

AlixPartners

COURT FILE NUMBER **2601-05153**

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

JUDICIAL CENTRE **CALGARY**

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

DOCUMENT **SUPPLEMENT TO THE SECOND REPORT OF THE
RECEIVER**

JUNE 11, 2026

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

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1.0 Introduction

1. This report (the “**Supplemental Report**”) supplements the Second Report of the Receiver dated June 5, 2026 (the “**Second Report**”).
2. Defined terms in this Supplemental Report have their meanings provided to them in the Second Report, unless otherwise defined herein. This Supplemental Report is subject to the “scope and terms of reference” in the Second Report.
3. As discussed in the Second Report, effective June 1, 2026, AlixPartners Restructuring, Inc. (“**Alix**”) was substituted in place of KSV as Court Officer in these proceedings pursuant to an order dated May 27, 2026 issued by the Court of King’s Bench of Alberta. The professionals involved in this mandate from the outset remain unchanged.

1.1 Purposes of this Supplemental Report

1. The purpose of this Supplemental Report is to:
 - a) summarize certain revisions made to the Subscription Agreement;
 - b) provide the Court with a copy of the CNRL APA (as defined herein) and the Receiver’s comments and recommendations with this respect to this transaction; and
 - c) summarize the Receiver’s application for an order (the “**Settlement Order**”), which among other things, approves the terms of a settlement reached between the Saba and the Receiver pursuant to a settlement agreement dated June 11, 2026 (the “**Settlement Agreement**”).

2.0 Amendments Since Filing of the Application

1. Certain amendments to the terms of the Subscription Agreement have been made since filing the Second Report. A blackline of these changes has been included in **Appendix “A”**.
2. As set out in the Second Report, the Subscription Agreement is structured to ensure all oil and gas assets whether operated or non-operated are retained by Blue Sky,

regardless of the jurisdiction; this includes, in addition to assets regulated by the provincial regulators, all assets regulated by Indian Oil and Gas Canada.

3. Since the filing of the Second Report, the Receiver understands that ACES has continued to take steps to work with the AER to address their concerns and understands that AER approval will be required to restart the Alberta assets which will be contingent on an acceptable compliance plan and payment of outstanding security. While the AER does not object to the transaction, the AER does continue to have concerns regarding the viability of the Blue Sky entity that will emerge should the Subscription Agreement be approved.
4. Following the filing of the Second Report, the Receiver understands ACES and Cargill Inc. engaged in discussion on a resolution with respect to the interim financing advanced during the NOI Proceedings. The Receiver understands these discussions have resulted in a resolution between the parties. A revision is anticipated to be included in the RVO to confirm this.
5. Additionally, certain amendments to the schedules appended to the Archer APA and form of vesting order have been made since filing the Second Report. A blackline of the changes to the Archer APA has been included in **Appendix "B"**.

3.0 Purchase and Sale Agreement

3.1 CNRL APA

1. Following negotiations between the Receiver and CNRL, the parties agreed to the terms of a Purchase and Sale Agreement on June 11, 2026 (the "**CNRL APA**"). An unsigned copy of the redacted CNRL APA is attached hereto as **Appendix "C"**. An unsigned copy of the unredacted CNRL APA is also attached hereto as **Confidential Appendix "1"**. The Receiver anticipates that the CNRL APA will be executed prior to the Application.
2. A summary of the material terms and conditions of the CNRL APA are below:
 - **Seller:** Receiver of Blue Sky
 - **Buyer:** CNRL

- **Assumed Liabilities**: 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
 - **Assets**: As further detailed in Schedule A, (i) petroleum and natural gas rights and interest in 9 wells, 6 facilities, and 11 pipelines in the Knopick area, and (ii) petroleum and natural gas rights in 12 wells, 1 facility, and 13 pipelines in the Sundance and Edson West area
 - **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)
 - **Material Conditions**: Includes, among other things, the Court's granting of the Approval and Vesting Order and the closing of the RVO Transaction
 - **Escrow Agreement**: To be entered into on the Escrow Closing Date, pursuant to which the Purchaser will deliver the Purchase Price (less the Deposit and any adjustments for ROFRs) to the Escrow Agent. Such funds will be held until the Escrow Conditions are satisfied, after which they will be released to the Seller or otherwise applied in accordance with the agreement.
 - **Escrow Conditions**: Includes, among other things, the License Transfers have been completed and the applicable licenses have been transferred to the Purchaser no later than the Outside Date
 - **Escrow Closing Date**: Five (5) Business Days following the date upon which all of the conditions have been satisfied or waived
 - **Outside Date**: 90 days following the execution of the CNRL APA
 - **Closing**: Two (2) Business Days following the date upon which the Escrow Conditions have been satisfied
3. The Receiver will direct that the Purchase Price held by the Escrow Agent to be paid to the AER to satisfy the Security Deposit upon Closing.
 4. The Receiver understands CNRL has withheld required consent to certain assignment and dispositions made by TAQA North Ltd. to Blue Sky. The CNRL Purchase Agreement documents that CNRL will formally and partially withdraw such withholding of consents effective immediately prior to the Escrow Closing Date.
 5. The Receiver recommends that this Honourable Court approves the CNRL APA for the same reasons discussed in section 3.1 of the Second Report.

3.2 Sealing

1. As stated in section 6.0 of the Second Report, the Receiver is seeking a Sealing Order in respect of the Confidential Documents. The Receiver seeks to extend the Sealing Order to include sealing of the unredacted CNRL APA.

4.0 BC Assets¹

4.1 BC Transactions

1. As discussed in the Proposal Trustee's First Report and Third Report, in an effort to address its financial challenges prior to the NOI Proceedings, Blue Sky entered into the BC Transactions with Saba. A summary of BC Transactions are below:
 - a) **2024 Purchase and Sale Agreement** - Pursuant to the January 1, 2024 purchase and sale agreement (the "**2024 PSA**"), Blue Sky agreed to sell 50% of its interests in certain license assets located in BC, together with 100% of the shares of Blue Sky Paus Ltd., in exchange for consideration of \$27.5 million in BSG (subsequently Saba) common shares. Most of the consideration was structured as a deferred issuance contingent on future financings and TSXV approval, and all shares were subject to escrow and resale restrictions.
 - b) **June 30, 2024 Share Purchase Agreement** - Under the share purchase agreement dated June 30, 2024, Blue Sky agreed to transfer the BSG shares that formed the consideration under the 2024 PSA directly to the Chaudhary Family Trust and other related parties at a price of up to \$0.15 per share, payable at any time until June 30, 2026. This represented a substantial discount to the implied value under the 2024 PSA and reduced the potential recovery to less than 4% of the originally stated purchase price. As of the date of the Second Report, only a portion of the shares have been released from escrow, and the Receiver has not identified evidence of full payment having been made.
 - c) **2025 Purchase and Sale Agreement** - Pursuant to a purchase and sale agreement dated August 15, 2025, as subsequently amended, Blue Sky agreed to sell its remaining 50% interests in certain licensed assets located in BC and Alberta for a purchase price of \$13 million. Through a series of amendments, the structure of the consideration shifted from a cash payment on closing to a contingent arrangement whereby the purchaser (Saba) would satisfy the

¹ Capitalized terms in this section have the meaning provided to Settlement Agreement.

purchase price over time from production revenues, with no minimum payment obligations or security. As of the date of this report, the Receiver is not aware of any payments having been made.

2. As discussed in the Second Report, Saba is a publicly traded company listed on the TSX-V and 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.
3. Following the commencement of the Receivership Proceedings, the Receiver began to receive correspondence from Saba which, among other things: (i) requested certain books and records relating to the BC Assets for the purposes of completing Saba's year end audit; and (ii) requested the Receiver complete the transfer of the licenses for the BC Assets to Saba.
4. On April 7, 2026, the Receiver delivered a letter (the "**April 7th Letter**") informing Saba that, among other things, the Receiver had concerns regarding the nature of the BC Transactions and was, accordingly, conducting a review of same. A copy of the April 7th Letter was attached as Appendix H to the First Report. As a result, the Receiver communicated it would not be able to advance transferring the BC Assets' licenses until the Receiver's review was completed.

4.2 Settlement Agreement

1. Since the First Report, the Receiver has continued to hold discussions with Saba regarding a potential resolution of these matters. On June 11, 2026, the Receiver, ACES, and Saba agreed to a Settlement Agreement to resolve the issues with the BC Assets and BC Transactions. A copy of the Settlement Agreement is attached hereto as **Appendix "D"** and is summarized below:
 - a) **Parties:** The Receiver of Blue Sky Resources Ltd., and Saba Energy Ltd.
 - b) **Asset Reallocation:** Upon the Effective Time, the BC Assets, including the Laprise Assets, vest in Blue Sky on an "as is, where is" basis. Saba has the right, within 30 days, to elect to have the Laprise Assets transferred back to it, subject to regulatory approval and acceptable conditions (including any required security deposits).
 - c) **Revenue Entitlement:** All net revenues generated from the assets subject to the Transactions (including the Boundary Lake Assets, Laprise Assets and any

remaining assets held by Saba) that have not been remitted to Saba up to and including the Effective Time shall belong solely to Blue Sky, including approximately \$2.8 million reflected in Saba's draft financial statements.

- d) **Release:** Upon the Effective Time, Blue Sky, the Receiver and Saba shall provide each other with a full and final mutual release from any and all claims (known or unknown), liabilities, causes of action, demands and obligations arising from or relating to the Transactions, the transferred assets and the subsequent operation of such assets. Except for the Accounting Contribution (defined below), no further amounts are owing between the parties².
- e) **Accounting Contribution:** Saba shall pay the Receiver \$20,000, together with such additional amounts as may reasonably be required, to assist Saba in providing information necessary to complete its audited financial statements. Any unused portion of such funds shall be returned to Saba.
- f) **Assets:** As described above, the BC Assets (as described in Schedule B to the Settlement Agreement) including the Laprise Assets (as described in Schedule C to the Settlement Agreement) shall initially revert to Blue Sky on execution of the Settlement Agreement, subject to Saba's right to elect to reacquire the Laprise Assets within 30-days following the Effective Time. Currently, only the Boundary Lake assets in BC are operating.
- g) **Assumed Liabilities:** If Saba elects to retain the Laprise Assets within 30-days following the Effective Time, Saba shall retain sole responsibility for all obligations associated with the Laprise Assets, including the posting of any security deposits and all liabilities arising from its ownership and operation of the Laprise Assets.
- h) **Representations and Warranties:** Limited customary representations and warranties, including authority to enter into the Settlement Agreement and Saba's representation that, to its knowledge, the BC Assets are free and clear of liens, encumbrances and adverse claims created by, through or under Saba.
- i) **Material Conditions:** The Settlement Agreement is conditional upon court

² The Receiver understands that approximately \$1.9 million in accounts receivable is owed by Saba (formerly BSG) to Blue Sky. Under the Settlement Agreement, these obligations are proposed to be released between the parties.

approval of the Settlement Order and RVO.

- j) **Effective Time:** The Settlement Agreement shall become effective upon satisfaction or waiver of all Settlement Closing Conditions and delivery of notice from the Receiver confirming same with the transfer of the assets back to Blue Sky being effective June 12, 2026.
- k) **Outside Date:** July 16, 2026. If the Settlement Closing Conditions have not been satisfied or waived by such date, the Receiver may terminate the Settlement Agreement upon written notice to Saba.

4.3 Sales Agent Appraisals

1. Understanding the Laprise Assets and Boundary Assets were to form a critical component of the Settlement Agreement, the Receiver engaged the Sales Agent to provide a qualified opinion on the value of Blue Sky's assets located in Laprise and Boundary, which are the bulk of the BC Assets (the "**Appraisals**"). A summary of the Appraisals is included in **Confidential Appendix "2"**.
2. The Receiver is of the view that the Settlement Agreement represents fair and reasonable consideration considering the valuation opinions of the Sales Agent and the transaction is supported by the RVO purchaser as it will enable the Subscription Agreement to close with at least some assets producing.

4.4 Recommendation

1. The Receiver recommends this Honourable Court approve the Settlement Agreement and issue the Settlement Order for the following reasons:
 - a) the Settlement Agreement represents a practical and balanced compromise to resolving the disputes associated with the BC Transactions;
 - b) the Settlement Agreement will preserve value in the estate and improve the economic viability of the Blue Sky following closing of the Subscription Agreement;
 - c) the Settlement Agreement eliminates the need for the Receiver to incur the litigation costs which may otherwise be incurred to resolve the ownership issues;

- d) the settlement is integral to the RVO transaction as it provides the Purchaser with clear ownership of the Boundary Lake Assets, which is a critical component of the overall success of Blue Sky's restructuring;
- e) the consideration contemplated within the Settlement Agreement is well supported by the Appraisals; and
- f) the Settlement Agreement is supported by ACES, and the Receiver is not aware of opposition expressed by any other party or stakeholder.

5.0 Conclusion

1. Based on the foregoing, the Receiver respectfully recommends this Honourable Court approve the sale approval and vesting order in respect of the CNRL Transaction and the Settlement Order.

* * *

All of which is respectfully submitted,

AlixPartners Restructuring, Inc.

**ALIXPARTNERS RESTRUCTURING, INC.,
in its capacity as Court-appointed receiver and manager
of Blue Sky Resources Ltd.,
and not in its personal or corporate capacities**

Appendix “A”

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 9¹¹, 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 and all deliverables or ancillaries delivered pursuant thereto (including any escrow agreements relating to any deposit payable thereunder or any escrow closings contemplated therein) 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, including any other parties thereto, including any person acting in the capacity as escrow agent 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) [all liabilities under Retained Contracts other than Cure Costs;](#)
- (c) [any and all municipal taxes and surface lease payments arising prior to Closing; and](#)
- (d) ~~(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, as further set forth as Appendix 1 to this Schedule "B";
- (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 as further set forth as Appendix 2 to this Schedule "B";
- (dd) all assets, rights or interests of the Debtor that will be transferred, assigned or conveyed subject to the asset ~~transaction to be~~ purchase agreement dated ~~on or about June 911, 2026~~ between 2026 between Canadian Natural Resources Limited and the Receiver; ~~and~~ as further set forth as Appendix 3 to this Schedule "B";
- (ee) the assets, rights or interests of the Debtor pursuant to the Settlement Agreement as further set forth at Appendix 4 to this Schedule "B"; and
- (ff) ~~(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 arising after Closing;
- (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~~ purchase agreement dated ~~on or about~~ June 911, 2026 ~~between~~ 2026 between Canadian Natural Resources Limited and the Receiver; ~~and~~
- (j) all liabilities of the Debtor in connection with the assets pursuant to the Settlement Agreement; and
- (k) ~~(j)~~ any other obligation designated as a Retained Liability by the Purchaser in writing to the Receiver prior to the closing of the ~~Transactions~~ Transaction.

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~~ purchase agreement dated ~~on or about~~ June 9¹¹, 2026 between Canadian Natural Resources Limited and the Receiver; and any ancillary agreements pertaining thereto, including:
 - (i) the deposit escrow agreement between Canadian Natural Resources Limited, the Receiver and Osler, Hoskin & Harcourt LLP dated June 11, 2026; and
 - (ii) the escrow agreement between Canadian Natural Resources Limited, the Receiver and Osler, Hoskin & Harcourt LLP dated June 11, 2026;
- (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.

~~(n)~~

Appendix 1

[Asset listing from the Potts Petroleum Agreement to be inserted]

Appendix 2

[Asset listing from the Archer Exploration Agreement to be inserted]

Appendix 3

[Asset listing from the CNRL Agreement to be inserted]

Appendix 4

[Asset listing from the Settlement Agreement to be inserted]

SCHEDULE "C"

Excluded Assets

To be finalized.

Summary report:	
Litera Compare for Word 11.11.0.158 Document comparison done on 6/11/2026 3:53:38 PM	
Style name: Standard	
Intelligent Table Comparison: Active	
Original DMS: iw://bjwork.legal.bjlocal/wslegal/44289495/7 - Subscription Agreement - Blue Sky.docx	
Modified DMS: iw://bjwork.legal.bjlocal/wslegal/44289495/10 - Subscription Agreement - Blue Sky.docx	
Changes:	
Add	94
Delete	71
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	165

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 -

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:

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

3.3 Deposit and Satisfaction of Purchase Price

- (a) The Parties acknowledge that:
 - (i) on the date hereof, the Purchaser paid the amount equal to ten percent (10%) of the Purchase Price (the "**Deposit**") to the Vendor;
 - (ii) the Deposit has been delivered to and shall be held in trust by the Vendor; and
 - (iii) the Deposit shall be held and administered by the Vendor in accordance with the terms and conditions of this Agreement (including this Section 3.3).
- (b) At Closing, the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.6(a)(i)) shall be paid and satisfied as follows:
 - (i) as to the amount of the Deposit, the Vendor shall retain the amount of the Deposit and apply such amount against the amount of the Purchase Price; and

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

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

ARTICLE 4 TRANSFER TAXES

4.1 Transfer Taxes

The Parties agree that:

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

4.2 GST Registration

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

Debtor

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. For clarity any lands which have been crossed out are not included in the Mineral Property report and do not comprise part of the Lands or Assets.

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	100/04-16-070-08W6/00
100/10-03-071-08W6/05	100/03-17-070-08W6/00
100/09-04-071-08W6/00	100/03-17-070-08W6/02
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	

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		NG TO BASE PEACE_RIVER
ACTIVE	0505060194		Ext: 15	35.840	CENOVUS		(EXCL 100/13-16-070-08W6/00
	CENOVUS				ARCHER EXPLORAT		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				

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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
 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:		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:		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%

File Number	Lse Type	Lessor Type	Eff:	Hectares	Product Type	Sliding Scale	Convertible	% of Prod/Sales	Lease Description / Rights Held
M11801	PNG	CR	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				
		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	

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

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

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	----- Well U.W.I. Status/Type -----
NON PRODUCING Prod:	0.000	0.000	NProd: 256.000	256.000	100/16-18-070-08-W6/00 ABAND/UND
DEVELOPED Dev:	64.000	64.000	Undev: 192.000	192.000	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
	Status		Hectares	Net	Hectares	Net
	PRODUCING	Prod:	192.000	134.400	NProd:	0.000
	DEVELOPED	Dev:	192.000	134.400	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:				

----- 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

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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)

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 64.000
UNDEVELOPED Dev:	0.000	0.000	Undev:	128.000 64.000

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)

M11795	A	Paid to: DEPOSITO(M) MIN OF FINANCE	100.00000000				
				Paid by: WI (C) BLUE SKY RESOUR ARCHER EXPLORAT		50.00000000 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
PRODUCING	Prod: 256.000	179.200	NProd: 0.000	0.000
DEVELOPED	Dev: 256.000	179.200	Undev: 0.000	0.000

----- Well U.W.I. Status/Type -----
 100/14-23-070-09-W6/02 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: LESSOR (M) ALBERTA ENERGY	100.00000000	Paid by: WI (C) BLUE SKY RESOUR ARCHER EXPLORAT	70.00000000 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		256.000	C14837 A No		POOL INT	TWP 70 RGE 9 W6M SEC 25
Sub: D	WI	Eff: Dec 07, 1995	256.000	BLUE SKY RESOUR		20.00000000	PNG FROM BASE CARDIUM TO BASE
ACTIVE	5495120033	Exp: Dec 07, 1999	51.200	TOURMALINE O(E)		20.00000000	NIKANASSIN
100.00000000	BAYTEX	Ext: 15		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:		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

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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)

	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	
	DEVELOPED	Dev:	256.000	179.200	Undev:	0.000	0.000	

----- Well U.W.I. Status/Type -----
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

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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)

M11703	B			ARCHER EXPLORAT		30.00000000	
M11704	LICENCE CR	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	
	BLUE SKY RESOUR						
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	

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)		Paid by: WI (C)		
ALBERTA ENERGY 100.00000000		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:

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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)

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)

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

**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
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

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BLUE SKY RESOURCES LTD. Mineral Property Report

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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	
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 BASE CHARLIE_LAKE
100.00000000	BLUE SKY RESOUR				ARCHER EXPLORAT	24.00000000		
	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	
--------	---	--	--	-----------------	--	-------------	--

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	

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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
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
	BLUE SKY RESOUR							(EXCLUDING
100.00000000	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	
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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	256.000	256.000
DEVELOPED Dev:	256.000	256.000	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
100.00000000	BLUE SKY RESOUR	Ext: Dec 31, 3000				EXCL PNG IN CHARLIE_LAKE
	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	I					
	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
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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)

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	
100.00000000	SATURN O&G INC.				DEWPOINT RE (D)		8.15450000	
	ARCHER EXPLORAT				DAROIL ENG		8.51050000	
					Total Rental:	896.00		

----- Well U.W.I. Status/Type -----
 100/08-22-071-08-W6/00 PRODUCING/GAS

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	
Total Rental: 896.00								----- Well U.W.I. Status/Type ----- 100/08-23-071-08-W6/00 SUSP/GAS

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

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

Report Date: Nov 24, 2025

Page Number: 81

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)

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:	Max:	Min Pay:		Prod/Sales:
	S/S OIL: Min:		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:	Max:	Min Pay:		Prod/Sales:
S/S OIL: Min:		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:	Div:	Prod/Sales:	Prod/Sales:
Other Percent:		Min:		Prod/Sales:	Prod/Sales:
Paid to: DEPOSITO(M)		Paid by: PAIDBY (R)			
MIN OF FINANCE	100.00000000	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)

Report Date: Nov 24, 2025
 Page Number: 3
 REPORTED IN HECTARES

**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)
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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

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
----------	-------------------------------

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

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

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. Paramountcy

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

12. Severability

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

[Signature Page Follows.]

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

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

Per: _____
Name:
Title:

ARCHER EXPLORATION CORP.

Per: _____
Name:
Title:

Summary Report:	
Litera Compare for PDF 11.11.0.158 Document comparison done on 6/11/2026 12:17:46 PM	
Style Name: Default Style	
Original filename: Archer PSA from Report.pdf	
Modified filename: Archer PSA - McCarthy.pdf	
Changes:	
Add	15
Delete	1
Modified	1
Total Changes:	17

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 -

CANADIAN NATURAL RESOURCES LIMITED

ASSET PURCHASE AND SALE AGREEMENT

June 11, 2026

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ASSET PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT is dated as of June 11, 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 -

CANADIAN NATURAL RESOURCES LIMITED, 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 an Approval and Vesting Order, 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;

- (b) all in accordance with generally accepted oil and gas industry practices and in compliance with all Applicable Laws;
- (c) "**AER**" means the Alberta Energy Regulator, or any successor thereto having jurisdiction over the Assets or certain of them or the operation thereof;
- (d) "**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;
- (e) "**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;
- (f) "**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;
- (g) "**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;
- (h) "**Assets**" means the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests;
- (i) "**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;

- (j) "**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;
- (k) "**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;
- (l) "**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the City of Calgary in the Province of Alberta;
- (m) "**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;
- (n) "**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, which shall be deemed to occur when the Escrow Agent receives a joint notice duly executed by both the Parties:
 - (i) pursuant to the Deposit Agreement directing the Escrow Agent to release all funds held in escrow thereunder to the Vendor; and

- (ii) pursuant to the Escrow Agreement directing the Escrow Agent to: (A) release all documents held in escrow thereunder to the Parties; and (B) release all funds held in escrow thereunder to the Vendor;
- (o) **“Closing Date”** means the date which is two Business Days following the date upon which the Escrow Conditions have been satisfied;
- (p) **"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;
- (q) **“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;
- (r) **"Consequential Damages"** has the meaning ascribed to that term in Section 14.6;
- (s) **"Court"** means the Court of King’s Bench of Alberta, Judicial Centre of Calgary;
- (t) **"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;
- (u) **"Deposit"** has the meaning ascribed to that term in Section 3.3(b)(i);
- (v) **“Deposit Escrow Agreement”** means the escrow agreement to be entered into by the Parties and the Escrow Agent on the date hereof in substantially the form attached hereto as Schedule E;
- (w) **"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;
- (x) **"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);
- (y) **"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;
- (z) **"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;
- (aa) 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;
- (bb) “**Escrow Agent**” means Osler, Hoskin and Harcourt LLP;
- (cc) “**Escrow Agreement**” means the Escrow Agreement to be entered into by the Parties and the Escrow Agent on the Escrow Closing Date in substantially the form attached hereto as Schedule D;
- (dd) “**Escrow Closing**” means the execution and delivery of the Escrow Agreement by the Parties on the Escrow Closing Date and the delivery of the Escrow Funds and applicable documents in accordance with the terms and conditions of Section 12.2;
- (ee) “**Escrow Closing Date**” means the date on which Escrow 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 Escrow Closing Date), or such other date as the Parties may agree in writing; provided, however, that the Escrow Closing Date shall not be later than the Outside Date;
- (ff) “**Escrow Closing 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;
- (gg) “**Escrow Conditions**” means that by no later than two Business Days prior to the Outside Date:
- (i) the Licence Transfers have been completed and the applicable licenses have been transferred to the Purchaser;

- (ii) the Approval and Vesting Order remains in full force and effect;
- (iii) 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: (A) making any of the transactions contemplated by this Agreement illegal; or (B) otherwise prohibiting, preventing or restraining the Vendor from the sale of the Assets; and
- (iv) the Transaction is not otherwise prohibited by Applicable Law;
- (hh) "**Escrow Funds**" has the meaning ascribed to that term in Section 3.3(c);
- (ii) "**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;
- (jj) "**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;
- (kk) "**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;
- (ll) "**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;
- (mm) "**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;
- (nn) "**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 or lands pooled or unitized therewith (subject to the restrictions and exclusions identified in the Title Documents as to Petroleum Substances and geological formations);

- (oo) "**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);
- (pp) "**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;
- (qq) "**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;
- (rr) "**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);
- (ss) "**LTAs**" has the meaning set forth in Section 2.4(a);
- (tt) "**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;
- (uu) 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;
- (vv) "**Notice Period**" has the meaning ascribed to that term in Section 8.2(b);
- (ww) "**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);
- (xx) "**Outside Date**" means the date which occurs 140 days following the date of execution of this Agreement, or such other date as the Parties may agree in writing;
- (yy) "**Parties**" means, collectively, the Purchaser and the Vendor, and "**Party**" means any one of them;
- (zz) "**Permitted Encumbrances**" means:
 - (i) any overriding royalties, net profits interests and other burdens, which are provided for under the Title Documents, provided that any such encumbrances must be described in Schedule A in order to be considered to be a Permitted Encumbrance hereunder;
 - (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, provided that any such encumbrances must be described in Schedule A in order to be considered to be a Permitted Encumbrance hereunder;
 - (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) 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, provided that any such obligation must be described in Schedule A in order to be considered to be a Permitted Encumbrance hereunder;
 - (vii) 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;
 - (viii) 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;
 - (ix) 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;
 - (x) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;
 - (xi) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority; and
 - (xii) 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;
- (aaa) **"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;
- (bbb) **"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);

- (ccc) "**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;
- (ddd) "**Purchase Price**" has the meaning ascribed to that term in Section 3.1;
- (eee) "**Purchaser**" has the meaning ascribed to that term in the preamble hereto;
- (fff) "**Purchaser's Solicitors**" means Osler, Hoskin & Harcourt LLP;
- (ggg) "**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;
- (hhh) "**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;
- (iii) "**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;
- (jjj) "**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;
- (kkk) "**RVO Transaction**" means the transactions contemplated by the subscription agreement entered into on or about the date hereof between the Vendor in respect of the Debtor and Aces Canada SPV III ULC, to be completed pursuant to a reverse vesting order of the Court, pursuant to which Aces Canada SPV III ULC shall become the sole shareholder of the Debtor and the Debtor shall cease to be an applicant in the Receivership Proceedings;
- (lll) "**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);
- (mmm) "**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;
- (nnn) "**Third Party**" means any Person who is not a Party or an Affiliate of a Party;

- (ooo) "**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;
- (ppp) "**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, 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;
- (qqq) "**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;
- (rrr) "**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;
- (sss) "**Vendor**" has the meaning ascribed to that term in the preamble hereto;
- (ttt) "**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;
- (uuu) "**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
- (vvv) "**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
Schedule D	Form of Escrow Agreement
Schedule E	Form of Deposit Escrow 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 Escrow Closing shall not be delayed even if certain consents for any Consent Required Contracts are outstanding at the Escrow Closing. In the event that the consent of any Third Party to any Consent Required Contract can be withheld in the sole discretion of the applicable Third Party and such consent remains outstanding three (3) Business Days prior to Escrow Closing, an Assignment Order will be sought in respect of such Consent Required Contract.

2.4 Licence Transfers

- (a) Promptly following the Escrow Closing Date, 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) Following the submission of the License Transfers by the Parties in accordance with Section 2.4(a) or (b), as applicable, the Debtor shall not, without the prior written consent of the Purchaser, amend or terminate such submitted License Transfers.
- (d) In the event that the Purchaser has applied 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.
- (e) Each Party shall on a timely and continuing basis keep the other Party fully apprised and informed regarding all communications such Party may have with the AER in connection with the Transaction, including all communications respecting LTAs and deposit requirements, and without limiting the generality of the foregoing, each Party shall provide copies to the other Party of all directly related correspondence from the disclosing Party to the AER or received by the disclosing Party from the AER.
- (f) If, for any reason, the AER requires the Vendor or the Debtor to make a deposit in order to approve a License Transfer, the Vendor hereby covenants and agrees that, within five (5) Business Days of notice from the AER in respect of same, and in accordance with the Approval and Vesting Order, the Deposit Escrow Agreement and the Escrow Agreement:
 - (i) if the amount of the required deposit is less than or equal to the Purchase Price, the Parties shall, pursuant to joint elections, authorize the Escrow Agent to release directly to the AER:
 - (A) that portion of the Escrow Funds held under the Escrow Agreement; and if applicable,
 - (B) that portion of the Deposit held under the Deposit Escrow Agreement,as necessary to satisfy the required deposit; or
 - (ii) if the amount of the required deposit is more than the Purchase Price and the Vendor cannot otherwise satisfy the deposit, Vendor shall notify the Purchaser of same and this Agreement may be terminated in accordance with Section 13.2.

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. The Parties shall execute, where applicable, all Specific Conveyances and deliver same to the Escrow Agent on the Escrow Closing Date in accordance with the terms and conditions of the Escrow Agreement and Section 12.2.
- (b) Promptly following 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.
- (c) Promptly 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.
- (d) Notwithstanding Sections 2.5(a) and 2.5(c), 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 promptly after Closing.

2.6 Interim Period Maintenance of Assets

- (a) Following the closing of the RVO Transaction until the earlier of the Closing Date or the termination of this Agreement, to the extent to which the nature of its interest permits and subject to the terms of this Agreement and to the Title Documents, the Vendor and /or Debtor, as applicable, shall:
 - (i) maintain the Assets in a proper and prudent manner in accordance with good oil and gas industry practices, and in material compliance with Applicable Law;
 - (ii) maintain current insurance policies, if any;
 - (iii) pay or cause to be paid all costs and expenses relating to the Assets which become due from the closing date of the RVO Transaction to the Closing Date; and
 - (iv) perform and comply in all material respects with all material covenants and conditions in the Title Documents,provided, however, that from the date of this Agreement until the closing of the RVO Transaction, the Vendor's obligations shall be limited to those set forth in Section 10.1(a).
- (b) From the date hereof to the Closing Date, the Vendor and/or Debtor, as applicable, shall not, without Purchaser's prior written consent:
 - (i) voluntarily assume any obligation or commitment with respect to the Assets;

- (ii) amend or terminate any of the Title Documents, or enter into any new agreements respecting the Assets;
- (iii) propose or initiate the exercise of any right (including bidding rights at Crown sales, rights under area of mutual interest provisions and ROFRs) or option relative to the Assets, or arising as a result of the ownership or operation of the Assets, or propose or initiate any operations on the Lands;
- (iv) sell, transfer, surrender, abandon or otherwise dispose of the Assets;
- (v) resign or take any action which would result in the Vendor's or Debtor's, as applicable, resignation or replacement as operator of any of the Assets; or
- (vi) grant a security interest or other encumbrance to any Person with respect to all or any portion of the Assets.

Notwithstanding the foregoing, the Vendor and/or Debtor, as applicable, may assume such obligations or commitments and propose or initiate such operations or the exercise of any such right or option without Purchaser's prior consent if the Vendor and/or Debtor, as applicable, reasonably determines that such expenditures or actions are necessary for the protection of life or property or as required by Applicable Law, in which case, the Vendor and/or Debtor, as applicable, shall promptly notify the Purchaser of such intention or actions and the Vendor's and/or Debtor's, as applicable, estimate of the costs and expenses associated therewith.

2.7 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 2.7(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 2.7(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. Subject to Section 2.4, 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.

2.8 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.

2.9 Withdrawal of Withheld Consent

- (a) Notwithstanding that the Purchaser has withheld its required consent to the purported assignments and dispositions by TAQA North and TAQA North Ltd. to the Debtor of its interest in various assets and agreements (the “**Assignments**”), including, without limitation, all or a portion of the Assets, the Purchaser hereby formally and partially withdraws such withholding of consent and consents to the Assignments effective immediately prior to the Closing Date, solely to the extent related directly and solely to the Assets and not in respect of any other assets. Such consent is for the exclusive purpose of completing the Transaction only and does not and shall not constitute consent by the Purchaser to, and is without prejudice to and in no manner a waiver of the right of the

Purchaser to withhold consent to and dispute the validity of, the remaining portion of the Assignments and/or any purported assignment of any other assets or interests involving the Debtor.

- (b) In order to effect the partial withdrawal of the Purchaser's withholding of consent and consent to certain Assignments as contemplated above in Section 2.9(a), the Approval and Vesting Order shall include language which approves and facilitates the assignment to the Purchaser of only that specific portion of any contract or agreement which pertains directly and solely to the Assets and not any additional assets, rights or interests which may be subject to such contract or agreement or other applicable contract or agreement.

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(c) and shall not be subject to any adjustment other than in respect of exercised ROFRs in accordance with Section 10.02 (and for greater certainty, Cure Costs shall be satisfied in accordance with Section 2.7(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) Concurrent with the execution of this Agreement, each Party shall execute and deliver to the other Party and to the Escrow Agent, an executed copy of the Deposit Escrow Agreement.
- (b) 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 Escrow Agent by way of bank wire; and
 - (ii) the Deposit shall be held and administered by the Escrow Agent in accordance with the terms and conditions of this Agreement (including this Section 3.3) and the Deposit Escrow Agreement.
- (c) At Escrow Closing, the Purchase Price less the Deposit and the aggregate amount of any adjustments for exercised ROFRs in accordance with Section 10.2 (other than Cure Costs,

which are payable in accordance with Section 2.7(a)(i)) (the “**Escrow Funds**”) shall, subject to the execution of the Escrow Agreement by all parties thereto, be delivered by the Purchaser to the Escrow Agent by bank wire to be held in accordance with the Escrow Agreement.

- (d) At Closing, the Purchase Price shall be paid and satisfied as follows:
 - (i) as to the amount of the Deposit, less any amounts already released pursuant to Section 2.4(f), the Parties shall no later than two (2) Business Days after the satisfaction of the Escrow Conditions, jointly direct, in accordance with the terms of the Deposit Escrow Agreement, that such funds be released to the Vendor and shall apply such funds against the amount of the Purchase Price; and
 - (ii) as to the balance of the Purchase Price less the aggregate amount of any adjustments for exercised ROFRs in accordance with Section 10.2 and less any amounts already released pursuant to Section 2.4(f) (other than Cure Costs, which are payable in accordance with Section 2.7(a)(i)), along with any additional amounts owing in respect of applicable GST, the Parties shall jointly direct, in accordance with the terms of the Escrow Agreement, that such funds be released to the Vendor in accordance with Section 12.2(b).
- (e) 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 Sections 13.1(e) or 13.1(f) by the Vendor; (D) pursuant to Section 13.2; or (E) for any other reason other than as contemplated under Section 3.3(e)(ii); then the Parties shall jointly direct, in accordance with the terms of the Deposit Escrow Agreement, that such funds 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 the Parties shall jointly direct, in accordance with the terms of the Deposit Escrow Agreement, that such funds be released to the Vendor,

and, subject to Section 13.4, each Party shall thereafter 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(e)(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
BLUE SKY RESOURCES LTD.	747330488 RT0001

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Vendor's Representations

The Vendor hereby represents and warrants to the Purchaser that:

- (a) with regard to KSV Restructuring Inc. only, and solely in its capacity as receiver and manager of the Debtor, 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;
- (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; and
- (c) the Purchaser 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 Vendor or the Debtor.

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; (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-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.
- (i) as of the date of submission of the LTAs, the Purchaser is not aware of any fact or circumstance directly related to the Purchaser 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 121346357;

- (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 sole recourse of a Party for any material breach of representation or warranty by the other Party shall be 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, 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. Without limiting the generality of the foregoing, upon the discharge of the Vendor as receiver and manager of the assets, property and undertaking of the Debtor in the Receivership Proceedings, KSV Restructuring Inc. shall be an intended third party beneficiary of this Article 8 and shall have the right, power and authority to enforce the provisions hereof as though it were 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, 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 of the RVO Transaction, 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, 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, or their respective Representatives as a result of any Third Party Claim relating to the allocation of the value of a ROFR to be determined by the Purchaser in accordance with Section 10.2(b)(i), as applicable.
- (b) If the Purchaser has identified any ROFRs pursuant to Section 10.2(a):
 - (i) promptly following the identification of Assets which are the subject of ROFRs, the Purchaser shall prepare and provide the Vendor with ROFR notices to be issued in respect of such ROFRs, which shall include the Purchaser's bona fide allocation of the amount of the Purchase Price attributable to each of such Assets which are subject to a ROFR;
 - (ii) the Vendor shall courier ROFR notices to the Third Parties holding such ROFRs promptly following the receipt of the same from the Purchaser; and
 - (iii) to the extent the Purchaser is not copied directly on a response from a Third Party ROFR holder, the Vendor shall notify the Purchaser in writing forthwith upon each Third Party exercising or waiving such a ROFR.
- (c) If any such Third Party elects to exercise such a ROFR, then:

- (i) the definition of Assets shall be deemed to be amended to exclude those Assets in respect of which the ROFR has been exercised;
 - (ii) such Assets shall not be conveyed to the Purchaser;
 - (iii) any proceeds received by the Vendor from a Third Party in respect of the sale and conveyance of any Assets which are subject to a ROFR shall be deemed to not constitute Assets for the purposes of this Agreement; and
 - (iv) the Purchase Price shall be reduced by the aggregate value attributed to the Assets subject to the exercised 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 as this Agreement to whatever extent possible.

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 enter escrow on the Escrow Closing Date and thereafter complete the purchase and sale of the Assets in accordance with the terms and conditions herein are subject to the following conditions being fulfilled or performed as at or prior to the Escrow Closing Date:

- (a) the Court shall have granted the Approval and Vesting Order which includes approval of the Purchaser's withdrawal of its previous withholding of consent, or a portion thereof, to the Assignments relating directly and solely to the Assets, as required by Section 2.9(b) hereof;
- (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 Escrow 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 enter escrow on the Escrow Closing Date and thereafter to complete the purchase of the Assets hereunder is subject to the following conditions being fulfilled or performed as at or prior to the Escrow 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 Escrow 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;
- (c) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Escrow Agent on the Escrow Closing Date all the documents contemplated in Section 12.3;
- (d) all applicable ROFRs shall have been exercised, waived, or shall have expired by the effluxion of time prior to the Escrow Closing Date; and
- (e) following the closing of the RVO Transaction, the Debtor shall have delivered to Purchaser a representation that the Debtor has the requisite power and authority to complete the Transaction and that it has taken all necessary corporate or other acts to authorize the performance by it of this Agreement.

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 enter escrow on the Escrow Closing Date and thereafter complete the sale of the Assets hereunder is subject to the following conditions being fulfilled or performed as at or prior to the Escrow 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 Escrow 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 Escrow Agent on the Escrow Closing Date all the documents contemplated in Section 12.4;
- (d) the Vendor has not lost its ability to convey the Assets due to an order of the Court; and
- (e) the closing of the RVO Transaction shall have occurred.

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 ESCROW CLOSING AND CLOSING

12.1 Escrow Closing Date

Subject to the conditions set out in this Agreement, the Transaction shall close in escrow on the Escrow Closing Date.

12.2 Closing into Escrow

- (a) On the Escrow Closing Date:
 - (i) each Party shall deliver:
 - (A) to the other Party and the Escrow Agent, an executed copy of the Escrow Agreement; and
 - (B) provided the Escrow Agreement has been executed by all Parties thereto, to the Escrow Agent, in accordance with the terms of the Escrow Agreement, fully executed copies of all documents reasonably necessary to convey the Assets to Purchaser, including as required by Section 12.3 and 12.4; and
 - (ii) provided the Escrow Agreement has been executed by all Parties thereto, Purchaser shall deliver the Escrow Funds to the Escrow Agent, to be held in escrow in accordance with the terms of the Escrow Agreement.
- (b) If the Escrow Conditions are satisfied on or before the Outside Date, then notwithstanding any event or circumstance between the Escrow Closing Date and the Closing Date that would render a representation or warranty made by Vendor in Section 5.1 or Purchaser in Section 5.2, as incorrect or untrue, each Party shall, no later than two (2) Business Days after the satisfaction of the Escrow Conditions, sign and deliver a joint direction to the Escrow Agent in a manner consistent with the terms of the Escrow Agreement directing the Escrow Agent to release all the documents held in escrow to the Parties and the all of the Escrow Funds held in escrow to the Vendor and direct the Escrow Agent to release the Deposit in accordance with Section 3.3(d)(i).
- (c) If the Escrow Conditions are not satisfied on or before the Outside Date or if Vendor fails to post a required security deposit in accordance with Section 2.4(f), Closing shall be

deemed not to have been completed and each Party shall immediately thereafter sign and deliver the applicable joint direction pursuant to the terms of the Escrow Agreement to the Escrow Agent, in which event:

- (i) this Agreement shall terminate;
- (ii) the Vendor and the Purchaser shall jointly cancel any pending Licence Transfers;
- (iii) each Party will bear its respective costs incurred by it prior to such termination;
- (iv) Vendor and Purchaser will jointly direct the Escrow Agent to return the Deposit to the Purchaser in accordance with Section 3.3(e)(i); and
- (v) Vendor and Purchaser will jointly direct the Escrow Agent to destroy the documents held in escrow by the Escrow Agent pursuant to the Escrow Agreement and to release the Escrow Funds to Purchaser.

12.3 Deliveries on Escrow Closing by the Vendor

The Vendor shall deliver (or cause to be delivered) to the Escrow Agent on or before the Escrow 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 Escrow Closing Date;
- (c) the General Conveyance, Assignment and Assumption Agreement duly executed by the Vendor;
- (d) a receipt for the Purchase Price and Transfer Taxes payable hereunder;
- (e) all Specific Conveyances duly executed by the Vendor or the Debtor, as applicable; and
- (f) 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.

12.4 Deliveries on Escrow Closing by the Purchaser

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

- (a) payment of the Escrow Funds in accordance with Section 3.3(c);
- (b) payment of all Transfer Taxes payable on Escrow Closing (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;
- (d) all Specific Conveyances duly executed by the Purchaser, as applicable;

- (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.

12.5 Closing Date and Place of Closing

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

ARTICLE 13 TERMINATION

13.1 Grounds for Termination prior to Escrow Closing

This Agreement may be terminated at any time prior to Escrow 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 Escrow Closing 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 Escrow Closing Outside Date, if (A) the Approval and Vesting Order has not been obtained, or (B) the Escrow Closing has not occurred by the Escrow Closing 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 Escrow Closing 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;
- (e) by the Vendor, upon written notice to the Purchaser, any time after the Escrow Closing Outside Date, if (A) the Approval and Vesting Order has not been obtained, or (B) the Escrow Closing has not occurred by the Escrow Closing Outside Date and such failure to close was not caused by or as a result of the breach of this Agreement by the Vendor; or

- (f) by the Vendor, upon written notice to the Purchaser, if the closing of the RVO Transaction has not occurred within thirty (30) days following the granting of the Order of the Court approving the RVO Transaction.

13.2 Ground for Termination After Escrow Closing

This Agreement may be terminated at any time after Escrow Closing but 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 the Escrow Conditions are not satisfied on or before the Outside Date or if Vendor fails to post a required security deposit in accordance with Section 2.4(f);
- (c) by the Vendor, upon written notice to the Purchaser, if the Escrow Conditions are not satisfied on or before the Outside Date or if Vendor is unable to post a required security deposit in accordance with Section 2.4(f); or
- (d) by the Vendor, upon written notice to the Purchaser, if the closing of the RVO Transaction has not occurred within thirty (30) days following the granting of the Order of the Court approving the RVO Transaction, and

if this Agreement is terminated pursuant to this Section 13.2, Sections 12.2(c)(ii) through 12.2(c)(v) (inclusive) shall apply.

13.3 Escrow Outside Date

The Parties acknowledge and agree that, pursuant to the terms of the Deposit Escrow Agreement and the Escrow Agreement, in the event that the Parties have not delivered the necessary joint directions to the Escrow Agent as required by each of those Agreements before 5:00 PM (Calgary time) on November 27, 2026, the Escrow Agent is entitled to, in the case of the Escrow Agreement, return the Escrow Funds to Purchaser and destroy any documents then held in escrow, and, in the case of the Deposit Escrow Agreement, return the Deposit to the Purchaser without any action or direction from either Party.

13.4 Effect of Termination

Notwithstanding any termination of this Agreement as permitted under Sections 13.1, 13.2, or as otherwise provided for in this Agreement, the provisions of Sections 3.3 (Deposit), 12.2(c) (Closing into Escrow), 13.3 (Escrow Outside Date), 14.1 (Public Announcements), 14.5 (Governing Law), 14.6 (Consequential Damages), 14.12 (Costs and Expenses) and 14.16 (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, provided however that under no circumstances shall the Purchaser be named or identified in any press release or other public disclosure issued by the Vendor or the Debtor hereunder.
- (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 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; provided, however, that this Section 14.2 shall cease to apply following the closing of the RVO Transaction.

14.3 RVO Transaction

The Parties acknowledge and agree that it is the intention of the Vendor to enter into, seek an Order from the Court for the approval of, and close the RVO Transaction prior to the Closing contemplated herein, and that, upon the closing of the RVO Transaction, this Agreement shall be retained by the Debtor and all of the obligations of the Vendor under this Agreement shall be the obligations of the Debtor thereafter. The Purchaser acknowledges and following the closing of the RVO Transaction, the Purchaser shall exclusively look to the Debtor for the satisfaction of any and all obligations of the Vendor under this Agreement and that the Vendor shall have no further liability to the Purchaser hereunder. The Purchaser hereby irrevocably releases the Vendor from any and all Claims, obligations and liabilities arising out of or in connection with this Agreement from and after the closing of the RVO Transaction. For greater certainty, the release, acknowledgement and agreements set forth in this Section 14.3 shall: (a) survive Closing, and termination or expiry of this Agreement, and the discharge of the Vendor as receiver and manager of the assets, property and undertaking of the Debtor in the Receivership Proceedings; (b) enure to the benefit of KSV Restructuring Inc. in its personal and corporate capacity following any such discharge; and (c) be enforceable by KSV Restructuring Inc. as an intended third party beneficiary of this Section 14.3.

14.4 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 2.7 (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.

14.5 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 14.5(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 14.14 shall be deemed effective service of process on such Party.

14.6 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.

14.7 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.

14.8 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.

14.9 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.

14.10 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.

14.11 Time of the Essence

Time is of the essence in this Agreement.

14.12 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.

14.13 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.

14.14 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:

Canadian Natural Resources Limited
400, 4th Avenue SW
Calgary, AB T2P 0J4

Attention: Director, Acquisitions and Divestments
Email: Land.notifications@cnrl.com

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

Osler, Hoskin and Harcourt LLP
225 6 Ave SW, Suite 2700
Calgary, AB T2P 1N2

Attention: Emily Paplawski
Email: EPaplawski@osler.com

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

14.15 Enurement

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

14.16 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. For greater certainty, and without limiting the Section 8.5 or 14.3, KSV Restructuring Inc. is an intended third party beneficiary of this Agreement following its discharge as receiver and manager of the assets, property and undertaking of the Debtor in the Receivership Proceedings.

14.17 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.

14.18 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

CANADIAN NATURAL RESOURCES LIMITED

Per: _____
Name: Erin Lunn
Title: Vice President, Land

SCHEDULE A

Assets Listing

Knopcik Area, Alberta

Petroleum and Natural Gas Rights:

Lands & Leased Substances	Title Documents	Vendor's Interest	Encumbrances
Twp 73 Rge 12 W6M: Section 32; ALL PNG from BASE OF BLUESKY-BULLHEAD to BASE OF MONTNEY	0596100315	30% WI	LESSOR ROYALTY CROWN SLIDING SCALE on 100.00% Production on ALL PNG; paid to MINISTER OF FINANCE, PROVINCE OF ALBERTA 100%
Twp 73 Rge 11 W6M: Section 2; ALL PNG TOP OF SURFACE to top ROCK CREEK (EXCL PRODUCTION FROM 100/14-2-73-11W6 WELLBORE)	058201A190	18.75% WI	LESSOR ROYALTY CROWN SLIDING SCALE on 100.00% Production on ALL PNG; paid to MINISTER OF FINANCE, PROVINCE OF ALBERTA 100%; GROSS OVERRIDING ROYALTY ALL PNG: Fixed Percent 0.3595% on 25% Production; paid by the Debtor 50%
Twp 73 Rge 11 W6M: 10; ALL PNG from TOP OF SURFACE to BASE OF ROCK CREEK	058201A190	19.81% WI	LESSOR ROYALTY CROWN SLIDING SCALE on 100.00% Production on ALL PNG; paid to MINISTER OF FINANCE, PROVINCE OF ALBERTA 100%; GROSS OVERRIDING ROYALTY NATURAL GAS: Fixed Percent 12.00% on 18.75% Production; PETROLEUM: Minimum Max 1/150 (5%-12%) per BARRELS on 18.75% Production; paid by the Debtor 37.5% GROSS OVERRIDING ROYALTY ALL PNG: Fixed Percent 0.4938750% on 32.8125% Production; paid by the Debtor 50% GROSS OVERRIDING ROYALTY NATURAL GAS: Fixed Percent 15.00% on 17.1875% Production; OTHER: Fixed Percent 15.00% on 17.1875% Production; PETROLEUM: Minimum Max 1/23.8565 (5%-15%) per MCM (1000 Cubic Metres) on 17.1875% Production; paid by the Debtor 19.81%
Twp 73 Rge 11 W6M: Section 11; ALL PNG from TOP OF SURFACE to BASE OF ROCK CREEK	058201A190	5% WI	LESSOR ROYALTY CROWN SLIDING SCALE on 100.00% Production on ALL PNG; paid to MINISTER OF FINANCE, PROVINCE OF ALBERTA 100%; GROSS OVERRIDING ROYALTY ALL PNG: Fixed Percent 0.3595% on 10% Production; paid by the Debtor 50%

Lands & Leased Substances	Title Documents	Vendor's Interest	Encumbrances
Twp 73 Rge 11 W6M: S+NW of Section 15; NATURAL GAS in ROCK CREEK	0582010190	12.30% WI	LESSOR ROYALTY CROWN SLIDING SCALE on 100.00% Production on ALL PNG; paid to MINISTER OF FINANCE, PROVINCE OF ALBERTA 100%; GROSS OVERRIDING ROYALTY ALL PNG: Fixed Percent 12% on 18.75% Production; paid by the Debtor 37.5% GROSS OVERRIDING ROYALTY ALL PNG: Fixed Percent 0.493875% on 21.875% Production; paid by the Debtor 50%
Twp 73 Rge 11 W6M: NE of Section 15; NATURAL GAS in ROCK CREEK	0582010190	12.30% WI	LESSOR ROYALTY CROWN SLIDING SCALE on 100.00% Production on ALL PNG; paid to MINISTER OF FINANCE, PROVINCE OF ALBERTA 100%;
Twp 74 Rge 10 W6M: Section 32; ALL PNG from TOP OF SURFACE to BASE OF HALFWAY (EXCL PNG IN CHARLIE LAKE)	30398A	25% WI	LESSOR ROYALTY CROWN SLIDING SCALE on 100.00% Production on ALL PNG; paid to MINISTER OF FINANCE, PROVINCE OF ALBERTA 100%; NET PROFITS INTEREST ALL PNG: Fixed Percent 8.00% on 100.00% Production; paid by the Debtor 25%
Twp 73 Rge 10 W6M: Section 18; ALL PNG TOP OF SURFACE to BASE OF FERNIE	30393	25% WI	LESSOR ROYALTY CROWN SLIDING SCALE on 100.00% Production on ALL PNG; paid to MINISTER OF FINANCE, PROVINCE OF ALBERTA 100%; NET PROFITS INTEREST ALL PNG: Fixed Percent 8.00% on 100.00% Production; paid by the Debtor 25%
Twp 73 Rge 11 W6M: Section 3; ALL PNG from TOP OF SURFACE to BASE OF BLUESKY	058201A190	6.25% WI	LESSOR ROYALTY CROWN SLIDING SCALE on 100.00% Production on ALL PNG; paid to MINISTER OF FINANCE, PROVINCE OF ALBERTA 100%; GROSS OVERRIDING ROYALTY ALL PNG: Fixed Percent 0.3595% on 12.5% Production; paid by the Debtor 50%

Wells:

Licence #	UWI	Licensee
224426	100/05-32-073-12W6	Debtor
157280	100/08-02-073-11W6	Debtor
217054	100/08-10-073-11W6	Debtor
131581	100/08-11-073-11W6	Purchaser
249152	100/08-15-073-11W6	Purchaser
178940	100/11-32-074-10W6	Purchaser

181502	102/11-32-074-10W6	Purchaser
103800	100/14-18-073-10W6	Purchaser
219985	100/16-03-073-11W6	Purchaser

Facilities:

Facility Name	Description	Location	Licence #	Vendor's Interest
KNOPCIK 9-10-74-11W6	Gas Processing Plant	09-10-074-11W6	F15494 ABBT5360002 ABGP0001184 ABGS0003462 ABBT0116063 ABBT0142220 ABGS0148053 ABBT0152030	14.41868%
KNOPCIK 9-10-74-11W6	FU#1 Rich and Lean Plant Segment	09-10-074-11W6	F15494	15.76509%
KNOPCIK 9-10-74-11W6	FU#2 Frac Train Segment	09-10-074-11W6	F15494	5.91954%
KNOPCIK 16-21-073-10W6	FU#2 - Compressor station	16-21-073-10W6	F15365 ABCS0015365	6.28%
KNOPCIK GGS 14-19 TO 16-21	FU#6 - 6 Inch Sour Natural Gas Pipeline	14-19-73-10W6 to 16-21-73-10W6	35950-18,19,20	6.28%
BSRL 05-32-073-12W6	Battery	05-32-073-12W6	F20495	30%

Pipelines:

License / Line #	Licensee	From Location	To Location
29720-2	Debtor	5-32-73-12W6	1-6-74-12W6
30827-5	Debtor	1-6-74-12W6	5-32-73-12W6
62724-4	Debtor	8-2-73-11W6	16-1-73-11W6
62724-7	Debtor	8-10-73-11W6	11-14-73-11W6
35950-18 (KNOPCIK GGS)	Purchaser	14-19-073-10W6	13-20-073-10W6
35950-19 (KNOPCIK GGS)	Purchaser	13-20-073-10W6	16-20-073-10W6
35950-20 (KNOPCIK GGS)	Purchaser	16-20-073-10W6	16-21-073-10W6
62724-3	Debtor	16-16-073-11W6	16-22-073-11W6
62724-1	Debtor	16-22-073-11W6	09-27-073-11W6
62704-2	Debtor	09-27-073-11W6	09-10-074-11W6
23922-4	Debtor	16-21-073-11W6	16-22-073-11W6

Applicable ROFR Agreements:

- Agreement dated May 11, 1977 and made among Total Petroleum (North America) Ltd. and PanCanadian Petroleum Limited (Debtor File No. 10275 / Purchaser File No. 635788);
- Farmin Agreement dated January 19, 1988 and made among Total Petroleum Canada Ltd., Esso Resources Canada Limited, Westmin Resources Limited and Forest Oil Corporation. (Debtor File No. 10262 / Purchaser File No. 626382);
- Farmin Agreement dated September 15, 1998 and made among Northrock Resources, Celsius Energy Resources Ltd., Ulster Petroleums Ltd, Union Pacific Resources Inc., and Crestar Energy (Debtor File No. 10326 / Purchaser File No.626710);
- Agreement for the Construction, Ownership and Operation of the Knopcik Gas Facilities dated January 1, 1997 (Debtor File No. J03900 / Purchaser File No. 627519);
- Agreement for the Construction, Ownership and Operation of the Knopcik Rock Creek Gas Gathering Facilities dated November 1, 1988 (Debtor File No. J03909 / Purchaser File No. 627522);
- Agreement for the Construction, Ownership and Operation of the Knopcik 16-21-073-10W6M Compression and Gas Gathering System dated January 1, 2006 (Debtor File No. J03930 / Purchaser File No. 634611); and
- Agreement for the Construction, Ownership and Operation of the Knopcik Doe Creek Gas Gathering Facilities dated February 1, 1989 (Debtor File No. J03906 / Purchaser File No. 637795).

Sundance and Edson West Area

Petroleum and Natural Gas Rights:

Lands & Leased Substances	Title Documents	Vendor's Interest	Encumbrances
Twp 51 Rge 20 W5M: Section 26; (100/08-26-051-20W5); WELLBORE & ASSOCIATED PRODUCTION ONLY	0580060051	100.00% BPEN 50 % APEN	LESSOR ROYALTY CROWN SLIDING SCALE on 100.00% Production on ALL PNG; paid to MINISTER OF FINANCE, PROVINCE OF ALBERTA 100%; GORR of 1% on 50% paid by Debtor 100% GORR of 2% on 100% paid by Debtor 100% GORR of 3% on 50% paid by Debtor 100% GORR of 2% on 100% paid by Debtor 100% GORR of 5% on 50% paid by Debtor 100%
Twp 52 Rge 19 W5M: Section 5; (100/09-05-052-19W5); WELLBORE & ASSOCIATED PRODUCTION ONLY	5404060546	100.00%	LESSOR ROYALTY CROWN SLIDING SCALE on 100.00% Production on ALL PNG; paid to MINISTER OF FINANCE, PROVINCE OF ALBERTA 100%
Twp 52 Rge 20 W5M: Section 4; (102/07-04-052-20W5 and 100/14-04-052-20W5); WELLBORES ONLY & PRODUCTION THEREFROM	0580020152	27.075%	LESSOR ROYALTY CROWN SLIDING SCALE on 100.00% Production on ALL PNG; paid to MINISTER OF FINANCE, PROVINCE OF ALBERTA 100%; NPI of 12.5% on 27.075% paid by the Debtor 100%
Twp 52 Rge 20 W5M: Section 9; (102/07-09-052-20W5 and 100/09-09-052-20W5); WELLBORES ONLY & PRODUCTION THEREFROM	0584020324	25.875%	LESSOR ROYALTY CROWN SLIDING SCALE on 100.00% Production on ALL PNG; paid to MINISTER OF FINANCE, PROVINCE OF ALBERTA 100%; NPI of 12.5% on 25.875% paid by the Debtor 100%
Twp 52 Rge 20 W5M: Section 16; (100/14-16-052-20W5); WELLBORE & ASSOCIATED PRODUCTION ONLY	0584020325	25.875%	LESSOR ROYALTY CROWN SLIDING SCALE on 100.00% Production on ALL PNG; paid to MINISTER OF FINANCE, PROVINCE OF ALBERTA 100%; NPI of 12.5% on 25.875% paid by the Debtor 100%
Twp 53 Rge 19 W5M: Section 15; (102/06-15-053-19W5 and 100/10-15-053-19W5) WELLBORES ONLY & PRODUCTION THEREFROM	0596040412	60.00%	LESSOR ROYALTY CROWN SLIDING SCALE on 100.00% Production on ALL PNG; paid to MINISTER OF FINANCE, PROVINCE OF ALBERTA 100%;
Twp 53 Rge 19 W5M: Section 16; (100/01-16-053-19W5); WELLBORE & ASSOCIATED PRODUCTION ONLY	0500120148	25.00%	LESSOR ROYALTY CROWN SLIDING SCALE on 100.00% Production on ALL PNG; paid to MINISTER OF FINANCE, PROVINCE OF ALBERTA 100%;
Twp 55 Rge 17 W5M: Section 2; PNG to base Cardium and 100/06-02-055-17W5 and 100/08- 02-055-17W5 wells WELLBORES & ASSOCIATED PRODUCTION	0589040309	25.00%	LESSOR ROYALTY CROWN SLIDING SCALE on 100.00% Production on ALL PNG; paid to MINISTER OF FINANCE, PROVINCE OF ALBERTA 100%;

Wells:

License #	UWI	Licensee
0312127	100/08-26-051-20W5	Debtor
0316494	100/09-05-052-19W5	Debtor
0310469	102/07-04-052-20W5	Purchaser
0348387	100/14-04-052-20W5	Purchaser
0120357	102/07-09-052-20W5	Purchaser
0316395	100/09-09-052-20W5	Purchaser
0312133	100/14-16-052-20W5	Purchaser
0241161	102/06-15-053-19W5	Debtor
0376084	100/10-15-053-19W5	Debtor
0252542	100/01-16-053-19W5	Debtor
0143018	100/06-02-055-17W5	Purchaser
0352915	100/08-02-055-17W5	Purchaser

Facilities:

Facility Name	Description	Location	Licence #	Vendor's Interest
ENCAL EDISON 1-16	Gas Single Well Battery	01-16-053-19W5	ABBT0065228	25%
ENRON PINE CREEK 6-2	Gas Single Well Battery	06-02-055-17W5	ABBT0049971	25%

Pipelines:

License / Line #	Licensee	From Location	To Location
42512-4	Debtor	08-26-051-20W5	02-26-051-20W5
42512-5	Debtor	09-05-052-19W5	16-05-052-19W5
30996-101	Purchaser	07-04-052-20W5	05-10-052-20W5
30996-110	Purchaser	14-33-051-20W5	07-04-052-20W5
30996-94	Purchaser	04-03-052-20W5	07-04-052-20W5
30619-1	Purchaser	07-09-052-20W5	01-11-052-20W5
30996-53	Purchaser	12-10-052-20W5	05-10-052-20W5
42586-3	Purchaser	14-16-052-20W5	02-20-052-20W5
27576-2	Purchaser	12-01-055-17W5	08-33-054-17W5
27576-4	Purchaser	08-02-055-17W5	09-02-055-17W5
35328-1	Debtor	06-15-053-19W5	11-10-053-19W5
35328-3	Debtor	10-15-053-19W5	06-15-053-19W5
35328-2	Debtor	01-16-053-19W5	06-15-053-19W5

SCHEDULE B

Form of Approval and Vesting Order

(see attached)

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

Clerk's Stamp

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

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

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

DATE ON WHICH ORDER WAS PRONOUNCED:

LOCATION WHERE ORDER WAS PRONOUNCED:

NAME OF JUSTICE WHO MADE THIS ORDER:

UPON THE APPLICATION by KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (the “**Receiver**”) of the undertakings, property and assets of Blue Sky Resources Ltd. (“**Blue Sky**” or the “**Debtor**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and Canadian Natural Resources Limited (the “**Purchaser**”) dated June 11, 2026 and appended to the ___ Report of the Receiver dated [Date] (the “**Report**”), and vesting in the Purchaser (or its nominee) the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”);

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

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

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

APPROVAL OF TRANSACTION

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

VESTING OF PROPERTY

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

- (d) any outstanding amounts owing in respect of the AER Orphan Fund Levy and Administration Fees;
- (e) any municipal taxes and other tax Claims; and
- (f) 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:

- (b) Alberta Energy (“**Energy Ministry**”) shall and is hereby authorized, requested and directed to forthwith:
 - (i) 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
 - (ii) 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 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, 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.

15. The Purchaser's withdrawal of its previous withholding of consent to the assignment by TAQA North and TAQA North Ltd. of its interest in a portion of the Purchased Assets, as provided by the terms of the Sale Agreement or as otherwise may relate to the exercise of a ROFR (as defined in the Sale Agreement) in connection with the completion of the Transaction, is hereby approved, in all cases solely with respect to the Purchased Assets (as included in the Transaction or in the exercise of a ROFR in connection with the completion of the Transaction) and without prejudice to the remainder of the Statement of Claim filed by the Purchaser in Court of King's Bench Action No. 2501-14860.

MISCELLANEOUS MATTERS

16. 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.

17. 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.
18. 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.

19. 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.

20. 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/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 June 11, 2026 (the “**Sale Agreement**”) between the Receiver and Canadian Natural Resources Limited (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

None.

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, provided that any such encumbrances must be described in Schedule A of the Sale Agreement in order to be considered to be a Permitted Encumbrance hereunder;
- (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, provided that any such encumbrances must be described in Schedule A of the Sale Agreement in order to be considered to be a Permitted Encumbrance hereunder;
- (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) 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, provided that any such obligation must be described in Schedule A of the Sale Agreement in order to be considered to be a Permitted Encumbrance hereunder;
- (g) 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;
- (h) 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;
- (i) 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;
- (j) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;

- (k) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority; and
- (l) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's or any Debtor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof.

SCHEDULE "E"
CROWN LEASES

Crown Petroleum and Natural Gas Lease No. 001 30393;

Crown Petroleum and Natural Gas Lease No. 001 30398A; and

Crown Northern Petroleum and Natural Gas Lease No. 0050589040309.

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 -

CANADIAN NATURAL RESOURCES LIMITED, a corporation existing under the laws of the province of Alberta (herein referred to as the "**Purchaser**")

RECITALS:

- A. In accordance with the terms of that certain Asset Purchase and Sale Agreement dated as of June 11, 2026, by and between the Vendor and the Purchaser (the "**Purchase Agreement**"), the Vendor has agreed to sell, assign, and transfer the Assets to the Purchaser and the Purchaser has agreed to purchase the Assets from the Vendor;
- B. the Purchaser has agreed to assume the Assumed Liabilities; and
- C. this Agreement is delivered pursuant to the Purchase Agreement.

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

1. Definitions

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

2. Certain Rules of Interpretation

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

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

3. Conveyance

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

4. Assumption of Assumed Liabilities

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

5. Further Assurances

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

6. Governing Law

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

7. Entire Agreement

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

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

8. Successors and Assigns

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

9. Counterparts

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

10. Amendments

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

11. Paramountcy

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

12. Severability

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

[Signature Page Follows.]

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

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

Per: _____
Name:
Title:

CANADIAN NATURAL RESOURCES LIMITED

Per: _____
Name:
Title:

SCHEDULE D

Form of Escrow Agreement

See attached.

SCHEDULE E

Form of Deposit Escrow Agreement

See attached.

Appendix “D”

SETTLEMENT AGREEMENT

This Settlement Agreement ("**Settlement Agreement**") is effective June 10, 2026.

BETWEEN:

ALIXPARTNERS RESTRUCTURING INC., solely in its capacity as Court-appointed receiver and manager of **BLUE SKY RESOURCES LTD.** (the "**Debtor**" or "**Blue Sky**") and not in its personal capacity or in any other capacity
(the "**Receiver**")

– and –

SABA ENERGY LTD., a body corporate, having an office in the City of Calgary, in the Province of Alberta
(**"Saba"**)

(individually a "**Party**", and collectively, the "**Parties**")

WHEREAS:

- A. On March 23, 2026, the Honourable Justice J.S. Little of the Court of King's Bench of Alberta (the "**Court**") granted an order, among other things, appointing AlixPartners Restructuring Inc. (formerly KSV Restructuring Inc.) as the Receiver, without security, on the application of the senior secured creditor of the Debtor (the "**Creditor**") of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof;
- B. Blue Sky is a private company incorporated under the laws of the Province of Alberta;
- C. Saba, formerly known as Blue Sky Global Energy Corp., is a publicly listed issuer incorporated under the laws of the Province of Alberta;
- D. On February 27, 2024, the Debtor and Saba entered into an agreement of purchase and sale made effective as of January 1, 2024 (the "**2024 PSA**"), pursuant to which the Debtor agreed to sell to Saba 50% of the Debtor's interest in certain petroleum and natural gas assets in British Columbia (the "**First Licensed Assets**") and 100% of the shares of Blue Sky Paus Ltd., for consideration in the form of Saba common shares valued at CAD \$27,500,000 representing approximately 85% of the then-issued share capital of Saba (the "**Saba Common Shares**"); On June 30, 2024, the Debtor and the Chaudhary Family Trust ("**CFT**") entered into a share purchase agreement (the "**SPA**"), pursuant to which the Saba Common Shares were instead issued directly from Saba's treasury to CFT and other parties;
- E. On June 25, 2025, the Debtor and Saba entered into a further agreement of purchase and sale made effective as of August 15, 2025 (the "**2025 PSA**"), pursuant to which the Debtor agreed to sell to Saba 100% of the Debtor's assets known as the Taber properties, 100% of the Debtor's assets known as the Columbia properties, the remaining 50% of the Debtor's Alberta heavy oil and natural gas assets known as the Cold Lake properties which were not then owned by Saba (the "**Cold Lake Assets**") and the remaining 50% of the Debtor's British Columbia assets (the "**Second Licensed Assets**"), for an original purchase price of CAD \$21,000,000 payable in cash;

- F. Pursuant to an amending agreement dated effective July 14, 2025 (the "**First Amendment**"), the purchase price under the 2025 PSA was reduced from CAD \$21,000,000 to CAD \$13,000,000, and the scope of the Second Licensed Assets was redefined to: (i) include the remaining 50% of the Debtor's British Columbia assets not then owned by Saba; (ii) the remaining 50% of the Debtor's interest the Cold Lake Assets which were not then owned by Saba; and (iii) to exclude 100% of the Debtor's assets known as the Taber properties and 100% of the Debtor's assets known as the Columbia properties which were originally included;
- G. Pursuant to a second amending agreement dated effective October 7, 2025 (the "**Second Amendment**"), the payment terms under the 2025 PSA were further amended such that the purchase price of CAD \$13,000,000 would be satisfied over time from production revenue generated by the Second Licensed Assets, with no obligation on Saba to make cash payments at closing (the 2024 PSA, the SPA, and the 2025 PSA, together with the First Amendment and the Second Amendment, collectively, the "**Transactions**");
- H. Pursuant to the Transactions, among other things, all of the Debtor's British Columbia oil and gas assets and associated interests (the "**BC Assets**") were purported to have been transferred from the Debtor to Saba, provided, however, the Parties acknowledge that while the mineral licenses for the BC Assets were transferred by the Debtor to Saba, the well licenses for the BC Assets were not in fact transferred from the Debtor to Saba;
- I. A dispute arose among the Creditor, Blue Sky and Saba regarding the Transactions, the validity of the transfers of assets from the Debtor to Saba and the entitlement and quantum of amounts owing among the Parties (the "**Dispute**"); and
- J. The Parties wish to settle the Dispute on the terms and conditions set out herein, subject to the approval of the Court pursuant to the Settlement Order (as defined herein) and Court approval of a reverse vesting order (the "**Reverse Vesting Order**") to be delivered in connection with the subscription agreement transaction dated on or about the date hereof between the Receiver and Aces Canada SPV III ULC (the "**RVO Transaction**") and the closing of the RVO Transaction.

NOW THEREFORE in consideration of the covenants and other terms set forth in this Settlement Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

REVERSION OF ASSETS

1. This Settlement Agreement is conditional upon: (a) approval by the Court of this Agreement, including the issuance of an order substantially in the form set out in Schedule "A" to this Agreement (the "**Settlement Order**"); and (b) the granting of an order of the Court approving, and the closing of, the RVO transaction (collectively, the "**Settlement Closing Conditions**"). Upon notification by the respective parties of the satisfaction or waiver of the Settlement Closing Conditions, the Receiver shall deliver notice to Saba and the Debtor of the date and time the Settlement Closing Conditions have been satisfied, which time shall be the "**Effective Time**", and at which time this Settlement Agreement shall come into force and effect, without further act by the Parties hereto. In the event that the Settlement Closing Conditions are not satisfied or waived on or before July 16, 2026, the Receiver shall have the right to terminate this Settlement Agreement upon written notice to Saba, and upon such notice this Settlement Agreement shall be terminated and be of no further force or effect.

2. The Parties acknowledge and agree that, effective upon the Effective Time, the assets and associated interests listed in Schedule "B" hereto (the "**BC Assets**") including the Laprise assets and associated interests listed in Schedule "C" (the "**Laprise Assets**") shall be transferred on an "as is, where is" basis to, and vest in Blue Sky, absolutely effective as of June 12, 2026.
3. The Debtor and Saba will each cooperate and take all reasonably necessary steps to convey the BC Assets to Blue Sky, and to effect the transfer of any leases, rights, permits or approvals to give effect to this Settlement Agreement. Requests for the transfers of registered crown leases or licences, related surface rights and any other title documents which are administered by any applicable governmental authority shall be submitted as soon as is practicable after the Effective Time.
4. As soon as practicable following the Effective Time, the Parties shall deliver, or cause to be delivered, as applicable, to the other Party an executed General Conveyance, Assignment and Assumption Agreement substantially in the form attached as Schedule "D" to this Settlement Agreement to effect the transfer of the BC Assets to Blue Sky. Each Party shall deliver to the other such original copies of any title documents, specific conveyances and any other agreements and documents to which the BC Assets or the Laprise Assets, as the case may be, 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 either Blue Sky or Saba, as the case may be, or of which either of Blue Sky or Saba gains possession or control prior to the Effective Time.
5. After the Effective Time, Saba shall have the right to elect to have the Laprise Assets transferred by Blue Sky to Saba on an "as is, where is" basis at no cost by providing written notice to Blue Sky of such election within 30 days from the date on which the Effective Time occurs (the "**Election Notice**"). In the event that Saba delivers the Election Notice to Blue Sky on or prior to such date, the Debtor and Saba shall advise the BC Energy Regulator of their intention to transfer the Laprise Assets to Saba to determine any conditions which may be imposed on the transfer of the Laprise Assets to Saba, if any including the amount of any applicable security deposit required to be posted in connection with such transfer and conveyance.
6. If the required security deposit or other conditions required by the BC Energy Regulator or any other applicable government authority are acceptable to Saba, in its sole discretion, Saba shall provide notice to the Debtor that Saba wishes to proceed with the transfer of the Laprise Assets to Saba, and the Debtor and Saba will cooperate and take all reasonable necessary steps to convey the Laprise Assets to Saba, including any and all applicable steps set forth in paragraphs 3 and 4 hereof, *mutatis mutandis*. If the required security deposit or other conditions required by the BC Energy Regulator are not acceptable to Saba, Saba shall provide notice to the Debtor of such fact, the Laprise Assets shall not be transferred to Saba and the Parties shall cooperate to terminate or destroy any documents prepared giving effect to such transfer.
7. For greater certainty, Saba shall be solely responsible for all costs and expenses required from any governmental authority in connection with the transfer and conveyance of the Laprise Assets to Saba pursuant to its Election Notice, including the posting of any security deposits.
8. Notwithstanding the foregoing or any provision of this Agreement to the contrary, the Parties hereto hereby acknowledge and agree that all net revenue generated from the assets subject to the Transactions (including the Boundary Lake Assets, the Laprise Assets and all other assets subject to the Transactions which are remaining with Saba) which has not been remitted to Saba, up to and including the Effective Time shall belong solely to the Debtor, including the sum of \$2,808,044, which is included on Saba's draft audited financial statements as owing

from Blue Sky in connection with such assets.

COURT APPROVAL

9. The Receiver shall apply to the Court for the Settlement Order approving the Settlement Agreement, including the Schedules attached hereto, and the Receiver shall be entitled to disclose this Settlement Agreement, including the Schedules attached hereto.
10. Other than the Settlement Order, no other approval of any person, including any court, regulatory body, corporate or governmental authority, is required for this Settlement Agreement to be binding on the Parties and effective in accordance with its terms. To the extent that any regulatory, corporate or governmental approval is required to give effect to the transfer of the BC Assets (including the Laprise Assets) to Blue Sky, or the Laprise Assets to Saba, if applicable, or any licenses, permits or authorizations in connection therewith, the Parties shall cooperate in good faith to transfer or obtain, as applicable, any such licenses, permits or authorizations as soon as reasonably practicable following the Effective Time (or at the time following the confirmation from Saba that Saba is proceeding with the conveyance of the Laprise Assets to Saba, if applicable), provided that in all instances Saba shall be solely responsible for its costs or expenses associated with transferring or obtaining, as applicable, such licenses, permits or authorizations and the requirement for any such approval shall not relieve Saba of its obligations under this Settlement Agreement.

MUTUAL RELEASE

11. As of the Effective Time, each of the Debtor, the Receiver, and Saba (collectively, the “**Releasing Parties**”) shall be deemed to have granted to each other a full and final mutual release from any and all claims, actions, causes of action, demands, rights, damages, costs, expenses, obligations, and liabilities of any kind whatsoever, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, in any way relating to, arising out of, or in respect of the Transactions, the transactions contemplated thereunder or subsequent operation of any of the assets that are the subject of the Transactions either initially or as amended (collectively, the “**Released Claims**”), and such Released Claims are hereby released, stayed, extinguished and forever barred, and the Releasing Parties shall have no liability in respect thereof. For greater certainty, except for the Accounting Contribution in paragraph 13, no further amounts shall be owing by either Party in respect of any matter.
12. No action or other proceeding shall be commenced by any Releasing Party against any other Releasing Party in respect of the Released Claims, except with prior leave of the Court or prior written notice to the applicable Releasing Party.

ACCOUNTING

13. In addition, Saba has advised the Receiver that it needs to urgently complete its audited financial statements for the year ended December 31, 2025, and accordingly needs immediate access to accounting records in the Receiver’s possession. Saba expects to require the Receiver's assistance with obtaining information for accounting purposes related to the assets subject to the Transactions, and accordingly, Saba shall pay to the Receiver on the date hereof the sum of CAD \$20,000 (the “**Accounting Contribution**”), to the trust account of the Receiver for such assistance, as a contribution toward the costs to be incurred by the Receiver in providing Saba with information required for Saba’s audit. In the event that the Receiver exhausts the Accounting Contribution prior to Saba obtaining the information it requires, Saba shall provide such further funds as may be

reasonably requested by the Receiver until Saba obtains the information it requires for its audit, which amounts shall constitute and form part of the Accounting Contribution. Following completion of this process, the Receiver shall return to Saba any unused portion of the Accounting Contribution.

NO SUBROGATED RIGHTS

14. The Parties represent and warrant that no person or other party is subrogated to any rights of recovery the Parties may have or may hereafter have or obtain.

NO ADMISSION

15. The Parties acknowledge and agree that this Settlement Agreement constitutes a compromise of disputed claims and is not to be construed as an admission by any of the Parties of the existence, absence or amount of any liability, rights or obligations.

FURTHER ASSURANCES

16. The Parties shall from time to time do all such further acts, execute such further documents, and give all such further assurances that may be necessary to fully perform and carry out the terms, spirit and intent of this Settlement Agreement.

ENUREMENT

17. Each of the Parties acknowledge and agree that this Settlement Agreement shall enure to the benefit of and be binding on the Parties and their respective agents, affiliates, subsidiaries, related corporations, successors, assigns, heirs, administrators, and executors.

ENTIRE AGREEMENT

18. This Settlement Agreement contains the entire settlement agreement and resolution between the Parties with respect to the subject matter herein and may be changed only by an agreement in writing signed by all of the Parties to this Settlement Agreement.

RECITALS

19. The recitals set out above are accurate and form part of this Settlement Agreement.

HEADINGS

20. Headings used in this Settlement Agreement are used for convenience of reference and do not form a part of this Settlement Agreement.

WAIVER

21. The waiver by any Party of any breach of any provision of this Settlement Agreement by the other Party will not be binding unless in writing, and will not operate or be construed as a waiver by the non-breaching Party of any other or subsequent breach of the Settlement Agreement.

SEVERABILITY

22. If any provision of this Settlement Agreement is determined to be invalid or unenforceable by a court of competent jurisdiction, then such provision will be severable from the remainder of this Settlement Agreement, which shall continue in full force and effect.

INDEPENDENT LEGAL ADVICE

23. Each Party acknowledges that it has entered into this Settlement Agreement voluntarily, and has been afforded the opportunity of receiving independent legal advice concerning this Settlement Agreement. In the event that any Party has executed this Settlement Agreement without the benefit of independent legal advice, such Party fully understands the provisions of this Settlement Agreement and hereby waives the right to receive any such independent legal advice.

GOVERNING LAW

24. This Settlement Agreement shall be governed by and construed in accordance with the laws in force in the Province of Alberta, and the laws of Canada as applicable. The Parties agree to be subject to and bound by the jurisdiction of the courts of Alberta.

REPRESENTATIONS AND WARRANTIES

25. Each Party represents and warrants to the others that it has full authority to enter into, execute and deliver this Settlement Agreement, that the terms set forth herein are fully binding and, in the case of each corporate or trust signatory, that such corporation is validly created and is in existence as at the date hereof and that the undersigned representative of each such corporation, as the case may be, is a duly authorized signatory of such corporation and is authorized to execute this Settlement Agreement on its behalf.
26. In addition to the representations and warranties provided by Saba to the Receiver pursuant to paragraph 25, Saba further hereby represents and warrants to Blue Sky that to its knowledge, it has done no act and suffered or permitted no act or omission whereby its title to the Boundary Lake Assets or the Laprise Assets may be cancelled, nor has Saba encumbered or alienated its interest in the Boundary Lake Assets or the Laprise Assets and the Boundary Lake Assets and the Laprise Assets are now free and clear of all liens, encumbrances, adverse claims, demands or other interests created by, through or under Saba, or of which it has knowledge.

EXECUTION

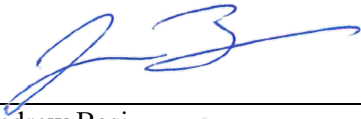
27. This Settlement Agreement may be executed and delivered in counterparts and all of which, when taken together, will be deemed to constitute one and the same agreement. A signed copy of this Settlement Agreement delivered by facsimile, email or other means of electronic transmission, including electronic signatures, will be deemed to have the same legal effect as delivery of an original signed copy of this Settlement Agreement.

[Signature page follows]

IN WITNESS WHEREOF the Parties execute this Settlement Agreement effective as of the above date.

**ALIXPARTNERS RESTRUCTURING
INC.**, solely in its capacity as Court-
manager of **BLUE SKY RESOURCES LTD.**
and not in its personal capacity or in any other
capacity

Per:



Andrew Basi
Authorized Signatory

SABA ENERGY LTD.

Per:

DocuSigned by:


5561032582E44E2...
Mohammad Fazil
President & CEO

SCHEDULE "A"
COURT ORDER

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.

DOCUMENT **ORDER: APPROVAL OF SETTLEMENT AGREEMENT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **BENNETT JONES LLP**
Barristers and Solicitors
4500 Bankers Hall East
855 – 2 Street SW
Calgary, Alberta T2P 4K7

Attention: Keely Cameron / Chyna Brown
Telephone No.: 403-298-3324 / 3244
Fax No.: 403-265-7219
Client File No.: 69209.27

DATE ON WHICH ORDER WAS PRONOUNCED: June 12, 2026

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice J.S. Little

LOCATION OF HEARING: Calgary, Alberta

UPON THE APPLICATION by KSV Restructuring Inc. (the "**KSV**") in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the assets, property and undertakings of Blue Sky Resources Ltd. (the "**Debtor**"); **AND UPON HAVING READ** the Receivership Order dated March 23, 2026 (the "**Receivership Order**"), the Brief of the Receiver, filed June 5, 2026, the First Report of the Receiver dated May 7, 2026 (the "**First Report**"), Confidential Appendices to the First Report; the Second Report of the Receiver dated June 5, 2026 (the "**Second Report**"), the Confidential Appendices to the Second Report, the Supplement to the Second Report dated June 11, 2026 and the Affidavit of Service; **AND UPON HEARING** from counsel for the Receiver and counsel for other interested parties in attendance at the hearing;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the Settlement Agreement.

SERVICE

2. Service of notice of this Application and materials in support of this Order is hereby declared good and sufficient, and the time for service of this Application and supporting materials is hereby abridged to the time actually given and this application is properly returnable today.

SETTLEMENT AGREEMENT

3. The Settlement Agreement, which is attached as Schedule "A" hereto, and the resolution of the dispute between the Debtor and Saba Energy Ltd. ("**Saba**") contemplated by it are hereby approved, and the execution of the Settlement Agreement by the Receiver is hereby authorized and approved.
4. The Receiver and Saba are hereby authorized and directed to perform their obligations under the Settlement Agreement and any ancillary documents related thereto, and to take such additional steps and execute such additional documents as may be necessary or desirable to give effect to the Settlement Agreement. No other approval of any person, including any court, regulatory body, corporate or governmental authority, is required for the Settlement Agreement to be binding and effective in accordance with its terms.

REVERSION OF ASSETS TO BLUE SKY

5. Upon the filing of a Receiver's Certificate in the form attached as Schedule "B" hereto (the "**Receiver's Certificate**") evidencing the waiver or satisfaction of the settlement closing conditions, the following shall occur:
 - (a) all of Saba's right, title and interest in and to the BC Assets as defined in the Settlement Agreement shall vest absolutely in the name of Blue Sky effective June 12, 2026.

- (b) Upon delivery of the Receiver's Certificate, 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 Certificate and a copy of this Order as though they were originals and to register such transfers, interest authorizations as may be required to convey to Blue Sky title to the Boundary Lake Assets. Without limiting the foregoing:
- (i) The Ministry of Energy and Climate Solutions shall and is hereby authorized, requested and directed to forthwith transfer all mineral leases listed in Schedule "C" to this Order into the name of Blue Sky Resources Ltd.
- (c) Each of the Debtor, the Receiver, and Saba (collectively, the "**Releasing Parties**") shall be deemed to have granted to each other a full and final mutual release from any and all claims, actions, causes of action, demands, rights, damages, costs, expenses, obligations, and liabilities of any kind whatsoever, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, in any way relating to, arising out of, or in respect of the Transactions (as defined in the Settlement Agreement) and subsequent operations of the assets thereunder (collectively, the "**Released Claims**"), and such Released Claims are hereby released, stayed, extinguished and forever barred, and the Releasing Parties shall have no liability in respect thereof.
6. To effect the transfers 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.
7. For greater certainty, no action or other proceeding shall be commenced by any Releasing Party against any other Releasing Party in respect of the Released Claims, except with prior leave of this Court or prior written notice to the applicable Releasing Party.

SERVICE OF ORDER

8. 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.
9. The Receiver will post a copy of this order on its website at: <https://www.ksvadvisory.com/experience/case/blue-sky-resources-ltd>.
10. Service of this Order on any party not attending this application is hereby dispensed with.

Justice of the Court of King's Bench of Alberta

SCHEDULE "A"
SETTLEMENT AGREEMENT

SCHEDULE "B"
Form of Receiver's Certificate

Clerk's Stamp

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.

DOCUMENT **RECEIVER'S CERTIFICATE**

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

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, AlixPartners Restructuring Inc. (formerly 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 a Settlement Agreement between Saba Restructuring Ltd. and the Receiver effective June 10, 2026 (the "**Settlement Agreement**") which is conditional upon Court approval of the Settlement Agreement and approval of the Reverse Vesting Order.

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

THE RECEIVER CERTIFIES the following:

1. The Settlement Closing Conditions as set out in paragraph 1 of the Settlement Agreement have been satisfied; and
2. The Settlement is Effective as at **[Time]** on **[Date]**.

**ALIXPARTNERS
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:

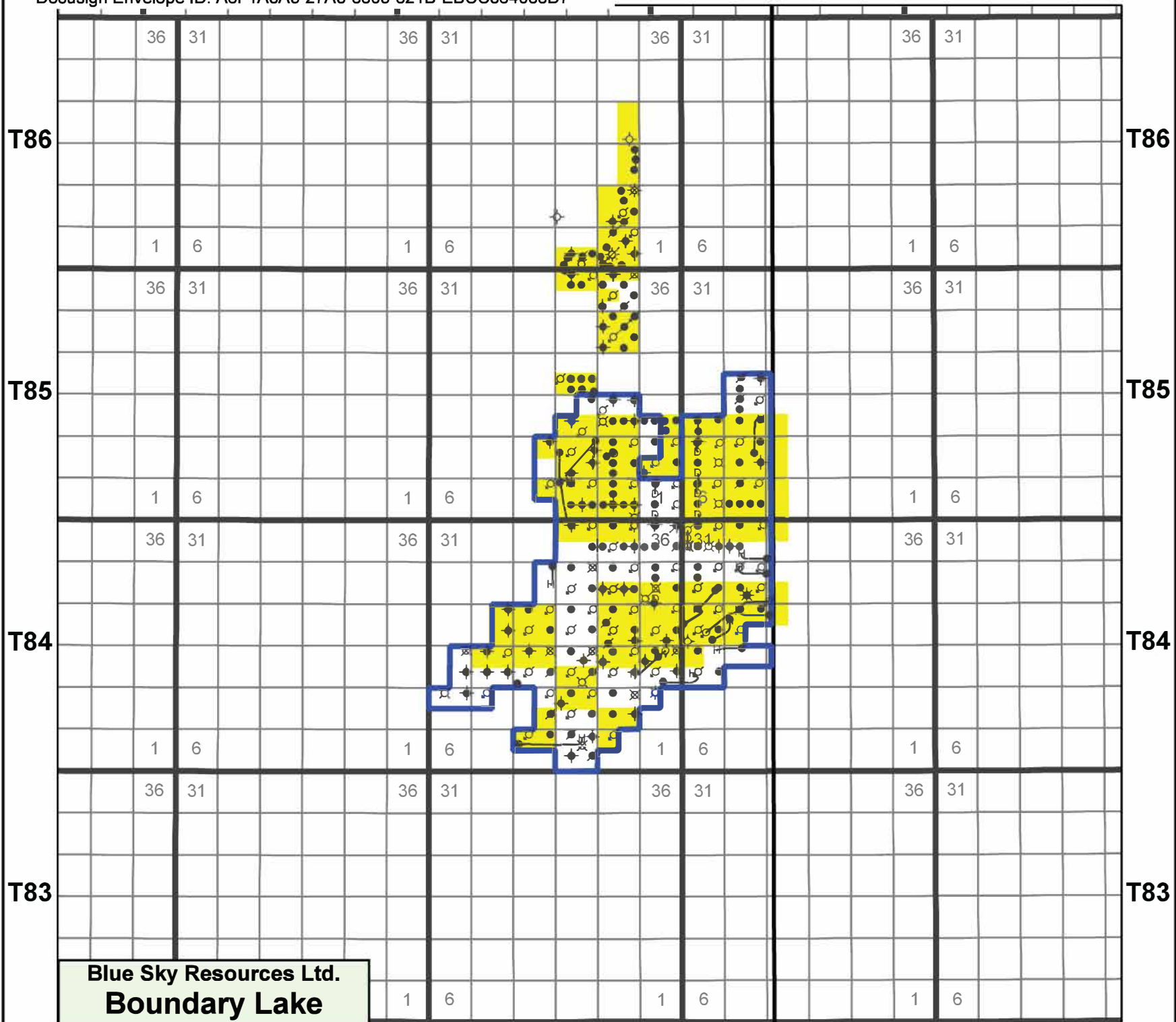
SCHEDULE "C"
MINERAL LEASES

SCHEDULE "B"

BC ASSETS

The right, title, estate and direct and indirect interest of Saba (whether absolute or contingent, legal or beneficial) in and to all of the oil and gas assets in the "White Map Area", being the area in the Province of British Columbia set out in the maps/plat attached to this Schedule "B".

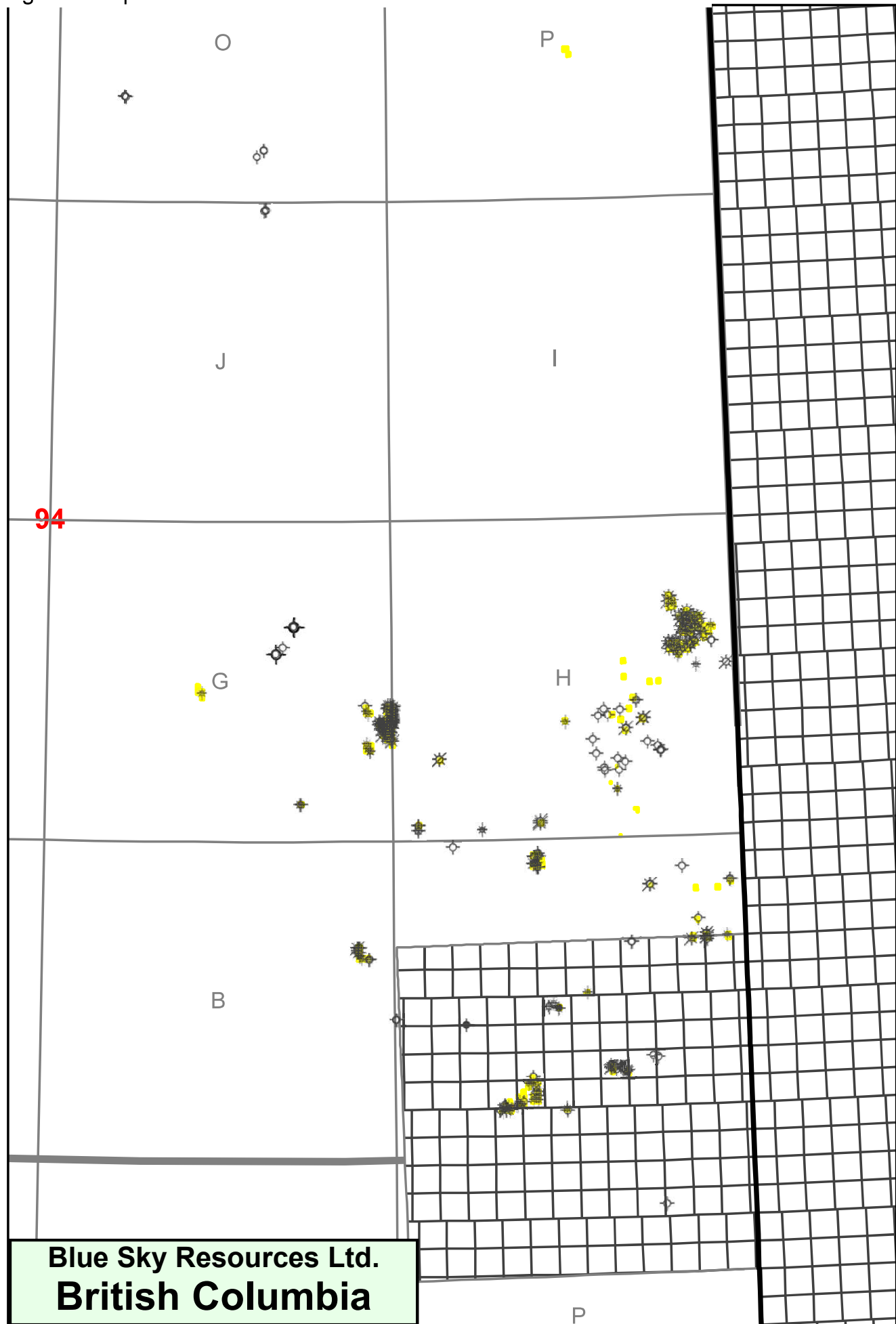
The Parties acknowledge that the "White Map Area" captures all of the BC Assets including the Boundary Lake Assets and shall include the entire interest which Saba owns in and to all petroleum and natural gas rights, tangibles, and the miscellaneous interests relating thereto which fall within the White Map Area, and in connection with the obligations of the Parties under Section 3 of this Agreement, the Parties shall use all reasonable efforts to prepare detailed schedules including a lands schedule/mineral property report, wells listing, facilities listing, and pipelines listing, as applicable, as are customarily prepared for the conveyance of oil and gas assets of such nature.



Blue Sky Resources Ltd.
Boundary Lake

R10

R2W6



94

T115

T107

T99

T91

T83

T75

R6W6

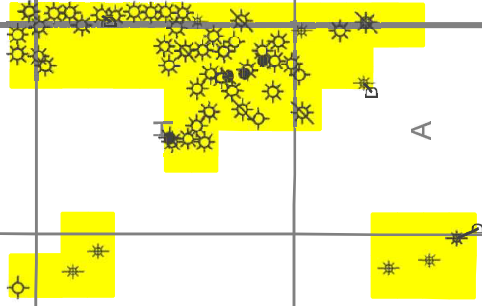
Blue Sky Resources Ltd.
British Columbia

SCHEDULE "C"
LAPRISE ASSETS

The right, title, estate and direct and indirect interest of Blue Sky as of the Effective Time (whether absolute or contingent, legal or beneficial) in and to all of the oil and gas assets in the "White Map Area", being the area in the Province of British Columbia set out in the maps/plat attached to this Schedule "C".

	D	C	B	A	D	C	B	A	
	L	K	J	I	L	K	J	I	
	E	F	G	H	E	F	G	H	
	D	C	B	A	D	C	B	A	
	L	K	J	I	L	K	J	I	
	E	F	G	H	E	F	G	H	

94



Blue Sky Resources Ltd.
Laprise

SCHEDULE "D"

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 [●], 2026.

AMONG:

SABA ENERGY LTD. ("Saba")

- and -

BLUE SKY RESOURCES LTD. ("Blue Sky")

RECITALS:

- A. In accordance with the terms of a Settlement Agreement dated June 11, 2026, by and between the Saba Energy Ltd. and AlixPartners Restructuring Inc. in its capacity as receiver and manager of Blue Sky Resources Ltd. (the "**Settlement Agreement**"), Saba has agreed to convey, assign, and transfer the BC Assets to Blue Sky and Blue Sky has agreed to provide Saba with an option to have the Laprise Assets conveyed, assigned and transferred to it; and **[NTD: to be modified as need to reflect relevant conveyance.]**
- B. this Agreement is delivered pursuant to the Settlement Agreement.

NOW THEREFORE, for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by Saba) 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 Settlement Agreement.

2. Certain Rules of Interpretation

- (a) 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.
- (b) 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.
- (c) The terms "hereof," "hereunder," and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.
- (d) Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections of this Agreement.

- (e) 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 [Saba/Blue Sky] hereby transfers, assigns, conveys and delivers to **Saba/Blue Sky** , and **Saba/Blue Sky** hereby accepts and receives from **Saba/Blue Sky** , upon the terms and subject to the conditions of the Settlement Agreement, **Saba/Blue Sky** 's Interest in and to the [BC Assets/Laprise Assets], with effect as of the date hereof, to have and to hold the [BC Assets/Laprise Assets]and all such right, title, interest, property, claim, and demand unto and to the use of Blue Sky.

4. 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.

5. 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.

6. Entire Agreement

This Agreement, the Settlement 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 Settlement Agreement and the documents referred to therein and contemplated thereby.

7. Successors and Assigns

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

8. 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.

9. 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 9 will be binding upon the Parties and their respective successors and permitted assigns.

10. Paramourcy

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

11. 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.

BLUE SKY RESOURCES LTD.

Per: _____
Name:
Title:

SABA ENERGY LTD.

Per: _____
Name:
Title: