

Clerk's Stamp



COURT FILE NUMBER

COURT

JUDICIAL CENTRE OF

APPLICANT

RESPONDENT

COURT OF KING'S BENCH OF ALBERTA

CALGARY

NORTH SHORE PETROLEUM LTD. and
JOHN ZANG

PISMO 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 /Luc Rollingson
Telephone No.: 403-298-3324/7971
Fax No.: 403-265-7219
Client File No.: 98495.01

SUPPLEMENTAL AFFIDAVIT OF JOHN ZANG

Sworn on December 5, 2024

I, John Zang, of Calgary, Alberta, SWEAR AND SAY THAT:

1. I am the President and Director of Pismo Energy Ltd. ("**Pismo**") and since the passing of Lorne Scott, QC on May 24, 2023, I have been the sole director of North Shore Petroleum Ltd. ("**North Shore**"). North Shore owns 100% of the Pismo common shares. As such, I have personal knowledge of the matters deposed to in this Affidavit except where stated to be as based on information and belief in which case I verily believe the statements to be true.

2. Attached as **Exhibit “A”** is the Assignment Agreement between Pismo Energy Ltd. and North Fork Resources Ltd.
3. Attached as **Exhibit “B”** is the Assignment Agreement between Pismo Energy Ltd. and Poker Chip Exploration Ltd.
4. I make this affidavit in support of the relief sought above and for no other improper purpose.

SWORN BEFORE ME)
at the City of Calgary, Alberta, this)
5th day of December, 2024.)
)
_____)
A Commissioner for Oaths in and for the)
Province of Alberta)
)

_____)
JOHN ZANG

This is **Exhibit "A"** referred to in the Affidavit of John Zang sworn before me this 5th day of December 2024

A Commissioner for Oaths in and for Alberta

ASSIGNMENT AGREEMENT

THIS AGREEMENT made as of the 1st day of September, 2024.

BETWEEN:

PISMO ENERGY LTD., a Corporation incorporated pursuant to the laws of the Province of Alberta (the "**Grantor**")

- and -

NORTH FORK RESOURCES LTD., a Corporation incorporated pursuant to the laws of the Province of Alberta (the "**Grantee**")

WHEREAS pursuant to an Agreement of Purchase and Sale between the Grantor and Grantee and an Agreement between Revival Energy Inc. and the Grantor (and the assignment of certain rights under that agreement to the Grantee (the "**Prior Agreements**")), the Grantee acquired certain interests in oil and gas assets owned or licensed to the Grantor;

AND WHEREAS pursuant to the Prior Agreements the Grantee was granted the right to acquire the remaining interests of the Grantor in the assets acquired through or as a result of the Prior Agreements;

AND WHEREAS subject to the terms hereof, the Grantor has agreed to assign and transfer the Assets to the Grantee and the Grantee has agreed to receive the Assets from the Grantor;

NOW THEREFORE the parties agree as follows:

1. DEFINITIONS

"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 located on the Lands or used or previously used in respect of petroleum substances produced or previously produced from the Lands or lands pooled or unitized therewith; and
- (ii) restore, remediate and reclaim the surface and subsurface locations of the Wells, Tangibles, the Lands, lands pooled or unitized therewith, and any lands used to gain access thereto, including such obligations relating to Wells, pipelines and facilities which were abandoned or decommissioned or have reclamation orders prior to the date hereof 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;

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all in accordance with generally accepted oil and gas industry practices and in compliance with all applicable laws;

"Assets" means all of the Grantor's right, title, estate and interest in the Petroleum & Natural Gas Rights, the Miscellaneous Interests and the Tangibles as set out in Schedule "A" and includes the remaining interest held by the Grantor in the assets acquired by the Grantee under the Prior Agreements.

"Closing" means the completion of the assignment and completion of the transaction as contemplated by this Agreement.

"Closing Date" means three days after the Effective Date or as otherwise agreed by the parties.

"Conditions" means the right of the Grantee to terminate this Agreement in the event that:

- a. The LTA (as defined by paragraph 5 hereof) is approved by the AER by on or before February 14, 2025;
- b. The conditions for the LTA are not acceptable to the Grantee;
- c. The Assets, when transferred, will be subject to liabilities or encumbrances not acceptable to the Grantee, including the Cure Costs;
- d. The West Texas Index oil price on the day of Closing is less than US\$40;
- e. The occurrence of the event described in paragraph 5(c) hereof; and
- f. There has been a material adverse change in the condition of the Assets, including resulting from theft or expiry or termination of necessary agreements relating to the Assets.

"Cure Costs" means, in respect of the Assets, all amounts, 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 (including amounts required to secure a counterparty's or any other necessary Person's consent to the assignment of an assumed contract pursuant to its terms), and all amounts required to remedy all of the Grantor's or the Grantor's monetary defaults with respect to such Assets to the extent such monetary defaults pertain to unpaid:

- (i) property taxes;
- (ii) mineral lease royalties and rentals; and
- (iii) rentals payable in respect of the surface rights,

whenever and howsoever arising, and including the payment of all applicable interest and penalties.

"Drop Dead Date" means February 14, 2025.

"Effective Date" means 11:59 PM on the date the AER approves the LTA.

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"Lands" means all lands in which the Grantor has an interest set out and described in Schedule "A", and the petroleum substances within, upon or under such lands. the Lands interest consist of 1% interest or less;

"Leases" means the leases, subleases, reservations, permits, licenses or other documents of title, including those set forth and described as such in Schedule "A" attached hereto and any renewals or extensions thereof or further leases issued pursuant thereto insofar as they relate to the Lands.

