CONFIDENTIALITY AGREEMENT

This confidentiality agreement is entered into as of the _____ day of May, 2016 (the “**Effective Date**”), by and between ____ (the “**Recipient**”) and Connacher Oil and Gas Limited (“**Connacher**”).

Subject to the terms of this Agreement (as hereinafter defined), Connacher may make available to the Recipient certain Confidential Information (as hereinafter defined) concerning Connacher for the sole purpose of permitting the Recipient to evaluate and consider a potential negotiated business transaction with Connacher pursuant to the SISP (as hereinafter defined), including the submission by the Recipient of a bid or offer, or the participation of the Recipient in the submission of a bid or offer, involving a purchase of some or all of Connacher’s assets, undertaking or properties and/or an investment in Connacher (a “**Transaction**”). Each party hereto acknowledges and agrees that no inference can be made from the execution of this Agreement as to the advancement or conclusion of a Transaction. Nothing in this Agreement shall constitute an obligation of exclusivity or “stand still” on behalf of Connacher or the Recipient, except as expressly set forth herein.

1. For the purposes of this Agreement:

   (a) “**Agreement**” means this Confidentiality Agreement and any amendments thereto.

   (b) “**Affiliate**” means, in relation to a party, a body corporate:

      (i) which is directly or indirectly controlled by such party; or

      (ii) which directly or indirectly controls such party; or

      (iii) which is, directly or indirectly, controlled by a body corporate that also, directly or indirectly controls such party.

   For the purpose of this definition, **“control”** of a body corporate means the direct or indirect power to direct, administer and dictate policies or management of such body corporate, it being understood and agreed that control of a body corporate can be exercised without direct or indirect ownership of fifty percent (50%) or more of its voting shares, provided always that the ownership of the right to exercise fifty percent (50%) or more of the voting rights of a given body corporate shall be deemed to be effective control hereunder.

   (c) “**CCAA Court**” means the Court of Queen’s Bench of Alberta sitting in Calgary.

   (d) “**Confidential Information**” means any information of Connacher furnished to the Recipient by or on behalf of Connacher or the Monitor (as hereinafter defined), whether before, on or after the date hereof, irrespective of whether or not such information is identified as “confidential”, and whether such information is conveyed to the Recipient or its Representatives (as hereinafter defined) orally, visually, electronically or in written or other tangible form, including information provided for inspection in any data room or presentations, and whether such information is received directly or indirectly, such as in the course of business discussions or other investigations. Without limiting the generality of the foregoing, Confidential Information shall include:

(i) all information on the business or financial affairs, assets or operations of Connacher;

(ii) any trade secret, technical, financial or business information, facility specifications, geological, engineering, geophysical and/or land maps or data, plans, ideas, concepts or know-how of Connacher;

(iii) any reports, analyses, notes, work papers or other documents which contain, reflect or are based upon such Confidential Information;

(iv) any reports, analyses, compilations, studies or other documents prepared by or on behalf of Connacher, the Monitor, the Recipient, or other parties which contain or otherwise reflect or are derivative of such information;

(v) the fact that discussions between the Recipient and Connacher have been or are taking place and the details concerning (including the status of) any such discussions, the fact that Confidential Information has been disclosed by Connacher, or the existence of, or terms and conditions of, this Agreement; and

(vi) any other facts with respect to a Transaction, including proposed terms, proposed conditions, or the status of a Transaction or any discussions or negotiations relating to a Transaction.

The term “Confidential Information” does not include information:

(i) that was already known or in the possession of the Recipient or any of its Representatives prior to the time of disclosure by Connacher, the Monitor or their respective Representatives to the Recipient or any of its Representatives;

(ii) lawfully obtained by the Recipient or any of its Representatives from a third party which, insofar as is known to the Recipient or such Representatives after due inquiry, is not subject to any legal, contractual or fiduciary prohibition or obligation against disclosure in favour of Connacher;

(iii) which was or is independently developed by the Recipient or any of its Representatives without violating its confidentiality obligations hereunder and without reference to the Confidential Information; or

(iv) which was or becomes generally available to the public other than as a result of a disclosure by the Recipient or any of its Representatives.

(e) “**Monitor**” means Ernst & Young Inc., in its capacity as court-appointed monitor of Connacher, and not in its personal or corporate capacity.

(f) “**Representative**” means any director, officer, employee, accountant, lawyer, or financial advisor of a party.

