

Clerk's Stamp:



COURT FILE NUMBER
COURT
JUDICIAL CENTRE OF

2401-05179
COURT OF KING'S BENCH OF ALBERTA
CALGARY

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, as amended

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
ALPHABOW ENERGY LTD.

DOCUMENT

AFFIDAVIT

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT:

BENNETT JONES LLP
Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Keely Cameron / Sarah Aaron
Telephone No.: 403-298-3324/3177
Fax No.: 403-265-7219
Client File No.: 88323.6

FIFTH AFFIDAVIT OF BEN LI

Sworn on October 21, 2024

I, Ben Li, of Calgary, Alberta, SWEAR AND SAY THAT:

1. I am the President and Chief Executive Officer of AlphaBow Energy Ltd. (“**AlphaBow**” or the “**Applicant**”). As such, I have personal knowledge of the matters deposed to in this Affidavit except where stated as based on information and belief, in which case I verily believe the statements to be true.

2. This Affidavit (the “**Fourth Li Affidavit**”) should be read in conjunction with the prior Affidavits which I have sworn in this matter, including the Affidavit sworn by me on April 15, 2024 (the “**First Li Affidavit**”), the Supplemental Affidavit sworn by me on April 24, 2024 (the “**Supplemental Li Affidavit**”), the Affidavit sworn by me on July 15, 2024 (the “**Second Li Affidavit**”), the Affidavit sworn by me on August 15, 2024 (the “**Third Li Affidavit**”) and the Affidavit sworn by me on September 9, 2024 (the “**Fourth Li Affidavit**”).
3. Terms not otherwise defined herein, shall bear the meaning ascribed in the First Li Affidavit.

I. RELIEF SOUGHT

4. This Affidavit is sworn in support of two applications by AlphaBow:
 - (a) An application proceeding on October 29, 2024, for relief under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended, (the “**CCAA**”), and specifically an order declaring service of its Application and supporting materials good and sufficient; an extension of the stay of proceedings initially imposed by the Amended and Restated Initial Order (the “**ARIO**”) to November 29, 2024 (the “**Stay Extension**”); the sealing of the Confidential Appendices; and approval of various Asset Purchase and Sale Agreement between AlphaBow and:
 - i. Culloden Resources Ltd and Raberg Holding Ltd. (“**Culloden and Rayberg**”);
 - ii. Durham Creek Energy Ltd. (“**Durham**”);
 - iii. 2505108 AB Ltd. and Tians Oil Ltd. (“**250 and Tians**”); and
 - iv. Resistance Energy Ltd. (“**Resistance**”); and
 - (b) An application proceeding on October 30, 2024 for advice and direction of this Honourable Court in respect of two royalty agreements entered into between AlphaBow and Advance Drilling Ltd. (“**Advance**”) and specifically the validity of the agreements and whether they create an interest in land.

II. BACKGROUND

5. AlphaBow is an Alberta headquartered oil and gas company. AlphaBow hold licenses for 3,785 wells, 4,038 pipelines, and 321 facilities across Alberta (the “**Licensed Assets**”).
6. Following various actions by the Alberta Energy Regulator, including an order requiring the posting of \$15,374,050 in security (the “**Requested Security Deposit**”) and ordering the suspension of AlphaBow’s operations when it was unable to comply, AlphaBow commenced restructuring proceedings by filing a Notice of Intention to Make a Proposal pursuant to section 50.4 of the *Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3*, (the “**NOI**”) with KSV Restructuring Inc. appointed as Monitor.
7. On April 26, 2024, this Honourable Court granted an Initial Order and ARIO, in addition to approving the Sale and Investment Solicitation Process (“**SISP**”) and approval of the sale of certain non-operated working interests to Cascade Capture Ltd.
8. AlphaBow does not have any credit facilities with a secured lender but as at the end of 2023, owed approximately \$88 million in liabilities (excluding environmental liabilities) consisting primarily of trade payables, municipal tax and surface lease payment arrears as well as amounts owing to the Alberta Energy Regulator (“**AER**”), including the Requested Security Deposit.
9. AlphaBow’s oil and gas assets have been under the care and custody of the Orphan Well Association (“**OWA**”) since September 2023, pursuant to the direction of the AER.

III. CURRENT STATUS OF ALPHABOW’S RESTRUCTURING EFFORTS

10. AlphaBow has continued to engage with its stakeholders and creditors to facilitate the objectives of these proceedings. This has included responding to general inquiries and other stakeholder requests, such as providing road access.

A. Mineral Transfers

11. AlphaBow had been contacted by Rothmans Energy Inc. (“**Rothmans**”), who purchased certain of AlphaBow’s mineral interests and assumed the associated cure costs pursuant to a

Purchase and Sale Agreement entered into prior to the NOI. AlphaBow has worked with Rothmans to ensure that the relevant crown leases were successfully transferred to Rothmans.

B. Current Status of the SISP

12. Since the Fourth Li Affidavit, AlphaBow continues to actively assist in the advancement of the SISP, in collaboration with the Monitor and the Sales Advisor. In particular, AlphaBow continues to respond to requests for information from buyers and is continuing to review certain agreements that may be material to the SISP, including a Gross Overriding Royalty Agreement and circumstances in which rights of first refusal may be triggered thereunder.
13. To support the sales process, AlphaBow has also attended site visits with Phase 2 bidders and responded to inquiries to assist with the diligence process.
14. Since the close of the Phase 2 bid deadline on September 5, 2024, the Sales Advisor in conjunction with the Monitor and the Applicant, have reviewed and assessed the bids, and are engaged in negotiations with successful bidders to finalize their respective asset purchase agreements and advance AlphaBow's goals of ensuring all of its assets are transferred to bidders and the proceeds from the various transactions are maximized.

C. Claims Process

15. During the SISP, many Phase 2 potential bidders inquired with AlphaBow about the cure costs associated with specific assets. In order for the Applicant to accurately respond to these bidders' requests and to move towards concluding various asset sales, it was necessary to determine the quantum and classification of the claims being asserted against the Applicant.
16. The Applicant, with the participation of the Monitor, developed and implemented a Claims Process for this purpose, in addition to identifying any secured or priority claims for in the event there are funds available for distribution. The Claims Process was approved by this Honourable Court on September 20, 2024, and will close on October 23, 2024.
17. In the meantime, the Monitor, counsel for the Monitor and counsel for the Applicant have been responding to inquiries from parties who believe they may have claims as against the Applicant. I have been advised that there are roughly 3,000 claimants.

D. Advance's Gross Overriding Royalty Claim

18. I joined AlphaBow in as Chief Executive Officer (“**CEO**”) on April 13, 2022, because of my restructuring experience as a commercial loan manager for the largest bank in China. I have reviewed the Affidavit of Quan Li, sworn on October 21, 2024, regarding Advance’s gross overriding royalty claim (the “**Quan Li Affidavit**”)
19. I understood that, prior to being appointed, AlphaBow entered into a Master Drilling and Completion Contract dated November 23, 2018, with Advance Drilling Ltd. (“**Advance**”) wherein Advance agreed to perform work and services to develop, drill and complete various petroleum and/or natural gas wells for AlphaBow. Concurrently, AlphaBow and Advance entered into a Gross Overriding Royalty Agreement dated November 23, 2018 (the “**GORR**”) as security for payment of the services. Attached as **Exhibit “A”** to the Quan Li Affidavit is a true copy of the GORR.
20. On the same day, Advance and AlphaBow further entered into a Standstill Agreement, dated November 23, 2018, in which Advance agreed that the royalty payments would not be payable until such time that (a) unpaid amounts were due and owing by AlphaBow to Advance; and (b) Advance served a notice invoking payment of the royalties (“**Royalty Notice**”). Attached as **Exhibit “B”** to the Quan Li Affidavit is a true copy of the Standstill Agreement, dated November 23, 2018.
21. Despite, Advance’s subsequent issuance of the Royalty Notice, AlphaBow was unable to meet its financial obligations to Advance.
22. For reason of which I am unaware, AlphaBow and Advance entered into subsequent and similar Royalty Agreement on October 28, 2021 (the “**Royalty Agreement**”, collectively with the GORR, the “**GORR Agreements**”). No schedule outlining the assets to which the GORR attached was enclosed with the Royalty Agreement (the “**Schedule**”). Attached as **Exhibit “H”** to the Quan Li Affidavit is a true copy of the Royalty Agreement.
23. Two weeks later, on November 12, 2021, AlphaBow and Advance entered into a Settlement Agreement wherein AlphaBow agreed to pay to Advance in installments the full indebtedness from the GORR (the “**Settlement Agreement**”). The payments to be made under the

Settlement Agreement were based on the AlphaBow's oil revenue and the oil prices per barrel. No consideration was given to AlphaBow's gas or natural gas liquid revenues in the calculation. Attached as **Exhibit "I"** to the Quan Li Affidavit is a true copy of the Settlement Agreement.

24. Following the execution of the Settlement Agreement, I understand that, pursuant to the Settlement Agreement, reports were provided to Advance and the associated payments were made to Advance from December 2021 to January 2023. Attached as **Exhibit "J"** to the Quan Li Affidavit is a true copy of the Payment Revenue Report and the associated producer statements.
25. As such, my understanding of the GORR Agreements was that there was a single GORR in three individual areas: Chigwell, Green Glades and Amisk (the "**Impacted Assets**").
26. Based on this understanding, AlphaBow marketed its assets through the SISP, advising bidders of a potential GORR attaching to the Impacted Assets. Bidders raised concerns regarding the GORR and expressed that the validity of such a GORR and its associated economics would impact the amount they were willing to pay for the Impacted Assets and whether they would be prepared to purchase the Impacted Assets.
27. During this process, I undertook to locate the Royalty Agreement. While I located an unsigned copy of the Royalty Agreement, I was unable to locate the executed Royalty Agreement or the Schedule in AlphaBow's records. I am advised by Keely Cameron of Bennett Jones LLP, counsel to AlphaBow, and verily believe it to be true, that she requested and received a copy of the Royalty Agreement with the Schedule from counsel for Advance.
28. To my knowledge, this was the first time that AlphaBow understood that the Royalty Agreement included 105 parcels of royalty lands, which is all or substantially all of AlphaBow's lands, not just the three Impacted Assets.
29. Given the challenges in addressing bidders' concerns on the Impacted Assets, I believe that AlphaBow's ability to conclude the SISP and sell all of its assets will be very difficult, if not impossible if the GORR Agreements result in an interest in land that must be assumed as part of any sale.

30. Further, given the structure of the Settlement Agreement, such that a percentage is paid on the oil revenue of the associated assets, the GORR cannot be maintained with the sale of AlphaBow's assets. In particular, deeming that the GORR is valid would require the purchasers of the assets to collectively compile their respective oil revenue and determine how much each purchaser owes to Advance on its revenue and assets.

E. Asset Sales

a. Culloden and Rayberg Sale

31. AlphaBow, with the assistance of the Monitor and in consultation with the Sales Advisor, selected a bid tendered within the SISP by Culloden and Rayberg for the purchase of AlphaBow's royalty interests in the lands at Sec 15-72-5W6 (the "**Culloden and Rayberg Asset**"). There are no Alberta Energy Regulator ("**AER**") licenses or approvals associated with this transaction.

32. Culloden and Rayberg's bid was the best overall bid received for the Culloden and Rayberg Asset, taking into account the purchase price, the certainty of Culloden and Rayberg's ability to close, and other material terms of the transaction. Culloden and Rayberg's bid was not subject to any material conditions other than the requirement for Court approval. As such, I believe that the closing risk with respect to the sale of the Asset is minimal.

33. I further believe that Culloden and Rayberg's bid will achieve the highest recovery for all stakeholders with respect to the Culloden and Rayberg Asset. Attached as **Exhibit "A"** to my Affidavit is a redacted copy of the Asset Purchase Agreement between AlphaBow and Culloden and Rayberg ("**Culloden and Rayberg Purchase Agreement**"). Further, as noted below, the funds generated from closing are necessary to fund the ongoing operations of AlphaBow within this proceeding.

34. I am of the view that the above considerations support approval of the sale of the Culloden and Rayberg Asset to Culloden and Rayberg and the granting of the related relief to conclude this transaction.

b. Durham Sale

35. AlphaBow, with the assistance of the Monitor and in consultation with the Sales Advisor, selected a bid tendered within the SISP by Durham for the purchase of seismic data in 33-10W4 called the KIRKPATRICK 01-01 (ES40069) (the “**Durham Asset**”). There are no Alberta Energy Regulator licenses or approvals associated with this transaction.
36. Durham’s bid was the best overall bid received for the Durham Asset, taking into account the purchase price, the certainty of Durham’s ability to close, and other material terms of the transaction. Durham’s bid was not subject to any material conditions other than the requirement for Court approval. As such, I believe that the closing risk with respect to the sale of the Durham Asset is minimal.
37. I further believe that Durham’s bid will achieve the highest recovery for all stakeholders with respect to the Durham Asset. Attached as **Exhibit “B”** to my Affidavit is a redacted copy of the Asset Purchase Agreement between AlphaBow and Durham (“**Durham Purchase Agreement**”). Further, as noted below, the funds generated from closing are necessary to fund the ongoing operations of AlphaBow within this proceeding.
38. I am of the view that the above considerations support approval of the sale of the Durham Asset to Durham and the granting of the related relief to conclude this transaction.

c. 250 and Tians Sale

39. AlphaBow, with the assistance of the Monitor and in consultation with the Sales Advisor, selected a bid tendered within the SISP by 250 and Tians for the purchase of two wells at 08-33-038-23W4M, and 14-16-038-23W4M (the “**250 and Tians Asset**”). The AER has confirmed that it will not oppose court approve of the 250 and Tians Asset transaction, for which there are two associated licenses which will be subject to the AER’s discretion regarding the transfer of the licenses.
40. 250 and Tians’ bid was the best overall bid received for the 250 and Tians Asset, taking into account the purchase price, the certainty of 250 and Tians’ ability to close, and other material terms of the transaction. 250 and Tians’ bid was not subject to any material conditions other

than the requirement for Court approval. As such, I believe that the closing risk with respect to the sale of the 250 and Tians Asset is minimal.

41. I further believe that 250 and Tians' bid will achieve the highest recovery for all stakeholders with respect to the 250 and Tians Asset. Attached as **Exhibit "C"** to my Affidavit is a redacted copy of the Asset Purchase Agreement between AlphaBow and 250 and Tians ("**250 and Tians Purchase Agreement**"). Further, as noted below, the funds generated from closing are necessary to fund the ongoing operations of AlphaBow within this proceeding.

42. I am of the view that the above considerations support approval of the sale of the 250 and Tians Asset to 250 and Tians and the granting of the related relief to conclude this transaction.

d. Resistance Sale

43. AlphaBow, with the assistance of the Monitor and in consultation with the Sales Advisor, selected a bid tendered within the SISF by Resistance for the purchase of well bore and minerals at 100/13-19-38-8W4/02 (the "**Resistance Asset**"). The AER has confirmed that it will not oppose court approve of the Resistance Asset transaction, for which there are two associated licenses which will be subject to the AER's discretion regarding the transfer of the licenses.

44. Resistance's bid was the best overall bid received for the Resistance Asset, taking into account the purchase price, the certainty of Resistance's ability to close, and other material terms of the transaction. Resistance's bid was not subject to any material conditions other than the requirement for Court approval. As such, I believe that the closing risk with respect to the sale of the Resistance Asset is minimal.

45. I further believe that Resistance's bid will achieve the highest recovery for all stakeholders with respect to the Resistance Asset. Attached as **Exhibit "D"** to my Affidavit is a redacted copy of the Asset Purchase Agreement between AlphaBow and Resistance ("**Resistance Purchase Agreement**"). Further, as noted below, the funds generated from closing are necessary to fund the ongoing operations of AlphaBow within this proceeding.

46. I am of the view that the above considerations support approval of the sale of the Resistance Asset to Resistance and the granting of the related relief to conclude this transaction.

F. Cash Flow Forecast

47. AlphaBow worked with the Monitor to prepare an updated cash flow forecast (a copy of which will be attached to the Fourth Report of the Monitor). As indicated in that forecast, AlphaBow projects that it will have sufficient cash, following closing of the Asset Sales addressed above in Section III.E, to continue these proceedings through to the end of the Stay Extension. I anticipate that additional sales are capable of closing in the near future, which will provide further cash necessary to conclude the process.

G. Stay Extension

48. During the CCAA Proceedings, AlphaBow has been working diligently and in good faith with the Monitor and the Sales Advisor. As noted above, AlphaBow has taken a number of steps to advance the SISP, but requires an extension of the Stay Period to be able to complete the SISP and to complete the balance of the Claims Process. A stay extension is necessary to advance the selected offers to the point that court approval can be sought and complete the CCAA process.

49. Without the benefit of an ongoing stay of proceedings to November 29, 2024, there could be an immediate and significant erosion of value to the detriment of all stakeholders. Not only would the various asset sales referenced above not conclude, there are a number of legal proceedings that have been commenced by AlphaBow's creditors that were stayed as a result of the ARIO. These legal proceedings may resume if the Stay Extension is not granted.

50. In my view, the requested extension is appropriate and will not materially prejudice any of AlphaBow's creditors. AlphaBow's cash flow forecast will be included in the Monitor's Report to be filed in connection with this Application.


H. Sealing Order

51. I understand that the Monitor intends to provide the Court with an unredacted copies of the Culloden and Rayberg Purchase Agreement, Durham Purchase Agreement, 250 and Tians

Purchase Agreement, Resistance Purchase Agreement, which includes the purchase price and other commercially sensitive information regarding the Phase 2 bids. I believe that the publication or dissemination of such confidential information at this time could negatively impact these proceedings, in the event that the transactions that are the subject of those agreements do not close and the applicable assets needs to be remarketed.

IV. CONCLUSION

52. I swear this Affidavit in support of the relief sought in paragraph 4 and for no other or improper purpose.

SWORN BEFORE ME)
at the City of Calgary, Alberta, this)
21st day of October, 2024.)
)
A Commissioner for Oaths in and for the)
Province of Alberta)

Sophie Fiddes
Barrister & Solicitor


BEN LI

This is **Exhibit "A"** referred to in the
Affidavit of BEN LI sworn before me this
21th day of October 2024.



A Commissioner for Oaths
in and for Alberta

Sophie Fiddes
Barrister & Solicitor

ALPHABOW ENERGY LTD.

- and -

CULLODEN RESOURCES LTD.

- and -

RAYBERG HOLDINGS LTD.

ASSET PURCHASE AND SALE AGREEMENT

October 20th, 2024

TABLE OF CONTENTS

| | |
|---|-----------|
| ARTICLE 1 INTERPRETATION | 1 |
| 1.1 DEFINITIONS..... | 1 |
| 1.2 INTERPRETATION..... | 9 |
| 1.3 SCHEDULES | 9 |
| 1.4 INTERPRETATION IF CLOSING DOES NOT OCCUR..... | 10 |
| ARTICLE 2 PURCHASE AND SALE | 10 |
| 2.1 AGREEMENT OF PURCHASE AND SALE | 10 |
| 2.2 TRANSFER OF PROPERTY AND ASSUMPTION OF LIABILITIES..... | 10 |
| 2.3 SPECIFIC CONVEYANCES..... | 10 |
| 2.4 POST-CLOSING MAINTENANCE OF ASSETS..... | 11 |
| 2.5 ASSUMED LIABILITIES | 12 |
| ARTICLE 3 PURCHASE PRICE | 12 |
| 3.1 PURCHASE PRICE..... | 12 |
| 3.2 ALLOCATION OF PURCHASE PRICE | 12 |
| 3.3 SATISFACTION OF PURCHASE PRICE | 12 |
| ARTICLE 4 TRANSFER TAXES | 13 |
| 4.1 THE PARTIES AGREE THAT:..... | 13 |
| ARTICLE 5 REPRESENTATIONS AND WARRANTIES | 14 |
| 5.1 VENDOR'S REPRESENTATIONS | 14 |
| 5.2 PURCHASER'S REPRESENTATIONS | 14 |
| 5.3 ENFORCEMENT OF REPRESENTATIONS AND WARRANTIES..... | 16 |
| ARTICLE 6 "AS IS, WHERE IS" AND NO ADDITIONAL REPRESENTATIONS AND WARRANTIES | 16 |
| 6.1 DUE DILIGENCE ACKNOWLEDGEMENT..... | 16 |
| 6.2 "AS IS, WHERE IS", NO ADDITIONAL REPRESENTATIONS | 17 |
| ARTICLE 7 RISK AND COSTS AND INSURANCE | 18 |
| 7.1 RISK AND COSTS | 18 |
| 7.2 INSURANCE..... | 19 |
| ARTICLE 8 INDEMNIFICATION | 19 |
| 8.1 INDEMNIFICATION GIVEN BY PURCHASER..... | 19 |
| 8.2 THIRD PARTY CLAIMS..... | 19 |
| 8.3 FAILURE TO GIVE TIMELY NOTICE | 20 |
| 8.4 NO MERGER | 20 |
| 8.5 THIRD PARTY BENEFICIARY | 20 |
| ARTICLE 9 COVENANTS | 21 |
| 9.1 CONDUCT OF BUSINESS UNTIL CLOSING | 21 |
| 9.2 DOCUMENT REVIEW | 21 |
| ARTICLE 10 CONDITIONS | 21 |
| 10.1 MUTUAL CONDITIONS..... | 21 |
| 10.2 CONDITIONS FOR THE BENEFIT OF THE PURCHASER | 22 |
| 10.3 CONDITIONS FOR THE BENEFIT OF THE VENDOR..... | 22 |
| 10.4 SATISFACTION OF CONDITIONS..... | 23 |
| 10.5 MONITOR'S CERTIFICATE | 23 |
| ARTICLE 11 CLOSING | 23 |
| 11.1 CLOSING DATE AND PLACE OF CLOSING | 23 |

11.2 DELIVERIES ON CLOSING BY THE VENDOR..... 23

11.3 DELIVERIES ON CLOSING BY THE PURCHASER 24

ARTICLE 12 TERMINATION..... 24

12.1 GROUNDS FOR TERMINATION 24

12.2 EFFECT OF TERMINATION 25

ARTICLE 13 GENERAL..... 25

13.1 PUBLIC ANNOUNCEMENTS..... 25

13.2 DISSOLUTION OF VENDOR 26

13.3 SURVIVAL..... 26

13.4 GOVERNING LAW 26

13.5 CONSEQUENTIAL DAMAGES 27

13.6 FURTHER ASSURANCES..... 27

13.7 ASSIGNMENT 27

13.8 WAIVER..... 27

13.9 AMENDMENT..... 27

13.10 TIME OF THE ESSENCE..... 28

13.11 COSTS AND EXPENSES..... 28

13.12 ENTIRE AGREEMENT 28

13.13 NOTICES 28

13.14 ENUREMENT..... 29

13.15 THIRD PARTY BENEFICIARIES..... 29

13.16 SEVERABILITY..... 29

13.17 COUNTERPARTS 30

SCHEDULES

| | |
|------------|---|
| Schedule A | Royalty Lands and Royalty Interests |
| Schedule B | Form of Approval and Vesting Order |
| Schedule C | Form of General Conveyance, Assignment and Assumption Agreement |
| Schedule D | Forms of Conditions Certificates |

AGREEMENT OF PURCHASE AND SALE

THIS PURCHASE AND SALE AGREEMENT dated as of October 20th, 2024,

BETWEEN:

ALPHABOW ENERGY LTD., a corporation existing under the laws of the Province of Alberta (herein referred to as the "**Vendor**")

- and -

CULLODEN RESOURCES LTD., a corporation existing under the laws of Alberta ("**Culloden**");

- and -

RAYBERG HOLDINGS LTD., a corporation existing under the laws of Alberta ("**Rayberg**" and together with Culloden, the "**Purchaser**");

WHEREAS:

- A. on April 26, 2024, the Vendor was granted creditor protection pursuant to an initial order granted by the Court of King's Bench (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36 (the "**CCAA**");
- B. pursuant to the Initial Order, among other things, KSV Restructuring Inc. ("**KSV**") was appointed as monitor of the Vendor;
- C. on April 26, 2024, the Court granted an amended and restated order (the "**ARIO**");
- D. all licensed assets and properties of the Vendor are currently subject to a suspension order and have been under the care and maintenance of the Orphan Well Association since September 6, 2023; and
- E. subject to receipt of Court Approval, the Purchaser has agreed to purchase and acquire and the Vendor has agreed to sell, transfer and assign to the Purchaser, all of the Vendor's Interest in and to the Assets, on the terms and conditions set forth herein.

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

ARTICLE 1 **INTERPRETATION**

1.1 Definitions

In this Agreement:

- (a) "**AER**" means the Alberta Energy Regulator, or any successor thereto having jurisdiction over the Assets or certain of them or the operation thereof;

- (b) "**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with that specified Person. For the purposes of this definition, "control" (including with correlative meanings, controlling, controlled by and under common control with) means the power to direct or cause the direction of the management and policies of that Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and, it being understood and agreed that with respect to a corporation or partnership, control shall mean direct or indirect ownership of more than 50% of the voting shares in any such corporation or of the general partnership interest or voting interest in any such partnership;
- (c) "**Agreement**" means this agreement of purchase and sale and any schedules attached hereto which are referred to in this agreement, together with any amendment or supplement thereto;
- (d) "**Applicable Law**" means, in respect of any Person, asset, transaction, event or circumstance: (i) statutes (including regulations enacted thereunder); (ii) judgments, decrees and orders of courts of competent jurisdiction (including the common law); (iii) regulations, orders, ordinances and directives issued by Governmental Authorities; and (iv) the terms and conditions of all permits, licenses, approvals and authorizations, in each case which are applicable to such Person, asset, transaction, event or circumstance;
- (e) "**Approval and Vesting Order**" means an order of the Court approving the Transaction in accordance with the provisions of this Agreement, and, subject to Closing, vesting all of the Vendor's Interest in and to the Assets in the Purchaser free and clear of all Claims (other than Permitted Encumbrances) and interests, such order to be substantially in the form attached hereto as Schedule B together with such modifications and amendments to such form as may be approved by both the Vendor and the Purchaser, acting reasonably;
- (f) "**Assets**" means the Royalty Interests and the Miscellaneous Interests;
- (g) "**Assumed Contracts**" means the contracts referenced in subsection (i) of the definition of Miscellaneous Interests, which contracts shall be assigned by the Vendor and assumed by the Purchaser in accordance with the terms of this Agreement, the relevant contracts and/or the Approval and Vesting Order, and/or other order of the Court in form and substance satisfactory to the Parties;
- (h) "**Assumed Liabilities**" means, collectively, all liabilities and obligations arising from the possession, ownership and/or use of the Assets following Closing along with Cure Costs;
- (i) "**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the City of Calgary in the Province of Alberta;
- (j) "**CCAA**" has the meaning ascribed to that term in the recitals hereto;
- (k) "**CCAA Proceedings**" means the proceedings commenced under the CCAA by the Vendor (and others) pursuant to the Initial Order;
- (l) "**Claim**" means any caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgments, executions, levies, taxes, writs of

enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing:

- (i) any encumbrances or charges created by the Initial Order and/or the ARIO;
 - (ii) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
 - (iii) any liens or claims of lien under the *Builders' Lien Act* (Alberta) or the *Prompt Payment and Construction Liens Act* (Alberta);
 - (iv) any linear or non-linear municipal property tax claims under the *Municipal Government Act* (Alberta), or otherwise;
 - (v) any outstanding amounts owing in respect of the AER Orphan Fund Levy and Administration Fees; and
 - (vi) those claims which may be specifically identified in Schedule "C" to the Approval and Vesting Order, as applicable;
- (m) "**Closing**" means the completion of the purchase by the Purchaser, and sale by the Vendor, of the Vendor's Interest in and to the Assets and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such purchase and sale, all subject to and in accordance with the terms and conditions of this Agreement;
- (n) "**Closing Date**" "**Closing Date**" means the date on which Closing occurs, being the date which is five Business Days following the date upon which all conditions in Sections 10.1, 10.2 and 10.3 have been satisfied or waived (other than such conditions which are to be satisfied on the Closing Date), or such other date as the Parties may agree in writing; provided, however, that the Closing Date shall not be later than the Outside Date;
- (o) "**Conditions Certificates**" has the meaning ascribed to that term in Section 10.5;
- (p) "**Confidentiality Agreements**" means the confidentiality agreement between the Vendor, the Purchaser and the Monitor and executed prior to the date hereof in respect of the evaluation by the Purchaser of potential transactions involving the assets of the Vendor;
- (q) "**Consequential Damages**" has the meaning ascribed to that term in Section 13.5;
- (r) "**Court**" means the Court of King's Bench of Alberta, Judicial Centre of Calgary;
- (s) "**Court Approval**" means both the issuance of the Approval and Vesting Order by the Court approving the sale of the Assets, and such Approval and Vesting Order having become a Final Order;
- (t) "**Cure Costs**" means, in respect of any Assumed Contract, all amounts, required to be paid to remedy all of the Vendor's monetary defaults under such Assumed Contract or required to secure a counterparty's or any other necessary Person's consent to the assignment of such

Assumed Contract pursuant to its terms or as may be required pursuant to the Approval and Vesting Order, and includes any other fees and expenses required to be paid to a counterparty or any other Person in connection with the assignment of an Assumed Contract pursuant to its terms or Applicable Laws

- (u) **"Due Diligence Information"** means all information made available (by the Vendor, the Monitor or otherwise) for the Purchaser's review in paper or electronic form in relation to the Vendor, its Affiliates and/or the Assets;
- (v) **"Final Order"** means an order of the Court that has not been vacated, stayed, set aside, amended, reversed, annulled or modified, as to which no appeal or application for leave to appeal therefrom has been filed and the applicable appeal period with respect thereto shall have expired without the filing of any appeal or application for leave to appeal, or if any appeal(s) or application(s) for leave to appeal therefrom have been filed, any (and all) such appeal(s) or application(s) have been dismissed, quashed, determined, withdrawn or disposed of with no further right of appeal and all opportunities for rehearing, reargument, petition for certiorari and appeal being exhausted or having expired without any appeal, motion or petition having been filed and remaining pending, any requests for rehearing have been denied, and no order having been entered and remaining pending staying, enjoining, setting aside, annulling, reversing, remanding, or superseding the same, and all conditions to effectiveness prescribed therein or otherwise by Applicable Law or order having been satisfied;
- (w) **"General Conveyance, Assignment and Assumption Agreement"** means an agreement providing for the assignment by the Vendor of the Vendor's Interest in and to the Assets, free and clear of all Claims (other than Permitted Encumbrances), substantially in the form attached hereto as Schedule C, and the assumption by the Purchaser of the Assumed Liabilities, substantially in the form attached hereto as Schedule C;
- (x) **"Governmental Authority"** means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Assets or this Transaction, including for greater certainty the AER;
- (y) **"GST"** means taxes, interest, penalties and other additions thereto imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and **"GST Legislation"** means such act and regulations collectively;
- (z) **"Initial Order"** has the meaning ascribed to that term in the recitals hereto;
- (aa) **"KSV"** has the meaning ascribed to that term in the recitals hereto;
- (bb) **"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 Royalty Lands);
- (cc) **"Legal Proceeding"** means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;

- (dd) "**Losses and Liabilities**" means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations and penalties, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim by any Governmental Authority or any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, and those arising under any contract, agreement, arrangement, commitment or undertaking and costs and expenses of any Legal Proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith (on a full indemnity basis);
- (ee) "**Miscellaneous Interests**" means, subject to any and all limitations and exclusions provided for in this definition, the Vendor's Interest in and to the following assets, interests and rights pertaining to the Royalty Interests, but only to the extent that such assets, interests and rights pertain to the Royalty Interests:
- (i) all contracts and agreements comprising the Title Documents relating to the creation or granting of the Royalty Interests;
 - (ii) all warranties, guarantees and similar rights relating to the Royalty Interests, including warranties and guarantees made under the Assets, and claims against other Third Parties in connection with the contracts relating to the Royalty Interests; and
 - (iii) all records, books, documents, licences, reports and data which relate to the Royalty Interests, or either of them including any of the foregoing that pertain to geological or geophysical matters and, including plats, surveys, maps, cross-sections, production records, electric logs, cuttings, cores, core data, pressure data, decline and production curves, well files, and related matters, division of interest records, lease files, title opinions, abstracts of title, title curative documents, lease operating statements and all other accounting information, marketing reports, statements, gas balancing information, and all other documents relating to customers, sales information, supplier lists, records, literature and correspondence, physical maps, geologic or geophysical interpretation, electronic and physical project files;
- provided that unless otherwise agreed in writing by the Parties, the Miscellaneous Interests shall not include any documents or data to the extent that they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by the Vendor to an assignee;
- (ff) "**Monitor**" means KSV, in its capacity as the Court-appointed monitor of the Vendor in the CCAA Proceedings and not in its personal or corporate capacity;
- (gg) "**Monitor's Certificate**" means the certificate, substantially in the form attached as Schedule "A" to the Approval and Vesting Order, to be delivered by the Monitor to the Vendor and the Purchaser on Closing and thereafter filed by the Monitor with the Court certifying that it has received the Conditions Certificates;

- (hh) **"Monitor's Solicitors"** means Cassels Brock & Blackwell LLP, or such other firm or firms of solicitors as are retained or engaged by the Monitor from time to time and notice of which is provided to the Purchaser;
- (ii) **"Notice Period"** has the meaning ascribed to that term in Section 8.2(b);
- (jj) **"Order"** means any order, writ, judgment, injunction, decree, stipulation, determination, decision, verdict, ruling, subpoena, or award entered by or with any Governmental Authority (whether temporary, preliminary, or permanent);
- (kk) **"Outside Date"** means the date which occurs 90 days following the date of execution of this Agreement, or such other date as the Parties may agree;
- (ll) **"Parties"** means, collectively, the Purchaser and the Vendor, and **"Party"** means any one of them;
- (mm) **"Permitted Encumbrances"** means:
 - (i) the Royalty Interests and any other overriding royalties, net profits interests and other burdens, which are provided for under the Title Documents;
 - (ii) the terms and conditions of the Assumed Contracts and the Title Documents, including any rights of first refusal, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;
 - (iii) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
 - (iv) easements, rights of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;
 - (v) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the wells located on or on operations being conducted on the Royalty Lands or otherwise affecting the value of any of the Assets;
 - (vi) agreements for the sale, processing, transmission or transportation of Petroleum Substances entered into by the Vendor subsequent to the date of this Agreement;
 - (vii) any obligation of the Vendor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
 - (viii) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental

Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;

- (ix) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards the Vendor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;
- (x) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Royalty Lands or interests therein, and statutory exceptions to title;
- (xi) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;
- (xii) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority; and
- (xiii) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof;
- (nn) "**Person**" means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executory, Governmental Authority, or other entity however designated or instituted;
- (oo) "**Petroleum and Natural Gas Rights**" means the Vendor's Interest in and to all rights to and in respect of the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Royalty Lands);
- (pp) "**Petroleum Substances**" means any of crude oil, petroleum, natural gas, natural gas liquids, coal bed methane and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur;
- (qq) "**Purchase Price**" has the meaning ascribed to that term in Section 3.1;
- (rr) "**Purchased Assets Allocation**" has the meaning ascribed to that term in Section 2.1;
- (ss) "**Purchaser**" has the meaning ascribed to that term in the preamble hereto;
- (tt) "**Representative**" means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its Affiliates and, with respect to the Vendor, includes the Monitor;
- (uu) "**Royalty Interests**" means the Vendor's right, title and interest in and to the overriding royalty interests in the Royalty Lands and the Petroleum and Natural Gas Rights under the Title Documents as set out in Schedule "A";

- (vv) "**Royalty Lands**" means the lands set out in Schedule "A" (subject to the restrictions and exclusions identified in the Title Documents as to Petroleum Substances and geological formations);
- (ww) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the Vendor's Interest in and to the Assets to the Purchaser and to novate the Purchaser in the place and stead of the Vendor, as applicable, with respect to the Assets;
- (xx) "**Third Party**" means any Person who is not a Party or an Affiliate of a Party;
- (yy) "**Third Party Claim**" means any Claim by a Third Party asserted against the Vendor for which the Purchaser has indemnified the Vendor or is otherwise responsible pursuant to this Agreement;
- (zz) "**Title Documents**" means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements, acreage contribution agreements, joint venture agreements and any other documents and agreements granting, reserving or otherwise conferring rights to (i) explore for, drill for, produce, take, use or market Petroleum Substances, (ii) share in the production of Petroleum Substances, (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced, and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Royalty Lands;
- (aaa) "**Transaction**" means the transaction for the purchase and sale of the Vendor's Interest in and to the Assets, together with all other transactions contemplated in this Agreement, all as contemplated in this Agreement;
- (bbb) "**Transfer Taxes**" means all transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Assets, including GST; and which, for certainty, shall not include freehold mineral taxes;
- (ccc) "**Vendor**" has the meaning ascribed to that term in the preamble hereto;
- (ddd) "**Vendor's Interest**" means, when used in relation to any asset, undertaking or property, the entire right, title and interest, if any, of the Vendor, as applicable, in, to and/or under such asset, undertaking or property; and
- (eee) "**Vendor's Solicitors**" means the law firm of Bennett Jones LLP, or such other firm or firms of solicitors as are retained or engaged by the Vendor from time to time and notice of which is provided to the Purchaser.

1.2 Interpretation

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

- (a) All references to monetary amounts are to the lawful currency of Canada.
- (b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.
- (c) The word "include" and "including" and derivatives thereof shall be read as if followed by the phrase "without limitation".
- (d) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.
- (e) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.
- (f) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified.
- (g) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.
- (h) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.
- (i) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.
- (j) Reference to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof.
- (k) References to an Applicable Law means such Applicable Law as amended from time to time and includes any successor Applicable Law thereto any regulations promulgated thereunder.

1.3 Schedules

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

| | |
|------------|---|
| Schedule A | Royalty Lands and Royalty Interests |
| Schedule B | Form of Approval and Vesting Order |
| Schedule C | Form of General Conveyance, Assignment and Assumption Agreement |
| Schedule D | Forms of Conditions Certificates |

1.4 Interpretation if Closing Does Not Occur

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

ARTICLE 2 PURCHASE AND SALE

2.1 Agreement of Purchase and Sale

Subject to the terms and conditions of this Agreement, and in consideration of the Purchase Price, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase, accept and receive from the Vendor, the Vendor's Interest in and to the Assets. The Purchase Price to be allocated as follows (the "**Purchased Assets Allocation**"):

50% to Culloden and 50% to Rayberg – Royalty Interests and Royalty Lands - \$11,288.00

2.2 Transfer of Property and Assumption of Liabilities

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

2.3 Specific Conveyances

- (a) Within a reasonable time following its receipt of the Title Documents from Vendor, Purchaser shall prepare and provide for the Vendor's review all Specific Conveyances. None of the Specific Conveyances shall confer or impose upon either Party any greater right or obligation than as contemplated in this Agreement. Promptly after Closing, the Purchaser shall register and/or distribute (as applicable), all such Specific Conveyances and shall bear all costs incurred therewith and in preparing and registering any further assurances required to convey the Assets to the Purchaser.
- (b) As soon as practicable following Closing, the Vendor shall deliver or cause to be delivered to the Purchaser such original copies of the Title Documents and any other agreements and documents to which the Assets are subject and such original copies of contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests which are now in the possession or control of the Vendor or of which the Vendor gains possession or control prior to Closing.
- (c) Notwithstanding Sections 2.3(a) and 2.3(b), requests for the transfers from the Vendor to the Purchaser of registered Crown leases or licences, related surface rights and any other

Title Documents which are administered by a Governmental Authority shall be submitted by the Vendor and accepted by the Purchaser as soon as is practicable after Closing.

2.4 Post-Closing Maintenance of Assets

- (a) Following Closing, if and to the extent that Purchaser must be novated into, recognized as a party to, or otherwise accepted as assignee or transferee of Vendor's Interest in the Assets or certain of them, including any Title Documents and Assumed Contracts, the following provisions shall apply with respect to the applicable Assets until such novation, recognition or acceptance has occurred:
 - (i) Purchaser shall use reasonable commercial efforts to obtain, as may be required by the terms of any Assumed Contracts, consents or approvals to the assignment of such Assumed Contracts; provided that to the extent that any Cure Costs are payable with respect to any Assumed Contract, the Purchaser shall be responsible for and shall pay all such Cure Costs, which shall be paid directly to the counterparty as and when required in conjunction with the assignment of the Assumed Contracts, and which Cure Costs shall form part of the Purchase Price for the Assets;
 - (ii) to the extent permitted by any applicable Assumed Contract:
 - (A) the Purchaser will pay, perform and discharge the duties and obligations accruing after Closing under such Assumed Contract, on behalf of the Vendor, until such time as the effective transfer or assignment of the relevant Assumed Contracts to the Purchaser; and
 - (B) the Vendor shall use reasonable commercial efforts to exercise the rights, entitlements, benefits and remedies under such Assumed Contract, on behalf of the Purchaser until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser, or such Assumed Contract expires or otherwise terminates;
 - (iii) the Vendor shall not have any liability as a consequence of the Vendor taking any action or causing anything to be done under this Section 2.4(a), and the Purchaser shall be responsible and liable for, and, as a separate covenant, shall hereby indemnify and save harmless the Vendor and its respective Representatives against, all costs and expenses reasonably incurred by the Vendor, its Affiliates or their respective Representatives as a consequence of or in connection with this Section 2.4(a); and
 - (iv) nothing in this Agreement shall constitute an agreement to assign, and shall not be construed as an assignment of, or an attempt to assign to the Purchaser, any Assumed Contracts until such time as the necessary consents or approvals with respect to the assignment are obtained.
- (b) Both before and after Closing, the Purchaser shall use all commercially reasonable efforts to obtain any and all approvals required under Applicable Law and any and all material consents of Third Parties required to permit this Transaction to be completed. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and

expense, to provide any and all financial assurances, deposits or security that may be required by Governmental Authorities or any Third Parties under the Assumed Contracts or Applicable Laws to permit the transfer of the Assets, including the Assumed Contracts, to the Purchaser.

2.5 Assumed Liabilities

Following Closing, the Purchaser shall assume, perform, discharge and pay when due all of the Assumed Liabilities.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

The consideration payable by the Purchaser for the Assets shall be the sum of [REDACTED] (the "**Purchase Price**"). The Purchase Price shall be satisfied in accordance with Section 2.4(a)(i), and shall not be subject to any adjustment. The Purchaser and the Vendor acknowledge and agree that the Purchase Price reflects the fair market value of the Assets as of the Closing Date.

3.2 Allocation of Purchase Price

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

- (a) to the Royalty Interests, 100% less \$10.00; and
- (b) to the Miscellaneous Interests, \$10.00.

3.3 Satisfaction of Purchase Price

- (a) The Parties acknowledge that:
 - (i) as of the date hereof, the Purchaser has paid the amount equal to ten percent (10%) of the Purchase Price (the "**Deposit**") to the Monitor;
 - (ii) the Deposit has been delivered to and shall be held in trust by the Monitor; and
 - (iii) the Deposit shall be held and administered by the Monitor in accordance with the terms and conditions of this Agreement (including this Section 3.3).
- (b) At Closing, the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.4(a)(i)) shall be paid and satisfied as follows:
 - (i) as to the amount of the Deposit, upon the receipt of a written joint direction delivered to the Monitor by the Purchaser and the Vendor, the Monitor shall deliver the amount of the Deposit to the Vendor by electronic wire transfer and such amount shall be applied against the amount of the Purchase Price for the account of the Purchaser; and
 - (ii) as to the balance of the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.4(a)(i)), along with any additional amounts owing in

respect of applicable GST, the Purchaser shall pay to the Vendor such amount by electronic wire transfer.

- (c) If this Agreement is terminated:
- (i) (A) pursuant to Section 12.1(a) by mutual agreement of the Parties; (B) pursuant to Sections 12.1(b) or 12.1(c) by the Purchaser; (C) pursuant to Section 12.1(e) by the Vendor; or (D) for any other reason other than as contemplated under Section 3.3(c)(ii); then the Deposit shall be returned to the Purchaser; or
 - (ii) pursuant to Section 12.1(d) by the Vendor, the full amount of the Deposit shall be forfeited to the Vendor,
 - (iii) and, subject to Section 12.2, each Party shall be released from all obligations and liabilities under or in connection with this Agreement. In the event of termination of this Agreement under Section 3.3(c)(ii) pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit, constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages

ARTICLE 4 **TRANSFER TAXES**

4.1 The Parties agree that:

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

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 Vendor's Representations

The Vendor hereby represents and warrants to the Purchaser that:

- (a) it is a corporation duly formed and validly subsisting under the laws of the Province of Alberta and has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (b) except for the Court Approval and any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Vendor of the Transaction;
- (c) it is not a non-resident of Canada within the meaning of such term under the *Income Tax Act* (Canada) and is not an agent or trustee for anyone with an interest in the Assets who is a non-resident of Canada within the meaning of such term under the *Income Tax Act* (Canada) (or a partnership that is not a "Canadian partnership" within the meaning of such term under the *Income Tax Act* (Canada));
- (d) subject to Court Approval being obtained, this Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of it and is enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (e) the Purchaser will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by the Vendor; and
- (f) with respect to the GST imposed under the GST Legislation, the Vendor is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and its GST registration number is 736658725RT0001.

5.2 Purchaser's Representations

Each Purchaser hereby, jointly and severally represents and warrants to the Vendor that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of the jurisdiction of its incorporation or formation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (b) it has taken all necessary corporate or other acts to authorize the execution, delivery and performance by it of this Agreement;

- (c) neither the execution of this Agreement nor its performance by the Purchaser will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which the Purchaser is a party or by which it is bound which breach could materially affect the ability of the Purchaser to perform its obligations hereunder;
- (d) except for the Court Approval and any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract, the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of this Transaction;
- (e) subject to Court Approval being obtained, this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (f) the Purchaser is not a non-Canadian Person within the meaning of the *Investment Canada Act* (Canada) nor a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (g) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser;
- (h) the Purchaser meets all eligibility requirements of Governmental Authorities to purchase and accept a transfer of the Assets as applicable to the Purchaser in connection with the transactions as contemplated hereunder;
- (i) with respect to the GST imposed under the GST Legislation, the Purchaser is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and that its GST registration number is:
 - Culloden: 83718 8408 RT001
 - Rayberg: 80524 7756 RT001
- (j) the Purchaser is a "Canadian" within the meaning of the *Investment Canada Act* (Canada);
- (k) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, the Purchase Price (including the Deposit), the Cure Costs, the Transfer Taxes, its legal fees and expenses, registration costs and any other amounts payable by the Purchaser pursuant hereto; and
- (l) the Purchaser has the financial resources necessary to post or satisfy all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Assets and to satisfy the security required by the Assumed Contracts.

5.3 Enforcement of Representations and Warranties

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

ARTICLE 6

"AS IS, WHERE IS" AND NO ADDITIONAL REPRESENTATIONS AND WARRANTIES

6.1 Due Diligence Acknowledgement

The Purchaser acknowledges and agrees that:

- (a) it was solely responsible to perform any inspections it deemed pertinent to the purchase of the Assets and to be satisfied as to the condition of the Assets prior to entering into this Agreement with the Vendor;
- (b) notwithstanding the fact that it was permitted to review any diligence materials and disclosures provided by the Vendor, including the Due Diligence Information, the Vendor assumes no liability for errors or omissions in such diligence materials and disclosure or any other property listings or advertising, promotional or publicity statements and materials, and makes no representations or warranties in respect thereof;
- (c) by entering into this Agreement with the Vendor, the Purchaser shall be deemed to represent, warrant and agree with respect to the Assets that:
 - (i) the Purchaser has inspected the Assets and is familiar and satisfied with the physical condition thereof and has conducted such investigation of the Assets as the Purchaser has determined appropriate;
 - (ii) neither the Vendor nor its respective Affiliates or their respective Representatives have made any oral or written representation, warranty, promise or guarantee

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

- (iii) the Purchaser has not relied upon any representation, warranty, guarantee or promise or upon any statement made or any information provided concerning the Assets, including the Due Diligence Information made available to the Purchaser by the Vendor, its respective Affiliates or their respective Representatives;
- (iv) the Purchaser has entered into this Agreement after having relied solely on its own independent investigation, inspection, analysis, appraisal and evaluation of the Assets and the facts and circumstances related thereto;
- (v) any information provided or to be provided by or on behalf of the Vendor with respect to the Assets, including all Due Diligence Information, was obtained from information provided to the Vendor and the Vendor has not made any independent investigation or verification of such information, and makes no representations as to the accuracy or completeness of such information;
- (vi) without limiting the generality of the foregoing, the Vendor is not under any obligation to disclose to the Purchaser, and shall have no liability for its failure to disclose to the Purchaser, any information known to it relating to the Assets except as may be required by any Applicable Law; and
- (vii) neither the Vendor, its Affiliates or their respective Representatives are liable or bound in any manner by any oral or written statements, representations or information pertaining to the Assets, or the operation thereof, made or furnished by any real estate broker, agent, employee, or other Person.

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

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

- (iv) any estimates of the value of the Assets or the revenues or cash flows from future production from the Royalty Interests;
 - (v) the rates of production of Petroleum Substances from the Royalty Lands;
 - (vi) the suitability of the Assets for any and all purposes, activities and uses which the Purchaser may desire to conduct thereon;
 - (vii) the compliance of or by the Assets or its operation with any Applicable Law;
 - (viii) the validity or enforceability of the Assumed Contracts or the ability to assign any of the Assumed Contracts;
 - (ix) any regulatory approvals, permits and licenses, consents or authorizations that may be needed to complete the purchase of the Assets contemplated by this Agreement;
 - (x) the nature and quantum of the Assumed Liabilities; or
 - (xi) any other matter with respect to the Assets.
- (b) The Purchaser acknowledges that the release and disclaimer described in this Article 6 is intended to be very broad and, except for its express rights under this Agreement, the Purchaser expressly waives and relinquishes any rights or benefits it may have under any Applicable Law designed to invalidate releases of unknown or unsuspected claims.
- (c) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor, its Affiliates and their respective Representatives in respect of the Assets and any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means). Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the *Sale of Goods Act* (Alberta), the *Sale of Goods Act* (British Columbia) (or similar applicable statutes, all as may be amended, repealed or replaced), warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

ARTICLE 7

RISK AND COSTS AND INSURANCE

7.1 Risk and Costs

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

7.2 Insurance

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

ARTICLE 8 **INDEMNIFICATION**

8.1 Indemnification Given by Purchaser

If Closing occurs, the Purchaser shall:

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

all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, its Affiliates and/or their respective Representatives related to or in connection with the Assets and the Assumed Liabilities, including: (i) all Losses and Liabilities attributable to the ownership, of the Assets during the period following the Closing Date; (ii) all Losses and Liabilities arising or accruing on or after the Closing Date under any Assumed Contract, including any and all Cure Costs; and (iii) any other Losses and Liabilities for which the Purchaser has otherwise agreed to indemnify the Vendor pursuant to this Agreement. The Purchaser' indemnity obligations set forth in this Section 8.1 shall survive the Closing Date indefinitely pursuant to Section 13.3.

8.2 Third Party Claims

- (a) If any of the Vendor, its Affiliates or any of their respective Representatives receives written notice of the commencement or assertion of any Third Party Claim for which the Purchaser is liable pursuant to this Agreement (or has otherwise agreed to indemnify the Vendor, its Affiliates or their respective Representatives against), the Vendor shall give the Purchaser reasonably prompt notice thereof, but in any event no later than ten (10) days after receipt of such notice of such Third Party Claim. Such notice to the Purchaser shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount (or the method of computation of the amount) of the Losses and Liabilities that has been or may be sustained by the Vendor, its Affiliates or their respective Representatives, respectively, and a reference to the provisions of this Agreement, or other applicable document, upon which such claim is based.
- (b) The Purchaser may assume the carriage and control of the defence of any Third Party Claim by giving notice to that effect to the Vendor, not later than ten (10) days after receiving notice of that Third Party Claim (the "**Notice Period**") so long as: (i) the Purchaser first acknowledges to the Vendor, in writing, liability to the Vendor, its Affiliates and/or their respective Representatives, under this Agreement with respect to such Third Party Claim and that the outcome of such Third Party Claim does not alter or diminish the Purchaser's obligation to indemnify the Vendor, its and/or their respective Representatives, pursuant to this Agreement, subject to the Purchaser's right to contest in good faith the Third Party Claim; (ii) the Purchaser has the financial resources to defend against the Third Party Claim

and fulfill any indemnification obligations and has provided the Vendor, its Affiliates and/or their respective Representatives, with evidence thereof; (iii) the Third Party Claim involves monetary damages; and (iv) the Purchaser thereafter pursues the defence or settlement of the Third Party Claim actively and diligently. The Purchaser's right to do so shall be subject to the rights of any insurer or other third party who has potential liability in respect of that Third Party Claim. The Purchaser shall pay all of its own expenses of participating in or assuming such defence. In the event that the Purchaser elects to assume the carriage and control of the defence of a Third Party Claim pursuant to this Section 8.2(b), then the Vendor shall, or shall cause its Affiliates and/or their respective Representatives to, cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice at its own expense.

- (c) If the Vendor has not received notice within the Notice Period that the Purchaser has elected to assume the carriage and control of the defence of such Third Party Claim in accordance with Section 8.2(b), or if the Purchaser have given such notice but thereafter fails or is unable to pursue the defence or settlement of such Third Party Claim actively and diligently, the Vendor, its Affiliates and/or their respective Representatives, may, at their option, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Losses and Liabilities suffered or incurred by the Vendor, its Affiliates and/or their Representatives with respect to such Third Party Claim.

8.3 Failure to Give Timely Notice

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

8.4 No Merger

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

8.5 Third Party Beneficiary

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

ARTICLE 9
COVENANTS

9.1 Conduct of Business Until Closing

- (a) Until the Closing Date, the Vendor shall provide the Purchaser with all access to the Assets as reasonably required by the Purchaser in order to allow for and assist the Purchaser with an orderly passing of the Assets to the Purchaser following Closing in accordance herewith.
- (b) The access to the Assets to be afforded to the Purchaser and its Representatives pursuant to this Section 9.1 will be subject to the Assumed Contracts and all of the Vendor's site entry protocols, health, safety and environmental rules, policies and procedures. Further, the Purchaser acknowledges and agrees that it shall:
 - (i) be solely liable and responsible for any and all Losses and Liabilities which the Vendor, its Affiliates or their respective Representatives may suffer, sustain, pay or incur; and
 - (ii) as a separate covenant, indemnify and save harmless the Vendor, its Affiliates and their respective Representatives harmless from any and all Claims or Losses and Liabilities whatsoever which may be brought against, suffered by or incurred by the Vendor, its Affiliates or their respective Representatives;

arising out of, resulting from, attributable to or in any way connected with any access provided to the Purchaser or its Representatives pursuant to this Section 9.1.

9.2 Document Review

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

ARTICLE 10
CONDITIONS

10.1 Mutual Conditions

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

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

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

10.2 Conditions for the Benefit of the Purchaser

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

- (a) all representations and warranties of the Vendor contained in Section 5.1 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time
- (b) the Vendor shall have complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement; and
- (c) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 11.2.

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

10.3 Conditions for the Benefit of the Vendor

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

- (a) all representations and warranties of the Purchaser contained in Section 5.2 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time;
- (b) the Purchaser shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement;
- (c) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at or before the Closing all the documents contemplated in Section 11.3; and
- (d) the Vendor has not lost its ability to convey the Assets due to the appointment of a receiver or a receiver-manager, an order of the Court or otherwise pursuant to the CCAA Proceedings, provided such order or other action is pursuant to the CCAA Proceedings or is not at the voluntary initiative of the Vendor.

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

10.4 Satisfaction of Conditions

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 10.1, 10.2 and 10.3. In addition, each of the Parties agrees not to take any action that could reasonably be expected to preclude, delay or have an adverse effect on the Transaction or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

10.5 Monitor's Certificate

When the conditions to Closing set out in Sections 10.1, 10.2 and 10.3 have been satisfied and/or waived by the each of the Vendor and the Purchaser, as applicable, the Vendor and the Purchaser will each deliver to the Monitor written confirmation: (a) that such conditions of Closing, as applicable, have been satisfied and/or waived; and (b) of the amount of the Transfer Taxes to be paid on Closing (in each case, to the extent applicable), in substantially the form of Schedule D (the "**Conditions Certificates**"). Upon receipt by the Monitor of: (i) confirmation of payment of the balance of the Purchase Price (less the Deposit) to be paid on Closing has been received by the Vendor; (ii) confirmation of payment of applicable Transfer Taxes to be paid on Closing have been paid the Vendor (or evidence of an agreement to pay all Transfer Taxes by the Purchaser to any relevant Governmental Authorities or counterparty); and (iii) each of the Conditions Certificates, the Monitor shall: (A) issue forthwith its Monitor's Certificate concurrently to the Vendor and the Purchaser, at which time the Closing will be deemed to have occurred; and (B) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Vendor and the Purchaser). In the case of (A) and (B), above, the Monitor will be relying exclusively on the basis of the Conditions Certificates and without any obligation whatsoever to verify the satisfaction or waiver of the applicable conditions

ARTICLE 11 **CLOSING**

11.1 Closing Date and Place of Closing

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

11.2 Deliveries on Closing by the Vendor

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

- (a) a Court certified copy of the Approval and Vesting Order;
- (b) a certificate of the Vendor confirming the accuracy of the matters provided for in Sections 10.2(a) and 10.2(b);
- (c) a written joint direction, duly executed by the Vendor, instructing the Monitor that the Deposit is to be released in accordance with Section 3.3(b)(i);
- (d) the General Conveyance, Assignment and Assumption Agreement duly executed by the Vendor; and

- (e) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

11.3 Deliveries on Closing by the Purchaser

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

- (a) payment of the Purchase Price in accordance with Section 3.3;
- (b) payment of all Transfer Taxes payable on Closing to the Vendor or the Vendor's Solicitors (or evidence of self-assessment and payment by the Purchaser thereof to the relevant Governmental Authorities);
- (c) a certificate of the Purchaser confirming the accuracy of the matters provided for in Sections 10.3(a) and 10.3(b);
- (d) a written joint direction, duly executed by the Purchaser, instructing the Monitor that the Deposit is to be released in accordance with Section 3.3(b)(i);
- (e) the General Conveyance, Assignment and Assumption Agreement duly executed by the Purchaser; and
- (f) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

ARTICLE 12 **TERMINATION**

12.1 Grounds for Termination

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

- (a) by the mutual written agreement of the Vendor and the Purchaser, provided however that if this Agreement has been approved by the Court, any such termination shall require either the consent of the Monitor or the approval of the Court;
- (b) by the Purchaser, upon written notice to the Vendor, if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 10.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Vendor received such notice;
- (c) by the Purchaser, upon written notice to the Vendor, any time after the Outside Date, if (A) the Court Approval has not been obtained, or (B) the Closing has not occurred by the

Outside Date and such failure to close was not caused by or as a result of the Purchaser's breach of this Agreement;

- (d) by the Vendor, upon written notice to the Purchaser, if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 10.3 impossible by the Outside Date; or (ii) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Purchaser received such notice; or
- (e) by the Vendor, upon written notice to the Purchaser, any time after the Outside Date, if (A) the Court Approval has not been obtained, or (B) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the breach of this Agreement by the Vendor.

12.2 Effect of Termination

Notwithstanding any termination of this Agreement as permitted under Section 12.1, or as otherwise provided for in this Agreement, the provisions of Sections 13.1 (Public Announcements), 13.4 (Governing Law), 13.5 (Consequential Damages), 13.11 (Costs and Expenses) and 13.15 (Third Party Beneficiaries) shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.3.

ARTICLE 13 **GENERAL**

13.1 Public Announcements

- (a) Subject to Section 13.1(b), if a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Parties with an advance copy of any such press release or public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure without the prior written consent of the other Parties, such consent not to be unreasonably withheld.
- (b) Notwithstanding Section 13.1(a): (i) this Agreement may be filed by the Vendor with the Court; and (ii) the Transaction may be disclosed by the Vendor to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Law. The Parties further agree that:
 - (i) the Vendor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms of the Transaction;
 - (ii) the Vendor may forward a copy of this Agreement and all related documentation to the Orphan Well Association and its Representatives, agents, legal counsel and financial advisors, and may further advise such Persons of the existence and nature of any discussions and negotiations in relation thereto or in relation to the

Transaction; provided that the Orphan Well Association and its Representatives agree in advance to be bound by any confidentiality undertakings or similar confidentiality requirements reasonably requested by the Vendor; and

- (iii) the Vendor and its professional advisors may prepare and file such reports and other documents with the Court containing references to the Transaction contemplated by this Agreement and the terms of such Transaction as may reasonably be necessary to obtain the Court Approvals and to complete the Transaction contemplated by this Agreement or to comply with their obligations to the Court.

13.2 Dissolution of Vendor

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

13.3 Survival

Upon Closing, the obligations, covenants, representations and warranties of the Parties set out in this Agreement shall expire, be terminated and extinguished and of no further force or effect, provided that notwithstanding the Closing contemplated hereunder or the delivery of documents pursuant to this Agreement, the obligations and covenants of the Parties set out in Section, Section 2.3 (Specific Conveyances), Section 2.4 (Post-Closing Maintenance of Assets), Section 5.3 (Enforcement of Representations and Warranties), Article 4 (Transfer Taxes), Article 6 ("As Is, Where Is" and No Additional Representations and Warranties), Article 8 (Indemnification), and Article 13 (General), shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties indefinitely thereafter except as expressly stated to the contrary therein or otherwise in accordance with Applicable Laws.

13.4 Governing Law

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.
- (b) Notwithstanding Section 13.4(a), any and all documents or orders that may be filed, made or entered in the CCAA Proceedings, and the rights and obligations of the Parties thereunder, including all matters of construction, validity and performance thereunder, shall in all respects be governed by, and interpreted, construed and determined in accordance with the laws of the Province of Alberta. The Parties consent to the jurisdiction and venue of the Court, as applicable, for the resolution of any such disputes, regardless of whether such disputes arose under this Agreement. Each Party agrees that service of process on such Party as provided in Section 13.13 shall be deemed effective service of process on such Party.

13.5 Consequential Damages

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

13.6 Further Assurances

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

13.7 Assignment

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

13.8 Waiver

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

13.9 Amendment

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

13.10 Time of the Essence

Time is of the essence in this Agreement.

13.11 Costs and Expenses

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

13.12 Entire Agreement

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

13.13 Notices

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

- (a) in the case of the Vendor:

AlphaBow Energy Ltd.
Suite 300, 708-11th Avenue S.W.
Calgary, AB T2R 0E4

Attention: Ben Li
Email: benli@alphabowenergy.com

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

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

Attention: Keely Cameron; Kristo Iatridis
Email: cameronk@bennettjones.com; iatridisk@bennettjones.com

- (b) In the case of the Purchaser:

Culloden Resources Ltd.
2353 Fairways Circle N.W.
Airdrie, AB T4B 2W9

Attention: Ian Ross, President
Email: ian.culloden@gmail.com

and

Rayberg Holdings Ltd.
106 RockyRidge Landing
Calgary, AB T3G 4H5

Attention: Randy Bergmann, President
Email: mknoffers@yahoo.ca

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

13.14 Enurement

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

13.15 Third Party Beneficiaries

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

13.16 Severability

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

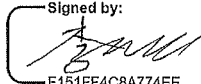
13.17 Counterparts

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

[THE BALANCE OF THIS PAGE INTENTIONALLY BLANK]

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

ALPHABOW ENERGY LTD.

Per:  Signed by:
F151FF4C8A774EE...
Name: Ben Li
Title: Chief Executive Officer

CULLODEN RESOURCES LTD..

Per: _____
Name: Ian Ross
Title: President

RAYBERG HOLDINGS LTD..

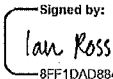
Per: _____
Name: Randy Bergmann
Title: President

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

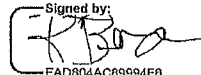
ALPHABOW ENERGY LTD.

Per: _____
Name: Ben Li
Title: Chief Executive Officer

CULLODEN RESOURCES LTD..

Per:  _____
Signed by:
Name: Ian Ross
Title: President

RAYBERG HOLDINGS LTD..

Per:  _____
Signed by:
Name: Randy Bergmann
Title: President

SCHEDULE A

Royalty Lands and Royalty Interests

| Royalty Lands | Mineral Sub Number | lease File | Contract | Rights | Title Documents | Vendors WI | Mineral Number | Lease | Sub |
|-----------------------------------|--------------------|------------|----------|---------------------|--|---|-----------------|-------|--------|
| Sec 15-72-5W6 PNG to base Hallway | M21791, A | | C04990 | PNG to base Hallway | Farmout Agmt dated Dec 2, 1993 between Murphy Oil Company Ltd. and Mark Resources Ltd. | GOR s/s 5-15% oil, 15% gas on 50% of prod | CR 0590020374 A | PNG | PNGLSE |

SCHEDULE B

Form of Approval and Vesting Order

Clerk's Stamp:

COURT FILE NUMBER 2401-05179

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANTS IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, as amended

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ALPHABOW ENERGY LTD.

DOCUMENT **ORDER (Sales Approval and Vesting)**

ADDRESS FOR SERVICE AND **BENNETT JONES LLP**

CONTACT INFORMATION OF Barristers and Solicitors

PARTY FILING THIS 4500 Bankers Hall East

DOCUMENT 855 – 2nd Street S.W.

Calgary, Alberta T2P 4K7

Attention: Keely Cameron / Sarah Aaron

Telephone No.: 403-298-3324/3177

Fax No.: 403-265-7219

Client File No.: 88323.6

DATE ON WHICH ORDER WAS PRONOUNCED:

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice _____

LOCATION OF HEARING:

UPON the application of AlphaBow Energy Ltd. ("**AlphaBow**" or the "**Applicant**") for an Order approving the sale transaction (the "**Transaction**") contemplated by the [date] Asset Purchase and Sale Agreement (the "**Sale Agreement**") between AlphaBow and _____ (the "**Purchaser**"); **AND UPON having read** the Affidavit of _____, the Affidavit of Service of _____, and the Monitor's _____ Report (the "**[Number] Report**"); **AND UPON hearing** the submissions of counsel for the Applicant, counsel for KSV Restructuring Inc. (the "**Monitor**"), and any other interested parties appearing at the application;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and the supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application.

APPROVAL OF TRANSACTIONS

2. The Transaction is hereby approved, and the Sale Agreement is commercially reasonable and in the best interests of AlphaBow and its stakeholders. The execution of the Sale Agreement by AlphaBow is hereby ratified, confirmed and approved, and AlphaBow is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transaction and for the conveyance of the assets set out in Schedule "A" hereto (the "**Purchased Assets**") to the Purchaser.

VESTING OF PROPERTY

3. [Subject only to approval by the Alberta Energy Regulator ("**Energy Regulator**") of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta)] Upon the delivery of a Monitor's Certificate to the Purchaser substantially in the form attached as Schedule "B" hereto (the "**Monitor's Certificate**"), all of AlphaBow's right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- (i) any Encumbrances or Charges (as created by and defined in the Initial Order of the Honourable Justice Lema and any other Orders granted in this Action);
- (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act*, the *Mines and Minerals Act*, the *Land Titles Act* or any other personal, mineral or real property registry system; and
- (iii) those Claims listed in Schedule "C" hereto

(all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in Schedule "D" (collectively, "**Permitted Encumbrances**")) and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

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

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

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

*

(the "**Lands**")

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

- (iii) transfer to the New Certificate of Title the existing instruments listed in Schedule "D", to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule "D"; and
 - (iv) discharge and expunge the Encumbrances listed in Schedule "C" to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;
 - (b) Alberta Energy shall and is hereby authorized, requested and directed to forthwith:
 - (i) cancel and discharge those Claims including builders' liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Applicant in and to any of the Purchased Assets located in the Province of Alberta; and
 - (ii) transfer all Crown leases listed in Schedule "E" to this Order standing in the name of the Applicant, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;
 - (c) the Registrar of the Alberta Personal Property Registry (the "**PPR Registrar**") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Applicant in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and AlphaBow's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by AlphaBow of the Sale Agreement.
7. Upon delivery of the Monitor's Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by KSV Restructuring Inc., in its capacity as Monitor of the Applicant and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, the net proceeds from sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets from and after delivery of the Monitor's Closing Certificate and all Claims (but excluding Permitted Encumbrances and the Administration Charge, as defined in paragraph 30 of the Amended and Restated Initial Order of this Honourable Court, dated April 26, 2024) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), no distributions shall be made to creditors of net proceeds from sale of the Purchased Assets without further order of this Court. Notwithstanding the foregoing, AlphaBow shall be permitted to utilize the net proceeds from the sale of the Purchased Assets in its day-to-day operations in this proceeding as prescribed by the cashflow affixed to the [Number] Report.
9. Except as expressly provided for in the Sale Agreement, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against AlphaBow.
10. Upon completion of the Transaction, AlphaBow and all persons who claim by, through or under AlphaBow in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right,

title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the AlphaBow, or any person claiming by, through or against the AlphaBow.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against AlphaBow associated with the Purchased Assets.
13. The Monitor is directed to file with the Court a copy of the Monitor's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

MISCELLANEOUS MATTERS

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

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of AlphaBow and shall not be void or voidable by creditors of AlphaBow, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

J.C.K.B.A

SCHEDULE A

Assets Listing

| ALPHABOW FILE | LEGAL DESCRIPTION | PNG RIGHTS | ALPHABOW WORKING INTEREST | ENCUMBRANCES | EXPIRY DATE |
|--------------------------|------------------------------|-----------------------|--|---------------------|------------------------|
| | | | | | |

Wells:

Facilities:

Pipelines:

SCHEDULE B

Form of Monitor's Certificate

COURT FILE NUMBER 2401-05179

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PROCEEDING 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 ALPHABOW ENERGY LTD.

DOCUMENT SALE AND VESTING ORDER

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

Attention: Keely Cameron/ Sarah Aaron
Telephone No.: 403-298-3324/3177
Fax No.: 403-265-7219
Client File No.: 88323.6

RECITALS

- A. Pursuant to an Order of the Court dated _____, the Court approved the agreement of purchase and sale made as of _____ (the "**Sale Agreement**") between AlphaBow Energy Inc. ("**AlphaBow**") and _____ (the "**Purchaser**") and provided for the vesting in the Purchaser of AlphaBow'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 of the Sale Agreement have been satisfied or waived by AlphaBow and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.
- B. 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 the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing of the Sale Agreement have been satisfied or waived by AlphaBow 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].

**KSV Restructuring Inc., in its
capacity as Monitor of AlphaBow
Energy Ltd., and not in its personal
capacity.**

Per: _____

Name: Andrew Basi

SCHEDULE C

Identified Claims

SCHEDULE "D"

Permitted Encumbrances

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

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

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

SCHEDULE C¹

Form of General Conveyance, Assignment and Assumption Agreement

GENERAL CONVEYANCE, ASSIGNMENT, AND ASSUMPTION AGREEMENT

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

AMONG:

ALPHABOW ENERGY LTD., a corporation existing under the laws of the Province of Alberta (herein referred to as the "**Vendor**")

- and -

[**BUYER**], a corporation existing under the laws of **Alberta** (herein referred to as the "**Purchaser**")

RECITALS:

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

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

1. Definitions

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

2. Certain Rules of Interpretation

- (i) In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (ii) The division of this Agreement into Sections and the inclusion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

¹ Guidance note to Buyer: this Schedule C is a form only; it is required to be delivered at Closing (i.e. does not need to be signed and delivered at time of signing this PSA).

(iii) The terms "hereof," "hereunder," and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.

(iv) Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections of this Agreement.

(v) The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

3. Conveyance

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

4. Assumption of Assumed Liabilities

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

5. Further Assurances

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

6. Governing Law

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

7. Entire Agreement

This Agreement, the Purchase Agreement, and the documents referred to therein and contemplated thereby constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement, the Purchase Agreement, the Confidentiality Agreement and the documents referred to therein and contemplated thereby.

8. Successors and Assigns

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

9. Counterparts

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

10. Amendments

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

11. Paramountcy

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

12. Severability

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

[Signature Page Follows.]

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

ALPHABOW ENERGY LTD.

Per: _____
Name: Ben Li
Title: Chief Executive Officer

[BUYER]

Per: _____
Name:
Title:

SCHEDULE D

FORMS OF CONDITIONS CERTIFICATES

VENDOR'S CONDITIONS CERTIFICATE

TO: KSV RESTRUCTURING INC. (the "Monitor")

This Conditions Certificate (this "**Certificate**") is delivered pursuant to Section 10.5 of that certain purchase and sale agreement, dated as of [●], 2024 (the "**Purchase Agreement**") between **ALPHABOW ENERGY LTD.** (the "**Vendor**") and **[BUYER]** (the "**Purchaser**"). All capitalized terms used herein which have not been defined herein shall have the same meaning attributed thereto in the Purchase Agreement unless the context requires otherwise.

The undersigned [**officer/director**] of the Vendor hereby confirms to the Monitor, for and on behalf of the Vendor, but solely in his or her capacity as an [**officer/director**] of the Vendor and not in his or her personal capacity (and without incurring any personal liability), that:

1. the conditions to Closing set out in Sections 10.1 and 10.3 of the Purchase Agreement for the benefit of the Vendor have been fulfilled or performed to the Vendor's satisfaction and/or waived by the Vendor; and
2. the amount of the Transfer Taxes to be paid by the Purchaser on Closing is equal to \$[●].

[The remainder of this page is left intentionally blank]

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the [●] day of [●], 2024.

ALPHABOW ENERGY LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

PURCHASER'S CONDITIONS CERTIFICATE

TO: KSV RESTRUCTURING INC. (the "Monitor")

This Conditions Certificate (this "**Certificate**") is delivered pursuant to Section 10.5 of that certain purchase and sale agreement, dated as of [●], 2024 (the "**Purchase Agreement**") between **ALPHABOW ENERGY LTD.** (the "**Vendor**") and **[BUYER]** (the "**Purchaser**"). All capitalized terms used herein which have not been defined herein shall have the same meaning attributed thereto in the Purchase Agreement unless the context requires otherwise.

The undersigned officer of the Purchaser hereby confirms to the Monitor, for and on behalf of the Purchaser, but solely in his or her capacity as an officer of the Purchaser and not in his or her personal capacity (and without incurring any personal liability), that:

1. the conditions to Closing set out in Sections 10.1 and 10.2 of the Purchase Agreement for the benefit of the Purchaser have been fulfilled or performed to the Purchaser's satisfaction and/or waived by the Purchaser; and
2. the amount of the Transfer Taxes to be paid by the Purchaser on Closing is equal to \$[●] and all such Transfer Taxes will be paid by the Purchaser to the Vendor at Closing.

[The remainder of this page is left intentionally blank]

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the [●] day of [●], 2024.

[BUYER]

Per: _____
Name:
Title:

Per: _____
Name:
Title:

This is **Exhibit "B"** referred to in the
Affidavit of BEN LI sworn before me this
21th day of October 2024.



A Commissioner for Oaths
in and for Alberta

Sophie Fiddes
Barrister & Solicitor

ALPHABOW ENERGY LTD.

- and -

DURHAM CREEK ENERGY LTD.

ASSET PURCHASE AND SALE AGREEMENT

OCTOBER 20th, 2024

TABLE OF CONTENTS

| | |
|---|-----------|
| ARTICLE 1 INTERPRETATION | 1 |
| 1.1 DEFINITIONS..... | 1 |
| 1.2 INTERPRETATION..... | 7 |
| 1.3 SCHEDULES | 8 |
| 1.4 INTERPRETATION IF CLOSING DOES NOT OCCUR..... | 8 |
| ARTICLE 2 PURCHASE AND SALE | 8 |
| 2.1 AGREEMENT OF PURCHASE AND SALE | 8 |
| 2.2 TRANSFER OF PROPERTY AND ASSUMPTION OF LIABILITIES..... | 8 |
| 2.3 SPECIFIC CONVEYANCES..... | 8 |
| 2.4 POST-CLOSING MAINTENANCE OF ASSETS..... | 9 |
| 2.5 ASSUMED LIABILITIES | 10 |
| ARTICLE 3 PURCHASE PRICE | 10 |
| 3.1 PURCHASE PRICE..... | 10 |
| 3.2 ALLOCATION OF PURCHASE PRICE | 10 |
| 3.3 DEPOSIT AND SATISFACTION OF PURCHASE PRICE..... | 10 |
| ARTICLE 4 TRANSFER TAXES | 11 |
| 4.1 TRANSFER TAXES..... | 11 |
| ARTICLE 5 REPRESENTATIONS AND WARRANTIES | 11 |
| 5.1 VENDOR'S REPRESENTATIONS | 11 |
| 5.2 PURCHASER'S REPRESENTATIONS..... | 12 |
| 5.3 ENFORCEMENT OF REPRESENTATIONS AND WARRANTIES..... | 13 |
| ARTICLE 6 "AS IS, WHERE IS" AND NO ADDITIONAL REPRESENTATIONS AND WARRANTIES | 14 |
| 6.1 DUE DILIGENCE ACKNOWLEDGEMENT..... | 14 |
| 6.2 "AS IS, WHERE IS", NO ADDITIONAL REPRESENTATIONS | 15 |
| ARTICLE 7 RISK AND COSTS | 16 |
| 7.1 RISK AND COSTS | 16 |
| ARTICLE 8 INDEMNIFICATION | 17 |
| 8.1 INDEMNIFICATION GIVEN BY PURCHASER..... | 17 |
| 8.2 THIRD PARTY CLAIMS..... | 17 |
| 8.3 FAILURE TO GIVE TIMELY NOTICE | 18 |
| 8.4 NO MERGER | 18 |
| 8.5 THIRD PARTY BENEFICIARY | 18 |
| ARTICLE 9 COVENANTS | 18 |
| 9.1 CONDUCT OF BUSINESS UNTIL CLOSING | 18 |
| 9.2 ROFRS | 19 |
| 9.3 DOCUMENT REVIEW | 20 |
| ARTICLE 10 CONDITIONS | 20 |
| 10.1 MUTUAL CONDITIONS..... | 20 |
| 10.2 CONDITIONS FOR THE BENEFIT OF THE PURCHASER | 21 |
| 10.3 CONDITIONS FOR THE BENEFIT OF THE VENDOR..... | 21 |
| 10.4 SATISFACTION OF CONDITIONS..... | 22 |
| ARTICLE 11 CLOSING | 22 |
| 11.1 CLOSING DATE AND PLACE OF CLOSING | 22 |
| 11.2 DELIVERIES ON CLOSING BY THE VENDOR..... | 22 |

11.3 DELIVERIES ON CLOSING BY THE PURCHASER 23

ARTICLE 12 TERMINATION..... 23

12.1 GROUNDS FOR TERMINATION 23

12.2 EFFECT OF TERMINATION 24

ARTICLE 13 GENERAL..... 24

13.1 PUBLIC ANNOUNCEMENTS..... 24

13.2 DISSOLUTION OF DEBTOR 25

13.3 SURVIVAL..... 25

13.4 GOVERNING LAW 25

13.5 CONSEQUENTIAL DAMAGES 26

13.6 FURTHER ASSURANCES..... 26

13.7 ASSIGNMENT 26

13.8 WAIVER..... 26

13.9 AMENDMENT..... 27

13.10 TIME OF THE ESSENCE..... 27

13.11 COSTS AND EXPENSES..... 27

13.12 ENTIRE AGREEMENT 27

13.13 NOTICES 27

13.14 ENUREMENT 28

13.15 THIRD PARTY BENEFICIARIES 28

13.16 SEVERABILITY..... 28

13.17 COUNTERPARTS 29

SCHEDULES

| | |
|------------|---|
| Schedule A | Seismic Data |
| Schedule B | Form of Approval and Vesting Order |
| Schedule C | Form of General Conveyance, Assignment and Assumption Agreement |
| Schedule D | Forms of Conditions Certificates |

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT is dated as of October 20th, 2024,

BETWEEN:

ALPHABOW ENERGY LTD., a corporation existing under the laws of the Province of Alberta (herein referred to as the "**Vendor**")

- and -

DURHAM CREEK ENERGY LTD. a corporation existing under the laws of the Province of Alberta (herein referred to as the "**Purchaser**")

WHEREAS:

- A. on April 26, 2024, the Vendor was granted creditor protection pursuant to an initial order granted by the Court of King's Bench (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36 (the "**CCAA**");
- B. pursuant to the Initial Order, among other things, KSV Restructuring Inc. ("**KSV**") was appointed as monitor of the Vendor;
- C. on April 26, 2024, the Court granted an amended and restated order (the "**ARIO**");
- D. all licensed assets and properties of the Vendor are currently subject to a suspension order and have been under the care and maintenance of the Orphan Well Association since September 6, 2023; and
- E. subject to receipt of Court Approval, the Purchaser has agreed to purchase and acquire and the Vendor has agreed to sell, transfer and assign to the Purchaser, all of the Vendor's Interest in and to the Assets, on the terms and conditions set forth herein.

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

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) "**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with that specified Person. For the purposes of this definition, "control" (including with correlative meanings, controlling, controlled by and under common control with) means the power to direct or cause the direction of the management and policies of that Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and, it being understood and agreed that with respect to a corporation or partnership,

control shall mean direct or indirect ownership of more than 50% of the voting shares in any such corporation or of the general partnership interest or voting interest in any such partnership;

- (b) "**Agreement**" means this agreement of purchase and sale and any schedules attached hereto which are referred to in this agreement, together with any amendment or supplement thereto;
- (c) "**Applicable Law**" means, in respect of any Person, asset, transaction, event or circumstance: (i) statutes (including regulations enacted thereunder); (ii) judgments, decrees and orders of courts of competent jurisdiction (including the common law); (iii) regulations, orders, ordinances and directives issued by Governmental Authorities; and (iv) the terms and conditions of all permits, licenses, approvals and authorizations, in each case which are applicable to such Person, asset, transaction, event or circumstance;
- (d) "**Approval and Vesting Order**" means an order of the Court approving the Transaction in accordance with the provisions of this Agreement, and, subject to Closing, vesting all of the Vendor's Interest in and to the Assets in the Purchaser free and clear of all Claims (other than Permitted Encumbrances) and interests, such order to be substantially in the form attached hereto as Schedule B together with such modifications and amendments to such form as may be approved by both the Vendor and the Purchaser, acting reasonably;
- (e) "**Assets**" means the Seismic Data and the Miscellaneous Interests;
- (f) "**Assumed Contracts**" means the contracts referenced in subsection (i) of the definition of Miscellaneous Interests, which contracts shall be assigned by the Vendor and assumed by the Purchaser in accordance with the terms of this Agreement, the relevant contracts and/or the Approval and Vesting Order, and/or other order of the Court in form and substance satisfactory to the Parties;
- (g) "**Assumed Liabilities**" means, collectively, all liabilities and obligations arising from the possession, ownership and/or use of the Assets following Closing, along with Cure Costs;
- (h) "**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the City of Calgary in the Province of Alberta;
- (i) "**CCAA**" has the meaning ascribed to that term in the recitals hereto;
- (j) "**CCAA Proceedings**" means the proceedings commenced under the CCAA by the Vendor (and others) pursuant to the Initial Order;
- (k) "**Claim**" means any caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgments, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing:
 - (i) any encumbrances or charges created by the Initial Order and/or the ARIO;

- (ii) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
 - (iii) any liens or claims of lien under the *Builders' Lien Act* (Alberta);
 - (iv) any linear or non-linear municipal property tax claims under the *Municipal Government Act* (Alberta), or otherwise;
 - (v) any outstanding amounts owing in respect of the AER Orphan Fund Levy and Administration Fees; and
 - (vi) those claims which may be specifically identified in Schedule "C" to the Approval and Vesting Order, as applicable.
- (l) "**Closing**" means the completion of the purchase by the Purchaser, and sale by the Vendor, of the Vendor's Interest in and to the Assets and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such purchase and sale, all subject to and in accordance with the terms and conditions of this Agreement;
- (m) "**Closing Date**" means the date on which Closing occurs, being the date which is five Business Days following the date upon which all conditions in Sections 10.1, 10.2 and 10.3 have been satisfied or waived (other than such conditions which are to be satisfied on the Closing Date), or such other date as the Parties may agree in writing; provided, however, that the Closing Date shall not be later than the Outside Date;
- (n) "**Conditions Certificates**" has the meaning ascribed to that term in Section 10.5;
- (o) "**Confidentiality Agreement**" means the confidentiality agreement between Vendor, Purchaser and the Monitor executed prior to the date hereof in respect of the evaluation by the Purchaser of potential transactions involving the assets of the Vendor;
- (p) "**Consequential Damages**" has the meaning ascribed to that term in Section 13.5;
- (q) "**Court**" means the Court of King's Bench of Alberta, Judicial Centre of Calgary;
- (r) "**Court Approval**" means both the issuance of the Approval and Vesting Order by the Court approving the sale of the Assets, and such Approval and Vesting Order having become a Final Order;
- (s) "**Cure Costs**" means, in respect of any Assumed Contract, all amounts, required to be paid to remedy all of the Vendor's monetary defaults under such Assumed Contract or required to secure a counterparty's or any other necessary Person's consent to the assignment of such Assumed Contract pursuant to its terms (including any deposits or other forms of security required by any Governmental Authority) or as may be required pursuant to the Approval and Vesting Order, and includes any other fees and expenses required to be paid to a counterparty or any other Person in connection with the assignment of an Assumed Contract pursuant to its terms or Applicable Laws;
- (t) "**Deposit**" has the meaning ascribed to that term in Section 3.3(a)(i);

- (u) **"Due Diligence Information"** means all information made available (by the Vendor, the Monitor or otherwise) for the Purchaser's review in paper or electronic form in relation to the Vendor, its Affiliates and/or the Assets;
- (v) **"Final Order"** means an order of the Court that has not been vacated, stayed, set aside, amended, reversed, annulled or modified, as to which no appeal or application for leave to appeal therefrom has been filed and the applicable appeal period with respect thereto shall have expired without the filing of any appeal or application for leave to appeal, or if any appeal(s) or application(s) for leave to appeal therefrom have been filed, any (and all) such appeal(s) or application(s) have been dismissed, quashed, determined, withdrawn or disposed of with no further right of appeal and all opportunities for rehearing, reargument, petition for certiorari and appeal being exhausted or having expired without any appeal, motion or petition having been filed and remaining pending, any requests for rehearing have been denied, and no order having been entered and remaining pending staying, enjoining, setting aside, annulling, reversing, remanding, or superseding the same, and all conditions to effectiveness prescribed therein or otherwise by Applicable Law or order having been satisfied;
- (w) **"General Conveyance, Assignment and Assumption Agreement"** means an agreement providing for the assignment by the Vendor of the Vendor's Interest in and to the Assets, free and clear of all Claims (other than Permitted Encumbrances), substantially in the form attached hereto as Schedule C, and the assumption by the Purchaser of the Assumed Liabilities, substantially in the form attached hereto as Schedule C;
- (x) **"Governmental Authority"** means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Assets or this Transaction;
- (y) **"GST"** means taxes, interest, penalties and other additions thereto imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and **"GST Legislation"** means such act and regulations collectively;
- (z) **"Initial Order"** has the meaning ascribed to that term in the recitals hereto;
- (aa) **"KSV"** has the meaning ascribed to that term in the recitals hereto;
- (bb) **"Legal Proceeding"** means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;
- (cc) **"Losses and Liabilities"** means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations and penalties, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim by any Governmental Authority or any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, and those arising under any contract, agreement, arrangement, commitment or undertaking and costs and expenses of any Legal Proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and

penalties and reasonable legal fees and expenses incurred in connection therewith (on a full indemnity basis);

- (dd) "**Miscellaneous Interests**" means, subject to any and all limitations and exclusions provided for in this definition, the Vendor's Interest in and to all property, assets, interests and rights pertaining to the Seismic Data (other than the Seismic Data), but only to the extent that such property, assets, interests and rights pertain to the Seismic Data, including any and all of the following:
- (i) all contracts and agreements relating to the Seismic Data;
 - (ii) all intellectual property related to the Seismic Data;
 - (iii) all related support documentation (including open file, stack sections, field gathering tapes, surveying data, survey notes, driller's notes, observer's notes, processing reports, OB logs, survey data, parameters specs or testing information, surface use, mineral permits, and other pertinent support information related to the Seismic Data); and
 - (iv) all records, books, documents, reports and data which relate to the Seismic Data,
- provided that unless otherwise agreed in writing by the Parties, the Miscellaneous Interests shall not include any documents or data to the extent that they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by the Vendor to an assignee;
- (ee) "**Monitor**" means KSV, in its capacity as the Court-appointed monitor of the Vendor in the CCAA Proceedings and not in its personal or corporate capacity;
- (ff) "**Monitor's Certificate**" means the certificate, substantially in the form attached as Schedule "A" to the Approval and Vesting Order, to be delivered by the Monitor to the Vendor and the Purchaser on Closing and thereafter filed by the Monitor with the Court certifying that it has received the Conditions Certificates;
- (gg) "**Monitor's Solicitors**" means Cassels Brock & Blackwell LLP, or such other firm or firms of solicitors as are retained or engaged by the Monitor from time to time and notice of which is provided to the Purchaser;
- (hh) "**Notice Period**" has the meaning ascribed to that term in Section 8.2(b);
- (ii) "**Order**" means any order, writ, judgment, injunction, decree, stipulation, determination, decision, verdict, ruling, subpoena, or award entered by or with any Governmental Authority (whether temporary, preliminary, or permanent);
- (jj) "**Outside Date**" means the date which occurs 90 days following the date of execution of this Agreement, or such other date as the Parties may agree;
- (kk) "**Outstanding ROFR Assets**" has the meaning set forth in Section 9.2(e)(ii);
- (ll) "**Outstanding ROFRs**" has the meaning set forth in Section 9.2(e);

- (mm) "**Parties**" means, collectively, the Purchaser and the Vendor, and "**Party**" means any one of them;
- (nn) "**Permitted Encumbrances**" means the terms and conditions of the Assumed Contracts, including ROFRs;
- (oo) "**Person**" means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executory, Governmental Authority, or other entity however designated or instituted;
- (pp) "**Purchase Price**" has the meaning ascribed to that term in Section 3.1;
- (qq) "**Purchaser**" has the meaning ascribed to that term in the preamble hereto;
- (rr) "**Representative**" means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its Affiliates and, with respect to the Vendor, includes the Monitor;
- (ss) "**ROFR**" means a right of first refusal, right of first offer or other pre-emptive or preferential right of purchase or similar right to acquire the Assets or certain of them that may become operative by virtue of this Agreement or the completion of the Transaction;
- (tt) "**Seismic Data**" means the proprietary and partnered seismic data identified on Schedule A, regardless of the form or medium on which it is stored or displayed, including all processed and reprocessed data thereof;
- (uu) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the Vendor's Interest in and to the Assets to the Purchaser and to novate the Purchaser in the place and stead of the Vendor, as applicable, with respect to the Assets;
- (vv) "**Third Party**" means any Person who is not a Party or an Affiliate of a Party;
- (ww) "**Third Party Claim**" means any Claim by a Third Party asserted against the Vendor for which the Purchaser has indemnified the Vendor or is otherwise responsible pursuant to this Agreement;
- (xx) "**Transaction**" means the transaction for the purchase and sale of the Vendor's Interest in and to the Assets, together with all other transactions contemplated in this Agreement, all as contemplated in this Agreement;
- (yy) "**Transfer Taxes**" means all transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Assets, including GST; and which, for certainty, shall not include freehold mineral taxes;
- (zz) "**Vendor**" has the meaning ascribed to that term in the preamble hereto;

- (aaa) "**Vendor's Interest**" means, when used in relation to any asset, undertaking or property, the entire right, title and interest, if any, the Vendor, as applicable, in, to and/or under such asset, undertaking or property; and
- (bbb) "**Vendor's Solicitors**" means the law firm of Bennett Jones LLP, or such other firm or firms of solicitors as are retained or engaged by the Vendor from time to time and notice of which is provided to the Purchaser.

1.2 Interpretation

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

- (a) All references to monetary amounts are to the lawful currency of Canada.
- (b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.
- (c) The word "include" and "including" and derivatives thereof shall be read as if followed by the phrase "without limitation".
- (d) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.
- (e) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.
- (f) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified.
- (g) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.
- (h) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.
- (i) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.
- (j) Reference to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof.
- (k) References to an Applicable Law means such Applicable Law as amended from time to time and includes any successor Applicable Law thereto any regulations promulgated thereunder.

1.3 Schedules

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

| | |
|------------|---|
| Schedule A | Seismic Data |
| Schedule B | Form of Approval and Vesting Order |
| Schedule C | Form of General Conveyance, Assignment and Assumption Agreement |
| Schedule D | Forms of Conditions Certificates |

1.4 Interpretation if Closing Does Not Occur

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

ARTICLE 2 PURCHASE AND SALE

2.1 Agreement of Purchase and Sale

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

2.2 Transfer of Property and Assumption of Liabilities

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

2.3 Specific Conveyances

- (a) Within a reasonable time following its receipt of the Miscellaneous Interests from Vendor, Purchaser shall prepare and provide for the Vendor's review all Specific Conveyances. None of the Specific Conveyances shall confer or impose upon either Party any greater right or obligation than as contemplated in this Agreement. Promptly after Closing, the Purchaser shall register and/or distribute (as applicable), all such Specific Conveyances and shall bear all costs incurred therewith and in preparing and registering any further assurances required to convey the Assets to the Purchaser.
- (b) At or as soon as practicable following Closing (but in any event not later than 30 days following Closing), the Vendor shall deliver or cause to be delivered to the Purchaser such original copies of the Miscellaneous Interests, as applicable, and any other agreements and documents to which the Assets are subject and such original copies of contracts,

agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests which are now in the possession or control of the Vendor or of which the Vendor gains possession or control prior to Closing.

2.4 Post-Closing Maintenance of Assets

- (a) Following Closing, if and to the extent that Purchaser must be novated into, recognized as a party to, or otherwise accepted as assignee or transferee of Vendor's interest in the Assets or certain of them, including any Assumed Contracts, the following provisions shall apply with respect to the applicable Assets until such novation, recognition or acceptance has occurred:
 - (i) the Purchaser shall use reasonable commercial efforts to obtain, as may be required by the terms of any Assumed Contracts, consents or approvals to the assignment of such Assumed Contracts; provided that to the extent that any Cure Costs are payable with respect to any Assumed Contract, the Purchaser shall be responsible for and shall pay all such Cure Costs, which shall be paid directly to the counterparty as and when required in conjunction with the assignment of the Assumed Contracts, and which Cure Costs shall form part of the Purchase Price for the Assets;
 - (ii) to the extent applicable, the Vendor shall hold the rights, entitlements, benefits, remedies, duties and obligations in respect of the applicable Assets in trust for the exclusive benefit of the Purchaser as bare trustee and agent;
 - (iii) to the extent permitted by any applicable Assumed Contract:
 - (A) the Purchaser will pay, perform and discharge the duties and obligations accruing after Closing under such Assumed Contract, on behalf of the Vendor, until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser; and
 - (B) the Vendor shall, use reasonable commercial efforts to exercise the rights, entitlements, benefits and remedies under such Assumed Contract, on behalf of the Purchaser until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser, or such Assumed Contract expires or otherwise terminates;
 - (iv) the Vendor shall not have any liability as a consequence of the Vendor taking any action or causing anything to be done under this Section 2.4(a), and the Purchaser shall be responsible and liable for, and, as a separate covenant, shall hereby indemnify and save harmless the Vendor and its Representatives against, all costs and expenses reasonably incurred by the Vendor, its Affiliates or their respective Representatives as a consequence of or in connection with this Section 2.4(a); and
 - (v) nothing in this Agreement shall constitute an agreement to assign, and shall not be construed as an assignment of, or an attempt to assign to the Purchaser, any Assumed Contract until such time as the necessary consents or approvals with respect to the assignment are obtained.

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

2.5 Assumed Liabilities

Following Closing, the Purchaser shall assume, perform, discharge and pay when due all of the Assumed Liabilities.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

The consideration payable by the Purchaser for the Assets shall be the sum of [REDACTED] (the "**Purchase Price**"). The Purchase Price shall be satisfied in accordance with Section 3.3(b) and shall not be subject to any adjustment (and for greater certainty, Cure Costs shall be satisfied in accordance with Section 2.4(a)(i)). The Purchaser and the Vendor acknowledge and agree that the Purchase Price reflects the fair market value of the Assets as of the Closing Date.

3.2 Allocation of Purchase Price

The Purchase Price shall be allocated 100% to the Seismic Data.

3.3 Deposit and Satisfaction of Purchase Price

- (a) The Parties acknowledge that:
- (i) on the date hereof, the Purchaser paid the amount equal to ten percent (10%) of the Purchase Price (the "**Deposit**") to the Monitor;
 - (ii) the Deposit has been delivered to and shall be held in trust by the Monitor; and
 - (iii) the Deposit shall be held and administered by the Monitor in accordance with the terms and conditions of this Agreement (including this Section 3.3).
- (b) At Closing, the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.4(a)(i)) shall be paid and satisfied as follows:
- (i) as to the amount of the Deposit, the Monitor shall deliver the amount of the Deposit to the Vendor by electronic wire transfer and such amount shall be applied against the amount of the Purchase Price for the account of the Purchaser; and
 - (ii) as to the balance of the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.4(a)(i)), along with any additional amounts owing in

respect of applicable GST, the Purchaser shall pay to the Vendor such amount by electronic wire transfer.

- (c) If this Agreement is terminated:
- (i) (A) pursuant to Section 12.1(a) by mutual agreement of the Parties; (B) pursuant to Sections 12.1(b) or 12.1(c) by the Purchaser; (C) pursuant to Section 12.1(e) by the Vendor; or (D) for any other reason other than as contemplated under Section 3.3(c)(ii); then the Deposit shall be returned to the Purchaser; or
 - (ii) pursuant to Section 12.1(d) by the Vendor, the full amount of the Deposit shall be forfeited to the Vendor,

and, subject to Section 12.2, each Party shall be released from all obligations and liabilities under or in connection with this Agreement. In the event of termination of this Agreement under Section 3.3(c)(ii) pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit, constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

ARTICLE 4 TRANSFER TAXES

4.1 Transfer Taxes

The Parties agree that:

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

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Vendor's Representations

The Vendor hereby represents and warrants to the Purchaser that:

- (a) it is a corporation duly formed and validly subsisting under the laws of the Province of Alberta and has the requisite power and authority to enter into this Agreement and to complete the Transaction;

- (b) except for: (i) the Court Approval; and (ii) any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Vendor of the Transaction;
- (c) it is not a non-resident of Canada within the meaning of such term under the *Income Tax Act* (Canada) and is not an agent or trustee for anyone with an interest in the Assets who is a non-resident of Canada within the meaning of such term under the *Income Tax Act* (Canada) (or a partnership that is not a "Canadian partnership" within the meaning of such term under the *Income Tax Act* (Canada));
- (d) subject to the Court Approval being obtained, this Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of it and is enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (e) the Purchaser will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by the Vendor; and
- (f) with respect to the GST imposed under the GST Legislation, the Vendor is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and its GST registration number is 736658725RT0001.

5.2 Purchaser's Representations

The Purchaser hereby represents and warrants to the Vendor that:

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

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

- (e) subject to the Court Approval being obtained, this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (f) the Purchaser is not a non-Canadian Person within the meaning of the *Investment Canada Act* (Canada) nor a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (g) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser;
- (h) with respect to the GST imposed under the GST Legislation, the Purchaser is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and that its GST registration number is 797 289 758 RT001;
- (i) the Purchaser is a "Canadian" within the meaning of the *Investment Canada Act* (Canada);
- (j) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, the Purchase Price (including the Deposit), the Cure Costs, the Transfer Taxes, its legal fees and expenses, registration costs and any other amounts payable by the Purchaser pursuant hereto; and
- (k) the Purchaser has the financial resources necessary to post or satisfy all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Assets and to satisfy the security required by the Assumed Contracts.

5.3 Enforcement of Representations and Warranties

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

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

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

6.1 Due Diligence Acknowledgement

The Purchaser acknowledges and agrees that:

- (a) it was solely responsible to perform any inspections it deemed pertinent to the purchase of the Assets and to be satisfied as to the condition of the Assets prior to entering into this Agreement with the Vendor;
- (b) notwithstanding the fact that it was permitted to review any diligence materials and disclosures provided by the Vendor, including the Due Diligence Information, the Vendor assumes no liability for errors or omissions in such diligence materials and disclosure or any other property listings or advertising, promotional or publicity statements and materials, and makes no representations or warranties in respect thereof;
- (c) by entering into this Agreement with the Vendor, the Purchaser shall be deemed to represent, warrant and agree with respect to the Assets that:
 - (i) the Purchaser has inspected the Assets and is familiar and satisfied with the physical condition thereof and has conducted such investigation of the Assets as the Purchaser has determined appropriate;
 - (ii) neither the Vendor nor its respective Affiliates or their respective Representatives have made any oral or written representation, warranty, promise or guarantee whatsoever to the Purchaser, expressed or implied, and in particular, that no such representations, warranties, guarantees, or promises have been made with respect to the physical condition, operation, or any other matter or thing affecting or related to the Assets and/or the offering or sale of the Assets;
 - (iii) the Purchaser has not relied upon any representation, warranty, guarantee or promise or upon any statement made or any information provided concerning the Assets, including the Due Diligence Information made available to the Purchaser by the Vendor, its respective Affiliates or their respective Representatives;
 - (iv) the Purchaser has entered into this Agreement after having relied solely on its own independent investigation, inspection, analysis, appraisal and evaluation of the Assets and the facts and circumstances related thereto;
 - (v) any information provided or to be provided by or on behalf of the Vendor with respect to the Assets, including all Due Diligence Information, was obtained from information provided to the Vendor and the Vendor has not made any independent

investigation or verification of such information, and makes no representations as to the accuracy or completeness of such information;

- (vi) without limiting the generality of the foregoing, the Vendor is not under any obligation to disclose to the Purchaser, and shall have no liability for its failure to disclose to the Purchaser, any information known to it relating to the Assets except as may be required by any Applicable Law; and
- (vii) neither the Vendor, its Affiliates or their respective Representatives are liable or bound in any manner by any oral or written statements, representations or information pertaining to the Assets, or the operation thereof, made or furnished by any real estate broker, agent, employee, or other Person.

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

- (a) Without limiting any other provision of this Agreement, the Purchaser acknowledges and agrees that it is acquiring the Assets on an "as is, where is" and "without recourse" basis with all defects, both patent and latent, and with all faults, whether known or unknown, presently existing or that may hereafter arise. The Purchaser acknowledges and agrees that, except as expressly set forth in this Agreement, the Vendor, its Affiliates and their respective Representatives have not made, do not make and specifically negate and disclaim any representation, warranty, promise, covenant, agreement or guaranty of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Assets. For greater certainty, but without limitation, except as expressly set forth in this Agreement, none of the Vendor, its Affiliates or their respective Representatives make any condition, representation or warranty whatsoever, express or implied, with respect to:
 - (i) the title and interest of the Vendor in and to the Assets;
 - (ii) whether any ROFRs are exercisable by a Third Party in connection with the completion of the Transactions;
 - (iii) the income to be derived from the Assets, if any;
 - (iv) any estimates of the value of the Assets or the future revenues or cash flows resulting from use of the Assets;
 - (v) the quality, condition, marketability, profitability, fitness for a particular purpose or merchantability of any tangible depreciable equipment or property interests which comprise the Assets;
 - (vi) the suitability of the Assets for any and all purposes, activities and uses which the Purchaser may desire to conduct thereon;
 - (vii) the compliance of or by the Assets or its operation with any Applicable Law;
 - (viii) the validity or enforceability of the Assumed Contracts or the ability to assign any of the Assumed Contracts;

- (ix) any regulatory approvals, permits and licenses, consents or authorizations that may be needed to complete the purchase of the Assets contemplated by this Agreement;
 - (x) the manner or quality of the construction or materials, if any, incorporated into the Assets;
 - (xi) the manner, quality, state of repair or lack of repair of the Assets;
 - (xii) the nature and quantum of the Assumed Liabilities; or
 - (xiii) any other matter with respect to the Assets.
- (b) The Purchaser acknowledges that the release and disclaimer described in this Article 6 is intended to be very broad and, except for its express rights under this Agreement, the Purchaser expressly waives and relinquishes any rights or benefits it may have under any Applicable Law designed to invalidate releases of unknown or unsuspected claims.
- (c) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor, its Affiliates and their respective Representatives in respect of the Assets and any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means). Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the *Sale of Goods Act* (Alberta), the *Sale of Goods Act* (British Columbia) (or similar applicable statutes, all as may be amended, repealed or replaced), warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

ARTICLE 7 RISK AND COSTS AND INSURANCE

7.1 Risk and Costs

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

7.2 Insurance

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

ARTICLE 8 INDEMNIFICATION

8.1 Indemnification Given by Purchaser

If Closing occurs, the Purchaser shall:

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

all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, its Affiliates and/or their respective Representatives related to or in connection with the Assets and the Assumed Liabilities, including: (i) all Losses and Liabilities attributable to the ownership, use, marketing or licensing of the Assets during the period following the Closing Date; and (ii) all Losses and Liabilities arising or accruing on or after the Closing Date under any Assumed Contract, including any and all Cure Costs. The Purchaser's indemnity obligations set forth in this Section 8.1 shall survive the Closing Date indefinitely pursuant to Section 13.3.

8.2 Third Party Claims

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

this Section 8.2(b), then the Vendor shall, or shall cause its Affiliates and/or their respective Representatives to, cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice at its own expense.

- (c) If the Vendor has not received notice within the Notice Period that the Purchaser has elected to assume the carriage and control of the defence of such Third Party Claim in accordance with Section 8.2(b), or if the Purchaser has given such notice but thereafter fails or is unable to pursue the defence or settlement of such Third Party Claim actively and diligently, the Vendor, its Affiliates and/or their respective Representatives, may, at their option, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Losses and Liabilities suffered or incurred by the Vendor, its Affiliates and/or their Representatives with respect to such Third Party Claim.

8.3 Failure to Give Timely Notice

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

8.4 No Merger

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

8.5 Third Party Beneficiary

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

ARTICLE 9 COVENANTS

9.1 Conduct of Business Until Closing

- (a) Until the Closing Date, the Vendor shall provide the Purchaser with all access to the Assets as reasonably required by the Purchaser in order to allow for and assist the Purchaser with an orderly passing of the Assets to the Purchaser following Closing in accordance herewith.
- (b) The access to the Assets to be afforded to the Purchaser and its Representatives pursuant to this Section 9.1 will be subject to the Assumed Contracts and all of the Vendor's site entry protocols, health, safety and environmental rules, policies and procedures. Further, the Purchaser acknowledges and agrees that it shall:

- (i) be solely liable and responsible for any and all Losses and Liabilities which the Vendor, its Affiliates or their respective Representatives may suffer, sustain, pay or incur; and
- (ii) as a separate covenant, indemnify and save harmless the Vendor, its Affiliates and their respective Representatives harmless from any and all Claims or Losses and Liabilities whatsoever which may be brought against, suffered by or incurred by the Vendor, its Affiliates or their respective Representatives;

arising out of, resulting from, attributable to or in any way connected with any access provided to the Purchaser or its Representatives pursuant to this Section 9.1.

9.2 ROFRs

- (a) The Purchaser acknowledges that it shall be responsible for conducting such separate investigation of the Assets as the Purchaser has determined is appropriate with respect to the identification of ROFRs applicable to the Assets as soon as is reasonably practicable after the date hereof. The Purchaser shall indemnify Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, its Affiliates or their respective Representatives as a result of any failure by the Purchaser to identify ROFRs applicable to the Assets or any Third Party Claim relating to the allocation of the value of a ROFR to be determined by the Purchaser in accordance with Section 9.2(b)(i), as applicable.
- (b) If the Purchaser has identified any ROFRs pursuant to Section 9.2(a):
 - (i) promptly following the identification of Assets which are the subject of ROFRs, the Purchaser shall prepare and provide the Vendor with ROFR notices to be issued in respect of such ROFRs, which shall include the Purchaser's bona fide allocation of the amount of the Purchase Price attributable to each of such Assets which are subject to a ROFR;
 - (ii) the Vendor shall courier ROFR notices to the Third Parties holding such ROFRs promptly following the receipt of the same from the Purchaser; and
 - (iii) to the extent the Purchaser is not copied directly on a response from a Third Party ROFR holder, the Vendor shall notify the Purchaser in writing forthwith upon each Third Party exercising or waiving such a ROFR.
- (c) If any such Third Party elects to exercise such a ROFR, then:
 - (i) the definition of Assets shall be deemed to be amended to exclude those Assets in respect of which the ROFR has been exercised;
 - (ii) such Assets shall not be conveyed to the Purchaser;
 - (iii) any proceeds received by the Vendor from a Third Party in respect of the sale and conveyance of any Assets which are subject to a ROFR shall be deemed to not constitute Assets for the purposes of this Agreement; and
 - (iv) the Purchase Price shall not be subject to any reduction in the event of the exercise of any such ROFR by a Third Party.

- (d) In the event that a Third Party exercises a ROFR and is then unable or unwilling to enter into a conveyance agreement with the Vendor for the relevant Assets, the Purchaser agrees to accept a conveyance of such Assets under the same terms and conditions as this Agreement to whatever extent possible.
- (e) Closing shall not be delayed even though certain of the ROFRs are outstanding and capable of exercise by the holders thereof as of the Closing Date (such ROFRs being referred to as "**Outstanding ROFRs**"). In such case, the following procedures shall apply:
 - (i) the Parties shall proceed with Closing (for greater certainty without any reduction in the Purchase Price for the Outstanding ROFRs, and without variation of any other terms or conditions of this Agreement);
 - (ii) the Purchaser shall have (as of the Closing Date) prepared all Specific Conveyances and other closing documentation required for the sale of the Assets subject to the Outstanding ROFRs (the "**Outstanding ROFR Assets**");
 - (iii) if an Outstanding ROFR is exercised by a Third Party, the Vendor will promptly notify the Purchaser thereof in writing, the Specific Conveyances and other closing documentation related to such Outstanding ROFR Assets will be of no force or effect and shall be destroyed by the Purchaser, and the provisions of Section 9.2(c) shall apply to the Assets which are the subject of the Outstanding ROFR being exercised by the Third Party, *mutatis mutandis*; and
 - (iv) if after Closing an Outstanding ROFR is extinguished by lapse of time, waiver or otherwise (other than as a result of being exercised), the Vendor will promptly notify the Purchaser thereof in writing and promptly deliver copies of the Specific Conveyances and closing documentation previously prepared to the Purchaser, and such documentation shall be effective and the sale of such Outstanding ROFR Assets to Purchaser pursuant hereto shall be deemed to have closed on the Closing Date.

9.3 Document Review

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

ARTICLE 10 CONDITIONS

10.1 Mutual Conditions

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

- (a) the Court shall have granted the Approval and Vesting Order and the Approval and Vesting Order shall be a Final Order;

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

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

10.2 Conditions for the Benefit of the Purchaser

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

- (a) all representations and warranties of the Vendor contained in Section 5.1 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time;
- (b) the Vendor shall have complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement; and
- (c) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 11.2.

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

10.3 Conditions for the Benefit of the Vendor

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

- (a) all representations and warranties of the Purchaser contained in Section 5.2 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time;
- (b) the Purchaser shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement;
- (c) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at or before the Closing all the documents contemplated in Section 11.3; and
- (d) the Vendor has not lost its ability to convey the Assets due to the appointment of a receiver or a receiver-manager, an order of the Court or otherwise pursuant to the CCAA Proceedings, provided such order or other action is pursuant to the CCAA Proceedings or is not at the voluntary initiative of the Vendor.

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

10.4 Satisfaction of Conditions

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 10.1, 10.2 and 10.3. In addition, each of the Parties agrees not to take any action that could reasonably be expected to preclude, delay or have an adverse effect on the Transaction or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

10.5 Monitor's Certificate

When the conditions to Closing set out in Sections 10.1, 10.2 and 10.3 have been satisfied and/or waived by the each of the Vendor and the Purchaser, as applicable, the Vendor and the Purchaser will each deliver to the Monitor written confirmation: (a) that such conditions of Closing, as applicable, have been satisfied and/or waived; and (b) of the amount of the Transfer Taxes to be paid on Closing (in each case, to the extent applicable), in substantially the form of Schedule D (the "**Conditions Certificates**"). Upon receipt by the Monitor of: (i) confirmation of payment of the balance of the Purchase Price (less the Deposit) to be paid on Closing has been received by the Vendor; (ii) confirmation of payment of applicable Transfer Taxes to be paid on Closing have been paid the Vendor (or evidence of an agreement to pay all Transfer Taxes by the Purchaser to any relevant Governmental Authorities or counterparty); and (iii) each of the Conditions Certificates, the Monitor shall: (A) issue forthwith its Monitor's Certificate concurrently to the Vendor and the Purchaser, at which time the Closing will be deemed to have occurred; and (B) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Vendor and the Purchaser). In the case of (A) and (B), above, the Monitor will be relying exclusively on the basis of the Conditions Certificates and without any obligation whatsoever to verify the satisfaction or waiver of the applicable conditions.

ARTICLE 11 CLOSING

11.1 Closing Date and Place of Closing

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

11.2 Deliveries on Closing by the Vendor

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

- (a) a Court certified copy of the Approval and Vesting Order;
- (b) a certificate of the Vendor confirming the accuracy of the matters provided for in Sections 10.2(a) and 10.2(b);
- (c) a written joint direction, duly executed by the Vendor, instruction the Monitor that the Deposit is to be released in accordance with Section 3.3(b)(i);

- (d) the General Conveyance, Assignment and Assumption Agreement duly executed by the Vendor; and
- (e) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

11.3 Deliveries on Closing by the Purchaser

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

- (a) payment of the Purchase Price in accordance with Section 3.3(b);
- (b) payment of all Transfer Taxes payable on Closing to the Vendor or the Vendor's Solicitors (or evidence of self-assessment and payment by the Purchaser thereof to the relevant Governmental Authorities);
- (c) a certificate of the Purchaser confirming the accuracy of the matters provided for in Sections 10.3(a) and 10.3(b);
- (d) a written joint direction, duly executed by the Purchaser, instructing the Monitor that the Deposit is to be released in accordance with 3.3(b)(i);
- (e) the General Conveyance, Assignment and Assumption Agreement duly executed by the Purchaser; and
- (f) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

ARTICLE 12 TERMINATION

12.1 Grounds for Termination

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

- (a) by the mutual written agreement of the Vendor and the Purchaser, provided however that if this Agreement has been approved by the Court, any such termination shall require either the consent of the Monitor or the approval of the Court;
- (b) by the Purchaser, upon written notice to the Vendor, if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 10.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Vendor received such notice;

- (c) by the Purchaser, upon written notice to the Vendor, any time after the Outside Date, if (A) the Court Approval has not been obtained, or (B) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Purchaser's breach of this Agreement;
- (d) by the Vendor, upon written notice to the Purchaser, if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 10.3 impossible by the Outside Date; or (ii) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Purchaser received such notice; or
- (e) by the Vendor, upon written notice to the Purchaser, any time after the Outside Date, if (A) the Court Approval has not been obtained, or (B) the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the breach of this Agreement by the Vendor.

12.2 Effect of Termination

Notwithstanding any termination of this Agreement as permitted under Section 12.1, or as otherwise provided for in this Agreement, the provisions of Sections 3.3 (Deposit), 13.1 (Public Announcements), 13.4 (Governing Law), 13.5 (Consequential Damages), 13.11 (Costs and Expenses) and 13.15 (Third Party Beneficiaries) shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.3.

ARTICLE 13 GENERAL

13.1 Public Announcements

- (a) Subject to Section 13.1(b), if a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Parties with an advance copy of any such press release or public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure without the prior written consent of the other Parties, such consent not to be unreasonably withheld.
- (b) Notwithstanding Section 13.1(a): (i) this Agreement may be filed by the Vendor with the Court; and (ii) the Transaction may be disclosed by the Vendor to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Law. The Parties further agree that:
 - (i) the Vendor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms of the Transaction;
 - (ii) the Vendor may forward a copy of this Agreement and all related documentation to the Orphan Well Association and its Representatives, agents, legal counsel and

financial advisors, and may further advise such Persons of the existence and nature of any discussions and negotiations in relation thereto or in relation to the Transaction; provided that the Orphan Well Association and its Representatives agree in advance to be bound by any confidentiality undertakings or similar confidentiality requirements reasonably requested by the Vendor; and

- (iii) the Vendor and its professional advisors may prepare and file such reports and other documents with the Court containing references to the Transaction contemplated by this Agreement and the terms of such Transaction as may reasonably be necessary to obtain the Court Approval and to complete the Transaction contemplated by this Agreement or to comply with their obligations to the Court.

13.2 Dissolution of Vendor

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

13.3 Survival

Upon Closing, the obligations, covenants, representations and warranties of the Parties set out in this Agreement shall expire, be terminated and extinguished and of no further force or effect, provided that notwithstanding the Closing contemplated hereunder or the delivery of documents pursuant to this Agreement, Section 2.3 (Assignment of Assumed Contracts and Third Party Consents), Section 2.3 (Specific Conveyances), Section 5.3 (Enforcement of Representations and Warranties), Section 9.2 (ROFRs) and Article 4 (Transfer Taxes), Article 6 ("As Is, Where Is" and No Additional Representations and Warranties), Article 8 (Indemnification) and Article 13 (General), shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties indefinitely thereafter except as expressly stated to the contrary therein or otherwise in accordance with Applicable Laws.

13.4 Governing Law

- (a) This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.
- (b) Notwithstanding Section 13.4(a), any and all documents or orders that may be filed, made or entered in the CCAA Proceedings, and the rights and obligations of the Parties thereunder, including all matters of construction, validity and performance thereunder, shall in all respects be governed by, and interpreted, construed and determined in accordance with the laws of the Province of Alberta. The Parties consent to the jurisdiction and venue of the Court, as applicable, for the resolution of any such disputes, regardless of whether such disputes arose under this Agreement. Each Party agrees that service of

process on such Party as provided in Section 13.13 shall be deemed effective service of process on such Party.

13.5 Consequential Damages

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

13.6 Further Assurances

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

13.7 Assignment

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

13.8 Waiver

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

13.9 Amendment

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

13.10 Time of the Essence

Time is of the essence in this Agreement.

13.11 Costs and Expenses

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

13.12 Entire Agreement

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

13.13 Notices

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

- (a) in the case of the Vendor:

AlphaBow Energy Ltd.
Suite 300, 708-11th Avenue S.W.
Calgary, AB T2R OE4

Attention: Ben Li
Email: benli@alphabowenergy.com

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

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

Attention: Keely Cameron; Kristos Iatridis
Email: cameronk@bennettjones.com; iatridisk@bennettjones.com

(b) In the case of the Purchaser:

Durham Creek Energy Ltd.
Suite 420, 600 – 6th Avenue S.W.
Calgary, AB, T2P 0S5

Attention: Dan Hermary
Email: dhermary@durhamcreek.ca

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

13.14 Enurement

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

13.15 Third Party Beneficiaries

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

13.16 Severability

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall

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

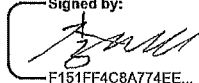
13.17 Counterparts

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

[THE BALANCE OF THIS PAGE INTENTIONALLY BLANK]

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

ALPHABOW ENERGY LTD.

Per:  Signed by:
F151FF4C8A774EE...
Name: Ben Li
Title: Chief Executive Officer

DURHAM CREEK ENERGY LTD.

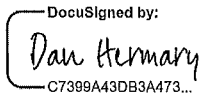
Per: _____
Name:
Title:

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

ALPHABOW ENERGY LTD.

Per: _____
Name: Ben Li
Title: Chief Executive Officer

DURHAM CREEK ENERGY LTD.

Per:  _____
Name: Dan Hermary
Title: Authorized Signatory

SCHEDULE A (ATTACHED)

Table of Seismic

| AREA/PROFREQ | LINE NAME | FSP | LSP | HEID | ITEM TYPE | ITEM DESCRIPTION 1 | ITEM DESCRIPTION 2 | UNIQID |
|----------------|----------------------|-----|-----|---------------|---------------------------------|---|-----------------------------------|---------|
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 0 | 0 | 3664787 | SEISMIC MICROFILM OR MICROFICHE | MFICHE(S POS.) F. REPORTS AND MONITORS, R2-R20/S1-17 | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 0 | 0 | 3667023 | SEISMIC MICROFILM OR MICROFICHE | MFICHE(S POS.) F. REPORTS AND MONITORS, R2-R20/S1-17 | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | | | 3986829 | STACK CD | MULTIPLE PROCESS STACKS, E-W LINES, 1-70M, S-LINES 1-102 | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | | | 4034124 | STACK CD | FW HIGH WIGWAG DECON UNFLT STRUC - N/S 1-107; EW 1-81 | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | | | 4034125 | STACK CD | AVO/LMR - N/S 1-107; EW 1-81 | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | | | 4034126 | STACK CD | AVO/LMR - N/S 1-107; EW 1-81 | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | | | 4034128 | STACK CD | FILT UNFLT HIGH UNFLT STRUC - N/S 1-102; EW 1-76 | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | | | 4034130 | STACK DVD | UNFLT UNMUTED GATHERS - N/S 1-102; EW 1-76 | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | | | 4034235 | SECTION/STACK CD | FW HIGH WIGWAG DECON UNFLT STRUC/SECTION TUFF, N/S 1-107; EW 1-81 | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | | | 4034257 | STACK CD | AVO/LMR - N/S 1-107; EW 1-81 | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | | | 4034258 | STACK CD | AVO/LMR - N/S 1-107; EW 1-81 | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | | | 4034261 | STACK CD | FILT UNFLT HIGH UNFLT STRUC - N/S 1-102; EW 1-76 | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | | | 4034284 | STACK DVD | UNFLT UNMUTED GATHERS - N/S 1-102; EW 1-76 | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | | | 6228300 | SEISMIC REPORT | PROJECT FILE 808123; MAPS EMPTY FOLDER | NO DOCUMENTS IN FOLDER, MAR 25/14 | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | | | 6318335 | SEISMIC REPORT | PROJECT FILE 808122 | BOX # 11 BARCODE 2013118910 | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 0199871 | REFERENCE | FILES: 1-359; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3.072 sec; CHANNELS: 51 | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521009 | ARCHIVED FIELD FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3 sec; PROCESSING DESC: MIGRATED FWY SECTION | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521013 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3 sec; PROCESSING DESC: MIGRATED FWY SECTION WITH SIGNAL DECON | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521014 | ARCHIVED STACK FILE | TRACE: 0; FILES: 2; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 2.002 sec; PROCESSING DESC: FILT HIGH NOISE ATTENUATED STR | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521015 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3 sec; PROCESSING DESC: MIGRATED SECTION | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521018 | ARCHIVED STACK FILE | TRACE: 0; FILES: 2; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 2.002 sec; PROCESSING DESC: FILTERED HIGH NOISE FWY STACK | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521019 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3 sec; PROCESSING DESC: ANGLE TO 20 DEGREES STACK | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521019 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3 sec; PROCESSING DESC: ANGLE TO 20 DEGREES STACK | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521019 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3 sec; PROCESSING DESC: ANGLE TO 20 DEGREES STACK | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521020 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3 sec; PROCESSING DESC: ANGLE TO 15 TO 30 DEGREES STACK | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521021 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 2 sec; PROCESSING DESC: ANGLE TO 15 TO 30 DEGREES STACK | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521022 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3 sec; PROCESSING DESC: FLUID FACTOR STACK (MIG) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521023 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3 sec; PROCESSING DESC: FLUID FACTOR STACK (MIG) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521024 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3 sec; PROCESSING DESC: LAMBDA-RHO STACK | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521025 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3 sec; PROCESSING DESC: LAMBDA-RHO STACK | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521026 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 1 sec; PROCESSING DESC: MU-RHO STACK | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521027 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3 sec; PROCESSING DESC: MU-RHO STACK | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521028 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3 sec; PROCESSING DESC: P-REFLECTIVITY STACK (MIG) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521029 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3 sec; PROCESSING DESC: P-REFLECTIVITY STACK (MIG) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521030 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3 sec; PROCESSING DESC: P-WAVE IMPEDANCE STACK (MIG) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521031 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3 sec; PROCESSING DESC: P-WAVE IMPEDANCE STACK (MIG) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521032 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 2 sec; PROCESSING DESC: S-REFLECTIVITY STACK (MIG) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521033 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3 sec; PROCESSING DESC: S-REFLECTIVITY STACK (MIG) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521034 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3 sec; PROCESSING DESC: S-WAVE IMPEDANCE STACK (MIG) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521035 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3 sec; PROCESSING DESC: S-WAVE IMPEDANCE STACK (MIG) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521036 | ARCHIVED STACK FILE | TRACE: 0; FILES: 1; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 2.802 sec; PROCESSING DESC: UNFILTERED, UNMUTED COPPER GATHERS | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521037 | ARCHIVED STACK FILE | TRACE: 0; FILES: 1; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 2.802 sec; PROCESSING DESC: UNFILTERED, UNMUTED COPPER GATHERS | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521039 | ARCHIVED STACK FILE | TRACE: 0; FILES: 1; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 2.802 sec; PROCESSING DESC: UNFILTERED, UNMUTED COPPER GATHERS | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521040 | ARCHIVED STACK FILE | TRACE: 0; FILES: 3; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 2.002 sec; PROCESSING DESC: UNFLT NOISE ATTENUATED STR | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521041 | ARCHIVED STACK FILE | TRACE: 107; FILES: 1-8667; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 3 sec; PROCESSING DESC: STRUCTURE SECTION UNFILTERED | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6521042 | ARCHIVED STACK FILE | TRACE: 0; FILES: 3; SAMPLE INTERVAL: 2 ms; RECORD LENGTH: 2.002 sec; PROCESSING DESC: UNFLT STR | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | 6533171 | REFERENCE | LI(1) BACKUP FROM ITEM 645997A | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3376837.01 | ARCHIVED BASIC FILE | CHAINING (9 pages) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3376838.01 | ARCHIVED BASIC FILE | CONTROL LINES (4 pages) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3376839.01 | ARCHIVED BASIC FILE | MAPS (1 page) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3376840.01 | ARCHIVED BASIC FILE | OBSERVERS (9 pages); COMMENTS: Files 1-359 | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3376841.01 | ARCHIVED BASIC FILE | R-CPSURVEY (26 pages); COMMENTS: RD-R2B | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3376842.01 | ARCHIVED BASIC FILE | S-CPSURVEY (16 pages); COMMENTS: S1-S17 | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3376843.01 | ARCHIVED SECTION FILE | (1 page); PROCESSING DESCRIPTION: MIGRATED STACK POLARITY: NORMAL | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3392140.2 | ARCHIVED AFE FILE | AFE | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3392141.1 | ARCHIVED BASIC FILE | CHAINING (9 pages) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3392142.1 | ARCHIVED BASIC FILE | DRILLERS (20 pages) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3392143.1 | ARCHIVED BASIC FILE | ESP/HT AVO ANALYSIS | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3392144.1 | ARCHIVED BASIC FILE | CPS SURVEY (46 pages) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3392145.2 | ARCHIVED BASIC FILE | LABELS | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3392146.1 | ARCHIVED BASIC FILE | MAPS (1 page) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3392147.01 | ARCHIVED BASIC FILE | OBSERVERS (9 pages) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3392148.1 | ARCHIVED BASIC FILE | R-CPSURVEY (26 pages) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3392149.1 | ARCHIVED BASIC FILE | S-CPSURVEY (16 pages) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3392150.1 | ARCHIVED BASIC FILE | DRILLS (9 pages) | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3392151.1 | ARCHIVED SECTION FILE | (1 page); PROCESSING DESCRIPTION: E-W HIGH POLARITY: NORMAL | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3392152.1 | ARCHIVED SECTION FILE | (1 page); PROCESSING DESCRIPTION: MIGRATED STACK POLARITY: NORMAL | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3392153.1 | ARCHIVED SECTION FILE | (1 page); PROCESSING DESCRIPTION: N-S HIGH POLARITY: NORMAL | | E840060 |
| KIRKPATRICK 3D | KIRKPATRICK 3D-01-01 | 101 | 141 | SEQ3392154.2 | ARCHIVED SURVEY FILE | SURVEY | | E840060 |

SCHEDULE B

Form of Approval and Vesting Order

Form of Approval and Vesting Order

| |
|----------------|
| Clerk's Stamp: |
|----------------|

| | |
|---|---|
| COURT FILE NUMBER | 2401-05179 |
| COURT | COURT OF KING'S BENCH OF ALBERTA |
| JUDICIAL CENTRE | CALGARY |
| APPLICANTS | IN THE MATTER OF THE <i>COMPANIES' CREDITORS ARRANGEMENT ACT</i> , R.S.C. 1985, c. C-36, as amended AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ALPHABOW ENERGY LTD. |
| DOCUMENT | ORDER (Sales Approval and Vesting) |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | BENNETT JONES LLP Barristers and Solicitors 4500 Bankers Hall East 855 – 2 nd Street S.W. Calgary, Alberta T2P 4K7 Attention: Keely Cameron / Sarah Aaron Telephone No.: 403-298-3324/3177 Fax No.: 403-265-7219 Client File No.: 88323.6 |
| DATE ON WHICH ORDER WAS PRONOUNCED: | |
| NAME OF JUDGE WHO MADE THIS ORDER: | The Honourable Justice _____ |
| LOCATION OF HEARING: | |

UPON the application of AlphaBow Energy Ltd. ("**AlphaBow**" or the "**Applicant**") for an Order approving the sale transaction (the "**Transaction**") contemplated by the [date] Asset Purchase and Sale Agreement (the "**Sale Agreement**") between AlphaBow and _____ (the "**Purchaser**"); **AND UPON having read** the Affidavit of _____, the Affidavit of Service of _____, and the Monitor's _____ Report (the "**[Number] Report**"); **AND UPON hearing** the submissions of counsel for the Applicant, counsel for KSV Restructuring Inc. (the "**Monitor**"), and any other interested parties appearing at the application:

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and the supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application.'

APPROVAL OF TRANSACTIONS

2. The Transaction is hereby approved, and the Sale Agreement is commercially reasonable and in the best interests of AlphaBow and its stakeholders. The execution of the Sale Agreement by AlphaBow is hereby ratified, confirmed and approved, and AlphaBow is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transaction and for the conveyance of the assets set out in Schedule "A" hereto (the "**Purchased Assets**") to the Purchaser.

VESTING OF PROPERTY

3. [Subject only to approval by the Alberta Energy Regulator ("**Energy Regulator**") of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta)] Upon the delivery of a Monitor's Certificate to the Purchaser substantially in the form attached as Schedule "B" hereto (the "**Monitor's Certificate**"), all of AlphaBow's right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- (a) any Encumbrances or Charges (as created by and defined in the Initial Order of the Honourable Justice Lema and any other Orders granted in this Action);
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act*, the *Mines and Minerals Act*, the *Land Titles Act* or any other personal, mineral or real property registry system; and
- (c) those Claims listed in Schedule "C" hereto

(all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in Schedule "D" (collectively, "**Permitted Encumbrances**")) and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

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

- (a) the Registrar of Land Titles ("**Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested and directed to forthwith;
 - (i) cancel existing Certificates of Title No. * for those lands and premises municipally described as *, and legally described as:
*
(the "**Lands**")
 - (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee), namely, *;
 - (iii) transfer to the New Certificate of Title the existing instruments listed in Schedule "D", to this Order, and to issue and register against the New Certificate of Title

such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule "D"; and

- (iv) discharge and expunge the Encumbrances listed in Schedule "C" to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;
- (b) Alberta Energy shall and is hereby authorized, requested and directed to forthwith:
- (i) cancel and discharge those Claims including builders' liens, security notices, assignments under section 426 (formerly section 177) of the Bank Act (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Applicant in and to any of the Purchased Assets located in the Province of Alberta; and
 - (ii) transfer all Crown leases listed in Schedule "E" to this Order standing in the name of the Applicant, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;
- (c) the Registrar of the Alberta Personal Property Registry (the "**PPR Registrar**") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Applicant in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and AlphaBow's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by AlphaBow of the Sale Agreement.
7. Upon delivery of the Monitor's Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by KSV Restructuring Inc., in its capacity as Monitor of the Applicant and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, the net proceeds from sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets from and after delivery of the Monitor's Closing Certificate and all Claims (but excluding Permitted Encumbrances and the Administration Charge, as defined in paragraph 30 of the Amended and Restated Initial Order of this Honourable Court, dated April 26, 2024) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), no distributions shall be made to creditors of net proceeds from sale of the Purchased Assets without further order of this Court. Notwithstanding the foregoing, AlphaBow shall be permitted to utilize the net proceeds from the sale of the Purchased Assets in its day-to-day operations in this proceeding as prescribed by the cashflow affixed to the [Number] Report.
9. Except as expressly provided for in the Sale Agreement, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against AlphaBow.
10. Upon completion of the Transaction, AlphaBow and all persons who claim by, through or under AlphaBow in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right,

title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the AlphaBow, or any person claiming by, through or against the AlphaBow.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against AlphaBow associated with the Purchased Assets.
13. The Monitor is directed to file with the Court a copy of the Monitor's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

MISCELLANEOUS MATTERS

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

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of AlphaBow and shall not be void or voidable by creditors of AlphaBow, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

J.C.K.B.A

SCHEDULE A

Assets Listing

| ALPHABOW FILE | LEGAL DESCRIPTION | PNG RIGHTS | ALPHABOW WORKING INTEREST | ENCUMBRANCES | EXPIRY DATE |
|--------------------------|------------------------------|-----------------------|--|---------------------|------------------------|
| | | | | | |

Wells:

Facilities:

Pipelines

SCHEDULE B

Form of Monitor's Certificate

COURT FILE NUMBER 2401-05179

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PROCEEDING 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 ALPHABOW ENERGY LTD.

DOCUMENT SALE AND VESTING ORDER

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

Attention: Keely Cameron/ Sarah Aaron
Telephone No.: 403-298-3324/3177
Fax No.: 403-265-7219
Client File No.: 88323.6

RECITALS

- A. Pursuant to an Order of the Court dated _____, the Court approved the agreement of purchase and sale made as of _____ (the "**Sale Agreement**") between AlphaBow Energy Inc. ("**AlphaBow**") and _____ (the "**Purchaser**") and provided for the vesting in the Purchaser of AlphaBow'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 of the Sale Agreement have been satisfied or waived by AlphaBow and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.
- B. 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 the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing of the Sale Agreement have been satisfied or waived by AlphaBow 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].

**KSV Restructuring Inc., in its
capacity as Monitor of AlphaBow
Energy Ltd., and not in its personal
capacity.**

Per: _____

Name: Andrew Basi

SCHEDULE C
Identified Claims

SCHEDULE D

Permitted Encumbrances

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

- (i) the terms and conditions of the Assumed Contracts, including ROFRs;

SCHEDULE C

Form of General Conveyance, Assignment and Assumption Agreement

GENERAL CONVEYANCE, ASSIGNMENT, AND ASSUMPTION AGREEMENT

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

AMONG:

ALPHABOW ENERGY LTD., a corporation existing under the laws of the Province of Alberta (herein referred to as the "**Vendor**")

- and -

DURHAM CREEK ENERGY LTD., a corporation existing under the laws of [Alberta] (herein referred to as the "**Purchaser**")

RECITALS:

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

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

1. Definitions

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

2. Certain Rules of Interpretation

- (a) In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (b) The division of this Agreement into Sections and the inclusion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (c) The terms "hereof," "hereunder," and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.

(d) Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections of this Agreement.

(e) The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

3. Conveyance

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

4. Assumption of Assumed Liabilities

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

5. Further Assurances

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

6. Governing Law

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

7. Entire Agreement

This Agreement, the Purchase Agreement, and the documents referred to therein and contemplated thereby constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement, the Purchase Agreement, the Confidentiality Agreement and the documents referred to therein and contemplated thereby.

8. Successors and Assigns

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

9. Counterparts

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

10. Amendments

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

11. Paramountcy

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

12. Severability

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

[Signature Page Follows.]

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

ALPHABOW ENERGY LTD.

Per: _____
Name: Ben Li
Title: Chief Executive Officer

DURHAM CREEK ENERGY LTD.

Per: _____
Name:
Title:

SCHEDULE D

FORMS OF CONDITIONS CERTIFICATES

VENDOR'S CONDITIONS CERTIFICATE

TO: KSV RESTRUCTURING INC. (the "Monitor")

This Conditions Certificate (this "**Certificate**") is delivered pursuant to Section 11.5 of that certain purchase and sale agreement, dated as of [●], 2024 (the "**Purchase Agreement**") between **ALPHABOW ENERGY LTD.** (the "**Vendor**") and **[BUYER]** (the "**Purchaser**"). All capitalized terms used herein which have not been defined herein shall have the same meaning attributed thereto in the Purchase Agreement unless the context requires otherwise.

The undersigned [**officer/director**] of the Vendor hereby confirms to the Monitor, for and on behalf of the Vendor, but solely in his or her capacity as an [**officer/director**] of the Vendor and not in his or her personal capacity (and without incurring any personal liability), that:

1. the conditions to Closing set out in Sections 11.1 and 11.3 of the Purchase Agreement for the benefit of the Vendor have been fulfilled or performed to the Vendor's satisfaction and/or waived by the Vendor; and
2. the amount of the Transfer Taxes to be paid by the Purchaser on Closing is equal to \$[●].

[The remainder of this page is left intentionally blank]

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the [●] day of [●], 2024.

ALPHABOW ENERGY LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

PURCHASER'S CONDITIONS CERTIFICATE

TO: KSV RESTRUCTURING INC. (the "Monitor")

This Conditions Certificate (this "**Certificate**") is delivered pursuant to Section 11.5 of that certain purchase and sale agreement, dated as of [●], 2024 (the "**Purchase Agreement**") between **ALPHABOW ENERGY LTD.** (the "**Vendor**") and **[BUYER]** (the "**Purchaser**"). All capitalized terms used herein which have not been defined herein shall have the same meaning attributed thereto in the Purchase Agreement unless the context requires otherwise.

The undersigned officer of the Purchaser hereby confirms to the Monitor, for and on behalf of the Purchaser, but solely in his or her capacity as an officer of the Purchaser and not in his or her personal capacity (and without incurring any personal liability), that:

1. the conditions to Closing set out in Sections 11.1 and 11.2 of the Purchase Agreement for the benefit of the Purchaser have been fulfilled or performed to the Purchaser's satisfaction and/or waived by the Purchaser; and
2. the amount of the Transfer Taxes to be paid by the Purchaser on Closing is equal to \$[●] and all such Transfer Taxes **[have been paid by the Purchaser directly to each relevant Governmental Authority][have been paid by the Purchaser to the Vendor prior to the Closing][will be paid by the Purchaser to the Vendor at Closing][will be paid by the Purchaser pursuant to an agreement with the relevant Governmental Authority].**

[The remainder of this page is left intentionally blank]

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the [●] day of [●], 2024.

[BUYER]

Per: _____
Name:
Title:

Per: _____
Name:
Title:

This is **Exhibit "C"** referred to in the
Affidavit of BEN LI sworn before me this
21th day of October 2024.



A Commissioner for Oaths
in and for Alberta

Sophie Fiddes
Barrister & Solicitor

ALPHABOW ENERGY LTD.

- and -

2505108 ALBERTA LTD.

- and -

TIANS OIL LTD.

ASSET PURCHASE AND SALE AGREEMENT

October 20th, 2024

TABLE OF CONTENTS

| | |
|---|-----------|
| ARTICLE 1 INTERPRETATION | 1 |
| 1.1 DEFINITIONS..... | 1 |
| 1.2 INTERPRETATION..... | 11 |
| 1.3 SCHEDULES | 12 |
| 1.4 INTERPRETATION IF CLOSING DOES NOT OCCUR..... | 12 |
| ARTICLE 2 PURCHASE AND SALE | 12 |
| 2.1 AGREEMENT OF PURCHASE AND SALE | 12 |
| 2.2 TRANSFER OF PROPERTY AND ASSUMPTION OF LIABILITIES..... | 12 |
| 2.3 LICENCE TRANSFERS..... | 13 |
| 2.4 SPECIFIC CONVEYANCES..... | 13 |
| 2.5 POST-CLOSING MAINTENANCE OF ASSETS..... | 14 |
| 2.6 ASSUMED LIABILITIES | 15 |
| ARTICLE 3 PURCHASE PRICE | 15 |
| 3.1 PURCHASE PRICE..... | 15 |
| 3.2 ALLOCATION OF PURCHASE PRICE | 16 |
| 3.3 DEPOSIT AND SATISFACTION OF PURCHASE PRICE..... | 16 |
| ARTICLE 4 TRANSFER TAXES | 17 |
| 4.1 TRANSFER TAXES..... | 17 |
| ARTICLE 5 REPRESENTATIONS AND WARRANTIES | 17 |
| 5.1 VENDOR'S REPRESENTATIONS | 17 |
| 5.2 PURCHASERS' REPRESENTATIONS..... | 18 |
| 5.3 ENFORCEMENT OF REPRESENTATIONS AND WARRANTIES..... | 19 |
| ARTICLE 6 "AS IS, WHERE IS" AND NO ADDITIONAL REPRESENTATIONS AND WARRANTIES | 20 |
| 6.1 DUE DILIGENCE ACKNOWLEDGEMENT..... | 20 |
| 6.2 "AS IS, WHERE IS", NO ADDITIONAL REPRESENTATIONS | 21 |
| ARTICLE 7 RISK AND COSTS AND INSURANCE | 23 |
| 7.1 RISK AND COSTS | 23 |
| 7.2 INSURANCE..... | 23 |
| ARTICLE 8 INDEMNIFICATION | 23 |
| 8.1 INDEMNIFICATION GIVEN BY PURCHASERS..... | 23 |
| 8.2 THIRD PARTY CLAIMS..... | 23 |
| 8.3 FAILURE TO GIVE TIMELY NOTICE | 24 |
| 8.4 NO MERGER | 25 |
| 8.5 THIRD PARTY BENEFICIARY | 25 |
| ARTICLE 9 ENVIRONMENTAL MATTERS | 25 |
| 9.1 ACKNOWLEDGEMENTS REGARDING ENVIRONMENTAL CONDITION | 25 |
| 9.2 ASSUMPTION OF ENVIRONMENTAL LIABILITIES..... | 25 |
| ARTICLE 10 COVENANTS | 26 |
| 10.1 CONDUCT OF BUSINESS UNTIL CLOSING | 26 |
| 10.2 ROFRS | 26 |
| 10.3 DOCUMENT REVIEW | 28 |
| ARTICLE 11 CONDITIONS | 28 |
| 11.1 MUTUAL CONDITIONS..... | 28 |
| 11.2 CONDITIONS FOR THE BENEFIT OF THE PURCHASERS..... | 28 |

11.3 CONDITIONS FOR THE BENEFIT OF THE VENDOR 29

11.4 SATISFACTION OF CONDITIONS..... 29

11.5 MONITOR'S CERTIFICATE 29

ARTICLE 12 CLOSING..... 30

12.1 CLOSING DATE AND PLACE OF CLOSING 30

12.2 DELIVERIES ON CLOSING BY THE VENDOR..... 30

12.3 DELIVERIES ON CLOSING BY THE PURCHASERS 30

ARTICLE 13 TERMINATION..... 31

13.1 GROUNDS FOR TERMINATION 31

13.2 EFFECT OF TERMINATION 31

ARTICLE 14 GENERAL..... 32

14.1 PUBLIC ANNOUNCEMENTS..... 32

14.2 DISSOLUTION OF VENDOR 32

14.3 SURVIVAL..... 32

14.4 GOVERNING LAW 33

14.5 CONSEQUENTIAL DAMAGES 33

14.6 FURTHER ASSURANCES..... 33

14.7 ASSIGNMENT 33

14.8 WAIVER..... 34

14.9 AMENDMENT..... 34

14.10 TIME OF THE ESSENCE..... 34

14.11 COSTS AND EXPENSES..... 34

14.12 ENTIRE AGREEMENT 34

14.13 NOTICES 35

14.14 ENUREMENT 36

14.15 THIRD PARTY BENEFICIARIES..... 36

14.16 SEVERABILITY 36

14.17 COUNTERPARTS 36

SCHEDULES

| | |
|------------|---|
| Schedule A | Assets Listing |
| Schedule B | Form of Approval and Vesting Order |
| Schedule C | Form of General Conveyance, Assignment and Assumption Agreement |
| Schedule D | Forms of Conditions Certificates |

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT is dated as of October 20th, 2024,

BETWEEN:

ALPHABOW ENERGY LTD., a corporation existing under the laws of the Province of Alberta (herein referred to as the "**Vendor**")

- and -

2505108 ALBERTA LTD., a corporation existing under the laws of the Province of Alberta (herein referred to as "**2505108**")

- and -

TIANS OIL LTD., a corporation existing under the laws of the Province of Alberta ("**Tians**" and together with 2505108, herein referred to as the "**Purchasers**")

WHEREAS:

- A. on April 26, 2024, the Vendor was granted creditor protection pursuant to an initial order granted by the Court of King's Bench (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36 (the "**CCAA**");
- B. pursuant to the Initial Order, among other things, KSV Restructuring Inc. ("**KSV**") was appointed as monitor of the Vendor;
- C. on April 26, 2024, the Court granted an amended and restated order (the "**ARIO**");
- D. all licensed assets and properties of the Vendor are currently subject to a suspension order and have been under the care and maintenance of the Orphan Well Association since September 6, 2023; and
- E. subject to receipt of Court Approval, the Purchasers have agreed to purchase and acquire and the Vendor has agreed to sell, transfer and assign to the Purchasers, all of the Vendor's Interest in and to the Assets, on the terms and conditions set forth herein.

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

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) "2505108" has the meaning ascribed to that term in the preamble hereto;
- (b) "**Abandonment and Reclamation Obligations**" means all past, present and future obligations to:
 - (i) abandon, shut-down, close, decommission, dismantle or remove any and all Wells and Tangibles, including all structures, foundations, buildings, pipelines, equipment and other facilities forming part of the Wells and Tangibles or otherwise located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands; and
 - (ii) restore, remediate and reclaim the surface and subsurface locations of the Wells and the Tangibles and any lands used to gain access thereto, including such obligations relating to wells, pipelines and facilities which were abandoned or decommissioned prior to the Closing Date that were located on the Lands or that were located on other lands and used in respect of Petroleum Substances produced or previously produced from the Lands, and including the remediation, restoration and reclamation of any other surface and sub-surface lands affected by any environmental damage, contamination or other environmental issues emanating from or relating to the sites for the Wells or the Tangibles;all in accordance with generally accepted oil and gas industry practices and in compliance with all Applicable Laws;
- (c) "**AER**" means the Alberta Energy Regulator, or any successor thereto having jurisdiction over the Assets or certain of them or the operation thereof;
- (d) "**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with that specified Person. For the purposes of this definition, "control" (including with correlative meanings, controlling, controlled by and under common control with) means the power to direct or cause the direction of the management and policies of that Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and, it being understood and agreed that with respect to a corporation or partnership, control shall mean direct or indirect ownership of more than 50% of the voting shares in any such corporation or of the general partnership interest or voting interest in any such partnership;
- (e) "**Agreement**" means this agreement of purchase and sale and any schedules attached hereto which are referred to in this agreement, together with any amendment or supplement thereto;
- (f) "**Applicable Law**" means, in respect of any Person, asset, transaction, event or circumstance: (i) statutes (including regulations enacted thereunder); (ii) judgments, decrees and orders of courts of competent jurisdiction (including the common law); (iii) regulations, orders, ordinances and directives issued by Governmental Authorities; and (iv) the terms and conditions of all permits, licenses, approvals and authorizations, in each case which are applicable to such Person, asset, transaction, event or circumstance;
- (g) "**Approval and Vesting Order**" means an order of the Court approving the Transaction in accordance with the provisions of this Agreement, and, subject to Closing, vesting all of

the Vendor's Interest in and to the Assets in the Purchasers free and clear of all Claims (other than Permitted Encumbrances) and interests, such order to be substantially in the form attached hereto as Schedule B together with such modifications and amendments to such form as may be approved by both the Vendor and the Purchasers, acting reasonably;

- (h) "**Assets**" means the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests;
- (i) "**Assumed Contracts**" means the contracts referenced in subsection (i) of the definition of Miscellaneous Interests, which contracts shall be assigned by the Vendor and assumed by the Purchasers in accordance with the terms of this Agreement, the relevant contracts and/or the Approval and Vesting Order, and/or other order of the Court in form and substance satisfactory to the Parties;
- (j) "**Assumed Liabilities**" means, collectively, all liabilities and obligations arising from the possession, ownership and/or use of the Assets following Closing (including for greater certainty any municipal or property taxes that accrue commencing on the Closing Date), along with Environmental Liabilities, Abandonment and Reclamation Obligations and Cure Costs;
- (k) "**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the City of Calgary in the Province of Alberta;
- (l) "**CCAA**" has the meaning ascribed to that term in the recitals hereto;
- (m) "**CCAA Proceedings**" means the proceedings commenced under the CCAA by the Vendor (and others) pursuant to the Initial Order;
- (n) "**Claim**" means any caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgments, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing:
 - (i) any encumbrances or charges created by the Initial Order and/or the ARIQ;
 - (ii) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
 - (iii) any liens or claims of lien under the *Builders' Lien Act* (Alberta) or the *Prompt Payment and Construction Liens Act* (Alberta);
 - (iv) any linear or non-linear municipal property tax claims under the *Municipal Government Act* (Alberta), or otherwise;
 - (v) any outstanding amounts owing in respect of the AER Orphan Fund Levy and Administration Fees; and

- (vi) those claims which may be specifically identified in Schedule "C" to the Approval and Vesting Order, as applicable.
- (o) "**Closing**" means the completion of the purchase by the Purchasers, and sale by the Vendor, of the Vendor's Interest in and to the Assets and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such purchase and sale, all subject to and in accordance with the terms and conditions of this Agreement;
- (p) "**Closing Date**" means the date on which Closing occurs, being the date which is five Business Days following the date upon which all conditions in Sections 11.1, 11.2 and 11.3 have been satisfied or waived (other than such conditions which are to be satisfied on the Closing Date), or such other date as the Parties may agree in writing; provided, however, that the Closing Date shall not be later than the Outside Date;
- (q) "**Conditions Certificates**" has the meaning ascribed to that term in Section 11.5;
- (r) "**Confidentiality Agreement**" means the confidentiality agreement between the Vendor, each Purchaser and the Monitor and executed prior to the date hereof in respect of the evaluation by the Purchasers of potential transactions involving the assets of the Vendor;
- (s) "**Consequential Damages**" has the meaning ascribed to that term in Section 14.5;
- (t) "**Court**" means the Court of King's Bench of Alberta, Judicial Centre of Calgary;
- (u) "**Court Approval**" means both the issuance of the Approval and Vesting Order by the Court approving the sale of the Assets, and such Approval and Vesting Order having become a Final Order;
- (v) "**Cure Costs**" means, in respect of any Assumed Contract, all amounts, required to be paid to remedy all of the Vendor's monetary defaults under such Assumed Contract or required to secure a counterparty's or any other necessary Person's consent to the assignment of such Assumed Contract pursuant to its terms (including any deposits or other forms of security required by any Governmental Authority) or as may be required pursuant to the Approval and Vesting Order, and includes any other fees and expenses required to be paid to a counterparty or any other Person in connection with the assignment of an Assumed Contract pursuant to its terms or Applicable Laws;
- (w) "**Deposit**" has the meaning ascribed to that term in Section 3.3(a)(i);
- (x) "**Due Diligence Information**" means all information made available (by the Vendor, the Monitor or otherwise) for the Purchasers' review in paper or electronic form in relation to the Vendor, its Affiliates and/or the Assets;
- (y) "**Environment**" means the components of the earth and includes the air, the surface and subsurface of the earth, bodies of water (including rivers, streams, lakes and aquifers) and plant and animal life (including humans);
- (z) "**Environmental Laws**" means all Applicable Laws relating to pollution or protection of human health or the Environment (including ambient air, water, surface water, groundwater, land surface, soil, or subsurface) or natural resources, including Applicable

Laws relating to the storage, transfer, transportation, investigation, cleanup, treatment, or use of, or release or threatened release into the Environment of, any Hazardous Substances;

(aa) "**Environmental Liabilities**" means all past, present and future Losses and Liabilities, Claims and other duties and obligations, whether arising under contract, Applicable Laws or otherwise, arising from, relating to or associated with:

- (i) any damage, pollution, contamination or other adverse situations pertaining to the Environment howsoever and by whomsoever caused and regardless of whether such damage, pollution, contamination or other adverse situations occur or arise in whole or in part prior to, at or subsequent to the date of this Agreement;
- (ii) the presence, storage, use, holding, collection, accumulation, assessment, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, release, emission or discharge of Petroleum Substances, oilfield wastes, water, Hazardous Substances, environmental contaminants and all other substances and materials regulated under any Applicable Law, including any forms of energy, or any corrosion to or deterioration of any structures or other property;
- (iii) compliance with or the consequences of any non-compliance with, or violation or breach of, any Environmental Law;
- (iv) sampling, monitoring or assessing the Environment or any potential impacts thereon from any past, present or future activities or operations; or
- (v) the protection, reclamation, remediation or restoration of the Environment;

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

(bb) "**Facilities**" means the Vendor's Interest in and to all field facilities whether or not solely located on or under the surface of the Lands (or lands with which the Lands are pooled) and that are, or have been, used for production, gathering, treatment, compression, transportation, injection, water disposal, measurement, processing, storage or other operations respecting the Leased Substances, including any applicable battery, separator, compressor station, gathering system, pipeline, production storage facility or warehouse, including those facilities and pipelines identified in Schedule A under the headings entitled "Facilities" and "Pipelines", respectively, and as applicable;

(cc) "**Final Order**" means an order of the Court that has not been vacated, stayed, set aside, amended, reversed, annulled or modified, as to which no appeal or application for leave to appeal therefrom has been filed and the applicable appeal period with respect thereto shall have expired without the filing of any appeal or application for leave to appeal, or if any appeal(s) or application(s) for leave to appeal therefrom have been filed, any (and all) such appeal(s) or application(s) have been dismissed, quashed, determined, withdrawn or disposed of with no further right of appeal and all opportunities for rehearing, reargument, petition for certiorari and appeal being exhausted or having expired without any appeal, motion or petition having been filed and remaining pending, any requests for rehearing have been denied, and no order having been entered and remaining pending staying,

enjoining, setting aside, annulling, reversing, remanding, or superseding the same, and all conditions to effectiveness prescribed therein or otherwise by Applicable Law or order having been satisfied;

- (dd) "**General Conveyance, Assignment and Assumption Agreement**" means an agreement providing for the assignment by the Vendor of the Vendor's Interest in and to the Assets, free and clear of all Claims (other than Permitted Encumbrances), substantially in the form attached hereto as Schedule C, and the assumption by the Purchasers of the Assumed Liabilities, substantially in the form attached hereto as Schedule C;
- (ee) "**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Assets or this Transaction, including for greater certainty the AER;
- (ff) "**GST**" means taxes, interest, penalties and other additions thereto imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and "**GST Legislation**" means such act and regulations collectively;
- (gg) "**Hazardous Substances**" means any substance, material or waste defined, regulated, listed or prohibited by Environmental Laws, including pollutants, contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, radioactive materials, flammable substances, explosives, Petroleum Substances and products of Petroleum Substances, polychlorinated biphenyls, chlorinated solvents and asbestos;
- (hh) "**Initial Order**" has the meaning ascribed to that term in the recitals hereto;
- (ii) "**KSV**" has the meaning ascribed to that term in the recitals hereto;
- (jj) "**Lands**" means the lands set out and described in Schedule A under the heading entitled "Lands Schedule/Mineral Property Report", and the Petroleum Substances within, upon or under such lands (subject to the restrictions and exclusions identified in the Title Documents as to Petroleum Substances and geological formations);
- (kk) "**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);
- (ll) "**Legal Proceeding**" means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;
- (mm) "**Licence Transfers**" means the transfer from the Vendor to the Purchasers of any permits, approvals, licences and authorizations granted by the AER or any other Governmental Authority in relation to the construction, installation, ownership, use or operation of the Wells or the Facilities, as applicable.

- (nn) **"Losses and Liabilities"** means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations and penalties, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim by any Governmental Authority or any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, and those arising under any contract, agreement, arrangement, commitment or undertaking and costs and expenses of any Legal Proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith (on a full indemnity basis);
- (oo) **"LTAs"** has the meaning set forth in Section 2.3(a);
- (pp) **"Miscellaneous Interests"** means, subject to any and all limitations and exclusions provided for in this definition, the Vendor's Interest in and to all property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles (other than the Petroleum and Natural Gas Rights and the Tangibles), or either of them, but only to the extent that such property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including any and all of the following:
 - (i) all contracts relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);
 - (ii) all warranties, guarantees and similar rights relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including warranties and guarantees made by suppliers, manufacturers and contractors under the Assets, and claims against other Third Parties in connection with the contracts relating to the Petroleum and Natural Gas Rights and the Tangibles;
 - (iii) all subsisting rights to carry out operations relating to the Lands, the Tangibles or the Wells, and without limitation, all easements and other permits, licenses and authorizations pertaining to the Tangibles or the Wells;
 - (iv) rights to enter upon, use, occupy and enjoy the surface of any lands which are used or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them;
 - (v) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them including any of the foregoing that pertain to geological or geophysical matters and, including plats, surveys, maps, cross-sections, production records, electric logs, cuttings, cores, core data, pressure data, decline and production curves, well files, and related matters, division of interest records, lease files, title opinions, abstracts of title, title curative documents, lease operating statements and all other accounting information, marketing reports, statements, gas balancing information, and all other documents relating to customers, sales information, supplier lists, records, literature and correspondence, physical maps, geologic or geophysical interpretation, electronic and physical project files; and

- (vi) the Wells, including the wellbores and any and all casing and down-hole monitoring and pumping equipment;

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

- (qq) "**Monitor**" means KSV, in its capacity as the Court-appointed monitor of the Vendor in the CCAA Proceedings and not in its personal or corporate capacity;
- (rr) "**Monitor's Certificate**" means the certificate, substantially in the form attached as Schedule "A" to the Approval and Vesting Order, to be delivered by the Monitor to the Vendor and the Purchasers on Closing and thereafter filed by the Monitor with the Court certifying that it has received the Conditions Certificates;
- (ss) "**Monitor's Solicitors**" means Cassels Brock & Blackwell LLP, or such other firm or firms of solicitors as are retained or engaged by the Monitor from time to time and notice of which is provided to the Purchasers;
- (tt) "**Notice Period**" has the meaning ascribed to that term in Section 8.2(b);
- (uu) "**Order**" means any order, writ, judgment, injunction, decree, stipulation, determination, decision, verdict, ruling, subpoena, or award entered by or with any Governmental Authority (whether temporary, preliminary, or permanent);
- (vv) "**Outside Date**" means the date which occurs 90 days following the date of execution of this Agreement, or such other date as the Parties may agree;
- (ww) "**Outstanding ROFR Assets**" has the meaning set forth in Section 10.2(e)(ii);
- (xx) "**Outstanding ROFRs**" has the meaning set forth in Section 10.2(e);
- (yy) "**Parties**" means, collectively, the Purchasers and the Vendor, and "**Party**" means any one of them;
- (zz) "**Permitted Encumbrances**" means:
 - (i) any overriding royalties, net profits interests and other burdens, which are provided for under the Title Documents;
 - (ii) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;
 - (iii) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;

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

- (ccc) "**Petroleum Substances**" means any of crude oil, petroleum, natural gas, natural gas liquids, coal bed methane and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur;
- (ddd) "**Purchase Price**" has the meaning ascribed to that term in Section 3.1;
- (eee) "**Purchasers**" has the meaning ascribed to that term in the preamble hereto;
- (fff) "**Representative**" means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its Affiliates and, with respect to the Vendor, includes the Monitor;
- (ggg) "**ROFR**" means a right of first refusal, right of first offer or other pre-emptive or preferential right of purchase or similar right to acquire the Assets or certain of them that may become operative by virtue of this Agreement or the completion of the Transaction;
- (hhh) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the Vendor's Interest in and to the Assets to the Purchasers and to novate the Purchasers in the place and stead of the Vendor, as applicable, with respect to the Assets (excluding the Licence Transfers);
- (iii) "**Tangibles**" means the Vendor's Interest in and to the Facilities and any and all other tangible depreciable property and assets, if any, which are located within, upon or in the vicinity of the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, store, transport, make marketable or inject the Leased Substances or any of them;
- (jjj) "**Tians**" has the meaning ascribed to that term in the preamble hereto;
- (kkk) "**Third Party**" means any Person who is not a Party or an Affiliate of a Party;
- (lll) "**Third Party Claim**" means any Claim by a Third Party asserted against the Vendor for which the Purchasers have indemnified the Vendor or is otherwise responsible pursuant to this Agreement;
- (mmm) "**Title Documents**" means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements, acreage contribution agreements, joint venture agreements and any other documents and agreements granting, reserving or otherwise conferring rights to (i) explore for, drill for, produce, take, use or market Petroleum Substances, (ii) share in the production of Petroleum Substances, (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced, and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands;

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

1.2 Interpretation

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

- (a) All references to monetary amounts are to the lawful currency of Canada.
- (b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.
- (c) The word "include" and "including" and derivatives thereof shall be read as if followed by the phrase "without limitation".
- (d) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.
- (e) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.
- (f) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified.
- (g) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.

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

1.3 Schedules

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

| | |
|------------|---|
| Schedule A | Assets Listing |
| Schedule B | Form of Approval and Vesting Order |
| Schedule C | Form of General Conveyance, Assignment and Assumption Agreement |
| Schedule D | Forms of Conditions Certificates |

1.4 Interpretation if Closing Does Not Occur

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

ARTICLE 2 PURCHASE AND SALE

2.1 Agreement of Purchase and Sale

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

2.2 Transfer of Property and Assumption of Liabilities

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

recordable form, or by way of an Order of the Court, as appropriate, and free and clear of any and all Claims other than Permitted Encumbrances, as applicable.

2.3 Licence Transfers

- (a) Promptly following the Closing Date (or at such earlier time as may be permitted by the AER, as applicable), the Vendor shall electronically submit applications to the AER for the Licence Transfers ("**LTAs**"), and confirm that such submission has been made to the applicable Purchaser, and in addition the Vendor shall cause to be provided any information and documentation along with such LTAs to the AER which are required to be provided by the transferor in connection with the foregoing. The applicable Purchaser shall accept or ratify such LTAs without delay, provided that, if the Purchasers in good faith determines or believes that any of the LTAs are not complete and accurate, or the AER refuses to process any such LTAs because of some defect therein, the Parties shall cooperate to duly complete or to correct such incomplete or inaccurate LTAs as soon as practicable and, thereafter, the Vendor shall promptly re-submit such LTAs and the applicable Purchaser shall accept or ratify such re-submitted LTAs without delay. Each Party shall be responsible for its own costs relating to LTAs hereunder. The Purchasers shall provide any information and documentation in respect of such LTAs to the AER which are required to be provided by the transferee in connection with the foregoing. Following submission of the LTAs, the Purchasers shall use reasonable commercial efforts to obtain the approval from the AER of the LTAs and registration of the Licence Transfers, subject to the specific requirements of this Section 2.3.
- (b) If the AER denies any of the LTAs because of misdescription or other minor deficiencies contained therein, the Vendor shall, within two Business Days of such denial, correct the LTA(s) and amend and re-submit the LTA(s), and the applicable Purchaser shall accept or ratify such re-submitted LTAs without delay.
- (c) In the event that the Purchasers have applied, or prior to the Closing Date apply, to the AER for a discretionary waiver from the AER's security requirements in respect of the Transaction, then the Vendor shall provide such information and documentation to the AER regarding the Assets as may reasonably be required in connection with the AER's review of such discretionary waiver application made by the Purchasers (but only to the extent such information and documentation has not already been made available by the Vendor or its Representatives to the Purchasers or their Representatives); provided that the Purchasers agree they shall have primary carriage of, and be solely responsible at their own cost for submitting and liaising with the AER in respect of, such application.
- (d) The Purchasers shall on a timely and continuing basis keep the Vendor fully apprised and informed regarding all communications the Purchasers may have with the AER in connection with the Transaction, including all communications respecting LTAs, and without limiting the generality of the foregoing the Purchasers shall provide copies to the Vendor of all related correspondence from the Purchasers to the AER, and the Purchasers shall request that the AER provide copies to the Vendor of all related correspondence from the AER to the Purchasers.

2.4 Specific Conveyances

- (a) Within a reasonable time following its receipt of the Title Documents from Vendor, Purchasers shall prepare and provide for the Vendor's review all Specific Conveyances.

None of the Specific Conveyances shall confer or impose upon either Party any greater right or obligation than as contemplated in this Agreement. Promptly after Closing, the Purchasers shall register and/or distribute (as applicable), all such Specific Conveyances and shall bear all costs incurred therewith and in preparing and registering any further assurances required to convey the Assets to the Purchaser.

- (b) As soon as practicable following Closing, the Vendor shall deliver or cause to be delivered to the Purchasers such original copies of the Title Documents and any other agreements and documents to which the Assets are subject and such original copies of contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests which are now in the possession or control of the Vendor or of which the Vendor gains possession or control prior to Closing.
- (c) Notwithstanding Sections 2.4(a) and 2.4(b), requests for the transfers from the Vendor to the Purchasers of registered Crown leases or licences, related surface rights and any other Title Documents which are administered by a Governmental Authority shall be submitted by the Vendor and accepted by the Purchasers as soon as is practicable after Closing.

2.5 Post-Closing Maintenance of Assets

- (a) Following Closing, if and to the extent that Purchasers must be novated into, recognized as a party to, or otherwise accepted as assignee or transferee of Vendor's interest in the Assets or certain of them, including any Title Documents and Assumed Contracts, the following provisions shall apply with respect to the applicable Assets until such novation, recognition or acceptance has occurred:
 - (i) the Purchasers shall use reasonable commercial efforts to obtain, as may be required by the terms of any Assumed Contracts, consents or approvals to the assignment of such Assumed Contracts; provided that to the extent that any Cure Costs are payable with respect to any Assumed Contract, the Purchasers shall be responsible for and shall pay all such Cure Costs, which shall be paid directly to the counterparty as and when required in conjunction with the assignment of the Assumed Contracts, and which Cure Costs shall form part of the Purchase Price for the Assets;
 - (ii) to the extent not obtained prior to the Closing Date, the Purchasers shall continue to use reasonable commercial efforts to obtain the AER's approval of the LTAs and registration of the Licence Transfers;
 - (iii) to the extent permitted by any applicable Assumed Contract:
 - (A) the Purchasers will pay, perform and discharge the duties and obligations accruing after Closing under such Assumed Contract, on behalf of the Vendor, until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchasers; and
 - (B) the Vendor shall use reasonable commercial efforts to exercise the rights, entitlements, benefits and remedies under such Assumed Contract, on behalf of the Purchasers until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchasers, or such Assumed Contract expires or otherwise terminates;

- (iv) the Vendor shall not have any liability as a consequence of the Vendor taking any action or causing anything to be done under this Section 2.5(a), and the Purchasers shall be responsible and liable for, and, as a separate covenant, shall hereby indemnify and save harmless the Vendor and its Representatives against, all costs and expenses reasonably incurred by the Vendor, its Affiliates or their respective Representatives as a consequence of or in connection with this Section 2.5(a); and
 - (v) nothing in this Agreement shall constitute an agreement to assign, and shall not be construed as an assignment of, or an attempt to assign to the Purchasers, any Assumed Contract until such time as the necessary consents or approvals with respect to the assignment are obtained.
- (b) Both before and after Closing, the Purchasers shall use all commercially reasonable efforts to obtain any and all approvals required under Applicable Law and any and all material consents of Third Parties required to permit this Transaction to be completed. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchasers, at the Purchasers' sole cost and expense, to provide any and all financial assurances, deposits or security that may be required by Governmental Authorities or any Third Parties under the Assumed Contracts or Applicable Laws to permit the transfer of the Assets, including the Assumed Contracts, to the Purchasers.
- (c) Despite anything to the contrary herein, should the interests of Advance Drilling Ltd. under the Gross Overriding Royalty Agreement between Advance Drilling Ltd. and the Vendor dated November 23, 2018, or the Royalty Agreement between Advance Drilling Ltd. and the Vendor dated October 28, 2021, be determined by a final order of the Court to be valid and subsisting as a royalty interest that constitutes a Permitted Encumbrance for the purposes of this Agreement, the Purchaser may: (i) elect not to proceed to Closing (if the Closing has not already occurred); or (ii) within one month of the Closing, cancel the Transaction and undertake all steps in order to effect a transfer back of the Vendor's interest in all Assets transferred hereunder, and the Vendor shall refund the Purchase Price and any other amounts paid by the Purchaser to the Vendor under this Agreement, with respect to the cancelled Transaction.

2.6 Assumed Liabilities

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

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

The consideration payable by the Purchasers for the Assets shall be the sum of [REDACTED] (the "**Purchase Price**"). The Purchase Price shall be satisfied in accordance with Section 3.3(b) and shall not be subject to any adjustment (and for greater certainty, Cure Costs shall be satisfied in accordance with Section 2.5(a)(i)). The Purchasers and the Vendor acknowledge and agree that the Purchase Price reflects

the fair market value of the Assets as of the Closing Date, having due regard to the Environmental Liabilities connected to and embedded in the Assets that depress the value of the Assets.

3.2 Allocation of Purchase Price

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

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

3.3 Deposit and Satisfaction of Purchase Price

- (a) The Parties acknowledge that:
 - (i) as of the date hereof, the Purchasers have paid the amount equal to ten percent (10%) of the Purchase Price (the "**Deposit**") to the Monitor;
 - (ii) the Deposit has been delivered to and shall be held in trust by the Monitor; and
 - (iii) the Deposit shall be held and administered by the Monitor in accordance with the terms and conditions of this Agreement (including this Section 3.3).
- (b) At Closing, the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.5(a)(i)) shall be paid and satisfied as follows:
 - (i) as to the amount of the Deposit, upon the receipt of a written joint direction delivered to the Monitor by the Purchasers and the Vendor, the Monitor shall deliver the amount of the Deposit to the Vendor by electronic wire transfer and such amount shall be applied against the amount of the Purchase Price for the account of the Purchasers; and
 - (ii) as to the balance of the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.5(a)(i)), along with any additional amounts owing in respect of applicable GST, the Purchasers shall pay to the Vendor such amount by electronic wire transfer.
- (c) If this Agreement is terminated:
 - (i) (A) pursuant to Section 13.1(a) by mutual agreement of the Parties; (B) pursuant to Sections 13.1(b) or 13.1(c) by the Purchasers; (C) pursuant to Section 13.1(e) by the Vendor; or (D) for any other reason other than as contemplated under Section 3.3(c)(ii); then the Deposit shall be returned to the Purchasers; or
 - (ii) pursuant to Section 13.1(d) by the Vendor, the full amount of the Deposit shall be forfeited to the Vendor,

and, subject to Section 13.2, each Party shall be released from all obligations and liabilities under or in connection with this Agreement. In the event of termination of this Agreement under Section 3.3(c)(ii) pursuant to which the Vendor shall be entitled to retain the Deposit,

the Parties agree that the amount of the Deposit, constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchasers any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchasers hereby waive any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

ARTICLE 4 TRANSFER TAXES

4.1 Transfer Taxes

The Parties agree that:

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

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Vendor's Representations

The Vendor hereby represents and warrants to the Purchasers that:

- (a) it is a corporation duly formed and validly subsisting under the laws of the Province of Alberta and has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (b) except for: (i) Court Approval; and (ii) the Licence Transfers and any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Vendor of the Transaction;
- (c) it is not a non-resident of Canada within the meaning of such term under the *Income Tax Act* (Canada) and is not an agent or trustee for anyone with an interest in the Assets who is a non-resident of Canada within the meaning of such term under the *Income Tax Act* (Canada) (or a partnership that is not a "Canadian partnership" within the meaning of such term under the *Income Tax Act* (Canada));

- (d) subject to Court Approval being obtained, this Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of it and is enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (e) the Purchasers will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by the Vendor; and
- (f) with respect to the GST imposed under the GST Legislation, the Vendor is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and its GST registration number is 736658725RT0001.

5.2 Purchasers' Representations

Each Purchaser hereby jointly and severally represents and warrants to the Vendor that:

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

- (g) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser;
- (h) to the knowledge of the Purchaser, the Purchaser meets all eligibility requirements of Governmental Authorities to purchase and accept a transfer of the Assets, including without limiting the generality of the foregoing, the eligibility requirements of the AER under *Directive 067*, as applicable to the Purchaser in connection with the transactions as contemplated hereunder. As of the date of submission of the LTAs, the Purchaser has "General Eligibility" status as defined under *Directive 067* and the Purchaser's BA code is 0L3C;
- (i) as of the date of submission of the LTAs, the Purchaser is not aware of any fact or circumstance that would (i) result in the AER determining that the Purchaser poses an unreasonable risk in accordance with the factors and criteria established by the AER pursuant to *Directive 088* and *Manual 023: Licensee Life-Cycle Management*, or (ii) prevent or delay the Licence Transfers or the review of the LTAs by the AER as contemplated hereunder;
- (j) with respect to the GST imposed under the GST Legislation, the Purchaser is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and that its GST registration number is:
 - (i) as to 2505108 Alberta Ltd.: **762489615RT0001**;
 - (ii) as to Tians Oil Ltd: **874826225RT0001**
- (k) the Purchaser is a "Canadian" within the meaning of the *Investment Canada Act* (Canada);
- (l) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, the Purchase Price (including the Deposit), the Cure Costs, the Transfer Taxes, its legal fees and expenses, registration costs and any other amounts payable by the Purchaser pursuant hereto; and
- (m) the Purchaser has the financial resources necessary to post or satisfy all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Assets and to satisfy the security required by the Assumed Contracts.

5.3 Enforcement of Representations and Warranties

- (a) The representations and warranties of each Party contained in this Agreement shall survive until Closing and shall thereafter be of no further force and effect. Effective upon the occurrence of Closing, each Party hereby releases and forever discharges each other Party from any breach of any representations and warranties set forth in this Agreement. For greater certainty, none of the representations and warranties contained in this Article 5 shall survive Closing and, the Purchasers' sole recourse for any material breach of representation or warranty by the Vendor shall be for the Purchasers to not complete the Transaction in accordance with this Agreement.

- (b) The representations and warranties of the Vendor made herein or pursuant hereto are made for the exclusive benefit of the Purchasers, and the representations and warranties of the Purchasers made herein or pursuant hereto are made for the exclusive benefit of the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.
- (c) The Parties expressly acknowledge and agree that the provisions of this Section 5.3 and the limit on each Party's liability set out in this Section 5.3 are intended by the Parties as a limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each Party has agreed to assume in connection with the subject matter hereof and is not an agreement within the provision of subsection 7(2) of the *Limitations Act* (Alberta).

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

6.1 Due Diligence Acknowledgement

Each Purchaser acknowledges and agrees that:

- (a) it was solely responsible to perform any inspections it deemed pertinent to the purchase of the Assets and to be satisfied as to the condition of the Assets prior to entering into this Agreement with the Vendor;
- (b) notwithstanding the fact that it was permitted to review any diligence materials and disclosures provided by the Vendor, including the Due Diligence Information, the Vendor assumes no liability for errors or omissions in such diligence materials and disclosure or any other property listings or advertising, promotional or publicity statements and materials, and makes no representations or warranties in respect thereof;
- (c) by entering into this Agreement with the Vendor, each Purchaser shall be deemed to represent, warrant and agree with respect to the Assets that:
 - (i) the Purchasers have inspected the Assets and are familiar and satisfied with the physical condition thereof and has conducted such investigation of the Assets as the Purchasers have determined appropriate;
 - (ii) neither the Vendor nor its Affiliates or their respective Representatives have made any oral or written representation, warranty, promise or guarantee whatsoever to the Purchasers, expressed or implied, and in particular, that no such representations, warranties, guarantees, or promises have been made with respect to the physical condition, operation, or any other matter or thing affecting or related to the Assets and/or the offering or sale of the Assets;
 - (iii) the Purchasers have not relied upon any representation, warranty, guarantee or promise or upon any statement made or any information provided concerning the Assets, including the Due Diligence Information made available to the Purchasers by the Vendor, its respective Affiliates or their respective Representatives;

- (iv) the Purchasers have entered into this Agreement after having relied solely on its own independent investigation, inspection, analysis, appraisal and evaluation of the Assets and the facts and circumstances related thereto;
- (v) any information provided or to be provided by or on behalf of the Vendor with respect to the Assets, including all Due Diligence Information, was obtained from information provided to the Vendor and the Vendor has not made any independent investigation or verification of such information, and makes no representations as to the accuracy or completeness of such information;
- (vi) without limiting the generality of the foregoing, the Vendor is not under any obligation to disclose to the Purchasers, and shall have no liability for its failure to disclose to the Purchasers, any information known to it relating to the Assets except as may be required by any Applicable Law; and
- (vii) neither the Vendor, its Affiliates or their respective Representatives are liable or bound in any manner by any oral or written statements, representations or information pertaining to the Assets, or the operation thereof, made or furnished by any real estate broker, agent, employee, or other Person.

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

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

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

claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

ARTICLE 7 RISK AND COSTS AND INSURANCE

7.1 Risk and Costs

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

7.2 Insurance

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

ARTICLE 8 INDEMNIFICATION

8.1 Indemnification Given by Purchasers

If Closing occurs, the Purchasers shall, jointly and severally:

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

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

8.2 Third Party Claims

- (a) If any of the Vendor, its Affiliates or any of their respective Representatives receives written notice of the commencement or assertion of any Third Party Claim for which the Purchasers are liable pursuant to this Agreement (or has otherwise agreed to indemnify the Vendor, its Affiliates or their respective Representatives against), the Vendor shall give the Purchasers reasonably prompt notice thereof, but in any event no later than ten (10) days

after receipt of such notice of such Third Party Claim. Such notice to the Purchasers shall describe the Third Party Claim in reasonable detail and shall indicate, if reasonably practicable, the estimated amount (or the method of computation of the amount) of the Losses and Liabilities that has been or may be sustained by the Vendor, its Affiliates or their respective Representatives, respectively, and a reference to the provisions of this Agreement, or other applicable document, upon which such claim is based.

- (b) The Purchasers may assume the carriage and control of the defence of any Third Party Claim by giving notice to that effect to the Vendor, not later than ten (10) days after receiving notice of that Third Party Claim (the "**Notice Period**") so long as: (i) the Purchasers first acknowledge to the Vendor, in writing, liability to the Vendor, its Affiliates and/or their respective Representatives, under this Agreement with respect to such Third Party Claim and that the outcome of such Third Party Claim does not alter or diminish the Purchasers' obligation to indemnify the Vendor, its Affiliates and/or their respective Representatives, pursuant to this Agreement, subject to the Purchasers' right to contest in good faith the Third Party Claim; (ii) the Purchasers have the financial resources to defend against the Third Party Claim and fulfill any indemnification obligations and has provided the Vendor, its Affiliates and/or their respective Representatives, with evidence thereof; (iii) the Third Party Claim involves monetary damages; and (iv) the Purchasers thereafter pursue the defence or settlement of the Third Party Claim actively and diligently. The Purchasers' right to do so shall be subject to the rights of any insurer or other third party who has potential liability in respect of that Third Party Claim. The Purchasers shall pay all of their own expenses of participating in or assuming such defence. In the event that the Purchasers elect to assume the carriage and control of the defence of a Third Party Claim pursuant to this Section 8.2(b), then the Vendor shall, or shall cause its Affiliates and/or their respective Representatives to, cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice at its own expense.
- (c) If the Vendor has not received notice within the Notice Period that the Purchasers have elected to assume the carriage and control of the defence of such Third Party Claim in accordance with Section 8.2(b), or if the Purchasers have given such notice but thereafter fails or is unable to pursue the defence or settlement of such Third Party Claim actively and diligently, the Vendor, its Affiliates and/or their respective Representatives, may, at their option, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchasers shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Losses and Liabilities suffered or incurred by the Vendor, its Affiliates and/or their Representatives with respect to such Third Party Claim.

8.3 Failure to Give Timely Notice

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

8.4 No Merger

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

8.5 Third Party Beneficiary

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

ARTICLE 9 ENVIRONMENTAL MATTERS

9.1 Acknowledgements Regarding Environmental Condition

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

9.2 Assumption of Environmental Liabilities

If Closing occurs, the Purchasers shall:

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

all Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, its Affiliates or their respective Representatives as a result of any matter or thing arising out of, attributable to or connected with any Environmental Liabilities or any Abandonment and Reclamation Obligations. Once Closing has occurred, the Purchasers shall be solely responsible for all Environmental Liabilities and all Abandonment and Reclamation Obligations as between the Vendor (on one hand) and the Purchasers (on the other hand) including whether occurring or accruing prior to, on or after the Closing Date, and hereby releases the Vendor, its Affiliates and their respective Representatives from any claims the Purchasers may have against the Vendor with respect to all such Environmental Liabilities and Abandonment and Reclamation Obligations. Without restricting the generality of the foregoing, the Purchasers shall be responsible for all Environmental Liabilities and Abandonment and Reclamation Obligations (including whether occurring or accruing prior to, on or after the Closing Date) in respect of all Wells and Tangibles.

**ARTICLE 10
COVENANTS**

10.1 Conduct of Business Until Closing

- (a) Until the Closing Date, the Vendor shall provide the Purchasers with all access to the Assets as reasonably required by the Purchasers in order to allow for and assist the Purchasers with an orderly passing of the Assets to the Purchasers following Closing in accordance herewith.
- (b) The access to the Assets to be afforded to the Purchasers and their Representatives pursuant to this Section 10.1 will be subject to the Assumed Contracts and all of the Vendor's site entry protocols, health, safety and environmental rules, policies and procedures. Further, the Purchasers acknowledge and agree that they shall:
 - (i) be solely liable and responsible for any and all Losses and Liabilities which the Vendor, its Affiliates or their respective Representatives may suffer, sustain, pay or incur; and
 - (ii) as a separate covenant, indemnify and save harmless the Vendor, its Affiliates and their respective Representatives harmless from any and all Claims or Losses and Liabilities whatsoever which may be brought against, suffered by or incurred by the Vendor, its Affiliates or their respective Representatives;

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

10.2 ROFRs

- (a) The Purchasers acknowledge that they shall be responsible for conducting such separate investigation of the Assets as the Purchasers have determined is appropriate with respect to the identification of ROFRs applicable to the Assets as soon as is reasonably practicable after the date hereof. The Purchasers shall indemnify Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, its Affiliates or their respective Representatives as a result of any failure by the Purchasers to identify ROFRs applicable to the Assets or any Third Party Claim relating to the allocation of the value of a ROFR to be determined by the Purchasers in accordance with Section 10.2(b)(i), as applicable.
- (b) If the Purchasers has identified any ROFRs pursuant to Section 10.2(a):
 - (i) promptly following the identification of Assets which are the subject of ROFRs, the Purchasers shall prepare and provide the Vendor with ROFR notices to be issued in respect of such ROFRs, which shall include the Purchasers' bona fide allocation of the amount of the Purchase Price attributable to each of such Assets which are subject to a ROFR;
 - (ii) the Vendor shall courier ROFR notices to the Third Parties holding such ROFRs promptly following the receipt of the same from the Purchasers; and

- (iii) to the extent neither Purchaser is copied directly on a response from a Third Party ROFR holder, the Vendor shall notify the Purchasers in writing forthwith upon each Third Party exercising or waiving such a ROFR.
- (c) If any such Third Party elects to exercise such a ROFR, then:
 - (i) the definition of Assets shall be deemed to be amended to exclude those Assets in respect of which the ROFR has been exercised;
 - (ii) such Assets shall not be conveyed to the Purchasers;
 - (iii) any proceeds received by the Vendor from a Third Party in respect of the sale and conveyance of any Assets which are subject to a ROFR shall be deemed to not constitute Assets for the purposes of this Agreement; and
 - (iv) the Purchase Price shall not be subject to any reduction in the event of the exercise of any such ROFR by a Third Party.
- (d) In the event that a Third Party exercises a ROFR and is then unable or unwilling to enter into a conveyance agreement with the Vendor for the relevant Assets, the Purchasers agree to accept a conveyance of such Assets under the same terms and conditions as this Agreement to whatever extent possible.
- (e) Closing shall not be delayed even though certain of the ROFRs are outstanding and capable of exercise by the holders thereof as of the Closing Date (such ROFRs being referred to as "**Outstanding ROFRs**"). In such case, the following procedures shall apply:
 - (i) the Parties shall proceed with Closing (for greater certainty without any reduction in the Purchase Price for the Outstanding ROFRs, and without variation of any other terms or conditions of this Agreement);
 - (ii) the Purchasers shall have (as of the Closing Date) prepared all Specific Conveyances and other closing documentation required for the sale of the Assets subject to the Outstanding ROFRs (the "**Outstanding ROFR Assets**");
 - (iii) if an Outstanding ROFR is exercised by a Third Party, the Vendor will promptly notify the Purchasers thereof in writing, the Specific Conveyances and other closing documentation related to such Outstanding ROFR Assets will be of no force or effect and shall be destroyed by the Purchasers, and the provisions of Section 10.2(c) shall apply to the Assets which are the subject of the Outstanding ROFR being exercised by the Third Party, *mutatis mutandis*; and
 - (iv) if after Closing an Outstanding ROFR is extinguished by lapse of time, waiver or otherwise (other than as a result of being exercised), the Vendor will promptly notify the Purchasers thereof in writing and promptly deliver copies of the Specific Conveyances and closing documentation previously prepared to the Purchasers, and such documentation shall be effective and the sale of such Outstanding ROFR Assets to Purchasers pursuant hereto shall be deemed to have closed on the Closing Date.

10.3 Document Review

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

ARTICLE 11 CONDITIONS

11.1 Mutual Conditions

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

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

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

11.2 Conditions for the Benefit of the Purchasers

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

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

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

11.3 Conditions for the Benefit of the Vendor

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

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

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

11.4 Satisfaction of Conditions

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

11.5 Monitor's Certificate

When the conditions to Closing set out in Sections 11.1, 11.2 and 11.3 have been satisfied and/or waived by the each of the Vendor and the Purchasers, as applicable, the Vendor and the Purchasers will each deliver to the Monitor written confirmation: (a) that such conditions of Closing, as applicable, have been satisfied and/or waived; and (b) of the amount of the Transfer Taxes and Cure Costs to be paid on Closing (in each case, to the extent applicable), in substantially the form of Schedule D (the "**Conditions Certificates**"). Upon receipt by the Monitor of: (i) confirmation of payment of the balance of the Purchase Price (less the Deposit) to be paid on Closing has been received by the Vendor; (ii) confirmation of payment of applicable Transfer Taxes to be paid on Closing have been paid the Vendor (or evidence of an agreement to pay all Transfer Taxes by the Purchasers to any relevant Governmental Authorities or counterparty); and (iii) each of the Conditions Certificates, the Monitor shall: (A) issue forthwith its Monitor's Certificate concurrently to the Vendor and the Purchasers, at which time the Closing will be deemed to have occurred; and (B) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Vendor and the Purchasers). In the case of (A) and (B), above, the Monitor will be relying exclusively on the basis of the Conditions Certificates and without any obligation whatsoever to verify the satisfaction or waiver of the applicable conditions.

**ARTICLE 12
CLOSING**

12.1 Closing Date and Place of Closing

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

12.2 Deliveries on Closing by the Vendor

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

- (a) a Court certified copy of the Approval and Vesting Order;
- (b) a certificate of the Vendor confirming the accuracy of the matters provided for in Sections 11.2(a) and 11.2(b);
- (c) a written joint direction, duly executed by the Vendor, instructing the Monitor that the Deposit is to be released in accordance with 3.3(b)(i);
- (d) the General Conveyance, Assignment and Assumption Agreement duly executed by the Vendor; and
- (e) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Purchasers may reasonably require to give effect to this Agreement.

12.3 Deliveries on Closing by the Purchasers

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

- (a) payment of the Purchase Price in accordance with Section 3.3(b);
- (b) payment of all Transfer Taxes payable on Closing to the Vendor or the Vendor's Solicitors (or evidence of self-assessment and payment by the Purchasers thereof to the relevant Governmental Authorities);
- (c) a certificate of each of the Purchasers confirming the accuracy of the matters provided for in Sections 11.3(a) and 11.3(b);
- (d) a written joint direction, duly executed by the Purchasers, instructing the Monitor that the Deposit is to be released in accordance with 3.3(b)(i);
- (e) the General Conveyance, Assignment and Assumption Agreement duly executed by the Purchasers; and
- (f) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

ARTICLE 13 TERMINATION

13.1 Grounds for Termination

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

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

13.2 Effect of Termination

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

ARTICLE 14 GENERAL

14.1 Public Announcements

- (a) Subject to Section 14.1(b), if a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Parties with an advance copy of any such press release or public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure without the prior written consent of the other Parties, such consent not to be unreasonably withheld.
- (b) Notwithstanding Section 14.1(a): (i) this Agreement may be filed by the Vendor with the Court; and (ii) the Transaction may be disclosed by the Vendor to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Law. The Parties further agree that:
 - (i) the Vendor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms of the Transaction;
 - (ii) the Vendor may forward a copy of this Agreement and all related documentation to the Orphan Well Association and its Representatives, agents, legal counsel and financial advisors, and may further advise such Persons of the existence and nature of any discussions and negotiations in relation thereto or in relation to the Transaction; provided that the Orphan Well Association and its Representatives agree in advance to be bound by any confidentiality undertakings or similar confidentiality requirements reasonably requested by the Vendor; and
 - (iii) the Vendor and its professional advisors may prepare and file such reports and other documents with the Court containing references to the Transaction contemplated by this Agreement and the terms of such Transaction as may reasonably be necessary to obtain the Court Approval and to complete the Transaction contemplated by this Agreement or to comply with their obligations to the Court.

14.2 Dissolution of Vendor

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

14.3 Survival

Upon Closing, the obligations, covenants, representations and warranties of the Parties set out in this Agreement shall expire, be terminated and extinguished and of no further force or effect, provided that notwithstanding the Closing contemplated hereunder or the delivery of documents pursuant to this Agreement, the obligations and covenants of the Parties set out in Section 2.3 (Licence Transfers), Section

2.4 (Specific Conveyances), Section 2.5 (Post-Closing Maintenance of Assets), Section 5.3 (Enforcement of Representations and Warranties), Section 10.2 (ROFRs) and Article 4 (Transfer Taxes), Article 6 ("As Is, Where Is" and No Additional Representations and Warranties), Article 8 (Indemnification), Article 9 (Environmental Matters) and Article 14 (General), shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties indefinitely thereafter except as expressly stated to the contrary therein or otherwise in accordance with Applicable Laws.

14.4 Governing Law

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

14.5 Consequential Damages

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

14.6 Further Assurances

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

14.7 Assignment

The Purchasers shall not, without the Vendor's prior written consent, assign any right or interest in this Agreement, which consent may be withheld in the Vendor's sole and absolute discretion, except that

the Purchasers shall have the right to assign any or all of their rights, interests or obligations hereunder to one or more Affiliates of the Purchasers, provided that: (a) such Affiliate agrees to be bound by the terms of this Agreement; (b) the Purchasers shall remain liable hereunder for any breach of the terms of this Agreement by such Affiliate; (c) such assignment shall not release the Purchasers from any obligation or liability hereunder in favour of the Vendor; and (d) the Purchasers shall acknowledge and confirm its continuing obligations in favour of the Vendor in an assignment and assumption agreement in form and substance satisfactory to the Vendor.

14.8 Waiver

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

14.9 Amendment

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

14.10 Time of the Essence

Time is of the essence in this Agreement.

14.11 Costs and Expenses

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

14.12 Entire Agreement

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

14.13 Notices

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

- (a) in the case of the Vendor:

AlphaBow Energy Ltd.
Suite 300, 708-11th Avenue S.W.
Calgary, AB T2R OE4

Attention: Ben Li
Email: benli@alphabowenergy.com

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

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

Attention: Keely Cameron; Kristos Iatridis
Email: cameronk@bennettjones.com; iatridisk@bennettjones.com

- (b) In the case of the Purchasers:

2505108 Alberta Ltd. and Tians Oil Ltd.
10 Swift Creek Place, Calgary AB T3Z 0B6

Attention: Mr. Jeff Liu
Email: Jeff68.Liu@gmail.com

Tians Oil Ltd.
87 Windmill Way, Calgary, AB T3H 1H5
Attention: Ms. Spring Ma
Email: Sprinma@gmail.com

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

14.14 Enurement

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

14.15 Third Party Beneficiaries

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

14.16 Severability

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

14.17 Counterparts

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

[THE BALANCE OF THIS PAGE INTENTIONALLY BLANK]

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


ALPHABOW ENERGY LTD.

Per:  Signed by:
F151FF4C8A774EE...
Name: Ben Li
Title: Chief Executive Officer

2505108 ALBERTA LTD.

Per: 
Name: Jeff Liu
Title: President

TIANS OIL LTD.

Per: 
Name: Spring Ma
Title: President

SCHEDULE A

Assets Listing

Lands Schedule/Mineral Property Report:

1. Crown P&NG Lease#405121211, Petroleum & Natural Gas below Belly River to base of Mannville, Lsd 8, section 33-038-23W4M
2. FH P& NG Lease, Petroleum in the Glauconitic sand-EnCana, SE 1/4, section 33-038-23W4M
3. Crown P&NG Lease#0000122838, Petroleum in the Glauconitic sand NW ¼, section 16-038-23W4M

Wells:

08-33-038-23W4M, Lic#: 0351940; 14-16-038-23W4M, Lic#: 0086838

Facilities:

Crude Oil Single well Battery, ABBT0089941-W0351940

Pipelines:

N/A

SCHEDULE B

Form of Approval and Vesting Order

| |
|----------------|
| Clerk's Stamp: |
|----------------|

COURT FILE NUMBER 2401-05179

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANTS IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, as amended

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ALPHABOW ENERGY LTD.

DOCUMENT **ORDER (Sales Approval and Vesting)**

ADDRESS FOR SERVICE AND **BENNETT JONES LLP**

CONTACT INFORMATION OF Barristers and Solicitors

PARTY FILING THIS 4500 Bankers Hall East

DOCUMENT 855 – 2nd Street S.W.

Calgary, Alberta T2P 4K7

Attention: Keely Cameron / Sarah Aaron

Telephone No.: 403-298-3324/3177

Fax No.: 403-265-7219

Client File No.: 88323.6

DATE ON WHICH ORDER WAS PRONOUNCED:

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice _____

LOCATION OF HEARING:

UPON the application of AlphaBow Energy Ltd. ("**AlphaBow**" or the "**Applicant**") for an Order approving the sale transaction (the "**Transaction**") contemplated by the [date] Asset Purchase and Sale Agreement (the "**Sale Agreement**") between AlphaBow and _____ (the "**Purchaser**"); **AND UPON having read** the Affidavit of _____, the Affidavit of Service of _____, and the Monitor's _____ Report (the "**Number Report**"); **AND UPON hearing** the submissions of counsel for the Applicant, counsel for KSV Restructuring Inc. (the "**Monitor**"), and any other interested parties appearing at the application;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and the supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application.

APPROVAL OF TRANSACTIONS

2. The Transaction is hereby approved, and the Sale Agreement is commercially reasonable and in the best interests of AlphaBow and its stakeholders. The execution of the Sale Agreement by AlphaBow is hereby ratified, confirmed and approved, and AlphaBow is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transaction and for the conveyance of the assets set out in Schedule "A" hereto (the "**Purchased Assets**") to the Purchaser.

VESTING OF PROPERTY

3. [Subject only to approval by the Alberta Energy Regulator ("**Energy Regulator**") of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta)] Upon the delivery of a Monitor's Certificate to the Purchaser substantially in the form attached as Schedule "B" hereto (the "**Monitor's Certificate**"), all of AlphaBow's right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- (a) any Encumbrances or Charges (as created by and defined in the Initial Order of the Honourable Justice Lema and any other Orders granted in this Action);
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act*, the *Mines and Minerals Act*, the *Land Titles Act* or any other personal, mineral or real property registry system; and
- (c) those Claims listed in Schedule "C" hereto

(all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in Schedule "D" (collectively, "**Permitted Encumbrances**")) and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

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

- (a) the Registrar of Land Titles ("**Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:
 - (i) cancel existing Certificates of Title No. * for those lands and premises municipally described as *, and legally described as:
 - *
(the "**Lands**")
 - (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee), namely, *;

- (iii) transfer to the New Certificate of Title the existing instruments listed in Schedule "D", to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule "D"; and
 - (iv) discharge and expunge the Encumbrances listed in Schedule "C" to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;
- (b) Alberta Energy shall and is hereby authorized, requested and directed to forthwith:
- (i) cancel and discharge those Claims including builders' liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Applicant in and to any of the Purchased Assets located in the Province of Alberta; and
 - (ii) transfer all Crown leases listed in Schedule "E" to this Order standing in the name of the Applicant, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;
- (c) the Registrar of the Alberta Personal Property Registry (the "**PPR Registrar**") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Applicant in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and AlphaBow's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by AlphaBow of the Sale Agreement.
7. Upon delivery of the Monitor's Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by KSV Restructuring Inc., in its capacity as Monitor of the Applicant and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, the net proceeds from sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets from and after delivery of the Monitor's Closing Certificate and all Claims (but excluding Permitted Encumbrances and the Administration Charge, as defined in paragraph 30 of the Amended and Restated Initial Order of this Honourable Court, dated April 26, 2024) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), no distributions shall be made to creditors of net proceeds from sale of the Purchased Assets without further order of this Court. Notwithstanding the foregoing, AlphaBow shall be permitted to utilize the net proceeds from the sale of the Purchased Assets in its day-to-day operations in this proceeding as prescribed by the cashflow affixed to the [Number] Report.
9. Except as expressly provided for in the Sale Agreement, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against AlphaBow.
10. Upon completion of the Transaction, AlphaBow and all persons who claim by, through or under AlphaBow in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right,

title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the AlphaBow, or any person claiming by, through or against the AlphaBow.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against AlphaBow associated with the Purchased Assets.
13. The Monitor is directed to file with the Court a copy of the Monitor's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

MISCELLANEOUS MATTERS

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

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of AlphaBow and shall not be void or voidable by creditors of AlphaBow, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

and service on any other person is hereby dispensed with.

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

J.C.K.B.A

SCHEDULE A**Assets Listing**

| ALPHABOW FILE | LEGAL DESCRIPTION | PNG RIGHTS | ALPHABOW WORKING INTEREST | ENCUMBRANCES | EXPIRY DATE |
|--------------------------|------------------------------|-----------------------|--|---------------------|------------------------|
| | | | | | |

Wells:

Facilities:

Pipelines:

SCHEDULE B**Form of Monitor's Certificate**

| | |
|--|---|
| COURT FILE NUMBER | 2401-05179 |
| COURT | COURT OF KING'S BENCH OF ALBERTA |
| JUDICIAL CENTRE | CALGARY |
| PROCEEDING | 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 ALPHABOW ENERGY LTD. |
| DOCUMENT | SALE AND VESTING ORDER |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | BENNETT JONES LLP Barristers and Solicitors 4500 Bankers Hall East 855 – 2 Street SW Calgary, Alberta T2P 4K7 Attention: Keely Cameron/ Sarah Aaron Telephone No.: 403-298-3324/3177 Fax No.: 403-265-7219 Client File No.: 88323.6 |

RECITALS

- A. Pursuant to an Order of the Court dated _____, the Court approved the agreement of purchase and sale made as of _____ (the "**Sale Agreement**") between AlphaBow Energy Inc. ("**AlphaBow**") and _____ (the "**Purchaser**") and provided for the vesting in the Purchaser of AlphaBow'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 of the Sale Agreement have been satisfied or waived by AlphaBow and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.
- B. 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 the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing of the Sale Agreement have been satisfied or waived by AlphaBow 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].

**KSV Restructuring Inc., in its
capacity as Monitor of AlphaBow
Energy Ltd., and not in its personal
capacity.**

Per: _____

Name: Andrew Basi

SCHEDULE "C"

Identified Claims

SCHEDULE "D"

Permitted Encumbrances

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

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

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

SCHEDULE C

Form of General Conveyance, Assignment and Assumption Agreement

GENERAL CONVEYANCE, ASSIGNMENT, AND ASSUMPTION AGREEMENT

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

AMONG:

ALPHABOW ENERGY LTD., a corporation existing under the laws of the Province of Alberta (herein referred to as the "**Vendor**")

- and -

[BUYER], a corporation existing under the laws of **Alberta** (herein referred to as the "**Purchaser**")

RECITALS:

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

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

1. Definitions

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

2. Certain Rules of Interpretation

- (a) In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (b) The division of this Agreement into Sections and the inclusion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (c) The terms "hereof," "hereunder," and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.

(d) Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections of this Agreement.

(e) The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

3. Conveyance

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

4. Assumption of Assumed Liabilities

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

5. Further Assurances

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

6. Governing Law

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

7. Entire Agreement

This Agreement, the Purchase Agreement, and the documents referred to therein and contemplated thereby constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement, the Purchase Agreement, the Confidentiality Agreement and the documents referred to therein and contemplated thereby.

8. Successors and Assigns

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

9. Counterparts

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

10. Amendments

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

11. Paramountcy

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

12. Severability

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

[Signature Page Follows.]

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

ALPHABOW ENERGY LTD.

Per: _____
Name: Ben Li
Title: Chief Executive Officer

[BUYER]

Per: _____
Name:
Title:

SCHEDULE D

FORMS OF CONDITIONS CERTIFICATES

VENDOR'S CONDITIONS CERTIFICATE

TO: KSV RESTRUCTURING INC. (the "Monitor")

This Conditions Certificate (this "**Certificate**") is delivered pursuant to Section 11.5 of that certain purchase and sale agreement, dated as of [●], 2024 (the "**Purchase Agreement**") between **ALPHABOW ENERGY LTD.** (the "**Vendor**") and **[BUYER]** (the "**Purchaser**"). All capitalized terms used herein which have not been defined herein shall have the same meaning attributed thereto in the Purchase Agreement unless the context requires otherwise.

The undersigned [**officer/director**] of the Vendor hereby confirms to the Monitor, for and on behalf of the Vendor, but solely in his or her capacity as an [**officer/director**] of the Vendor and not in his or her personal capacity (and without incurring any personal liability), that:

1. the conditions to Closing set out in Sections 11.1 and 11.3 of the Purchase Agreement for the benefit of the Vendor have been fulfilled or performed to the Vendor's satisfaction and/or waived by the Vendor; and
2. the amount of the Transfer Taxes to be paid by the Purchaser on Closing is equal to \$[●].

[The remainder of this page is left intentionally blank]

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the [●] day of [●], 2024.

ALPHABOW ENERGY LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

PURCHASER'S CONDITIONS CERTIFICATE

TO: KSV RESTRUCTURING INC. (the "Monitor")

This Conditions Certificate (this "**Certificate**") is delivered pursuant to Section 11.5 of that certain purchase and sale agreement, dated as of [●], 2024 (the "**Purchase Agreement**") between **ALPHABOW ENERGY LTD.** (the "**Vendor**") and **[BUYER]** (the "**Purchaser**"). All capitalized terms used herein which have not been defined herein shall have the same meaning attributed thereto in the Purchase Agreement unless the context requires otherwise.

The undersigned officer of the Purchaser hereby confirms to the Monitor, for and on behalf of the Purchaser, but solely in his or her capacity as an officer of the Purchaser and not in his or her personal capacity (and without incurring any personal liability), that:

1. the conditions to Closing set out in Sections 11.1 and 11.2 of the Purchase Agreement for the benefit of the Purchaser have been fulfilled or performed to the Purchaser's satisfaction and/or waived by the Purchaser; and
2. the amount of the Transfer Taxes to be paid by the Purchaser on Closing is equal to \$[●] and all such Transfer Taxes will be paid by the Purchaser to the Vendor at Closing.

[The remainder of this page is left intentionally blank]

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the [●] day of [●], 2024.

[BUYER]

Per: _____

Name:

Title:

Per: _____

Name:

Title:

This is **Exhibit "D"** referred to in the
Affidavit of BEN LI sworn before me this
21th day of October 2024.



A Commissioner for Oaths
in and for Alberta

Sophie Fiddes
Barrister & Solicitor

ALPHABOW ENERGY LTD.

- and -

RESISTANCE ENERGY LTD.

ASSET PURCHASE AND SALE AGREEMENT

OCTOBER 20th, 2024

TABLE OF CONTENTS

| | |
|---|-----------|
| ARTICLE 1 INTERPRETATION | 1 |
| 1.1 DEFINITIONS..... | 1 |
| 1.2 INTERPRETATION..... | 11 |
| 1.3 SCHEDULES | 12 |
| 1.4 INTERPRETATION IF CLOSING DOES NOT OCCUR..... | 12 |
| ARTICLE 2 PURCHASE AND SALE | 12 |
| 2.1 AGREEMENT OF PURCHASE AND SALE | 12 |
| 2.2 TRANSFER OF PROPERTY AND ASSUMPTION OF LIABILITIES..... | 12 |
| 2.3 LICENCE TRANSFERS..... | 12 |
| 2.4 SPECIFIC CONVEYANCES..... | 13 |
| 2.5 POST-CLOSING MAINTENANCE OF ASSETS..... | 14 |
| 2.6 ASSUMED LIABILITIES | 15 |
| ARTICLE 3 PURCHASE PRICE | 15 |
| 3.1 PURCHASE PRICE..... | 15 |
| 3.2 ALLOCATION OF PURCHASE PRICE | 15 |
| 3.3 DEPOSIT AND SATISFACTION OF PURCHASE PRICE..... | 16 |
| ARTICLE 4 TRANSFER TAXES | 17 |
| 4.1 TRANSFER TAXES..... | 17 |
| ARTICLE 5 REPRESENTATIONS AND WARRANTIES | 17 |
| 5.1 VENDOR'S REPRESENTATIONS | 17 |
| 5.2 PURCHASER'S REPRESENTATIONS..... | 18 |
| 5.3 ENFORCEMENT OF REPRESENTATIONS AND WARRANTIES..... | 19 |
| ARTICLE 6 "AS IS, WHERE IS" AND NO ADDITIONAL REPRESENTATIONS AND WARRANTIES | 19 |
| 6.1 DUE DILIGENCE ACKNOWLEDGEMENT..... | 19 |
| 6.2 "AS IS, WHERE IS", NO ADDITIONAL REPRESENTATIONS | 20 |
| ARTICLE 7 RISK AND COSTS AND INSURANCE | 22 |
| 7.1 RISK AND COSTS | 22 |
| 7.2 INSURANCE..... | 22 |
| ARTICLE 8 INDEMNIFICATION | 22 |
| 8.1 INDEMNIFICATION GIVEN BY PURCHASER..... | 22 |
| 8.2 THIRD PARTY CLAIMS..... | 23 |
| 8.3 FAILURE TO GIVE TIMELY NOTICE | 24 |
| 8.4 NO MERGER | 24 |
| 8.5 THIRD PARTY BENEFICIARY | 24 |
| ARTICLE 9 ENVIRONMENTAL MATTERS | 24 |
| 9.1 ACKNOWLEDGEMENTS REGARDING ENVIRONMENTAL CONDITION | 24 |
| 9.2 ASSUMPTION OF ENVIRONMENTAL LIABILITIES..... | 24 |
| ARTICLE 10 COVENANTS | 25 |
| 10.1 CONDUCT OF BUSINESS UNTIL CLOSING | 25 |
| 10.2 ROFRS | 25 |
| 10.3 DOCUMENT REVIEW | 27 |
| ARTICLE 11 CONDITIONS | 27 |
| 11.1 MUTUAL CONDITIONS..... | 27 |
| 11.2 CONDITIONS FOR THE BENEFIT OF THE PURCHASER | 27 |

11.3 CONDITIONS FOR THE BENEFIT OF THE VENDOR 28

11.4 SATISFACTION OF CONDITIONS..... 28

11.5 MONITOR'S CERTIFICATE 28

ARTICLE 12 CLOSING..... 29

12.1 CLOSING DATE AND PLACE OF CLOSING 29

12.2 DELIVERIES ON CLOSING BY THE VENDOR..... 29

12.3 DELIVERIES ON CLOSING BY THE PURCHASER 29

ARTICLE 13 TERMINATION..... 30

13.1 GROUNDS FOR TERMINATION 30

13.2 EFFECT OF TERMINATION 31

ARTICLE 14 GENERAL..... 31

14.1 PUBLIC ANNOUNCEMENTS..... 31

14.2 DISSOLUTION OF VENDOR 31

14.3 SURVIVAL..... 32

14.4 GOVERNING LAW 32

14.5 CONSEQUENTIAL DAMAGES 32

14.6 FURTHER ASSURANCES..... 33

14.7 ASSIGNMENT 33

14.8 WAIVER..... 33

14.9 AMENDMENT..... 33

14.10 TIME OF THE ESSENCE..... 33

14.11 COSTS AND EXPENSES..... 33

14.12 ENTIRE AGREEMENT 34

14.13 NOTICES 34

14.14 ENUREMENT 35

14.15 THIRD PARTY BENEFICIARIES..... 35

14.16 SEVERABILITY 35

14.17 COUNTERPARTS 35

SCHEDULES

| | |
|------------|---|
| Schedule A | Assets Listing |
| Schedule B | Form of Approval and Vesting Order |
| Schedule C | Form of General Conveyance, Assignment and Assumption Agreement |
| Schedule D | Forms of Conditions Certificates |

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT is dated as of October 20th, 2024,

BETWEEN:

ALPHABOW ENERGY LTD., a corporation existing under the laws of the Province of Alberta (herein referred to as the "Vendor")

- and -

RESISTANCE ENERGY LTD., a corporation existing under the laws of the Province of Alberta (herein referred to as the "Purchaser")

WHEREAS:

- A. on April 26, 2024, the Vendor was granted creditor protection pursuant to an initial order granted by the Court of King's Bench (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36 (the "**CCAA**");
- B. pursuant to the Initial Order, among other things, KSV Restructuring Inc. ("**KSV**") was appointed as monitor of the Vendor;
- C. on April 26, 2024, the Court granted an amended and restated order (the "**ARIO**");
- D. all licensed assets and properties of the Vendor are currently subject to a suspension order and have been under the care and maintenance of the Orphan Well Association since September 6, 2023; and
- E. subject to receipt of Court Approval, the Purchaser has agreed to purchase and acquire and the Vendor has agreed to sell, transfer and assign to the Purchaser, all of the Vendor's Interest in and to the Assets, on the terms and conditions set forth herein.

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

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) "**Abandonment and Reclamation Obligations**" means all past, present and future obligations to:
 - (i) abandon, shut-down, close, decommission, dismantle or remove any and all Wells and Tangibles, including all structures, foundations, buildings, pipelines, equipment and other facilities forming part of the Wells and Tangibles or otherwise

located on the Lands or used or previously used in respect of Petroleum Substances produced or previously produced from the Lands; and

- (ii) restore, remediate and reclaim the surface and subsurface locations of the Wells and the Tangibles and any lands used to gain access thereto, including such obligations relating to wells, pipelines and facilities which were abandoned or decommissioned prior to the Closing Date that were located on the Lands or that were located on other lands and used in respect of Petroleum Substances produced or previously produced from the Lands, and including the remediation, restoration and reclamation of any other surface and sub-surface lands affected by any environmental damage, contamination or other environmental issues emanating from or relating to the sites for the Wells or the Tangibles;

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

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

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

- (o) "**Closing Date**" means the date on which Closing occurs, being the date which is five Business Days following the date upon which all conditions in Sections 11.1, 11.2 and 11.3 have been satisfied or waived (other than such conditions which are to be satisfied on the Closing Date), or such other date as the Parties may agree in writing; provided, however, that the Closing Date shall not be later than the Outside Date;
- (p) "**Conditions Certificates**" has the meaning ascribed to that term in Section 11.5;
- (q) "**Confidentiality Agreement**" means the confidentiality agreement between the Vendor, the Purchaser and the Monitor and executed prior to the date hereof in respect of the evaluation by the Purchaser of potential transactions involving the assets of the Vendor;
- (r) "**Consequential Damages**" has the meaning ascribed to that term in Section 14.5;
- (s) "**Court**" means the Court of King's Bench of Alberta, Judicial Centre of Calgary;
- (t) "**Court Approval**" means both the issuance of the Approval and Vesting Order by the Court approving the sale of the Assets, and such Approval and Vesting Order having become a Final Order;
- (u) "**Cure Costs**" means, in respect of any Assumed Contract, all amounts, required to be paid to remedy all of the Vendor's monetary defaults under such Assumed Contract or required to secure a counterparty's or any other necessary Person's consent to the assignment of such Assumed Contract pursuant to its terms (including any deposits or other forms of security required by any Governmental Authority) or as may be required pursuant to the Approval and Vesting Order, and includes any other fees and expenses required to be paid to a counterparty or any other Person in connection with the assignment of an Assumed Contract pursuant to its terms or Applicable Laws;
- (v) "**Deposit**" has the meaning ascribed to that term in Section 3.3(a)(i);
- (w) "**Due Diligence Information**" means all information made available (by the Vendor, the Monitor or otherwise) for the Purchaser's review in paper or electronic form in relation to the Vendor, its Affiliates and/or the Assets;
- (x) "**Environment**" means the components of the earth and includes the air, the surface and subsurface of the earth, bodies of water (including rivers, streams, lakes and aquifers) and plant and animal life (including humans);
- (y) "**Environmental Laws**" means all Applicable Laws relating to pollution or protection of human health or the Environment (including ambient air, water, surface water, groundwater, land surface, soil, or subsurface) or natural resources, including Applicable Laws relating to the storage, transfer, transportation, investigation, cleanup, treatment, or use of, or release or threatened release into the Environment of, any Hazardous Substances;
- (z) "**Environmental Liabilities**" means all past, present and future Losses and Liabilities, Claims and other duties and obligations, whether arising under contract, Applicable Laws or otherwise, arising from, relating to or associated with:
 - (i) any damage, pollution, contamination or other adverse situations pertaining to the Environment howsoever and by whomsoever caused and regardless of whether

such damage, pollution, contamination or other adverse situations occur or arise in whole or in part prior to, at or subsequent to the date of this Agreement;

- (ii) the presence, storage, use, holding, collection, accumulation, assessment, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, release, emission or discharge of Petroleum Substances, oilfield wastes, water, Hazardous Substances, environmental contaminants and all other substances and materials regulated under any Applicable Law, including any forms of energy, or any corrosion to or deterioration of any structures or other property;
- (iii) compliance with or the consequences of any non-compliance with, or violation or breach of, any Environmental Law;
- (iv) sampling, monitoring or assessing the Environment or any potential impacts thereon from any past, present or future activities or operations; or
- (v) the protection, reclamation, remediation or restoration of the Environment;

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

- (aa) "**Facilities**" means the Vendor's Interest in and to all field facilities whether or not solely located on or under the surface of the Lands (or lands with which the Lands are pooled) and that are, or have been, used for production, gathering, treatment, compression, transportation, injection, water disposal, measurement, processing, storage or other operations respecting the Leased Substances, including any applicable battery, separator, compressor station, gathering system, pipeline, production storage facility or warehouse, including those facilities and pipelines identified in Schedule A under the headings entitled "Facilities" and "Pipelines", respectively, and as applicable;
- (bb) "**Final Order**" means an order of the Court that has not been vacated, stayed, set aside, amended, reversed, annulled or modified, as to which no appeal or application for leave to appeal therefrom has been filed and the applicable appeal period with respect thereto shall have expired without the filing of any appeal or application for leave to appeal, or if any appeal(s) or application(s) for leave to appeal therefrom have been filed, any (and all) such appeal(s) or application(s) have been dismissed, quashed, determined, withdrawn or disposed of with no further right of appeal and all opportunities for rehearing, reargument, petition for certiorari and appeal being exhausted or having expired without any appeal, motion or petition having been filed and remaining pending, any requests for rehearing have been denied, and no order having been entered and remaining pending staying, enjoining, setting aside, annulling, reversing, remanding, or superseding the same, and all conditions to effectiveness prescribed therein or otherwise by Applicable Law or order having been satisfied;
- (cc) "**General Conveyance, Assignment and Assumption Agreement**" means an agreement providing for the assignment by the Vendor of the Vendor's Interest in and to the Assets, free and clear of all Claims (other than Permitted Encumbrances), substantially in the form attached hereto as Schedule C, and the assumption by the Purchaser of the Assumed Liabilities, substantially in the form attached hereto as Schedule C;

- (dd) "**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Assets or this Transaction, including for greater certainty the AER;
- (ee) "**GST**" means taxes, interest, penalties and other additions thereto imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and "**GST Legislation**" means such act and regulations collectively;
- (ff) "**Hazardous Substances**" means any substance, material or waste defined, regulated, listed or prohibited by Environmental Laws, including pollutants, contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, radioactive materials, flammable substances, explosives, Petroleum Substances and products of Petroleum Substances, polychlorinated biphenyls, chlorinated solvents and asbestos;
- (gg) "**Initial Order**" has the meaning ascribed to that term in the recitals hereto;
- (hh) "**KSV**" has the meaning ascribed to that term in the recitals hereto;
- (ii) "**Lands**" means the lands set out and described in Schedule A under the heading entitled "Lands Schedule/Mineral Property Report", and the Petroleum Substances within, upon or under such lands (subject to the restrictions and exclusions identified in the Title Documents as to Petroleum Substances and geological formations);
- (jj) "**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);
- (kk) "**Legal Proceeding**" means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;
- (ll) "**Licence Transfers**" means the transfer from the Vendor to the Purchaser of any permits, approvals, licences and authorizations granted by the AER or any other Governmental Authority in relation to the construction, installation, ownership, use or operation of the Wells or the Facilities, as applicable.
- (mm) "**LMR**" means the liability management rating program (and the associated process applicable to Licence Transfers) of the AER and the related regulations, guidelines, directives, information letters, programs and policies of the AER, as the same may be amended, supplemented or replaced from time to time;
- (nn) "**Losses and Liabilities**" means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations and penalties, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim by any Governmental Authority or any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, and those arising under any contract, agreement,

arrangement, commitment or undertaking and costs and expenses of any Legal Proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith (on a full indemnity basis);

- (oo) "LTAs" has the meaning set forth in Section 2.3(a);
- (pp) "**Miscellaneous Interests**" means, subject to any and all limitations and exclusions provided for in this definition, the Vendor's Interest in and to all property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles (other than the Petroleum and Natural Gas Rights and the Tangibles), or either of them, but only to the extent that such property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including any and all of the following:
 - (i) all contracts relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them (including the Title Documents);
 - (ii) all warranties, guarantees and similar rights relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including warranties and guarantees made by suppliers, manufacturers and contractors under the Assets, and claims against other Third Parties in connection with the contracts relating to the Petroleum and Natural Gas Rights and the Tangibles;
 - (iii) all subsisting rights to carry out operations relating to the Lands, the Tangibles or the Wells, and without limitation, all easements and other permits, licenses and authorizations pertaining to the Tangibles or the Wells;
 - (iv) rights to enter upon, use, occupy and enjoy the surface of any lands which are used or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them;
 - (v) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them including any of the foregoing that pertain to geological or geophysical matters and, including plats, surveys, maps, cross-sections, production records, electric logs, cuttings, cores, core data, pressure data, decline and production curves, well files, and related matters, division of interest records, lease files, title opinions, abstracts of title, title curative documents, lease operating statements and all other accounting information, marketing reports, statements, gas balancing information, and all other documents relating to customers, sales information, supplier lists, records, literature and correspondence, physical maps, geologic or geophysical interpretation, electronic and physical project files; and
 - (vi) the Wells, including the wellbores and any and all casing and down-hole monitoring and pumping equipment;

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

- (qq) **"Monitor"** means KSV, in its capacity as the Court-appointed monitor of the Vendor in the CCAA Proceedings and not in its personal or corporate capacity;
- (rr) **"Monitor's Certificate"** means the certificate, substantially in the form attached as Schedule "A" to the Approval and Vesting Order, to be delivered by the Monitor to the Vendor and the Purchaser on Closing and thereafter filed by the Monitor with the Court certifying that it has received the Conditions Certificates;
- (ss) **"Monitor's Solicitors"** means Cassels Brock & Blackwell LLP, or such other firm or firms of solicitors as are retained or engaged by the Monitor from time to time and notice of which is provided to the Purchaser;
- (tt) **"Notice Period"** has the meaning ascribed to that term in Section 8.2(b);
- (uu) **"Order"** means any order, writ, judgment, injunction, decree, stipulation, determination, decision, verdict, ruling, subpoena, or award entered by or with any Governmental Authority (whether temporary, preliminary, or permanent);
- (vv) **"Outside Date"** means the date which occurs 90 days following the date of execution of this Agreement, or such other date as the Parties may agree;
- (ww) **"Outstanding ROFR Assets"** has the meaning set forth in Section 10.2(e)(ii);
- (xx) **"Outstanding ROFRs"** has the meaning set forth in Section 10.2(e);
- (yy) **"Parties"** means, collectively, the Purchaser and the Vendor, and **"Party"** means any one of them;
- (zz) **"Permitted Encumbrances"** means:
 - (i) any overriding royalties, net profits interests and other burdens, which are provided for under the Title Documents;
 - (ii) the terms and conditions of the Assumed Contracts and the Title Documents, including ROFRs, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Title Documents in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Title Documents;
 - (iii) the right reserved to or vested in any grantor, Governmental Authority or other public authority by the terms of any Title Document or by Applicable Laws to terminate any Title Document;
 - (iv) easements, rights of way, servitudes or other similar rights in land, including rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;
 - (v) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the

- Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets;
- (vi) agreements for the sale, processing, transmission or transportation of Petroleum Substances entered into by the Vendor subsequent to the date of this Agreement;
 - (vii) any obligation of the Vendor to hold any portion of their interest in and to any of the Assets in trust for Third Parties;
 - (viii) any rights reserved to or vested in any Governmental Authority to control or regulate the ownership, use or operation of any of the Assets in any manner, including governmental requirements imposed by statute or Governmental Authorities as to rates of production from operations or otherwise affecting recoverability of Petroleum Substances;
 - (ix) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards the Vendor's share of the costs and expenses thereof which are not due or delinquent as of the date hereof;
 - (x) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;
 - (xi) provisions for penalties and forfeitures under Title Documents as a consequence of non-participation in operations;
 - (xii) any requirement to post or maintain any deposits or other form of security required by any Governmental Authority; and
 - (xiii) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets as regards the Vendor's share of amounts owing to such public utility, municipality or Governmental Authority which are not due or delinquent as of the date hereof;
- (aaa) "**Person**" means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executory, Governmental Authority, or other entity however designated or instituted;
 - (bbb) "**Petroleum and Natural Gas Rights**" means the Vendor's Interest in and to all rights to and in respect of the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands);
 - (ccc) "**Petroleum Substances**" means any of crude oil, petroleum, natural gas, natural gas liquids, coal bed methane and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur;
 - (ddd) "**Purchase Price**" has the meaning ascribed to that term in Section 3.1;
 - (eee) "**Purchaser**" has the meaning ascribed to that term in the preamble hereto;

- (fff) "**Representative**" means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its Affiliates and, with respect to the Vendor, includes the Monitor;
- (ggg) "**ROFR**" means a right of first refusal, right of first offer or other pre-emptive or preferential right of purchase or similar right to acquire the Assets or certain of them that may become operative by virtue of this Agreement or the completion of the Transaction;
- (hhh) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the Vendor's Interest in and to the Assets to the Purchaser and to novate the Purchaser in the place and stead of the Vendor, as applicable, with respect to the Assets (excluding the Licence Transfers);
- (iii) "**Tangibles**" means the Vendor's Interest in and to the Facilities and any and all other tangible depreciable property and assets, if any, which are located within, upon or in the vicinity of the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, store, transport, make marketable or inject the Leased Substances or any of them;
- (jjj) "**Third Party**" means any Person who is not a Party or an Affiliate of a Party;
- (kkk) "**Third Party Claim**" means any Claim by a Third Party asserted against the Vendor for which the Purchaser has indemnified the Vendor or is otherwise responsible pursuant to this Agreement;
- (lll) "**Title Documents**" means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements, acreage contribution agreements, joint venture agreements and any other documents and agreements granting, reserving or otherwise conferring rights to (i) explore for, drill for, produce, take, use or market Petroleum Substances, (ii) share in the production of Petroleum Substances, (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced, and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands;
- (mmm) "**Transaction**" means the transaction for the purchase and sale of the Vendor's Interest in and to the Assets, together with all other transactions contemplated in this Agreement, all as contemplated in this Agreement;
- (nnn) "**Transfer Taxes**" means all transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Assets, including GST; and which, for certainty, shall not include freehold mineral taxes;
- (ooo) "**Vendor**" has the meaning ascribed to that term in the preamble hereto;

- (ppp) "**Vendor's Interest**" means, when used in relation to any asset, undertaking or property, the entire right, title and interest, if any, of the Vendor, as applicable, in, to and/or under such asset, undertaking or property;
- (qqq) "**Vendor's Solicitors**" means the law firm of Bennett Jones LLP, or such other firm or firms of solicitors as are retained or engaged by the Vendor from time to time and notice of which is provided to the Purchaser; and
- (rrr) "**Wells**" means the Vendor's Interest in and to the wells listed in Schedule A under the heading entitled "Wells", as applicable.

1.2 Interpretation

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

- (a) All references to monetary amounts are to the lawful currency of Canada.
- (b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.
- (c) The word "include" and "including" and derivatives thereof shall be read as if followed by the phrase "without limitation".
- (d) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.
- (e) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.
- (f) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified.
- (g) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.
- (h) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.
- (i) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.
- (j) Reference to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof.

- (k) References to an Applicable Law means such Applicable Law as amended from time to time and includes any successor Applicable Law thereto any regulations promulgated thereunder.

1.3 Schedules

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

| | |
|------------|---|
| Schedule A | Assets Listing |
| Schedule B | Form of Approval and Vesting Order |
| Schedule C | Form of General Conveyance, Assignment and Assumption Agreement |
| Schedule D | Forms of Conditions Certificates |

1.4 Interpretation if Closing Does Not Occur

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

ARTICLE 2 PURCHASE AND SALE

2.1 Agreement of Purchase and Sale

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

2.2 Transfer of Property and Assumption of Liabilities

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

2.3 Licence Transfers

- (a) Promptly following the Closing Date (or at such earlier time as may be permitted by the AER, as applicable), the Vendor shall electronically submit applications to the AER for the Licence Transfers ("LTAs"), and confirm that such submission has been made to the Purchaser, and in addition the Vendor shall cause to be provided any information and documentation along with such LTAs to the AER which are required to be provided by the transferor in connection with the foregoing. The Purchaser shall accept or ratify such LTAs without delay, provided that, if the Purchaser in good faith determines or believes that any of the LTAs are not complete and accurate, or the AER refuses to process any such LTAs

because of some defect therein, the Parties shall cooperate to duly complete or to correct such incomplete or inaccurate LTAs as soon as practicable and, thereafter, the Vendor shall promptly re-submit such LTAs and the Purchaser shall accept or ratify such re-submitted LTAs without delay. Each Party shall be responsible for its own costs relating to LTAs hereunder. The Purchaser shall provide any information and documentation in respect of such LTAs to the AER which are required to be provided by the transferee in connection with the foregoing. Following submission of the LTAs, the Purchaser shall use reasonable commercial efforts to obtain the approval from the AER of the LTAs and registration of the Licence Transfers, subject to the specific requirements of this Section 2.3.

- (b) If the AER denies any of the LTAs because of misdescription or other minor deficiencies contained therein, the Vendor shall, within two Business Days of such denial, correct the LTA(s) and amend and re-submit the LTA(s), and the Purchaser shall accept or ratify such re-submitted LTAs without delay.
- (c) In the event that the Purchaser has applied, or prior to the Closing Date applies, to the AER for a discretionary waiver from the AER's security requirements in respect of the Transaction, then Vendor shall provide such information and documentation to the AER regarding the Assets as may reasonably be required in connection with the AER's review of such discretionary waiver application made by the Purchaser (but only to the extent such information and documentation has not already been made available by the Vendor or its Representatives to the Purchaser or its Representatives); provided that the Purchaser agrees it shall have primary carriage of, and be solely responsible at its own cost for submitting and liaising with the AER in respect of, such application.
- (d) The Purchaser shall on a timely and continuing basis keep the Vendor fully apprised and informed regarding all communications the Purchaser may have with the AER in connection with the Transaction, including all communications respecting LTAs, and without limiting the generality of the foregoing the Purchaser shall provide copies to the Vendor of all related correspondence from the Purchaser to the AER, and the Purchaser shall request that the AER provide copies to the Vendor of all related correspondence from the AER to the Purchaser.

2.4 Specific Conveyances

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

- (c) Notwithstanding Sections 2.4(a) and 2.4(b), requests for the transfers from the Vendor to the Purchaser of registered Crown leases or licences, related surface rights and any other Title Documents which are administered by a Governmental Authority shall be submitted by the Vendor and accepted by the Purchaser as soon as is practicable after Closing.

2.5 Post-Closing Maintenance of Assets

- (a) Following Closing, if and to the extent that Purchaser must be novated into, recognized as a party to, or otherwise accepted as assignee or transferee of Vendor's interest in the Assets or certain of them, including any Title Documents and Assumed Contracts, the following provisions shall apply with respect to the applicable Assets until such novation, recognition or acceptance has occurred:
 - (i) the Purchaser shall use reasonable commercial efforts to obtain, as may be required by the terms of any Assumed Contracts, consents or approvals to the assignment of such Assumed Contracts; provided that to the extent that any Cure Costs are payable with respect to any Assumed Contract, the Purchaser shall be responsible for and shall pay all such Cure Costs, which shall be paid directly to the counterparty as and when required in conjunction with the assignment of the Assumed Contracts, and which Cure Costs shall form part of the Purchase Price for the Assets;
 - (ii) to the extent not obtained prior to the Closing Date, the Purchaser shall continue to use reasonable commercial efforts to obtain the AER's approval of the LTAs and registration of the Licence Transfers;
 - (iii) to the extent permitted by any applicable Assumed Contract:
 - (A) the Purchaser will pay, perform and discharge the duties and obligations accruing after Closing under such Assumed Contract, on behalf of the Vendor, until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser; and
 - (B) the Vendor shall use reasonable commercial efforts to exercise the rights, entitlements, benefits and remedies under such Assumed Contract, on behalf of the Purchaser until such time as the effective transfer or assignment of the relevant Assumed Contract to the Purchaser, or such Assumed Contract expires or otherwise terminates;
 - (iv) the Vendor shall not have any liability as a consequence of the Vendor taking any action or causing anything to be done under this Section 2.5(a), and the Purchaser shall be responsible and liable for, and, as a separate covenant, shall hereby indemnify and save harmless the Vendor and its Representatives against, all costs and expenses reasonably incurred by the Vendor, its Affiliates or their respective Representatives as a consequence of or in connection with this Section 2.5(a); and
 - (v) nothing in this Agreement shall constitute an agreement to assign, and shall not be construed as an assignment of, or an attempt to assign to the Purchaser, any Assumed Contract until such time as the necessary consents or approvals with respect to the assignment are obtained.

- (b) Both before and after Closing, the Purchaser shall use all commercially reasonable efforts to obtain any and all approvals required under Applicable Law and any and all material consents of Third Parties required to permit this Transaction to be completed. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances, deposits or security that may be required by Governmental Authorities or any Third Parties under the Assumed Contracts or Applicable Laws to permit the transfer of the Assets, including the Assumed Contracts, to the Purchaser.
- (c) Despite anything to the contrary herein, should the interests of Advance Drilling Ltd. under the Gross Overriding Royalty Agreement between Advance Drilling Ltd. and the Vendor dated November 23, 2018, or the Royalty Agreement between Advance Drilling Ltd. and the Vendor dated October 28, 2021, be determined by a final order of the Court to be valid and subsisting as a royalty interest that constitutes a Permitted Encumbrance for the purposes of this Agreement, the Purchaser may: (i) elect not to proceed to Closing (if the Closing has not already occurred); or (ii) within one month of the Closing, cancel the Transaction and undertake all steps in order to effect a transfer back of the Vendor's interest in all Assets transferred hereunder, and the Vendor shall refund the Purchase Price and any other amounts paid by the Purchaser to the Vendor under this Agreement, with respect to the cancelled Transaction.

2.6 Assumed Liabilities

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

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

The consideration payable by the Purchaser for the Assets shall be the sum of [REDACTED] (the "**Purchase Price**"). The Purchase Price shall be satisfied in accordance with Section 3.3(b) and shall not be subject to any adjustment (and for greater certainty, Cure Costs shall be satisfied in accordance with Section 2.5(a)(i)). The Purchaser and the Vendor acknowledge and agree that the Purchase Price reflects the fair market value of the Assets as of the Closing Date, having due regard to the Environmental Liabilities connected to and embedded in the Assets that depress the value of the Assets.

3.2 Allocation of Purchase Price

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

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

3.3 Deposit and Satisfaction of Purchase Price

- (a) The Parties acknowledge that:
- (i) as of the date hereof, the Purchaser has paid the amount equal to ten percent (10%) of the Purchase Price (the "**Deposit**") to the Monitor;¹
 - (ii) the Deposit has been delivered to and shall be held in trust by the Monitor; and
 - (iii) the Deposit shall be held and administered by the Monitor in accordance with the terms and conditions of this Agreement (including this Section 3.3).
- (b) At Closing, the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.5(a)(i)) shall be paid and satisfied as follows:
- (i) as to the amount of the Deposit, upon the receipt of a written joint direction delivered to the Monitor by the Purchaser and the Vendor, the Monitor shall deliver the amount of the Deposit to the Vendor by electronic wire transfer and such amount shall be applied against the amount of the Purchase Price for the account of the Purchaser; and
 - (ii) as to the balance of the Purchase Price (other than Cure Costs, which are payable in accordance with Section 2.5(a)(i)), along with any additional amounts owing in respect of applicable GST, the Purchaser shall pay to the Vendor such amount by electronic wire transfer.
- (c) If this Agreement is terminated:
- (i) (A) pursuant to Section 13.1(a) by mutual agreement of the Parties; (B) pursuant to Sections 13.1(b) or 13.1(c) by the Purchaser; (C) pursuant to Section 13.1(e) by the Vendor; or (D) for any other reason other than as contemplated under Section 3.3(c)(ii); then the Deposit shall be returned to the Purchaser; or
 - (ii) pursuant to Section 13.1(d) by the Vendor, the full amount of the Deposit shall be forfeited to the Vendor,

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

¹ Guidance note to Buyer: Purchaser to pay the Deposit to the Monitor.

**ARTICLE 4
TRANSFER TAXES**

4.1 Transfer Taxes

The Parties agree that:

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

**ARTICLE 5
REPRESENTATIONS AND WARRANTIES**

5.1 Vendor's Representations

The Vendor hereby represents and warrants to the Purchaser that:

- (a) it is a corporation duly formed and validly subsisting under the laws of the Province of Alberta and has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (b) except for: (i) Court Approval; and (ii) the Licence Transfers and any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Vendor of the Transaction;
- (c) it is not a non-resident of Canada within the meaning of such term under the *Income Tax Act* (Canada) and is not an agent or trustee for anyone with an interest in the Assets who is a non-resident of Canada within the meaning of such term under the *Income Tax Act* (Canada) (or a partnership that is not a "Canadian partnership" within the meaning of such term under the *Income Tax Act* (Canada));
- (d) subject to Court Approval being obtained, this Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of it and is enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;

- (e) the Purchaser will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by the Vendor; and
- (f) with respect to the GST imposed under the GST Legislation, the Vendor is registered under the GST Legislation and will continue to be registered at the Closing Date in accordance with the provisions of the GST Legislation and its GST registration number is 736658725RT0001.

5.2 Purchaser's Representations

The Purchaser hereby represents and warrants to the Vendor that:

- (a) it is a corporation duly formed and validly subsisting under the laws of the jurisdiction of its incorporation or formation and has the requisite power and authority to enter into this Agreement and to complete the Transaction;²
- (b) it has taken all necessary corporate or other acts to authorize the execution, delivery and performance by it of this Agreement;
- (c) neither the execution of this Agreement nor its performance by the Purchaser will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which the Purchaser is a party or by which it is bound which breach could materially affect the ability of the Purchaser to perform its obligations hereunder;
- (d) except for: (i) Court Approval; and (ii) the Licence Transfers and any consents, approvals or waivers that are required in connection with the assignment of an Assumed Contract; the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of this Transaction;
- (e) subject to Court Approval being obtained, this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (f) the Purchaser is not a non-Canadian Person within the meaning of the *Investment Canada Act* (Canada) nor a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (g) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser;
- (h) with respect to the GST imposed under the GST Legislation, the Purchaser is registered under the GST Legislation and will continue to be registered at the Closing Date in

² Guidance note to Purchaser: Purchaser to confirm.

accordance with the provisions of the GST Legislation and that its GST registration number is 725061337RT0001;

- (i) the Purchaser is a "Canadian" within the meaning of the *Investment Canada Act* (Canada);
- (j) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, the Purchase Price (including the Deposit), the Cure Costs, the Transfer Taxes, its legal fees and expenses, registration costs and any other amounts payable by the Purchaser pursuant hereto; and
- (k) the Purchaser has the financial resources necessary to post or satisfy all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Assets and to satisfy the security required by the Assumed Contracts.

5.3 Enforcement of Representations and Warranties

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

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

6.1 Due Diligence Acknowledgement

The Purchaser acknowledges and agrees that:

- (a) it was solely responsible to perform any inspections it deemed pertinent to the purchase of the Assets and to be satisfied as to the condition of the Assets prior to entering into this Agreement with the Vendor;

- (b) notwithstanding the fact that it was permitted to review any diligence materials and disclosures provided by the Vendor, including the Due Diligence Information, the Vendor assumes no liability for errors or omissions in such diligence materials and disclosure or any other property listings or advertising, promotional or publicity statements and materials, and makes no representations or warranties in respect thereof;
- (c) by entering into this Agreement with the Vendor, the Purchaser shall be deemed to represent, warrant and agree with respect to the Assets that:
 - (i) the Purchaser has inspected the Assets and is familiar and satisfied with the physical condition thereof and has conducted such investigation of the Assets as the Purchaser has determined appropriate;
 - (ii) neither the Vendor nor its Affiliates or their respective Representatives have made any oral or written representation, warranty, promise or guarantee whatsoever to the Purchaser, expressed or implied, and in particular, that no such representations, warranties, guarantees, or promises have been made with respect to the physical condition, operation, or any other matter or thing affecting or related to the Assets and/or the offering or sale of the Assets;
 - (iii) the Purchaser has not relied upon any representation, warranty, guarantee or promise or upon any statement made or any information provided concerning the Assets, including the Due Diligence Information made available to the Purchaser by the Vendor, its respective Affiliates or their respective Representatives;
 - (iv) the Purchaser has entered into this Agreement after having relied solely on its own independent investigation, inspection, analysis, appraisal and evaluation of the Assets and the facts and circumstances related thereto;
 - (v) any information provided or to be provided by or on behalf of the Vendor with respect to the Assets, including all Due Diligence Information, was obtained from information provided to the Vendor and the Vendor has not made any independent investigation or verification of such information, and makes no representations as to the accuracy or completeness of such information;
 - (vi) without limiting the generality of the foregoing, the Vendor is not under any obligation to disclose to the Purchaser, and shall have no liability for its failure to disclose to the Purchaser, any information known to it relating to the Assets except as may be required by any Applicable Law; and
 - (vii) neither the Vendor, its Affiliates or their respective Representatives are liable or bound in any manner by any oral or written statements, representations or information pertaining to the Assets, or the operation thereof, made or furnished by any real estate broker, agent, employee, or other Person.

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

- (a) Without limiting any other provision of this Agreement, the Purchaser acknowledges and agrees that it is acquiring the Assets on an "as is, where is" and "without recourse" basis with all defects, both patent and latent, and with all faults, whether known or unknown, presently existing or that may hereafter arise. The Purchaser acknowledges and agrees

that, except as expressly set forth in this Agreement, the Vendor, its Affiliates and their respective Representatives have not made, do not make and specifically negate and disclaim any representation, warranty, promise, covenant, agreement or guaranty of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Assets. For greater certainty, but without limitation, except as expressly set forth in this Agreement, none of the Vendor, its Affiliates or their respective Representatives make any condition, representation or warranty whatsoever, express or implied, with respect to:

- (i) the title and interest of the Vendor in and to the Assets;
- (ii) whether any ROFRs are exercisable by a Third Party in connection with the completion of the Transactions;
- (iii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;
- (iv) the income to be derived from the Assets, if any;
- (v) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;
- (vi) the rates of production of Petroleum Substances from the Lands;
- (vii) the quality, condition, marketability, profitability, fitness for a particular purpose or merchantability of any tangible depreciable equipment or property interests which comprise the Assets (including the Tangibles or any personal property);
- (viii) the suitability of the Assets for any and all purposes, activities and uses which the Purchaser may desire to conduct thereon;
- (ix) the compliance of or by the Assets or its operation with any Applicable Law (including Environmental Laws);
- (x) the validity or enforceability of the Assumed Contracts or the ability to assign any of the Assumed Contracts;
- (xi) any regulatory approvals, permits and licenses, consents or authorizations that may be needed to complete the purchase of the Assets contemplated by this Agreement;
- (xii) the manner or quality of the construction or materials, if any, incorporated into the Assets;
- (xiii) the manner, quality, state of repair or lack of repair of the Assets;
- (xiv) the existence of soil instability, past soil repairs, susceptibility to landslides, sufficiency of under-shoring, sufficiency of drainage, or any other matter affecting the stability or integrity of the Assets or any structures or improvements situated thereon;
- (xv) whether the Assets are located in a seismic hazards zone or a flood hazard zone;

- (xvi) the presence of pests and any damage to the Assets and/or its improvements that may have occurred as a result;
 - (xvii) the nature and quantum of the Assumed Liabilities; or
 - (xviii) any other matter with respect to the Assets.
- (b) The Purchaser acknowledges that the release and disclaimer described in this Article 6 is intended to be very broad and, except for its express rights under this Agreement, the Purchaser expressly waives and relinquishes any rights or benefits it may have under any Applicable Law designed to invalidate releases of unknown or unsuspected claims.
- (c) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor, its Affiliates and their respective Representatives in respect of the Assets and any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means). Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the *Sale of Goods Act* (Alberta), the *Sale of Goods Act* (British Columbia) (or similar applicable statutes, all as may be amended, repealed or replaced), warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

ARTICLE 7 RISK AND COSTS AND INSURANCE

7.1 Risk and Costs

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

7.2 Insurance

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

ARTICLE 8 INDEMNIFICATION

8.1 Indemnification Given by Purchaser

If Closing occurs, the Purchaser shall:

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

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

8.2 Third Party Claims

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

accordance with Section 8.2(b), or if the Purchaser has given such notice but thereafter fails or is unable to pursue the defence or settlement of such Third Party Claim actively and diligently, the Vendor, its Affiliates and/or their respective Representatives, may, at their option, elect to settle or compromise the Third Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable for all reasonable costs and expenses paid or incurred in connection therewith and any Losses and Liabilities suffered or incurred by the Vendor, its Affiliates and/or their Representatives with respect to such Third Party Claim.

8.3 Failure to Give Timely Notice

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

8.4 No Merger

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

8.5 Third Party Beneficiary

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

ARTICLE 9 ENVIRONMENTAL MATTERS

9.1 Acknowledgements Regarding Environmental Condition

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

9.2 Assumption of Environmental Liabilities

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor, its Affiliates and their respective Representatives for; and

- (b) as a separate covenant, indemnify and save harmless the Vendor, its Affiliates and their respective Representatives from and against;

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

ARTICLE 10 COVENANTS

10.1 Conduct of Business Until Closing

- (a) Until the Closing Date, the Vendor shall provide the Purchaser with all access to the Assets as reasonably required by the Purchaser in order to allow for and assist the Purchaser with an orderly passing of the Assets to the Purchaser following Closing in accordance herewith.
- (b) The access to the Assets to be afforded to the Purchaser and its Representatives pursuant to this Section 10.1 will be subject to the Assumed Contracts and all of the Vendor's site entry protocols, health, safety and environmental rules, policies and procedures. Further, the Purchaser acknowledges and agrees that it shall:
 - (i) be solely liable and responsible for any and all Losses and Liabilities which the Vendor, its Affiliates or their respective Representatives may suffer, sustain, pay or incur; and
 - (ii) as a separate covenant, indemnify and save harmless the Vendor, its Affiliates and their respective Representatives harmless from any and all Claims or Losses and Liabilities whatsoever which may be brought against, suffered by or incurred by the Vendor, its Affiliates or their respective Representatives;

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

10.2 ROFRs

- (a) The Purchaser acknowledges that it shall be responsible for conducting such separate investigation of the Assets as the Purchaser has determined is appropriate with respect to the identification of ROFRs applicable to the Assets as soon as is reasonably practicable after the date hereof. The Purchaser shall indemnify Losses and Liabilities suffered, sustained, paid or incurred by the Vendor, its Affiliates or their respective Representatives as a result of any failure by the Purchaser to identify ROFRs applicable to the Assets or any Third Party Claim relating to the allocation of the value of a ROFR to be determined by the Purchaser in accordance with Section 10.2(b)(i), as applicable.

- (b) If the Purchaser has identified any ROFRs pursuant to Section 10.2(a):
 - (i) promptly following the identification of Assets which are the subject of ROFRs, the Purchaser shall prepare and provide the Vendor with ROFR notices to be issued in respect of such ROFRs, which shall include the Purchaser's bona fide allocation of the amount of the Purchase Price attributable to each of such Assets which are subject to a ROFR;
 - (ii) the Vendor shall courier ROFR notices to the Third Parties holding such ROFRs promptly following the receipt of the same from the Purchaser; and
 - (iii) to the extent the Purchaser is not copied directly on a response from a Third Party ROFR holder, the Vendor shall notify the Purchaser in writing forthwith upon each Third Party exercising or waiving such a ROFR.
- (c) If any such Third Party elects to exercise such a ROFR, then:
 - (i) the definition of Assets shall be deemed to be amended to exclude those Assets in respect of which the ROFR has been exercised;
 - (ii) such Assets shall not be conveyed to the Purchaser;
 - (iii) any proceeds received by the Vendor from a Third Party in respect of the sale and conveyance of any Assets which are subject to a ROFR shall be deemed to not constitute Assets for the purposes of this Agreement; and
 - (iv) the Purchase Price shall not be subject to any reduction in the event of the exercise of any such ROFR by a Third Party.
- (d) In the event that a Third Party exercises a ROFR and is then unable or unwilling to enter into a conveyance agreement with the Vendor for the relevant Assets, the Purchaser agrees to accept a conveyance of such Assets under the same terms and conditions as this Agreement to whatever extent possible.
- (e) Closing shall not be delayed even though certain of the ROFRs are outstanding and capable of exercise by the holders thereof as of the Closing Date (such ROFRs being referred to as "**Outstanding ROFRs**"). In such case, the following procedures shall apply:
 - (i) the Parties shall proceed with Closing (for greater certainty without any reduction in the Purchase Price for the Outstanding ROFRs, and without variation of any other terms or conditions of this Agreement);
 - (ii) the Purchaser shall have (as of the Closing Date) prepared all Specific Conveyances and other closing documentation required for the sale of the Assets subject to the Outstanding ROFRs (the "**Outstanding ROFR Assets**");
 - (iii) if an Outstanding ROFR is exercised by a Third Party, the Vendor will promptly notify the Purchaser thereof in writing, the Specific Conveyances and other closing documentation related to such Outstanding ROFR Assets will be of no force or effect and shall be destroyed by the Purchaser, and the provisions of Section

10.2(c) shall apply to the Assets which are the subject of the Outstanding ROFR being exercised by the Third Party, *mutatis mutandis*; and

- (iv) if after Closing an Outstanding ROFR is extinguished by lapse of time, waiver or otherwise (other than as a result of being exercised), the Vendor will promptly notify the Purchaser thereof in writing and promptly deliver copies of the Specific Conveyances and closing documentation previously prepared to the Purchaser, and such documentation shall be effective and the sale of such Outstanding ROFR Assets to Purchaser pursuant hereto shall be deemed to have closed on the Closing Date.

10.3 Document Review

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

ARTICLE 11 CONDITIONS

11.1 Mutual Conditions

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

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

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

11.2 Conditions for the Benefit of the Purchaser

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

- (a) all representations and warranties of the Vendor contained in Section 5.1 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time;

- (b) the Vendor shall have complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement; and
- (c) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 12.2.

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

11.3 Conditions for the Benefit of the Vendor

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

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

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

11.4 Satisfaction of Conditions

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

11.5 Monitor's Certificate

When the conditions to Closing set out in Sections 11.1, 11.2 and 11.3 have been satisfied and/or waived by the each of the Vendor and the Purchaser, as applicable, the Vendor and the Purchaser will each deliver to the Monitor written confirmation: (a) that such conditions of Closing, as applicable, have been satisfied and/or waived; and (b) of the amount of the Transfer Taxes and Cure Costs to be paid on Closing (in each case, to the extent applicable), in substantially the form of Schedule D (the "**Conditions**

Certificates"). Upon receipt by the Monitor that: (i) confirmation of payment of the balance of the Purchase Price (less the Deposit) to be paid on Closing has been received by the Vendor; (ii) the applicable Transfer Taxes and Cure Costs (in each case, to the extent applicable) to be paid on Closing (or evidence of payment of, or agreement to pay, all Transfer Taxes and Cure Costs by the Purchaser to any relevant Governmental Authorities or counterparty); and (iii) each of the Conditions Certificates, the Monitor shall: (A) issue forthwith its Monitor's Certificate concurrently to the Vendor and the Purchaser, at which time the Closing will be deemed to have occurred; and (B) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Vendor and the Purchaser). In the case of (A) and (B), above, the Monitor will be relying exclusively on the basis of the Conditions Certificates and without any obligation whatsoever to verify the satisfaction or waiver of the applicable conditions.

ARTICLE 12 CLOSING

12.1 Closing Date and Place of Closing

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

12.2 Deliveries on Closing by the Vendor

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

- (a) a Court certified copy of the Approval and Vesting Order;
- (b) a certificate of the Vendor confirming the accuracy of the matters provided for in Sections 11.2(a) and 11.2(b);
- (c) a written joint direction, duly executed by the Vendor, instructing the Monitor that the Deposit is to be released in accordance with 3.3(b)(i);
- (d) the General Conveyance, Assignment and Assumption Agreement duly executed by the Vendor; and
- (e) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

12.3 Deliveries on Closing by the Purchaser

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

- (a) payment of the Purchase Price in accordance with Section 3.3(b);
- (b) payment of all Transfer Taxes payable on Closing to the Vendor or the Vendor's Solicitors (or evidence of self-assessment and payment by the Purchaser thereof to the relevant Governmental Authorities);

- (c) a certificate of the Purchaser confirming the accuracy of the matters provided for in Sections 11.3(a) and 11.3(b);
- (d) a written joint direction, duly executed by the Purchaser, instructing the Monitor that the Deposit is to be released in accordance with 3.3(b)(i);
- (e) the General Conveyance, Assignment and Assumption Agreement duly executed by the Purchaser; and
- (f) any other deeds, conveyances, assurances, transfers, assignments, instruments, documents, resolutions and certificates as are referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

ARTICLE 13 TERMINATION

13.1 Grounds for Termination

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

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

Outside Date and such failure to close was not caused by or as a result of the breach of this Agreement by the Vendor.

13.2 Effect of Termination

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

ARTICLE 14 GENERAL

14.1 Public Announcements

- (a) Subject to Section 14.1(b), if a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Parties with an advance copy of any such press release or public disclosure with sufficient time to enable the other Parties to review such press release or other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure without the prior written consent of the other Parties, such consent not to be unreasonably withheld.
- (b) Notwithstanding Section 14.1(a): (i) this Agreement may be filed by the Vendor with the Court; and (ii) the Transaction may be disclosed by the Vendor to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Law. The Parties further agree that:
 - (i) the Vendor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms of the Transaction;
 - (ii) the Vendor may forward a copy of this Agreement and all related documentation to the Orphan Well Association and its Representatives, agents, legal counsel and financial advisors, and may further advise such Persons of the existence and nature of any discussions and negotiations in relation thereto or in relation to the Transaction; provided that the Orphan Well Association and its Representatives agree in advance to be bound by any confidentiality undertakings or similar confidentiality requirements reasonably requested by the Vendor; and
 - (iii) the Vendor and its professional advisors may prepare and file such reports and other documents with the Court containing references to the Transaction contemplated by this Agreement and the terms of such Transaction as may reasonably be necessary to obtain the Court Approval and to complete the Transaction contemplated by this Agreement or to comply with their obligations to the Court.

14.2 Dissolution of Vendor

The Purchaser acknowledges and agrees that nothing in this Agreement shall operate to prohibit or diminish in any way the right of the Vendor or any of its Affiliates to cause the dissolution or wind-up of

any of the Vendor subsequent to the Closing Date, or otherwise cause or allow the Vendor to cease operations in any manner or at any time subsequent to the Closing Date as the Vendor may determine in its sole discretion, which may be exercised without regard to the impact any such action may have on the Vendor's ability to fulfil its obligations under this Agreement that survive Closing.

14.3 Survival

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

14.4 Governing Law

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

14.5 Consequential Damages

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

14.6 Further Assurances

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

14.7 Assignment

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

14.8 Waiver

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

14.9 Amendment

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

14.10 Time of the Essence

Time is of the essence in this Agreement.

14.11 Costs and Expenses

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

14.12 Entire Agreement

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

14.13 Notices

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

- (a) in the case of the Vendor:

AlphaBow Energy Ltd.
Suite 300, 708-11th Avenue S.W.
Calgary, AB T2R OE4

Attention: Ben Li
Email: benli@alphabowenergy.com

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

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

Attention: Keely Cameron; Kristos Iatridis
Email: cameronk@bennettjones.com; iatridisk@bennettjones.com

- (b) In the case of the Purchaser:

Resistance Energy Ltd.
Box 176 Hughendon
AB T0B 2E0

Attention: Rocky Hunter
Email: rocky@resistanceenergy.ca

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

changed. **Sending a copy of a notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice to that Party. The failure to send a copy of a notice to legal counsel does not invalidate delivery of that notice to a Party.**

14.14 Enurement

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

14.15 Third Party Beneficiaries

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

14.16 Severability

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

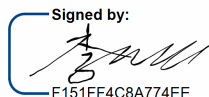
14.17 Counterparts

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

[THE BALANCE OF THIS PAGE INTENTIONALLY BLANK]

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

ALPHABOW ENERGY LTD.

Per:  Signed by:
F151FF4C8A774EE...
Name: Ben Li
Title: Chief Executive Officer

RESISTANCE ENERGY LTD.

Per: 
Name: Rocky Hunter
Title: President & CEO

SCHEDULE A

Assets Listing

Lands Schedule/Mineral Property Report:

Section 19 Township 38 Range 8 W4M
Alberta Crown lease # 0000037110 (001)
PNG surface to base Mannville excluding NG in Rex
94.2% working interest

Wells:

100/13-19-38-8 W4M

Facilities:

All equipment on the 13-19-38-8W4M wellsite

Pipelines:

AB00027662-3
88.9mm NG pipeline from 13-19-38-8W4M to 6-19-38-8W4M

SCHEDULE B

Form of Approval and Vesting Order

| |
|----------------|
| Clerk's Stamp: |
|----------------|

| | |
|---|--|
| COURT FILE NUMBER | 2401-05179 |
| COURT | COURT OF KING'S BENCH OF ALBERTA |
| JUDICIAL CENTRE | CALGARY |
| APPLICANTS | IN THE MATTER OF THE <i>COMPANIES' CREDITORS ARRANGEMENT ACT</i> , R.S.C. 1985, c. C-36, as amended AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ALPHABOW ENERGY LTD. |
| DOCUMENT | ORDER (Sales Approval and Vesting) |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | BENNETT JONES LLP Barristers and Solicitors 4500 Bankers Hall East 855 – 2 nd Street S.W. Calgary, Alberta T2P 4K7 Attention: Keely Cameron / Sarah Aaron Telephone No.: 403-298-3324/3177 Fax No.: 403-265-7219 Client File No.: 68261.10 |
| DATE ON WHICH ORDER WAS PRONOUNCED: | |
| NAME OF JUDGE WHO MADE THIS ORDER: | The Honourable Justice _____ |
| LOCATION OF HEARING: | |

UPON the application of AlphaBow Energy Ltd. ("**AlphaBow**" or the "**Applicant**") for an Order approving the sale transaction (the "**Transaction**") contemplated by the [date] Asset Purchase and Sale Agreement (the "**Sale Agreement**") between AlphaBow and _____ (the "**Purchaser**"); **AND UPON having read** the Affidavit of _____, the Affidavit of Service of _____, and the Monitor's _____ Report (the "[**Number**] **Report**"); **AND UPON hearing** the submissions of counsel for the Applicant, counsel for KSV Restructuring Inc. (the "**Monitor**"), and any other interested parties appearing at the application;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and the supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application.

APPROVAL OF TRANSACTIONS

2. The Transaction is hereby approved, and the Sale Agreement is commercially reasonable and in the best interests of AlphaBow and its stakeholders. The execution of the Sale Agreement by AlphaBow is hereby ratified, confirmed and approved, and AlphaBow is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transaction and for the conveyance of the assets set out in Schedule "A" hereto (the "**Purchased Assets**") to the Purchaser.

VESTING OF PROPERTY

3. [Subject only to approval by the Alberta Energy Regulator ("**Energy Regulator**") of transfer of any applicable licenses, permits and approvals pursuant to section 24 of the *Oil and Gas Conservation Act* (Alberta) and section 18 of the *Pipeline Act* (Alberta)] Upon the delivery of a Monitor's Certificate to the Purchaser substantially in the form attached as Schedule "B" hereto (the "**Monitor's Certificate**"), all of AlphaBow's right, title and interest in and to the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- (a) any Encumbrances or Charges (as created by and defined in the Initial Order of the Honourable Justice Lema and any other Orders granted in this Action);
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act*, the *Mines and Minerals Act*, the *Land Titles Act* or any other personal, mineral or real property registry system; and
- (c) those Claims listed in Schedule "C" hereto

(all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in Schedule "D" (collectively, "**Permitted Encumbrances**")) and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

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

- (a) the Registrar of Land Titles ("**Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:
 - (i) cancel existing Certificates of Title No. * for those lands and premises municipally described as *, and legally described as:
 - *
(the "**Lands**")
 - (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee), namely, *;

- (iii) transfer to the New Certificate of Title the existing instruments listed in Schedule "D", to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule "D"; and
 - (iv) discharge and expunge the Encumbrances listed in Schedule "C" to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands;
- (b) Alberta Energy shall and is hereby authorized, requested and directed to forthwith:
- (i) cancel and discharge those Claims including builders' liens, security notices, assignments under section 426 (formerly section 177) of the *Bank Act* (Canada) and other Encumbrances (but excluding Permitted Encumbrances) registered (whether before or after the date of this Order) against the estate or interest of the Applicant in and to any of the Purchased Assets located in the Province of Alberta; and
 - (ii) transfer all Crown leases listed in Schedule "E" to this Order standing in the name of the Applicant, to the Purchaser (or its nominee) free and clear of all Claims including Encumbrances but excluding Permitted Encumbrances;
- (c) the Registrar of the Alberta Personal Property Registry (the "**PPR Registrar**") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Applicant in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and AlphaBow's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by AlphaBow of the Sale Agreement.
7. Upon delivery of the Monitor's Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by KSV Restructuring Inc., in its capacity as Monitor of the Applicant and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, the net proceeds from sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets from and after delivery of the Monitor's Closing Certificate and all Claims (but excluding Permitted Encumbrances and the Administration Charge, as defined in paragraph 30 of the Amended and Restated Initial Order of this Honourable Court, dated April 26, 2024) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), no distributions shall be made to creditors of net proceeds from sale of the Purchased Assets without further order of this Court. Notwithstanding the foregoing, AlphaBow shall be permitted to utilize the net proceeds from the sale of the Purchased Assets in its day-to-day operations in this proceeding as prescribed by the cashflow affixed to the [Number] Report.
9. Except as expressly provided for in the Sale Agreement, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against AlphaBow.
10. Upon completion of the Transaction, AlphaBow and all persons who claim by, through or under AlphaBow in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right,

title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the AlphaBow, or any person claiming by, through or against the AlphaBow.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against AlphaBow associated with the Purchased Assets.
13. The Monitor is directed to file with the Court a copy of the Monitor's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

MISCELLANEOUS MATTERS

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

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of AlphaBow and shall not be void or voidable by creditors of AlphaBow, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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

and service on any other person is hereby dispensed with.

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

J.C.K.B.A

SCHEDULE A

Assets Listing

| ALPHABOW FILE | LEGAL DESCRIPTION | PNG RIGHTS | ALPHABOW WORKING INTEREST | ENCUMBRANCES | EXPIRY DATE |
|------------------|----------------------|---------------|---------------------------------|--------------|----------------|
| | | | | | |

Lands Schedule/Mineral Property Report:

Section 19 Township 38 Range 8 W4M
Alberta Crown lease # 0000037110 (001)
PNG surface to base Mannville excluding NG in Rex
94.2% working interest

Wells:

100/13-19-38-8 W4M

Facilities:

All equipment on the 13-19-38-8W4M wellsite

Pipelines:

AB00027662-3
88.9mm NG pipeline from 13-19-38-8W4M to 6-19-38-8W4M

SCHEDULE B

Form of Monitor's Certificate

| | |
|--|---|
| COURT FILE NUMBER | 2401-05179 |
| COURT | COURT OF KING'S BENCH OF ALBERTA |
| JUDICIAL CENTRE | CALGARY |
| PROCEEDING | 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 ALPHABOW ENERGY LTD. |
| DOCUMENT | SALE AND VESTING ORDER |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | BENNETT JONES LLP Barristers and Solicitors 4500 Bankers Hall East 855 – 2 Street SW Calgary, Alberta T2P 4K7 Attention: Keely Cameron/ Sarah Aaron Telephone No.: 403-298-3324/3177 Fax No.: 403-265-7219 Client File No.: 88323.6 |

RECITALS

- A. Pursuant to an Order of the Court dated _____, the Court approved the agreement of purchase and sale made as of _____ (the "**Sale Agreement**") between AlphaBow Energy Inc. ("**AlphaBow**") and _____ (the "**Purchaser**") and provided for the vesting in the Purchaser of AlphaBow'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 of the Sale Agreement have been satisfied or waived by AlphaBow and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.
- B. 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 the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing of the Sale Agreement have been satisfied or waived by AlphaBow 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].

**KSV Restructuring Inc., in its
capacity as Monitor of AlphaBow
Energy Ltd., and not in its personal
capacity.**

Per: _____

Name: Andrew Basi

SCHEDULE "C"

Identified Claims

SCHEDULE "D"

Permitted Encumbrances

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

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

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

SCHEDULE C

Form of General Conveyance, Assignment and Assumption Agreement

GENERAL CONVEYANCE, ASSIGNMENT, AND ASSUMPTION AGREEMENT

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

AMONG:

ALPHABOW ENERGY LTD., a corporation existing under the laws of the Province of Alberta (herein referred to as the "**Vendor**")

- and -

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

RECITALS:

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

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

1. Definitions

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

2. Certain Rules of Interpretation

- (a) In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (b) The division of this Agreement into Sections and the inclusion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (c) The terms "hereof," "hereunder," and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.

(d) Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections of this Agreement.

(e) The language used in this Agreement is the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

3. Conveyance

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

4. Assumption of Assumed Liabilities

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

5. Further Assurances

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

6. Governing Law

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

7. Entire Agreement

This Agreement, the Purchase Agreement, and the documents referred to therein and contemplated thereby constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement, the Purchase Agreement, the Confidentiality Agreement and the documents referred to therein and contemplated thereby.

8. Successors and Assigns

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

9. Counterparts

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

10. Amendments

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

11. Paramountcy

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

12. Severability

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

[Signature Page Follows.]

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

ALPHABOW ENERGY LTD.

Per: _____
Name: Ben Li
Title: Chief Executive Officer

RESISTANCE ENERGY LTD.

Per: _____
Name: Rocky Hunter
Title: President

SCHEDULE D

FORMS OF CONDITIONS CERTIFICATES

VENDOR'S CONDITIONS CERTIFICATE

TO: KSV RESTRUCTURING INC. (the "Monitor")

This Conditions Certificate (this "**Certificate**") is delivered pursuant to Section 11.5 of that certain purchase and sale agreement, dated as of [●], 2024 (the "**Purchase Agreement**") between **ALPHABOW ENERGY LTD.** (the "**Vendor**") and **[BUYER]** (the "**Purchaser**"). All capitalized terms used herein which have not been defined herein shall have the same meaning attributed thereto in the Purchase Agreement unless the context requires otherwise.

The undersigned [**officer/director**] of the Vendor hereby confirms to the Monitor, for and on behalf of the Vendor, but solely in his or her capacity as an [**officer/director**] of the Vendor and not in his or her personal capacity (and without incurring any personal liability), that:

1. the conditions to Closing set out in Sections 11.1 and 11.3 of the Purchase Agreement for the benefit of the Vendor have been fulfilled or performed to the Vendor's satisfaction and/or waived by the Vendor; and
2. the amount of the Transfer Taxes to be paid by the Purchaser on Closing is equal to \$[●].

[The remainder of this page is left intentionally blank]

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the [●] day of [●], 2024.

ALPHABOW ENERGY LTD.

Per: _____

Name:

Title:

Per: _____

Name:

Title:

PURCHASER'S CONDITIONS CERTIFICATE

TO: KSV RESTRUCTURING INC. (the "Monitor")

This Conditions Certificate (this "**Certificate**") is delivered pursuant to Section 11.5 of that certain purchase and sale agreement, dated as of [●], 2024 (the "**Purchase Agreement**") between **ALPHABOW ENERGY LTD.** (the "**Vendor**") and **[BUYER]** (the "**Purchaser**"). All capitalized terms used herein which have not been defined herein shall have the same meaning attributed thereto in the Purchase Agreement unless the context requires otherwise.

The undersigned officer of the Purchaser hereby confirms to the Monitor, for and on behalf of the Purchaser, but solely in his or her capacity as an officer of the Purchaser and not in his or her personal capacity (and without incurring any personal liability), that:

1. the conditions to Closing set out in Sections 11.1 and 11.2 of the Purchase Agreement for the benefit of the Purchaser have been fulfilled or performed to the Purchaser's satisfaction and/or waived by the Purchaser; and
2. the amount of the Transfer Taxes to be paid by the Purchaser on Closing is equal to \$[●] and all such Transfer Taxes will be paid by the Purchaser to the Vendor at Closing.

[The remainder of this page is left intentionally blank]

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of the [●] day of [●], 2024.

RESISTANCE ENERGY LTD.

Per: _____
Name: Rocky Hunter
Title: President