"LTA" means as defined in paragraph 5 hereof

"Miscellaneous Interests" means all of the right, title, interest and estate of the Grantor in and to all property, assets and rights, whether contingent or absolute, legal or beneficial, present or future, vested or not (other than the Petroleum & Natural Gas Rights and the Tangibles), to the extent relating to the Petroleum & Natural Gas Rights, the Tangibles or the Lands, and to which the Grantor is entitled at the Effective Date, including the following property, rights and assets:

- (i) all contracts, agreements, books, records, files, maps and documents to the extent that they relate to the Petroleum & Natural Gas Rights, the Tangibles or the Lands, including the Title & Operating Documents and any rights of the Grantor in relation thereto;
- (ii) the surface interests and all contracts, agreements, books, records, files, maps and documents to the extent that they relate to the surface interests, including the Title & Operating Documents and any rights of the Grantor in relation thereto;
- (iii) all engineering and technical information (including all data, reports, findings and archive samples, and all core or liquid samples and cuttings) to the extent relating to the Petroleum & Natural Gas Rights, the Tangibles or the Lands which the Grantor has in its custody or has access, excluding any such information which is subject to confidentiality restrictions;
- (iv) all permits, licenses, approvals, orders and other authorizations, crossing privileges and other subsisting rights to carry out operations on the Lands and any lands upon which the Tangibles or Wells are located, including well and pipeline licenses and other permits, licenses, approvals, orders and other authorizations relating to the Petroleum & Natural Gas Rights, the Tangibles, the Wells or the Lands; and
- (v) the Wells, including the entire wellbores and casings, and all contracts, agreements, books, records, files, maps and documents to the extent that they relate to the Wells, including the Title & Operating Documents and any rights of the Grantor in relation thereto.

"Petroleum & Natural Gas Rights" means all of the right, title, estate and interest, whether absolute or contingent, legal or beneficial, present or future, vested or not, and whether or not an "interest in land", of the Grantor in and to the Lands and the Leases, subject in all events to the encumbrances, as more particularly set out in Schedule "A".

"Prior Agreements" means as defined in the recitals hereto.

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"Title & Operating Documents" means all agreements, contracts, instruments and other documents that govern the ownership, operation or use of the Assets or relate to encumbrances, including (i) the Leases and other agreements and instruments pursuant to which the Petroleum & Natural Gas Rights were issued, granted or created, (ii) permits, licenses, approvals, orders and authorizations, (iii) operating agreements, pooling agreements, unit agreements, production allocation agreements, trust declarations, participation agreements, joint venture agreements, purchase and sale agreements, asset exchange agreements, farm-in agreements, farm-out agreements and royalty agreements, (iv) agreements that create or relate to surface interests, including surface rights documentation and road use agreements, (v) agreements for the construction, ownership and/or operation of the Tangibles and the Wells, (vi) trust declarations and other documents and instruments that evidence the Grantor's interests in the Assets, (vii) trust declarations pursuant to which the Grantor hold interests in the Lands in trust for other persons, (viii) service agreements for the treating, gathering, storage, transportation or processing of petroleum substances or other substances, the injection or subsurface disposal of other substances, the use of well bores of the operation of any Tangibles or Wells by a third party, and (ix) agreements for the sale of petroleum substances that are terminable on 31 days' notice or less without early termination penalty or other cost.

"Tangibles" means collectively, (i) all of the right, title, interest and estate of the Grantor in any facilities related to the Assets; and (ii) all right, title, interest and estate of the Grantor and whether absolute or contingent, legal or beneficial, present or future, vested or not, in and to the tangible depreciable property and assets located within or upon the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, or make marketable petroleum substances or in connection with water condensate, injection or removal operations or other *in situ* operations that pertain to the Petroleum & Natural Gas Rights, and including those assets listed in Schedule "A" and excluding always the Excluded Assets.

"Wells" means Grantor's interest in and to the wells listed on Schedule "A";

2. CLOSING, ASSIGNMENT and TERMINATION

- a) Providing the Conditions have been satisfied or the Grantee has otherwise waived one or may of the Conditions, Closing shall occur on the Closing Date. In the event any of the Conditions are not satisfied or waived in writing by the Grantee, the Grantee is entitled, by notice in writing to the Grantor, to terminate this transaction at anytime prior to Closing.
- b) As of the Closing, the Grantor hereby assigns and sets over unto the Grantee, on an "as is, where is" basis and the Grantee hereby acquires and accepts directly from the Grantor, effective as of the Effective Date, Grantor's interest in and to the Assets.
- c) In consideration of the premises herein contained and the sum of **\$1.00** and other valuable consideration, effective as of the Effective Date, the Grantor does hereby assign, transfer, convey, remise, release, relinquish and forever assign unto the Grantee, its successors and assigns, all of its right, title, estate and

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interest, if any, in the Assets. The Cure Costs, if any, are to be paid directly to applicable counterparty.

- d) In the event that Closing does not occur by on or before the Drop Dead Date either party may terminate this Agreement by notice in writing delivered after the Drop Dead Date to the other party that this Agreement is terminated. The Grantee is entitled to terminate this Agreement at any time if the Conditions are not satisfied as of the date of the delivery of the notice of termination by it. Upon termination neither party shall have any rights or liabilities against the other party arising from this Agreement.

3. ASSUMPTION

- a) The Grantee shall both:
 - (i) assume, be liable for; and, in addition,
 - (ii) indemnify, defend and save the Grantor harmless from and against, any and all costs, expenses, claims, liabilities or obligations of any nature or kind with respect to or pertaining to the Assets (all in place and stead of the Grantor) whether arising or accruing before, on or after the Effective Date, including the payment and/or settlement of all Cure Costs.
- b) The Grantee shall both:
 - (i) assume, be liable for; and, in addition,
 - (ii) indemnify, defend and save the Grantor harmless from and against, any and all environmental liabilities and obligations respecting the Assets, including the Abandonment and Reclamation Obligations (whether arising or accruing before, on or after the Effective Date) including, without limitation, any responsibility for environmental clean-up or reclamation and restoration.

4. CONVEYANCE DOCUMENTS

The Grantee shall bear all costs incurred in preparing conveyance documents (which the Grantee shall have prepared and provided to the Grantor for its review and comment) and of distributing same to the Grantor and to any third parties.

5. AER LICENSE TRANSFER

- a) the Grantor shall electronically submit applications to the Alberta Energy Regulator (the "AER") for the Licence Transfer ("LTA"), and will provide a screen shot or other evidence indicating such submission to the Grantee, and in addition the Grantor shall provide any information and documentation along with such LTA to the AER which are required to be provided by the transferor

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in connection with the foregoing. The Grantee shall accept or ratify such LTA without delay, provided that, if the Grantee in good faith determines or believes that the LTA is not complete and accurate, or the AER refuses to process such LTA because of some defect therein, the Parties shall cooperate to duly complete or to correct such incomplete or inaccurate LTA as soon as practicable and, thereafter, the Grantor shall promptly re-submit such LTA and the Grantee shall accept or ratify such re-submitted LTA without delay. Each Party shall be responsible for its own costs relating to LTA hereunder. The Grantee shall provide any information and documentation in respect of such LTA to the AER which is required to be provided by the transferee in connection with the foregoing. Following submission of the LTA, each of the Parties shall use reasonable commercial efforts to obtain the AER's approval of the LTA and registration of the License Transfer, subject to the specific requirements of this Sections 2.3.

- b) If the AER denies any of the LTA because of misdescription or other minor deficiencies contained therein, the Grantor shall, within two Business Days of such denial, correct the LTA and amend and re-submit the LTA, and the Grantee shall accept or ratify such re-submitted LTA without delay.
- c) If, for any reason, the AER requires the Grantee to make a deposit or any other cash payment to the AER or otherwise, furnish any other form of security, provide any undertakings, information or other documentation or to take any action as a condition of or a prerequisite for the approval of the LTA, then immediately after receiving notice of such requirements and at its sole cost, the Grantee shall either (i) make such payment, furnish such security, provide such undertakings, information or other documentation and/or take such action, as the case may be or (ii) provide notice of termination of this transaction.
- d) The Grantee shall on a timely and continuing basis keep the Grantor fully apprised and informed regarding all communications the Grantee may have with the AER in connection with the Transaction, including all communications respecting the LTA, and without limiting the generality of the foregoing the Grantee shall provide copies to the Grantor of all related correspondence from the Grantee to the AER, and the Grantee shall request that the AER provide copies to the Grantor of all related correspondence from the AER to the Grantee.

6. FURTHER ASSURANCES

- a) Grantee shall prepare, at its sole cost and expense and, where applicable, electronically submit to the applicable governmental authorities, all necessary filings.
- b) The parties shall at all times do such further acts and execute and deliver all further documents as may be reasonably required in order to fully perform and carry out the terms of this Agreement.

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- c) All such documents and assurances executed and delivered pursuant to this Agreement are subordinate to the provisions of this Agreement and the provisions of this Agreement shall govern and prevail in the event of any conflict between the provisions of this Agreement and any such document or assurance.
- d) In the event of an insolvency or insolvency proceedings being commenced in relation to the Grantor, the Grantee agrees that the trustee, receiver, or liquidator appointed under the insolvency proceedings is entitled to complete this transaction and this Agreement shall remain in force in accordance with its terms.

7. GOVERNING LAW AND SUBORDINATE DOCUMENTS

- a) This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in all respects, be treated as a contract made in the Province of Alberta. The parties hereby attorn to the exclusive jurisdiction of the courts of the Province of Alberta.
- b) The covenants and indemnities set forth in this Agreement shall be deemed to apply to all assignments, conveyances, transfers and other documents conveying the Assets to the Grantee and the covenants and indemnities shall not merge in such assignments, conveyances, transfers and other documents.
- c) This Agreement shall supersede and replace any and all prior agreements between the parties hereto relating to the sale and purchase of the Assets and may be amended only by written instrument signed by all parties hereto.

8. NOTICES

- a) All notices and other communications given in connection with this Agreement shall be in writing and may be given by delivering them or by sending them by mail or email to the parties at the addresses located beneath their signature line.
- b) Any notice shall:
 - (i) if delivered, be deemed to have been given or made at the time of delivery; or
 - (ii) if sent by email, be deemed to have been given or made on the business day following the day on which it was sent.
- c) Either of the parties hereto may from time to time change its address for service herein by giving written notice to the other party hereto.

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9. ENUREMENT

- a) This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

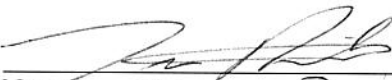
10. COUNTERPART EXECUTION

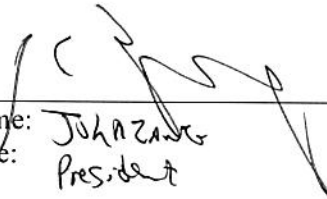
- a) This Agreement may be executed in counterparts and all executed and delivered counterparts together shall constitute a fully executed agreement. Delivery of an executed signature page to this Agreement by any Party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by any Party.

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

NORTH FORK RESOURCES LTD.

PISMO ENERGY LTD.

Per: 
Name: Trevor Davidson
Title: CEO

Per: 
Name: John Zales
Title: President

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Schedule "A"

Wells

	Pismo	North Fork	Revival	Poker Chip
9-14-52-12W5	0.6	59.4		
8-14-52-12W5	1	99		
102/6-8-52-12W5	1	99		
14-8-52-12W5	1	99		
8-8-52-12W5	1	99		
102/14-22-48-1W4	0.95	26.78	35.7	26.78
103/14-22-48-1W4	0.95	26.78	35.7	26.78
12-14-48-1W4	1	29.7	39.6	29.7
100/9-19-49-1W4	1	29.7	39.6	29.7
11-2-48-1W4	1	29.7	39.6	29.7
102/9-3-48-1W4	1	29.7	39.6	29.7
1-22-48-1W4	1	29.7	39.6	29.7
102/15-19-49-1W4	1	29.7	39.6	29.7
100/14-14-48-1W4	1	29.7	39.6	29.7
102/14-14-48-1W4	1	29.7	39.6	29.7
15-14-48-1W4	1	29.7	39.6	29.7
102/9-19-49-1W4	1	29.7	39.6	29.7
11-14-48-1W4	1	29.7	39.6	29.7
13-14-48-1W4	1	29.7	39.6	29.7

Facilities

	Pismo	North Fork	Revival	Poker Chip
F12170	1	99		
F43444	1	99		

Pipelines

	Pismo	North Fork	Revival	Poker Chip
P9892-3	1	99		
P16735-6	1	99		
P16735-7	1	99		
P16735-8	1	99		
P16735-9	1	99		
P16735-15	1	99		

P46660-1	1	99		
P53255-1	0.6	59.4		
P53255-2	1	99		
P53255-3	0.6	59.4		

Lands:

See Exhibit "A"

EXHIBIT "A"

Pismo File #	Lease	Legal Description	Interest	Permitted Encumbrance
M40090 Sub A	AB CR 0493040107 Eff: Apr 01, 1993 Exp: Sec. 15	TWP 48 RGE 1 W4M W/2 2 PETROLEUM TO BASE MANNVILLE	100%	C/SS ***GOR 10%
M40001 Sub A	AB FH MCLEAN, R. J Eff: Aug 30, 2012 Ext: HBP	TWP 48 RGE 1 W4M SE/4 3 ALL PNG (UND 1/2 MIN INT)	100%	LOR 16% ***GOR 10%
M40004 Sub A	AB FH HEATHERINGTON Eff: Sep 16, 2012 Ext: HBP	TWP 48 RGE 1 W4M SE/4 3 ALL PNG (UND 1/2 MIN INT)	100%	LOR 16% ***GOR 10%
M40005 Sub A	AB FH LACUSTA, E Eff: Sep 20, 2010 Ext: HBP	TWP 48 RGE 1 W4M NE/4 3 PNG TO BASE MANNVILLE	100%	LOR 16% ***GOR 10%
M40008 Sub A	AB CR 0405100146 Eff: Oct 06, 2005 Ext: Sec. 15	TWP 48 RGE 1 W4M S/2 & NW/4 11, LSDS 9, 15, 16 SEC 11 PNG TO BASE MANNVILLE	100%	C/SS ***GOR 10%
M40091 Sub A	AB CR 0410030148 Eff: Mar 11, 2010 Ext: Sec. 15	TWP 48 RGE 1 W4M LSD 10 SEC 11 PNG IN MANNVILLE	100%	C/SS ***GOR 10%
M40007 Sub A	AB CR 0409100079 Eff: Oct 01, 2009 Ext: Sec. 15	TWP 48 RGE 1 W4M N/2 14 PNG IN MANNVILLE	100%	C/SS ***GOR 10%
M40011 Sub A	AB FH BENOIT, SHELLY Eff: Nov 01, 2010 Ext: HBP	TWP 48 RGE 1 W4M E/2 15 ALL PNG (UND 1/3 MIN INT)	100%	LOR 16% ***GOR 10%
M40012 Sub A	AB FH LEIGHTON, N. D. Eff: Nov 01, 2010 Ext: HBP	TWP 48 RGE 1 W4M E/2 15 ALL PNG (UND 1/3 MIN INT)	100%	LOR 16% ***GOR 10%
M40013 Sub A	AB FH WATTS, T. C. Eff: Nov 01, 2010 Ext: HBP	TWP 48 RGE 1 W4M E/2 15 ALL PNG (UND 1/3 MIN INT)	100%	LOR 16% ***GOR 10%

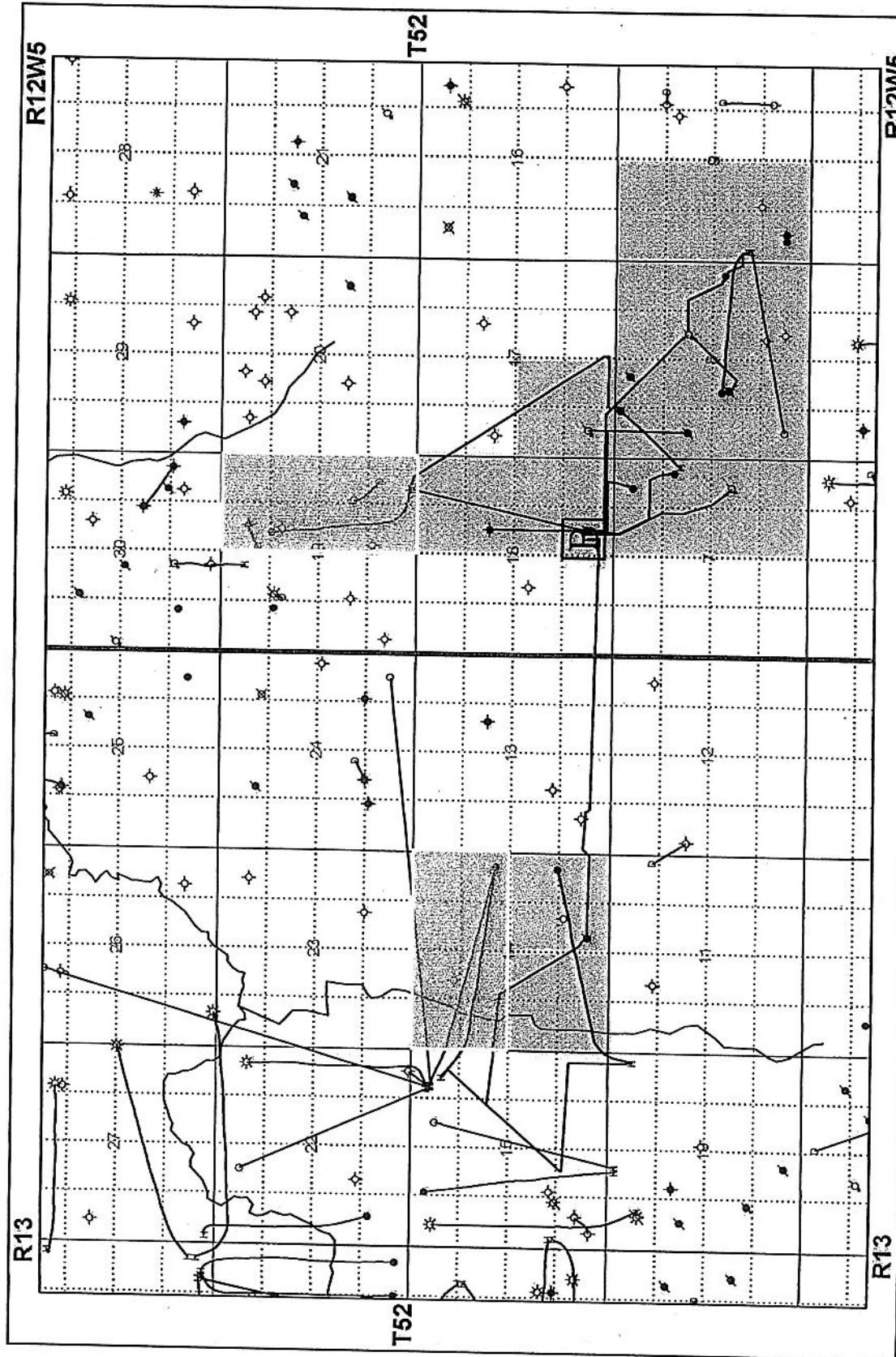
Pismo File #	Lease	Legal Description	Interest	Permitted Encumbrance
M40083 Sub A	AB CR 0410020087 Eff: Feb 11, 2010 Ext: Sec. 15	TWP 48 RGE 1 W4M LSD 1, 8 SEC 22 PNG IN MANNVILLE	100%	C/SS ***GOR 10%
M40010 Sub A	AB CR 0484110075 Eff: Nov 01, 1984 Ext: Sec. 15	TWP 48 RGE 1 W4M LSD 14 SEC 22 PNG TO BASE MANNVILLE	90.25%	C/SS ***GOR 10%
M40072 Sub A	AB CR 0499120095 Eff: Dec 01, 1999 Ext: Sec. 15	TWP 48 RGE 3 W4M SEC 4 PNG TO BASE MANNVILLE	10%	C/SS GOR SS 1/23.8365 (7.5%- 12%) 12.5% ***GOR 10%
M40069 Sub A	AB CR 0410110112 Eff: Nov 18, 2010 Ext: Sec. 15	TWP 49 RGE 1 W4M LSD 8 SEC 16 PNG IN MANNVILLE	20%	C/SS ***GOR 10%
M40069 Sub B	AB CR 0410110112 Eff: Nov 18, 2010 Ext: Sec. 15	TWP 49 RGE 1 W4M LSD 9 SEC 16 PNG IN MANNVILLE	20%	C/SS ***GOR 10%
M40105 Sub A	AB FH BRASSINGTON, M Eff: May 01, 1996 Ext: HBP	TWP 49 RGE 1 W4M LSD 9, 16 SEC 19 ALL PNG	100%	LOR 12.5% ***GOR 10%
M40106 Sub A	AB FH BRASSINGTON, M Eff: Jun 15, 2010 Ext: HBP	TWP 49 RGE 1 W4M LSD 15 SEC 19 PNG TO BASE MANNVILLE	100%	LOR 16% ***GOR 10%

*** Gross Overriding Royalty payable to Freehold in accordance with the GORR Agreement

SCHEDULE "A" attached to and forming part of an Agreement of Purchase and Sale dated December 13, 2019 between Pismo Energy Ltd. and North Fork Resources Ltd.

Petroleum and Natural Gas Rights and Wells

All right title and interest of the Vendor in the assets located within the shaded area except for the Excluded Assets.



Datum: NAD27 Projection: Stereographic DLS Version AB: ATS 2.6, BC: PRB 2.0, SK: STS 2.5, MB: MLI07

Map Title

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SCHEDULE "A" attached to and forming part of an Agreement of Purchase and Sale dated December 13, 2019 between Pismo Energy Ltd. and North Fork Resources Ltd.

FILE NO.	LEASE DOC#	AGREEMENT DATE	PAYOR	AFFECTED LANDS	RIGHTS	RELATED WELL	CURRENT PISMO W/ %	EFFECTIVE DATE OF TRANSACTION	NORTH FORK ASSIGNED INTEREST	PISMO RETAIN IN TRUST
M40009	0501100360	OCT. 18, 2001	PISMO	TWP 52 RGE 12 W5M E/2 19	ALL PNG TO BASE CARDIUM	102/10-19-052-12W5/00	PISMO 60% VERMILION 40%	NOV. 15, 2019	82.4% (NET 49.4%)	NET 1%
M40084	1048A	APR. 30, 1963	PISMO	TWP 52 RGE 12 W5M E/2 7, 8, SW/4 17, E/2 18	ALL PNG TO BASE CARDIUM	100/08-07-052-12 W5/00 100/09-07-052-12 W5/00 100/16-07-052-12 W5/00 102/06-08-052-12 W5/00 100/08-08-052-12 W5/00 100/10-08-052-12 W5/00 100/12-08-052-12 W5/00 100/13-08-052-12 W5/00 100/14-08-052-12 W5/00 100/04-17-052-12 W5/00 100/02-18-052-12 W5/00	PISMO 100%	NOV. 15, 2019	82.4% (NET 82.4%)	NET 1%
M40085	0592060081	JUN. 19, 1992	PISMO	TWP 52 RGE 13 W5M SE/4 14	ALL PNG TO BASE CARDIUM	100/02-14-052-13 W5/00 100/08-14-052 13 W5/00	PISMO 100%	NOV. 15, 2019	82.4% (NET 82.4%)	NET 1%
V40086	0578020099	FEB. 15, 1978	PISMO	TWP 52 RGE 12 W5M NW/4 9	ALL PNG TO BASE CARDIUM		APO: PISMO 50% VERMILION 16.6666% FREEHOLD ROYALTIES PARTNERSHIP 33.3334%	NOV. 15, 2019	82.4%(NET 40.866%)	NET 1%
V40087	0592060082	JUN. 11, 1992	PISMO	TWP 52 RGE 13 W5M SW/4 14	ALL PNG TO BASE CARDIUM	102/04-09-052-12 W5/00	PISMO 100%	NOV. 15, 2019	82.4% (NET 82.4%)	NET 1%
V40088	5499030014	MAR. 4, 1999	PISMO	TWP 52 RGE 13 W5M N/2 14	ALL PNG TO BASE CARDIUM	100/09-14-052-13 W5/00	PISMO 60% VERMILION 40%	NOV. 15, 2019	82.4% (NET 49.4%)	NET 1%
40001	CR PLA 4154	13-Jul-71		TWP 52 RGE 12 W5M NE 7; NE 8; S 17; SE 18	PIPELINE RIGHT OF WAY	VARIOUS	100%	NOV. 15, 2019	99% (NET 99%)	NET 1%
40002	CR PLA 820229	11-May-82		TWP 52 RGE 12 W5M NE 7; N 8; SW 17; E 18	PIPELINE RIGHT OF WAY	VARIOUS	100%	NOV. 15, 2019	99% (NET 99%)	NET 1%
40003	CR PLA 820205	18-Mar-88		TWP 52 RGE 12 W5M E 7; SE 18	PIPELINE RIGHT OF WAY	VARIOUS	100%	NOV. 15, 2019	99% (NET 99%)	NET 1%
40004	CR PLA 880630	19-Sep-88		TWP 52 RGE 12 W5M 8	PIPELINE RIGHT OF WAY	VARIOUS	100%	NOV. 15, 2019	99% (NET 99%)	NET 1%
40005	CR PLA 110646	23-Jun-15		TWP 52 RGE 12 W5M S 18 / TWP 52 RGE 13 W5M S 13; NW&S 14 NE 15,	PIPELINE RIGHT OF WAY	10-15-52-13 W5 TO 2-18-52-12 W5M	100%	NOV. 15, 2019	99% (NET 99%)	NET 1%
40006	CR PLA 110569	24-Mar-11		TWP 52 RGE 12 W5M SE 8; SW 9,	PIPELINE RIGHT OF WAY	5-9 TO 8-8-52-12 W5M	100%	NOV. 15, 2019	99% (NET 99%)	NET 1%
40007	CR PLA 111676	27-Jun-12		TWP 52 RGE 12 W5M NW&S 17; NE 18; SE 19,	PIPELINE RIGHT OF WAY	1-19 TO 4-17-52-12 W5M	100%	NOV. 15, 2019	99% (NET 99%)	NET 1%
40010	CR PLA 110643	5-Apr-11		TWP 52 RGE 13 W5M NE 10; S 15,	PIPELINE RIGHT OF WAY	16-10 TO 16-15-52-13 W5M	100%	NOV. 15, 2019	99% (NET 99%)	NET 1%

This is **Exhibit "B"** referred to in the Affidavit of John Zang sworn before me this 5th day of December 2024

A Commissioner for Oaths in and for Alberta

ASSIGNMENT AGREEMENT

THIS AGREEMENT made as of the 3rd day of September, 2024.

BETWEEN:

PISMO ENERGY LTD., a Corporation incorporated pursuant to the laws of the Province of Alberta (the "**Grantor**")

- and -

POKER CHIP EXPLORATION LTD., a Corporation incorporated pursuant to the laws of the Province of Alberta (the "**Grantee**")

WHEREAS pursuant to a Farm-in Agreement between the Grantor and Grantee (the "**Prior Agreement**"), the Grantee acquired certain interests in oil and gas assets owned or licensed to the Grantor;

AND WHEREAS the Grantor has fully earned the interests set-out in the Prior Agreement;

AND WHEREAS pursuant to the Prior Agreement the Grantee was granted the right to acquire the remaining interests of the Grantee in the assets acquired through or as a result of the Prior Agreement;

AND WHEREAS subject to the terms hereof, the Grantor has agreed to assign and transfer the Assets to the Grantee and the Grantee has agreed to receive the Assets from the Grantor;

NOW THEREFORE the parties agree as follows:

1. DEFINITIONS

"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 located on the Lands or used or previously used in respect of petroleum substances produced or previously produced from the Lands or lands pooled or unitized therewith; and
- (ii) restore, remediate and reclaim the surface and subsurface locations of the Wells, Tangibles, the Lands, lands pooled or unitized therewith, and any lands used to gain access thereto, including such obligations relating to Wells, pipelines and facilities which were abandoned or decommissioned or have reclamation orders prior to the date hereof 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;

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all in accordance with generally accepted oil and gas industry practices and in compliance with all applicable laws;

"Assets" means all of the Grantor's right, title, estate and interest in the Petroleum & Natural Gas Rights, the Miscellaneous Interests and the Tangibles as set out in Schedule "A" and includes the remaining interest held by the Grantor in the assets acquired by the Grantee under the Prior Agreement.

"Closing" means the completion of the assignment and completion of the transaction as contemplated by this Agreement.

"Closing Date" means three days after the Effective Date, or such other date as agreed to by the parties.

"Conditions" means the right of the Grantee to terminate this Agreement in the event that:

- a. The LTA (as defined by paragraph 5 hereof) is approved by the AER by on or before February 14, 2025;
- b. The conditions for the LTA are not acceptable to the Grantee;
- c. The Assets, when transferred, will be subject to liabilities or encumbrances not acceptable to the Grantee, including the Cure Costs;
- d. The West Texas Index oil price on the day of Closing is less than US\$40;
- e. The occurrence of the event described in paragraph 5(c) hereof; and
- f. There has been a material adverse change in the condition of the Assets, including resulting from theft or expiry or termination of necessary agreements relating to the Assets.

"Cure Costs" means, in respect of the Assets, all amounts, 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 (including amounts required to secure a counterparty's or any other necessary Person's consent to the assignment of an assumed contract pursuant to its terms), and all amounts required to remedy all of the Grantor's or the Grantor's monetary defaults with respect to such Assets to the extent such monetary defaults pertain to unpaid:

- (i) property taxes;
- (ii) mineral lease royalties and rentals; and
- (iii) rentals payable in respect of the surface rights,

whenever and howsoever arising, and including the payment of all applicable interest and penalties.

"Drop Dead Date" means February 14, 2025.

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"Effective Date" means 11:59 PM on the date the AER approves the LTA (as defined in paragraph 5 hereof.

"Lands" means all lands located in the Alliance area in which the Grantor has an interest set out and described in Schedule "A", and the petroleum substances within, upon or under such lands;

"Leases" means the leases, subleases, reservations, permits, licenses or other documents of title, including those set forth and described as such in Schedule "A" attached hereto and any renewals or extensions thereof or further leases issued pursuant thereto insofar as they relate to the Lands.

"LTA" means as defined in paragraph 5 hereof

"Miscellaneous Interests" means all of the right, title, interest and estate of the Grantor in and to all property, assets and rights, whether contingent or absolute, legal or beneficial, present or future, vested or not (other than the Petroleum & Natural Gas Rights and the Tangibles), to the extent relating to the Petroleum & Natural Gas Rights, the Tangibles or the Lands, and to which the Grantor is entitled at the Effective Date, including the following property, rights and assets:

- (i) all contracts, agreements, books, records, files, maps and documents to the extent that they relate to the Petroleum & Natural Gas Rights, the Tangibles or the Lands, including the Title & Operating Documents and any rights of the Grantor in relation thereto;
- (ii) the surface interests and all contracts, agreements, books, records, files, maps and documents to the extent that they relate to the surface interests, including the Title & Operating Documents and any rights of the Grantor in relation thereto;
- (iii) all engineering and technical information (including all data, reports, findings and archive samples, and all core or liquid samples and cuttings) to the extent relating to the Petroleum & Natural Gas Rights, the Tangibles or the Lands which the Grantor has in its custody or has access, excluding any such information which is subject to confidentiality restrictions;
- (iv) all permits, licenses, approvals, orders and other authorizations, crossing privileges and other subsisting rights to carry out operations on the Lands and any lands upon which the Tangibles or Wells are located, including well and pipeline licenses and other permits, licenses, approvals, orders and other authorizations relating to the Petroleum & Natural Gas Rights, the Tangibles, the Wells or the Lands; and
- (v) the Wells, including the entire wellbores and casings, and all contracts, agreements, books, records, files, maps and documents to the extent that they relate to the Wells, including the Title & Operating Documents and any rights of the Grantor in relation thereto.

"Petroleum & Natural Gas Rights" means all of the right, title, estate and interest, whether absolute or contingent, legal or beneficial, present or future, vested or not, and whether or not an "interest in land", of the Grantor in and to the Lands and the Leases, subject in all events to the encumbrances, as more particularly set out in Schedule "A".

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"Prior Agreements" means as defined in the recitals hereto.

"Title & Operating Documents" means all agreements, contracts, instruments and other documents that govern the ownership, operation or use of the Assets or relate to encumbrances, including (i) the Leases and other agreements and instruments pursuant to which the Petroleum & Natural Gas Rights were issued, granted or created, (ii) permits, licenses, approvals, orders and authorizations, (iii) operating agreements, pooling agreements, unit agreements, production allocation agreements, trust declarations, participation agreements, joint venture agreements, purchase and sale agreements, asset exchange agreements, farm-in agreements, farm-out agreements and royalty agreements, (iv) agreements that create or relate to surface interests, including surface rights documentation and road use agreements, (v) agreements for the construction, ownership and/or operation of the Tangibles and the Wells, (vi) trust declarations and other documents and instruments that evidence the Grantor's interests in the Assets, (vii) trust declarations pursuant to which the Grantor hold interests in the Lands in trust for other persons, (viii) service agreements for the treating, gathering, storage, transportation or processing of petroleum substances or other substances, the injection or subsurface disposal of other substances, the use of well bores of the operation of any Tangibles or Wells by a third party, and (ix) agreements for the sale of petroleum substances that are terminable on 31 days' notice or less without early termination penalty or other cost.

"Tangibles" means collectively, (i) all of the right, title, interest and estate of the Grantor in any facilities related to the Assets; and (ii) all right, title, interest and estate of the Grantor and whether absolute or contingent, legal or beneficial, present or future, vested or not, in and to the tangible depreciable property and assets located within or upon the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, or make marketable petroleum substances or in connection with water condensate, injection or removal operations or other *in situ* operations that pertain to the Petroleum & Natural Gas Rights, and including those assets listed in Schedule "A" and excluding always the Excluded Assets.

"Wells" means Grantor's interest in and to the wells listed on Schedule "A";

2. CLOSING, ASSIGNMENT and TERMINATION

- a) Providing the Conditions have been satisfied or the Grantee has otherwise waived one or may of the Conditions, Closing shall occur on the Closing Date. In the event any of the Conditions are not satisfied or waived in writing by the Grantee, the Grantee is entitled, by notice in writing to the Grantor, to terminate this transaction at anytime prior to Closing.
- b) As of the Closing, the Grantor hereby assigns and sets over unto the Grantee, on an "as is, where is" basis and the Grantee hereby acquires and accepts directly from the Grantor, effective as of the Effective Date, Grantor's interest in and to the Assets.
- c) In consideration of the premises herein contained and the sum of **\$1.00** and other valuable consideration, effective as of the Effective Date, the Grantor does hereby assign, transfer, convey, remise, release, relinquish and forever assign unto the Grantee, its successors and assigns, all of its right, title, estate and

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interest, if any, in the Assets. The Cure Costs, if any, are to be paid directly to applicable counterparty.

- d) In the event that Closing does not occur by on or before the Drop Dead Date either party may terminate this Agreement by notice in writing delivered after the Drop Dead Date to the other party that this Agreement is terminated. The Grantee is entitled to terminate this Agreement at any time if the Conditions are not satisfied as of the date of the delivery of the notice of termination by it. Upon termination neither party shall have any rights or liabilities against the other party arising from this Agreement.

3. ASSUMPTION

- a) The Grantee shall both:
 - (i) assume, be liable for; and, in addition,
 - (ii) indemnify, defend and save the Grantor harmless from and against, any and all costs, expenses, claims, liabilities or obligations of any nature or kind with respect to or pertaining to the Assets (all in place and stead of the Grantor) whether arising or accruing before, on or after the Effective Date, including the payment and/or settlement of all Cure Costs.
- b) The Grantee shall both:
 - (i) assume, be liable for; and, in addition,
 - (ii) indemnify, defend and save the Grantor harmless from and against, any and all environmental liabilities and obligations respecting the Assets, including the Abandonment and Reclamation Obligations (whether arising or accruing before, on or after the Effective Date) including, without limitation, any responsibility for environmental clean-up or reclamation and restoration.

4. CONVEYANCE DOCUMENTS

The Grantee shall bear all costs incurred in preparing conveyance documents (which the Grantee shall have prepared and provided to the Grantor for its review and comment) and of distributing same to the Grantor and to any third parties.

5. AER LICENSE TRANSFER

- a) the Grantor shall electronically submit applications to the Alberta Energy Regulator (the "AER") for the Licence Transfer ("LTA"), and will provide a screen shot or other evidence indicating such submission to the Grantee, and in addition the Grantor shall provide any information and documentation along with such LTA to the AER which are required to be provided by the transferor

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in connection with the foregoing. The Grantee shall accept or ratify such LTA without delay, provided that, if the Grantee in good faith determines or believes that the LTA is not complete and accurate, or the AER refuses to process such LTA because of some defect therein, the Parties shall cooperate to duly complete or to correct such incomplete or inaccurate LTA as soon as practicable and, thereafter, the Grantor shall promptly re-submit such LTA and the Grantee shall accept or ratify such re-submitted LTA without delay. Each Party shall be responsible for its own costs relating to LTA hereunder. The Grantee shall provide any information and documentation in respect of such LTA to the AER which is required to be provided by the transferee in connection with the foregoing. Following submission of the LTA, each of the Parties shall use reasonable commercial efforts to obtain the AER's approval of the LTA and registration of the License Transfer, subject to the specific requirements of this Sections 2.3.

- b) If the AER denies any of the LTA because of misdescription or other minor deficiencies contained therein, the Grantor shall, within two Business Days of such denial, correct the LTA and amend and re-submit the LTA, and the Grantee shall accept or ratify such re-submitted LTA without delay.
- c) If, for any reason, the AER requires the Grantee to make a deposit or any other cash payment to the AER or otherwise, furnish any other form of security, provide any undertakings, information or other documentation or to take any action as a condition of or a prerequisite for the approval of the LTA, then immediately after receiving notice of such requirements and at its sole cost, the Grantee shall either (i) make such payment, furnish such security, provide such undertakings, information or other documentation and/or take such action, as the case may be or (ii) provide notice of termination of this transaction.
- d) The Grantee shall on a timely and continuing basis keep the Grantor fully apprised and informed regarding all communications the Grantee may have with the AER in connection with the Transaction, including all communications respecting the LTA, and without limiting the generality of the foregoing the Grantee shall provide copies to the Grantor of all related correspondence from the Grantee to the AER, and the Grantee shall request that the AER provide copies to the Grantor of all related correspondence from the AER to the Grantee.

6. FURTHER ASSURANCES

- a) Grantee shall prepare, at its sole cost and expense and, where applicable, electronically submit to the applicable governmental authorities, all necessary filings.
- b) The parties shall at all times do such further acts and execute and deliver all further documents as may be reasonably required in order to fully perform and carry out the terms of this Agreement.

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- c) All such documents and assurances executed and delivered pursuant to this Agreement are subordinate to the provisions of this Agreement and the provisions of this Agreement shall govern and prevail in the event of any conflict between the provisions of this Agreement and any such document or assurance.
- d) In the event of an insolvency or insolvency proceedings being commenced in relation to the Grantor, the Grantee agrees that the trustee, receiver, or liquidator appointed under the insolvency proceedings is entitled to complete this transaction and this Agreement shall remain in force in accordance with its terms.

7. GOVERNING LAW AND SUBORDINATE DOCUMENTS

- a) This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in all respects, be treated as a contract made in the Province of Alberta. The parties hereby attorn to the exclusive jurisdiction of the courts of the Province of Alberta.
- b) The covenants and indemnities set forth in this Agreement shall be deemed to apply to all assignments, conveyances, transfers and other documents conveying the Assets to the Grantee and the covenants and indemnities shall not merge in such assignments, conveyances, transfers and other documents.
- c) This Agreement shall supersede and replace any and all prior agreements between the parties hereto relating to the sale and purchase of the Assets and may be amended only by written instrument signed by all parties hereto.

8. NOTICES

- a) All notices and other communications given in connection with this Agreement shall be in writing and may be given by delivering them or by sending them by mail or email to the parties at the addresses located beneath their signature line.
- b) Any notice shall:
 - (i) if delivered, be deemed to have been given or made at the time of delivery; or
 - (ii) if sent by email, be deemed to have been given or made on the business day following the day on which it was sent.
- c) Either of the parties hereto may from time to time change its address for service herein by giving written notice to the other party hereto.

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9. **ENUREMENT**

- a) This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.


10. **COUNTERPART EXECUTION**

- a) This Agreement may be executed in counterparts and all executed and delivered counterparts together shall constitute a fully executed agreement. Delivery of an executed signature page to this Agreement by any Party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by any Party.

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

POKER CHIP EXPLORATION LTD.

Per:


Name: v. murphy
Title: president

PISMO ENERGY LTD.

Per:


Name: J. Zang
Title: president

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Schedule "A"

Wells	Pismo	Poker Chip	Quattro
15-2 -40-13-W4	10	50	
102/13-11 -40-13-W4	10	50	0
9-18 -40-14-W4	10	50	0
8-18 -40-14-W4	10	46.67	16.67
1-18 -40-14-W4	10	46.67	16.67
102/12-16 -40-13-W4	10	46.67	16.67
9-2 -40-13-W4	10	46.67	16.67
9-20 -40-13-W4	10	46.67	16.67
102/13-29 -40-13-W4	1	29	

Facilities			
F43553	10	46.67	16.67

Lands:

See Exhibit "A"

EXHIBIT "A"