(g) "**SISP**" means the sale and investment solicitation process approved by the CCAA Court on May 17, 2016 in connection with Connacher's proceedings under the *Companies' Creditors Arrangement Act* (Canada).

2. The Recipient hereby agrees not to disclose in any manner whatsoever all or any part of the Confidential Information, except: (a) with the prior written consent of Connacher; or (b) as expressly permitted hereunder. The Recipient shall not use all or any part of the Confidential Information for any purpose other than in connection with the evaluation of a Transaction.

3. The Recipient may disclose the Confidential Information to its Representatives; provided, however, that in advance of such disclosure the Recipient shall: (a) inform its Representatives of the confidential nature of the Confidential Information; and (b) direct its Representatives not to make prohibited or unauthorized disclosure or use of the Confidential Information. The Recipient will take all necessary precautions or measures as may be reasonable in the circumstances to prevent improper access to the Confidential Information or use or disclosure of the Confidential Information by its Representatives, and will be liable to Connacher for any breach of this Agreement by any of its Representatives. Connacher may request in writing a list of the Recipient's Representatives, and the Recipient shall provide such list within three (3) days of receipt of such request.

4. The Recipient and its Representatives may disclose Confidential Information under the following circumstances and such disclosure shall not constitute a breach or violation of this Agreement unless such disclosure is the result of Confidential Information having been disclosed previously in breach of this Agreement:

(a) if, in the written opinion of its legal counsel, the Recipient or any of its Affiliates or Representatives is required by applicable securities or other laws, legal process or stock exchange rules or regulations to disclose any of the Confidential Information, the Recipient, or its Affiliate or Representative, as the case may be, may make such disclosure, provided that if reasonably practicable and not prohibited by applicable law, such party will promptly provide Connacher with written notice so that Connacher may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. The Recipient agrees to cooperate, and cause, to the extent reasonably possible, its Representatives to cooperate, with Connacher if it decides to seek a protective order or other appropriate remedy in respect of such disclosure. In the event that such protective order or other remedy is not obtained or Connacher waives compliance with the provisions of this Agreement, the Recipient shall, and shall ensure that its Affiliates and Representatives shall: (i) furnish only that portion of the Confidential Information which they are advised, by written opinion of legal counsel addressed to Connacher and to the Recipient, is legally required to be disclosed; and (ii) will exercise its commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the Confidential Information so furnished. If such advance notice is not reasonably practicable or legally permitted, to the extent permitted under applicable law, the Recipient shall provide Connacher with a copy of any written disclosure made by the Recipient, its Affiliates or Representative as soon as practicable thereafter; and

(b) in connection with any legal proceeding arising in connection with this Agreement, but any such disclosure shall be subject to such confidentiality procedures as may be reasonably requested by Connacher and approved by the court.

5. The Recipient shall: (a) take all reasonable, necessary, and appropriate steps to safeguard the Confidential Information and prevent its disclosure to any person, except as permitted under this Agreement; (b) store the Confidential Information properly and securely; and (c) implement and maintain appropriate physical, technological, and organizational measures to protect the Confidential Information against unauthorized or unintended access, use, or disclosure.

6. Other than as permitted herein, the Recipient shall not engage in any discussions with any contractual counterparty, employee, director, officer, vendor or creditor of Connacher, in each case without the prior written consent of Connacher. The Recipient shall direct all communications with and/or inquiries of Connacher regarding a Transaction or requests for Confidential Information in accordance with the SISP.

7. The Recipient acknowledges that none of Connacher, the Monitor or their respective Representatives, nor any of their respective officers, directors, employees, representatives or agents, makes any express or implied representation or warranty herein as to the accuracy or completeness of the Confidential Information, and the Recipient agrees that none of Connacher, the Monitor or their respective Representatives will have any liability relating to the Confidential Information or for any errors therein or omissions therefrom. The Recipient further agrees that it or its Representatives are not entitled to rely on the accuracy or completeness of the Confidential Information, except as otherwise agreed in writing in any other documentation executed and delivered. The Recipient understands that the provisions of this Agreement apply to Confidential Information that may be provided to the Recipient or its Representatives as set forth herein, but acknowledge that nothing in this Agreement requires that Connacher, the Monitor or their Representatives provide the Recipient or its Representatives with any such Confidential Information or to update, supplement, revise or correct any Confidential Information.

8. Upon the written request of Connacher or its Representatives, the Recipient and its Representatives will promptly deliver to Connacher or destroy (at the Recipient's option) all copies of the written Confidential Information (excluding that portion of the Confidential Information that may be found in analyses, compilations, forecasts, studies or other documents prepared by the Recipient or its Representatives) in their possession. That portion of the Confidential Information that may be found in analyses, compilations, forecasts, studies and other documents prepared by the Recipient or its Representatives will be destroyed. In the event that the Recipient and its Representatives destroy any Confidential Information in accordance with this Section 8, a senior officer of the Recipient shall confirm in writing to Connacher that all Confidential Information that was requested by Connacher to be destroyed, or otherwise required pursuant to the terms of this Section 8 to be destroyed, was in fact destroyed by the Recipient and its Representatives. Notwithstanding the foregoing, the Recipient may retain (and need not destroy) such Confidential Information if and only to the extent required in order to comply with applicable laws, rules or regulations or internal compliance or document retention requirements or procedures, subject to the terms set forth in this Agreement.

9. The Recipient acknowledges that the Confidential Information is proprietary and has competitive value. Accordingly, any disclosure to Connacher's competitors or to the public would be detrimental to its best interests, and Connacher may incur losses, costs, and damages as a result. The Recipient will indemnify and hold Connacher harmless from any damages, loss, cost or liability (including reasonable legal fees and the cost of enforcing this indemnity) arising out of or resulting from any breach of this Agreement by the Recipient, its Affiliates or its Representatives. The Recipient acknowledges that damages may not be an adequate compensation for breach of this Agreement and Connacher shall be entitled to seek, in addition to all other remedies, equitable relief (including specific performance) and may seek to restrain, by an injunction or similar remedy, any breach or threatened breach of this Agreement. The Recipient agrees not to resist such application for relief on the basis that Connacher has an adequate remedy at law and agrees to waive any requirement for securing or posting of any bond in connection with such remedy. The Recipient further agrees that it will promptly notify Connacher if it becomes aware of any unauthorized disclosure of any Confidential Information by it or its Representatives, and in the event of any unauthorized disclosure of any Confidential Information, it will cooperate fully in any reasonable attempt by Connacher to remedy such disclosure. This Section shall survive the termination of this Agreement.

10. Except as otherwise provided in this Agreement, the obligations under this Agreement will survive for a period of one (1) year from the Effective Date.

11. The Recipient understands and agrees that (a) the process for identifying a Transaction shall be conducted in accordance with the SISP; (b) Connacher shall be free, in its sole discretion, to at any time accept or reject any proposal relating to Connacher for any reason without notice to the Recipient or any other person, and (c) the Recipient shall have no claim against Connacher or any of Connacher's Representatives in connection with any of the foregoing (other than any claims against such parties pursuant to a definitive agreement in accordance with the terms thereof).

12. Nothing in this Agreement creates any property rights of Connacher to the Recipient, by license or otherwise, or of any agency, partnership, joint venture, representative or employment relationship between the Recipient and Connacher. This Agreement does not obligate either of the parties hereto to enter into any further agreements and neither the Recipient nor Connacher has any legal obligation with respect to a Transaction by virtue of this Agreement other than for the matters agreed to in this Agreement.

13. Any Confidential Information is and remains subject to all applicable privileges, including solicitor-client privilege, attorney-client privilege, anticipation of litigation privilege, work product privilege and privilege in respect of "without prejudice" communications. No waiver of any such privilege is implied by the disclosure of information contemplated by this Agreement.

14. The Recipient acknowledges that Confidential Information furnished to it pursuant to this Agreement may include material non-public information concerning Connacher and its related parties or their respective securities, and the Recipient confirms that it is familiar with (a) the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder and (b) applicable Canadian securities laws. The Recipient is aware, and it has advised or will advise its Representatives, that securities laws may prohibit any person who has material non-public information concerning a company or entity with

publicly traded securities from purchasing or selling securities of such company or entity, or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person will purchase or sell such securities. The Recipient, on behalf of itself and its Representatives, acknowledges that it and/or its Representatives are solely responsible for compliance with this Section and the securities laws in respect of any Confidential Information. Nothing herein is intended to constitute an advance determination that the Confidential Information, or any particular item thereof, constitutes or does not constitute material non-public information subject to U.S. and/or Canadian securities law restrictions.

15. The Recipient agrees that during the period commencing on the Effective Date and ending on the two (2) year anniversary of the Effective Date, it will not directly or indirectly, on its own behalf or on behalf of or in connection with any other person or entity, directly or indirectly, in any capacity, employ, engage, offer employment or engagement to, or solicit the employment or engagement of, as an employee or consultant, any persons employed by Connacher; provided, however, that nothing contained herein shall be construed to prohibit the Recipient from (a) placing general advertisements for employment, (b) hiring employees or former employees of Connacher who contact the Recipient of their own accord, or (c) recruiting through employment agencies (so long as such agencies are not directed to solicit the employees of Connacher). The Recipient hereby acknowledges and agrees that in the event of any breach of this Section by it, damages may not be an adequate compensation for breach of this Agreement and Connacher shall be entitled to seek, in addition to all other remedies, equitable relief (including specific performance) and may seek to restrain, by an injunction or similar remedy, any breach or threatened breach of this Section. The Recipient agrees not to resist such application for relief on the basis that Connacher has an adequate remedy at law and agrees to waive any requirement for securing or posting of any bond in connection with such remedy. The Recipient further agrees that it will promptly notify Connacher if it becomes aware of any breach of this Section by it or its Representatives, and in the event of such a breach, it will cooperate fully in any reasonable attempt by Connacher to remedy such breach.

16. The Recipient acknowledges and agrees that it may not assign or otherwise delegate its obligations or duties under this Agreement to any other person without Connacher's prior written consent. Any assignment in violation of this Agreement shall be null and void *ab initio*.

17. It is understood and agreed that no failure or delay by Connacher in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

18. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the terms, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or in any way invalidated by such court action, and such court shall have the authority to modify such provision, covenant or restriction to the extent necessary to render it valid and enforceable, preserving as closely as possible the intent of the parties hereto.

19. The Recipient's obligations under this Agreement are in addition to any other obligations to Connacher, whether express or implied, in fact, law or at equity. Further, this Agreement is in addition to and not in substitution for or derogation of any rights of Connacher at law or in equity arising in any way in connection with the disclosure of the Confidential Information in connection with a Transaction

20. Both the Recipient and Connacher have participated in settling the terms of this Agreement. Any rule of legal interpretation to the effect that any ambiguity is to be resolved against the drafting party will not apply in interpreting this Agreement.

21. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, without giving effect to applicable principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby.

22. Each party hereto hereby: (a) submits for itself and its property in any legal action or proceeding relating to this Agreement, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the province of Alberta and appellate courts from any thereof; (b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or any such action or proceeding that was brought in an inconvenient court, and agrees not to plead or claim the same; and (c) irrevocably agrees to waive all rights to trial by jury in any action or proceeding and irrevocably consents to the service of any and all process to any such action or proceeding by the mailing of copies of such process to each party in its address set forth below. The provisions of this Section shall survive termination of this Agreement.

23. Any notice required or permitted to be given hereunder (other than a request for Confidential Information which shall be governed by Section 6 above) shall be properly given only if in writing and if sent by overnight courier, delivered by hand or sent by facsimile or email (receipt of which facsimile or email shall be confirmed) to the following address, or such other address as shall subsequently be provided by a party.

<u>If to Connacher</u>:

Connacher Oil and Gas Limited
Suite 900, 332 – 6 Avenue SW
Calgary, Alberta, Canada
T2P 0B2

Facsimile: (403) 538-6225
Email: sloov@connacheroil.com
Attn: Suzanne Loov, General Counsel

with a copy to:

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, Ontario, Canada
M5H 3C2

Facsimile: (416) 640-3189
Email: rjacobs@casselsbrock.com
Attn: Ryan C. Jacobs

<u>If to the Recipient:</u>

Name: ______________________________
Address: ______________________________
____
____
____
Facsimile: ______________________________
Email: ______________________________
Attn: ______________________________

24. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written by or between the parties. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided herein.

25. This Agreement shall enure to the benefit of and shall be binding on and enforceable by and against the parties and their respective successors and permitted assigns.

26. No amendment or modification of this Agreement shall be binding unless made by written instrument signed by each of the parties hereto. This Agreement may be executed in any number of counterparts and all counterparts taken together constitute one and the same instrument. Delivery of an executed counterpart signature page by facsimile or an electronic reproduction of an executed counterpart signature page by electronic mail is effective execution and delivery of this Agreement.

Agreed and Accepted as of the date first written above by:

______________________________	**CONNACHER OIL AND GAS LIMITED**
By: ______________________________	By: ______________________________
Name:	Name:
Title:	Title: