

Clerk's Stamp

COURT FILE NUMBER 2501-19519

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTER  
IN THE MATTER OF THE COMPANIES'  
CREDITORS ARRANGEMENT ACT, R.S.C. 1985,  
c. C-36, AS AMENDED  
AND IN THE MATTER OF THE COMPROMISE OR  
ARRANGEMENT OF CABOT ENERGY INC.

APPLICANT CABOT ENERGY INC.

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT **STIKEMAN ELLIOTT LLP**  
Barristers & Solicitors  
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File No.: 145811-1010

**AFFIDAVIT OF MEGAN SMITH**

**Sworn on April 27, 2026**

I, Megan Smith, of the Town of Cochrane, Alberta, SWEAR AND SAY THAT:

1. I am a legal assistant at Stikeman Elliott LLP ("**Stikeman Elliott**"), counsel for Cabot Energy Inc. (the "**Applicant**") and have knowledge of Stikeman Elliott's file with respect to Alberta Court of King's Bench Action No. 2501-19519.
2. As such, I have personal knowledge of the facts and matters herein deposed to, except where stated to be based on information and belief, and where so stated, I believe the same to be true.
3. In support of the Applicant's Application for an Approval and Vesting Order to be heard April 28, 2026, attached hereto and marked as **Exhibit "A"** to this Affidavit is a redacted version of the Purchase and Sale Agreement between Cabot Energy Inc. and Red Angus Energy Inc., and an unredacted version of which is attached as **Confidential Exhibit "1"** to this Affidavit.
4. In further support of the Applicant's Application for an Approval and Vesting Order to be heard April 28, 2026, attached hereto and marked as **Exhibit "B"** to this Affidavit is a redacted version of the

Purchase and Sale Agreement between Cabot Energy Inc. and Tuscany Petroleum Ltd., and an unredacted version of which is attached as **Confidential Exhibit "2"** to this Affidavit.

5. I make this declaration of facts to provide these additional documents with the Court and for no other improper reason or purpose.

SWORN BEFORE ME at the City of Calgary, in )  
the Province of Alberta, this 27<sup>th</sup> day of April, )  
2026. )

Sunshine Holland. )  
Commissioner for Oaths in and for the Province )  
of Alberta )

Megan Smith )  
Megan Smith )

Sunshine C. Holland  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires September 6, 2028

This is **Exhibit "A"** referred to in the Affidavit of Megan Smith,  
sworn before me in the City of Calgary,  
in the Province of Alberta on the 27<sup>th</sup> day of April, 2026

*Sunshine Holland*

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A Commissioner for Oaths in  
and for the Province of Alberta

Sunshine C. Holland  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires September 5, 2028

## PURCHASE AND SALE AGREEMENT

**THIS AGREEMENT** made as of the 27 day of April, 2026.

### **BETWEEN:**

**CABOT ENERGY INC.**, a corporation incorporated under the laws of British Columbia and extra-provincially registered in Alberta (hereinafter referred to as "**Vendor**")

- and -

**RED ANGUS ENERGY INC.**, a corporation incorporated under the laws of Alberta (hereinafter referred to as "**Purchaser**")

**WHEREAS** on December 9, 2025, Vendor applied for and was granted an Order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act* (Canada), in Action No. 2501-19519 (the "**CCAA Proceedings**") of the Court of King's Bench of Alberta, which (amongst other things) appointed KSV Restructuring Inc. as monitor (the "**Monitor**") in the CCAA Proceedings;

**WHEREAS** pursuant to an Order of the Alberta Court of King's Bench, dated December 18, 2025, Vendor and the Monitor were given approval to implement a SISP (as defined herein) to sell Vendor's property or business;

**AND WHEREAS** Vendor wishes to sell, and Purchaser wishes to purchase, the interest in certain assets of Vendor, subject to and in accordance with the conditions of this Agreement;

**NOW THEREFORE, THIS AGREEMENT WITNESSETH** that in consideration of the premises and the mutual covenants and agreements hereinafter set forth, 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 Losses, liabilities and other duties and obligations, whether arising under contract, Applicable Law or otherwise, in respect of the:
  - (i) abandonment, shut-in, closure, decommissioning, dismantling or removal of any and all Wells and Tangibles, including all structures, foundations, buildings, pipelines, equipment and other facilities located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands; and
  - (ii) restoration, remediation and reclamation of the surface and subsurface locations of those items described in subsection (a)(i) 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 Time 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 in Western Canada and in compliance with all Applicable Laws, and including all obligations relating to any wells, Tangibles, pipelines, facilities and tangibles that were abandoned, removed or decommissioned prior to the Effective Date;

- (b) **"AER"** means the Alberta Energy Regulator;
- (c) **"Affiliate"** means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term **"control"** as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership or more than fifty percent (50%) of the voting securities of such Person, by contract or otherwise;
- (d) **"Applicable Law"** means, in relation to any person, property or circumstance, all laws, statutes, rules, regulations, official directives and orders of Governmental Authorities (whether administrative, legislative, executive or otherwise), including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and includes the provisions and conditions of any permit, license or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such person, property or circumstance;
- (e) **"Approval Order"** means an order to be granted by the Court substantially in the form of the Court of King's Bench of Alberta's template approval and vesting order attached to Schedule "E", which authorizes, approves and confirms this Agreement and the sale of the Assets by Vendor to Purchaser in accordance with the terms and conditions contained herein, and vests beneficial title to the Assets in Purchaser free and clear of all encumbrances, liens, security interests or claims other than Permitted Encumbrances to the extent and as provided for in such approval and vesting order;
- (f) **"Assets"** means the Petroleum and Natural Gas Rights, the Tangibles and the Miscellaneous Interests, and specifically excludes all Excluded Assets;
- (g) **"Business Day"** means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;
- (h) **"CCAA Proceedings"** means Alberta Court of King's Bench Action No. 2501-19519;
- (i) **"Closing"** means the transfer of possession, beneficial ownership and risks of the Assets from Vendor to Purchaser, the exchange of Specific Conveyances and payment of the Purchase Price (as defined herein) by Purchaser to Vendor, and all other items and considerations required to be delivered on the Closing Date pursuant hereto;
- (j) **"Closing Date"** means April 30, 2026, unless otherwise agreed upon in writing by the Parties;

- (k) **“Closing Place”** means the office of counsel for Vendor, or such other place as may be agreed upon in writing by the Parties;
- (l) **“Closing Time”** means 9 am (Calgary time) on the Closing Date or such other time as may be agreed upon in writing by Vendor and Purchaser;
- (m) **“Data Room Information”** means all information provided or made available to Purchaser in hard copy or electronic form in relation to Vendor and/or the Assets, including in the virtual data room provided for in the SISP;
- (n) **“Excluded Assets”** means:
  - (i) any deposit account (including deposits held with any Governmental Authority), investment account or other account in which funds are held or invested to or for the credit or account of Vendor; and
  - (ii) agreements, documents or data referred to in the last paragraph of Section 1.1(z);
- (o) **“Effective Date”** means the Closing Date;
- (p) **“Environmental Liabilities”** means all past, present and future liabilities and Losses in respect of the environment which relate to the Assets or which arise in connection with the ownership thereof or operations pertaining thereto, including without limitation, liabilities and Losses related to or arising from:
  - (i) transportation, storage, use or disposal of toxic or hazardous substances;
  - (ii) release, spill, escape, emission, leak, discharge, migration or dispersal of toxic or hazardous substances; or
  - (iii) pollution or contamination of or damage to the environment;

in each case, whether accruing, occurring or arising on, before or after the Closing Date and including, without limitation, liabilities to compensate Third Parties for damages and Losses resulting from the items described in items (i), (ii) and (iii) above (including, without limitation, damage to property, personal injury and death) and obligations to take action to prevent or rectify damage to or otherwise protect the environment and, for purposes of this Agreement, “the environment” includes, without limitation, the air, the surface and subsurface of the earth, bodies of water (including, without limitation, rivers, streams, lakes and aquifers) and plant and animal life (including humans);
- (q) **“Facilities”** means Vendor’s entire interest in and to all facilities specifically identified in Schedule “B”;
- (r) **“General Conveyance”** means the general conveyance set out in Schedule “C”;
- (s) **“Governmental Authority”** means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, or department, including

any government-owned entity, having jurisdiction over a Party, the Assets or the Transaction, including the AER;

- (t) **"GST"** means the goods and services tax payable pursuant to the GST Legislation;
- (u) **"GST Legislation"** means Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and the regulations promulgated thereunder;
- (v) **"Lands"** means:
  - (i) the lands and formations described in Schedule "A", and the Petroleum Substances within, upon or under such lands; and
  - (i) all lands pooled or unitized therewith and includes the Petroleum Substances within, upon or under those lands;
- (w) **"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);
- (x) **"Licence Transfers"** means, in relation to the Assets, the transfer of any permits, approvals, licences and authorizations granted by any applicable Governmental Authority;
- (y) **"Losses"** means all losses, costs, claims, damages, expenses and liabilities which a Party suffers, sustains, pays or incurs, including reasonable legal fees on a solicitor and his own client basis but notwithstanding the foregoing shall not include any liability for indirect or consequential damages including business loss, loss of profit, economic loss, punitive damages or income tax liabilities;
- (z) **"Miscellaneous Interests"** means, subject to any and all limitations and exclusions provided for in this definition, Vendor's entire 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 without limitation any and all of the following:
  - (i) all contracts and agreements relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);
  - (ii) all subsisting rights to carry out operations relating to the Lands or the Tangibles, and without limitation, all easements and other permits, licenses and authorizations pertaining to the Tangibles;
  - (iii) 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;
  - (iv) 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 proprietary seismic, geological or geophysical matters; and

- (v) the Wells, including the wellbores and any and all casing.

Unless otherwise agreed in writing by the Parties, the Miscellaneous Interests shall not include agreements, documents or data to the extent that: (A) they pertain to Vendor's proprietary technology; (B) they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by Vendor to an assignee, or (C) they comprise Vendor's tax and financial records, and economic evaluations, which agreements, documents or data shall be Excluded Assets;

- (aa) **"Monitor"** has the meaning set forth in the Recitals;
- (bb) **"Officer's Certificate"** means the certificate of an officer of the Purchaser or Vendor, as the context may require, set forth in Schedule "D";
- (cc) **"Outside Date"** means May 8, 2026 or such other later date as the Parties may agree to in writing (with the prior written consent of the Monitor);
- (dd) **"Party"** means a party to this Agreement;
- (ee) **"Permitted Encumbrances"** means:
  - (i) all encumbrances, overriding royalties, net profits interests and other burdens identified in Schedule "A";
  - (ii) the terms and conditions of the Title Documents, including, without limitation, 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 Law to terminate any Title Document;
  - (iv) easements, right of way, servitudes or other similar rights in land, including, without in any way limiting the generality of the foregoing, 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 that burden the Assets, in existence on the date of this Agreement;
  - (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, which are terminable on not more than thirty (30) days' notice (without an early termination penalty or other cost);

- (vii) any obligation of Vendor to hold any portion of its interest in and to any of the Assets in trust for Third Parties;
- (viii) the right reserved to or vested in any municipality, Governmental Authority or other public authority to control or regulate any of the Assets in any manner, including any directives or notices received from any municipality, Governmental Authority or other public authority pertaining to the Assets;
- (ix) liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as it relates to Vendor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof or, if then due or delinquent are being contested in good faith by Vendor;
- (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) agreements and plans relating to pooling or unitization of any of the Petroleum and Natural Gas Rights;
- (xii) provisions for penalties and forfeitures under agreements as a consequence of non-participation in operations;
- (xiii) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets;
- (xiv) any Encumbrances, defects, or irregularities that individually do not materially interfere with the ownership or use of the Properties; and
- (xv) all overriding royalties or similar interests in the Lands which are not capable of being vested out by the Approval Order under Applicable Law;
  
- (ff) "**Person**" means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;
  
- (gg) "**Petroleum and Natural Gas Rights**" means Vendor's entire 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), including, without limitation, the interests set out and described in Schedule "A";
  
- (hh) "**Petroleum Substances**" means any of crude oil, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including without limitation, sulphur;
  
- (ii) "**Representative**" means, with, respect to any Party, its Affiliates, and its and their respective directors, officers, servants, agents, advisors, employees and consultants;

- (jj) **"Sales Taxes"** means all transfer, sales, excise, stamp, license, production, value-added and other like taxes, assessments, charges, duties, fees, levies or other governmental charges of any kind, and includes, but is not limited to, additions by way of penalties, interest and other amounts with respect thereto, but excludes GST;
- (kk) **"SISP"** means the sale and investment solicitation process set forth in the Order Approving Sale and Investment Solicitation Process, granted by the Alberta Court of King's Bench on December 18, 2025, in Court of King's Bench Action No. 2501-19519;
- (ll) **"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 interest of Vendor in and to the Assets to Purchaser and to novate Purchaser in the place and stead of Vendor with respect to the Assets;
- (mm) **"Tangibles"** means Vendor's entire interest in and to the Facilities and any and all pipelines, equipment, and 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, make marketable or inject the Leased Substances or any of them, and any real property (other than the Lands);
- (nn) **"Third Party"** means any individual or entity other than the Monitor, Vendor and Purchaser, including without limitation any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;
- (oo) **"this Agreement", "herein", "hereto", "hereof"** and similar expressions mean and refer to this Agreement;
- (pp) **"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 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; including, without limitation, those, set out and described in Schedule "A";
- (qq) **"Transaction"** means the transaction for the purchase and sale of the Assets as contemplated by this Agreement; and
- (rr) **"Wells"** means Vendor's entire interest in and to the wells listed in Schedule "B".

## **1.2 Headings**

The expressions "Article", "section", "subsection", "clause", "subclause", "paragraph" and "Schedule" followed by a number or letter or combination thereof mean and refer to the specified article, section, subsection, clause, subclause, paragraph and schedule of or to this Agreement.

## **1.3 Interpretation Not Affected by Headings**

The division of this Agreement into Articles, sections, subsections, clauses, subclauses and paragraphs 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 Included Words**

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"	-	Lands and Petroleum and Natural Gas Rights
Schedule "B"	-	Wells, Facilities, and Pipelines
Schedule "C"	-	General Conveyance
Schedule "D"	-	Form of Officer's Certificate
Schedule "E"	-	Form of Approval Order

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 include, without limitation, reasonable legal fees and disbursements on a solicitor and client basis.

## **1.7 Derivatives**

Where a term is defined herein, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires.

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

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

**1.9 Currency**

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

**ARTICLE 2  
PURCHASE AND SALE AND CLOSING**

**2.1 Purchase and Sale**

Vendor hereby agrees to sell, assign, transfer, convey and set over to Purchaser, and Purchaser hereby agrees to purchase from Vendor on the Closing Date, on an "as is, where is" basis, all of the right, title, estate and interest of Vendor (whether absolute or contingent, legal or beneficial) in and to the Assets, subject to and in accordance with the terms of this Agreement.

**2.2 Purchase Price**

The aggregate consideration to be paid by Purchaser to Vendor for Vendor's interest in and to the Assets shall be [REDACTED] (the "Purchase Price") plus applicable GST and/or Sales Taxes, minus the Deposit (as defined herein), satisfied by Purchaser as follows:

(a) payment of the Deposit (as set forth and defined in section 2.9); and

(b) cash in the amount of [REDACTED], payable to Vendor at Closing.

**2.3 Allocation of Purchase Price**

The Parties shall allocate the Purchase Price as follows:

Petroleum and Natural Gas Rights	[REDACTED]
Tangibles	[REDACTED]
Miscellaneous Interests	[REDACTED]
Total	[REDACTED]

**2.4 Assumption of Abandonment and Reclamation Obligations**

In the determination of the Purchase Price payable for the Assets, as set forth in this Agreement, the Vendor and Purchaser are in agreement that the extent and value of the Purchaser's proportional share of the Abandonment and Reclamation Obligations related to the Assets is unknown as of the Closing Date, and Vendor and Purchaser have not attributed a specific or agreed to value with regard to either (i) such obligations, or (ii) the indemnities provided for in this Agreement, nor shall there be any adjustments made to the Purchase Price in relation thereto.

The Parties have taken into account the fact that the Assets and the associated Abandonment and Reclamation Obligations are inextricably linked in reaching this Agreement and in establishing the Purchase Price.

The Parties agree that Purchaser has assumed responsibility for the payment of all costs for existing or future Abandonment and Reclamation Obligations associated with the Assets, as set forth in this Agreement, and that the Vendor is absolutely and fully released of any and all responsibility or liability therefor.

## **2.5 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. The transfer and assignment of the Assets from Vendor to Purchaser shall be effective as of the Closing Time. Subject to all other provisions of this Agreement, possession, risk and beneficial ownership of Vendor's interest in and to the Assets shall pass from Vendor to Purchaser on the Closing Date.

- (a) On the Closing Date, Vendor shall deliver to Purchaser:
  - (i) the General Conveyance in the form attached as Schedule "C", duly executed by Vendor;
  - (ii) the Officer's Certificate substantially in the form attached as Schedule "D", duly executed by Vendor; and
  - (iii) a receipt for the Purchase Price plus applicable GST and/or Sales Taxes; and
  - (iv) a certified copy of the Approval Order.
- (b) On the Closing Date, Purchaser shall deliver to the Monitor:
  - (i) the Purchase Price, plus applicable GST and/or Sales Taxes;
  - (ii) the General Conveyance in the form attached as Schedule "C" duly executed by Purchaser; and
  - (iii) the Officer's Certificate substantially in the form attached as Schedule "D", duly executed by Purchaser.

## **2.6 Specific Conveyances**

The Parties shall cooperate in the preparation of the Specific Conveyances. Promptly following execution of this Agreement Purchaser shall use reasonable efforts to prepare and provide for Vendor's review, at least two Business Days prior to the Closing Date, all Specific Conveyances at Purchaser's own cost and expense. The Parties shall execute such Specific Conveyances at Closing. 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, 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 Purchaser.

## **2.7 Title Documents and Miscellaneous Interests**

As soon as practicable following Closing, Vendor shall deliver to 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 of Vendor or of which Vendor gains possession of prior to Closing.

## 2.8 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 certified cheque, bank draft or wire transfer.

## 2.9 Deposit

The Parties acknowledge that a deposit in the amount of [REDACTED], representing ten percent (10%) of the Purchase Price, has been provided by Purchaser to the Monitor concurrent with the execution of this Agreement, to be held in trust in by the Monitor and released only in accordance with the provisions of this section 2.9 (the "Deposit").

The Deposit shall be held in trust by the Monitor until one of the following events occur:

- (a) if Closing occurs, the Deposit shall be paid to the Monitor at Closing for the account of Vendor absolutely and be applied as partial payment of the Purchase Price;
- (b) if Closing does not occur due to a breach of this Agreement by Purchaser or by failure of Purchaser to fulfill the conditions set forth in section 3.4, the Deposit shall be forfeited to Vendor for the account of Vendor absolutely; and
- (c) if Closing does not occur due to any other reason other than as addressed by section 2.9(b), the Deposit shall be returned to Purchaser for the account of Purchaser absolutely.

## 2.10 Damages

The Parties agree that the amount of the Deposit constitutes their genuine estimate of all damages that will be suffered by Vendor as a result of Closing not occurring and that Vendor's retention thereof shall constitute liquidated damages to, and be the sole remedy of, Vendor as a result of Closing not occurring.

## 2.11 Taxes

### (a) GST

Each of Purchaser and Vendor is a registrant for GST purposes and will continue to be a registrant at the Closing Date in accordance with the provisions of the GST Legislation. Their respective GST registration numbers are:

Vendor            847061462 RT0001

Purchaser        711281493 RT0001

### (b) Sales Taxes Generally

The Parties acknowledge that the Purchase Price is exclusive of all Sales Taxes. Purchaser shall be solely responsible for all Sales Taxes which may be imposed by

any Governmental Authority and which pertain to Purchaser's acquisition of the Assets or to the registration of any Specific Conveyances necessitated hereby.

Except where Vendor is required under Applicable Law to collect or pay such Sales Taxes, Purchaser shall pay such Sales Taxes directly to the appropriate Governmental Authority within the required time period and shall file all necessary documentation with respect to such Sales Taxes when due. Vendor will do and cause to be done such things as are reasonably requested to enable Purchaser to comply with such obligation in a timely manner. If Vendor is required under Applicable Law to pay any such Sales Taxes, Purchaser shall promptly reimburse Vendor the full amount of such Sales Taxes upon delivery to Purchaser of copies of receipts showing payment of such Sales Taxes. Purchaser shall be responsible for the payment of any amount of Sales Taxes payable in respect of its purchase of the Assets pursuant hereto and any interest and penalties payable in respect thereto and shall indemnify and save harmless Vendor in respect thereof.

(c) Additional Elections

The Parties agree to make such other elections (including, without limitation, with respect to GST or Sales Tax) as prudent and available to minimize taxes payable as a result of the Transaction. Purchaser, acting reasonably, shall prepare, and each Party agrees to execute and file, such elections in the form and within the time periods prescribed or specified under Applicable Law.

## 2.12 Adjustments

- (a) Except as otherwise provided in this Section 2.12 and subject to all other provisions of this Agreement and without duplication, the Parties will adjust and apportion expenditures, revenues and benefits of every kind and nature accruing, payable or paid, receivable or received, in respect of the ownership and operation of the Assets including operating, maintenance, development and capital costs, proceeds from the sale of Petroleum Substances net of applicable transportation costs, royalties (including lessor royalties), property taxes, gas cost allowance (or similar allowances), prepayments and deposits, duties, taxes and assessments, as at the Effective Time in accordance with the following:
- (i) Vendor is entitled to the revenues and benefits from the ownership and operation of the Assets incurred and or accrued prior to the Effective Time and is responsible for and will pay for the expenditures pertaining to the ownership, operation or development of the Assets incurred and or accrued prior to the Effective Time;
  - (ii) Purchaser is entitled to the revenues and benefits from the ownership and operation of the Assets incurred and or accrued from and after the Effective Time and is responsible for and will pay for the expenditures pertaining to the ownership, operation and development of the Assets incurred and or accrued from and after the Effective Time;
  - (iii) all freehold mineral taxes, surface and mineral lease rentals and any similar payments made by Vendor to preserve any of the Leases or any Surface Rights shall be apportioned between Vendor and Purchaser on a per diem basis at the Effective Time;

- (b) All payments that are to be reported pursuant to ESTMA or similar extractive sector transparency legislation, shall be reported on a cash payment basis. For greater clarity, whichever Party makes the initial reportable payment under ESTMA, bears the obligation for the reporting of such payment; and
- (c) The net amount of the adjustments under this Section 2.12 will constitute a decrease (if the net amount of the adjustments is in favour of Purchaser) or increase (if the net amount of the adjustments is in favour of Vendor) to the Purchase Price and such decrease or increase in the Purchase Price shall correspondingly decrease or increase the amount of the Purchase Price allocated to Vendor's interest in the Petroleum Interests.

### **2.13 Final Statement of Adjustments**

Within sixty (60) days following the Closing Date, Vendor shall prepare and deliver to Purchaser a final statement of all adjustments and payments to be made pursuant to this Agreement ("**Final Statement of Adjustments**"). Purchaser shall provide, or cause to be provided, to Vendor full (but non-exclusive) access to, and Vendor at its own expense shall be entitled to audit, the relevant records to aid in the preparation of such statement. Vendor and Purchaser shall each use commercially reasonable efforts to cooperate in good faith to prepare the Statement of Adjustments and Vendor will assist Purchaser in verifying the amounts and adjustments set forth in the Final Statement of Adjustments. The net amount payable pursuant to the Statement of Adjustments will be remitted by the Party who in the net result is obliged to make payment within ten (10) Business Days of receipt by Purchaser of the Final Statement of Adjustments, and if not paid within the ten (10) Business Days, will thereafter bear interest until paid at a rate of interest equal to the Prime Rate plus two percent (2%) compounded annually.

## **ARTICLE 3 CONDITIONS OF CLOSING**

### **3.1 Required Consents**

It is the sole responsibility of Purchaser to obtain, at Purchaser's sole cost and expense, any consents to such transfer and any further documents or assurances which are necessary or desirable in the circumstances, including by applicable Governmental Authorities. It shall be the sole obligation of Purchaser, at Purchaser's sole cost and expense, to provide any and all financial assurances required by Governmental Authorities to permit the transfer to Purchaser, and registration of Purchaser as owner and/or operator, of any of the Assets including, but not limited to, the Facilities and the Wells.

### **3.2 Mutual Conditions**

The obligation of Purchaser to purchase Vendor's interest in and to the Assets, and of Vendor to sell its interest in and to the Assets to Purchaser, is subject to the following conditions precedent:

- (i) Vendor obtaining the Approval Order;
- (ii) there shall not have been instituted any legal proceedings to obtain, and no court or Governmental Authority of competent jurisdiction shall have issued, promulgated, enforced or entered any judgment, decree, injunction or other order, whether temporary, preliminary or permanent, that restrains, enjoins or otherwise prohibits consummation of the Transaction (other than the Approval Order), or if any such legal proceedings have been instituted, they shall have

been withdrawn, settled or dismissed by final order of a court of competent jurisdiction.

### **3.3 Purchaser's Conditions**

The obligation of Purchaser to purchase Vendor's interest in and to the Assets is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Purchaser and may be waived by Purchaser:

- (a) the representations and warranties of Vendor herein contained shall be true in all material respects when made and as of the Closing Date;
- (b) all obligations of Vendor contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and
- (c) the Purchaser shall have received from the Vendor the deliverables set out in section 2.5(a).

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Purchaser, at or before the Closing Date, Purchaser may terminate this Agreement by written notice to Vendor. If Purchaser terminates this Agreement, Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in sections 2.9 and 9.13.

### **3.4 Vendor's Conditions**

The obligation of Vendor to sell its interest in and to the Assets to Purchaser is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Vendor and may be waived by Vendor:

- (a) the representations and warranties of Purchaser herein contained shall be true in all material respects when made and as of the Closing Date;
- (b) all obligations of Purchaser contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and
- (c) all amounts to be paid by Purchaser to Vendor at Closing, including, without limitation, the Purchase Price, shall have been paid to the Monitor in the form stipulated in this Agreement; and
- (d) the Monitor shall have received from the Purchaser the deliverables set out in section 2.5(b).

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Vendor, at or before the Closing Date, Vendor may terminate this Agreement by written notice to Purchaser. If Vendor terminates this Agreement, Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in sections 2.9 and 9.13.

### **3.5 Efforts to Fulfil Conditions Precedent**

Purchaser and Vendor 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.

## **ARTICLE 4 REPRESENTATIONS AND WARRANTIES**

### **4.1 Representations and Warranties of Vendor**

Vendor makes only the following representations to Purchaser:

- (a) the SISP has been validly approved by the Court;
- (b) subject to obtaining the Approval Order, Vendor has the authority to enter into this Agreement and to complete the Transaction; and
- (c) Vendor is duly registered for GST purposes under Subdivision D of Division V of Part IX of the *Excise Tax Act* (Canada) and its registration number is: 847061462 RT0001.

### **4.2 Representations and Warranties of Purchaser**

Purchaser makes the following representations and warranties to Vendor:

- (a) Purchaser is a corporation duly organized, validly existing and is authorized to carry on business in the provinces in which the Lands are located;
- (b) Purchaser has good right, full power and absolute authority to purchase and acquire the interest of Vendor in and to the Assets according to the true intent and meaning of this Agreement;
- (c) except for obtaining the Approval Order, 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 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 Purchaser is party or by which Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or license applicable to Purchaser;
- (e) provided the Approval Order is obtained, this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Purchaser enforceable against 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 Assets is required for the due execution, delivery and performance by Purchaser of this Agreement, other than authorizations, approvals or exemptions from requirement therefor previously obtained and currently in force or to be obtained prior to or after Closing;
- (g) Purchaser has a subsisting business associate (BA) code issued through Petrinex and has general eligibility to acquire and hold licenses or approvals for wells, facilities and

pipelines under Applicable Laws administered by the AER and other applicable Governmental Authorities;

- (h) Purchaser has adequate funds available in an aggregate amount sufficient to pay: (i) all amounts required to be paid by Purchaser under this Agreement; and (ii) all expenses which have been or will be incurred by Purchaser in connection with this Agreement and the Transaction;
- (i) Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the Transaction for which Vendor shall have any obligation or liability;
- (j) Purchaser is duly registered for GST purposes under Subdivision D of Division V of Part IX of the *Excise Tax Act* (Canada) and its registration number is: 711281493 RT0001.
- (k) Purchaser is not a non-resident of Canada within the *Income Tax Act* (Canada); and
- (l) Purchaser is not a non-Canadian person for the purposes of the *Investment Canada Act*.

#### **4.3 Limitation of Representations by Vendor**

- (a) Subject to section 4.1, Vendor expressly negates any representations or warranties, whether written or verbal, made by Vendor or its Representatives and in particular, without limiting the generality of the foregoing, Vendor disclaims all liability and responsibility for any such representation, warranty, statement or information made or communicated, whether verbal or in writing, to Purchaser or any of its Representatives. Vendor's interest in and to the Assets shall be purchased on a strictly "as is, where is" basis and there are no collateral agreements, conditions, representations or warranties of any nature whatsoever made by Vendor, express or implied, arising under Applicable Law or otherwise, with respect to the Assets and in particular, without limiting the generality of the foregoing, there are no collateral agreements, conditions, representations or warranties made by Vendor, express or implied, arising at law, by statute, in equity or otherwise with respect to:
  - (i) any engineering, geological or other interpretation, descriptive or economic evaluations respecting the Assets;
  - (ii) to inspect or count, or provide any inspection or counting, of the Assets or Lands;
  - (iii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;
  - (iv) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;
  - (v) the rates of production of Petroleum Substances from the Lands;

- (vi) the quality, condition, fitness or merchantability of any tangible depreciable equipment or property interests which comprise the Assets (including the Tangibles);
  - (vii) the accuracy or completeness of the Teaser (as defined in the SISP), Data Room Information or any other data or information supplied by Vendor or any of its Representatives in connection with the Assets;
  - (viii) the suitability of the Assets for any purpose;
  - (ix) any consents and any further documents or assurances which are necessary or desirable;
  - (x) compliance with Applicable Laws; or
  - (xi) the title and interest of Vendor in and to the Assets.
- (b) Without restricting the generality of the foregoing, Purchaser acknowledges that it has made its own independent investigation, analysis, evaluation and inspection of Vendor's interests in the Assets and the state and condition thereof and that it is satisfied with, and has relied solely on, such investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets.
- (c) Except with respect to the representations and warranties in section 4.1, Purchaser forever releases and discharges Vendor and its Representatives from any claims and all liability to Purchaser or Purchaser's assigns and successors, as a result of the use or reliance upon advice, information or materials pertaining to the Assets which was delivered or made available to Purchaser by Vendor or its Representatives prior to or pursuant to this Agreement, including, without limitation, any evaluations, projections, reports and interpretive or non-factual materials prepared by or for Vendor, or otherwise in Vendor's possession.

## **ARTICLE 5 INDEMNITIES**

### **5.1 General Indemnity**

Provided that Closing has occurred, Purchaser shall:

- (a) be solely liable and responsible for any and all Losses which Vendor may suffer, sustain, pay or incur; and
- (b) as a separate covenant, indemnify, release and save harmless Vendor and its Representatives from any and all Losses, actions, proceedings and demands, whatsoever which may be brought against or suffered by Vendor or which it may sustain, pay or incur,

as a result of any matter or thing resulting from, attributable to or connected with the Assets and arising or accruing after the Closing Date.

## 5.2 Environmental Matters and Abandonment and Reclamation Obligations

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. 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 Vendor has provided Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of Purchaser (insofar as Vendor could reasonably provide such access) and that Purchaser is not relying upon any representation or warranty of Vendor as to the environmental condition of the Assets, Environmental Liabilities or Abandonment and Reclamation Obligations. Provided that Closing has occurred, Purchaser shall:

- (a) be solely liable and responsible for any and all Losses which Vendor may suffer, sustain, pay or incur; and
- (b) indemnify, release and save harmless Vendor from any and all Losses, actions, proceedings and demands, whatsoever which may be brought against or suffered by Vendor or which it may sustain, pay or incur,

as a result of any matter or thing arising out of, resulting from, attributable to or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, Purchaser shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations as between Vendor and Purchaser (including, without limitation, whether occurring or accruing prior to, on or after the Closing Date), and hereby releases Vendor from any claims Purchaser may have against Vendor with respect to all such liabilities and responsibilities. Without restricting the generality of the foregoing, Purchaser shall be responsible for all Environmental Liabilities and Abandonment and Reclamation Obligations (including, without limitation, whether occurring or accruing prior to, on or after the Closing Date) in respect of all Wells, Facilities, and Pipelines.

## 5.3 Third Party Claims

The following procedures shall be applicable to any claim by a Party (the “Indemnitee”) for indemnification pursuant to this Agreement from another Party (the “Indemnitor”) in respect of any Losses in relation to a Third Party (a “Third Party Claim”):

- (a) upon the Third Party Claim being made against or commenced against the Indemnitee, the Indemnitee shall within ten (10) Business Days of notice thereof provide written notice thereof to the Indemnitor. The notice shall describe the Third Party Claim in reasonable detail and indicate the estimated amount, if practicable, of the indemnifiable Losses that have been or may be sustained by the Indemnitee in respect thereof. If the Indemnitee does not provide notice to the Indemnitor within such ten (10) Business Day period, then such failure shall only lessen or limit the Indemnitee’s rights to indemnity hereunder to the extent that the defence of the Third Party Claim was prejudiced by such lack of timely notice;
- (b) if the Indemnitor acknowledges to the Indemnitee in writing that the Indemnitor is responsible to indemnify the Indemnitee in respect of the Third Party Claim pursuant hereto, the Indemnitor shall have the right to do either or both of the following:
  - (i) assume carriage of the defence of the Third Party Claim using legal counsel of its choice and at its sole cost; and/or

- (ii) settle the Third Party Claim, provided the Indemnitor pays the full monetary amount of the settlement and the settlement does not impose any restrictions or obligations on the Indemnitee;
- (c) each Party shall co-operate with the other Party in the defence of the Third Party Claim, including making available to the other Party and its Representatives whose assistance, testimony or presence is of material assistance in evaluating and defending the Third Party Claim;
- (d) the Indemnitee shall not enter into any settlement, consent order or other compromise with respect to the Third Party Claim without the prior written consent of the Indemnitor (which consent shall not be unreasonably withheld or delayed), unless the Indemnitee waives its rights to indemnification in respect of the Third Party Claim;
- (e) upon payment of the Third Party Claim, the Indemnitor shall be subrogated to all claims the Indemnitee may have relating thereto. The Indemnitee shall give such further assurances and co-operate with the Indemnitor to permit the Indemnitor to pursue such subrogated claims as reasonably requested by it; and
- (f) if the Indemnitor has paid an amount pursuant to the indemnification obligations herein and the Indemnitee shall subsequently be reimbursed from any source in respect of the Third Party Claim from any Third Party, the Indemnitee shall promptly pay the amount of the reimbursement (including interest actually received) to the Indemnitor, net of taxes required to be paid by the Indemnitee as a result of any such receipt.

## **ARTICLE 6 MAINTENANCE OF ASSETS**

### **6.1 Maintenance of Assets**

From the date hereof until the Closing Date, Vendor shall, to the extent that the nature of its interest permits, and subject to the Title Documents and any other agreements, orders and documents to which the Assets are subject:

- (a) maintain the Assets in a proper and prudent manner in material compliance with all Applicable Laws and directions of Governmental Authorities; and
- (b) pay or cause to be paid all costs and expenses relating to the Assets which become due from the date hereof to the Closing Date.

### **6.2 Consent of Purchaser**

Notwithstanding section 6.1, from the date hereof until the Closing Date, Vendor shall not, without the written consent of Purchaser, which consent shall not be unreasonably withheld and which, if provided, shall be provided in a timely manner:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Assets of which Vendor's share is in excess of \$25,000.00, except in case of an emergency or in respect of amounts which Vendor may be committed to expend or be deemed to authorize for expenditure without its consent; provided, however, that should Purchaser withhold its consent or fail to provide its consent in a

timely manner and a reduction in the value of the Assets results, there shall be no abatement or reduction in the Purchase Price;

- (b) surrender or abandon any of the Assets, unless an expenditure of money is required to avoid the surrender or abandonment and Purchaser does not provide same in a timely fashion, in which event the Assets in question shall be surrendered or abandoned without abatement or reduction in the Purchase Price;
- (c) amend or terminate any Title Document or enter into any new agreement or commitment relating to the Assets; or
- (d) sell, encumber or otherwise dispose of any of the Assets or any part or portion thereof excepting sales of the Leased Substances in the normal course of business.

### **6.3 Proposed Actions**

If Vendor receives notice of a proposed operation or the exercise of any right or option respecting the Assets in circumstances in which such operation or the exercise of such right or option would result in Purchaser incurring an obligation pursuant to section 6.2, the following shall apply to such operation or the exercise of such right or option (hereinafter referred to as the "Proposal"):

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

### **6.4 Post-Closing Transition**

Following Closing and to the extent to which Purchaser must be novated into operating agreements and other agreements or documents to which the Assets are subject, until the novation has been effected:

- (a) Vendor shall not initiate any operation with respect to the Assets, except upon receiving Purchaser's written instructions, or if Vendor reasonably determines that such operation is required for the protection of life or property, in which case Vendor may take such actions as it reasonably determines are required, without Purchaser's written instructions, and shall promptly notify Purchaser of such intention or actions and of Vendor's estimate of the costs and expenses therewith associated;

- (b) Vendor shall forthwith deliver to Purchaser all revenues, proceeds and other benefits received by Vendor with respect to the Assets, provided that Vendor shall not be permitted to deduct from such revenues, proceeds and other benefits, any other costs and expenses which it incurs as a result of such delivery to Purchaser;
- (c) Vendor shall, in a timely manner, deliver to Purchaser all Third Party notices and communications, including authorizations for expenditures and mail ballots and all notices and communications received in respect of the Assets or events and occurrences affecting the Assets, and Vendor shall respond to such notices pursuant to Purchaser's written instructions, if received on a timely basis, provided that Vendor may refuse to follow any instructions which it reasonably believes to be unlawful, unethical or in conflict with any applicable agreement or contract, and provided that nothing shall preclude Vendor from taking such actions as Vendor reasonably determines are necessary for the protection of life or property, or as are required by all Applicable Laws, rules, regulations, orders and directions of Governmental Authorities and other competent authorities; and
- (d) Vendor shall, in a timely manner, deliver to Third Parties all such notices and communications which Purchaser may reasonably request and all such monies and other items as Purchaser may reasonably provide in respect of the Assets, provided that Vendor may (but shall not be obligated to) refuse to follow instructions which it reasonably believes to be unlawful, unethical or in conflict with any applicable agreement or contract.

#### **6.5 Licence Transfers**

- (a) Subject to the Approval Order, to the extent applicable, within two (2) Business Days following the Approval Order being granted, Vendor shall prepare and, where applicable, electronically submit, an application to the applicable Governmental Authorities for Licence Transfers and Purchaser or its nominee shall, where applicable, electronically ratify and sign such application.
- (b) Subject to the Approval Order, if a Governmental Authority denies a Licence Transfer because of misdescription or other minor deficiencies in the application, Vendor shall, within one (1) Business Day of such denial, correct the application and amend and re-submit the application for the Licence Transfer and Purchaser or its nominee shall, where applicable, electronically ratify and sign such application.
- (c) Subject to the Approval Order, if, for any reason, a Governmental Authority requires a Party or its nominee to make a deposit or furnish any other form of security to approve a Licence Transfer, Purchaser shall immediately make such deposit or furnish such other form of security as is required.

#### **6.6 Vendor Deemed Purchaser's Agent**

- (a) Insofar as Vendor maintains the Assets and takes actions in relation thereto on Purchaser's behalf pursuant to this Article 6, Vendor shall be deemed to have been Purchaser's agent hereunder. Purchaser ratifies all actions taken by Vendor or refrained from being taken by Vendor pursuant to this Article 6 in such capacity during such period, with the intention that all such actions shall be deemed to be Purchaser's actions.

- (b) Insofar as Vendor participates in either operations or the exercise of rights or options as Purchaser's agent pursuant to this Article 6, Vendor may require Purchaser to secure costs to be incurred by Vendor on Purchaser's behalf pursuant to such election in such manner as may be reasonably appropriate in the circumstances.
- (c) Purchaser shall indemnify Vendor and its Representatives against all Losses which Vendor or its Representatives may suffer or incur as a result of Vendor maintaining the Assets as Purchaser's agent pursuant to this Article 6, insofar as such Losses are not a direct result of the gross negligence or wilful misconduct of Vendor or its Representatives. An action or omission of Vendor or of its Representatives shall not be regarded as gross negligence or wilful misconduct to the extent to which it was done or omitted from being done in accordance with Purchaser's instructions (including any election deemed pursuant to section 6.3(b)) or concurrence.

### **6.7 Transfer of Operatorship**

Vendor covenants with Purchaser that Vendor shall reasonably cooperate with Purchaser to obtain appropriate consents and approvals for the assignment and transfer to Purchaser of operatorship of those Assets of which Vendor is currently the operator.

## **ARTICLE 7 PURCHASER'S REVIEW AND ACCESS TO BOOKS AND RECORDS**

### **7.1 Vendor to Provide Access**

Prior to Closing, Vendor shall, subject to all contractual and fiduciary obligations, at the Calgary offices of Vendor during normal business hours, provide reasonable access for Purchaser and its Representatives to Vendor's records, books, accounts, documents, files, reports, information, materials, filings, and data, to the extent they relate directly to the Assets, as well as physical access to the Assets (insofar as Vendor can reasonably provide such access) for the purpose of Purchaser's review of the Assets and title thereto.

### **7.2 Access to Information**

After Closing and subject to contractual restrictions in favour of Third Parties relative to disclosure, Purchaser shall, on request from Vendor, provide reasonable access to Vendor at Purchaser's offices, during its normal business hours, to the agreements and documents to which the Assets are subject and the contracts, agreements, records, books, documents, licenses, reports and data included in the Miscellaneous Interests and the Title Documents which are then in the possession or control of Purchaser and to make copies thereof, as Vendor may reasonably require, including, but not limited to, for purposes relating to:

- (a) Vendor's ownership of the Assets (including taxation matters and liabilities and claims 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; or
- (c) any claim commenced or threatened by any Third Party against Vendor.

### **7.3 Maintenance of Information**

All of the information, materials and other records delivered to Purchaser pursuant to the terms hereof shall be maintained in good order and good condition and kept in a reasonably accessible location by Purchaser for a period of two (2) years from the Closing Date.

## **ARTICLE 8 TERMINATION**

### **8.1 Grounds for Termination**

This Agreement may be terminated on or prior to the Closing Date:

- (a) by the mutual written agreement of the Vendor (with the consent of the Monitor) and the Purchaser; or
- (b) by the Vendor (with the consent of the Monitor) or the Purchaser upon written notice to the other Party if: (i) the Closing has not occurred on or prior to the Outside Date plus 90 days; or (ii) the Approval Order is not obtained on or before the Outside Date (subject to availability of the Court); provided in each case that the failure to close or obtain such order, as applicable, by such deadline is not caused by breach of this Agreement or other actions of the Party proposing to terminate the Agreement.

### **8.2 Effect of Termination**

If this Agreement is terminated pursuant to section 8.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any further obligations hereunder.

## **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 No Merger**

The covenants, representations, warranties, limitations on warranties and indemnities contained in this Agreement shall be deemed to be restated in any and all assignments, conveyances, transfers and other documents conveying the interests of Vendor in and to the Assets to Purchaser, subject to any and all time and other limitations contained in this Agreement. There shall not be any merger of any covenant, representation, warranty or indemnity in such assignments, conveyances, transfers and other documents notwithstanding any rule of law, equity or statute to the contrary and such rules are hereby waived.

### **9.3 Expenses**

Except as otherwise expressly provided in this Agreement, each Party will pay for its own costs and expenses (including the fees and expenses of legal counsel, accountants and other advisors) incurred in connection with this Agreement.

#### **9.4 Entire Agreement**

- (a) 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 if there is any conflict or inconsistency between a term or provision of this Agreement and that of a schedule, a Specific Conveyance, the term or provision of this Agreement shall prevail.
- (b) If any term or provision of this Agreement conflicts with a term or provision of a Title Document, any Applicable Law or the SISP, the term or condition of such Title Document, the Applicable Law or the SISP shall prevail, and this Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.
- (c) This Agreement supersedes all other agreements (other than the confidentiality and nondisclosure agreement between Vendor and Purchaser (the "NDA") and the SISP), 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 subject matter hereof.

#### **9.5 Governing Law**

This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Agreement.

#### **9.6 Assignment and Enurement**

This Agreement may not be assigned by a Party without the prior written consent of the other Party, 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, Monitors, successors and permitted assigns.

#### **9.7 Time of Essence**

Time shall be of the essence in this Agreement.

#### **9.8 Notices**

The addresses of the Parties for delivery of notices hereunder shall be as follows:

Vendor:

Cabot Energy Inc.  
c/o Stikeman Elliott LLP  
4200, 888 3rd Street SW  
Calgary, AB T2P 5C5  
Attention: Karen Fellowes (kfellowes@stikeman.com); Isis Tse (itse@stikeman.com)

With a copy to:

KSV Restructuring Inc. (the "Monitor")  
1165, 324 – 8th Ave SW  
Calgary, AB T2P 2Z2  
Attention: Andrew Basi (abasi@ksvadvisory.com); Ross Graham  
(rgraham@ksvadvisory.com)

Bennett Jones LLP  
4500, 855 2nd Street SW  
Calgary, AB T2P 4K7  
Attention: Keely Cameron (cameronk@bennettjones.com)

Sayer Energy Advisors  
1620, 540 – 5th Avenue SW  
Calgary, AB T2P 0M2  
Attention: Tom Pavic (TPavic@sayeradvisors.com); Ben Rye (BRye@sayeradvisors.com)

**Purchaser:**

Red Angus Energy Inc.  
PO Box 11066 Calgary RPO Seton  
Calgary, AB T3M 1Y6  
Attention: Doug Wilson (doug@redangusenergy.com)

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party when it is delivered;
- (b) by email to a Party to the email address of such Party for notices, in which case, if the notice was emailed prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was emailed and if it is emailed on a day which is not a Business Day or is emailed after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day; or
- (c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by first class registered postage prepaid mail to a Party at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party on the fourth (4th) Business Day following the date of mailing.

A Party may from time to time change its address for service, email address for service or designated representative by giving written notice of such change to the other 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 Severability**

If any provision of this Agreement is determined by any court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect and shall not in any way be affected or impaired.

#### **9.11 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.

#### **9.12 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.

#### **9.13 Confidentiality and Public Announcements**

In accordance with the NDA, and until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Assets and shall not release any information concerning this Agreement and the Transaction 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 regulatory authority or to the public if required by Applicable Law; or (ii) in connection with obtaining the Approval Order.

#### **9.14 Electronic Signatures**

The Parties agree that all Specific Conveyances to be delivered and/or executed in connection with this Agreement and the transactions contemplated herein, except for records that create or transfer interests in land, guarantees, negotiable instruments, documents of title and such other documents excluded by section 7 of the *Electronic Transactions Act (Alberta)*, as amended from time to time, (the "**Conveyance Documents**"), may be executed by use of electronic signatures (the "**Electronic Signatures**"). Prior to Closing, to the extent the Parties wish to use Electronic Signatures, the Parties shall exchange a listing of one another's individual representatives which listing shall include the subject individual's name, title and a sample Electronic Signature. The Electronic Signatures of the individuals set out in such listing and which appear on any Conveyance Documents shall be sufficient to cause such Conveyance Documents to be valid and binding obligations of the Party represented by such individual, without need for original signatures to appear thereon and shall be of the same legal effect, validity or enforceability as a manually executed signature. The Parties shall receive and use the Electronic Signatures solely for the purpose of embedding the same into the Conveyance Documents and for no other purpose whatsoever.

### **9.15 Counterpart Execution**

This Agreement may be executed and delivered in counterpart and transmitted by facsimile or other electronic means and all such executed counterparts, including electronically transmitted copies of such counterparts, shall together constitute one and the same agreement.

***[Signature Page Follows]***

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the date first above written.

**CABOT ENERGY INC.**

**RED ANGUS ENERGY INC.**

By: Signed by:  
*Scott Aitken*  
CA4C99CF1587459...  
Name: Scott Aitken  
Title: Authorized Signatory

By: DocuSigned by:  
*Morgan Harrison*  
8F7ACD0291E744E...  
Name: Morgan Harrison  
Title: Authorized Signatory

*[Signature Page to Purchase and Sale Agreement]*

**SCHEDULE "A"**

**LAND AND PETROLEUM AND NATURAL GAS RIGHTS**

**Mineral Rights:**

Cabot Mineral File Number	Crown Lease Agreement Number	Lands	Rights	Cabot Working Interest	Encumbrances
M00283-A	0525030082	TWP 110 RGE 8 W6M NW 19	PNG from Surface to Basement	100%	CSS 5% GORR on 100% of production, payable to 2344963 Alberta Ltd.

**Surface Dispositions:**

MSL 5623 (Registered to Cabot Energy Inc.)

LOC 3003 (Registered to Cabot Energy Inc.)

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**SCHEDULE "B"**

**WELLS, FACILITIES, AND PIPELINES**

**Wells:**

License Number	Well List	Licensee	Status	Cabot Working Interest (%)
0034931	100/11-19-110-08W6/00	Tallahassee Exploration Inc.	Suspended Oil	100% (Tallahassee)

Acquired by Cabot through the Tallahassee Exploration Inc. receivership process (Court File Number 2401-14363, Sale Approval and Vesting Order dated August 22, 2025), in which the license transfer application from Tallahassee to Cabot has not yet been obtained.

**Facilities:**

Govt Code	AER License	Type	Status	Location	Licensee Name
ABBT0162173		Crude Oil Single-Well Battery	Active	11-19-110-08W6	Tallahassee Exploration Inc.

Acquired by Cabot through the Tallahassee Exploration Inc. receivership process (Court File Number 2401-14363, Sale Approval and Vesting Order dated August 22, 2025), in which the license transfer application from Tallahassee to Cabot has not yet been obtained.

**Pipelines:**

None

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**SCHEDULE "C"**

**GENERAL CONVEYANCE**

**THIS GENERAL CONVEYANCE** made as of this [•] day of [•], 2026.

**BETWEEN:**

**CABOT ENERGY INC.**, a corporation incorporated under the laws of Alberta (hereinafter referred to as "**Vendor**")

- and -

**RED ANGUS ENERGY INC.**, a corporation incorporated under the laws of Alberta (hereinafter referred to as "**Purchaser**")

**WHEREAS** on December 9, 2025, Vendor applied for and was granted an Order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act* (Canada), in Action No. 2501-19519 (the "**CCAA Proceedings**") of the Court of King's Bench of Alberta, which (amongst other things) appointed KSV Restructuring Inc. as monitor (the "**Monitor**") in the CCAA Proceedings;

**WHEREAS** pursuant to an Order of the Alberta Court of King's Bench, dated December 18, 2025, Vendor and the Monitor were given approval to implement a sale and investment solicitation process to sell Vendor's property or business (the "**SISP**");

**AND WHEREAS** Vendor wishes to sell, and Purchaser wishes to purchase, all of the interest of Vendor in and to the Assets, subject to and in accordance with the terms of the SISP and subject to and in accordance with the conditions contained herein;

**NOW THEREFORE** for the consideration provided in the Purchase Agreement and in consideration of the premises hereto and the covenants and agreements hereinafter set forth and contained, the Parties covenant and agree as follows:

**1. Definitions**

In this General Conveyance, including the recitals hereto, the definitions set forth in the Purchase Agreement are adopted herein by reference and, in addition:

"**Purchase Agreement**" means that Purchase and Sale Agreement between Vendor and Purchaser dated ●.

**2. Conveyance**

Pursuant to and for the consideration provided for in the Purchase Agreement, Vendor hereby sells, assigns, transfers, conveys and sets over to Purchaser the entire right, title, estate and interest of Vendor in and to the Assets, to have and to hold the same absolutely, together with all benefit and advantage to be derived therefrom.

**3. Subordinate Document**

This General Conveyance is executed and delivered by the Parties pursuant to the Purchase Agreement and the provisions of the Purchase Agreement shall prevail in the event of a conflict between the provisions of the Purchase Agreement and the provisions of this General Conveyance.

**4. No Merger**

The covenants, representations, warranties and indemnities contained in the Purchase Agreement are incorporated herein as fully and effectively as if they were set out herein and there shall be no merger of any covenant, representation, warranty or indemnity contained in the Purchase Agreement by virtue of the execution and delivery hereof, any rule of law, equity or statute to the contrary notwithstanding.

**5. Governing Law**

This General Conveyance shall be subject to and interpreted, construed and enforced in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Agreement.

**6. Enurement**

This General Conveyance shall be binding upon and shall enure to the benefit of each of the Parties and their respective administrators, trustees, Monitors, successors and assigns.

**7. Further Assurances**

Each Party will, from time to time and at all times hereafter, at the request of the other Party but without further consideration, do all such further acts and execute and deliver all such further documents as shall be reasonably required in order to fully perform and carry out the terms hereof.

**8. Counterpart Execution**

This Agreement may be executed in counterpart and by facsimile or other electronic means and all such executed counterparts together shall constitute one and the same agreement.

***[Signature Page Follows]***

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**IN WITNESS WHEREOF** the Parties have executed this General Conveyance on the date first above written.

**CABOT ENERGY INC.**

**RED ANGUS ENERGY INC.**

By: \_\_\_\_\_  
Name: Scott Aitken  
Title: Authorized Signatory

By: \_\_\_\_\_  
Name: Morgan Harrison  
Title: Authorized Signatory

*[Signature Page to the General Conveyance]*

**SCHEDULE "D"**

**[VENDOR'S][PURCHASER'S] OFFICER'S CERTIFICATE**

**TO:** [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")]

**RE:** Purchase and Sale Agreement dated [●] between Vendor and Purchaser (the "Agreement")

Unless otherwise defined herein, the definitions provided for in the Agreement are adopted in this certificate (the "Certificate").

I, [ Name], [Position] of [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")] hereby certify that as of the date of this Certificate:

1. The undersigned is personally familiar, in [his][her] capacity as an officer of [Vendor][Purchaser], with the matters hereinafter mentioned.
2. Each of the covenants, representations and warranties of the [Vendor][Purchaser] contained in Article 4 of the Agreement were true and correct in all material respects when made and are true and correct in all material respects as of the Closing Date.
3. All obligations of [Vendor][Purchaser] contained in the Agreement to be performed prior to or at Closing have been timely performed in all material respects.
4. This Certificate is made for and on behalf of the [Vendor][Purchaser] and is binding upon it, and I am not incurring, and will not incur, any personal liability whatsoever with respect to it.
5. This Certificate is made with full knowledge that the [Vendor][Purchaser] is relying on the same for the Closing of the transactions contemplated by the Agreement.

**IN WITNESS WHEREOF** I have executed this Certificate this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

**[Name of Vendor/Purchaser]**

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

Name: ●

Title: ●

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**SCHEDULE "E"**  
**APPROVAL ORDER**

**Schedule "A"**

**Form of Monitor's Certificate**

COURT FILE NUMBER

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

PLAINTIFF

DEFENDANT

DOCUMENT

**MONITOR'S CERTIFICATE**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT

Clerk's Stamp

**RECITALS**

- A. Pursuant to an Order of the Honourable Justice **[Name]** of the Court of King's Bench of Alberta, Judicial District of \_\_\_\_\_ (the "**Court**") dated **[Date of Order]**, **[Name of Monitor]** was appointed as the Monitor (the "**Monitor**") of the undertakings, property and assets of **[Debtor]** (the "**Debtor**").
- B. Pursuant to an Order of the Court dated **[Date]**, the Court approved the agreement of purchase and sale made as of **[Date of Agreement]** (the "**Sale Agreement**") between the Monitor and **[Name of Purchaser]** (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor 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 section \* of the Sale Agreement have been satisfied or waived by the Monitor and the Purchaser; and iii. the Transaction has been completed to the satisfaction of the Monitor.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

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**THE MONITOR CERTIFIES** the following:

1. The Purchaser (or its nominee) has paid and the Monitor 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 section \* of the Sale Agreement have been satisfied or waived by the Monitor and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at [Time] on [Date].

**[Name of Monitor], in its capacity as Monitor of the undertakings, property and assets of [Debtor], and not in its personal capacity.**

Per: \_\_\_\_\_  
Name: ●  
Title: ●

This is **Exhibit "B"** referred to in the Affidavit of Megan Smith,  
sworn before me in the City of Calgary,  
in the Province of Alberta on the 27<sup>th</sup> day of April, 2026

Sunshine Holland.

A Commissioner for Oaths in  
and for the Province of Alberta

Sunshine C. Holland  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires September 6, 2028

## PURCHASE AND SALE AGREEMENT

**THIS AGREEMENT** made as of the 27 day of April, 2026.

**BETWEEN:**

**CABOT ENERGY INC.**, a corporation incorporated under the laws of British Columbia and extra-provincially registered in Alberta (hereinafter referred to as "**Vendor**")

- and -

**TUSCANY PETROLEUM LTD.**, a corporation incorporated under the laws of Alberta (hereinafter referred to as "**Purchaser**")

**WHEREAS** on December 9, 2025, Vendor applied for and was granted an Order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act* (Canada), in Action No. 2501-19519 (the "**CCAA Proceedings**") of the Court of King's Bench of Alberta, which (amongst other things) appointed KSV Restructuring Inc. as monitor (the "**Monitor**") in the CCAA Proceedings;

**WHEREAS** pursuant to an Order of the Alberta Court of King's Bench, dated December 18, 2025, Vendor and the Monitor were given approval to implement a SISP (as defined herein) to sell Vendor's property or business;

**AND WHEREAS** Vendor wishes to sell, and Purchaser wishes to purchase, the interest in certain assets of Vendor, subject to and in accordance with the conditions of this Agreement;

**NOW THEREFORE, THIS AGREEMENT WITNESSETH** that in consideration of the premises and the mutual covenants and agreements hereinafter set forth, 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 Losses, liabilities and other duties and obligations, whether arising under contract, Applicable Law or otherwise, in respect of the:
- (i) abandonment, shut-in, closure, decommissioning, dismantling or removal of any and all Wells and Tangibles, including all structures, foundations, buildings, pipelines, equipment and other facilities located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands; and
  - (ii) restoration, remediation and reclamation of the surface and subsurface locations of those items described in subsection (a)(i) 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 Time 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 in Western Canada and in compliance with all Applicable Laws, and including all obligations relating to any wells, Tangibles, pipelines, facilities and tangibles that were abandoned, removed or decommissioned prior to the Effective Date;

- (b) **"AER"** means the Alberta Energy Regulator;
- (c) **"Affiliate"** means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term **"control"** as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership or more than fifty percent (50%) of the voting securities of such Person, by contract or otherwise;
- (d) **"Applicable Law"** means, in relation to any person, property or circumstance, all laws, statutes, rules, regulations, official directives and orders of Governmental Authorities (whether administrative, legislative, executive or otherwise), including judgments, orders and decrees of courts, commissions or bodies exercising similar functions, as amended, and includes the provisions and conditions of any permit, license or other governmental or regulatory authorization, that are in effect as at the relevant time and are applicable to such person, property or circumstance;
- (e) **"Approval Order"** means an order to be granted by the Court substantially in the form of the Court of King's Bench of Alberta's template approval and vesting order attached to Schedule "E", which authorizes, approves and confirms this Agreement and the sale of the Assets by Vendor to Purchaser in accordance with the terms and conditions contained herein, and vests beneficial title to the Assets in Purchaser free and clear of all encumbrances, liens, security interests or claims other than Permitted Encumbrances to the extent and as provided for in such approval and vesting order;
- (f) **"Assets"** means the Petroleum and Natural Gas Rights, the Tangibles and the Miscellaneous Interests, and specifically excludes all Excluded Assets;
- (g) **"Business Day"** means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;
- (h) **"CCAA Proceedings"** means Alberta Court of King's Bench Action No. 2501-19519;
- (i) **"Closing"** means the transfer of possession, beneficial ownership and risks of the Assets from Vendor to Purchaser, the exchange of Specific Conveyances and payment of the Purchase Price (as defined herein) by Purchaser to Vendor, and all other items and considerations required to be delivered on the Closing Date pursuant hereto;
- (j) **"Closing Date"** means May 1, 2026, unless otherwise agreed upon in writing by the Parties;

- (k) **“Closing Place”** means the office of counsel for Vendor, or such other place as may be agreed upon in writing by the Parties;
- (l) **“Closing Time”** means 9 am (Calgary time) on the Closing Date or such other time as may be agreed upon in writing by Vendor and Purchaser;
- (m) **“Data Room Information”** means all information provided or made available to Purchaser in hard copy or electronic form in relation to Vendor and/or the Assets, including in the virtual data room provided for in the SISP;
- (n) **“Excluded Assets”** means:
  - (i) any deposit account (including deposits held with any Governmental Authority), investment account or other account in which funds are held or invested to or for the credit or account of Vendor; and
  - (ii) agreements, documents or data referred to in the last paragraph of Section 1.1(z);
- (o) **“Effective Date”** means the Closing Date;
- (p) **“Environmental Liabilities”** means all past, present and future liabilities and Losses in respect of the environment which relate to the Assets or which arise in connection with the ownership thereof or operations pertaining thereto, including without limitation, liabilities and Losses related to or arising from:
  - (i) transportation, storage, use or disposal of toxic or hazardous substances;
  - (ii) release, spill, escape, emission, leak, discharge, migration or dispersal of toxic or hazardous substances; or
  - (iii) pollution or contamination of or damage to the environment;

in each case, whether accruing, occurring or arising on, before or after the Closing Date and including, without limitation, liabilities to compensate Third Parties for damages and Losses resulting from the items described in items (i), (ii) and (iii) above (including, without limitation, damage to property, personal injury and death) and obligations to take action to prevent or rectify damage to or otherwise protect the environment and, for purposes of this Agreement, “the environment” includes, without limitation, the air, the surface and subsurface of the earth, bodies of water (including, without limitation, rivers, streams, lakes and aquifers) and plant and animal life (including humans);
- (q) **“Facilities”** means Vendor’s entire interest in and to all facilities specifically identified in Schedule “B”;
- (r) **“General Conveyance”** means the general conveyance set out in Schedule “C”;
- (s) **“Governmental Authority”** means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, or department, including

any government-owned entity, having jurisdiction over a Party, the Assets or the Transaction, including the AER;

- (t) **"GST"** means the goods and services tax payable pursuant to the GST Legislation;
- (u) **"GST Legislation"** means Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended, and the regulations promulgated thereunder;
- (v) **"Lands"** means:
  - (i) the lands and formations described in Schedule "A", and the Petroleum Substances within, upon or under such lands; and
  - (i) all lands pooled or unitized therewith and includes the Petroleum Substances within, upon or under those lands;
- (w) **"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);
- (x) **"Licence Transfers"** means, in relation to the Assets, the transfer of any permits, approvals, licences and authorizations granted by any applicable Governmental Authority;
- (y) **"Losses"** means all losses, costs, claims, damages, expenses and liabilities which a Party suffers, sustains, pays or incurs, including reasonable legal fees on a solicitor and his own client basis but notwithstanding the foregoing shall not include any liability for indirect or consequential damages including business loss, loss of profit, economic loss, punitive damages or income tax liabilities;
- (z) **"Miscellaneous Interests"** means, subject to any and all limitations and exclusions provided for in this definition, Vendor's entire 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 without limitation any and all of the following:
  - (i) all contracts and agreements relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);
  - (ii) all subsisting rights to carry out operations relating to the Lands or the Tangibles, and without limitation, all easements and other permits, licenses and authorizations pertaining to the Tangibles;
  - (iii) 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;
  - (iv) 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 proprietary seismic, geological or geophysical matters; and

- (v) the Wells, including the wellbores and any and all casing.

Unless otherwise agreed in writing by the Parties, the Miscellaneous Interests shall not include agreements, documents or data to the extent that: (A) they pertain to Vendor's proprietary technology; (B) they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by Vendor to an assignee, or (C) they comprise Vendor's tax and financial records, and economic evaluations, which agreements, documents or data shall be Excluded Assets;

- (aa) **"Monitor"** has the meaning set forth in the Recitals;
- (bb) **"Officer's Certificate"** means the certificate of an officer of the Purchaser or Vendor, as the context may require, set forth in Schedule "D";
- (cc) **"Outside Date"** means May 8, 2026 or such other later date as the Parties may agree to in writing (with the prior written consent of the Monitor);
- (dd) **"Party"** means a party to this Agreement;
- (ee) **"Permitted Encumbrances"** means:
  - (i) all encumbrances, overriding royalties, net profits interests and other burdens identified in Schedule "A";
  - (ii) the terms and conditions of the Title Documents, including, without limitation, 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 Law to terminate any Title Document;
  - (iv) easements, right of way, servitudes or other similar rights in land, including, without in any way limiting the generality of the foregoing, 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 that burden the Assets, in existence on the date of this Agreement;
  - (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, which are terminable on not more than thirty (30) days' notice (without an early termination penalty or other cost);

- (vii) any obligation of Vendor to hold any portion of its interest in and to any of the Assets in trust for Third Parties;
  - (viii) the right reserved to or vested in any municipality, Governmental Authority or other public authority to control or regulate any of the Assets in any manner, including any directives or notices received from any municipality, Governmental Authority or other public authority pertaining to the Assets;
  - (ix) liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as it relates to Vendor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof or, if then due or delinquent are being contested in good faith by Vendor;
  - (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) agreements and plans relating to pooling or unitization of any of the Petroleum and Natural Gas Rights;
  - (xii) agreements respecting the operation of Wells by contract field operators;
  - (xiii) provisions for penalties and forfeitures under agreements as a consequence of non-participation in operations;
  - (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;
  - (xv) any Encumbrances, defects, or irregularities that individually do not materially interfere with the ownership or use of the Properties; and
  - (xvi) all overriding royalties or similar interests in the Lands which are not capable of being vested out by the Approval Order under Applicable Law;
  - (xvii) For greater certainty, Permitted Encumbrances shall not include, and Purchaser shall not be deemed to assume, any liability, obligation, defect, burden, claim or encumbrance to the extent arising from or relating to any breach, default, non-payment, non-compliance, misdescription, omission or failure by Vendor prior to the Closing Date to comply with any Title Document, contract, Applicable Law, order, directive or notice, and all such matters shall remain for the account of Vendor.
- (ff) **"Person"** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity;
- (gg) **"Petroleum and Natural Gas Rights"** means Vendor's entire 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), including, without limitation, the interests set out and described in Schedule "A";

- (hh) **"Petroleum Substances"** means any of crude oil, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including without limitation, sulphur;
- (ii) **"Representative"** means, with, respect to any Party, its Affiliates, and its and their respective directors, officers, servants, agents, advisors, employees and consultants;
- (jj) **"Sales Taxes"** means all transfer, sales, excise, stamp, license, production, value-added and other like taxes, assessments, charges, duties, fees, levies or other governmental charges of any kind, and includes, but is not limited to, additions by way of penalties, interest and other amounts with respect thereto, but excludes GST;
- (kk) **"SISP"** means the sale and investment solicitation process set forth in the Order Approving Sale and Investment Solicitation Process, granted by the Alberta Court of King's Bench on December 18, 2025, in Court of King's Bench Action No. 2501-19519;
- (ll) **"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 interest of Vendor in and to the Assets to Purchaser and to novate Purchaser in the place and stead of Vendor with respect to the Assets;
- (mm) **"Tangibles"** means Vendor's entire interest in and to the Facilities and any and all pipelines, equipment, and 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, make marketable or inject the Leased Substances or any of them, and any real property (other than the Lands);
- (nn) **"Third Party"** means any individual or entity other than the Monitor, Vendor and Purchaser, including without limitation any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;
- (oo) **"this Agreement", "herein", "hereto", "hereof"** and similar expressions mean and refer to this Agreement;
- (pp) **"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 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; including, without limitation, those, set out and described in Schedule "A";

(qq) **“Transaction”** means the transaction for the purchase and sale of the Assets as contemplated by this Agreement; and

(rr) **“Wells”** means Vendor’s entire interest in and to the wells listed in Schedule “B”.

## **1.2 Headings**

The expressions “Article”, “section”, “subsection”, “clause”, “subclause”, “paragraph” and “Schedule” followed by a number or letter or combination thereof mean and refer to the specified article, section, subsection, clause, subclause, paragraph and schedule of or to this Agreement.

## **1.3 Interpretation Not Affected by Headings**

The division of this Agreement into Articles, sections, subsections, clauses, subclauses and paragraphs 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 Included Words**

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”	-	Lands and Petroleum and Natural Gas Rights
Schedule “B”	-	Wells, Facilities, and Pipelines
Schedule “C”	-	General Conveyance
Schedule “D”	-	Form of Officer’s Certificate
Schedule “E”	-	Form of Approval Order

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. If, following the date of the Approval Order but prior to the Closing Date, the Parties mutually determine in good faith that any well, facility, pipeline, lease, land interest or other asset intended by the Parties to be included in the Transaction was inadvertently omitted from, or incorrectly described in the Schedules, the Parties may, by mutual written agreement, amend the applicable Schedule(s) to add or correct such item, and any such added or corrected item shall thereafter be deemed to be included in the Assets for all purposes of this Agreement.

## **1.6 Damages**

All Losses in respect of which a Party has a claim pursuant to this Agreement include, without limitation, reasonable legal fees and disbursements on a solicitor and client basis.

**1.7 Derivatives**

Where a term is defined herein, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires.

**1.8 Interpretation if Closing Does Not Occur**

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

**1.9 Currency**

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

**ARTICLE 2  
PURCHASE AND SALE AND CLOSING**

**2.1 Purchase and Sale**

Vendor hereby agrees to sell, assign, transfer, convey and set over to Purchaser, and Purchaser hereby agrees to purchase from Vendor on the Closing Date, on an "as is, where is" basis, all of the right, title, estate and interest of Vendor (whether absolute or contingent, legal or beneficial) in and to the Assets, subject to and in accordance with the terms of this Agreement.

**2.2 Purchase Price**

The aggregate consideration to be paid by Purchaser to Vendor for Vendor's interest in and to the Assets shall be [REDACTED] (the "Purchase Price") plus applicable GST and/or Sales Taxes, minus the Deposit (as defined herein), satisfied by Purchaser as follows:

- (a) payment of the Deposit (as set forth and defined in section 2.9); and
- (b) cash in the amount of [REDACTED] payable to Vendor at Closing.

**2.3 Allocation of Purchase Price**

The Parties shall allocate the Purchase Price as follows:

Petroleum and Natural Gas Rights	[REDACTED]
Tangibles	[REDACTED]
Miscellaneous Interests	[REDACTED]
Total	[REDACTED]

## **2.4 Assumption of Abandonment and Reclamation Obligations**

In the determination of the Purchase Price payable for the Assets, as set forth in this Agreement, the Vendor and Purchaser are in agreement that the extent and value of the Purchaser's proportional share of the Abandonment and Reclamation Obligations related to the Assets is unknown as of the Closing Date, and Vendor and Purchaser have not attributed a specific or agreed to value with regard to either (i) such obligations, or (ii) the indemnities provided for in this Agreement, nor shall there be any adjustments made to the Purchase Price in relation thereto.

The Parties have taken into account the fact that the Assets and the associated Abandonment and Reclamation Obligations are inextricably linked in reaching this Agreement and in establishing the Purchase Price.

The Parties agree that Purchaser has assumed responsibility for the payment of all costs for existing or future Abandonment and Reclamation Obligations associated with the Assets, as set forth in this Agreement, and that the Vendor is absolutely and fully released of any and all responsibility or liability therefor.

## **2.5 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. The transfer and assignment of the Assets from Vendor to Purchaser shall be effective as of the Closing Time. Subject to all other provisions of this Agreement, possession, risk and beneficial ownership of Vendor's interest in and to the Assets shall pass from Vendor to Purchaser on the Closing Date.

- (a) On the Closing Date, Vendor shall deliver to Purchaser:
  - (i) the General Conveyance in the form attached as Schedule "C", duly executed by Vendor;
  - (ii) the Officer's Certificate substantially in the form attached as Schedule "D", duly executed by Vendor; and
  - (iii) a receipt for the Purchase Price plus applicable GST and/or Sales Taxes; and
  - (iv) a certified copy of the Approval Order.
- (b) On the Closing Date, Purchaser shall deliver to the Monitor:
  - (i) the Purchase Price, plus applicable GST and/or Sales Taxes;
  - (ii) the General Conveyance in the form attached as Schedule "C" duly executed by Purchaser; and
  - (iii) the Officer's Certificate substantially in the form attached as Schedule "D", duly executed by Purchaser.

## **2.6 Specific Conveyances**

The Parties shall cooperate in the preparation of the Specific Conveyances. Promptly following execution of this Agreement Purchaser shall use reasonable efforts to prepare and provide for

Vendor's review, at least two Business Days prior to the Closing Date, all Specific Conveyances at Purchaser's own cost and expense. The Parties shall execute such Specific Conveyances at Closing. 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, 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 Purchaser.

## **2.7 Title Documents and Miscellaneous Interests**

As soon as practicable following Closing, Vendor shall deliver to 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 of Vendor or of which Vendor gains possession of prior to Closing.

## **2.8 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 certified cheque, bank draft or wire transfer.

## **2.9 Deposit**

The Parties acknowledge that a deposit in the amount of [REDACTED], representing ten percent (10%) of the Purchase Price, has been provided by Purchaser to the Monitor concurrent with the execution of this Agreement, to be held in trust in by the Monitor and released only in accordance with the provisions of this section 2.9 and the SISP (the "Deposit").

The Deposit shall be held in trust by the Monitor until one of the following events occur:

- (a) if Closing occurs, the Deposit shall be paid to the Monitor at Closing for the account of Vendor absolutely and be applied as partial payment of the Purchase Price;
- (b) if Closing does not occur due to a breach of this Agreement by Purchaser or by failure of Purchaser to fulfill the conditions set forth in section 3.4, the Deposit shall be forfeited to Vendor for the account of Vendor absolutely; and
- (c) if Closing does not occur due to any other reason other than as addressed by section 2.9(b), the Deposit shall be returned to Purchaser for the account of Purchaser absolutely.

## **2.10 Damages**

The Parties agree that the amount of the Deposit constitutes their genuine estimate of all damages that will be suffered by Vendor as a result of Closing not occurring and that Vendor's retention thereof shall constitute liquidated damages to, and be the sole remedy of, Vendor as a result of Closing not occurring.

## **2.11 Taxes**

- (a) GST

Each of Purchaser and Vendor is a registrant for GST purposes and will continue to be a registrant at the Closing Date in accordance with the provisions of the GST Legislation. Their respective GST registration numbers are:

Vendor            847061462 RT0001

Purchaser        798164141 RT0001

(b) Sales Taxes Generally

The Parties acknowledge that the Purchase Price is exclusive of all Sales Taxes. Purchaser shall be solely responsible for all Sales Taxes which may be imposed by any Governmental Authority and which pertain to Purchaser's acquisition of the Assets or to the registration of any Specific Conveyances necessitated hereby.

Except where Vendor is required under Applicable Law to collect or pay such Sales Taxes, Purchaser shall pay such Sales Taxes directly to the appropriate Governmental Authority within the required time period and shall file all necessary documentation with respect to such Sales Taxes when due. Vendor will do and cause to be done such things as are reasonably requested to enable Purchaser to comply with such obligation in a timely manner. If Vendor is required under Applicable Law to pay any such Sales Taxes, Purchaser shall promptly reimburse Vendor the full amount of such Sales Taxes upon delivery to Purchaser of copies of receipts showing payment of such Sales Taxes. Purchaser shall be responsible for the payment of any amount of Sales Taxes payable in respect of its purchase of the Assets pursuant hereto and any interest and penalties payable in respect thereto and shall indemnify and save harmless Vendor in respect thereof.

(c) Additional Elections

The Parties agree to make such other elections (including, without limitation, with respect to GST or Sales Tax) as prudent and available to minimize taxes payable as a result of the Transaction. Purchaser, acting reasonably, shall prepare, and each Party agrees to execute and file, such elections in the form and within the time periods prescribed or specified under Applicable Law.

## 2.12 Adjustments

- (a) Except as otherwise provided in this Section 2.12 and subject to all other provisions of this Agreement and without duplication, the Parties will adjust and apportion expenditures, revenues and benefits of every kind and nature accruing, payable or paid, receivable or received, in respect of the ownership and operation of the Assets including operating, maintenance, development and capital costs, proceeds from the sale of Petroleum Substances net of applicable transportation costs, royalties (including lessor royalties), property taxes, gas cost allowance (or similar allowances), prepayments and deposits, duties, taxes and assessments, as at the Effective Time in accordance with the following:
- (i) Vendor is entitled to the revenues and benefits from the ownership and operation of the Assets incurred and or accrued prior to the Effective Time and is responsible for and will pay for the expenditures pertaining to the ownership,

- operation or development of the Assets incurred and or accrued prior to the Effective Time;
- (ii) Purchaser is entitled to the revenues and benefits from the ownership and operation of the Assets incurred and or accrued from and after the Effective Time and is responsible for and will pay for the expenditures pertaining to the ownership, operation and development of the Assets incurred and or accrued from and after the Effective Time;
  - (iii) all freehold mineral taxes, surface and mineral lease rentals and any similar payments made by Vendor to preserve any of the Leases or any Surface Rights shall be apportioned between Vendor and Purchaser on a per diem basis at the Effective Time;
- (b) All payments that are to be reported pursuant to ESTMA or similar extractive sector transparency legislation, shall be reported on a cash payment basis. For greater clarity, whichever Party makes the initial reportable payment under ESTMA, bears the obligation for the reporting of such payment; and
  - (c) The net amount of the adjustments under this Section 2.12 will constitute a decrease (if the net amount of the adjustments is in favour of Purchaser) or increase (if the net amount of the adjustments is in favour of Vendor) to the Purchase Price and such decrease or increase in the Purchase Price shall correspondingly decrease or increase the amount of the Purchase Price allocated to Vendor's interest in the Petroleum Interests.

### **2.13 Final Statement of Adjustments**

Within sixty (60) days following the Closing Date, Vendor shall prepare and deliver to Purchaser a final statement of all adjustments and payments to be made pursuant to this Agreement ("**Final Statement of Adjustments**"). Purchaser shall provide, or cause to be provided, to Vendor full (but non-exclusive) access to, and Vendor at its own expense shall be entitled to audit, the relevant records to aid in the preparation of such statement. Vendor and Purchaser shall each use commercially reasonable efforts to cooperate in good faith to prepare the Statement of Adjustments and Vendor will assist Purchaser in verifying the amounts and adjustments set forth in the Final Statement of Adjustments. The net amount payable pursuant to the Statement of Adjustments will be remitted by the Party who in the net result is obliged to make payment within ten (10) Business Days of receipt by Purchaser of the Final Statement of Adjustments, and if not paid within the ten (10) Business Days, will thereafter bear interest until paid at a rate of interest equal to the Prime Rate plus two percent (2%) compounded annually.

## **ARTICLE 3 CONDITIONS OF CLOSING**

### **3.1 Required Consents**

It is the sole responsibility of Purchaser to obtain, at Purchaser's sole cost and expense, any consents to such transfer and any further documents or assurances which are necessary or desirable in the circumstances, including by applicable Governmental Authorities. It shall be the sole obligation of Purchaser, at Purchaser's sole cost and expense, to provide any and all financial assurances required by Governmental Authorities to permit the transfer to Purchaser, and registration of Purchaser as owner and/or operator, of any of the Assets including, but not limited to, the Facilities and the Wells.

### **3.2 Mutual Conditions**

The obligation of Purchaser to purchase Vendor's interest in and to the Assets, and of Vendor to sell its interest in and to the Assets to Purchaser, is subject to the following conditions precedent:

- (i) Vendor obtaining the Approval Order;
- (ii) there shall not have been instituted any legal proceedings to obtain, and no court or Governmental Authority of competent jurisdiction shall have issued, promulgated, enforced or entered any judgment, decree, injunction or other order, whether temporary, preliminary or permanent, that restrains, enjoins or otherwise prohibits consummation of the Transaction (other than the Approval Order), or if any such legal proceedings have been instituted, they shall have been withdrawn, settled or dismissed by final order of a court of competent jurisdiction.

### **3.3 Purchaser's Conditions**

The obligation of Purchaser to purchase Vendor's interest in and to the Assets is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Purchaser and may be waived by Purchaser:

- (a) the representations and warranties of Vendor herein contained shall be true in all material respects when made and as of the Closing Date;
- (b) all obligations of Vendor contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and
- (c) the Purchaser shall have received from the Vendor the deliverables set out in section 2.5(a).

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Purchaser, at or before the Closing Date, Purchaser may terminate this Agreement by written notice to Vendor. If Purchaser terminates this Agreement, Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in sections 2.9.

### **3.4 Vendor's Conditions**

The obligation of Vendor to sell its interest in and to the Assets to Purchaser is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Vendor and may be waived by Vendor:

- (a) the representations and warranties of Purchaser herein contained shall be true in all material respects when made and as of the Closing Date;
- (b) all obligations of Purchaser contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects; and
- (c) all amounts to be paid by Purchaser to Vendor at Closing, including, without limitation, the Purchase Price, shall have been paid to the Monitor in the form stipulated in this Agreement; and

- (d) the Monitor shall have received from the Purchaser the deliverables set out in section 2.5(b).

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Vendor, at or before the Closing Date, Vendor may terminate this Agreement by written notice to Purchaser. If Vendor terminates this Agreement, Vendor and Purchaser shall be released and discharged from all obligations hereunder except as provided in sections 2.9.

### **3.5 Efforts to Fulfil Conditions Precedent**

Purchaser and Vendor 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.

## **ARTICLE 4 REPRESENTATIONS AND WARRANTIES**

### **4.1 Representations and Warranties of Vendor**

Vendor makes only the following representations to Purchaser:

- (a) the SISP has been validly approved by the Court;
- (b) subject to obtaining the Approval Order, Vendor has the authority to enter into this Agreement and to complete the Transaction; and
- (c) Vendor is duly registered for GST purposes under Subdivision D of Division V of Part IX of the *Excise Tax Act* (Canada) and its registration number is: 847061462 RT0001.

### **4.2 Representations and Warranties of Purchaser**

Purchaser makes the following representations and warranties to Vendor:

- (a) Purchaser is a corporation duly organized, validly existing and is authorized to carry on business in the provinces in which the Lands are located;
- (b) Purchaser has good right, full power and absolute authority to purchase and acquire the interest of Vendor in and to the Assets according to the true intent and meaning of this Agreement;
- (c) except for obtaining the Approval Order, 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 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 Purchaser is party or by which Purchaser is bound, nor under any judgement, decree, order, statute, regulation, rule or license applicable to Purchaser;

- (e) provided the Approval Order is obtained, this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Purchaser enforceable against 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 Assets is required for the due execution, delivery and performance by Purchaser of this Agreement, other than authorizations, approvals or exemptions from requirement therefor previously obtained and currently in force or to be obtained prior to or after Closing;
- (g) Purchaser has a subsisting business associate (BA) code issued through Petrinex and has general eligibility to acquire and hold licenses or approvals for wells, facilities and pipelines under Applicable Laws administered by the AER and other applicable Governmental Authorities;
- (h) Purchaser has adequate funds available in an aggregate amount sufficient to pay: (i) all amounts required to be paid by Purchaser under this Agreement; and (ii) all expenses which have been or will be incurred by Purchaser in connection with this Agreement and the Transaction;
- (i) Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the Transaction for which Vendor shall have any obligation or liability;
- (j) Purchaser is duly registered for GST purposes under Subdivision D of Division V of Part IX of the *Excise Tax Act* (Canada) and its registration number is: 798164141 RT0001.
- (k) Purchaser is not a non-resident of Canada within the *Income Tax Act* (Canada); and
- (l) Purchaser is not a non-Canadian person for the purposes of the *Investment Canada Act*.

#### 4.3 Limitation of Representations by Vendor

- (a) Subject to section 4.1, Vendor expressly negates any representations or warranties, whether written or verbal, made by Vendor or its Representatives and in particular, without limiting the generality of the foregoing, Vendor disclaims all liability and responsibility for any such representation, warranty, statement or information made or communicated, whether verbal or in writing, to Purchaser or any of its Representatives. Vendor's interest in and to the Assets shall be purchased on a strictly "**as is, where is**" basis and there are no collateral agreements, conditions, representations or warranties of any nature whatsoever made by Vendor, express or implied, arising under Applicable Law or otherwise, with respect to the Assets and in particular, without limiting the generality of the foregoing, there are no collateral agreements, conditions, representations or warranties made by Vendor, express or implied, arising at law, by statute, in equity or otherwise with respect to:
  - (i) any engineering, geological or other interpretation, descriptive or economic evaluations respecting the Assets;

- (ii) to inspect or count, or provide any inspection or counting, of the Assets or Lands;
  - (iii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;
  - (iv) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;
  - (v) the rates of production of Petroleum Substances from the Lands;
  - (vi) the quality, condition, fitness or merchantability of any tangible depreciable equipment or property interests which comprise the Assets (including the Tangibles);
  - (vii) the accuracy or completeness of the Teaser (as defined in the SISP), Data Room Information or any other data or information supplied by Vendor or any of its Representatives in connection with the Assets;
  - (viii) the suitability of the Assets for any purpose;
  - (ix) any consents and any further documents or assurances which are necessary or desirable;
  - (x) compliance with Applicable Laws; or
  - (xi) the title and interest of Vendor in and to the Assets.
- (b) Without restricting the generality of the foregoing, Purchaser acknowledges that it has made its own independent investigation, analysis, evaluation and inspection of Vendor's interests in the Assets and the state and condition thereof and that it is satisfied with, and has relied solely on, such investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets.
- (c) Except with respect to the representations and warranties in section 4.1, Purchaser forever releases and discharges Vendor and its Representatives from any claims and all liability to Purchaser or Purchaser's assigns and successors, as a result of the use or reliance upon advice, information or materials pertaining to the Assets which was delivered or made available to Purchaser by Vendor or its Representatives prior to or pursuant to this Agreement, including, without limitation, any evaluations, projections, reports and interpretive or non-factual materials prepared by or for Vendor, or otherwise in Vendor's possession.

## **ARTICLE 5 INDEMNITIES**

### **5.1 General Indemnity**

Provided that Closing has occurred, Purchaser shall:

- (a) be solely liable and responsible for any and all Losses which Vendor may suffer, sustain, pay or incur; and

- (b) as a separate covenant, indemnify, release and save harmless Vendor and its Representatives from any and all Losses, actions, proceedings and demands, whatsoever which may be brought against or suffered by Vendor or which it may sustain, pay or incur,

as a result of any matter or thing resulting from, attributable to or connected with the Assets and arising or accruing after the Closing Date. Purchaser's indemnity obligations set forth in this section 5.1 shall survive Closing indefinitely.

## **5.2 Environmental Matters and Abandonment and Reclamation Obligations**

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. 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 Vendor has provided Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of Purchaser (insofar as Vendor could reasonably provide such access) and that Purchaser is not relying upon any representation or warranty of Vendor as to the environmental condition of the Assets, Environmental Liabilities or Abandonment and Reclamation Obligations. Provided that Closing has occurred, Purchaser shall:

- (a) be solely liable and responsible for any and all Losses which Vendor may suffer, sustain, pay or incur; and
- (b) indemnify, release and save harmless Vendor from any and all Losses, actions, proceedings and demands, whatsoever which may be brought against or suffered by Vendor or which it may sustain, pay or incur,

as a result of any matter or thing arising out of, resulting from, attributable to or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, Purchaser shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations as between Vendor and Purchaser (including, without limitation, whether occurring or accruing prior to, on or after the Closing Date), and hereby releases Vendor from any claims Purchaser may have against Vendor with respect to all such liabilities and responsibilities. Without restricting the generality of the foregoing, Purchaser shall be responsible for all Environmental Liabilities and Abandonment and Reclamation Obligations (including, without limitation, whether occurring or accruing prior to, on or after the Closing Date) in respect of all Wells, Facilities, and Pipelines. Purchaser's indemnity obligations set forth in this section 5.2 shall survive Closing indefinitely.

## **ARTICLE 6 MAINTENANCE OF ASSETS**

### **6.1 Maintenance of Assets**

From the date hereof until the Closing Date, Vendor shall, to the extent that the nature of its interest permits, and subject to the Title Documents and any other agreements, orders and documents to which the Assets are subject:

- (a) maintain the Assets in a proper and prudent manner in material compliance with all Applicable Laws and directions of Governmental Authorities; and

- (b) pay or cause to be paid all costs and expenses relating to the Assets which become due from the date hereof to the Closing Date.

## 6.2 Consent of Purchaser

Notwithstanding section 6.1, from the date hereof until the Closing Date, Vendor shall not, without the written consent of Purchaser, which consent shall not be unreasonably withheld and which, if provided, shall be provided in a timely manner:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Assets of which Vendor's share is in excess of \$25,000.00, except in case of an emergency or in respect of amounts which Vendor may be committed to expend or be deemed to authorize for expenditure without its consent; provided, however, that should Purchaser withhold its consent or fail to provide its consent in a timely manner and a reduction in the value of the Assets results, there shall be no abatement or reduction in the Purchase Price;
- (b) surrender or abandon any of the Assets, unless an expenditure of money is required to avoid the surrender or abandonment and Purchaser does not provide same in a timely fashion, in which event the Assets in question shall be surrendered or abandoned without abatement or reduction in the Purchase Price;
- (c) amend or terminate any Title Document or enter into any new agreement or commitment relating to the Assets; or
- (d) sell, encumber or otherwise dispose of any of the Assets or any part or portion thereof excepting sales of the Leased Substances in the normal course of business.

## 6.3 Proposed Actions

If Vendor receives notice of a proposed operation or the exercise of any right or option respecting the Assets in circumstances in which such operation or the exercise of such right or option would result in Purchaser incurring an obligation pursuant to section 6.2, the following shall apply to such operation or the exercise of such right or option (hereinafter referred to as the "**Proposal**"):

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

of such election, and such termination shall not constitute a failure of Vendor's representations and warranties pertaining to such Assets.

#### **6.4 Post-Closing Transition**

Following Closing and to the extent to which Purchaser must be novated into operating agreements and other agreements or documents to which the Assets are subject, until the novation has been effected:

- (a) Vendor shall not initiate any operation with respect to the Assets, except upon receiving Purchaser's written instructions, or if Vendor reasonably determines that such operation is required for the protection of life or property, in which case Vendor may take such actions as it reasonably determines are required, without Purchaser's written instructions, and shall promptly notify Purchaser of such intention or actions and of Vendor's estimate of the costs and expenses therewith associated;
- (b) Vendor shall forthwith deliver to Purchaser all revenues, proceeds and other benefits received by Vendor with respect to the Assets, provided that Vendor shall not be permitted to deduct from such revenues, proceeds and other benefits, any other costs and expenses which it incurs as a result of such delivery to Purchaser;
- (c) Vendor shall, in a timely manner, deliver to Purchaser all Third Party notices and communications, including authorizations for expenditures and mail ballots and all notices and communications received in respect of the Assets or events and occurrences affecting the Assets, and Vendor shall respond to such notices pursuant to Purchaser's written instructions, if received on a timely basis, provided that Vendor may refuse to follow any instructions which it reasonably believes to be unlawful, unethical or in conflict with any applicable agreement or contract, and provided that nothing shall preclude Vendor from taking such actions as Vendor reasonably determines are necessary for the protection of life or property, or as are required by all Applicable Laws, rules, regulations, orders and directions of Governmental Authorities and other competent authorities; and
- (d) Vendor shall, in a timely manner, deliver to Third Parties all such notices and communications which Purchaser may reasonably request and all such monies and other items as Purchaser may reasonably provide in respect of the Assets, provided that Vendor may (but shall not be obligated to) refuse to follow instructions which it reasonably believes to be unlawful, unethical or in conflict with any applicable agreement or contract.

#### **6.5 Licence Transfers**

- (a) Subject to the Approval Order, to the extent applicable, within two (2) Business Days following the Approval Order being granted, Vendor shall prepare and, where applicable, electronically submit, an application to the applicable Governmental Authorities for Licence Transfers and Purchaser or its nominee shall, where applicable, electronically ratify and sign such application.
- (b) Subject to the Approval Order, if a Governmental Authority denies a Licence Transfer because of misdescription or other minor deficiencies in the application, Vendor shall, within one (1) Business Day of such denial, correct the application and amend and re-

submit the application for the Licence Transfer and Purchaser or its nominee shall, where applicable, electronically ratify and sign such application.

- (c) Subject to the Approval Order, if, for any reason, a Governmental Authority requires a Party or its nominee to make a deposit or furnish any other form of security to approve a Licence Transfer, Purchaser shall immediately make such deposit or furnish such other form of security as is required.

#### **6.6 Vendor Deemed Purchaser's Agent**

- (a) Insofar as Vendor maintains the Assets and takes actions in relation thereto on Purchaser's behalf pursuant to this Article 6, Vendor shall be deemed to have been Purchaser's agent hereunder. Purchaser ratifies all actions taken by Vendor or refrained from being taken by Vendor pursuant to this Article 6 in such capacity during such period, with the intention that all such actions shall be deemed to be Purchaser's actions.
- (b) Insofar as Vendor participates in either operations or the exercise of rights or options as Purchaser's agent pursuant to this Article 6, Vendor may require Purchaser to secure costs to be incurred by Vendor on Purchaser's behalf pursuant to such election in such manner as may be reasonably appropriate in the circumstances.
- (c) Purchaser shall indemnify Vendor and its Representatives against all Losses which Vendor or its Representatives may suffer or incur as a result of Vendor maintaining the Assets as Purchaser's agent pursuant to this Article 6, insofar as such Losses are not a direct result of the gross negligence or wilful misconduct of Vendor or its Representatives. An action or omission of Vendor or of its Representatives shall not be regarded as gross negligence or wilful misconduct to the extent to which it was done or omitted from being done in accordance with Purchaser's instructions (including any election deemed pursuant to section 6.3(b)) or concurrence.

#### **6.7 Transfer of Operatorship**

Vendor covenants with Purchaser that Vendor shall reasonably cooperate with Purchaser to obtain appropriate consents and approvals for the assignment and transfer to Purchaser of operatorship of those Assets of which Vendor is currently the operator.

The Parties acknowledge that the post-Closing transition arrangements contemplated by this Article 6 shall be further implemented through a separate interim contract operator and transition agreement to be executed by the Parties concurrently with Closing, setting out detailed operating, reporting, accounting, remittance and reimbursement procedures applicable during the period prior to completion of the applicable Licence Transfers and novations.

### **ARTICLE 7 PURCHASER'S REVIEW AND ACCESS TO BOOKS AND RECORDS**

#### **7.1 Vendor to Provide Access**

Prior to Closing, Vendor shall, subject to all contractual and fiduciary obligations, at the Calgary offices of Vendor during normal business hours, provide reasonable access for Purchaser and its Representatives to Vendor's records, books, accounts, documents, files, reports, information, materials, filings, and data, to the extent they relate directly to the Assets, as well as physical access

to the Assets (insofar as Vendor can reasonably provide such access) for the purpose of Purchaser's review of the Assets and title thereto.

## **7.2 Access to Information**

After Closing and subject to contractual restrictions in favour of Third Parties relative to disclosure, Purchaser shall, on request from Vendor, provide reasonable access to Vendor at Purchaser's offices, during its normal business hours, to the agreements and documents to which the Assets are subject and the contracts, agreements, records, books, documents, licenses, reports and data included in the Miscellaneous Interests and the Title Documents which are then in the possession or control of Purchaser and to make copies thereof, as Vendor may reasonably require, including, but not limited to, for purposes relating to:

- (a) Vendor's ownership of the Assets (including taxation matters and liabilities and claims 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; or
- (c) any claim commenced or threatened by any Third Party against Vendor.

## **7.3 Maintenance of Information**

All of the information, materials and other records delivered to Purchaser pursuant to the terms hereof shall be maintained in good order and good condition and kept in a reasonably accessible location by Purchaser for a period of two (2) years from the Closing Date.

# **ARTICLE 8 TERMINATION**

## **8.1 Grounds for Termination**

This Agreement may be terminated on or prior to the Closing Date:

- (a) by the mutual written agreement of the Vendor (with the consent of the Monitor) and the Purchaser; or
- (b) by the Vendor (with the consent of the Monitor) or the Purchaser upon written notice to the other Party if: (i) the Closing has not occurred on or prior to the Outside Date plus 90 days; or (ii) the Approval Order is not obtained on or before the Outside Date (subject to availability of the Court); provided in each case that the failure to close or obtain such order, as applicable, by such deadline is not caused by breach of this Agreement or other actions of the Party proposing to terminate the Agreement.

## **8.2 Effect of Termination**

If this Agreement is terminated pursuant to section 8.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any further obligations hereunder.

## **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 No Merger**

The covenants, representations, warranties, limitations on warranties and indemnities contained in this Agreement shall be deemed to be restated in any and all assignments, conveyances, transfers and other documents conveying the interests of Vendor in and to the Assets to Purchaser, subject to any and all time and other limitations contained in this Agreement. There shall not be any merger of any covenant, representation, warranty or indemnity in such assignments, conveyances, transfers and other documents notwithstanding any rule of law, equity or statute to the contrary and such rules are hereby waived.

### **9.3 Expenses**

Except as otherwise expressly provided in this Agreement, each Party will pay for its own costs and expenses (including the fees and expenses of legal counsel, accountants and other advisors) incurred in connection with this Agreement.

### **9.4 Entire Agreement**

- (a) 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 if there is any conflict or inconsistency between a term or provision of this Agreement and that of a schedule, a Specific Conveyance, the term or provision of this Agreement shall prevail.
- (b) If any term or provision of this Agreement conflicts with a term or provision of a Title Document, any Applicable Law or the SISP, the term or condition of such Title Document, the Applicable Law or the SISP shall prevail, and this Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.
- (c) This Agreement supersedes all other agreements (other than the confidentiality and nondisclosure agreement between Vendor and Purchaser (the "NDA") and the SISP), 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 subject matter hereof.

### **9.5 Governing Law**

This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Agreement.

## 9.6 Assignment and Enurement

This Agreement may not be assigned by a Party without the prior written consent of the other Party, 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, Monitors, successors and permitted assigns.

## 9.7 Time of Essence

Time shall be of the essence in this Agreement.

## 9.8 Notices

The addresses of the Parties for delivery of notices hereunder shall be as follows:

Vendor:

Cabot Energy Inc.  
c/o Stikeman Elliott LLP  
4200, 888 3rd Street SW  
Calgary, AB T2P 5C5  
Attention: Karen Fellowes (kfellowes@stikeman.com); Isis Tse (itse@stikeman.com)

With a copy to:

KSV Restructuring Inc. (the "Monitor")  
1165, 324 – 8th Ave SW  
Calgary, AB T2P 2Z2  
Attention: Andrew Basi (abasi@ksvadvisory.com); Ross Graham  
(rgraham@ksvadvisory.com)

Bennett Jones LLP  
4500, 855 2nd Street SW  
Calgary, AB T2P 4K7  
Attention: Keely Cameron (cameronk@bennettjones.com)

Sayer Energy Advisors  
1620, 540 – 5th Avenue SW  
Calgary, AB T2P 0M2  
Attention: Tom Pavic (TPavic@sayeradvisors.com); Ben Rye (BRye@sayeradvisors.com)

Purchaser:

10 Tuscany Hills Road NW  
Calgary, AB T3L 1Z8  
Attention: Muhammad Iqbal  
Phone: 587-894-9001  
miqbal@tuscanypetroleum.com, mj.iqbal@yahoo.com

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

- (a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party when it is delivered;
- (b) by email to a Party to the email address of such Party for notices, in which case, if the notice was emailed prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was emailed and if it is emailed on a day which is not a Business Day or is emailed after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day; or
- (c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by first class registered postage prepaid mail to a Party at the address of such Party for notices, in which case, the notice shall be deemed to have been received by that Party on the fourth (4th) Business Day following the date of mailing.

A Party may from time to time change its address for service, email address for service or designated representative by giving written notice of such change to the other 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 Severability**

If any provision of this Agreement is determined by any court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect and shall not in any way be affected or impaired.

#### **9.11 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.

#### **9.12 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.

### **9.13 Confidentiality and Public Announcements**

In accordance with the NDA, and until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Assets and shall not release any information concerning this Agreement and the Transaction 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 regulatory authority or to the public if required by Applicable Law; or (ii) in connection with obtaining the Approval Order.

### **9.14 Electronic Signatures**

The Parties agree that all Specific Conveyances to be delivered and/or executed in connection with this Agreement and the transactions contemplated herein, except for records that create or transfer interests in land, guarantees, negotiable instruments, documents of title and such other documents excluded by section 7 of the *Electronic Transactions Act* (Alberta), as amended from time to time, (the "**Conveyance Documents**"), may be executed by use of electronic signatures (the "**Electronic Signatures**"). Prior to Closing, to the extent the Parties wish to use Electronic Signatures, the Parties shall exchange a listing of one another's individual representatives which listing shall include the subject individual's name, title and a sample Electronic Signature. The Electronic Signatures of the individuals set out in such listing and which appear on any Conveyance Documents shall be sufficient to cause such Conveyance Documents to be valid and binding obligations of the Party represented by such individual, without need for original signatures to appear thereon and shall be of the same legal effect, validity or enforceability as a manually executed signature. The Parties shall receive and use the Electronic Signatures solely for the purpose of embedding the same into the Conveyance Documents and for no other purpose whatsoever.

### **9.15 Counterpart Execution**

This Agreement may be executed and delivered in counterpart and transmitted by facsimile or other electronic means and all such executed counterparts, including electronically transmitted copies of such counterparts, shall together constitute one and the same agreement.


***[Signature Page Follows]***

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

**CABOT ENERGY INC.**

**TUSCANY PETROLEUM LTD.**

By: Signed by:  
Scott Aitken  
CA4C99CF1587459...  
Name: Scott Aitken  
Title: Authorized Signatory

By:   
Name: u amma qbal  
Title: Authorized Signatory

*[Signature Page to Purchase and Sale Agreement]*

A-1

**SCHEDULE "A"**

**LAND AND PETROLEUM AND NATURAL GAS RIGHTS**

B-1

**SCHEDULE "B"**  
**WELLS, FACILITIES, AND PIPELINES**

C-1

**SCHEDULE "C"**

**GENERAL CONVEYANCE**

**THIS GENERAL CONVEYANCE** made as of this [•] day of [•], 2026.

**BETWEEN:**

**CABOT ENERGY INC.**, a corporation incorporated under the laws of Alberta (hereinafter referred to as "**Vendor**")

- and -

**TUSCANY PETROLEUM LTD.**, a corporation incorporated under the laws of Alberta (hereinafter referred to as "**Purchaser**")

**WHEREAS** on December 9, 2025, Vendor applied for and was granted an Order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act* (Canada), in Action No. 2501-19519 (the "**CCAA Proceedings**") of the Court of King's Bench of Alberta, which (amongst other things) appointed KSV Restructuring Inc. as monitor (the "**Monitor**") in the CCAA Proceedings;

**WHEREAS** pursuant to an Order of the Alberta Court of King's Bench, dated December 18, 2025, Vendor and the Monitor were given approval to implement a sale and investment solicitation process to sell Vendor's property or business (the "**SISP**");

**AND WHEREAS** Vendor wishes to sell, and Purchaser wishes to purchase, all of the interest of Vendor in and to the Assets, subject to and in accordance with the terms of the SISP and subject to and in accordance with the conditions contained herein;

**NOW THEREFORE** for the consideration provided in the Purchase Agreement and in consideration of the premises hereto and the covenants and agreements hereinafter set forth and contained, the Parties covenant and agree as follows:

**1. Definitions**

In this General Conveyance, including the recitals hereto, the definitions set forth in the Purchase Agreement are adopted herein by reference and, in addition:

"**Purchase Agreement**" means that Purchase and Sale Agreement between Vendor and Purchaser dated April 27, 2026.

**2. Conveyance**

Pursuant to and for the consideration provided for in the Purchase Agreement, Vendor hereby sells, assigns, transfers, conveys and sets over to Purchaser the entire right, title, estate and interest of Vendor in and to the Assets, to have and to hold the same absolutely, together with all benefit and advantage to be derived therefrom.

**3. Subordinate Document**

This General Conveyance is executed and delivered by the Parties pursuant to the Purchase Agreement and the provisions of the Purchase Agreement shall prevail in the event of a conflict between the provisions of the Purchase Agreement and the provisions of this General Conveyance.

**4. No Merger**

The covenants, representations, warranties and indemnities contained in the Purchase Agreement are incorporated herein as fully and effectively as if they were set out herein and there shall be no merger of any covenant, representation, warranty or indemnity contained in the Purchase Agreement by virtue of the execution and delivery hereof, any rule of law, equity or statute to the contrary notwithstanding.

**5. Governing Law**

This General Conveyance shall be subject to and interpreted, construed and enforced in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Agreement.

**6. Enurement**

This General Conveyance shall be binding upon and shall enure to the benefit of each of the Parties and their respective administrators, trustees, Monitors, successors and assigns.

**7. Further Assurances**

Each Party will, from time to time and at all times hereafter, at the request of the other Party but without further consideration, do all such further acts and execute and deliver all such further documents as shall be reasonably required in order to fully perform and carry out the terms hereof.

**8. Counterpart Execution**

This Agreement may be executed in counterpart and by facsimile or other electronic means and all such executed counterparts together shall constitute one and the same agreement.

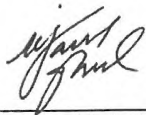
***[Signature Page Follows]***

**IN WITNESS WHEREOF** the Parties have executed this General Conveyance on the date first above written.

**CABOT ENERGY INC.**

**TUSCANY PETROLEUM LTD.**

By: \_\_\_\_\_  
Name: Scott Aitken  
Title: Authorized Signatory

By:  \_\_\_\_\_  
Name: Muhamma ' ' q ' a '  
Title: Authorized Signatory

D-1

**SCHEDULE "D"**

**[VENDOR'S][PURCHASER'S] OFFICER'S CERTIFICATE**

**TO:** [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")]

**RE:** Purchase and Sale Agreement dated April 27, 2026 between Vendor and Purchaser (the "Agreement")

Unless otherwise defined herein, the definitions provided for in the Agreement are adopted in this certificate (the "Certificate").

I, [Name], [Position] of [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")] hereby certify that as of the date of this Certificate:

1. The undersigned is personally familiar, in [his][her] capacity as an officer of [Vendor][Purchaser], with the matters hereinafter mentioned.
2. Each of the covenants, representations and warranties of the [Vendor][Purchaser] contained in Article 4 of the Agreement were true and correct in all material respects when made and are true and correct in all material respects as of the Closing Date.
3. All obligations of [Vendor][Purchaser] contained in the Agreement to be performed prior to or at Closing have been timely performed in all material respects.
4. This Certificate is made for and on behalf of the [Vendor][Purchaser] and is binding upon it, and I am not incurring, and will not incur, any personal liability whatsoever with respect to it.
5. This Certificate is made with full knowledge that the [Vendor][Purchaser] is relying on the same for the Closing of the transactions contemplated by the Agreement.

**IN WITNESS WHEREOF** I have executed this Certificate this 27 day of April, 2026.

**[Name of Vendor/Purchaser]**

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



Name: ● Muhammad Iqbal  
Title: ● President Tuscany Petroleum Ltd.

E-1

**SCHEDULE "E"**  
**APPROVAL ORDER**

**Schedule "A"**

**Form of Monitor's Certificate**

COURT FILE NUMBER

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

PLAINTIFF

DEFENDANT

DOCUMENT

**MONITOR'S CERTIFICATE**

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT

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

**RECITALS**

- A. Pursuant to an Order of the Honourable Justice **[Name]** of the Court of King's Bench of Alberta, Judicial District of \_\_\_\_\_ (the "**Court**") dated **[Date of Order]**, **[Name of Monitor]** was appointed as the Monitor (the "**Monitor**") of the undertakings, property and assets of **[Debtor]** (the "**Debtor**").
  
- B. Pursuant to an Order of the Court dated **[Date]**, the Court approved the agreement of purchase and sale made as of **[Date of Agreement]** (the "**Sale Agreement**") between the Monitor and **[Name of Purchaser]** (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor 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 section \* of the Sale Agreement have been satisfied or waived by the Monitor and the Purchaser; and iii. the Transaction has been completed to the satisfaction of the Monitor.
  
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

**THE MONITOR CERTIFIES** the following:

1. The Purchaser (or its nominee) has paid and the Monitor 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 section \* of the Sale Agreement have been satisfied or waived by the Monitor and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at **[Time]** on **[Date]**.

**[Name of Monitor], in its capacity as Monitor of the undertakings, property and assets of [Debtor], and not in its personal capacity.**

Per: \_\_\_\_\_  
Name: ●  
Title: ●

This is **Confidential Exhibit "1"** referred to in the Affidavit of Megan Smith,  
sworn before me in the City of Calgary,  
in the Province of Alberta on the 27<sup>th</sup> day of April, 2026

Sunshine Holland.

A Commissioner for Oaths in  
and for the Province of Alberta

Sunshine C. Holland  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires September 8, 2028

This is **Confidential Exhibit "2"** referred to in the Affidavit of Megan Smith,  
sworn before me in the City of Calgary,  
in the Province of Alberta on the 27<sup>th</sup> day of April, 2026

Sunshine Holland

A Commissioner for Oaths in  
and for the Province of Alberta

**Sunshine C. Holland**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires September 6, 2028