting orders approving transactions pursuant to several purchase and sale agreements between the Receiver and:
 - i. Potts Petroleum Inc. ("**Potts**");
 - ii. Archer Exploration Corp. ("**Archer**"); and
 - iii. Canadian Natural Resources Limited ("**CNRL**").
 - g) the Receiver's application for a transaction approval and reverse vesting order (the "**RVO**"), which, among other things, provides for the following relief (all undefined terms below are as defined in the RVO):
 - i. approves the Subscription Agreement and RVO Transaction (as defined herein);

- ii. authorizes the Receiver to complete the RVO Transaction, including the Reorganization and the issuance of the Purchased Shares to the Purchaser;
 - iii. vests all legal and beneficial right, title, and interest of the Receiver and Blue Sky in and to the Transferred Assets and Transferred Liabilities, to ResidualCo (as defined herein);
 - iv. expunges all Losses and Encumbrances other than the Retained Liabilities against the Purchaser and the Retained Assets;
 - v. substitutes ResidualCo for Blue Sky as a debtor in these Receivership Proceedings;
 - vi. declares that Blue Sky shall cease to be a debtor in these Receivership Proceedings;
 - vii. discharges the Company's directors at the time of closing of the RVO and names the new directors in the Subscription Agreement as appointed directors of Blue Sky;
 - viii. authorizes the Receiver to direct ResidualCo to make an assignment in bankruptcy;
 - ix. authorizes Paul Kromwyk to act as director of ResidualCo; and
 - x. releases the Released Parties from the Released Claims (both as defined below); and
- h) the Receiver's application for a sealing order which, among other things, seals the Confidential Documents (defined below).

1.2 Scope and Terms of Reference

1. In preparing this Second 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 Second 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 Second 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 First Report; (iii) the reports filed by the Proposal Trustee in the NOI Proceedings; and (iv) 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 Second Report have the meanings ascribed to them in the Blue Sky Affidavits, the reports filed by the Proposal Trustee in the NOI Proceedings, or the First Report.

1.3 Currency

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

1.4 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 Remaining Asset Sale Transactions²

1. As discussed in the First Report 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. Since commencement of these Receivership Proceedings, the Receiver has continued to review the bids received in the SISP and has entered into negotiations with a number of bidders. These efforts have continued since the First Report and have culminated in three additional purchase and sale agreements. Accordingly, the Receiver is seeking approval of the following purchase and sale agreements (the "**June 12th Purchase and Sale Agreements**"):
 - a) a purchase and sale agreement with Potts (the "**Potts APA**" or the "**Potts Transaction**");
 - b) a purchase and sale agreement with Archer (the "**Archer APA**" or "**Archer Transaction**"); and

² Capitalized terms in this section have the meaning provided to them in the SISP.

- c) a purchase and sale agreement with CNRL (the “**CNRL APA**” or “**CNRL Transaction**”, and together with the Potts Transaction and the Archer Transaction, the “**June 12th Transactions**”).
2. The key terms and conditions of the June 12th Purchase and Sale Agreements are summarized in **Appendix “A”**. Executed copies of the redacted June 12th Purchase and Sale Agreements for each of the June 12th Transactions are attached as “**Appendix B**” and “**C**”, except for the CNRL APA which is awaiting final amendments and execution. Unredacted copies of the June 12th Purchase and Sale Agreements, except for the CNRL APA, excluding the schedules are attached as **Confidential Appendix “1” to “2”**. The Receiver anticipates that if an agreement can be finalized with CNRL, the CNRL APA will be included in a filed supplemental report that includes redacted and unredacted copies of the executed CNRL APA.

3.1 Receiver’s Recommendation on the June 12th 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 June 12th 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 in the circumstance.*

The assets included in the June 12th 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 June 12th 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 Second Report reflects the Receiver's views of the June 12th Transactions. The Receiver supports the June 12th 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 June 12th Transactions resulted from the Court-approved SISP. There is no indication that the process leading to June 12th Transactions was unfair and the Receiver is not aware of any creditor objections at the time of this Second Report. Furthermore, the May 14th Transactions approved by this Honourable Court underwent the same Court-approved SISP as the June 12th Transactions and closed without objections from the Company's creditors or stakeholders. The Receiver understands that ACES is supportive of the June 12th Transactions. The Receiver has also discussed these transactions with the AER and is not aware of any objections.

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

If successful, the June 12th Transactions will provide proceeds to assist in funding the conclusion of the Receivership Proceedings, which will benefit all stakeholders. Additionally, any residual funds after the administration of the Receivership can be paid to the AER on account of security deposit amounts owing pursuant to an order issued by the AER on July 31, 2025.

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

As mentioned above, the June 12th 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 RVO Transaction

1. As discussed in the First Report, 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 certain asset sale transaction identified during the SISP (the "**RVO Transaction**"). Upon completion of the RVO Transaction, all of Blue Sky's oil and gas assets will be acquired, and no associated environmental liabilities related to Blue Sky's licensed assets will be transferred to the applicable provincial orphan programs.
2. Since the First Report, ACES and the Receiver have continued to discuss the RVO Transaction with the Alberta Energy Regulator ("**AER**"). On June 1, 2026, the AER indicated that it may be supportive of the RVO Transaction if certain minimum security deposit amounts were deposited with the AER to address certain risks associated with Blue Sky's existing inactive assets (the "**Security Deposit**"). As of the date of this Second Report, the Receiver understands ACES and the AER are in discussions regarding the timing of the payment of the Security Deposit and sufficiency of the compliance plan prepared by ACES. As mentioned previously, the net remaining funds after the completion of the administration of the Receivership will be used towards the payment of the Security Deposit.
3. The Receiver (as vendor) and ACES (as purchaser) have negotiated a Subscription Agreement as summarized below.

4.1 Subscription Agreement³

1. The following constitutes a summary description of the Subscription Agreement only. Reference should be made directly to the Subscription Agreement for complete terms and conditions. A copy of the Subscription Agreement, without the asset schedules, is attached hereto as **Appendix “D”**. The assets schedules appended to the Subscription Agreement will be finalized pending the outcome of the Court application seeking approval of the sale approval and vesting orders for the June 12th Transactions.
2. The key terms and conditions of the Subscription Agreement are provided below:
 - a) Vendor: the Receiver.
 - b) Purchaser: ACES Canada SPV III ULC.
 - c) Purchased Shares: 100 Common Shares subscribed for by the Purchaser and sold by the Receiver, or such greater or lesser number as will give the Purchaser 100% of the issued Common Shares of Blue Sky at Closing (the **“Purchased Shares”**).
 - d) Purchase Price: Aggregate consideration payable by ACE for the Purchased Shares is \$1.00 (the **“Purchase Price”**). The Purchase Price shall be satisfied by payment in cash by the Purchaser to the Receiver in the amount of the Priority Amounts.
 - e) Transferred Assets: The Transferred Assets are proposed to be transferred to ResidualCo through operation of the RVO. A complete list of the Transferred Assets is included in Schedule “B” of the Subscription Agreement.
 - f) Transferred Liabilities: The Transferred Liabilities are proposed to be transferred to ResidualCo through operation of the RVO. Schedule “B” of the Subscription Agreement lists the Transferred Liabilities, unless otherwise designated by the Purchaser as Retained Liabilities or Excluded Liabilities.

³ Capitalized terms in this section have the meaning provided to them in the Subscription Agreement.

- g) Retained Assets: The Retained Assets, being those assets proposed to be retained by the Purchaser, are listed in Schedule “B” of the Subscription Agreement.
 - h) Retained Liabilities: The Retained Liabilities, being those assets proposed to be retained by the Purchaser, are listed in Schedule “B” of the Subscription Agreement. For clarity, the Retained Liabilities include all Environmental Liabilities relating to the Retained Assets.
 - i) Retained Contracts: The Retained Contracts include those contracts to be retained by the Company through operation of the RVO and listed in Schedule “B” of the Subscription Agreement.
 - j) Representation and Warranties by the Parties: Consistent with the standard terms of an insolvency transaction, the parties are making limited representations and warranties, and the transaction is on an “as is, where is” basis.
 - k) Closing Date: Will occur no later than 3 business days from the date on which all conditions set out in article 4 of the Subscription Agreement have been satisfied or waived by the parties.
 - l) Material Conditions: The Subscription Agreement includes the following material conditions, among other conditions, a mutual condition that the RVO shall have been granted and entered by the Court and shall not have been vacated, set aside, or stayed, and all conditions to the effectiveness of the RVO shall have been satisfied or waived in accordance with the terms thereof.
3. In the circumstances that any of the June 12th Transactions do not close prior to the conclusion of the RVO Transaction, the Receiver is of the view it will be the Company and Purchaser’s responsibility to affect closing.

4.2 Proposed Form of the RVO

1. A summary of certain key terms of the RVO are as follows:

Reorganization

- a) The Receiver shall effect a reorganization whereby all existing Equity Interests in Blue Sky shall be redeemed for nominal consideration and then extinguished immediately prior to the subscription for and purchase of the Purchased Shares by the Purchaser pursuant to the Subscription Agreement;
- b) At Closing, the Purchased Shares shall represent all of the issued and outstanding equity of Blue Sky; and
- c) Any of the directors of Blue Sky immediately prior to the Closing shall resign or be deemed to resign pursuant to the RVO and such selected by the Purchaser prior to Closing shall be deemed to be appointed as directors of Blue Sky.

Vesting of Assets and Liabilities

- a) All legal and beneficial right, title and interest of Blue Sky in and to the Transferred Assets shall be transferred to ResidualCo and shall vest absolutely and exclusively with ResidualCo, and all Losses and Encumbrances attached to the Transferred Assets prior to the transfer shall continue to attach to the Transferred Assets following the transfer with the same nature and priority as they had immediately prior to their transfer;
- b) all Losses and Encumbrances, including the Transferred Liabilities, shall be transferred to, assumed by and vest absolutely and exclusively with ResidualCo and the Transferred Liabilities shall be novated and become obligations of ResidualCo and shall no longer, under any circumstances, be or represent obligations of Blue Sky;
- c) Blue Sky shall cease to be a debtor in these receivership proceedings and Blue Sky shall be released from the purview of the Receivership Order and all other Orders of this Court granted in relation to these receivership proceedings; and

- d) ResidualCo shall replace Blue Sky as a debtor to these receivership proceedings and shall be subject to the terms of all Orders granted in these receivership proceedings.

ResidualCo Matters

- a) The Receiver's powers shall be enhanced in respect of ResidualCo to include the authority to authorize and direct ResidualCo to make an assignment in bankruptcy and the Receiver shall be authorized to be appointed as trustee in bankruptcy of the estate of ResidualCo;
- b) Paul Kromwyk (the "**ResidualCo Director**") is authorized to act as the director and officer of ResidualCo; and
- c) The ResidualCo Director shall not incur any liability as a result of becoming a director or officer of ResidualCo, save and except for any liability or obligation incurred as a result of fraud, gross negligence, or willful misconduct on their part.

Releases and Other Protections

- a) From and after Closing, the Purchaser and the Receiver, and each of their current and former directors, officers, employees, contractors, executive team, agents, representatives, and all of their respective advisors, including financial advisors and legal counsel, (the "**Released Parties**") are to be released, remised and forever discharged from any and all rights, actions, causes of action, suits, demands, debts, covenants, or claims of any nature whatsoever, whether contractual, extra-contractual, in law or in equity or otherwise, past, present or future, direct or indirect, whether known or unknown (collectively, the "**Released Claims**") against any of the Released Parties; save and except for any and all Released Claims arising out of or in connection with any fraud, gross negligence or willful misconduct, on the part of the Released Parties.

4.3 Receiver's Recommendations

1. The Receiver recommends the Court approve the RVO Transaction for the following reasons:
 - a) the SISP was reasonable in the circumstances and was conducted in accordance with the SISP Order, which provided for a sale process that allowed the market to be appropriately canvassed and allowed all interested parties time to perform their own due diligence. No participant in the SISP was prepared to assume all of the assets and this transaction is superior than any transaction proposed in terms of the amount of liabilities being assumed;
 - b) the assets, and underlying asset retirement obligations, subject to the RVO Transaction do not form a part of the June 12th Transactions and were not purchased as part of any other transaction conducted during these Receivership Proceedings or NOI Proceedings;
 - c) the Receiver is of the view that the RVO Transaction provides for the best outcome for Blue Sky's stakeholders and the general public as it assumes the outstanding asset retirement obligations;
 - d) significant asset retirement obligations associated with certain of the Company's licensed assets will have to be dealt with by the Orphan Well Association ("**OWA**") should the RVO Transaction not proceed as no parties submitted offers in the SISP that in combination would address all of the Company's environmental obligations;
 - e) as highlighted within Appendix "A", the CNRL Transaction is conditional on completing the RVO Transaction;
 - f) the proposed releases are fair and reasonable and are rationally connected to the RVO Transaction; and
 - g) the Receiver is not aware of any objections by the Companies' stakeholders with respect to the RVO Transaction. As discussed above, the Receiver believes that significant creditors and stakeholders, including the AER, have been appropriately consulted in the circumstances.

4.4 Reverse Vesting Order Considerations

1. The Receiver, in consultation with its legal counsel, considered the recent guidance provided by the Canadian Courts in the context of other insolvency proceedings that utilized a reverse vesting order to facilitate a transaction. The Receiver understands the Court is responsible for making a determination on the appropriateness of the reverse vesting order structure. In order to assist the Court with its exercise of its discretion in this regard, the Receiver provides the following comments with respect to the guidance provided by the Canadian Courts:

a) *Why is the reverse vesting order necessary in this case?*

The Receiver assumes that the Purchaser utilized the RVO structure to preserve the Petroleum and Natural Gas Rights, certain Surface Rights, Leases and Permits as outlined in the Subscription Agreement and, given the licensed assets are spread across three different jurisdictions, streamlines the Purchasers efforts in dealing with four different regulators including the three provincial regulators and Indian Oil and Gas Canada. Additionally, the RVO structure will preserve certain tax attributes, including tax loss pools of approximately \$54 million. Additionally, there are environmental matters that are required to be addressed and proceeding with the RVO and a closing within days, rather than waiting approximately 60 business days for license transfer approval affected by the AER, will allow the Purchaser to immediately take conduct of these matters and maximize funds available for posting as security with the AER where the majority of the assets are located. Furthermore, the Receiver is of the view conducting and closing on the RVO Transaction expediently will help to avoid significant ongoing professional fees which may be incurred during AER's standard 60 business day license transfer approval process.

- b) *Does the reverse vesting order structure produce an economic result at least as favourable as any other viable process?*

The Receiver believes that a transaction structured as an RVO structure provides the most value to the Purchaser and greatest recovery for the AER, therefore the best economic result for the Company and its stakeholders. As noted previously, the RVO structure allows for the preservation of the Petroleum and Natural Gas Rights, certain Surface Rights, Leases, and Permits for the benefit of the Purchaser and certain tax loss pools.

It is unlikely that another proposed structure would achieve the same results as the RVO Transaction with respect to the assumption of significant asset retirement obligations.

- c) *Is any stakeholder worse off under the reverse vesting order structure than they would have been under any other viable alternative?*

The Receiver does not believe any stakeholder is worse off under the RVO structure. The Company's remaining assets and asset retirement obligations will be assumed by the Purchaser, satisfying regulatory expectations that no assets and retirement obligations are left behind in the Receivership Proceeding.

- d) *Does the consideration being paid for the debtor's business reflect the importance and value of the licenses and permits (or other intangible assets) being preserved under the reverse vesting order structure?*

The consideration being paid for the RVO Transaction is appropriate given the Purchaser's assumption of the Company's significant remaining asset retirement obligation liabilities which are in excess of approximately \$235 million.

2. Based on the foregoing, and the reasons described in Section 4.3, the Receiver recommends that this Court approve the RVO Transaction and grant the RVO.

5.0 BC Assets

1. As discussed in the Proposal Trustee's First Report and the third report of the Proposal Trustee, dated December 16, 2025, 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 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. As further detailed in paragraphs 5.3.1 to 5.3.7 of the First Report, Saba and Blue Sky entered into an amending agreement following the commencement of the NOI proceedings, which modified the purchase price payment structure such that production revenues from the BC Assets would continue to be retained and applied toward the purchase price until the associated licenses were transferred.
3. Concerns were raised by ACES in a December 11, 2025, letter asserting that the BC Transactions constituted reviewable transactions under the BIA. Other stakeholders also raised concerns.
4. The Receiver commenced a review of the transactions and informed Saba that the Receiver had concerns regarding the nature of the BC Transactions and was, accordingly, conducting a review of the same.
5. Since the First Report, the Receiver continued to hold discussions with Saba regarding a potential resolution of these matters. As of the date of this Second Report, the Receiver, ACES, and Saba have agreed in principle to terms of a resolution, the details and conditions of which may be included in a supplemental report filed prior to the Application for Court approval.

6.0 Sealing

1. The Receiver is requesting a sealing order (the “**Sealing Order**”) in respect of the unredacted June 12th Purchase and Sale Agreements (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, the closing of the June 12th Transactions and the RVO Transaction.
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.

7.0 Other Matters

7.1 Activities of the Receiver

1. The Receiver has performed the following key activities since the First Report:
 - a) assisting the Company with its communications to both internal and external stakeholders;
 - b) closing the May 14th Transactions and delivering the Receiver’s certificates;
 - c) negotiating and executing purchase and sale agreements with respect to the June 12th Transactions;
 - d) negotiating a potential resolution between the Receiver, ACES, and Saba with respect to the BC Assets;
 - e) attending multiple meetings with ACES to discuss the status of these Receivership Proceedings and the RVO Transaction;
 - f) retaining certain former employees as contractors;

- g) continuing discussions with the OWA and AER regarding the status of these Receivership Proceedings and the OWA's suspension activities being performed on the Company's licensed assets in Alberta;
- h) attending meetings with the AER to discuss the RVO Transaction;
- i) maintaining and updating a cash flow forecasting the Receiver's ongoing receipts and disbursements;
- j) continuing activities related to moving the office premises of Blue Sky;
- k) attending to numerous operational matters and discussions with Blue Sky contractors;
- l) engaging certain vendors to address regulatory reporting activities on certain of the Company's licensed assets located in BC and Alberta;
- m) engaging in extensive discussions with Blue Sky's utility providers regarding maintaining services and payments for same;
- n) engaging the Company's insurance broker to advance efforts to renew the Company's existing insurance policies prior to expiry;
- o) maintaining the Case Website for these Receivership Proceedings; and
- p) preparing this Second Report.

7.2 Receivership Estate Receipts and Disbursements

1. The Receiver has prepared a summary of the Company's transactions from the commencement of the Receivership Proceedings through June 3, 2026. This analysis forms the basis for determining the Company's closing cash balance as at June 3, 2026 (the "R&D").

(unaudited; \$000s)	Notes	As at June 3, 2026
Opening Cash		996
Operating Receipts		
Sale proceeds	a	2,379
Revenue from operations	b	854
TIK	c	553
		<u>3,786</u>
Disbursements		
Consultants and Operators	d	(310)
Professional fees	e	(304)
Power and utilities	d	(190)
Contractor fees	f	(288)
General and administrative disbursements	g	(236)
Oil hauling and processing	d	(150)
Repairs and maintenance	d	(100)
Regulatory compliance	d	(90)
Other operating disbursements	d	(71)
Surface and mineral leases	d	(68)
		<u>(1,807)</u>
Net cash flow		1,979
Ending cash balance		2,975

Receiver's Comments

- a) **Sale Proceeds:** Reflect sale proceeds and deposits received from purchasers in the SISF as part of the May 14th Transactions and June 12th Transactions.
- b) **Revenue from Operations:** Represents oil sales collected by Blue Sky for the period from March 23, 2026 to June 3, 2026.
- c) **TIK Payments:** Reflects the TIK Payments received from Macquarie Energy Canada Ltd. on April 24, 2026.

- d) **Operating Disbursements:** Comprise the Company's operating expenses incurred since commencement of the Receivership Proceedings, including consultant and operator pay, power and utilities, oil hauling and processing costs, repairs and maintenance, regulatory compliance costs, surface and mineral lease expenses, rent, fuel and chemicals, and operating contingencies.
- e) **Professional Fees:** Includes fees incurred in connection with the Receivership Proceedings, comprising the paid Receiver's fees, the Receiver's counsel's fees and Sales Advisor's fees.
- f) **Contractor Fees:** Reflects the fees for the Company's head office contractors.
- g) **General and Administrative Disbursements:** Reflects the Company's miscellaneous costs including insurance.

7.3 Funding the Receivership Proceedings

1. The Receivership Proceedings are currently being funded by the May 14th Transactions and 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 do not provide sufficient funding to service all ongoing post-filing obligations.
2. Closing of the June 12th Transactions and execution of the RVO Transaction will provide significant additional funding which will: (i) be used to partially address the Security Deposit requirements proposed by the AER; (ii) result in full satisfaction of the Receiver's Charge; (iii) address approximately \$105,000 of the priority deemed trust source deduction liabilities owed to the Canada Revenue Agency; and (iv) result in any other unpaid post-filing obligation being dealt with as part of the terms of the RVO Transaction and handling of ResidualCo.

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 RVO Transaction and June 12th Transactions (if approved by this Honourable Court);
 - b) finalizing a resolution with respect to the BC Assets;

- c) assigning ResidualCo into bankruptcy as directed by the RVO;
- d) completing other administrative tasks related to these Receivership Proceedings; and
- e) continuing to work with the 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

	Potts Transaction	Archer Transaction
Seller	KSV Restructuring Inc. solely in its capacity as the receiver and manager of the assets, property and undertaking of Blue Sky Resources Ltd.	
Buyer	Potts Petroleum Inc.	Archer Exploration Corp.
Assets	<p><u>As detailed in Schedule A:</u> Mineral properties and 28 wells in the Warburg Belly River area</p> <p>Mineral properties and 2 wells in the Thorsby area</p>	<p><u>As detailed in Schedule A:</u> Approximately 50 operated and non-operated wells, including various supporting pipelines and facilities located in Peace River Arch (Elmworth & Knopcik)</p>
Assumed Liabilities	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	
Representations and Warranties	Consistent with the terms of a standard insolvency transaction (i.e., on an “as is, where is” basis, with limited representations and warranties)	
ROFR Covenant	Among other things, requires a ROFR Holdback Amount ¹	
Material Conditions	Includes, among other things, the Court’s granting of the Approval and Vesting Order	
Outside Date	90 Days following the execution date of the purchase and sale agreement	
Closing	5 Business Days following satisfaction of all material conditions	

Note 1: The ROFR Holdback Amount represents an amount equal to the Purchaser’s bona fide allocation of the aggregate portion of the Purchase Price attribute to the Assets subject to any ROFRs and shall be held by the Vendor in trust for the Purchaser, separate and apart from the Vendor’s and the Debtor’s other property and assets.

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 -

POTTS PETROLEUM INC.

ASSET PURCHASE AND SALE AGREEMENT

June 3, 2026

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ASSET PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT is dated as of June 3, 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 -

POTTS PETROLEUM INC., 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 Vendor) 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 linear or nonlinear municipal property tax claims under the *Municipal Government Act* (Alberta), or otherwise;
 - (v) any outstanding amounts owing in respect of the AER Orphan Fund Levy and Administration Fees; and
 - (vi) 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);
- (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) **"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) **"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;

- (ii) "**Notice Period**" has the meaning ascribed to that term in Section 8.2(b);
- (jj) "**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);
- (kk) "**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;
- (ll) "**Outstanding ROFR Assets**" has the meaning set forth in Section 10.2(e)(ii);
- (mm) "**Outstanding ROFRs**" has the meaning set forth in Section 10.2(e);
- (nn) "**Parties**" means, collectively, the Purchaser and the Vendor, and "**Party**" means any one of them;
- (oo) "**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) 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;
- (pp) **"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;
- (qq) **"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);
- (rr) **"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;

- (ss) "**Purchase Price**" has the meaning ascribed to that term in Section 3.1;
- (tt) "**Purchaser**" has the meaning ascribed to that term in the preamble hereto;
- (uu) "**Purchaser's Solicitors**" means Roderick A. Ferguson Professional Corporation;
- (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) "**ROFR Holdback Amount**" has the meaning ascribed to that term in Section 10.2(c)(v);
- (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;
- (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 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 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 2.4(a) and 2.4(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.

2.5 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 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;
 - (iii) 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;
 - (iv) 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 2.5(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 2.5(a); and
 - (v) 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.

2.6 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 2.5(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:

- (a) [REDACTED]
- (b) [REDACTED]
- (c) [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 2.5(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 2.5(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) 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 10581 7365 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 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 within 2 Business Days 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, set-off or adjustment at Closing in the event of the exercise of any such ROFR by a Third Party; provided that the applicable ROFR Holdback Amount shall be held and dealt with in accordance with Sections 10.2(c)(v) through 10.2(c)(ix) ;
 - (v) an amount equal to the Purchaser's bona fide allocation of the aggregate portion of the Purchase Price attributable to the Assets subject to any ROFRs, as set out in the applicable ROFR notice(s) delivered to the Vendor pursuant to Section 10.2(b)(i), shall be the "**ROFR Holdback Amount**". The ROFR Holdback Amount shall be held by the Vendor in trust for the Purchaser, separate and apart from the Vendor's and the Debtor's other property and assets;
 - (vi) if such ROFR is exercised and the sale and conveyance of the Assets subject to such ROFR to the applicable Third Party is completed, the Vendor shall pay the portion of the ROFR Holdback Amount attributable to the Assets subject to such ROFR to the Purchaser within five (5) Business Days following completion of such sale and conveyance;
 - (vii) if such ROFR is waived, lapses or is otherwise extinguished without being exercised, the portion of the ROFR Holdback Amount attributable to the Assets subject to such ROFR shall be released to the Vendor and applied as part of the Purchase Price;
 - (viii) the ROFR Holdback Amount shall not be released, distributed, transferred, set off, compromised or otherwise dealt with except in accordance with Sections 10.2(c)(v) through 10.2(c)(ix), by joint written direction of the Vendor and the Purchaser, or by further order of the Court; and
 - (ix) for greater certainty, the ROFR Holdback Amount shall be the amount set out in the applicable ROFR notice delivered pursuant to Section 10.2(b)(i), and shall not be reduced by any set-off, adjustment, holdback, deduction, claim or compromise asserted by the applicable Third Party or any other Person.
- (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) Subject to Section 10.2(e)(v), 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 , without any reduction in the Purchase Price for the Outstanding ROFRs, provided that the portion of the Purchase Price allocated in the applicable ROFR notice to the Outstanding ROFR Assets shall be held by the Vendor in trust for the Purchaser as a ROFR Holdback Amount in

accordance with Sections 10.2(c)(v) through 10.2(c)(ix), 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.
- (v) notwithstanding Sections 10.2(e)(i) through 10.2(e)(iv), if, prior to Closing, the rights or obligations of the Vendor under this Agreement are transferred to, assumed by, retained by, continued in, or otherwise become rights or obligations of any Person other than the Vendor as constituted on the date of this Agreement, then Closing shall be delayed until all ROFR notices have been delivered in accordance with Section 10.2(b), and all ROFRs have been exercised, waived, lapsed or otherwise extinguished. For greater certainty, in such circumstances, the Purchaser shall not be required to pay or fund any ROFR Holdback Amount, and the Purchase Price payable by the Purchaser at Closing shall be reduced by the amount allocated in the applicable ROFR notice(s) delivered pursuant to Section 10.2(b)(i) to any Assets in respect of which a ROFR has been exercised.

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 2.5(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 of any condition set forth in Section 11.2, or 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 (Specific Conveyances), Section 2.5 (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 - 2nd Avenue S.W.
Calgary, AB T2P 4K7

Attention: Keely Cameron
Email: CameronK@bennettjones.com

- (b) In the case of the Purchaser:

Potts Petroleum Inc.
500, 540-5th Avenue SW
Calgary, AB T2P 0M2

Attention: Dylan Johnson
Email: dylan.johnson@pottspetroleum.ca

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

Roderick A. Ferguson Professional Corporation
#109, 5555 Elbow Drive SW
Calgary, AB T2V 1H7

Attention: R.A. Ferguson
Email: rod.ferguson@rafbizlaw.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's 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

POTTS PETROLEUM INC.

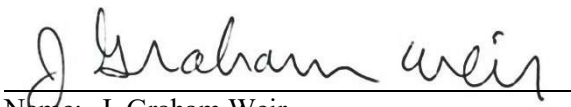
Per: _____
Name: J. Graham Weir
Title: President

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

POTTS PETROLEUM INC.

Per: 
Name: J. Graham Weir
Title: President

SCHEDULE A

Assets Listing

Lands Schedule/Mineral Property Report:

Warburg Belly River “M” Unit Lands

CR/FH Agreement No.	Bluesky File No.	Land Description	Substance & Formations
0010000023832	M08111	T048-02W5: 5NE	P&NG in Unitized Basal Belly River Sand Formation (Tract 24)
0010000121149	M08109	T048-02W5: 5SE	P&NG in Unitized Basal Belly River Sand Formation (Tract 23)
Prairiesky FH PL 5767	M08117	T047-02W5: 33NW, NE	P&NG in Unitized Basal Belly River Sand Formation (Tracts 7 & 8)
Prairiesky FH PL 6357	M08118	T047-02W5: 35SW	P&NG in Unitized Basal Belly River Sand Formation (Tract 13)
Prairiesky FH PL 7031	M08119	T047-02W5: 35NW, NE	P&NG in Unitized Basal Belly River Sand Formation (Tract 14)

Thorsby Lands

CR/FH Agreement No.	Bluesky File No.	Land Description	Substance & Formations
0040484060179	M00173	T047-02W5: 20	P&NG from Surface to Base Cardium

Wells:

Warburg Belly River “M” Unit Wells

UWI	License No.	UWI	License No.
100/12-26-047-02W5/00	0156699	102/06-35-047-02W5/00	0023706
100/14-26-047-02W5/00	0024174	100/10-35-047-02W5/00	0141087
100/10-27-047-02W5/00	0141014	100/12-35-047-02W5/00	0071796

100/11-27-047-02W5/00	0181879	100/14-35-047-02W5/00	0022330
100/12-27-047-02W5/00	0156693	100/16-35-047-02W5/00	0022174
100/14-27-047-02W5/00	0023524	100/04-02-048-02W5/00	0075650
102/16-27-047-02W5/00	0023590	100/06-02-048-02W5/00	0022490
100/09-28-047-02W5/00	0182006	100/02-03-048-02W5/00	0071546
100/10-28-047-02W5/00	0156971	100/04-03-048-02W5/00	0071487
100/12-28-047-02W5/00	0156692	102/06-03-048-02W5/00	0022084
100/14-28-047-02W5/00	0026478	100/07-03-048-02W5/00	0235165
100/16-28-047-02W5/00	0025351	100/08-03-048-02W5/00	0022083
100/10-29-047-02W5/00	0156691	100/12-03-048-02W5/00	0075644
100/16-29-047-02W5/00	0031447	100/14-03-048-02W5/00	0022173
100/10-33-047-02W5/00	0122230	100/02-04-048-02W5/00	0071488
100/12-33-047-02W5/00	0122186	100/04-04-048-02W5/00	0075642
100/14-33-047-02W5/00	0022765	102/06-04-048-02W5/00	0022500
102/16-33-047-02W5/00	0022470	100/08-04-048-02W5/00	0022082
103/16-33-047-02W5/00	0234646	100/10-04-048-02W5/00	0075635
100/02-34-047-02W5/00	0071545	100/12-04-048-02W5/00	0075636
100/04-34-047-02W5/00	0075634	100/14-04-048-02W5/00	0022398
100/06-34-047-02W5/02	0021944	102/14-04-048-02W5/00	0129221
100/08-34-047-02W5/00	0022900	100/16-04-048-02W5/02	0021648
100/10-34-047-02W5/00	0071556	102/16-04-048-02W5/00	0022727
100/12-34-047-02W5/00	0075643	100/02-05-048-02W5/00	0135868
100/14-34-047-02W5/00	0022749	100/08-05-048-02W5/00	0029097
100/16-34-047-02W5/02	0021798	100/10-05-048-02W5/00	0152590
100/04-35-047-02W5/00	0075715	100/16-05-048-02W5/02	0021030

Thorsby Wells

UWI	License No.
100/12-20-047-02W5/00	0420305
100/13-20-047-02W5/00	0416665

Contracts:

- 1) Warburg Belly River "M" Unit and Unit Operating Agreement dated October 1, 1969 (Blue Sky File No. J01391).
- 2) Farmout and Option Agreement dated October 16, 1987, between Canadian Jorex Limited and PanCanadian Petroleum Limited (Blue Sky File No. C01199).
- 3) Operating Agreement dated June 20, 1986, between Dome Petroleum Limited and Tricentrol Oils Limited (Blue Sky File No. C03628).
- 4) Operating Agreement dated October 27, 1989, among Amoco Canada Resources Ltd., Norcen Energy Resources Limited and Norwich Resources Canada Ltd. (Blue Sky File No. C03790).
- 5) Agreement dated May 20, 1959, between Imperial Oil Limited and Whitehall Canadian Oils Ltd. (Blue Sky File No. C03682).
- 6) Memorandum of Agreement dated July 4, 1961, among Texaco Exploration Company, Mobil Oil of Canada, Ltd. and Whitehall Canadian Oils Limited (Blue Sky File No. C03640).

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
Telephone No.: 403-298-3324
Fax No.: 403-265-7219
Client File No.: 069209.27
Cameronk@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 **[Potts Petroleum Inc.** (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, and any other interested party;

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 linear or nonlinear municipal property tax claims under the *Municipal Government Act* (Alberta), or otherwise;

- (d) any liens or claims of lien under the *Prompt Payment and Construction Lien Act* (Alberta); 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.
- (a) Alberta Energy ("**Energy Ministry**") shall and is hereby authorized, requested and directed to forthwith 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 which are set out in **Schedule "C"**) 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:
- (b) 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 complementary 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	RECEIVER'S CERTIFICATE
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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
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Attention: Keely Cameron
 Telephone No.: 403-298-3324
 Fax No.: 403-265-7219
 Client File No.: 069209.27
 Cameronk@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 June 12, 2026, the Court approved the agreement of purchase and sale made as of [**Date of Agreement**] (the "**Sale Agreement**") between the Receiver and Potts Petroleum Inc. (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 11 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 11 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

Assets Listing

Lands Schedule/Mineral Property Report:

Warburg Belly River "M" Unit Lands

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Prairiesky FH PL 5767	M08117	T047-02W5: 33NW, NE	P&NG in Unitized Basal Belly River Sand Formation (Tracts 7 & 8)
Prairiesky FH PL 6357	M08118	T047-02W5: 35SW	P&NG in Unitized Basal Belly River Sand Formation (Tract 13)
Prairiesky FH PL 7031	M08119	T047-02W5: 35NW, NE	P&NG in Unitized Basal Belly River Sand Formation (Tract 14)

Thorsby Lands

CR/FH Agreement No.	Bluesky File No.	Land Description	Substance & Formations
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100/14-26-047-02W5/00	0024174	100/10-35-047-02W5/00	0141087
100/10-27-047-02W5/00	0141014	100/12-35-047-02W5/00	0071796
100/11-27-047-02W5/00	0181879	100/14-35-047-02W5/00	0022330
100/12-27-047-02W5/00	0156693	100/16-35-047-02W5/00	0022174
100/14-27-047-02W5/00	0023524	100/04-02-048-02W5/00	0075650
102/16-27-047-02W5/00	0023590	100/06-02-048-02W5/00	0022490
100/09-28-047-02W5/00	0182006	100/02-03-048-02W5/00	0071546
100/10-28-047-02W5/00	0156971	100/04-03-048-02W5/00	0071487
100/12-28-047-02W5/00	0156692	102/06-03-048-02W5/00	0022084
100/14-28-047-02W5/00	0026478	100/07-03-048-02W5/00	0235165
100/16-28-047-02W5/00	0025351	100/08-03-048-02W5/00	0022083
100/10-29-047-02W5/00	0156691	100/12-03-048-02W5/00	0075644
100/16-29-047-02W5/00	0031447	100/14-03-048-02W5/00	0022173
100/10-33-047-02W5/00	0122230	100/02-04-048-02W5/00	0071488
100/12-33-047-02W5/00	0122186	100/04-04-048-02W5/00	0075642
100/14-33-047-02W5/00	0022765	102/06-04-048-02W5/00	0022500
102/16-33-047-02W5/00	0022470	100/08-04-048-02W5/00	0022082
103/16-33-047-02W5/00	0234646	100/10-04-048-02W5/00	0075635
100/02-34-047-02W5/00	0071545	100/12-04-048-02W5/00	0075636
100/04-34-047-02W5/00	0075634	100/14-04-048-02W5/00	0022398
100/06-34-047-02W5/02	0021944	102/14-04-048-02W5/00	0129221
100/08-34-047-02W5/00	0022900	100/16-04-048-02W5/02	0021648
100/10-34-047-02W5/00	0071556	102/16-04-048-02W5/00	0022727
100/12-34-047-02W5/00	0075643	100/02-05-048-02W5/00	0135868
100/14-34-047-02W5/00	0022749	100/08-05-048-02W5/00	0029097
100/16-34-047-02W5/02	0021798	100/10-05-048-02W5/00	0152590
100/04-35-047-02W5/00	0075715	100/16-05-048-02W5/02	0021030

Thorsby Wells

UWI	License No.
100/12-20-047-02W5/00	0420305
100/13-20-047-02W5/00	0416665

Contracts:

- 1) Warburg Belly River "M" Unit and Unit Operating Agreement dated October 1, 1969 (Blue Sky File No. J01391).
- 2) Farmout and Option Agreement dated October 16, 1987, between Canadian Jorex Limited and PanCanadian Petroleum Limited (Blue Sky File No. C01199).
- 3) Operating Agreement dated June 20, 1986, between Dome Petroleum Limited and Tricentrol Oils Limited (Blue Sky File No. C03628).
- 4) Operating Agreement dated October 27, 1989, among Amoco Canada Resources Ltd., Norcen Energy Resources Limited and Norwich Resources Canada Ltd. (Blue Sky File No. C03790).
- 5) Agreement dated May 20, 1959, between Imperial Oil Limited and Whitehall Canadian Oils Ltd. (Blue Sky File No. C03682).
- 6) Memorandum of Agreement dated July 4, 1961, among Texaco Exploration Company, Mobil Oil of Canada, Ltd. and Whitehall Canadian Oils Limited (Blue Sky File No. C03640).

SCHEDULE "C"

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) 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 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 -

POTTS PETROLEUM INC., 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 [•], 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. Paramouncy

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's 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:

POTTS PETROLEUM INC.

Per: _____
Name: J. Graham Weir
Title: President

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 -

ARCHER EXPLORATION CORP.

ASSET PURCHASE AND SALE AGREEMENT

June 3, 2026

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ASSET PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT is dated as of June 3, 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 -

ARCHER EXPLORATION CORP., a corporation 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 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 Licence 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) and including the transportation agreement outlined in Schedule "A";
 - (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 McCarthy Tetrault 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.

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:

- (a) to the Petroleum and Natural Gas Rights, 80%;
- (b) to the Tangibles, 20% less \$10.00; and
- (c) to the Miscellaneous Interests, \$10.00.

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

GST Registration Number

**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 A894;
- (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 72807 1671 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; and
 - (iv) an amount equal to the Purchaser's bona fide allocation of the aggregate portion of the Purchase Price attributable to the Assets subject to any ROFRs as set out in the applicable ROFR notices delivered to the Vendor pursuant to Section 10.2(b)(i) (the "**ROFR Holdback Amount**") shall be held in trust by the Vendor for the Purchaser (which amount shall not be reduced by any set-off, adjustment, holdback, deduction or Claim asserted by any Third Party) until such time that the applicable ROFR is exercised or extinguished by lapse of time, waiver, or otherwise.
- (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, set-off or adjustment in the event of the exercise of any such ROFR by a Third Party; provided, however, that following the completion of the sale and conveyance of the Assets subject to such ROFR to the applicable Third Party, the Vendor shall promptly pay to the Purchaser an amount equal to that portion of the ROFR Holdback Amount attributable to the Assets subject to such ROFR.
- (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 in 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 a Third Party exercises any of the Outstanding ROFRs, the Vendor shall 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 subject to 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 and conveyance of such Outstanding ROFR Assets to the Purchaser pursuant hereto shall be deemed to have closed on the Closing Date, and the portion of the ROFR Holdback Amount attributable to the Assets subject to such ROFR shall be released to the Vendor and applied as part of the Purchase Price.

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) 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);
- (c) the General Conveyance, Assignment and Assumption Agreement duly executed by the Purchaser; and
- (d) 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 - 2nd Avenue S.W.
Calgary, AB T2P 4K7

Attention: Keely Cameron
Email: CameronK@bennettjones.com

- (b) In the case of the Purchaser:

Archer Exploration Corp.
Suite 550, 525 – 8th Avenue S.W.
Calgary, AB T2P 1G1
Attention: Land Department
Email: askulsky@archerexp.com

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

McCarthy Tetrault LLP
4000, 421 7th Avenue SW
Calgary, AB T2P 4K9

Attention: Brian Bidyk
Email: bbidyk@mccarthy.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

ARCHER EXPLORATION CORP.

Per: _____
Name:
Title:

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

ARCHER EXPLORATION CORP.

Per: _____
Name: _____
Title: **Adam Skulsky**
Vice President, Land

SCHEDULE A

Assets Listing

Lands Schedule/Mineral Property Report

See attached Mineral Property Report dated November 24, 2025 of 58 pages

Wells:

Operated Wells	Non-Operated Wells
102/12-21-070-07W6/00	100/08-25-070-09W6/00
100/16-18-070-08W6/00	100/08-25-070-09W6/02
100/16-18-070-08W6/02	100/08-25-070-09W6/03
100/08-31-070-08W6/00	102/16-25-070-09W6/00
100/08-31-070-08W6/02	100/02-07-071-07W6/00
100/14-23-070-09W6/00	100/04-11-071-08W6/02
100/14-23-070-09W6/02	100/05-12-071-08W6/02
100/09-26-070-09W6/00	100/08-22-071-08W6
100/01-35-070-09W6/00	100/08-23-071-08W6/00
100/01-35-070-09W6/02	100/08-27-071-08W6/00
100/16-35-070-09W6/00	100/06-36-071-08W6/00
100/16-35-070-09W6/02	100/06-07-072-07W6/00
100/05-09-071-07W6/00	100/06-07-072-07W6/02
100/05-09-071-07W6/02	100/14-07-072-07W6/00
100/10-03-071-08W6/00	100/14-07-072-07W6/02
100/10-03-071-08W6/02	100/08-12-072-08W6/02
100/10-03-071-08W6/03	100/08-12-072-08W6/03
100/10-03-071-08W6/04	
100/10-03-071-08W6/05	
100/09-04-071-08W6/00	
100/09-04-071-08W6/02	
100/04-06-071-08W6/00	
100/04-06-071-08W6/02	
100/04-06-071-08W6/03	
102/09-13-071-08W6/00	
102/09-13-071-08W6/02	
102/09-13-071-08W6/03	
102/09-13-071-08W6/04	
100/12-24-071-08W6/00	
100/07-25-071-08W6/00	

Facilities:

See attached Facilities list of 1 page.

Pipelines:

See attached Excel spreadsheet containing the pipeline list of 1 page

Transportation Agreement: Blue Sky's 3.3 e3m3/d of FTR at the Elmworth High meter station (MS 1615):

- 2.3 e3m3/d expiring March 31, 2027
- 1.0 e3m3/d expiring October 31, 2027 (Renewal rights available)

Report Date: Nov 24, 2025
 Page Number: 5
 REPORTED IN HECTARES

**BLUE SKY RESOURCES LTD.
 Mineral Property Report**

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11663	A	Paid to: ROY TO (C) PRAIRIESKY	100.00000000	Paid by: ROY BY (C) BLUE SKY RESOUR CNRL	50.00000000 50.00000000
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ROYALTY DEDUCTIONS -

ON CRUDE OIL, PROPORTIONATE SHARE OF TRANSPORTATION COSTS. ON GAS, COSTS OF GATHERING, PROCESSING AND TRANSPORTING. WHERE GRANTOR OWNS ALL OR PART OF THE GATHERING SYSTEM, A 25 CENT PER MCF FEE SHALL BE DEDUCTED.

M29401	LICENCE CR	Eff: Oct 30, 2008	128.000		WI	TWP 70 RGE 8 W6M N 15
Sub: A	WI	Exp: Oct 30, 2012	128.000	BLUE SKY RESOUR	100.00000000	PNG TO BASE SPIRIT_RIVER
ACTIVE	5408100986	Ext: 15	128.000			
	BLUE SKY RESOUR			Total Rental:	448.00	
100.00000000	NUVISTA					

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 128.000	128.000
UNDEVELOPED Dev:	0.000	0.000	Undev: 128.000	128.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:

Report Date: Nov 24, 2025

Page Number: 6

REPORTED IN HECTARES

BLUE SKY RESOURCES LTD. Mineral Property Report

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M29401	A	Paid to: LESSOR (M) ALBERTA ENERGY	100.00000000	Paid by: WI (M) BLUE SKY RESOUR	100.00000000
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M11698	LIGENCE CR	Eff: Oct 02, 1997	128.000	C07900 A No	WI	TWP 70 RGE 8 W6M N 16
Sub: C	WI	Exp: Oct 02, 2001	128.000	BLUE SKY RESOUR	28.00000000	PETROLEUM TO BASE PEACE_RIVER
ACTIVE	5497100045	Ext: 15	35.840	CENOVUS	60.00000000	
	CENOVUS			ARCHER EXPLORAT	12.00000000	
100.00000000	OVINTIV U	Count Acreage = No				

Total Rental: 0.00

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 128.000	35.840
UNDEVELOPED Dev:	0.000	0.000	Undev: 128.000	35.840

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:

Paid to: LESSOR (M) ALBERTA ENERGY	100.00000000	Paid by: WI (C) BLUE SKY RESOUR	28.00000000
		CENOVUS	60.00000000
		ARCHER EXPLORAT	12.00000000

BLUE SKY RESOURCES LTD.
Mineral Property Report

REPORTED IN HECTARES

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held
M11698	LICENCE CR	Eff: Oct 02, 1997	128.000	C08027 B No		WI	TWP 70 RGE 8 W6M N 16
Sub: E	WI	Exp: Oct 02, 2001	128.000	BLUE SKY RESOUR		28.00000000	
ACTIVE	5497100045	Ext: 15	35.840	CENOVUS		60.00000000	NG TO BASE PEACE_RIVER
	CENOVUS			ARCHER EXPLORAT		12.00000000	(EXCL 100/13-16-070-08W6/00
100.00000000	OVINTIV U						WELL)

Total Rental: 448.00

Status	Prod:	Hectares	Net	NProd:	Hectares	Net	----- Well U.W.I. Status/Type -----
PRODUCING		128.000	35.840		0.000	0.000	100/04-16-070-08-W6/00 PRODUCING/GAS
DEVELOPED	Dev:	128.000	35.840	Undev:	0.000	0.000	

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: LESSOR (M)		Paid by: WI (C)		
ALBERTA ENERGY	100.00000000	BLUE SKY RESOUR	28.00000000	
		CENOVUS	60.00000000	
		ARCHER EXPLORAT	12.00000000	

<Linked> Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C08027 B GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	50.00000000 % of PROD
Roy Percent: 15.00000000				
Deduction: YES				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:				

Report Date: Nov 24, 2025

Page Number: 8

REPORTED IN HECTARES

BLUE SKY RESOURCES LTD. Mineral Property Report

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

Other Percent:	Max:	Div:	Prod/Sales:
		Min:	Prod/Sales:
Paid to: ROY TO (C)		Paid by: WI (C)	
PRAIRIESKY	100.00000000	BLUE SKY RESOUR	28.00000000
		CENOVUS	60.00000000
		ARCHER EXPLORAT	12.00000000

ROYALTY DEDUCTIONS - May 12, 2011

1997 CAPL FARMOUT & ROYALTY PROCEDURE. CLAUSE 5.04B: ALT 1&2. ALT 2: 50%

M11952	PNG	CR	Eff: Jun 02, 2005	128.000	C08027 B No	WI	TWP 70 RGE 8 W6M S 16
Sub: A	WI		Exp: Jun 02, 2010	128.000	BLUE SKY RESOUR	28.00000000	NG TO BASE PEACE_RIVER
ACTIVE	0505060194		Ext: 15	35.840	CENOVUS	60.00000000	(EXCL 100/13-16-070-08W6/00
	CENOVUS				ARCHER EXPLORAT	12.00000000	WELLBORE)
100.00000000	CNRL						

Total Rental: 448.00

Status		Hectares	Net		Hectares	Net
PRODUCING	Prod:	128.000	35.840	NProd:	0.000	0.000
DEVELOPED	Dev:	128.000	35.840	Undev:	0.000	0.000

----- Well U.W.I. Status/Type -----
100/04-16-070-08-W6/00 PRODUCING/GAS

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C08027 B	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	50.00000000 % of PROD
	Roy Percent:	15.00000000			
	Deduction:	YES			
	Gas: Royalty:		Min Pay:		Prod/Sales:
	S/S OIL: Min:	Max:	Div:		Prod/Sales:

BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

Other Percent:		Min:		Prod/Sales:
Paid to: ROY TO (C) PRAIRIESKY	100.00000000	Paid by: WI (C) BLUE SKY RESOUR CENOVUS ARCHER EXPLORAT	28.00000000 60.00000000 12.00000000	

ROYALTY DEDUCTIONS - May 12, 2011

1997 CAPL FARMOUT & ROYALTY PROCEDURE. CLAUSE 5.04B: ALT 1&2. ALT 2: 50%

M11952

A

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: LESSOR (M) ALBERTA ENERGY	100.00000000	Paid by: WI (C) BLUE SKY RESOUR CENOVUS ARCHER EXPLORAT	28.00000000 60.00000000 12.00000000	

M11698	LICENCE CR	Eff: Oct 02, 1997	128.000	C07900 A No	WI	TWP 70 RGE 8 W6M SW & NW 17
Sub: A	WI	Exp: Oct 02, 2001	128.000	BLUE SKY RESOUR	28.00000000	PETROLEUM TO BASE PEACE_RIVER
ACTIVE	5497100045	Ext: 15	35.840	CENOVUS	60.00000000	
	CENOVUS			ARCHER EXPLORAT	12.00000000	
100.00000000	OVINTIV U	Count Acreage = No				

Report Date: Nov 24, 2025
 Page Number: 10
 REPORTED IN HECTARES

BLUE SKY RESOURCES LTD. Mineral Property Report

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11698
 Sub: A

Total Rental: 448.00

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 128.000	35.840
UNDEVELOPED Dev:	0.000	0.000	Undev: 128.000	35.840

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: LESSOR (M)		Paid by: WI (C)		
ALBERTA ENERGY 100.00000000		BLUE SKY RESOUR 28.00000000		
		CENOVUS 60.00000000		
		ARCHER EXPLORAT 12.00000000		

M11698	LICENCE CR	Eff: Oct 02, 1997	128.000	C08027 A No	WI	TWP 70 RGE 8 W6M SW & NW 17
Sub: D	WI	Exp: Oct 02, 2001	128.000	BLUE SKY RESOUR	28.00000000	NG TO BASE PEACE_RIVER
ACTIVE	5497100045	Ext: 15	35.840	CENOVUS	60.00000000	
	CENOVUS			ARCHER EXPLORAT	12.00000000	
100.00000000	OVINTIV U					

Total Rental: 0.00

----- Well U.W.I. Status/Type -----
 100/03-17-070-08-W6/00 STDG/CASED
 100/03-17-070-08-W6/02 PRODUCING/GAS

**BLUE SKY RESOURCES LTD.
Mineral Property Report**

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11698
Sub: D

Status		Hectares	Net		Hectares	Net
PRODUCING	Prod:	128.000	35.840	NProd:	0.000	0.000
DEVELOPED	Dev:	128.000	35.840	Undev:	0.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: LESSOR (M)		Paid by: WI (C)		
ALBERTA ENERGY	100.00000000	BLUE SKY RESOUR	28.00000000	
		CENOVUS	60.00000000	
		ARCHER EXPLORAT	12.00000000	

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C08027 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	25.00000000 % of PROD
	Roy Percent: 15.00000000				
	Deduction: YES				
	Gas: Royalty:		Min Pay:		Prod/Sales:
	S/S OIL: Min:	Max:	Div:		Prod/Sales:
	Other Percent:		Min:		Prod/Sales:
	Paid to: ROY TO (C)		Paid by: WI (C)		
	PRAIRIESKY	100.00000000	BLUE SKY RESOUR	28.00000000	

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BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11698	D			CENOVUS		60.00000000	
				ARCHER EXPLORAT		12.00000000	

ROYALTY DEDUCTIONS - May 12, 2011
 1997 CAPL FARMOUT & ROYALTY PROCEDURE. CLAUSE 5.04B: ALT 1&2. ALT 2: 50%

M11801	PNG	CR	Eff: Jun 02, 2005	64.000	C08027	A No	WI	TWP 70 RGE 8 W6M SE 17
Sub: A	WI		Exp: Jun 02, 2010	64.000	BLUE SKY RESOUR		28.00000000	NG TO BASE PEACE_RIVER
ACTIVE	0505060195		Ext: 15	17.920	CENOVUS		60.00000000	
	CENOVUS				ARCHER EXPLORAT		12.00000000	
100.00000000	CNRL							

Total Rental: 224.00

----- Well U.W.I. Status/Type -----
 100/03-17-070-08-W6/00 STDG/CASED
 100/03-17-070-08-W6/02 PRODUCING/GAS

Status		Hectares	Net		Hectares	Net
PRODUCING	Prod:	64.000	17.920	NProd:	0.000	0.000
DEVELOPED	Dev:	64.000	17.920	Undev:	0.000	0.000

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C08027 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	25.00000000 % of PROD
	Roy Percent: 15.00000000				
	Deduction: YES				
	Gas: Royalty:	Min Pay:		Prod/Sales:	
	S/S OIL: Min:	Max:	Div:	Prod/Sales:	
	Other Percent:		Min:	Prod/Sales:	
	Paid to: ROY TO (C)	Paid by: WI (C)			
	PRAIRIESKY 100.00000000	BLUE SKY RESOUR 28.00000000			

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BLUE SKY RESOURCES LTD. Mineral Property Report

REPORTED IN HECTARES

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11801	A			CENOVUS		60.00000000	
				ARCHER EXPLORAT		12.00000000	

ROYALTY DEDUCTIONS - May 12, 2011

1997 CAPL FARMOUT & ROYALTY PROCEDURE. CLAUSE 5.04B: ALT 1&2. ALT 2: 50%

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction:	STANDARD			
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:

Paid to:	LESSOR (M)		Paid by:	WI (C)	
ALBERTA ENERGY	100.00000000		BLUE SKY RESOUR	28.00000000	
			CENOVUS	60.00000000	
			ARCHER EXPLORAT	12.00000000	

M11802	PNG	FH	Eff: May 29, 2006	64.000	C08027	A No	WI	TWP 70 RGE 8 W6M NW 17
Sub: A	WI		Exp: May 28, 2011	64.000	BLUE SKY RESOUR		28.00000000	NG TO BASE SPIRIT_RIVER
ACTIVE	PSKY M212363		Ext: HBP	17.920	CENOVUS		60.00000000	
	CENOVUS				ARCHER EXPLORAT		12.00000000	
100.00000000	CENOVUS							

Total Rental: 799.66

----- Well U.W.I. Status/Type -----
100/03-17-070-08-W6/00 STDG/CASED
100/03-17-070-08-W6/02 PRODUCING/GAS

Status		Hectares	Net		Hectares	Net
PRODUCING	Prod:	64.000	17.920	NProd:	0.000	0.000
DEVELOPED	Dev:	64.000	17.920	Undev:	0.000	0.000

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BLUE SKY RESOURCES LTD. Mineral Property Report

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11802 A _____
Royalty / Encumbrances _____

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C08027 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	25.00000000 % of PROD
	Roy Percent: 15.00000000				
	Deduction: YES				
	Gas: Royalty:		Min Pay:		Prod/Sales:
	S/S OIL: Min:	Max:	Div:		Prod/Sales:
	Other Percent:		Min:		Prod/Sales:
	Paid to: ROY TO (C)		Paid by: WI (C)		
	PRAIRIESKY 100.00000000		BLUE SKY RESOUR 28.00000000		
			CENOVUS 60.00000000		
			ARCHER EXPLORAT 12.00000000		

ROYALTY DEDUCTIONS - May 12, 2011

1997 CAPL FARMOUT & ROYALTY PROCEDURE. CLAUSE 5.04B: ALT 1&2. ALT 2: 50%

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	N	N	100.00000000 % of PROD
Roy Percent: 26.50000000				
Deduction: NO				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: LESSOR (M)		Paid by: WI (C)		
PRAIRIESKY 100.00000000		BLUE SKY RESOUR 28.00000000		
		CENOVUS 60.00000000		
		ARCHER EXPLORAT 12.00000000		

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BLUE SKY RESOURCES LTD. Mineral Property Report

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11802	A						
		ROYALTY DEDUCTIONS - May 17, 2011					
		NO DEDUCTIONS					
		F/H MINERAL TAX - May 17, 2011					
		LESSEE RESPONSIBLE FOR 80% TAXES					

M11750	LICENCE	CR	Eff: Sep 05, 2002	256.000	C07987	A Unknown	WI	TWP 70 RGE 8 W6M SEC 18
Sub: A	WI		Exp: Sep 05, 2006	256.000	BLUE SKY RESOUR	100.00000000		PNG FROM BASE SPIRIT_RIVER TO
ACTIVE	5402090014		Ext: 15	256.000				BASE FERNIE_GROUP
	BLUE SKY RESOUR				Total Rental:	896.00		
100.00000000	BLUE SKY RESOUR							

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	256.000
DEVELOPED Dev:	64.000	64.000	Undev: 192.000	192.000

----- Well U.W.I. Status/Type -----
 100/16-18-070-08-W6/00 ABAND/UND
 100/16-18-070-08-W6/02 ABAND/UND

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C07987 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
	Roy Percent:				
	Deduction: YES				
	Gas: Royalty: 12.00000000	Min Pay:			Prod/Sales:
	S/S OIL: Min: 5.00000000	Max: 12.00000000	Div: 23.83650		Prod/Sales:
	Other Percent:	Min:			Prod/Sales:
	Paid to: ROY TO (C)	Paid by: WI (C)			
	CNRL 100.00000000	BLUE SKY RESOUR 100.00000000			

BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	DoI Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11750 A ROYALTY DEDUCTIONS - May 11, 2011
 1997 CAPL FARMOUT & ROYALTY PROCEDURE. CLAUSE 5.04B: ALT 1&2. ALT 2: 50%

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: LESSOR (M)		Paid by: WI (C)		
ALBERTA ENERGY 100.00000000		BLUE SKY RESOUR 100.00000000		

M11640	LICENCE CR	Eff: Dec 07, 1995	192.000	C07915 P No	WI	TWP 70 RGE 8 W6M S & NW 31
Sub: B	WI	Exp: Dec 07, 1999	192.000	BLUE SKY RESOUR	70.00000000	
ACTIVE	5495120033	Ext: 15	134.400	ARCHER EXPLORAT	30.00000000	PNG TO TOP MANNVILLE_GROUP;
	BLUE SKY RESOUR					PNG IN BLUESKY;
100.00000000	OVINTIV U			Total Rental: 672.00		PNG FROM BASE MANNVILLE_GROUP
						TO BASE FERNIE_GROUP
						(EXCL 100/04-31-070-08-W6M
						WELLBORE)

Status	Prod:	Hectares	Net	NProd:	Hectares	Net
PRODUCING		192.000	134.400		0.000	0.000
DEVELOPED	Dev:	192.000	134.400	Undev:	0.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				

----- Well U.W.I. Status/Type -----
 100/08-31-070-08-W6/00 PRODUCING/GAS
 100/08-31-070-08-W6/02 STDG/CASED

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**BLUE SKY RESOURCES LTD.
Mineral Property Report**

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11640	B	Deduction: STANDARD					
		Gas: Royalty:		Min Pay:		Prod/Sales:	
		S/S OIL: Min:	Max:	Div:		Prod/Sales:	
		Other Percent:		Min:		Prod/Sales:	
		Paid to: DEPOSITO(M)		Paid by: WI	(C)		
		MIN OF FINANCE	100.00000000	BLUE SKY RESOUR	70.00000000		
				ARCHER EXPLORAT	30.00000000		

M11640	LICENCE CR	Eff: Dec 07, 1995	64.000	C07915 P No	WI	TWP 70 RGE 8 W6M NE 31
Sub: P	WI	Exp: Dec 07, 1999	64.000	BLUE SKY RESOUR	70.00000000	(100/08-31-070-08W6/00 /02
ACTIVE	5495120033	Ext: 15	44.800	ARCHER EXPLORAT	30.00000000	WELLBORE ONLY)
	BLUE SKY RESOUR					
100.00000000	OVINTIV U			Total Rental: 224.00		

Status		Hectares	Net		Hectares	Net	----- Well U.W.I. Status/Type -----
PRODUCING	Prod:	64.000	44.800	NProd:	0.000	0.000	100/08-31-070-08-W6/00 PRODUCING/GAS
DEVELOPED	Dev:	64.000	44.800	Undev:	0.000	0.000	100/08-31-070-08-W6/02 STDG/CASED

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: DEPOSITO(M)		Paid by: WI	(C)	

BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11697
 Sub: A

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 512.000	358.400
UNDEVELOPED Dev:	0.000	0.000	Undev: 512.000	358.400

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: DEPOSITO(M)		Paid by: WI	(C)	
MIN OF FINANCE	100.00000000	BLUE SKY RESOUR	70.00000000	
		ARCHER EXPLORAT	30.00000000	

M11794	PNG	CR	Eff: Aug 24, 2006	128.000	C08040	A No	WI	TWP 70 RGE 9 W6M N 13
Sub: A	WI		Exp: Aug 24, 2011	128.000	BLUE SKY RESOUR		50.00000000	PNG FROM BASE PEACE_RIVER TO
ACTIVE	0506080568		Ext: 15	64.000	ARCHER EXPLORAT		50.00000000	TOP CHARLIE_LAKE
100.00000000	BLUE SKY RESOUR							
	BLUE SKY RESOUR				Total Rental:	224.00		

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 128.000	64.000
UNDEVELOPED Dev:	0.000	0.000	Undev: 128.000	64.000

BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11794	A	Royalty / Encumbrances					
		Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales	
		CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000	% of PROD
		Roy Percent:					
		Deduction: STANDARD					
		Gas: Royalty:		Min Pay:		Prod/Sales:	
		S/S OIL: Min:	Max:	Div:		Prod/Sales:	
		Other Percent:		Min:		Prod/Sales:	
		Paid to: DEPOSITO (M)		Paid by: WI	(C)		
		MIN OF FINANCE	100.00000000	BLUE SKY RESOUR		50.00000000	
				ARCHER EXPLORAT		50.00000000	

M11794	PNG	CR	Eff: Aug 24, 2006	128.000	C16560	A No	TRUST INT	TWP 70 RGE 9 W6M N 13
Sub: C	WI		Exp: Aug 24, 2011	128.000	BLUE SKY RESOUR			PNG IN CHARLIE_LAKE
TRUST	0506080568		Ext: 15	0.000	ARCHER EXPLORAT	100.00000000		
	BLUE SKY RESOUR							
100.00000000	BLUE SKY RESOUR	Count Acreage = No		Total Rental:		0.00		

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd:	128.000
UNDEVELOPED Dev:	0.000	0.000	Undev:	128.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD

BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11794	C	Roy Percent:					
		Deduction:	STANDARD				
		Gas: Royalty:		Min Pay:		Prod/Sales:	
		S/S OIL: Min:	Max:	Div:		Prod/Sales:	
		Other Percent:		Min:		Prod/Sales:	
		Paid to:	DEPOSITO (M)	Paid by:	TRUST INT(C)		
		MIN OF FINANCE	100.00000000	BLUE SKY RESOUR			
				ARCHER EXPLORAT	100.00000000		

M11795	PNG	CR	Eff: Aug 24, 2006	128.000	C08040	A No	WI	TWP 70 RGE 9 W6M N 14
Sub: A	WI		Exp: Aug 24, 2011	128.000	BLUE SKY RESOUR		50.00000000	PNG FROM BASE SPIRIT_RIVER TO
ACTIVE	0506080569		Ext: 15	64.000	ARCHER EXPLORAT		50.00000000	TOP CHARLIE_LAKE
100.00000000	BLUE SKY RESOUR							
	BLUE SKY RESOUR				Total Rental:	224.00		

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd:	128.000
UNDEVELOPED Dev:	0.000	0.000	Undev:	128.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction:	STANDARD			
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:

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BLUE SKY RESOURCES LTD. Mineral Property Report

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11795	A	Paid to: DEPOSITO(M) MIN OF FINANCE	100.00000000				
				Paid by: WI	(C)		
				BLUE SKY RESOUR	50.00000000		
				ARCHER EXPLORAT	50.00000000		

M11699	LICENCE CR	Eff: Aug 06, 1998	256.000	C07915 P No		WI	TWP 70 RGE 9 W6M SEC 23
Sub: B	WI	Exp: Aug 06, 2002	256.000	BLUE SKY RESOUR	70.00000000		PNG FROM BASE SPIRIT_RIVER TO
ACTIVE	5498080019	Ext: 15	179.200	ARCHER EXPLORAT	30.00000000		BASE BLUESKY_&_BULLHEAD

100.00000000	BLUE SKY RESOUR			Total Rental:	896.00		
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Status	Hectares	Net	Hectares	Net	----- Well U.W.I. -----	Status/Type -----
PRODUCING	Prod: 256.000	179.200	NProd: 0.000	0.000	100/14-23-070-09-W6/02	PRODUCING/GAS
DEVELOPED	Dev: 256.000	179.200	Undev: 0.000	0.000		

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:

Paid to: LESSOR (M)		Paid by: WI	(C)
ALBERTA ENERGY	100.00000000	BLUE SKY RESOUR	70.00000000
		ARCHER EXPLORAT	30.00000000

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BLUE SKY RESOURCES LTD. Mineral Property Report

REPORTED IN HECTARES

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

M11640	LICENCE CR	Eff: Dec 07, 1995	256.000	C14837 A No		POOL INT	TWP 70 RGE 9 W6M SEC 25
Sub: D	WI	Exp: Dec 07, 1999	256.000	BLUE SKY RESOUR		20.00000000	PNG FROM BASE CARDIUM TO BASE
ACTIVE	5495120033	Ext: 15	51.200	TOURMALINE O(E)		20.00000000	NIKANASSIN
100.00000000	BAYTEX			ARCHER EXPLORAT		30.00000000	EXCL PNG IN NIKANASSIN
	OVINTIV U	Count Acreage = No		CENOVUS		30.00000000	(PRODUCTION IN 100/16-25-70-9

Total Rental: 0.00

Status		Hectares	Net		Hectares	Net
PRODUCING	Prod:	256.000	51.200	NProd:	0.000	0.000
DEVELOPED	Dev:	256.000	51.200	Undev:	0.000	0.000

----- Well U.W.I. Status/Type -----
 100/08-25-070-09-W6/00 STDG/CASED
 100/08-25-070-09-W6/02 STDG/CASED
 100/08-25-070-09-W6/03 PRODUCING/GAS

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction:	STANDARD			
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:

Paid to: DEPOSITO (M)		Paid by: PAIDBY (R)	
MIN OF FINANCE	100.00000000	BLUE SKY RESOUR	20.00000000
		TOURMALINE O(E)	20.00000000
		BAYTEX	30.00000000
		CENOVUS	30.00000000

GENERAL REMARKS - Sep 16, 2013

NON-CROSS CONVEYED POOLING - RENT/ROYALTY/TAXES PAID BY PREPOOLED INTEREST

BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11640 D _____
 _____ Royalty / Encumbrances _____

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	8.00000000 % of PROD
Roy Percent:				
Deduction: YES				
Gas: Royalty: 15.00000000		Min Pay:		Prod/Sales: PROD
S/S OIL: Min: 5.00000000	Max: 15.00000000	Div: 1/23.8365		Prod/Sales: PROD
Other Percent: 15		Min:		Prod/Sales: PROD

Paid to: PAIDTO (R) **Paid by:** PAIDBY (R)
 OVINTIV U 100.00000000 BLUE SKY RESOUR 100.00000000

ROYALTY DEDUCTIONS -
 STANDARD DEDUCTIONS (ALT 1 & 2) - 50%

M11640	LICENCE CR	Eff: Dec 07, 1995	256.000	C07915 C No	WI	TWP 70 RGE 9 W6M SEC 25
Sub: L	WI	Exp: Dec 07, 1999	256.000	BLUE SKY RESOUR	20.00000000	PNG TO BASE CARDIUM;
ACTIVE	5495120033	Ext: 15	51.200	TOURMALINE O(E)	20.00000000	PNG IN BLUESKY (IN
	CENOVUS			ARCHER EXPLORAT	30.00000000	102/16-25-70-9 W6M/00)
100.00000000	OVINTIV U			CENOVUS	30.00000000	

Total Rental: 896.00

----- Well U.W.I. Status/Type -----
 102/16-25-070-09-W6/00 PRODUCING/GAS

Status		Hectares	Net		Hectares	Net
PRODUCING	Prod:	256.000	51.200	NProd:	0.000	0.000
DEVELOPED	Dev:	256.000	51.200	Undev:	0.000	0.000

_____ Royalty / Encumbrances _____

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BLUE SKY RESOURCES LTD. Mineral Property Report

REPORTED IN HECTARES

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales	
	CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD	
	Roy Percent:					
	Deduction: STANDARD					
M11640	L					
	Gas: Royalty:		Min Pay:		Prod/Sales:	
	S/S OIL: Min:	Max:	Div:		Prod/Sales:	
	Other Percent:		Min:		Prod/Sales:	
	Paid to: DEPOSITO (M)		Paid by: WI	(C)		
	MIN OF FINANCE	100.00000000	BLUE SKY RESOUR		20.00000000	
			TOURMALINE O(E)		20.00000000	
			ARCHER EXPLORAT		30.00000000	
			CENOVUS		30.00000000	

M11699	LICENCE CR	Eff: Aug 06, 1998	256.000	C07915 P No	WI	TWP 70 RGE 9 W6M SEC 26
Sub: A	WI	Exp: Aug 06, 2002	256.000	BLUE SKY RESOUR	70.00000000	PNG FROM BASE SPIRIT_RIVER TO
ACTIVE	5498080019	Ext: 15	179.200	ARCHER EXPLORAT	30.00000000	BASE FERNIE_GROUP
	BLUE SKY RESOUR					
100.00000000	BLUE SKY RESOUR			Total Rental: 896.00		

	Status		Hectares	Net	Hectares	Net		
	PRODUCING	Prod:	256.000	179.200	NProd:	0.000	0.000	----- Well U.W.I. Status/Type -----
	DEVELOPED	Dev:	256.000	179.200	Undev:	0.000	0.000	100/09-26-070-09-W6/00 PRODUCING/GAS

Royalty / Encumbrances

	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
	CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
	Roy Percent:				
	Deduction: STANDARD				

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BLUE SKY RESOURCES LTD. Mineral Property Report

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	DoI Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11699	A	Gas: Royalty:		Min Pay:		Prod/Sales:
		S/S OIL: Min:	Max:	Div:		Prod/Sales:
		Other Percent:		Min:		Prod/Sales:
	Paid to:	LESSOR (M)		Paid by:	WI (C)	
	ALBERTA ENERGY	100.00000000		BLUE SKY RESOUR	70.00000000	
				ARCHER EXPLORAT	30.00000000	

M11703	LICENCE CR	Eff: Oct 30, 1997	768.000	C07915 P No		WI	TWP 70 RGE 9 W6M SEC 29, 30
Sub: B	WI	Exp: Oct 30, 2001	768.000	BLUE SKY RESOUR	70.00000000		TWP 70 RGE 10 W6M SEC 25
ACTIVE	5497100211	Ext: 15	537.600	ARCHER EXPLORAT	30.00000000		PNG FROM BASE WILRICH TO TOP
	BLUE SKY RESOUR						CHARLIE_LAKE
100.00000000	OVINTIV U			Total Rental:	2688.00		

Status		Hectares	Net		Hectares	Net	----- Well U.W.I. Status/Type -----
PRODUCING	Prod:	512.000	358.400	NProd:	256.000	179.200	102/14-30-070-09-W6/00 PRODUCING/GAS
DEVELOPED	Dev:	512.000	358.400	Undev:	256.000	179.200	100/07-25-070-10-W6/00 TESTING/GAS
							102/14-30-070-09-W6/02 COMMING/UND
							100/07-25-070-10-W6/02 PRODUCING/GAS
							100/07-25-070-10-W6/03 COMMING/UND

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction:	STANDARD			
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to:	LESSOR (M)	Paid by:	WI (C)	
ALBERTA ENERGY	100.00000000	BLUE SKY RESOUR	70.00000000	

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BLUE SKY RESOURCES LTD. Mineral Property Report

REPORTED IN HECTARES

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	Lease Description / Rights Held
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	

(cont'd)

M11703	B	ARCHER EXPLORAT			30.00000000	
M11704	LICENCE CR	Eff: Aug 06, 1998	256.000	C07919 B No	WI	TWP 70 RGE 9 W6M SEC 31
Sub: A	WI	Exp: Aug 06, 2002	256.000	BLUE SKY RESOUR	28.00000000	PNG FROM BASE SPIRIT_RIVER TO
ACTIVE	5498080020	Ext: 15	71.680	CNRL	36.00000000	TOP CHARLIE_LAKE
	CNRL			TOURMALINE O(E)	24.00000000	
100.00000000	OVINTIV U			ARCHER EXPLORAT	12.00000000	

Total Rental: 896.00

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	71.680
UNDEVELOPED Dev:	0.000	0.000	Undev: 256.000	71.680

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:

Paid to: DEPOSITO(M)
MIN OF FINANCE 100.00000000

Paid by: WI (C)
BLUE SKY RESOUR 28.00000000
CNRL 36.00000000
TOURMALINE O(E) 24.00000000
ARCHER EXPLORAT 12.00000000

BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11704	A						
M11705	PNG	CR	Eff: Aug 09, 2001	192.000	C07915 A No	WI	TWP 70 RGE 9 W6M S 33, NE 33
Sub: A	WI		Exp: Aug 08, 2006	192.000	BLUE SKY RESOUR	70.00000000	PNG TO TOP CHARLIE_LAKE
ACTIVE	0501080256		Ext: 15	134.400	ARCHER EXPLORAT	30.00000000	
100.00000000	OVINTIV U						

Total Rental: 336.00

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 192.000	134.400
UNDEVELOPED Dev:	0.000	0.000	Undev: 192.000	134.400

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: DEPOSITO (M)		Paid by: WI	(C)	
MIN OF FINANCE	100.00000000	BLUE SKY RESOUR	70.00000000	
		ARCHER EXPLORAT	30.00000000	

M11640	LICENCE	CR	Eff: Dec 07, 1995	256.000	C07915 F No	WI	TWP 70 RGE 9 W6M SEC 35
Sub: I	WRI		Exp: Dec 07, 1999	256.000	BLUE SKY RESOUR	30.00000000	PNG TO TOP CHARLIE_LAKE
ACTIVE	5495120033		Ext: 15	76.800	TOURMALINE O(E)	40.00000000	

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**BLUE SKY RESOURCES LTD.
Mineral Property Report**

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11640
Sub: I BLUE SKY RESOUR ARCHER EXPLORAT 30.00000000
100.00000000 OVINTIV U Count Acreage = No

Total Rental: 0.00

----- Well U.W.I. Status/Type -----
100/01-35-070-09-W6/00 SUSP/GAS
100/01-35-070-09-W6/02 STDG/CASED
100/16-35-070-09-W6/00 SUSP/GAS

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	76.800
DEVELOPED Dev:	256.000	76.800	Undev: 0.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:

Paid to: LESSOR (M) ALBERTA ENERGY 100.00000000
Paid by: WI (C) BLUE SKY RESOUR 30.00000000
TOURMALINE O(E) 40.00000000
ARCHER EXPLORAT 30.00000000

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	40.00000000 % of PROD
Roy Percent:				
Deduction: YES				
Gas: Royalty: 15.00000000		Min Pay:		Prod/Sales:
S/S OIL: Min: 5.00000000	Max: 15.00000000	Div: 23.83650		Prod/Sales:

BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

Other Percent: **Min:** **Prod/Sales:**
 Paid to: PAIDTO (R) **Min:** PAIDBY (R)
 BLUE SKY RESOUR 100.00000000 TOURMALINE O(E) 100.00000000

ROYALTY DEDUCTIONS - May 11, 2011
 1997 CAPL FARMOUT & ROYALTY PROCEDURE. CLAUSE 5.04B: ALT 1&2. ALT 2: 50%

M11640	LICENCE CR	Eff: Dec 07, 1995	256.000	C07917 D No	WI	TWP 70 RGE 9 W6M SEC 35
Sub: J	WRI	Exp: Dec 07, 1999	256.000	BLUE SKY RESOUR	30.00000000	(100/16-35-070-09W6 AND
ACTIVE	5495120033	Ext: 15	76.800	TOURMALINE O(E)	40.00000000	ASSOCIATED HALFWAY PRODUCTION)
100.00000000	BLUE SKY RESOUR			ARCHER EXPLORAT	30.00000000	
	OVINTIV U	Count Acreage = No				

Total Rental: 0.00

----- Well U.W.I. Status/Type -----
 100/16-35-070-09-W6/02 STDG/CASED

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	76.800
DEVELOPED Dev:	64.000	19.200	Undev: 192.000	57.600

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C07965 C	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	40.00000000 % of PROD
	Roy Percent:				
	Deduction: YES				
	Gas: Royalty: 15.00000000	Min Pay:		Prod/Sales:	
	S/S OIL: Min: 5.00000000	Max: 15.00000000	Div: 23.83650	Prod/Sales:	
	Other Percent:	Min:		Prod/Sales:	
	Paid to: PAIDTO (R)	Paid by: PAIDBY (R)			

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**BLUE SKY RESOURCES LTD.
 Mineral Property Report**

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11640 J BLUE SKY RESOUR 100.00000000 TOURMALINE O(E) 100.00000000

ROYALTY DEDUCTIONS - May 11, 2011

1997 CAPL FARMOUT & ROYALTY PROCEDURE. CLAUSE 5.04B: ALT 1&2. ALT 2: 50%

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: DEPOSITO(M)		Paid by: WI	(C)	
MIN OF FINANCE 100.00000000		BLUE SKY RESOUR	30.00000000	
		TOURMALINE O(E)	40.00000000	
		ARCHER EXPLORAT	30.00000000	

M11640	LICENCE CR	Eff: Dec 07, 1995	256.000	C07917 E No	WI	TWP 70 RGE 9 W6M SEC 35
Sub: K	WRI	Exp: Dec 07, 1999	256.000	BLUE SKY RESOUR	30.00000000	
ACTIVE	5495120033	Ext: 15	76.800	OVINTIV U	40.00000000	PNG IN HALFWAY
	BLUE SKY RESOUR			ARCHER EXPLORAT	30.00000000	(EXCL WELLBORE
100.00000000	OVINTIV U					100/16-35-070-09W6 ASSOCIATED
				Total Rental:	896.00	HALFWAY PRODUCTION)

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	76.800
UNDEVELOPED Dev:	0.000	0.000	Undev: 256.000	76.800

Royalty / Encumbrances

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BLUE SKY RESOURCES LTD. Mineral Property Report

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11708	E	ALBERTA ENERGY	100.00000000			70.00000000	
				BLUE SKY RESOUR		30.00000000	
				CENOVUS			

M11667	PNG	CR	Eff: Mar 03, 1994	256.000			WI	TWP 71 RGE 6 W6M SEC 17
Sub: A	WI		Exp: Mar 03, 1999	256.000	BLUE SKY RESOUR	100.00000000		PNG TO BASE DUNVEGAN
ACTIVE	0594030197		Ext: 15	256.000				(EXCL 100/09-17-071-06W6/00
	BLUE SKY RESOUR				Total Rental: 896.00			WELLBORE)
100.00000000	BLUE SKY RESOUR							

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	256.000	256.000
UNDEVELOPED Dev:	0.000	0.000	256.000	256.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: DEPOSITO(M)		Paid by: WI	(M)	
MIN OF FINANCE	100.00000000	BLUE SKY RESOUR	100.00000000	

M11671	PNG	CR	Eff: Sep 20, 1994	256.000	C07863 B No		WI	TWP 71 RGE 7 W6M SEC 14
Sub: A	WI		Exp: Sep 20, 1999	256.000	BLUE SKY RESOUR	70.00000000		PNG FROM BASE FERNIE_GROUP TO

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BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11671
 Sub: A
 ACTIVE 0594091116 Ext: 15 179.200 ARCHER EXPLORAT 30.00000000 TOP HALFWAY
 BLUE SKY RESOUR
 100.00000000 PIPESTN(E) Total Rental: 896.00

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	179.200
UNDEVELOPED Dev:	0.000	0.000	Undev: 256.000	179.200

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: LESSOR (M) ALBERTA ENERGY 100.00000000		Paid by: WI (C) BLUE SKY RESOUR 70.00000000 ARCHER EXPLORAT 30.00000000		

M11671 PNG CR Eff: Sep 20, 1994 0.000 C15415 A Not Applicable TRUST INT TWP 71 RGE 7 W6M SEC 14
 Sub: B WI Exp: Sep 20, 1999 0.000 BLUE SKY RESOUR 100.00000000 PNG TO BASE FERNIE_GROUP
 TRUST 0594091116 Ext: 15 0.000 CNRL
 BLUE SKY RESOUR
 100.00000000 PIPESTN(E) Count Acreage = No Total Rental: 0.00

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BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11671						
Sub: B	Status	Hectares	Net		Hectares	Net
	NON PRODUCING Prod:	0.000	0.000	NProd:	0.000	0.000
	UNDEVELOPED Dev:	0.000	0.000	Undev:	0.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: DEPOSITO(M)		Paid by: TRUST INT(C)		
MIN OF FINANCE	100.00000000	BLUE SKY RESOUR	100.00000000	
		CNRL		

M11672	PNG	CR	Eff: May 31, 1990	128.000	C07863 B No	WI	TWP 71 RGE 7 W6M S 16
Sub: A	WI		Exp: May 31, 1995	128.000	BLUE SKY RESOUR	70.00000000	PNG FROM BASE FERNIE_GROUP TO
ACTIVE	0590050496		Ext: 15	89.600	ARCHER EXPLORAT	30.00000000	TOP HALFWAY;
	BLUE SKY RESOUR						PNG IN DOE_CREEK_MEMBER
100.00000000	OVINTIV U				Total Rental: 448.00		

Status	Hectares	Net		Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd:	128.000	89.600
UNDEVELOPED Dev:	0.000	0.000	Undev:	128.000	89.600

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BLUE SKY RESOURCES LTD. Mineral Property Report

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11672

A

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: DEPOSITO(M)		Paid by: WI	(C)	
MIN OF FINANCE	100.00000000	BLUE SKY RESOUR		70.00000000
		ARCHER EXPLORAT		30.00000000

M11672	PNG	CR	Eff: May 31, 1990	128.000	C16561	I No	TRUST INT	TWP 71 RGE 7 W6M S 16
Sub: B	WI		Exp: May 31, 1995	128.000	BLUE SKY RESOUR			PNG TO BASE FERNIE_GROUP
TRUST	0590050496		Ext: 15	0.000	CNRL		100.00000000	EXCLUDING
	BLUE SKY RESOUR							PNG IN DOE_CREEK_MEMBER
100.00000000	OVINTIV U		Count Acreage = No		Total Rental:	0.00		

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 128.000	0.000
UNDEVELOPED Dev:	0.000	0.000	Undev: 128.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD

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Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11672	B	Roy Percent: Deduction: STANDARD Gas: Royalty: S/S OIL: Min: Other Percent:	Max:	Min Pay: Div: Min:	Prod/Sales: Prod/Sales: Prod/Sales:		
		Paid to: DEPOSITO(M) MIN OF FINANCE	100.00000000	Paid by: TRUST INT(C) BLUE SKY RESOUR CNRL	100.00000000		

M11674	PNG	CR	Eff: Mar 15, 1983	1,152.000	C07910	A Yes	WI	TWP 71 RGE 7 W6M W 25, SEC 26,
Sub: A	WI		Exp: Mar 15, 1988	1,152.000	BLUE SKY RESOUR		35.00000000	34, 35, 36
ACTIVE	0583030170		Ext: 15	403.200	TWTR MID (E)		25.00000000	
100.00000000	BLUE SKY RESOUR				CNRL		25.00000000	PNG TO BASE PEACE_RIVER
	TWTR MID (E)				ARCHER EXPLORAT		15.00000000	EXCL NG IN PADDY
								EXCL PNG IN CADOTTE
				Total Rental:	4032.00			

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd:	1,152.000
UNDEVELOPED Dev:	0.000	0.000	Undev:	1,152.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:

**BLUE SKY RESOURCES LTD.
 Mineral Property Report**

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

Other Percent:	Min:	Prod/Sales:
Paid to: LESSOR (M) ALBERTA ENERGY 100.00000000	Paid by: WI (C) BLUE SKY RESOUR 35.00000000 TWTR MID (E) 25.00000000 CNRL 25.00000000 ARCHER EXPLORAT 15.00000000	

M11674	PNG	CR	Eff: Mar 15, 1983	128.000	C07910	A Yes	WI	TWP 71 RGE 7 W6M E 25
Sub: C	WI		Exp: Mar 15, 1988	128.000	BLUE SKY RESOUR		35.00000000	PNG TO BASE CHARLIE_LAKE
ACTIVE	0583030170		Ext: 15	44.800	TWTR MID (E)		25.00000000	EXCL NG IN PADDY
	BLUE SKY RESOUR				CNRL		25.00000000	EXCL PNG IN CADOTTE
100.00000000	TWTR MID (E)				ARCHER EXPLORAT		15.00000000	

Total Rental: 448.00

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 128.000	44.800
UNDEVELOPED Dev:	0.000	0.000	Undev: 128.000	44.800

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:

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**BLUE SKY RESOURCES LTD.
Mineral Property Report**

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11674	C	Paid to: LESSOR (M) ALBERTA ENERGY	100.00000000			Paid by: WI (C) BLUE SKY RESOUR TWTR MID (E) CNRL ARCHER EXPLORAT	35.00000000 25.00000000 25.00000000 15.00000000
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M11675	PNG	CR	Eff: Apr 04, 1991	256.000	C07911	A No	WI	TWP 71 RGE 7 W6M SEC 26
Sub: A	WI		Exp: Apr 04, 1996	256.000	BLUE SKY RESOUR		56.00000000	
ACTIVE	0591040170		Ext: 15	143.360	TWTR MID (E)		20.00000000	PNG FROM BASE PEACE_RIVER TO
	BLUE SKY RESOUR				ARCHER EXPLORAT		24.00000000	BASE CHARLIE_LAKE
100.00000000	TWTR MID (E)							
				Total Rental:	896.00			

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	143.360
UNDEVELOPED Dev:	0.000	0.000	Undev: 256.000	143.360

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: LESSOR (M) ALBERTA ENERGY	100.00000000	Paid by: WI (C) BLUE SKY RESOUR	56.00000000	

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BLUE SKY RESOURCES LTD. Mineral Property Report

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11675	A			TWTR MID (E)		20.00000000	
				ARCHER EXPLORAT		24.00000000	

M11674	PNG	CR	Eff: Mar 15, 1983	384.000	C07912 A Yes	WI	TWP 71 RGE 7 W6M SEC 27, E 28
Sub: B	WI		Exp: Mar 15, 1988	384.000	BLUE SKY RESOUR	40.83300000	
ACTIVE	0583030170		Ext: 15	156.799	TWTR MID (E)	12.50000000	PNG TO BASE PEACE_RIVER
	BLUE SKY RESOUR				CNRL	29.16700000	EXCL NG IN PADDY
100.00000000	TWTR MID (E)				ARCHER EXPLORAT	17.50000000	EXCL PNG IN CADOTTE

Total Rental: 0.00

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 384.000	156.799
UNDEVELOPED Dev:	0.000	0.000	Undev: 384.000	156.799

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:

Deduction: STANDARD

Gas: Royalty:

S/S OIL: Min:

Other Percent:

Max:

Min Pay:

Div:

Min:

Prod/Sales:

Prod/Sales:

Prod/Sales:

Paid to: LESSOR (M)
ALBERTA ENERGY 100.00000000

Paid by: WI (C)
BLUE SKY RESOUR 40.83300000
TWTR MID (E) 12.50000000
CNRL 29.16700000

BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	DoI Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11674	B			ARCHER EXPLORAT		17.50000000	
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M11674	PNG	CR	Eff: Mar 15, 1983	384.000	C07912 B Yes	WI	TWP 71 RGE 7 W6M SEC 27, 28
Sub: E	WI		Exp: Mar 15, 1988	384.000	BLUE SKY RESOUR	40.83300000	
ACTIVE	0583030170		Ext: 15	156.799	TWTR MID (E)	41.66700000	PNG IN CADOTTE
	BLUE SKY RESOUR				ARCHER EXPLORAT	17.50000000	
100.00000000	TWTR MID (E)		Count Acreage = No				

Total Rental: 1344.00

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	384.000	156.799
UNDEVELOPED Dev:	0.000	0.000	384.000	156.799

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: LESSOR (M)		Paid by: WI (C)		
ALBERTA ENERGY	100.00000000	BLUE SKY RESOUR	40.83300000	
		TWTR MID (E)	41.66700000	
		ARCHER EXPLORAT	17.50000000	

**BLUE SKY RESOURCES LTD.
 Mineral Property Report**

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held
M11674	PNG	CR	Eff: Mar 15, 1983	128.000	C07912 A Yes	WI	TWP 71 RGE 7 W6M W 28
Sub: D	WI		Exp: Mar 15, 1988	128.000	BLUE SKY RESOUR	40.83300000	PNG TO BASE PEACE_RIVER
ACTIVE	0583030170		Ext: 15	52.266	TWTR MID (E)	12.50000000	EXCL NG IN PADDY
	BLUE SKY RESOUR				CNRL	29.16700000	EXCL PNG IN CADOTTE
100.00000000	TWTR MID (E)				ARCHER EXPLORAT	17.50000000	

Total Rental: 448.00

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 128.000	52.266
UNDEVELOPED Dev:	0.000	0.000	Undev: 128.000	52.266

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: LESSOR (M)		Paid by: WI (C)		
ALBERTA ENERGY	100.00000000	BLUE SKY RESOUR	40.83300000	
		TWTR MID (E)	12.50000000	
		CNRL	29.16700000	
		ARCHER EXPLORAT	17.50000000	

M11678	LICENCE	CR	Eff: Aug 08, 2002	256.000	C07863 B No	WI	TWP 71 RGE 7 W6M SEC 35
Sub: A	WI		Exp: Aug 08, 2006	256.000	BLUE SKY RESOUR	70.00000000	PNG FROM BASE PEACE_RIVER TO

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BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11678
 Sub: A
 ACTIVE 5402080024 Ext: 15 179.200 ARCHER EXPLORAT 30.00000000 BASE CHARLIE_LAKE
 BLUE SKY RESOUR
 100.00000000 TWTR MID (E) Total Rental: 896.00

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	179.200
UNDEVELOPED Dev:	0.000	0.000	Undev: 256.000	179.200

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: LESSOR (M)		Paid by: WI (C)		
ALBERTA ENERGY 100.00000000		BLUE SKY RESOUR 70.00000000		
		ARCHER EXPLORAT 30.00000000		

M11669	PNG	CR	Eff: Aug 12, 1982	256.000	C16561	A No	TRUST INT	TWP 71 RGE 8 W6M SEC 3
Sub: A	WI		Exp: Aug 12, 1987	256.000	BLUE SKY RESOUR			PNG TO TOP NIKANASSIN
TRUST	0582080156	Ext: 15		0.000	CNRL		100.00000000	EXCL PNG IN BLUESKY
	BLUE SKY RESOUR							EXCL PNG IN DOE_CREEK_MEMBER
100.00000000	BLUE SKY RESOUR	Count Acreage = No			Total Rental: 0.00			EXCL PNG IN CARDIUM
								EXCL PNG IN PADDY

**BLUE SKY RESOURCES LTD.
Mineral Property Report**

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11669							
Sub: A	Status	Hectares	Net		Hectares	Net	EXCL PNG IN CADOTTE
	NON PRODUCING Prod:	0.000	0.000	NProd:	256.000	0.000	EXCL PNG IN CADOMIN
	UNDEVELOPED Dev:	0.000	0.000	Undev:	256.000	0.000	(EXCL 100/10-03-071-08W6/00 & /05 WELLBORE AND PRODUCTION THEREFROM)

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: DEPOSITO (M)		Paid by: TRUST INT(C)		
MIN OF FINANCE	100.00000000	BLUE SKY RESOUR		
		CNRL	100.00000000	

M11669	PNG	CR	Eff: Aug 12, 1982	256.000	C16561	B No	TRUST INT	TWP 71 RGE 8 W6M SEC 3
Sub: B	WI		Exp: Aug 12, 1987	256.000	BLUE SKY RESOUR			
TRUST	0582080156		Ext: 15	0.000	CNRL	100.00000000		PNG IN BLUESKY
100.00000000	BLUE SKY RESOUR							(EXCLUDING
	BLUE SKY RESOUR	Count Acreage = No	Total Rental: 0.00					100/10-03-071-08W5/03
								COMMINGLED BLUESKY WELLBORE AND
								PRODUCTION)
	Status	Hectares	Net		Hectares	Net		
	NON PRODUCING Prod:	0.000	0.000	NProd:	256.000	0.000		
	UNDEVELOPED Dev:	0.000	0.000	Undev:	256.000	0.000		

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**BLUE SKY RESOURCES LTD.
Mineral Property Report**

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11669

B

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: DEPOSITO(M)		Paid by: TRUST INT(C)		
MIN OF FINANCE	100.00000000	BLUE SKY RESOUR		
		CNRL	100.00000000	

M11669	PNG	CR	Eff: Aug 12, 1982	256.000	C16561	C No	TRUST INT	TWP 71 RGE 8 W6M SEC 3
Sub: C	WI		Exp: Aug 12, 1987	256.000	BLUE SKY RESOUR			
TRUST	0582080156		Ext: 15	0.000	CNRL		100.00000000	PNG IN DOE_CREEK_MEMBER; PNG IN NIKANASSIN
100.00000000	BLUE SKY RESOUR							(EXCLUDING 100/10-03-071-08W5/02 COMMINGLED NIKANASSIN WELLBORE AND PRODUCTION)
	BLUE SKY RESOUR	Count Acreage =	No		Total Rental:	0.00		(EXCLUDING 100/10-03-071-08W5/04 WELLBORE AND PRODUCTION)
	Status	Hectares	Net	Hectares	Net			
	NON PRODUCING Prod:	0.000	0.000	NProd:	256.000	0.000		
	UNDEVELOPED Dev:	0.000	0.000	Undev:	256.000	0.000		

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD

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BLUE SKY RESOURCES LTD. Mineral Property Report

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11669	C	Roy Percent: Deduction: STANDARD Gas: Royalty: S/S OIL: Min: Other Percent:						
		Max:		Min Pay:		Prod/Sales:		
				Div:		Prod/Sales:		
				Min:		Prod/Sales:		
		Paid to: DEPOSITO (M)		Paid by: TRUST INT (C)				
		MIN OF FINANCE	100.00000000	BLUE SKY RESOUR				
				CNRL		100.00000000		

M11669	PNG	CR	Eff: Aug 12, 1982	256.000	C07901 D Yes	BPEN	TWP 71 RGE 8 W6M SEC 3
Sub: D	WI		Exp: Aug 12, 1987	256.000	BLUE SKY RESOUR	100.00000000	
ACTIVE	0582080156		Ext: 15	256.000	ARCHER EXPLORAT		(100/10-03-071-08W6/02 WELLBORE AND PRODUCTION)
100.00000000	BLUE SKY RESOUR		Count Acreage = No		Total Rental: 0.00		

Status	Hectares	Net	Hectares	Net	----- Well U.W.I.	Status/Type -----
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	256.000	100/10-03-071-08-W6/02 SUSP/GAS	
DEVELOPED Dev:	256.000	256.000	Undev: 0.000	0.000		

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:

**BLUE SKY RESOURCES LTD.
 Mineral Property Report**

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11669	D	Paid to: DEPOSITO(M) MIN OF FINANCE	100.00000000			Paid by: BPEN (C) BLUE SKY RESOUR ARCHER EXPLORAT	100.00000000	
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M11669	PNG	CR	Eff: Aug 12, 1982	256.000	C07901	E Yes	BPEN	TWP 71 RGE 8 W6M SEC 3
Sub: E	WI		Exp: Aug 12, 1987	256.000	BLUE SKY RESOUR		66.66700000	
ACTIVE	0582080156		Ext: 15	170.668	ARCHER EXPLORAT		33.33300000	(100/10-03-071-08W6/03 WELLBORE AND PRODUCTION)
100.00000000	BLUE SKY RESOUR	Count Acreage =	No	Total Rental:	0.00			

Status	Hectares	Net	Hectares	Net	----- Well U.W.I.	Status/Type -----
NON PRODUCING Prod:	0.000	0.000	NProd:	256.000	170.668	100/10-03-071-08-W6/03 COMMING/UND
DEVELOPED Dev:	64.000	42.667	Undev:	192.000	128.001	

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:

Paid to: DEPOSITO(M) MIN OF FINANCE	100.00000000	Paid by: BPEN (C) BLUE SKY RESOUR ARCHER EXPLORAT	66.66700000 33.33300000
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**BLUE SKY RESOURCES LTD.
Mineral Property Report**

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

M11669	PNG	CR	Eff: Aug 12, 1982	256.000	C07901 F	Yes	BPEN	TWP 71 RGE 8 W6M SEC 3
Sub: F	WI		Exp: Aug 12, 1987	256.000	BLUE SKY RESOUR		100.00000000	
ACTIVE	0582080156		Ext: 15	256.000	ARCHER EXPLORAT			(100/10-03-071-08W6/00,100/10-03-071-08W6/04 AND 00/10-03-071-08W6/05 WELLBORES AND PRODUCTION)
100.00000000	BLUE SKY RESOUR				Total Rental:	896.00		

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	256.000
DEVELOPED Dev:	256.000	256.000	Undev: 0.000	0.000

----- Well U.W.I. Status/Type -----
100/10-03-071-08-W6/00 ABAND/UND
100/10-03-071-08-W6/04 STDG/CASED
100/10-03-071-08-W6/05 STDG/CASED

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: DEPOSITO(M)		Paid by: BPEN (C)		
MIN OF FINANCE 100.00000000		BLUE SKY RESOUR 100.00000000		
		ARCHER EXPLORAT		

M11669	PNG	CR	Eff: Aug 12, 1982	256.000	C16561 L	No	TRUST INT	TWP 71 RGE 8 W6M SEC 3
Sub: G	WI		Exp: Aug 12, 1987	256.000	BLUE SKY RESOUR			
TRUST	0582080156		Ext: 15	0.000	CNRL		100.00000000	ALL PNG IN CARDIUM; ALL PNG IN PADDY; ALL PNG IN CADOTTE; ALL PNG IN CADOMIN
100.00000000	BLUE SKY RESOUR	Count Acreage = No			Total Rental:	0.00		

BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11669

Sub: G

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	0.000
UNDEVELOPED Dev:	0.000	0.000	Undev: 256.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: DEPOSITO (M)		Paid by: TRUST INT(C)		
MIN OF FINANCE	100.00000000	BLUE SKY RESOUR		
		CNRL	100.00000000	

M11709	LICENCE CR	Eff: Dec 07, 1995	256.000	C07917 F No	WI	TWP 71 RGE 8 W6M SEC 4
Sub: C	WI	Exp: Dec 07, 1999	256.000	BLUE SKY RESOUR	30.00000000	PNG IN HALFWAY
ACTIVE	5495120036	Ext: 15	76.800	OVINTIV U	40.00000000	
	BLUE SKY RESOUR			ARCHER EXPLORAT	30.00000000	
100.00000000	OVINTIV U	Count Acreage = No				

Total Rental: 896.00

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	76.800
UNDEVELOPED Dev:	0.000	0.000	Undev: 256.000	76.800

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**BLUE SKY RESOURCES LTD.
 Mineral Property Report**

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11709
 Sub: C

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: LESSOR (M)		Paid by: WI (C)		
ALBERTA ENERGY 100.00000000		BLUE SKY RESOUR 30.00000000		
		OVINTIV U 40.00000000		
		ARCHER EXPLORAT 30.00000000		

M11709	LICENCE CR	Eff: Dec 07, 1995	256.000	C07915 O No	WI	TWP 71 RGE 8 W6M SEC 4
Sub: I	WI	Exp: Dec 07, 1999	256.000	BLUE SKY RESOUR	70.00000000	PNG FROM BASE FERNIE_GROUP TO
ACTIVE	5495120036	Ext: 15	179.200	ARCHER EXPLORAT	30.00000000	BASE CHARLIE_LAKE
	BLUE SKY RESOUR	Ext: Dec 31, 3000				EXCL PNG IN CHARLIE_LAKE
100.00000000	OVINTIV U			Total Rental:	0.00	

Status	Hectares	Net	Hectares	Net	----- Well U.W.I.	Status/Type -----
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	179.200	100/09-04-071-08-W6/00	STDG/CASED
DEVELOPED Dev:	256.000	179.200	Undev: 0.000	0.000	100/09-04-071-08-W6/02	SUSP/GAS

Royalty / Encumbrances

**BLUE SKY RESOURCES LTD.
Mineral Property Report**

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
	CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
	Roy Percent:				
	Deduction: STANDARD				
M11709	Gas: Royalty:		Min Pay:		Prod/Sales:
	S/S OIL: Min:	Max:	Div:		Prod/Sales:
	Other Percent:		Min:		Prod/Sales:
	Paid to: DEPOSITO(M)		Paid by: WI (C)		
	MIN OF FINANCE	100.00000000	BLUE SKY RESOUR	70.00000000	
			ARCHER EXPLORAT	30.00000000	

M11709	LICENCE CR	Eff: Dec 07, 1995	256.000	C16561 D No	TRUST INT	TWP 71 RGE 8 W6M SEC 4
Sub: K	WI	Exp: Dec 07, 1999	256.000	BLUE SKY RESOUR		PNG TO BASE FERNIE_GROUP
TRUST	5495120036	Ext: 15	0.000	CNRL	100.00000000	
	BLUE SKY RESOUR					
100.00000000	OVINTIV U	Count Acreage = No		Total Rental: 0.00		

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	0.000
UNDEVELOPED Dev:	0.000	0.000	Undev: 256.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:

BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

Other Percent:	Min:	Prod/Sales:
Paid to: DEPOSITO(M) MIN OF FINANCE 100.00000000	Paid by: TRUST INT(C) BLUE SKY RESOUR CNRL	100.00000000

M11681	PNG	CR	Eff: Oct 17, 1996	128.000	C07896	D No	WI	TWP 71 RGE 8 W6M W 10
Sub: B	WI		Exp: Oct 17, 2001	128.000	BLUE SKY RESOUR		56.00000000	PNG BELOW BASE FERNIE_GROUP TO
ACTIVE	0596100577		Ext: 15	71.680	CNRL		20.00000000	BASE CHARLIE_LAKE
100.00000000	OVINTIV U				ARCHER EXPLORAT		24.00000000	

Total Rental: 448.00

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 128.000	71.680
UNDEVELOPED Dev:	0.000	0.000	Undev: 128.000	71.680

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: LESSOR (M) ALBERTA ENERGY 100.00000000		Paid by: WI (C) BLUE SKY RESOUR 56.00000000 CNRL 20.00000000		

BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11681	B			ARCHER EXPLORAT		24.00000000	
M11682	PNG	CR	Eff: Jan 09, 1997	256.000	C07896 E No	WI	TWP 71 RGE 8 W6M SEC 10
Sub: A	WI		Exp: Jan 09, 2002	256.000	BLUE SKY RESOUR	56.00000000	PNG TO BASE OF DOE_CREEK_MEMBER
ACTIVE	0597010396		Ext: 15	143.360	CNRL	20.00000000	
	BLUE SKY RESOUR				ARCHER EXPLORAT	24.00000000	
100.00000000	BLUE SKY RESOUR						

Total Rental: 896.00

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	143.360
UNDEVELOPED Dev:	0.000	0.000	Undev: 256.000	143.360

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: LESSOR (M)		Paid by: WI (C)		
ALBERTA ENERGY 100.00000000		BLUE SKY RESOUR 56.00000000		
		CNRL 20.00000000		
		ARCHER EXPLORAT 24.00000000		

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BLUE SKY RESOURCES LTD. Mineral Property Report

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held
M11683	PNG	CR	256.000	C07899	B No	WI	TWP 71 RGE 8 W6M SEC 11
Sub: A	WI		256.000	BLUE SKY RESOUR		60.00000000	PNG TO BASE DOE_CREEK_MEMBER
ACTIVE	0597010397		153.600	CNRL		20.00000000	
	BLUE SKY RESOUR			ARCHER EXPLORAT		20.00000000	
100.00000000	BLUE SKY RESOUR						

Total Rental: 896.00

----- Well U.W.I. Status/Type -----
100/04-11-071-08-W6/02 SUSP/GAS

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	256.000	153.600
DEVELOPED Dev:	256.000	153.600	0.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: LESSOR (M)		Paid by: WI (C)		
ALBERTA ENERGY	100.00000000	BLUE SKY RESOUR	60.00000000	
		CNRL	20.00000000	
		ARCHER EXPLORAT	20.00000000	

M11684	LICENCE	CR	256.000	C07863	D No	WI	TWP 71 RGE 8 W6M SEC 13
Sub: A	WI		256.000	BLUE SKY RESOUR		70.00000000	PNG BELOW BASE FERNIE_GROUP TO
ACTIVE	5494010133		179.200	ARCHER EXPLORAT		30.00000000	BASE HALFWAY
	BLUE SKY RESOUR						EXCL PNG IN HALFWAY

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BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11684

Sub: A

100.00000000 OVINTIV U

Total Rental: 896.00

Status		Hectares	Net		Hectares	Net	----- Well U.W.I.	Status/Type -----
PRODUCING	Prod:	256.000	179.200	NProd:	0.000	0.000	102/09-13-071-08-W6/00	ABAND/GAS
DEVELOPED	Dev:	256.000	179.200	Undev:	0.000	0.000	102/09-13-071-08-W6/02	COMMING/UND
							102/09-13-071-08-W6/03	STDG/CASED
							102/09-13-071-08-W6/04	COMMING/UND

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: DEPOSITO(M)		Paid by: WI	(C)	
MIN OF FINANCE	100.00000000	BLUE SKY RESOUR		70.00000000
		ARCHER EXPLORAT		30.00000000

M11684	LICENCE CR	Eff: Jan 20, 1994	0.000	C16158 A	Not Applicable	TRUST INT	TWP 71 RGE 8 W6M SEC 13
Sub: G	WI	Exp: Jan 20, 1998	0.000	BLUE SKY RESOUR		100.00000000	PNG TO BASE FERNIE_GROUP
TRUST	5494010133	Ext: 15	0.000	OVINTIV U			
	BLUE SKY RESOUR						
100.00000000	OVINTIV U	Count Acreage = No		Total Rental:		0.00	

Status	Hectares	Net	Hectares	Net
--------	----------	-----	----------	-----

BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

Other Percent:	Min:	Prod/Sales:
Paid to: DEPOSITO(M) MIN OF FINANCE 100.00000000	Paid by: WI (M) BLUE SKY RESOUR 100.00000000	

M11686	PNG	CR	Eff: May 05, 1988	256.000	C07902	A No	POOL INT	TWP 71 RGE 8 W6M SEC 22
Sub: A	WI		Exp: May 05, 1993	256.000	BLUE SKY RESOUR		33.33500000	PNG TO BASE DOE_CREEK_MEMBER
ACTIVE	0588050178		Ext: 15	85.338	ARCHER EXPLORAT		50.00000000	
	SATURN O&G INC.				DEWPOINT RE (D)		8.15450000	
100.00000000	ARCHER EXPLORAT				DAROIL ENG		8.51050000	----- Well U.W.I. Status/Type ----- 100/08-22-071-08-W6/00 PRODUCING/GAS
				Total Rental:	896.00			

Status		Hectares	Net		Hectares	Net
PRODUCING	Prod:	256.000	85.338	NProd:	0.000	0.000
DEVELOPED	Dev:	256.000	85.338	Undev:	0.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:	Min Pay:	Prod/Sales:		
S/S OIL: Min:	Max:	Div:	Prod/Sales:	
Other Percent:		Min:	Prod/Sales:	
Paid to: LESSOR (M) ALBERTA ENERGY 100.00000000	Paid by: PREPOOL2(C) ARCHER EXPLORAT 100.00000000			

**BLUE SKY RESOURCES LTD.
 Mineral Property Report**

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11686 A ROYALTY DEDUCTIONS - Apr 12, 2012
 THIS IS A NON-CROSS CONVEYED POOLING, RENTALS/ROYALTIES/TAXES ARE PAID BY
 PRE-POOLED INTEREST.

M11687	PNG	CR	Eff: Feb 07, 1985	256.000	C07902	A No	POOL INT	TWP 71 RGE 8 W6M SEC 23
Sub: A	WI		Exp: Feb 07, 1990	256.000	BLUE SKY RESOUR		33.33500000	PNG TO BASE DOE_CREEK_MEMBER
ACTIVE	0585020112		Ext: 15	85.338	ARCHER EXPLORAT		50.00000000	
		ARCHER EXPLORAT			DEWPOINT RE (D)		8.15450000	
100.00000000		BLUE SKY RESOUR			DAROIL ENG		8.51050000	----- Well U.W.I. Status/Type ----- 100/08-23-071-08-W6/00 SUSP/GAS
				Total Rental:	896.00			

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd:	256.000
DEVELOPED Dev:	256.000	85.338	Undev:	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: DEPOSITO (M)		Paid by: PPOL1-DEL(C)		
MIN OF FINANCE 100.00000000		BLUE SKY RESOUR 100.00000000		
		DEWPOINT RE (D)		

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**BLUE SKY RESOURCES LTD.
 Mineral Property Report**

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11687 A DAROIL ENG

ROYALTY DEDUCTIONS - Apr 12, 2012

THIS IS A NON-CROSS CONVEYED POOLING, RENTALS/ROYALTIES/TAXES ARE PAID BY
 PRE-POOLED INTEREST.

M11684	LICENCE CR	Eff: Jan 20, 1994	256.000	C16158 A	Not Applicable	TRUST INT	TWP 71 RGE 8 W6M SEC 24
Sub: D	WI	Exp: Jan 20, 1998	256.000	BLUE SKY RESOUR		100.00000000	PNG TO BASE DOE_CREEK_MEMBER
TRUST	5494010133	Ext: 15	256.000	OVINTIV U			EXCL PNG IN DOE_CREEK_MEMBER
100.00000000	OVINTIV U	Count Acreage = No		Total Rental:		0.00	

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	256.000
UNDEVELOPED Dev:	0.000	0.000	Undev: 256.000	256.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: DEPOSITO(M)		Paid by: PAIDBY (R)		
MIN OF FINANCE 100.00000000		PIPESTN(E) 100.00000000		

BLUE SKY RESOURCES LTD.
Mineral Property Report

REPORTED IN HECTARES

Province: ALBERTA
Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held
M11684	LICENCE CR	Eff: Jan 20, 1994	256.000	C07863 B No		WI	TWP 71 RGE 8 W6M SEC 24
Sub: E	WI	Exp: Jan 20, 1998	256.000	BLUE SKY RESOUR		70.00000000	PNG FROM BASE FERNIE_GROUP TO
ACTIVE	5494010133	Ext: 15	179.200	ARCHER EXPLORAT		30.00000000	TOP HALFWAY
	BLUE SKY RESOUR						
100.00000000	OVINTIV U	Count Acreage = No		Total Rental: 896.00			

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	179.200
UNDEVELOPED Dev:	0.000	0.000	Undev: 256.000	179.200

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: DEPOSITO(M)		Paid by: WI (C)		
MIN OF FINANCE 100.00000000		BLUE SKY RESOUR 70.00000000		
		ARCHER EXPLORAT 30.00000000		

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held
M11684	LICENCE CR	Eff: Jan 20, 1994	256.000	C16561 F No		TRUST INT	TWP 71 RGE 8 W6M SEC 24
Sub: F	WI	Exp: Jan 20, 1998	256.000	BLUE SKY RESOUR			PNG FROM BASE DOE_CREEK_MEMBER
TRUST	5494010133	Ext: 15	0.000	CNRL		100.00000000	TO BASE FERNIE_GROUP
	BLUE SKY RESOUR						
100.00000000	OVINTIV U	Count Acreage = No		Total Rental: 0.00			

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BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11684
 Sub: F

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	0.000
UNDEVELOPED Dev:	0.000	0.000	Undev: 256.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: DEPOSITO(M)		Paid by: TRUST INT(C)		
MIN OF FINANCE	100.00000000	BLUE SKY RESOUR		
		CNRL	100.00000000	

M28907	PNG	CR	Eff: Feb 24, 2000	256.000	C14534	A No	WI	TWP 71 RGE 8 W6M SEC 25
Sub: A	WI		Exp: Feb 24, 2005	256.000	KELT EXPLOR (E)		5.00000000	PNG TO BASE DOE_CREEK_MEMBER
ACTIVE	0500020557		Ext: 15	221.868	LOOKOUT ENTERPR		8.33300000	
	BLUE SKY RESOUR				BLUE SKY RESOUR		86.66700000	
100.00000000	BLUE SKY RESOUR							

Total Rental: 896.00

----- Well U.W.I. Status/Type -----
 100/07-25-071-08-W6/00 ABAND/UND

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	221.868
DEVELOPED Dev:	64.000	55.467	Undev: 192.000	166.401

BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
 Area : ELMWORTH

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M28907
 Sub: A

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C14539 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	100.00000000 % of PROD
	Roy Percent: 2.50000000				
	Deduction: YES				
	Gas: Royalty:		Min Pay:		Prod/Sales:
	S/S OIL: Min:	Max:	Div:		Prod/Sales:
	Other Percent:		Min:		Prod/Sales:
	Paid to: ROY TO (C)		Paid by: ROY BY (C)		
	FREEHOLD PRTN 100.00000000		BLUE SKY RESOUR 86.66700000		
			LOOKOUT ENTERPR 8.33300000		
			KELT EXPLOR (E) 5.00000000		

ROYALTY DEDUCTIONS - Dec 02, 2008

OIL - TREATING, TRANSPORTATION; GAS - GATHERING, COMPRESSING, TREATING,
 TRANSPORTING AND PROCESSING AS ALLOWED BY THE CROWN. CANNOT REDUCE
 ROYALTY BELOW 60% OF THE GROSS PROCEEDS OF SALE.

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:

BLUE SKY RESOURCES LTD. Mineral Property Report

Province: ALBERTA
 Area : KNOPCIK

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held
M07888	PNG CR		0.000	C05632	A No	WI	(FOR THE 100/09-18-074-09-W6/00 WELL ONLY)
Sub: B	WI		0.000	TAMARACK(E)		69.50000000	(FOR THE 100/09-18-074-09-W6/00 WELL ONLY)
ACTIVE	0501100394		0.000	DEWPOINT RE (D)		14.75000000	
	TAMARACK(E)			DAROIL ENG		15.75000000	
	TAMARACK(E)						
		Count Acreage = No					
			Total Rental:	0.00			

Status	Hectares	Net	NProd:	Hectares	Net
Prod:	0.000	0.000		0.000	0.000
Dev:	0.000	0.000	Undev:	0.000	0.000

----- Well U.W.I. Status/Type -----
 100/09-18-074-09-W6/00 PRODUCING/OIL

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:				
S/S OIL: Min:	Max:	Min Pay:		Prod/Sales:
Other Percent:		Div:		Prod/Sales:
		Min:		Prod/Sales:

Paid to: DEPOSITO(M)
 MIN OF FINANCE 100.00000000

Paid by: PAIDBY (R)
 BLUE SKY RESOUR 53.95682300
 TAMARACK(E) 46.04317700
 DEWPOINT RE (D)
 DAROIL ENG

M11689	PNG CR		256.000	C07904	A Yes	BPO	TWP 72 RGE 7 W6M SEC 7
Sub: C	ROYALTY		256.000	ARCHER EXPLORAT		100.00000000	PNG TO BASE HALFWAY
ACTIVE	0580120237		0.000				EXCL NG TO BASE
	SATURN O&G INC.						BLUESKY_&_BULLHEAD
		Ext: Dec 31, 3000	Total Rental:	0.00			

BLUE SKY RESOURCES LTD.
Mineral Property Report

Province: ALBERTA
 Area : KNOPCIK

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11689
 Sub: C
 100.00000000 CNRL

EXCL PNG IN CHARLIE_LAKE

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	0.000
DEVELOPED Dev:	256.000	0.000	Undev: 0.000	0.000

----- Well U.W.I. Status/Type -----
 100/14-07-072-07-W6/00 SUSP/GAS
 100/14-07-072-07-W6/02 ABAND/UND

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:

Paid to: LESSOR (M) Paid by: BPO (C)
 ALBERTA ENERGY 100.00000000 ARCHER EXPLORAT 100.00000000

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C07904 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	Y	100.00000000 % of PROD
	Roy Percent:				
	Deduction: YES				
	Gas: Royalty: 15.00000000		Min Pay: \$8.87/103m3		Prod/Sales:
	S/S OIL: Min: 5.00000000	Max: 15.00000000	Div: 1/23.8365		Prod/Sales:
	Other Percent:		Min:		Prod/Sales:

Paid to: ROY TO (C) Paid by: BPO (C)

**BLUE SKY RESOURCES LTD.
Mineral Property Report**

Province: ALBERTA
Area : KNOPCIK

File Number	Lse Type	Lessor Type	Exposure	Oper.Cont.	ROFR	DOI Code	
File Status	Int Type / Lse No/Name		Gross				
Mineral Int	Operator / Payor		Net	Doi Partner(s)	*	*	Lease Description / Rights Held

(cont'd)

M11689 C BLUE SKY RESOUR 100.00000000 ARCHER EXPLORAT 100.00000000

ROYALTY DEDUCTIONS - May 11, 2011

NO ROYALTY PAYABLE ON PETROLEUM SUBSTANCES USED IN DRILLING AND PRODUCTION OPERATIONS (EXCLUDING DRILLING MUD).

M11689	PNG	CR	Eff: Dec 01, 1980	256.000	C07905 B No	POOL INT	TWP 72 RGE 7 W6M SEC 7
Sub: D	WI		Exp: Dec 01, 1985	256.000	BLUE SKY RESOUR	37.50000000	NG TO BASE BLUESKY_ &_ BULLHEAD
ACTIVE	0580120237		Ext: 15	96.000	ARCHER EXPLORAT	40.62500000	
	SATURN O&G INC.				ADVNTG NRG	15.62500000	
100.00000000	CNRL		Count Acreage = No		CNRL	6.25000000	----- Well U.W.I. Status/Type -----
							100/06-07-072-07-W6/00 STDG/CASED
							100/06-07-072-07-W6/02 SUSP/GAS
				Total Rental:	896.00		

Status	Hectares	Net	Hectares	Net
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	96.000
DEVELOPED Dev:	256.000	96.000	Undev: 0.000	0.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:				
Deduction: STANDARD				
Gas: Royalty:		Min Pay:		Prod/Sales:
S/S OIL: Min:	Max:	Div:		Prod/Sales:
Other Percent:		Min:		Prod/Sales:
Paid to: LESSOR (M)		Paid by: POOL INT (C)		

Pipelines

License Number	Segment ID #	Substance Name	Operator Name	Number of Segments	Licence Original	From Location	To Location	Length (km)
AB000044054	000000001	Natural Gas	Blue Sky Rsrcs Ltd	1	000044054	09-13-071-08W6	09-13-071-08W6	0.13
AB000044152	000000001	Natural Gas	Blue Sky Rsrcs Ltd	2	000044152	09-04-071-08W6	02-10-071-08W6	1.5
AB000044152	000000003	Natural Gas	Blue Sky Rsrcs Ltd	2	000044152	02-10-071-08W6	10-10-071-08W6	0.9
AB000045202	000000001	Natural Gas	Blue Sky Rsrcs Ltd	9	000045202	08-31-070-08W6	13-36-070-09W6	2.95
AB000045202	000000002	Natural Gas	Blue Sky Rsrcs Ltd	9	000045202	12-30-070-08W6	08-31-070-08W6	1.96
AB000045202	000000003	Natural Gas	Blue Sky Rsrcs Ltd	9	000045202	09-26-070-09W6	09-26-070-09W6	0.27
AB000045202	000000004	Natural Gas	Blue Sky Rsrcs Ltd	9	000045202	09-26-070-09W6	09-26-070-09W6	0.27
AB000045202	000000005	Natural Gas	Blue Sky Rsrcs Ltd	9	000045202	01-35-070-09W6	09-26-070-09W6	0.86
AB000045202	000000007	Natural Gas	Blue Sky Rsrcs Ltd	9	000045202	14-23-070-09W6	09-26-070-09W6	1.89
AB000045348	000000002	Sour Natural Gas	Blue Sky Rsrcs Ltd	1	000045348	16-35-070-09W6	13-36-070-09W6	0.47
AB000045349	000000002	Fuel Gas	Blue Sky Rsrcs Ltd	1	000045349	13-36-070-09W6	16-35-070-09W6	0.47
AB000052640	000000014	Sour Natural Gas	Ovintiv Cda ULC	27	000044055	16-12-071-09W6	15-07-071-08W6	1.32
AB000052640	000000015	Sour Natural Gas	Ovintiv Cda ULC	27	000044055	15-07-071-08W6	07-19-071-08W6	2.81
AB000052640	000000021	Sour Natural Gas	Ovintiv Cda ULC	27	000044055	07-19-071-08W6	14-30-071-08W6	2.49
AB000059089	000000004	Sour Natural Gas	Ovintiv Cda ULC	74	000037887	02-30-072-08W6	06-19-073-08W6	9.1
AB000059211	000000531	Natural Gas	Cenovus Enrg Inc	639	000015274	06-18-070-08W6	01-14-070-09W6	3.49
AB000063533	000000002	Natural Gas	Archer Expl Corp	3	000026062	14-07-072-07W6	16-27-071-08W6	9.25
AB000064459	000000001	Natural Gas	Ovintiv Cda ULC	1	000050795	08-20-070-08W6	07-20-070-08W6	0.32

Facilities

Facility File Number	Location	Sort Location	Facility Name	NON-OP	lookup (Petrinex)	Contract Operator Short Name	License Number	BATTERY/STATUS	Facility Type	Facility Type Name
FAC04363	14-07-072-07W6M	160720707140000	NON-OP COMP 14-07-072-07W6	NON-OP	14-07-072-07W6	ARCHER EXPLORATION CORP.	0015192		CS	COMPRESSOR STATION
FAC04109	16-12-071-09W6M	160710912160000	TQN COMP 16-12-071-09W6	NON-OP	16-12-071-09W6	OVINTIV CANADA ULC	0032817		CS	COMPRESSOR STATION
FAC02353	08-13-071-09W6M	160710913080000	TQN BTY 08-13-071-09W6 (F33493)	NON-OP	08-13-071-09W6	ARCHER EXPLORATION CORP.	0033493		B	BATTERY
FAC00353	16-12-071-09W6M	160710912160000	TQN BTY 16-12-071-09W6 (F33501) (ABBT0084724)	NON-OP	16-12-071-09W6	ARCHER EXPLORATION CORP.	0033501		B	BATTERY
FAC04362	14-30-071-08W6M	160710830140000	NON-OP COMP 14-30-071-08W6	NON-OP	14-30-071-08W6	OVINTIV CANADA ULC	0033726		CS	COMPRESSOR STATION
FAC00439	16-31-070-08W6M	160700831160000	TQN BTY 16-31-070-08W6 (F40080) (ABBT0100530)	NON-OP	16-31-070-08W6	ARCHER EXPLORATION CORP.	0040080		B	BATTERY
FAC02483	16-31-070-08W6M	160700831160000	TQN BTY 16-31-070-08W6 (W 0349004) (ABBT0091041)	NON-OP	16-31-070-08W6	ARCHER EXPLORATION CORP.	W 0349004	SUSPENSION	B	BATTERY
FAC02795	16-31-070-08W6M	160700831160000	TQN BTY 16-31-070-08W6 (W 0349004) (ABBT0120876)	NON-OP	16-31-070-08W6	ARCHER EXPLORATION CORP.	W 0349004	SUSPENSION	B	BATTERY
FAC00256	08-31-070-08W6M	160700831080000	TQN BTY 08-31-070-08W6 (W 0317649) (ABBT0089556)		08-31-070-08W6	BLUE SKY RESOURCES LTD.	W 0317649	ISSUED	B	BATTERY

FACILITY_NAME	FACILITY_OPERATOR		BlueSky
DIMSDALE 14-30-71-8W6 COMPRESSOR STATION	OVINTIV CANADA ULC	COMPRESSOR F.U.	6.39%
		GATHERING FU	10.00%
		OVERALL FACILITY PARTICIPATION	7.07%
WEMBLEY SOUTH GAS GATHERING FACILITY	NUVISTA ENERGY LTD.	FU#5 SEG 5	4.88%
		FU#6 INLET SEPARATOR	4.88%
		FU#7 - FLOW SPLITTER	2.44%
		FU#8 -SEG 8	2.44%
		OVERALL FACILITY PARTICIPATION	1.95%
14-07-72-7W6 Compressor and Pipelines	ARCHER EXPLORATION CORP	14-7-72-7W6 Compressor	37.50%
		14-7-72-7W6 to 16-27-71-08W6 Pipeline (63533-2)	37.50%

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
 Telephone No.: 403-298-3324
 Fax No.: 403-265-7219
 Client File No.: 069209.27
 Cameronk@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 **Archer Exploration Corp.** (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 and any other interested party;

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.

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	RECEIVER’S CERTIFICATE
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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
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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 **June 12, 2026**, the Court approved the agreement of purchase and sale made as of [**Date of Agreement**] (the “**Sale Agreement**”) between the Receiver and Archer Exploration Corp. (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 11 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 11 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**

File Number	Split ID	Crown Agreement	Registered interest	Mineral Transfer
M11663	M11663A	Alberta PNG Lease 0595100573	TAQA (Blue Sky)- 50% CNRL - 50%	ETS
M11794	M11794A	Alberta PNG Lease 0506080568	Archer - 50% Blue Sky - 50%	ETS
M11795	M11795C	Alberta PNG Lease 0506080569	Archer - 50% Blue Sky - 50%	ETS
M11699	M11699B	Alberta PNG Licence 5498080019	Archer - 30% Blue Sky - 70%	ETS
M11707	M11707A	Alberta PNG Licence 5401110016	Archer - 50% Blue Sky - 50%	ETS
M11669	M11669D	Alberta PNG Lease 0582080156	Archer - 33.333% Blue Sky - 66.667%	ETS
M11682	M11682A	Alberta PNG Lease 0597010396	Blue Sky - 80% CNRL - 20%	ETS
M11683	M11683A	Alberta PNG Lease 0597010397	Blue Sky - 80% CNRL - 20%	ETS
M11687	M11687A	Alberta PNG Lease 0585020112	Blue Sky - 100%	ETS
M28907	M28907A	Alberta PNG Lease 0500020557	Blue Sky - 86.6667% Lookout - 8.3333 Kelt - 5%	ETS
M29535	M29535B	Alberta PNG Lease 0509040105	Archer - 75% Blue Sky - 25%	ETS
M32384	M32384A	Alberta PNG Licence 5422060090	Blue Sky - 100%	ETS

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 -

ARCHER EXPLORATION CORP., a [•] existing under the laws of [•] (herein referred to as the "**Purchaser**")

RECITALS:

- A. In accordance with the terms of that certain Asset Purchase and Sale Agreement dated as of [•], 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. Paramouncy

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:

ARCHER EXPLORATION CORP.

Per: _____
Name:
Title:

Appendix “D”

SUBSCRIPTION AGREEMENT

BETWEEN:

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

- and -

ACES CANADA SPV III ULC

Dated:

June 5, 2026

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SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT made as of June 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, properties and undertakings of **BLUE SKY RESOURCES LTD.**, and not in its personal capacity or corporate capacity (in such capacity, the "**Receiver**")

- and -

ACES CANADA SPV III ULC, a corporation existing under the laws of the Province of Alberta (the "**Purchaser**")

WHEREAS:

- A. On March 23, 2026, the Court of King's Bench of Alberta (the "**Court**") granted an order (the "**Receivership Order**") pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**") and section 13(2) of the *Judicature Act* (Alberta), whereby the Receiver was appointed as receiver and manager over all the current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of Blue Sky Resources Ltd. (the "**Debtor**");
- B. the Receiver and the Purchaser entered into negotiations for the subscription for and purchase of the Purchased Shares by the Purchaser, to be completed through a series of transactions between the Debtor and the Purchaser to proceed by way of the Reverse Vesting Order;
- C. subject to the conditions set forth in this Agreement and the issuance by the Court of the Reverse Vesting Order, the Receiver wishes to issue to the Purchaser, and the Purchaser has agreed to subscribe for and purchase from the Debtor, the Purchased Shares, upon the terms and conditions set forth herein;
- D. the Receiver shall effect the Reorganization whereby, among other things, all existing Equity Interests shall be redeemed for nominal consideration and then extinguished, immediately prior to the subscription for and purchase of the Purchased Shares by the Purchaser pursuant to this Agreement;
- E. at Closing, the Purchased Shares shall represent all of the issued and outstanding equity of the Debtor; and
- F. the Transactions contemplated by this Agreement are subject to the approval of the Court and will be consummated only pursuant to and in accordance with this Agreement and the approval of the Court pursuant to the Reverse Vesting Order.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties have agreed as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

- (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, excluding all obligations and liabilities that are Excluded Liabilities or are related to the Excluded Assets;
- (b) **"AER"** means the Alberta Energy Regulator, or any successor thereto having jurisdiction over the O&G Assets in Alberta 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;
- (a) **"Agreement"** means this subscription agreement between the Receiver and the Purchaser, including all recital and schedules attached hereto, and **"this Agreement"**, **"herein"**, **"hereto"**, **"hereof"** and similar expressions mean and refer to this subscription agreement;

- (b) "**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;
- (c) "**Applicable Regulatory Authority**" means with respect to any portion of the O&G Assets located in Alberta, the AER, with respect to any portion of the O&G Assets located in British Columbia, the BCER, and with respect to any portion of the O&G Assets located in Saskatchewan, the MER in each case only to the extent applicable. For greater certainty, in the event that portions of the O&G Assets are located in more than one of Alberta, British Columbia, and/or Saskatchewan then any reference to "Applicable Regulatory Authority" herein shall be deemed to mean the applicable combination of any of the AER, the BCER and/or the MER;
- (d) "**Articles of Amalgamation**" means the articles of amalgamation of the Debtor, as amended or amended and restated from time to time;
- (e) "**Asset Transactions**" means asset transactions occurring pursuant to the following agreements:
 - (i) the asset purchase agreement dated May 5, 2026 between Prairie Thunder Resources Inc. and the Receiver;
 - (ii) the asset purchase agreement dated May 5, 2026 between Revolution Oil & Gas Corporation and the Receiver;
 - (iii) the asset purchase agreement dated May 5, 2026 between Enercapita Energy Ltd. and the Receiver;
 - (iv) the asset purchase agreement dated May 5, 2026 between Altair Energy Ltd. and the Receiver;
 - (v) the asset purchase agreement dated May 8, 2026 between NVS Engineering Inc. and the Receiver;
 - (vi) the asset purchase agreement dated June 3, 2026 between Potts Petroleum Inc. and the Receiver;
 - (vii) the asset purchase agreement dated June 3, 2026 between Archer Exploration Corp. and the Receiver; and
 - (viii) the asset purchase agreement dated to be dated on or about June 9, 2026 between Canadian Natural Resources Limited and the Receiver.
- (f) "**Associated Infrastructure**" means the Debtor's and/or the Receiver's interest in all infrastructure and Facilities related to the surface of any lands, other than Surface Rights, used in connection with the Wells, Facilities, or pipelines, including access roads, temporary access roads, airstrips, communication towers, temporary workspace, borrow

sites, campsites, remote sumps, remote cement return pits, storages areas, disposal sites, or land treatment areas;

- (g) "**BCER**" means the British Columbia Energy Regulator, or any successor thereto having jurisdiction over the O&G Assets in British Columbia or certain of them or the operation thereof;
- (h) "**Buildings and Fixtures**" means all plants, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) situate on or under or forming part of the Lands, other than the Tangibles;
- (i) "**Business Day**" means any day other than a Saturday, a Sunday or a statutory holiday in the City of Calgary in the Province of Alberta;
- (j) "**Claim**" means any claim, action, demand, lawsuit, proceeding, arbitration, or any investigation by a Third Party or a Governmental Authority (whether pertaining to the Retained Assets, Retained Liabilities or otherwise), in each case whether asserted, threatened, pending or existing;
- (k) "**Closing**" means the completion of the Transaction pursuant to this Agreement;
- (l) "**Closing Date**" means the date on which Closing occurs, which date shall be no later than three (3) Business Days from the date on which all conditions set out in Article 4 (other than those conditions that by their nature can only be satisfied on the Closing Date) have been satisfied or waived or such other date as may be agreed upon by the Parties;
- (m) "**Closing Place**" means the office of the Receiver or its counsel, or such other place as may be agreed upon in writing by the Parties, including electronically;
- (n) "**Closing Sequence**" has the meaning ascribed thereto in the Section 3.3;
- (o) "**Common Shares**" means common shares in the capital of the Debtor;
- (p) "**Conditions Certificate**" has the meaning ascribed thereto in Section 3.4(b)(ii);
- (q) "**Confidential Materials**" has the meaning ascribed thereto in Section 9.13;
- (r) "**Confidentiality Agreement**" means the confidentiality agreement between the Purchaser and the Receiver and executed prior to the date hereof in respect of the evaluation by the Purchaser of potential transactions involving the O&G Assets of the Debtor;
- (s) "**Court**" has the meaning ascribed thereto in the recitals;
- (t) "**Cure Costs**" means, in respect of any Retained Contract, all amounts which are required to be paid in order to secure a counterparty's or any other necessary Person's consent to the change of control of the Debtor pursuant to the terms of such Retained Contract (including any deposits or other forms of security required by any Governmental Authority) or as may be required pursuant to the Reverse Vesting Order or under Applicable Law;
- (u) "**Debtor**" has the meaning ascribed thereto in the recitals;

- (v) "**Encumbrances**" means all security interests (whether contractual, statutory, or otherwise), hypothecs, pledges, mortgages, liens, trusts or deemed trusts (whether contractual, statutory or otherwise), 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, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Receivership Order, the Reverse Vesting Order or any other order of the Court; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of Alberta or any other personal property registry system;
- (w) "**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);
- (x) "**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;
- (y) "**Environmental Liabilities**" means all past, present and future Losses, Claims and other duties and obligations, whether arising under contract, Applicable Law or otherwise, arising from, relating to or associated with:
 - (i) Abandonment and Reclamation Obligations;
 - (ii) 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;
 - (iii) 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;
 - (iv) compliance with or the consequences of any non-compliance with, or violation or breach of, any Environmental Law;
 - (v) any seismic programs conducted on or in respect of the Lands, or any lands pooled or unitized therewith;
 - (vi) sampling, monitoring or assessing the Environment or any potential impacts thereon from any past, present or future activities or operations; or

- (vii) the protection, reclamation, remediation or restoration of the Environment, including related human health and safety;

that relate to or arise by virtue of the Retained Assets or the ownership thereof or any past, present or future operations and activities conducted in connection with the Retained Assets or on or in respect of the Lands or any lands pooled or unitized therewith, but excluding all obligations and liabilities that are Excluded Liabilities or are related to the Excluded Assets;

- (z) "**Equity Interests**" includes, in respect of the Debtor: (i) any shares, interests, participations or other equivalents (however designated) of capital stock or share capital; (ii) any phantom stock, phantom stock rights, stock appreciation rights or stock-based performance securities; (iii) any warrants, options, convertible, exchangeable or exercisable securities, subscriptions, rights (including any pre-emptive or similar rights), calls or other rights to purchase or acquire any of the foregoing; and (iv) any interest that constitutes an "equity interest" as such term is defined in the BIA;
- (aa) "**Excluded Assets**" means those assets set forth on Schedule "C";
- (bb) "**Excluded Liabilities**" means all obligations and liabilities arising out of or related to the Excluded Assets;
- (cc) "**Facilities**" means all of the right, title and interest of the Debtor or the Receiver 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 any Petroleum Substances under the Leases, including any applicable battery, separator, compressor station, gathering system, pipeline, production storage facility or warehouse;
- (dd) "**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 Retained Assets or the Transactions, including for greater certainty any Applicable Regulatory Authority;
- (ee) "**GST**" means the goods and services tax payable pursuant to the GST Legislation;
- (ff) "**GST Legislation**" means Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and the regulations promulgated thereunder, all as amended from time to time;
- (gg) "**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;

- (hh) **"Indemnified Parties"** and **"Indemnified Party"** have the meanings ascribed thereto in Section 6.1;
- (ii) **"Lands"** means all lands and formations in or to which the Debtor and/or the Receiver has right, title or interest, subject to the Title and Operating Documents, including the Petroleum Substances within, upon or under such lands, or any lands pooled or unitized therewith;
- (jj) **"Leases"** means the leases, licenses, permits, reservations and other documents of title and agreements by virtue of which the Debtor and/or the Receiver is entitled to explore for, recover, remove or dispose of Petroleum Substances within, upon or under the Lands or lands with which the Lands are pooled or unitized including those leases, licenses, permits, reservations and other documents of title and agreements, but only to the extent they pertain to the Lands, and includes, if applicable, all renewals and extensions of those documents and all documents issued in substitution therefor;
- (kk) **"Losses"** means all actions, causes of action, losses, costs, Claims, damages, penalties, assessments, charges, expenses, and other liabilities and obligations which a Party suffers, sustains, pays or incurs, including reasonable legal fees and other professional fees and disbursements on a full-indemnity basis;
- (ll) **"MER"** means the Saskatchewan Ministry of Energy and Resources, or any successor thereto having jurisdiction over the O&G Assets in Saskatchewan or certain of them or the operation thereof;
- (mm) **"Miscellaneous Interests"** means, subject to any and all limitations and exclusions provided for in this definition, all of Debtor's and/or the Receiver's in and to all property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights, the Lands, the Wells and the Tangibles (other than the Petroleum and Natural Gas Rights, the Lands, the Wells or the Tangibles themselves), or any of them, but only to the extent that such property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights, the Lands, the Wells and the Tangibles, or any of them, including any and all of the following:
 - (i) all contracts relating to the Petroleum and Natural Gas Rights, the Lands, the Wells and the Tangibles, or any of them (including the Title and Operating Documents);
 - (ii) all warranties, guarantees and similar rights relating to the Petroleum and Natural Gas Rights, the Lands, the Wells and the Tangibles, or any of them, including warranties and guarantees made by suppliers, manufacturers and contractors under the O&G Assets, and claims against other Third Parties in connection with the contracts relating to the Petroleum and Natural Gas Rights, the Lands, the Wells 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, the Lands, the Wells and the Tangibles, or any of them;

- (v) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights, the Lands, the Wells and the Tangibles, or any 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;

however, the Miscellaneous Interests shall not include: (x) the Transferred Assets or the Transferred Contracts; (y) agreements, documents or data to the extent that they solely consist of the Transferred Assets or the Transferred Contracts; or (z) the Excluded Assets;

- (nn) "**O&G Assets**" means the Petroleum and Natural Gas Rights, Tangibles and Miscellaneous Interests (including for certainty, the Debtor's and/or the Receiver's interest in the Wells) but excluding, for greater certainty, the Excluded Assets;
- (oo) "**Order**" means all judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, injunctions, orders, decisions, rulings, determinations, awards, or decrees of any Governmental Authority (in each case, whether temporary, preliminary or permanent);
- (pp) "**Outside Date**" means July 15, 2026, or such other date as may be agreed upon between the parties in writing;
- (qq) "**Parties**" means, collectively, all of the parties to this Agreement; and "**Party**" means a party to this Agreement;
- (rr) "**Permits**" means, all licences, permits, approvals and authorizations granted or issued by any Governmental Authorities and relating to the construction, installation, ownership, use or operation of the Retained Assets;
- (ss) "**Person**" means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;
- (tt) "**Petroleum and Natural Gas Rights**" means all of Debtor's and/or the Receiver's right, title and interest in and to:
 - (i) rights in, or rights to explore or drill for and to recover, produce, save and market, Petroleum Substances;
 - (ii) rights to a share of production of Petroleum Substances therefrom;
 - (iii) fee simple interests and other estates in Petroleum Substances *in situ*;

(iv) working interests, carried working interests, royalty and overriding royalty interests, revenue interests, net profit interests, and similar interests in Petroleum Substances or the proceeds of the sale of Petroleum Substances or other encumbrance accruing to the Debtor and/or the Receiver or to payments calculated by reference thereto; and

(v) rights to acquire or earn any of the foregoing in paragraphs (i), (ii), (iii) and (iv);

but, in each case, only insofar as the foregoing relate to the Lands or any lands pooled or unitized therewith and only insofar as such rights are granted by the Leases (and for clarity, (i) and (ii) above include all rights arising from unit allocations);

(uu) "**Petroleum Substances**" means bitumen, crude oil, natural gas, natural gas liquids and other related hydrocarbons and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur and coalbed methane;

(vv) "**Purchase Price**" has the meaning ascribed thereto in Section 2.2;

(ww) "**Purchased Shares**" means 100 Common Shares subscribed for by the Purchaser and sold by the Debtor hereunder, or such greater or lesser number as will give the Purchaser 100% of the issued Common Shares at Closing;

(xx) "**Purchaser**" has the meaning ascribed thereto in the recitals;

(yy) "**Purchaser's Solicitors**" means Borden Ladner Gervais LLP, or such other firm or firms of solicitors as are retained or engaged by the Purchaser from time to time and notice of which is provided to the Receiver;

(zz) "**Real Property**" means all of the Debtor's and/or the Receiver's right, title and interest in and to all real property (apart from the O&G Assets), if any, including all Buildings and Fixtures;

(aaa) "**Receiver**" has the meaning ascribed thereto in the recitals;

(bbb) "**Receiver's Certificate**" means the certificate to be filed by the Receiver certifying that all conditions of Closing of the Transactions contemplated by this Agreement and approved by the Reverse Vesting Order have been satisfied;

(ccc) "**Receiver'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 Receiver from time to time and notice of which is provided to the Purchaser;

(ddd) "**Receivership Order**" has the meaning ascribed thereto in the recitals;

(eee) "**Receivership Proceedings**" means the receivership proceedings commenced in respect of the Debtor pursuant to the Receivership Order;

(fff) "**Reorganization**" means the reorganization to be effected by the Receiver on behalf of the Debtor on the Closing Date pursuant to the statutory procedure set out in Section 192 of the *Business Corporations Act* (Alberta) whereby, among other things, the Debtor's

Articles of Amalgamation will be amended and all existing Equity Interests shall be redeemed for nominal consideration and then extinguished immediately prior to the subscription for and purchase of the Purchased Shares by the Purchaser pursuant to this Agreement.

- (ggg) "**Representative**" means, with respect to any Party, its Affiliates, and its and their respective directors, officers, agents, advisors, employees and consultants and with respect to the Debtor includes its employees and consultants, and its and their respective directors, officers, agents, advisors, employees and consultants and the Receiver;
- (hhh) "**ResidualCo**" means a corporation to be incorporated by the Receiver in advance of Closing, to which the Transferred Assets, Transferred Contracts, and Transferred Liabilities will be transferred to, as part of the Closing Sequence as further set out in Section 3.3 of this Subscription Agreement;
- (iii) "**ResidualCo Shares**" means the common shares of ResidualCo;
- (jjj) "**Retained Assets**" means all of the Debtor's and/or the Receiver's right, title and interest in and to the assets described under the heading "Retained Assets" and "Retained Contracts" in Schedule "B" hereto, excluding, for greater certainty, the Transferred Assets and the Excluded Assets;
- (kkk) "**Retained Contracts**" means those contracts, agreements and commitments described under the heading "Retained Contracts" in Schedule "B" hereto, excluding, for greater certainty, the Transferred Contracts and any contracts comprising the Excluded Assets;
- (lll) "**Retained Liabilities**" means those liabilities described under the heading "Retained Liabilities" in Schedule "B" hereto, excluding, for greater certainty, the Transferred Liabilities and the Excluded Liabilities;
- (mmm) "**Reverse Vesting Order**" means an Order of the Court, in substantially the form attached hereto as Schedule "A", or in such other form as may be agreed to by the Parties in writing;
- (nnn) "**Settlement Agreement**" means the settlement agreement between the Receiver and Saba Energy Ltd. duly executed and delivered by both parties thereto and approved by an Order of the Court;
- (ooo) "**Surface Rights**" means all rights to occupy, cross or otherwise use or enjoy the surface of the Lands and any lands pooled or unitized therewith or any other lands: (i) upon which the Tangibles are situate, (ii) used in connection with the ownership or operation of the Petroleum and Natural Gas Rights, the Tangibles or the Wells, or (iii) used to gain access to any of the Lands (or any lands pooled or unitized therewith), the Tangibles or the Wells, whether the same are fee simple, held by right of way or otherwise;
- (ppp) "**Tangibles**" means all of the Debtor's and/or the Receiver's right, title and interest in and to all tangible depreciable property, apparatus, plant, equipment, machinery, field inventory and facilities, if any, which are located within, upon or in the vicinity of the Lands (or any lands pooled or unitized therewith), and which are used or are intended to be used to produce, process, gather, treat, measure, store, transport, make marketable or inject or otherwise useful in exploiting any Petroleum Substances from or within the Lands (whether the Petroleum and Natural Gas Rights to which such Petroleum Substances are

allocated are owned by Debtor, the Receiver, by others or any combination thereof), including all gas plants, oil batteries, buildings, production equipment, pipelines, pipeline connections, meters, generators, motors, compressors, treaters, dehydrators, separators, pumps, tanks, boilers, communication equipment, all salvageable equipment pertaining to any Wells and all Facilities and all Associated Infrastructure;

- (qqq) "**Tax Refunds**" means all payments, subsidies, claims with respect to subsidies, credits or refunds (including payments and refunds in respect of Taxes) to which the Debtor and/or the Receiver is entitled that arose or relate to the period prior to Closing, including but not limited to: (i) any refund of goods and services taxes or harmonized sales taxes, (ii) any refund of federal or provincial income taxes, and (iii) any refund of premiums or payments relating to any provincial or federal workers' compensation fund or program;
- (rrr) "**Taxes**" means taxes, duties, fees, premiums, assessments, imposts, levies and other similar charges imposed by any Governmental Authority under Applicable Law, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, and all employment insurance, health insurance and governmental pension plan premiums or contributions;
- (sss) "**Third Party**" means any Person who is not a Party or an Affiliate of a Party;
- (ttt) "**Title and Operating Documents**" means:
 - (i) the Leases;
 - (ii) agreements relating to the acquisition, ownership, operation or exploitation of the Petroleum and Natural Gas Rights, Tangibles or the Wells, including:
 - (A) operating agreements, royalty agreements, farm-out or farm-in agreements, option agreements, participation agreements, pooling agreements, unit agreements, unit operating agreements, sale and purchase agreements and asset exchange agreements;
 - (B) agreements for the sale of Petroleum Substances that are terminable on 31 days notice or less without early termination penalty or other cost;
 - (C) agreements pertaining to the Surface Rights;
 - (D) agreements for the construction, ownership and operation of gas plants, gathering systems and other tangible depreciable property and assets;
 - (E) service agreements for the treating, gathering, storage, transportation or processing of Petroleum Substances or other substances, the injection or subsurface disposal of other substances, the use of well bores or the operation of any Tangibles or Wells by a Third Party;

- (F) the Transportation, Sale and Handling Agreements; and
- (G) the Permits and other approvals, authorizations or licences required under Applicable Law;

but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands;

- (uuu) "**Transactions**" means the issuance by the Receiver on behalf of the Debtor to the Purchaser, and the subscription for and purchase by the Purchaser, of the Purchased Shares in consideration of the Purchase Price and all matters related or ancillary to the foregoing contemplated by or in the manner provided for in this Agreement or the Reverse Vesting Order;
- (vvv) "**Transferred Assets**" means those assets described under the heading "Transferred Assets" and "Transferred Contracts" in Schedule "B" hereto, excluding, for greater certainty, the Retained Assets and the Excluded Assets;
- (www) "**Transferred Contracts**" means those contracts, agreements and commitments under the heading "Transferred Contracts" in Schedule "B" hereto, excluding, for greater certainty, the Retained Contracts and any contracts comprising the Excluded Assets;
- (xxx) "**Transferred Liabilities**" means those liabilities described under the heading "Transferred Liabilities" in Schedule "B" hereto, excluding, for greater certainty, the Retained Liabilities and the Excluded Liabilities;
- (yyy) "**Transportation, Sale and Handling Agreements**" means agreements providing for the processing, compression, treatment, gathering, storage, transportation or sale of Petroleum Substances produced from the Lands or lands pooled or unitized therewith or obligations for processing, compression, treatment, gathering, storage, transportation or sale of Petroleum Substances on behalf of Third Parties, but does not include any construction, ownership and operation agreements for similar agreements for the co-ownership of facilities; and
- (zzz) "**Wells**" means all producing, shut-in, water source, observation, disposal, injection, abandoned, suspended and similar wells located on or within the Lands or any lands pooled or unitized therewith, whether or not completed, but specifically excluding the Transferred Assets.

1.2 Headings

The words "Article", "Section", "subsection" and "Schedule" followed by a number or letter or combination thereof mean and refer to the specified Article, Section, subsection and Schedule of or to this Agreement.

1.3 Interpretation Not Affected by Headings

The division of this Agreement into Articles, Sections and subsections and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Plurals and Gender

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and *vice versa*, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders.

1.5 Schedules

There are appended to this Agreement the following Schedules pertaining to the following matters:

- Schedule "A" – Form of Reverse Vesting Order
- Schedule "B" – Transferred Assets; Transferred Liabilities; Transferred Contracts; Retained Assets; Retained Liabilities; and Retained Contracts
- Schedule "C" – Excluded Assets

Such Schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such schedules conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

1.6 Damages

All Losses in respect of which a Party has a claim pursuant to this Agreement shall include reasonable legal fees and disbursements on a full indemnity basis.

1.7 Derivatives

Where a term is defined in the body of this Agreement, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires. The word "include" and derivatives thereof shall be read as if followed by the phrase "without limitation".

1.8 Interpretation if Closing Does Not Occur

In the event that Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Purchased Shares or the Retained Assets hereunder shall be construed as having been contingent upon Closing having occurred.

1.9 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Agreement and that of a schedule, the provision of the body of this Agreement shall prevail. If any term or condition of this Agreement conflicts with a term or condition of any Applicable Law, the term or condition of such Applicable Law shall prevail, and this Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.

1.10 Currency

All dollar (\$) amounts referenced in this Agreement are expressed in the lawful currency of Canada.

ARTICLE 2 SUBSCRIPTION OF PURCHASED SHARES

2.1 Subscription for Purchased Shares

Subject to the provisions of this Agreement and the Reverse Vesting Order, on the Closing Date, the Purchaser shall subscribe for and purchase from the Receiver, and the Receiver, on behalf of the Debtor, shall issue to the Purchaser the Purchased Shares, free and clear of all Encumbrances.

2.2 Purchase Price

The aggregate consideration payable by the Purchaser for the Purchased Shares is \$1.00 (the "**Purchase Price**"). The Purchase Price shall be satisfied by payment in cash by the Purchaser to the Receiver of an amount equal to the Purchase Price.

2.3 Form of Payment

All payments to be made pursuant to this Agreement shall be in Canadian funds. All payments to be made pursuant to this Agreement shall be made by electronic wire transfer.

2.4 Excluded Assets and Excluded Liabilities

Notwithstanding any provision of this Agreement to the contrary, the Purchaser and the Receiver agree and acknowledge that the Excluded Assets and the Excluded Liabilities shall not remain with the Debtor as the Excluded Assets and the Excluded Liabilities are subject to other sale transactions involving the Receiver and Third Parties in relation with the Receivership Proceedings; *provided, however*, that pursuant to Section 3.5, certain Excluded Assets and Excluded Liabilities may be retained by the Debtor and become Retained Assets or Retained Liabilities.

ARTICLE 3 CLOSING

3.1 Date, Time and Place of Closing

Closing shall take place at the Closing Place on the Closing Date if there has been satisfaction or waiver of the conditions of Closing herein contained.

3.2 Effectiveness of Reverse Vesting Order

Subject to the other terms of this Agreement and the Reverse Vesting Order, to the extent such further action is required to give effectiveness thereto, the Receiver and ResidualCo, as applicable, shall effect the steps set forth in the Reverse Vesting Order, in the sequence and at the times specified therein, as such steps, transactions, sequence and/or times may be amended by written agreement of the Parties.

3.3 Closing

On the Closing Date, Closing shall take place in the following sequence (the "**Closing Sequence**"):

- (a) First, the Purchaser shall pay the Purchase Price to the Receiver, in trust, for and on behalf of ResidualCo;

- (b) Second, the Receiver, on behalf of the Debtor, shall transfer to and cause ResidualCo to assume the Transferred Assets and Transferred Liabilities pursuant to the Reverse Vesting Order;
- (c) Third, and concurrently with step 3.3(b) above, all of the Debtor's and/or the Receiver's right, title and interest in and to the Transferred Liabilities, but specifically excluding the Retained Liabilities, shall be transferred to, assumed by and vest absolutely and exclusively in ResidualCo for the purpose of allowing ResidualCo to continue to administer the Transferred Liabilities in accordance with the terms and conditions of the Reverse Vesting Order, for the benefit of the existing creditors of the Debtor as at the Closing Date, and:
 - (i) such Transferred Liabilities shall continue to attach to the Transferred Assets with the same nature and priority as they had immediately prior to the Closing Date, as set out in the Reverse Vesting Order;
 - (ii) such Transferred Liabilities shall be transferred to and assumed by and vest absolutely and exclusively with ResidualCo in consideration for the transfer of the Transferred Assets and the Purchase Price, such that the Transferred Liabilities shall be novated and become obligations of ResidualCo, which shall be deemed to have been party to the contracts and agreements giving rise thereto and which shall stand in place and stead of the Debtor in respect of any such liability or obligation, and shall no longer be obligations of the Debtor;
- (d) Fourth, and concurrently with step 3.3(b) above, the Receiver and the Debtor shall be forever released and discharged from all Transferred Liabilities, and all Losses and Encumbrances relating to the Transferred Assets and Transferred Liabilities shall be forever released and discharged in respect of the Receiver and the Debtor and the Retained Assets;
- (e) Fifth, the Receiver, on behalf of the Debtor, shall, pursuant to the Reorganization, amend the Debtor's Articles of Amalgamation to alter the provisions of all Equity Interests issued and outstanding immediately prior to the Closing Date, making the same redeemable and retractable, at the nominal consideration price of \$0.00001 per each such Equity Interest;
- (f) Sixth, each Equity Interest issued and outstanding immediately prior to the Closing Date shall be redeemed at the nominal redemption price of \$0.00001 each, and all such redeemed Equity Interests together with any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Debtor shall be deemed terminated and cancelled in accordance with and pursuant to the Reverse Vesting Order;
- (g) Seventh, the Debtor shall have assumed the Retained Liabilities in accordance with the Reverse Vesting Order;
- (h) Eighth, the Retained Assets will be retained by the Debtor, in each case free and clear of and from any and all Losses and Encumbrances including, without limiting the generality of the foregoing: (i) any Encumbrances or charges created by Receivership Order or any other order of the Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system or pursuant to the *Land Titles Act* (Alberta), all of which affecting or relating to the Purchased Shares and/or the Retained Assets shall be expunged and

discharged as against the Purchased Shares and Retained Assets, as applicable, other than in respect of Retained Liabilities, in accordance with the Reverse Vesting Order;

- (i) Ninth, the Receiver, on behalf of the Debtor, shall issue the Purchased Shares to the Purchaser free and clear of and from any and all Losses and Encumbrances (other than in respect of the Retained Liabilities), and the Purchase Price shall vest in ResidualCo to be administered by the Receiver (as trustee of ResidualCo) for the benefit of the Debtor's creditors;
- (j) Tenth, any directors of the Debtor immediately prior to the Closing shall resign or be deemed to resign pursuant to the Reverse Vesting Order, and such directors as the Purchaser may select shall be deemed to be appointed as the directors of the Debtor and such nominations to be effective immediately following Closing;
- (k) Eleventh, the Debtor shall cease to be an applicant in the Receivership Proceedings and the Debtor shall be deemed to be released from the purview of the Receivership Order and all other orders of the Court granted in the Receivership Proceedings;
- (l) Twelfth, ResidualCo shall replace the Debtor, as applicant and debtor, as applicable, in the Receivership Proceedings and shall be subject to the terms of all Orders granted in the Receivership Proceedings;
- (m) Thirteenth, pursuant to the Reverse Vesting Order or further Order of the Court, the Receiver's power shall be enhanced in respect of ResidualCo, including the authority to authorize and direct ResidualCo to make an assignment in bankruptcy and the Receiver shall be authorized to be appointed as trustee in bankruptcy of the estate of ResidualCo; and
- (n) Fourteenth, pursuant to the Reverse Vesting Order or further Order of the Court the Receiver shall make an assignment of ResidualCo in bankruptcy and be appointed as trustee in bankruptcy of the estate of ResidualCo.

3.4 Closing Deliveries

- (a) On the Closing Date, the Receiver shall deliver to the Purchaser:
 - (i) a true copy of the Reverse Vesting Order;
 - (ii) one or more share certificates duly executed by the Receiver on behalf of the Debtor, or other satisfactory evidence such as a notice of uncertified securities, representing, in aggregate, the Purchased Shares registered in the name of the Purchaser as directed by the Purchaser;
 - (iii) an executed copy of the Receiver's Certificate in accordance with the procedure set out in Section 4.6; and
 - (iv) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transactions.
- (b) On the Closing Date, the Purchaser shall deliver:

- (i) to the Receiver, as trustee of ResidualCo, the Purchase Price;
- (ii) to the Receiver, a certificate dated as of the Closing Date and executed by an executive officer of the Purchaser confirming and certifying that each of the conditions in Sections 4.4(a) and 4.4(b) and have been satisfied (the "**Conditions Certificate**"); and
- (iii) to the Receiver, all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Receiver to complete the Transactions.

3.5 Receivership Proceedings

The Parties acknowledge and agree that, in connection with the Receivership Proceedings, the Receiver is also in the process of completing multiple transactions whereby the assets and liabilities of the Debtor, including the Excluded Assets and Excluded Liabilities, are in the process of being sold and transferred to Third Parties and the contents of Schedule "B" and Schedule "C" have not been finalized and are subject to further amendments mutually agreed to between the Parties. During the period following execution of this Agreement and prior to the Closing Date, the Parties will finalize and settle the contents of Schedule "B" and Schedule "C", taking in account, among other things, additional transactions, or a failure of one or more of these transactions to close, additional assets or liabilities may end up being held by the Receiver in its capacity as receiver of the Debtor, and become part of the Retained Assets and Retained Liabilities. The Receiver will provide notice of any such additional assets or liabilities which may be included as part of the Retained Assets and Retained Liabilities on Closing and whether the Receiver requires an amendment to the Purchase Price in connection with the addition of any such assets or liabilities. Once amendments to Schedule "B" and Schedule "C" have been mutually determined by the Parties, the contents of Schedule "B" and Schedule "C" shall be updated accordingly.

ARTICLE 4 CONDITIONS OF CLOSING

4.1 Required Consents

- (a) Before Closing, each of the Parties shall use all reasonable efforts to obtain any and all approvals required under Applicable Law to permit closing of the Transactions. The Parties acknowledge that, except for the Reverse Vesting Order, 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, remedial work or other documentation required by Governmental Authorities to permit the transfer to the Purchaser, and registration of the Purchaser as owner and/or operator, of any of the Retained Assets, if any.
- (b) Notwithstanding anything to the contrary herein, except for the Reverse Vesting Order, it is the sole obligation of the Purchaser to obtain any Third Party consents, permissions or approvals that are required in connection with the Transactions at the Purchaser's sole cost and expense, including remedying any deficiencies under any contracts and agreements assumed by the Purchaser or that otherwise from part of the Retained Assets. Upon providing prior written notice and sufficient documentary support, all reasonable and necessary costs, fees, expenses, penalties or levies that are incurred by the Receiver in order to effect the Transactions pursuant to the Reverse Vesting Order shall be the sole responsibility of the Purchaser, and the Purchaser agrees to pay on behalf of the Receiver

any such reasonable and necessary costs, fees, expenses, penalties or levies on a timely basis.

4.2 Mutual Conditions

The obligation of the Purchaser to complete the Transactions, and of the Receiver to sell the Purchased Shares to the Purchaser, is subject to the following conditions precedent:

- (a) the Reverse Vesting Order being obtained, and shall not have been vacated, set aside, or stayed, and all conditions to the effectiveness of the Reverse Vesting Order shall have been satisfied or waived in accordance with the terms thereof, or will be satisfied and waived in accordance with the Closing;
- (b) no stay or appeal or application to vary the Reverse Vesting Order shall have been filed with the Court at any time by any Person on or before the Closing, unless such stay, appeal or application has been finally dismissed by the Court;
- (c) ResidualCo has been incorporated; and
- (d) no Applicable Law or Order will have been enacted, issued, promulgated, enforced, made, entered, issued or applied and no Claim will otherwise have been taken under any Applicable Laws or by any Governmental Authority (whether temporary, preliminary or permanent) that makes or which would reasonably be expected to make the transactions contemplated by this Agreement illegal or to otherwise directly or indirectly cease trade, enjoin, restrain or otherwise prohibit completion of the transactions contemplated by this Agreement.

4.3 Purchaser's Conditions

The obligation of the Purchaser to purchase the Purchased Shares and complete the Transactions contemplated herein is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Purchaser and may be waived by the Purchaser:

- (a) the representations and warranties of the Receiver herein contained shall be true in all material respects when made and shall remain true as of the Closing Date; and
- (b) all obligations of the Receiver contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects.

4.4 Receiver's Conditions

The obligation of the Receiver to sell the Purchased Shares and complete the Transactions contemplated herein is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of the Receiver and may be waived by the Receiver:

- (a) the representations and warranties of the Purchaser herein contained shall be true in all material respects when made and shall remain true as of the Closing Date;
- (b) all obligations of the Purchaser contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects;

- (c) all amounts to be paid by the Purchaser to the Receiver at Closing, including the Purchase Price, shall have been paid to the Receiver in the form stipulated in this Agreement.

4.5 Efforts to Fulfil Conditions Precedent

The Purchaser and the Receiver shall proceed diligently and in good faith and use all reasonable efforts to satisfy and comply with and assist in the satisfaction and compliance with the foregoing conditions precedent.

4.6 Receiver's Certificate

When the conditions set out in Section 4.3 have been satisfied and/or waived by the Purchaser, the Purchaser will deliver the Conditions Certificate to the Receiver. Upon receipt of the Conditions Certificate, the Receiver shall issue forthwith the Receiver's Certificate to the Purchaser, at which time Closing will be deemed to have occurred, and the Purchase Price and all other Closing deliverables shall be unconditionally releasable and registration may be effected. The Parties hereby acknowledge and agree that the Receiver shall be entitled to file with the Court the Receiver's Certificate. The Receiver shall have no liability to the Purchaser or any other Person as a result of filing the Receiver's Certificate. The Receiver will be relying exclusively on the basis of the Conditions Certificate and without any obligation whatsoever to verify the satisfaction or waiver of the applicable conditions.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Receiver

The Receiver makes only the following representations to the Purchaser, which representations shall not survive Closing:

- (a) pursuant to the Receivership Order, the Receiver has, among other things, been appointed by the Court as receiver and manager over all the current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of the Debtor, and such appointment is valid and subsisting and has not been varied or amended, except as set forth in the Receivership Order;
- (b) subject to obtaining the Reverse Vesting Order, the Receiver has the right to enter into this Agreement for and on behalf of the Debtor and to complete the Transactions; and
- (c) subject to obtaining the Reverse Vesting Order, this Agreement is, and all documents executed and delivered pursuant to this Agreement will be, legal, valid and binding obligations of the Receiver and the Debtor enforceable against them in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditor's right generally and subject to general principles of equity.

5.2 Representations and Warranties of the Purchaser

The Purchaser makes the following representations and warranties to the Receiver and agrees that the Receiver is relying on such representations and warranties for the purposes of entering into this Agreement:

- (a) the Purchaser is a corporation duly organized, validly existing and, as at the Closing Date, will be authorized to carry on business in the provinces in which the Retained Assets are located;
- (b) the Purchaser has good right, full power and absolute authority to purchase and acquire the Purchased Shares according to the true intent and meaning of this Agreement;
- (c) the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite corporate, shareholders', directors' or equivalent actions and will not result in any violation of, be in conflict with, or constitute a default under, any articles, charter, bylaw or other governing document to which the Purchaser is bound;
- (d) the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with, or constitute a default under, any term or provision of any agreement or document to which the Purchaser is party or by which the Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or licence applicable to the Purchaser;
- (e) this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms;
- (f) no authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body exercising jurisdiction over the Retained Assets is required for the due execution, delivery and performance by the Purchaser of this Agreement, other than authorizations, approvals or exemptions from requirements previously obtained and currently in force or to be obtained prior to or after Closing and which will not delay or impair the Closing or consummation of the Transactions contemplated herein;
- (g) the Purchaser has adequate funds available in an aggregate amount sufficient to pay: (i) all amounts required to be paid by the Purchaser under this Agreement; and (ii) all expenses which have been or will be incurred by the Purchaser in connection with this Agreement and the Transactions;
- (h) the Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the Transactions for which the Receiver shall have any obligation or liability;
- (i) the Purchaser meets all eligibility requirements of the Applicable Regulatory Authority as required to complete the Transactions hereunder;
- (j) the Purchaser is acquiring the Purchased Shares in its capacity as principal and is not purchasing the Purchased Shares for the purpose of resale or distribution to a Third Party, and is dealing at arm's length with the Debtor;
- (k) the Purchaser is an informed and sophisticated buyer, it has engaged expert advisors and is experienced in the evaluation and purchase of property and assets and assumption of liabilities such as the Purchased Shares, the Retained Assets and the Retained Liabilities, and has undertaken such investigations and has been provided with and has evaluated such

documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement;

- (l) the Purchaser acknowledges that investment in the Purchased Shares involves risk, and represents that it is able, without materially impairing its financial conditions, to hold the Purchased Shares for an indefinite period of time and to suffer a complete loss of its investment;
- (m) the Purchaser is an accredited investor, as defined by National Instrument 45-106 – *Prospectus Exemptions*, and/or that it meets one of the other prospectus exemptions under Canadian securities laws;
- (n) the Purchaser understands that the Purchased Shares are being issued to it upon an exemption from the prospectus requirements applicable under applicable Canadian securities laws and that there may be restrictions imposed on the Purchaser and the Purchased Shares which limit the Purchaser's ability to resell the Purchased Shares in Canada. Without limiting the foregoing, the Purchaser further acknowledges and agrees that any proposed transfer, resale or other disposition of the Purchased Shares shall be subject to Applicable Laws, including any restrictions and requirements under Canadian securities laws;
- (o) the Purchaser is in compliance with all the requirements of all Governmental Authorities; and
- (p) the Purchaser is not a non-Canadian person for the purposes of the *Investment Canada Act*, RSC, 1985, c. 28 (1st Supp).

5.3 Limitation of Representations by the Receiver

Notwithstanding any other provision of this Agreement, the Purchaser acknowledges, agrees and confirms that:

- (a) except for the representations and warranties of the Receiver set forth in Section 5.1, it is entering into this Agreement, acquiring the Purchased Shares (and the underlying Retained Assets and Retained Liabilities), in each case on an "as is, where is" basis as they exist as of Closing;
- (b) except as expressly stated in Section 5.1, none of the Debtor, the Receiver, ResidualCo or their respective Representatives is making, and the Purchaser is not relying on, any written or oral representations, warranties, statements, information, promises or guarantees, express or implied, statutory or otherwise, concerning the Transactions, the Debtor, the business of the Debtor, the Purchased Shares, the Retained Assets, the Retained Liabilities, the Transferred Assets and the Transferred Liabilities, including the right, title or interest of the Debtor and/or the Receiver in and to any of the foregoing, and any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Agreement, are hereby waived in their entirety by the Purchaser;
- (c) none of the Debtor, the Receiver, ResidualCo or any of their respective Representatives has made any representation or warranty as to any regulatory approvals, permits, licences,

consents, registrations, filings or authorizations that may be needed to complete the Transactions or to obtain the benefit of the Retained Assets or any portion thereof, and the Purchaser is relying entirely on its own investigation, due diligence and inquiries in connection with such matters;

- (d) the obligations of the Purchaser under this Agreement are not conditional upon any additional due diligence;
- (e) except for the representations and warranties of the Receiver set forth in Section 5.1, any information regarding or describing the Purchased Shares, the Retained Assets or the Retained Liabilities, or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Debtor, the Receiver or ResidualCo or any of their respective Representatives concerning the completeness or accuracy of such information or descriptions;
- (f) except as otherwise expressly provided in this Agreement, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or claims the Purchaser might have against the Debtor, the Receiver, ResidualCo, or any of their respective Representatives pursuant to any warranty, express or implied, legal or conventional, of any kind or type, other than those representations and warranties of the Receiver expressly set forth in Section 5.1 such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, completeness of warranties, implied warranties, 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, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights;
- (g) insofar as the environmental condition of the Debtor, the Receiver, the Retained Assets and the Retained Liabilities are concerned, it will acquire the Debtor, the Retained Assets and the Retained Liabilities pursuant hereto on an "as is, where is" basis. The Purchaser acknowledges that it is familiar with the condition of the Debtor, the Retained Assets and the Retained Liabilities, including the past and present use of the Lands and the Tangibles, that the Purchaser has been provided with a reasonable opportunity to inspect the Debtor, the Retained Assets and the Retained Liabilities at the sole cost, risk and expense of the Purchaser (insofar as the Receiver could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Debtor, the Receiver, their respective Affiliates or any of their respective Representatives as to the environmental condition of the O&G Assets, or any Environmental Liabilities or Abandonment and Reclamation Obligations in respect thereof; and
- (h) the provisions of Section 5.3 shall survive and not merge on Closing.

ARTICLE 6 INDEMNITIES

6.1 Purchaser's Indemnities for Representations and Warranties

The Purchaser shall be liable to the Receiver, ResidualCo, their respective Affiliates and each of their respective Representatives (collectively, the "**Indemnified Parties**" and each, an "**Indemnified Party**") for and shall, in addition, indemnify each of them and from and against, all Losses suffered, sustained, paid or

incurred by each of them or their respective Representatives which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in Section 5.2 been accurate and truthful. The Purchaser's indemnity obligations set forth in this Section 6.1 shall survive termination and the Closing Date indefinitely and shall not merge on Closing.

6.2 Post-Closing Date Indemnity

Provided that Closing has occurred, the Purchaser shall:

- (a) be solely liable and responsible for any and all Losses which the Receiver, ResidualCo and their respective Representatives may suffer, sustain, pay or incur; and
- (b) indemnify, release and save harmless the Receiver, ResidualCo and their respective Representatives from any and all Losses whatsoever which may be brought against or suffered by them or which they may sustain, pay or incur,

as a result of any matter or thing resulting from, attributable to or connected with the Receiver, the Retained Assets or the Retained Liabilities and arising or accruing after Closing. The provisions of this Section 6.2 shall survive termination and shall not merge on Closing.

6.3 Third Party Beneficiary

The Indemnified Parties are intended third party beneficiaries of this Article 6 and shall have the right, power and authority to enforce the provisions hereof as though they were each a party hereto. The Purchaser and the Receiver further agree to execute such agreements as may be reasonably requested by such Persons in connection with these provisions that are consistent with this Article 6 or that are reasonably necessary to give further effect thereto.

ARTICLE 7 COVENANTS

7.1 Incorporation of ResidualCo

The Receiver shall coordinate the incorporation of ResidualCo before the Closing Date.

7.2 Conduct of Business Until Closing

- (a) The Purchaser acknowledges that certain O&G Assets are shut-in and under the care and maintenance of the Orphan Well Association, the BCER or the MER, as applicable. Until the Closing Date, should the Purchaser require access to the O&G Assets, the Receiver shall use commercially reasonable efforts to provide such access to the O&G Assets as may be reasonably required by the Purchaser in order to allow for and assist the Purchaser with an orderly passing of the O&G Assets to the Purchaser following Closing in accordance herewith.
- (b) The access to the O&G Assets to be afforded to the Purchaser and its Representatives pursuant to this Section 7.1 will be subject to the Retained Contracts and all of 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 which the Receiver or the Debtor (prior to Closing) or the Indemnified Parties may suffer, sustain, pay or incur; and
- (ii) as a separate covenant, indemnify and save harmless the Receiver or the Debtor (prior to Closing) and the Indemnified Parties harmless from any and all Claims or Losses whatsoever which may be brought against, suffered by or incurred by the Receiver or the Debtor (prior to Closing) and the Indemnified Parties;

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 7.1. The Purchaser's obligations set forth in this Section 7.1 shall survive the Closing Date indefinitely.

7.3 Consent of the Purchaser

The Receiver shall not from the date hereof to the Closing Date, without the written consent of the Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Retained Assets of which the Debtor's share is in excess of \$10,000, except: (i) in case of an emergency; (ii) as may be reasonably necessary to protect or ensure life and safety; (iii) to preserve the Retained Assets or title to the Retained Assets; or (iv) in respect of amounts which the Debtor may be committed to expend or be deemed to authorize for expenditure without its consent; provided, however, that should the Purchaser withhold its consent or fail to provide its consent in a timely manner and a reduction in the value of the Retained Assets results, there shall be no abatement or reduction in the Purchase Price;
- (b) other than pursuant to ordinary course expiries, surrender or abandon any of the Retained Assets, unless an expenditure of money is required to avoid the surrender or abandonment and the Purchaser does not provide same to the Receiver in a timely fashion, in which event the Retained Assets in question shall be surrendered or abandoned without abatement or reduction in the Purchase Price;
- (c) other than in ordinary course of business, materially amend or terminate any Title and Operating Document or enter into any new material agreement or commitment relating to the Retained Assets; or
- (d) sell, encumber or otherwise dispose of any of the Retained Assets or any part or portion thereof except pursuant to preferential purchase rights; sales of non- material obsolete or surplus equipment; or sales in the normal course of business.

7.4 Proposed Actions

If an operation or the exercise of any right or option respecting the Retained Assets is proposed in circumstances in which such operation or the exercise of such right or option would result in the Purchaser incurring an obligation pursuant to Section 7.3, the following shall apply to such operation or the exercise of such right or option (hereinafter referred to as the "**Proposal**"):

- (a) the Receiver shall promptly give the Purchaser notice of the Proposal, describing the particulars in reasonable detail;

- (b) the Purchaser shall, not later than 48 hours prior to the time the Receiver is required to make its election with respect to the Proposal, advise the Receiver, by notice, whether the Purchaser wishes the Receiver to exercise the Receiver's rights with respect to the Proposal on the Purchaser's behalf, provided that the Purchaser's failure to make such election within such period shall be deemed to be the Purchaser's election to participate in the Proposal;
- (c) the Receiver shall make the election authorized (or deemed to be authorized) by the Purchaser with respect to the Proposal within the period during which the Receiver may respond to the Proposal; and
- (d) the Purchaser's election (including its deemed election) to not participate in any Proposal required to preserve the existence of any of the Retained Assets shall not entitle the Purchaser to any reduction of the Purchase Price if the Receiver's interest therein is terminated as a result of such election and such termination shall not constitute a failure or breach of the Receiver's representations and warranties relating to such Retained Assets.

7.5 Regulatory Matters

If for any reasons, after Closing, a Governmental Authority requires the Purchaser or the Receiver or its nominee to make or furnish any other form of security, or undertake any corrective action or remedial work including inspections, tests or engineering assessments, the Purchaser shall make such deposit or furnish such other form of security or undertake such corrective or remedial work as may be required, at the Purchaser's sole expense. All processing fees (including any fees required to be paid for expedited service) shall be for the Purchaser's account.

7.6 Payments in Respect of Transferred Assets

If at any time after Closing, the Debtor, the Purchaser or any of their respective Affiliates receives a payment or other consideration in respect of or relating to a Transferred Asset (including a Tax Refund), the recipient of such payment or other consideration shall promptly notify Receiver and the ResidualCo and promptly pay and transfer such payment or other consideration to the Receiver on behalf of ResidualCo. From and after Closing, the Debtor and the Purchaser shall provide reasonable cooperation to ResidualCo to enable ResidualCo to obtain the benefit of any Transferred Asset.

7.7 Agreement Regarding Fees

The Purchaser hereby acknowledges and agrees that it will be responsible for any and all fees, expenses, and disbursements incurred by the Purchaser in connection with the formulation, negotiation, and finalization of this Agreement and the closing of the Transactions contemplated hereby.

ARTICLE 8 PURCHASER'S REVIEW AND ACCESS TO BOOKS AND RECORDS

8.1 Receiver to Provide Access

Prior to Closing, the Receiver shall, subject to all contractual and fiduciary obligations, at the Calgary offices of the Receiver or the Debtor during normal business hours, provide reasonable access for the Purchaser and its Representatives to the records, books, accounts, documents, files, reports, information, materials, filings, and data, to the extent they relate directly to the Retained Assets and are in possession of the Receiver or the Debtor, as well as physical access to the Retained Assets (insofar as the Receiver or the Debtor can reasonably provide such access, with such access to be at the Purchaser's sole risk, expense and

liability) to facilitate the Purchaser's review of the Retained Assets and title thereto for the purpose of completing these Transactions. The Purchaser shall indemnify and save harmless the Receiver, the Debtor (before Closing) and ResidualCo from and against all liabilities, claims and causes of action for personal injury, death or property damage occurring on or to such property as a result of such entry onto the premises. The Purchaser shall comply fully with all rules, regulations and instructions issued by the Receiver regarding the Purchaser's actions while upon, entering or leaving such properties. The Purchaser's obligations set forth in this Section 8.1 shall survive the Closing Date indefinitely.

8.2 Access to Information

After the Closing Date, and subject to contractual restrictions in favour of Third Parties relative to disclosure, the Purchaser shall, on request from the Receiver or ResidualCo, provide reasonable access to their Representative at the Purchaser's offices, during its normal business hours, to the agreements and documents to which the Retained Assets are subject and the contracts, agreements, records, books, documents, licences, reports and data which are then in the possession or control of the Purchaser and to make copies thereof, as they may reasonably require, including for purposes relating to:

- (a) ResidualCo's ownership of the Transferred Assets (including taxation matters and Losses that arise from or relate to acts, omissions, events, circumstances or operations on or before the Closing Date);
- (b) enforcing its rights under this Agreement;
- (c) compliance with Applicable Law; or
- (d) any Claim commenced or threatened by any Third Party against ResidualCo, the Receiver or any of them.

8.3 Maintenance of Information

All of the information, materials and other records delivered to the Purchaser pursuant to the terms hereof shall be maintained by the Purchaser in good order and good condition and kept in a reasonably accessible location by the Purchaser for a period of two years from the Closing Date.

ARTICLE 9 GENERAL

9.1 Further Assurances

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required to fully perform and carry out the terms of this Agreement.

9.2 Liability of ResidualCo

Under no circumstances shall ResidualCo or any of its Representatives have any liability pursuant to this Agreement, or in relation to the Transactions whether such liability be in contract, tort or otherwise.

9.3 Asset Transactions

Notwithstanding Section 3.3(h) or anything to the contrary herein, the Purchaser acknowledges and agrees that notwithstanding the Asset Transactions and the associated asset purchase agreements were entered into by the Receiver, upon Closing the asset purchase agreements pertaining to the Asset Transactions shall remain in full force and effect, and all obligations of the Receiver thereunder shall be the obligations of the Debtor thereafter, except for the obligation to issue a Receiver's certificate in connection with such transactions, which shall be retained by the Receiver, and the purchaser's thereunder shall be entitled to exclusively look to the Debtor for the satisfaction of any and all such obligations. From and after Closing, the Purchaser and the Debtor hereby irrevocably release the Receiver from any and all claims pursuant to any of the Asset Transactions.

9.4 Entire Agreement

Except for the Receivership Order and the Reverse Vesting Order, the provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, except for the Receivership Order or the Reverse Vesting Order, the provisions of this Agreement shall prevail. In the event that Closing occurs, except for the Receivership Order and the Reverse Vesting Order, this Agreement supersedes all other agreements (other than the Confidentiality Agreement between the Receiver and the Purchaser), documents, writings and verbal understandings between the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the Transactions herein.

9.5 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 9.5(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 9.8 shall be deemed effective service of process on such Party.

9.6 Assignment and Enurement

This Agreement shall not be assigned by the Purchaser without the prior written consent of the Receiver, which consent may be unreasonably and arbitrarily withheld. This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

9.7 Time of Essence

Time is of the essence in this Agreement.

9.8 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 Receiver:

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

Attention: Andrew Basi
Email: abasi@ksvadvisory.com

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

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

Attention: Keely Cameron
Email: cameronk@bennettjones.com

- (b) In the case of the Purchaser:

Aces Canada SPV III ULC
1223 Wilshire Blvd., Suite 1050
Santa Monica, CA 90403

Attention: Paul Kromwyk
Email: pkromwyk@anvilcp.com

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

Borden Ladner Gervais LLP
1900, 520 - 3rd Avenue S.W.
Calgary, AB T2P 0R3

Attention: Miles Pittman
Email: MPittman@blg.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.**

9.9 Invalidity of Provisions

In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

9.10 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 and made in accordance with the Agreement. 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.

9.11 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.

9.12 Confidentiality and Public Announcements

Until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Purchased Shares, the Retained Assets and this Agreement, and shall not release any information concerning this Agreement and the Transactions without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Nothing contained herein shall prevent a Party at any time from furnishing information: (i) to any Governmental Authority or to the public if required by Applicable Law (provided that the Purchaser shall advise the Receiver in advance of the content of any such public statement); (ii) in connection with obtaining the Reverse Vesting Order; or (iii) as required by the Debtor's secured creditors.

9.13 Sealing Order

The Receiver may, at its discretion, apply to the Court for a sealing order with respect to confidential materials prepared by the Receiver or the Debtor containing the financial and other confidential details of these Transactions (the "**Confidential Materials**"), such order sealing the Confidential Materials and the confidential information contained therein from the public court file for the period directed by the Court. Pursuant to the terms of such sealing order applied for by the Receiver, if granted, only the judge presiding over the Receivership Proceedings, the Purchaser and their respective Representatives and the secured creditors of the Debtor who have executed confidentiality agreements, and subject to the terms of those

confidentiality agreements, shall have access to the Confidential Materials and the confidential information contained therein.

9.14 Termination

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

- (a) by the mutual written agreement of the Receiver 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 Receiver, if there has been a material breach by the Receiver 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 Sections 4.2 or 4.3 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Receiver, 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 Receiver received such notice; or
- (c) by the Purchaser, upon written notice to the Receiver, any time after the Outside Date, if (A) the Reverse 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 Receiver, 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 Receiver, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Sections 4.2 or 4.4 impossible by the Outside Date; or (ii) if such breach is curable, the Receiver 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 Receiver, upon written notice to the Purchaser, any time after the Outside Date, if (A) the Reverse 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 Receiver.

Notwithstanding any termination of this Agreement as permitted under this Section 9.14, or as otherwise provided for in this Agreement, the provisions of Sections 7.7 (Agreement Regarding Fees), 9.5 (Governing Law), 9.12 (Public Announcements), 9.15 (Third Party Beneficiaries), 9.16 (Personal Information) and 9.17 (Consequential Damages), shall remain in full force and effect following any such permitted termination.

9.15 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 Receiver, the Debtor and, its and their 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 Receiver is acting as agent and/or as trustee of the Debtor and its and their Representatives, Affiliates and their respective Representatives.

9.16 Personal Information

The Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records or files transferred to the Purchaser or otherwise obtained or reviewed by the Purchaser in connection with these Transactions only for those purposes for which it was initially collected from or in respect of the individual to which such information relates, unless:

- (a) the Receiver or the Purchaser has first notified such individual of such additional purpose, and where required by the Applicable Laws, obtained the consent of such individual to such additional purpose; or
- (b) such use or disclosure is permitted or authorized by Applicable Laws, without notice to, or consent from, such individual.

the Purchaser's obligations set forth in this Section 9.15 shall survive the Closing Date indefinitely.

9.17 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. For greater certainty, the Parties agree that none of the Parties, 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.

9.18 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.

9.19 Counterpart Execution

This Agreement may be executed and delivered in counterparts and by electronic means (including electronic signatures), each such executed counterpart being deemed to be an original, and such counterparts together shall constitute one and the same agreement.

[Remainder of page intentionally left blank]


IN WITNESS WHEREOF the Parties have executed this Agreement 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

ACES CANADA SPV III ULC

Per: 

Name: Andrew Basi
Title: Managing Director

Per: 

Name: Paul Kromwyk
Title: Chief Financial Officer

SCHEDULE "A"

Form of Reverse Vesting Order

See attached.

SCHEDULE "B"

Transferred Assets; Transferred Liabilities; Transferred Contracts; Retained Assets; Retained Liabilities and Retained Contracts

Transferred Assets

The Transferred Assets, being those assets proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, mean:

- (a) all cash, bank balances, funds, deposits, or monies owned or held by the Debtor, the Receiver or any other Person (including any bank or depository) on behalf of the Debtor at Closing and all cash equivalents, securities and investments of the Debtor at Closing, other than any accrued amounts from production of the O&G Assets not received by the Receiver as of the Closing Date;
- (b) all proceeds received in respect of any Asset Transactions;
- (c) all accounts receivable, bills receivable, trade accounts, holdbacks, retention, book debts, insurance claims and other amounts due or accruing to the Debtor and includes, for greater certainty, any and all Tax Refunds, and together with any unpaid interest accrued on such items and any security or collateral for such items, including recoverable deposits, which arise prior to Closing;
- (d) all Tax Refunds which arise prior to Closing; and
- (e) any other assets of the Debtor designated as a Transferred Asset upon the mutual agreement of the Purchaser and the Receiver, in writing prior to Closing.

Transferred Liabilities

The Transferred Liabilities, being those liabilities proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, mean:

- (a) any and all liabilities with respect to any employees of the Debtor, including for wages or other work-related benefits, bonuses, fees, accrued vacation, workers' compensation, employee deferred compensation including stock option plans, equity grants, other grants and agreements, retention, or other payments other than liabilities with respect to any vacation entitlement and notice entitlement upon termination of employment; and
- (b) any and all other liabilities pertaining to the Transferred Assets and arising under the Transferred Contracts except as otherwise set out herein.

Transferred Contracts

The Transferred Contracts, being those contracts proposed to be transferred to ResidualCo through operation of the Reverse Vesting Order, mean any and all contracts of the Debtor other than the Retained Contracts.

Retained Assets

The Retained Assets, being those assets proposed to be retained by the Debtor, mean:

- (a) the O&G Assets;

- (b) the Real Property;
- (c) any accrued amounts from production of the O&G Assets not received by the Receiver as of the Closing Date;
- (d) all prepaid expenses or other security or collateral provided by the Debtor;
- (e) all books and records of the Debtor, including minute books, books of account, ledgers, general, financial and accounting records, tax returns and other records in the possession and control of the Debtor or the Receiver, but in each case excludes all books and records in respect of the Transferred Assets, Transferred Liabilities, the Excluded Assets and the Excluded Liabilities and excludes any email correspondence of the Debtor and/or Receiver (including any of its present and former, directors, officers, employees, contractors and other representatives) prior to Closing;
- (f) the Debtor's bank accounts and all agreements related thereto;
- (g) all regulatory and license attributes of the Debtor, including without limitation: business numbers; payroll numbers; GST numbers; and regulatory operator codes;
- (h) letters of intent, non-disclosure agreements, confidentiality agreements and non- compete/non-solicitation agreements (other than any employment agreements);
- (i) all shares of capital stock or other Equity Interests in any subsidiary of the Debtor, if any;
- (j) any intercompany indebtedness or claim owing to the Debtor by an Affiliate of the Debtor, if any;
- (k) all organizational documents, corporate books and records, income tax returns and the corporate seal of the Debtor;
- (l) any records that are required by law to be retained by the Debtor;
- (m) all computer servers and websites;
- (n) all office equipment;
- (o) all leased or owned vehicles;
- (p) all inventory;
- (q) legal opinions and all other documents prepared by or on behalf of the Debtor in contemplation of acquisition or litigation and any other documents within the possession of the Debtor which are subject to solicitor-client privilege under the laws of the Province of Alberta or any other jurisdiction, except with respect to those matters, if any, in respect of which the Purchaser is assuming responsibility for and indemnifying the Debtor;
- (r) all tax attributes (including for certainty all government credits of any nature) if any, of the Debtor inherent to it, including tax pools, all rights related to former tax returns, operating, non-operating, and capital loss balances or carry forwards and tax audits, excluding any tax attributes which have been transferred to the purchaser(s) of any of the Excluded Assets, if applicable;
- (s) all rights to payments and benefits under government support and subsidy programs;

- (t) all existing insurance policies maintained by the Debtor with respect to the O&G Assets;
- (u) all current and prior director and officer insurance policies of the Debtor and all rights of any nature with respect thereto running in favor of the Debtor;
- (v) any and all rights of the Debtor under this Agreement and the Reverse Vesting Order;
- (w) all Claims, rights, Losses or causes of action by or on behalf of the Debtor against any Person;
- (x) any and all Claims against Saba Energy Ltd. and Ilyas Chaudry, including, without limitation any and all Claims relating to the Settlement Agreement;
- (y) any and all Claims against current and former directors and officers of the Debtor;
- (z) all intellectual property;
- (aa) all goodwill and intangibles;
- (bb) all assets, rights or interests of the Debtor that will be transferred, assigned or conveyed subject to the asset purchase agreement dated June 3, 2026 between Potts Petroleum Inc. and the Receiver;
- (cc) the assets, rights or interests of the Debtor that will be transferred, assigned or conveyed subject to the asset purchase agreement dated on or about June 5, 2026 between Archer Exploration Corp. and the Receiver;
- (dd) all assets, rights or interests of the Debtor that will be transferred, assigned or conveyed subject to the asset transaction to be dated on or about June 9, 2026 between Canadian Natural Resources Limited and the Receiver; and
- (ee) any and all other assets or interests of the Debtor other than the Transferred Assets and the Excluded Assets.

Retained Liabilities

The Retained Liabilities, being those liabilities proposed to be retained by the Debtor, mean:

- (a) all liabilities and obligations arising from the possession, ownership and/or use of the Retained Assets and the business of the Debtor from and after Closing including for greater certainty, all Cure Costs;
- (b) non-disclosure agreements, confidentiality agreements and non-compete/non-solicitation agreements;
- (c) all new liabilities incurred, assumed or accepted by the Debtor after Closing;
- (d) all Environmental Liabilities relating to the Retained Assets but excluding, for greater certainty, the Excluded Liabilities;
- (e) all regulatory and government liabilities related to the Retained Assets;
- (f) any and all surface lease payments related to the Retained Assets;

- (g) all liabilities of the Debtor that will be transferred, assigned or conveyed subject to the asset purchase agreement dated June 3, 2026 between Potts Petroleum Inc. and the Receiver;
- (h) the liabilities of the Debtor that will be transferred, assigned or conveyed subject to the asset purchase agreement dated on or about June 5, 2026 between Archer Exploration Corp. and the Receiver;
- (i) all liabilities of the Debtor that will be transferred, assigned or conveyed subject to the asset transaction to be dated on or about June 9, 2026 between Canadian Natural Resources Limited and the Receiver; and
- (j) any other obligation designated as a Retained Liability by the Purchaser in writing to the Receiver prior to the closing of the Transactions.

Retained Contracts

The Retained Contracts, being those assets to be retained by the Debtor through operation of the Reverse Vesting Order, mean:

- (a) the asset purchase agreement dated May 5, 2026 between Prairie Thunder Resources Inc. and the Receiver;
- (b) the asset purchase agreement dated May 5, 2026 between Revolution Oil & Gas Corporation and the Receiver;
- (c) the asset purchase agreement dated May 5, 2026 between Enercapita Energy Ltd. and the Receiver;
- (d) the asset purchase agreement dated May 5, 2026 between Altair Energy Ltd. and the Receiver;
- (e) the asset purchase agreement dated May 8, 2026 between NVS Engineering Inc. and the Receiver;
- (f) the asset purchase agreement dated June 3, 2026 between Potts Petroleum Inc. and the Receiver;
- (g) the asset purchase agreement dated on or about June 3, 2026 between Archer Exploration Corp. and the Receiver;
- (h) the asset transaction to be dated on or about June 9, 2026 between Canadian Natural Resources Limited and the Receiver;
- (i) the Settlement Agreement;
- (j) the agreement between the Receiver and Sayer Energy Advisors pursuant to which Sayer Energy Advisors was appointed as sales agent for transactions relating to the assets and operations of the Debtor;
- (k) the purchase and sale agreement February 27, 2024 and made effective January 1, 2024 between the Debtor and Saba Energy Ltd., as amended;
- (l) the purchase and sale agreement dated June 30, 2024 between the Debtor and Chaudhary Family Trust;

- (m) the purchase and sale agreement dated June 25, 2025 and made effective August 15, 2025 between the Debtor and Saba Energy Ltd., as amended; and
- (n) all other contracts related to Retained Assets and Retained Liabilities.

SCHEDULE "C"

Excluded Assets

To be finalized.